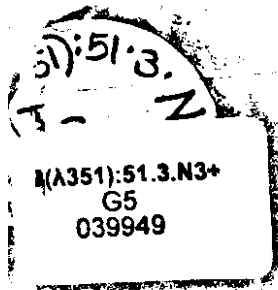


MINISTRY OF AGRICULTURE AND FISHERIES

EGGS AND POULTRY : Report of

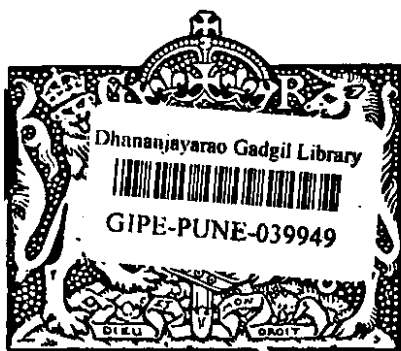
Reorganisation Commission For

England and Wales.



8

Economic Series No. 42



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MINISTRY OF AGRICULTURE AND FISHERIES

EGGS AND POULTRY

REPORT OF
 Reorganisation Commission
 FOR
 ENGLAND AND WALES

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MINUTES OF APPOINTMENT

In accordance with the provisions of the Agricultural Marketing Acts, 1931 and 1933, I hereby constitute :—

The Right Hon. CHRISTOPHER ADDISON, M.D.,
F. N. BLUNDELL, Esq., D.L., J.P.,
A. F. FORBES, Esq., C.A.,
Mrs. LINDSEY HUXLEY, and
SIMON MARKS, Esq.,

as an Agricultural Marketing Reorganisation Commission for England and charge it with the duty of preparing, in accordance with the provisions of those Acts, a scheme or schemes applicable in England and Wales for regulating the marketing of eggs and poultry. I further appoint the Right Hon. Christopher Addison, M.D., to be Chairman, Mr. H. J. Johns, M.B.E., to be Secretary and Mr. W. C. Tame to be Assistant Secretary of the Commission.

(Signed) WALTER E. ELLIOT,

Minister of Agriculture and Fisheries.

9th October, 1933.

In consequence of the resignation of the Right Hon. Christopher Addison, M.D., M.P., from the Chairmanship and membership of the Agricultural Marketing Reorganisation Commission constituted, on the 9th October, 1933, in accordance with the provisions of the Agricultural Marketing Acts, 1931 and 1933, and charged with the duty of preparing, in accordance with the provisions of those Acts, a scheme or schemes applicable in England and Wales for regulating the marketing of eggs and poultry, I hereby appoint Mr. F. N. Blundell, D.L., J.P., to be Chairman of the said Commission.

(Signed) WALTER E. ELLIOT,

Minister of Agriculture and Fisheries.

1st November, 1934.

39949

1

Report of the Reorganisation Commission for Eggs and Poultry for England and Wales

To the Rt. Hon. WALTER E. ELLIOT, M.C., M.P.,
Minister of Agriculture and Fisheries.

INTRODUCTION

SIR,

We were appointed by you on 9th October, 1933, in accordance with the provisions of the Agricultural Marketing Acts, 1931 and 1933, as an Agricultural Marketing Reorganisation Commission for England and Wales, charged with the duty of preparing a scheme or schemes, applicable in England and Wales, for regulating the marketing of eggs and poultry.

At the same time a separate Reorganisation Commission was appointed and charged with similar duties in regard to Scotland.* It was also announced that, at a later date, a further Reorganisation Commission for Great Britain would be appointed from the personnel of the English and Scottish Commissions, whose duty it would be to investigate and report on the manner in which the operation of the schemes evolved for England and Wales and for Scotland could be facilitated by:—

(i) co-operation between the Boards administering them and between these Boards and any corresponding body in Northern Ireland;

(ii) the regulation of imports of eggs and poultry and other poultry products as provided for in the Agricultural Marketing Act, 1933.

In consequence of this announcement we have sought to avoid, as far as possible, offering any opinion upon matters of policy in regard to imports, though we have found it necessary to give some attention to the imports situation as it affects, and as it is likely to affect, home-production and marketing. Similarly we have confined ourselves as strictly as we could to questions of egg and poultry marketing in England and Wales, though, with a view to simplifying the task of the Great Britain Commission in its further duty of co-ordinating the English and Scottish schemes, we have maintained

* The Report of the Eggs and Poultry Reorganisation Commission for Scotland. Price 1s.; post free 1s. 1½d.

close touch with the Scottish Reorganisation Commission and with the Government of Northern Ireland, who kindly placed at our disposal a liaison officer, Mr. D. A. E. Harkness, to whom we are indebted for valuable information and assistance.

During the fifteen months since we were appointed we have held 95 formal meetings and many others of an informal character. We have heard evidence from a variety of witnesses, who have included deputations from the organisations of producers, packers, merchants, dealers, auctioneers, wholesalers and retailers, consumers' co-operative societies, representatives of professional bodies and agricultural colleges, officers of the Ministry of Agriculture, of the Dominion Governments and of local authorities, and many private individuals engaged in or connected with the industry and allied trades. We have also received and considered a great deal of written evidence.

We take this opportunity of thanking all those who have assisted us in our deliberations, often at the cost of much trouble to themselves and at a considerable sacrifice of their time.

We have, in addition, examined actual schemes for the regulation of the marketing of eggs and poultry prepared and submitted by the National Farmers' Union and the National Poultry Council (jointly) the Scientific Poultry Breeders' Association, the Egg Marketing Committee of the Holland (Lincs.) County Council, the Wholesale Egg Distributors' Association, the Egg Merchants' Association, and some private individuals, which have proved most useful to us.

In the course of our duties we have made personal visits to producers of all types, to agricultural colleges, packing stations and wholesale and auction markets in order to gain first hand knowledge of the conditions and difficulties of the industry. We have also given careful consideration to the methods adopted for the marketing of eggs and poultry in certain Empire and foreign countries.

It became apparent at an early stage that there was a considerable divergence between the conditions and problems affecting the production and marketing of eggs and those of poultry, and accordingly we deal separately with each product in our Report. We recommend, however, that both be treated as one "regulated product" under one scheme administered by one authority.

We have deemed it advisable to preface our Report with a brief description of the nature and extent of the industry, which may help towards an understanding of the present situation.

We were called upon to consider the difficulties of an industry which forms one of the most substantial branches of agricultural production, and we doubt whether either the general public or the ordinary producer is aware of its many ramifications. There are some 65 million head of poultry on the farms and smallholdings over one acre in England and Wales, of which some 4 million are

ducks, turkeys and geese. If to this 65 million we add a further 15 million, representing the poultry kept by suburban householders, cottagers and others occupying holdings of less than one acre, it brings the total up to 80 million, which is probably well within the mark.

In value this industry is the third most important of all branches of agriculture in England and Wales, ranking next to live stock and dairy produce. Its annual production amounts to some £25,000,000, about two-thirds of which represents eggs and one-third table poultry.

The egg and poultry industry is also one of the most widespread of all forms of agricultural production. Nearly every farmer and smallholder keeps poultry, but in addition there are some thousands of "specialist" egg producers and poultry breeders and an unnumbered host of cottagers and townsmen who keep poultry as a part-time occupation or a hobby. The farmer's wife, too, is directly interested in poultry, and the flock which she tends is often her chief source of personal income. Exact figures of the number of producers are impossible to obtain, but fowls are kept on no fewer than 300,000 agricultural holdings and the total number of poultry keepers can hardly be less than half a million. The majority may not be wholly dependent upon poultry for a living, but even the smallest producers will be affected directly or indirectly by a marketing scheme.

Actual producers thus range from persons keeping a few head of stock in a back garden to the occupiers of extensive and well-equipped farms wholly devoted to the production of eggs and poultry as a commercial enterprise. Between the producer and the ultimate consumer there is a great and diversified body of intermediaries, comprising collectors or "higglers", dealers, auctioneers, packers, wholesalers and retailers. There are also such interests as those of the breeders, the canning and cold storage industries and the consumers of eggs for manufacturing purposes.

The "specialist" producer, who supplies some 20 per cent. of the home-produced eggs reaching the market, came into prominence after the War. He depends upon poultry either entirely or mainly for his living. His flock may range from some 600 or 700 birds to 10,000 or more, and is usually kept under an intensive or semi-intensive system so as to produce a large number of eggs during the winter, when prices are relatively high. The specialist producer is an expert and is continually experimenting and improving his methods. He has done good work for the industry, and every section of it has benefited by his efforts to improve methods of production.

The general farmer and the smallholder have always kept poultry and they are still, both numerically and in terms of their total production, much the most important element in the industry. During

the past 10 years general farmers have taken poultry keeping seriously, and most of them now look upon poultry as of comparable importance with other branches of farming. New methods are being introduced, greater care is being taken to obtain reliable stock and though, in general, the farm flock remains relatively small, it is now regarded as an important asset.

It must not be thought from this broad survey that a clear line of demarcation can be drawn between the different sections of the industry. The smallholder and the general farmer are frequently specialists in the sense that their poultry constitute an important and carefully conducted department of their general enterprise, and in many cases the specialist is also engaged in fruit growing, dairy farming or some other branch of production. Dividing lines are blurred and, with the spread of knowledge and experience, tend to become more so.

The producer of eggs and table poultry, whether a general farmer or a specialist, may, and frequently does, rear a good deal of his own stock each year, but there has been a growing tendency during the past few years to look for replacement of stock to the breeder and the producer of day-old chicks. The breeding side of the industry presents varieties and complexities similar to those of commercial production with which it is closely connected. But we wish to emphasise that its growth and development have had important effects. They have led, on the one hand, to the development and wide distribution of the high laying strains which have to-day largely replaced the barn-door fowl. On the other, they have made possible the widespread distribution of debilitated stock. Dependence on a special branch of the industry for replacement of the stock can be, and has been, a great asset to the industry, but it may develop into a grave danger.

The output of home-produced eggs and poultry has increased very rapidly during the past 10 years, and the number of poultry kept has nearly doubled within that period. This remarkable increase, which is examined in detail in the Report, has made it imperative that the industry should develop improved methods of marketing. Although the need for an expanded market is present at all times of the year, it becomes particularly apparent when the natural increase of production in the spring creates a sudden augmentation of supply for which there are no fully organised outlets.

Formerly English new laid eggs were absorbed mainly in the country districts and provincial towns, but the casual methods of marketing that sufficed for these districts have proved to be increasingly inadequate to meet the needs of the great central markets for bulk quantities of reliable supplies. Nevertheless experience has proved that, provided supplies of reliable quality can be made available at a reasonable price, the public prefer home-produced new laid eggs to the best imported supplies.

The lack of system that is apparent in the marketing of eggs is still more obvious with table poultry. The arrangements for the organised marketing of poultry are of a fragmentary and ill-developed character, and practically no attempt has been made to provide the great urban centres with suitable supplies. The position is further aggravated by the poor quality of much of the poultry that comes to the central markets, due to the tendency in post-War years for producers to concentrate on the production of eggs and to neglect the production of table poultry.

This short description of the egg and poultry industry to-day may serve to show the unusual complexity of our task. We were charged with preparing a marketing plan for an industry complicated by an extreme diversity in types of producer, in methods of production and in marketing practices; an industry whose attention had hitherto been concentrated upon numerical expansion and increased egg yield, to the virtual exclusion of the problems of marketing the additional output and of maintaining the virility of the stock. Our investigations have been rendered more difficult by the practical impossibility of obtaining exact statistics of the home industry, owing to its very nature, as well as to the existence of a large but unknown number of producers concerning whose output there are no particulars available; nor have we found it possible to obtain information as to financial results which might be regarded as representative of the industry as a whole. We have, however, been impressed by the fact that a number of producers have concentrated on expanding their business out of profits, without building up any outside reserves against bad times. The result has been to leave them in a relatively weak position to meet the lower prices and earnings of the last few years. We have formed the view that, while profits have been reduced in the last few years, the producer's greatest apprehension is directed to the possibility of a further fall in prices unaccompanied by any corresponding reduction in costs.

If, however, a marketing scheme can be devised to remedy the weaknesses disclosed by our investigations, the producer should benefit by obtaining an adequate return for his labour, the consumer by the regular supply of fresher produce of more uniform quality, and the nation by the placing of an important industry upon a sound economic basis.

PART I.—EGG MARKETING: THE PRESENT POSITION

CHAPTER 1.—SUPPLIES AND PRICES OF EGGS.

Since statistics of imports of eggs are given for the United Kingdom as a whole and there are no means of ascertaining what proportion of the imported supply is consumed in England and Wales, a survey of the total supplies available can only be made with reference to the United Kingdom. The total quantity of eggs consumed in this country is made up of home-produced eggs, imported shell eggs, both Empire and foreign, and imported eggs not in shell, i.e. liquid or frozen, and dried eggs. Eggs not in shell do not compete directly with shell eggs, except in the confectionery and manufacturing markets, where they may be regarded as competing to some extent with the cheaper grades. While eggs not in shell must be taken into account in assessing the total supply situation, it will be convenient to examine the shell egg supply separately.

(i) Production in the United Kingdom.

Of the total supplies of home-produced eggs, some 80 per cent. are produced in England and Wales and the remaining 20 per cent. in Scotland and Northern Ireland in approximately equal proportions. Probably the most familiar statistical fact about the industry is that home production has almost doubled during the past 10 years. Though each country has had a share in the increase, most of it has been accounted for by the expansion of poultry-keeping in England and Wales, where the number of fowls on agricultural holdings has increased since 1924 from 31 million to 61 million. Before looking at any figures of production, therefore, it will be of interest to study a little more closely the nature of this expansion.

The expansion of production in England and Wales.—Not only has there been a great increase in the numbers of poultry kept in England and Wales during the past decade,* but there have also been important changes in the character of the industry and, to some extent, in its geographical distribution. On the general farm the "barnyard" flocks and the casual methods of management associated with them are less common than they were ten years ago. In their stead are larger and better managed flocks that often form separate departments of the farm. At the same time there has been a marked increase in the average yield of eggs per laying bird, which is estimated to have risen between 1924 and 1930 from 100 to 120 per annum and is still rising. This increase in productivity is due, in part, to the improved methods of management and, in part, to the extraordinary progress made in

* See Table 1, on page 153.

keeping heavier layers; though it is to be feared that continuous striving after higher egg yields may be one of the factors that have acted the stamina of much of the poultry population.

Between 1924 and 1930 (the years for which figures are available) the number of fowls on specialist poultry holdings over 1 acre in acreage increased by some 125 per cent.—an increase considerably greater than that for the industry as a whole. Since 1930, however, expansion on the specialist holdings has probably been slower. In spite of this increase, specialist producers still account for less than 20 per cent. of the total fowl population on agricultural holdings, and it is to be anticipated that, for some time to come, the general farmer will continue to be responsible for the bulk of production.

The increase in the numbers of birds has been general over the whole country, although there have been appreciable differences in the degree of expansion in individual counties. The greatest proportional increases have taken place in some of the eastern counties and in Lancashire, where the poultry population per acre is three times as large as that of any other county. In all the Welsh counties (though not in Monmouth) the percentage increase in the number of fowls is below the average for the country.*

Of the many factors contributing to the increase in the fowl population, some have been of a temporary or local character. Immediately after the War, for example, large numbers of demobilised soldiers took up poultry-keeping; and the long continued depression in the Lancashire cotton industry, which threw many men out of their previous employment, is said to have played a part in the marked expansion in that county.

Among the more general and permanent causes, the most important has undoubtedly been the comparatively satisfactory nature of the monetary returns during the greater part of the post-war period. Further, on the general farm at least, the additional labour frequently supplied by the farmer's wife and family, with the result that labour costs do not always rise in proportion to the increase in the laying flock. Poultry-keeping has not only been profitable in itself during the greater part of the post-war period, but it has returned profits that have been relatively higher than those for most other branches of agricultural production. This, coupled with the fact that egg production provided a regular cash income, has attracted many farmers to poultry-keeping. The expansion of the industry has been accelerated by the comparative ease with which it can be taken up in a small way with little capital and by the numbers of persons seeking a new means of livelihood or of adding to an inadequate income. Productive capacity

* For a detailed statement of the county figures see Table 2, on pp. 154 and 155.

can be increased rapidly and cheaply, and many substantial producers have extended their businesses out of profits. Further contributory factors to the expansion have been the enthusiastic work of the various poultry societies, and the expert advice that has been made available to producers through the officers of the local authorities and of the Ministry of Agriculture.

The volume of the home-produced supply.—The estimated total production of eggs in England and Wales, Scotland and Northern Ireland (including an allowance for production on holdings of one acre and less) is shown in the following table:—

	1924.*	1930.	1933.
	<i>Million eggs.</i>		
England and Wales† ...	1,883	8,073	8,753
Scotland	284	350	457
Northern Ireland ...	430	471	519
	—	—	—
United Kingdom ...	2,597	8,894	4,729
	—	—	—

It will be seen that the estimated annual supplies of home-produced eggs in the *United Kingdom* have increased altogether from 2,597 million in 1924 to 4,729 million in 1933, an increase of 82 per cent.

(ii) Imports of Shell Eggs.

The United Kingdom is the most important single market for the international trade in eggs. The imported supplies come from all parts of the world, including both Empire and foreign countries. The major part of those from foreign countries is derived from a few large and regular suppliers. Denmark, the Netherlands, Poland, Belgium and China together account for some 85 per cent. of the total. Compared with pre-war years, a larger percentage of these imports now comes from near-by European countries, such as Denmark and the Netherlands, whereas supplies from Russia, Hungary and Egypt, important sources in pre-war days, have declined both in actual quantity and as a percentage of the whole. This change to nearer sources of supply has, of course, been a factor in the improvement in the freshness and general quality of imported eggs.

* The years 1924 and 1930 have been used throughout this chapter for comparison purposes. 1924 is the first post-War year for which full statistics are available, and 1930 has been chosen because imports reached a maximum in that year.

† For the detailed figures of production in England and Wales see Table 3, on p. 156.

The retained imports of shell eggs from all sources amounted in 1924 to 2,401 million, valued at £15,275,000. Between 1924 and 1930 the quantities increased fairly steadily to a maximum of 3,172 million, valued at £16,318,000. Since 1930 imports have declined and in 1933 amounted to 2,202 million, valued at £7,295,000, a reduction of 31 per cent. in quantity from the peak import of 1930.*

The increase in imports between 1924 and 1930 consisted mainly of larger supplies of foreign eggs, which increased by some 38 per cent. Imports of eggs from Empire countries also increased between 1924 and 1930, but only by 11 per cent. Since 1930 the decline in total imports has been almost entirely at the expense of foreign supplies, which in 1933 were some 40 per cent. below the 1930 figure and 18 per cent. lower than that of 1924. Imports from Empire countries increased considerably in 1931, but, owing mainly to reduced supplies from the Irish Free State, the increase was not maintained in 1932 and 1933, although in these years total Empire supplies have remained well above the 1930 level.

Since 1927 the most important development has been the increase in the imports of eggs from Empire sources other than the Irish Free State. Such imports amounted, even as recently as six years ago, to only 2 or 3 per cent. of the total imports, but by 1933 they had risen to 14 per cent. of the total. This increase to 309 million eggs represented nearly five times the total of supplies from those sources in 1927. The greater part, and an increasing percentage, of these supplies comes from Australia and South Africa. They are imported during the autumn and winter, and come on to the United Kingdom market at the period of higher prices. Supplies from the Irish Free State have, in the same period, declined in quantity. In 1928 imports from the Irish Free State were 621 million, or about 20 per cent. of the total imports; by 1933 they were 412 million, but still accounted for 19 per cent. of the total. The decline has been continuous since 1928, but it has undoubtedly been influenced by the special import duties imposed on Irish Free State eggs by the United Kingdom Government in 1932, despite the export bounties paid by the Irish Free State Government.

There can be no doubt that the decline in foreign imports and the increase in the supplies from certain Empire countries during the last few years have been accelerated by changes of policy, both in this country and abroad, in relation to import duties, exchanges and fiscal and financial matters generally, rather than by natural or deliberate changes in agricultural practice in the supplying countries.

* See Table 4 on p. 156.

(iii) Total and Per Capita Supplies of Shell Eggs in the United Kingdom.*

Total supplies.—The total annual supply of shell eggs increased between 1924 and 1930 from slightly less than 5,000 million to just over 7,000 million, by reason both of a larger home output and of heavier imports. In 1931 imports began to decline, but the reduction in imported supplies for that year was more than counter-balanced by the further expansion in home production, and the estimated total supplies were 7,311 million. In 1932 and 1933, however, the estimated total supplies of shell eggs have been smaller than in 1931, in spite of the continued increase in home production. The chief changes in the sources of supply during these years may be summarised as follows:—

	1924.	1930.	1933.
		<i>Million eggs.</i>	
Home-produced supplies	2,590	3,885	4,727
Foreign supplies ...	1,777	2,474	1,475
Dominion supplies ...	624	698	727
Total	4,991	7,057	6,929

In pre-war years the home-produced supply accounted for only 32 per cent. of the total. In 1924, 52 per cent. of the supplies were produced in the United Kingdom, 12 per cent. were imported from Empire countries, and 36 per cent. from foreign countries. By 1933, home production had increased to 68 per cent., while Empire imports amounted to 11 per cent., and only 21 per cent. were foreign eggs. (See Diagram A.)

Per capita consumption.—The total *per capita* consumption of eggs (home-produced and imported) was about the same in 1924 as in 1913, that is 111 eggs per head per annum, but by 1931 consumption had reached 158 eggs, an increase over 1924 of 42 per cent. Since then it has slightly declined, though it is still considerably greater than in 1924. These increases in *per capita* consumption are most important to a proper appreciation of the price situation during the period under review. The facts generally indicate a disposition on the part of the public to purchase increased quantities, with a marked preference for home-produced new laid eggs.

Notwithstanding these increases, consumption in this country is still much below that of certain other countries. In the U.S.A., for example, it is estimated to be some 260 eggs per person, and in Canada, under an effective system of grading, it actually

* For the detailed figures of total and per capita supplies see Table 6, on p. 158.

TOTAL ANNUAL SUPPLIES OF EGGS IN SHELL IN THE UNITED KINGDOM.

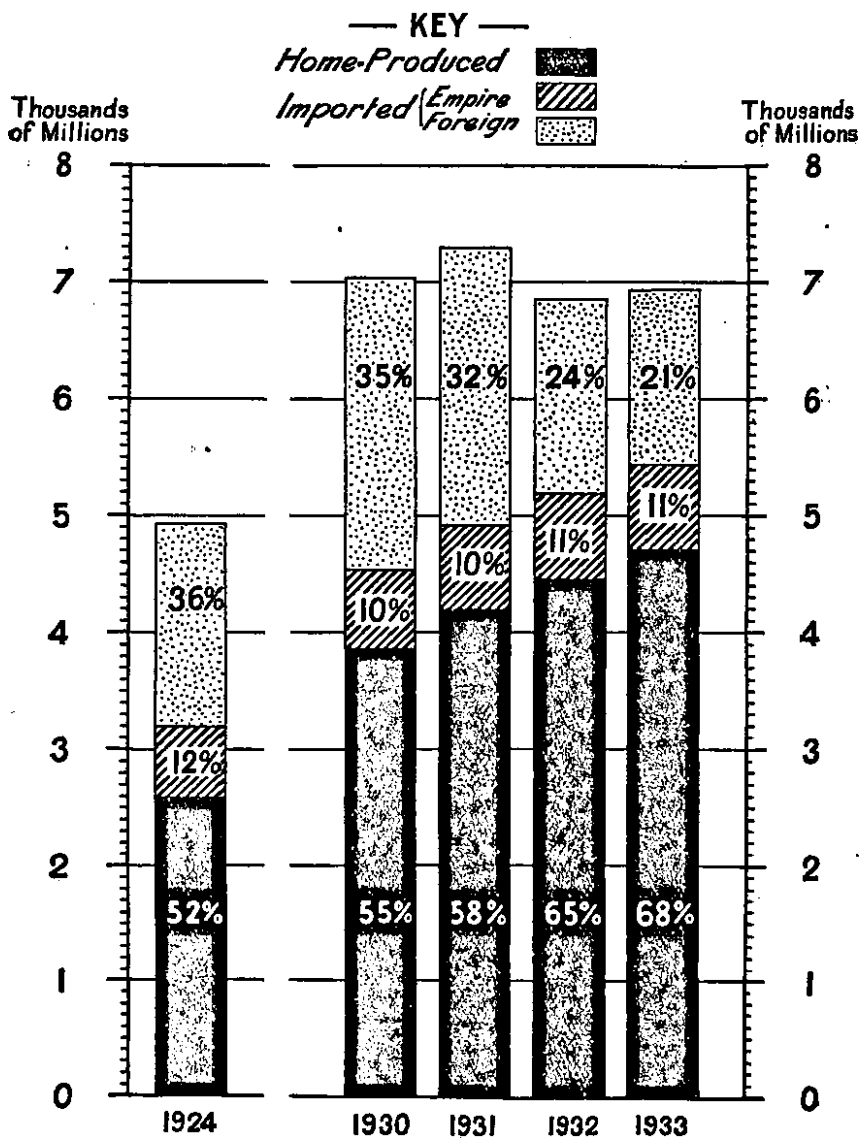


DIAGRAM A.

rose to 360 eggs per person. Although the lower egg consumption in the United Kingdom is probably affected by the large variety of alternative foodstuffs available, we are informed that medical opinion would welcome the increased use of fresh eggs, especially in the diet of children, so that, from the nutritional standpoint alone, there is scope for a further increase in the consumption of eggs.

(iv) Supplies of Eggs not in Shell.

Practically all the eggs not in shell used in the United Kingdom are imported from China, which in 1933 sent 94 per cent. of these supplies, of which liquid or frozen eggs make up the bulk. During recent years the annual net import has been approximately equivalent to some 800 million eggs. The net imports of albumen and of dried eggs other than albumen have declined somewhat, but together represent the equivalent of about 100 to 150 million eggs. The egg equivalent of the net imports of the three classes of deshelled eggs was, in 1933, some 35 per cent. greater than in 1924. The value of these imports in 1933 was £1,783,000.

(v) Seasonal Variations in Supplies of Shell Eggs.

Home-produced eggs.—Monthly supplies of home-produced eggs vary considerably over the year. Eggs are most plentiful for a period of about 6 to 8 weeks in April and May, and decline in quantity until November, when they begin to increase again. This normal seasonal curve is subject to temporary deviations, due to such causes as sudden changes in the weather. The seasonal variation of output is smaller for specialist egg producers, who, under more or less artificial conditions, aim at producing a greater proportion during the period of high prices in autumn and winter. It is most marked in the farm flocks, where production is relatively heavier in those spring months which constitute the natural laying period. The increase in specialist production, and the adoption of more intensive methods on an increasing number of general farms have resulted, during recent years, in some small decline of the inequality of production as between the spring and autumn months, but the inequality is nevertheless of outstanding importance on account of its effect upon prices.

Unfortunately there are no comprehensive statistics of monthly egg production in this country. The statistical data available are drawn from sections of the industry and may not be truly representative of production as a whole: such as they are, they indicate that the maximum production in the spring is about $2\frac{1}{2}$ times that of the minimum in the autumn.

Imported eggs.—There is considerable seasonal variation between the individual countries sending eggs to the United Kingdom market. Since the period of peak production in near

European countries coincides with our own, their exports to this country are usually somewhat heavier in the spring and early summer. This is particularly true of the Irish Free State, and to a lesser extent of Denmark, Poland and the Netherlands. These and other countries undertake storage in varying degrees and so tend to even out their exports. Moreover, some storage of imports is done in this country, so that the imported supply and the marketed supply are not always the same. The southern hemisphere supplies, coming chiefly from Australia and South Africa, are, on the other hand, very seasonal. Imports from these sources are usually concentrated in the months of September to January, although in recent years these importations have begun earlier and ended later each year.

During the five years 1929 to 1933 imports from the various sources dovetailed to a remarkable extent. Apart from a tendency for total imports to increase between February and May, there was no marked seasonal variation, although it should be borne in mind that some of the supplies imported in the spring months are put into cold store in this country and brought out later in the year. We have been particularly impressed by the fact that, taking imports as a whole, there is comparatively little variation from month to month in the quantities coming on to the market, the main seasonal changes in the volume of marketed supplies being due to the ebb and flow of home production.

(vi) The Trend of Prices.

Home-produced eggs.—The average price of eggs* at those town and country markets that are quoted in the Ministry's Agricultural Market Report was 12s. 10d. per 120 in 1933 as compared with 19s. 11½d. in 1924, a decrease of 36 per cent. The decline in price was not continuous throughout this period, but was greatest in the latter part of it.† In 1925 prices rose slightly, and after falling to 17s. 7d. per 120 in 1927, they rose again in the two following years to 19s. 2d. in 1929. Since that date they have fallen each year, sharply at first, but less so in 1932 and 1933. The average prices of National Mark "Standards‡" have declined from 21s. 2d. in 1929 to 14s. 7d. in 1933, a reduction of 31 per cent. During 1934 prices have generally been slightly below those of the previous year. Compared with those of 1911-13, the prices of eggs since 1924 have maintained a reasonably close relationship with the prices of other agricultural commodities.

* See Table 7, on p. 159.

† See Diagram B.

‡ See Table 8, on p. 160.

Imported eggs.—The wholesale prices of imported eggs are not always strictly comparable throughout the whole of the period since 1924, because changes have been made in the grades quoted; but such price data as are available indicate that the prices of imported eggs have followed much the same course as those of home-produced eggs. Since 1929 quotations are more truly comparable and show that the prices of the chief classes of imported European eggs have fallen by about 35 per cent., or by about the same percentage as the prices of home-produced eggs. As evidence of the public willingness to pay a higher price for home-produced eggs of reliable quality, it may be mentioned that the average wholesale price of National Mark "Standards" during the past five years has been some three shillings per 120 higher than the price of Danish eggs of a comparable grade.

(vii) Seasonal Variation of Prices.*

Home-produced eggs.—There is a marked seasonal variation in egg prices, and many of the anxieties of the industry arise from the abrupt depression occurring at the beginning of each year. Prices are at a minimum in April and May, when production reaches its peak, and at a maximum in November. The degree of variation is normally between points about 40 per cent. below and 60 per cent. above the average monthly price. During the years 1929 to 1933, for instance, when the average annual price at town and country markets was 15s. 1½d. per 120 eggs, the lowest monthly average price was 9s. 7d. or 37 per cent., less than the annual average, and the maximum was 23s. 3½d., or 54 per cent., above that figure.

The seasonal variation is, perhaps, slightly less than it was some few years ago, but judging by figures based upon two three-year periods, 1924-26 and 1931-33, the difference is not significant. Such slight alteration as there is supports the view that, during recent years, there has been some evening out of home-produced supplies by increased autumn and winter production.

Imported eggs.—The prices of all categories of imported eggs finding a continuous market in this country vary very much according to season. Although these variations in price are slightly less than those of home-produced eggs, imported eggs are cheapest when home-produced eggs are plentiful and cheap, and dearest when the latter are scarce and dear.

(viii) Local Variations in Price.

The prices of home-produced eggs quoted week by week in the Ministry's Agricultural Market Report show substantial variations as between localities and even as between adjacent markets. Some

* See Diagram C.

ANNUAL AVERAGE PRICES OF HOME-PRODUCED EGGS.

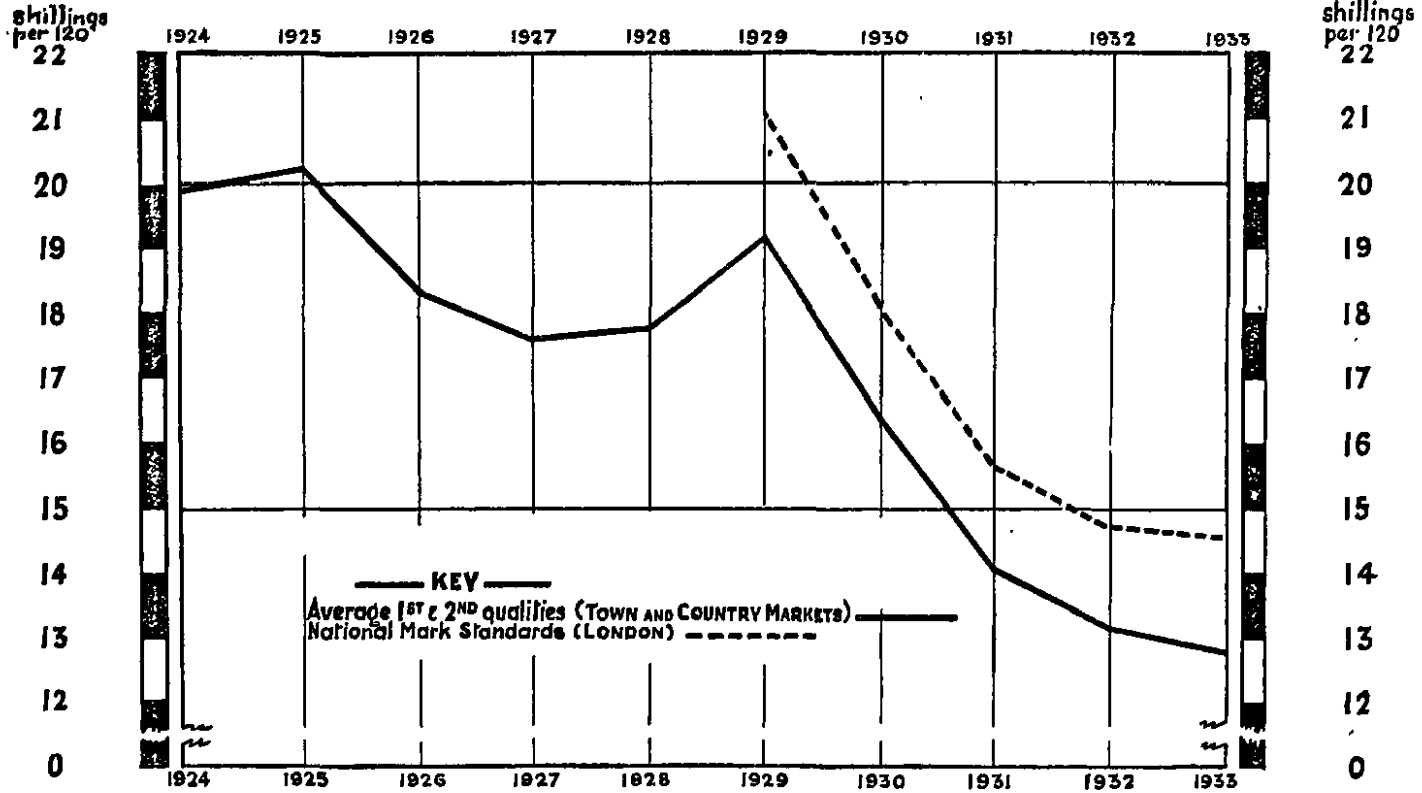


DIAGRAM 'B.

SEASONAL PRICE VARIATION.
AVERAGE MONTHLY PRICES OF HOME-PRODUCED, DANISH AND POLISH EGGS.

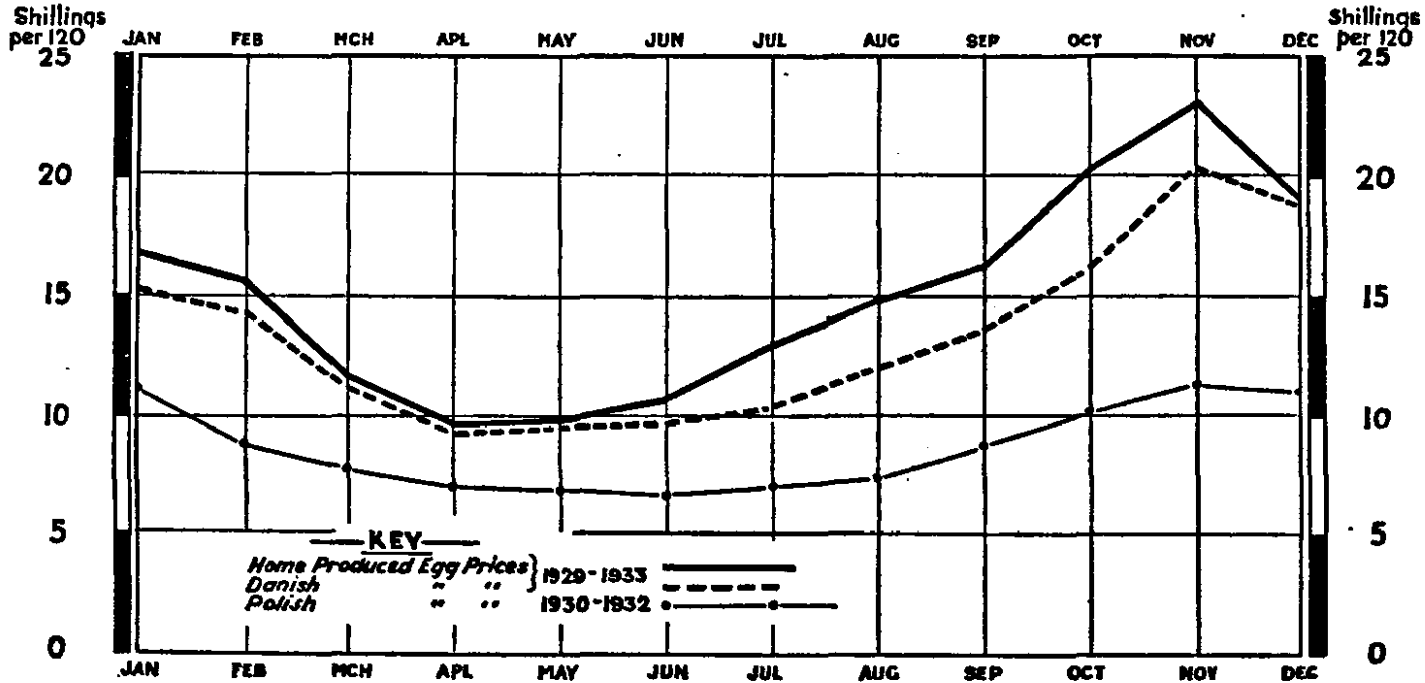


DIAGRAM C.

part of these differences is due to the poor quality of some of the eggs put on the market from certain of the low price districts. Some part, also, is due to the differential costs of moving the eggs from the point of production to that of consumption: for example, the prices in such exporting areas as Cornwall and North Wales regularly fall below those in markets near to London and the other large cities. It is, however, difficult to make close comparisons because the quoted prices are not always comparable, some being those paid by collectors at the farm, while others are those received at markets and thus include the equivalent of collection costs.

There is no doubt, however, that the differences—amounting at times to as much as 25 to 50 per cent.—are often larger than would be justified either by quality variations or by additional “service” costs in collection and handling. They are, in part, a reflection of the relatively weaker bargaining power of those producers who are not only uninformed as to current prices, but distant from their ultimate markets and dependent upon whatever imperfect local facilities there may be for disposing of their produce. Differences in the efficiency of local outlets for surplus supplies are naturally felt most in times of heavy production, so that the normal depression of the spring is generally accentuated in those districts where prices tend to be low.

(ix) Some Consequential Considerations.

Egg prices are sensitive to the prevailing conditions of supply and demand. A falling off in home production, a rumour that imported supplies in the near future are likely to be abnormally heavy, or a small change in the relationship between the prices of eggs and of competing foodstuffs such as tomatoes, may account for changes in the prices of eggs. While we do not propose to attempt a detailed examination of this intricate subject, it will, we think, be expedient to touch upon certain significant points that emerge from the foregoing review of supplies and prices.

Despite the large increase in total supplies of eggs and the proportionately greater increase in home-produced supplies during the period 1924-1929, prices of home-produced eggs, and of imported eggs too for that matter, showed but a slight downward trend. It is, therefore, a fair deduction that consumption was increasing during this period, not so much because of the decrease in price, but because of a real increase in demand. Since 1929, however, the collapse of prices does not seem to have been due to any disproportionate increase in supplies, but rather to a falling off in demand, caused either by a reduction in purchasing power consequent upon the industrial depression, by a fall in the prices of competitive foodstuffs, by an alteration in taste, or by a combination of these factors.

In the ordinary range of spring and summer prices, price movements normally result in more than proportionate changes in demand. Several witnesses have assured us that when the price of home-produced eggs comes down to a 1d. each there is a big expansion in the demand, and when it rises beyond 1½d. each demand falls rapidly. From the point of view of an expanding industry such facts are important. The situation becomes even more serious when it is realised that the demand for eggs, checked each autumn by the seasonal increase in price, recovers only after a considerable lag when prices begin to fall. The autumn peak prices lead to a diminution of the egg-eating habit, and the reluctance to resume consumption accentuates the steep decline of prices as soon as the peak is passed, to a degree out of all proportion to the increase in supplies. The consumption of eggs is also peculiarly sensitive to the relative prices of alternative foodstuffs, and this fact still further emphasises the need, in the interests of producers, of avoiding undue increases of price.

The chief factor in determining the seasonality of prices appears to be the variation of the home-produced supply, and this influence extends to the prices of imported eggs also, though the supply of these is relatively constant. We do not, of course, overlook the effect of imports as a factor affecting prices, even in the case of home-produced eggs. Whilst imports undoubtedly influence prices by their volume, they may also weaken the confidence of buyers when there is an expectation of unduly heavy imports. This influence, however, is apt to be exaggerated, and is sometimes allowed to obscure the most important single factor on the supply side in determining the prices of home-produced eggs over the period of low prices, which is the marketed supply of home-produced eggs. Consequently, apart from any long-period increase in demand that may be brought about by an improvement in general economic conditions, any policy aiming at a more advantageous adjustment of the prices of home-produced eggs, in the interest of producer and consumer alike, will depend for success largely upon the orderly marketing of home-produced supplies.

CHAPTER 2.—METHODS OF MARKETING.

Marketing methods* for eggs in England and Wales are still very largely those of a generation or two ago. Up to the time of the War and for some time afterwards, English eggs, except during the spring season of high production, were consumed almost entirely in country districts or in the smaller provincial towns. The marketing chain was short, and, in consequence, the machinery of distribution was simple. Even then the lack of cohesion and of elasticity made itself felt at times; but the great increase in production of the last decade brought with it a pressing need to find new outlets in industrial centres. In so far as this need has been met, it has been by an elaboration of the established system, rather than by the creation of a new and more efficient one. So that, in fact, old faults have been perpetuated and the weaknesses of old methods accentuated.

(i) The Old-established Methods.

Broadly speaking there were, and are, four main methods by which the producer can dispose of his eggs. He can sell direct to the consumer; he can sell direct to a retailer, who may be either a local shopkeeper, or an individual shop or multiple store in some more distant town or city; he can send his eggs to market, where they may be sold either by private treaty or by auction; or he can sell to a higgler, a country dealer or a packing station. There are no sufficient data to enable us to determine the relative importance of the various methods of sale, but it seems probable that the higgler or dealer provides, by quantity and throughout the country as a whole, the most important outlet.

Sales direct to consumers.—In principle, it is difficult to find fault with the method of sale direct to the consumer. It should result in satisfaction to both parties, by securing that the purchaser gets his eggs in perfectly fresh condition and that, by the complete elimination of intermediate handling, the producer obtains their full value. Producers may sell at slightly less than the prevailing retail price and still be better off than if they sold wholesale. Many producers, however, are inclined to disregard the costs incurred in time and labour in retailing their eggs, and fail to realise that, by undercutting the retail price, they tend to depress prices as a whole. Where sales to the consumer extend beyond a limited area and small quantities are sent long distances, incurring heavy charges and transport risks, the advantages are open to question. In any case, in seasons of glut the producer may find himself possessed of

* A more detailed description of marketing methods is contained in the Report on Egg Marketing in England and Wales, Economic Series No. 10. An account of the costs and methods of marketing is also contained in the Interim Report on Meat, Poultry and Eggs of the Linlithgow Committee on the Distribution and Prices of Agricultural Produce (Cmd. 1927).

more eggs than his regular customers require and be compelled to dispose of the balance by one or more of the other methods open to him.

Sales to retailers.—Many small producers find it convenient to dispose of their eggs to local shopkeepers. Sometimes the eggs are paid for in money, but not infrequently they are the subject of barter, their value being taken out in groceries and other requirements. In other respects sale to the retailer possesses certain of the characteristics of sale direct to the consumer, provided that the retailer resells the eggs to his own customers. There is then only a short chain of personal responsibility for quality, and intermediate handlings are reduced to one. But shopkeepers in villages and small towns may find themselves, especially in the flush season, under obligation to take from their producer-customers far more eggs than they need for their own trade and may thus become primary centres of collection. There would be no objection to this if the surpluses, in fresh condition, could speedily be used to supply the needs of the large centres of demand. But in so far as the producer is sending only his surplus to the shopkeeper, and the shopkeeper, in turn, is despatching only his unwanted surplus weekly to the urban markets, it is obvious that those markets are unable to place any reliance upon that particular source of supply in respect either of quality or of quantity. When supplies are plentiful, therefore, the producer or the retailer, as the case may be, is compelled to dispose of his surplus as best he can.

Private treaty markets.—At the private treaty markets sales take place direct to consumers, to retailers and to dealers. In some markets the farmer's wife takes her stand with her basket, selling as much as she can by retail and disposing of the remainder, at the end of the day, to a travelling dealer on the best terms obtainable. In others the majority, if not all, of the sales are to dealers. In any case the producer has little or no reliable guidance in the matter of price, while the purchaser is without assurance as to freshness or grade, apart from the reputation of the vendor.

Auction sales.—The auctioning of eggs in country towns commenced some 30 years ago, though the practice did not become at all general until the War. It then began to extend considerably in some parts of England, continuing to expand until it has now largely replaced sale in private treaty markets in the east and south-east. Sale by auction is, however, practically confined to the area south of the Wash and east of Devon and is almost unknown in Wales and northern England. Although important in some areas, the total quantity of eggs sold by auction is still a very small proportion of the total output.

The auction system in certain districts may have afforded an opportunity to the more efficient producers to sell to competing buyers on the reputation of their produce at a time when the general

quality of home supplies was of a low standard. But with the growth of the system, many small auctions were set up at which the supplies were of an inferior character and the methods relatively inefficient. Poor supplies collected by higglers are sometimes offered alongside better samples received direct from the farms, and, as a result, some auctions have fallen into ill repute. It seems almost impossible to secure the effective grading of eggs sold by auction unless the lots are bulked, and, if that were done, the identity of individual senders would be lost. Sales would then take place on a grade basis and the auction element would disappear.

Higglers, dealers and packing stations.—Sales to higglers, country dealers and packing stations are—from the producers' point of view—merely variations of one method of disposal. In the main the function of all is to arrange for eggs to be collected from the producer's premises and to find suitable outlets for them either in the locality or at a distance. In many of the more remote districts, the higgler, who is not interested in eggs alone, performs the functions of a general merchant. He is well known and respected and often undertakes small commissions for members of the family and generally provides a useful link with the rest of the world. In such districts, he is more or less in a position to make his own terms as to price. On the other hand, in those areas where producers are spread thickly over the countryside, such as in Lancashire, it is not uncommon for several dealers to call weekly on the same producers, thus duplicating services and swelling the cost of assembly.

Even 30 or 40 years ago some of the successful higglers and dealers, who found themselves with larger supplies than they could dispose of locally, were obliged to send them into more distant markets and that, of course, involved packing and transit. This was the origin of the packing stations which first came into existence in such exporting localities as Cornwall. The considerations which apply to higglers and country dealers are also broadly applicable to packing stations in general, because even those packing stations which have now developed into substantial businesses are dependent upon employees and agents who collect their supplies in the same way as the higgler. The service performed by the higgler or dealer has reduced the capital requirements of the producer by giving him immediate payment for his produce.

(ii) More Recent Developments.

With the enormous increase in egg production since the War, most of these methods of disposal have undergone development, each in its own way. Motor transport has assisted in the expansion of a direct trade with the consumer; and in many parts of the country, such as on the Lancashire seaboard and along the roads between London and the South Coast, a roadside trade has been developed with passing motorists. Direct sale from the producer to the retailer has also been simplified. Many farmers now own

cars, while the multiplication of omnibus services has enabled even the smaller producers to go more often, and more cheaply into the neighbouring towns.

Packing stations.—An important recent change in the marketing side of the industry, however, is the increase in the number and size of packing stations. The development of the packing station was, in fact, the first real attempt to place home-produced eggs on the great urban markets in a more orderly manner. Some of these stations owe their origin to the early efforts of small groups of producers, who, dissatisfied with the existing facilities, set up their own marketing organisations. Although at the outset many of these ventures had little success, it is obvious from their expansion in recent years that the needs of increased production were intelligently interpreted in these cases by producers themselves. Some part of the progress is due also to the activities of certain farsighted distributive firms, who, in order to place themselves in a position to supply their customers with home-produced eggs of a high standard of quality, have themselves organised assembly on a substantial scale. The fact that these firms have made their own arrangements for collection, testing and grading is evidence that they found existing methods inadequate for securing supplies of good quality for their customers.

(iii) The National Mark Egg Scheme.

When the National Mark Egg Scheme was brought into operation early in 1929, an important step was taken towards organised egg marketing. The National Mark schemes recognise that easy and regular trading in any commodity demands common standards, so that the commodity can be bought and sold according to those standards and without individual inspection of every parcel. The object of the National Mark Egg Scheme was to apply that principle to eggs by fixing a national standard of quality and national weight grades. Although only those packing stations with a considerable throughput were permitted to enrol, the scheme has met with support from an increasing number of producers and traders. It came into existence at the moment when, by reason of the requirement to mark all imported eggs with an indication of origin, a further incentive had been given to the raising of the standard of the best eggs from near European sources; and it represented the first organised effort to provide the market in quantity with reliably graded English eggs of the highest quality.

The establishment of a central selling agency was a natural development, and National Mark Egg Central Ltd. came into existence accordingly. The purpose of Egg Central is to link together the packing stations working under the Scheme, and to provide them with a central selling agency, through which those who wish can dispose of either the whole or any part of

their supplies. Through its agents Egg Central aims at providing a channel whereby there can be an orderly flow of produce from areas of surplus production to the districts in which supplies are needed.

Critics of the National Mark Egg Scheme point to the fact that, after five years of unremitting effort, no more than 460 million eggs, or about 12 per cent. of the home supply passing through commercial channels, are handled annually by National Mark packing stations. The answer is that its success has been limited, in the main, by the disabilities that are, unfortunately, always associated with any voluntary scheme. The improvements in price and in market conditions generally which have been achieved through the Scheme have been shared by those remaining outside. The mere fact that stations have been instrumental in removing local surpluses and disposing of them at a distance has helped to maintain prices for producers selling locally; and those producers, disregarding this fact, have pointed to the better prices as an argument against the stations. Again, such practices as grading somewhat below the National Mark weight standards, using the names adopted in the Scheme for eggs that have not passed the quality tests applied under the Scheme, and similar actions have all helped to befog the issue and retard success.

In spite of these difficulties, the number of stations packing under the Scheme and the output of National Mark eggs have both continued to progress steadily. Apart from this, the Scheme has been widely influential in that it has set a standard; and while the proportion of the country's total production coming directly within the Scheme is still comparatively small, there can be no doubt that its influence has been, and is being, felt over a wide field.

(iv) Wholesale and Retail Distribution.

Wholesale distribution.—The importance of the wholesaler in the distribution of home-produced eggs has increased in recent years, owing to the necessity for more and more of the growing home output to find its way to the urban markets. It appears that the proportion passing into the wholesale trade at the present time is still relatively small, owing to the fact that this trade was originally built up on imported eggs and to the difficulty that wholesalers have hitherto experienced in obtaining home-produced eggs similarly packed and presented. Generally the wholesaler of home-produced eggs handles other commodities also, and, although some division of function exists, the importer, the commission salesman and the provision wholesaler may all be combined in one individual or firm.

There are two main types of wholesalers: those distributing to retailers direct, and those operating in the large central markets and having little direct contact with the retail trade. The first

of these types—the wholesale provision merchant—is the more common. He handles eggs (both home-produced and imported) along with other provisions, and his function is the distribution of small lots of eggs to retailers. This kind of wholesale merchant is to be found in most consuming centres of any size. The practice of obtaining supplies direct from producers is declining, and provision wholesalers are drawing an increasing proportion of their supplies from packing stations and from the larger wholesalers in the central provision markets.

The wholesalers operating in the main central markets may again be divided into two categories, though the distinction between them is not always retained in practice. There are those who purchase outright and are, in a sense, wholesale provision merchants on a large scale, and those who operate mainly on a commission basis. With the exception of a few in London, mainly in Tooley Street, whose chief interest has hitherto been in imported eggs, these central market wholesalers sell other foodstuffs. Their chief function is to handle bulk supplies and distribute to the smaller provision merchants, but they also sell direct to the larger retailers.

It is a frequent and justifiable complaint of the wholesale trade operating in the large central markets that it is used as a dumping ground by collectors, dealers and packers in the country, particularly at certain seasons of the year when their usual marketing channels are unable to absorb the available supply. The irregularity of the quantities and the poor quality of some of the supplies reaching the central markets have been serious obstacles to the proper development of the wholesale trade in home-produced eggs. The advent of National Mark supplies and the operations of National Mark Egg Central have, however, resulted in a larger and better organised supply of home-produced eggs passing through those channels, and the trade which has resulted has grown in importance and value.

Retail distribution.—Retail distribution of home-produced eggs is carried on chiefly by grocers and dairymen and, in a lesser degree, by fishmongers, greengrocers and butchers. Retailers range from the large department stores, and multiple and co-operative stores to small shopkeepers in side streets. Owing to the unorganised supply facilities, they have to obtain eggs through every conceivable channel, and the result, in the case of a number of large firms, has proved to be so unsatisfactory that they have, at their own cost, organised their own system of direct collection, testing and grading. Large quantities of eggs have been dealt with in this way, and there is no doubt that such firms, by ensuring the freshness of their goods through rapid handling and sale, have done much to popularise the English new-laid egg in the last few years.

Certain retailers only participate in the trade at those seasons when supplies of eggs are plentiful and cheap. Some of them display cheap eggs as a means of attracting custom to their shops, though the use of eggs for advertising purposes is by no means confined to any particular class of retailer.

The facilities for storing and handling eggs, both with the wholesalers and retailers, vary greatly, more particularly among the smaller retailers, some of whom may handle substantial quantities. Although the majority try to handle eggs with suitable regard for their perishable nature, there are common practices, not limited to any particular class of retailer, that are prejudicial to quality. Eggs are easily tainted and should be stored in a cool and airy place. They should not be exposed outside shops without proper protection from the effects of the weather. If a satisfactory trade is to be developed, greater regard must be paid to these matters, which are of importance in maintaining freshness and quality. An organised system of collection and delivery would assist all retailers, more especially in the urban centres, to develop the trade in home-produced eggs, which is at present hedged round with unnecessary difficulties.

CHAPTER 3.—THE NEEDS OF THE SITUATION.

In the two preceding chapters we have surveyed existing conditions as regards supplies, prices and marketing practice in order that, before proceeding to explain the nature of our plan of reorganisation, we may point both to the weaknesses and to the possibilities of the present position, and so lead up to the principles upon which that plan must be based.

(i) Price Considerations.

Attention has been drawn to the extraordinary expansion that has taken place in the production of eggs in this country during recent years. It is true that in 1934 the increase in the poultry population received a check. Nevertheless if, by reason of a better outlook for the industry, expansion were to continue at approximately the average rate of the last few years, it would take but a short time before home-production, together with the present volume of Empire supplies, would reach to-day's figure of total consumption of shell eggs, and not much longer before home production alone would reach that point. It is no part of our duty as a Reorganisation Commission for England and Wales to suggest a policy in relation to imports, but it is evident that, in the circumstances we have just described, import regulation, affecting a comparatively small and probably diminishing volume of supplies, can have only limited effects on the price of home-produced eggs.

It would not be practicable, in our opinion, even if it were desirable, to seek to improve the position of producers by any general all-the-year-round rise in the retail prices of eggs. There can be no doubt that a scheme that resulted in a general and appreciable rise in prices to the consumer would, assuming no change in purchasing power or in the prices of competing foodstuffs, result also in a diminution of demand. Such a result could be of no advantage to an industry that can, and should, still look forward to considerable expansion. Improvements in producers' returns must therefore be sought in other directions.

Effects of disorganised selling.—The seasonal variation in egg production makes demands upon the existing system of distribution which it is not at present fitted to fulfil. In the glut period, the higglers, country dealers and egg auctions are not only faced with larger quantities of eggs than usual from their regular suppliers, but those producers who normally either use their own eggs or dispose of them direct to consumers have surpluses which they must put upon the market. Practically the whole of this additional production tends to find its way on to the central markets, but the lack of grading and the indifferent quality resulting from the causes to which we have referred renders it unsuitable for the urban trade. In consequence of forced selling and deterioration in quality, prices are depressed further than the increased volume of supplies alone would warrant.

Similarly it not infrequently happens in the spring that even a purely local glut results in an unreasonable depression of prices, simply because there is no organisation to deal with surplus supplies satisfactorily. The news of the prices paid in one local market spreads to others and affects them also; so that over a considerable area the prices realised by producers may not be a true reflection of the supply and demand situation generally. This state of affairs is undoubtedly made worse, particularly in certain localities, by the action of producers themselves, who, dissatisfied with the prices they are able to obtain from the trade, endeavour to sell their output direct to consumers and shopkeepers who would otherwise have been the customers of the trade. In this way they may for the time being obtain a better price, but in the long run the effect must be to induce still lower offers from the trade.

Seasonal price changes.—Another disturbing factor, though of a different character, is, as we have been assured by many witnesses, the wide divergence between spring and autumn prices. Obviously while production in the spring remains so much heavier than in the autumn, the comparative scarcity of new laid eggs in the latter period will secure them a higher price. Indeed a higher price is necessary if autumn production is to be encouraged, since the producers' costs are then greater. But there is undoubtedly truth in the contention that the present wide difference is harmful

to all parties, because it results in many consumers losing the egg-eating habit and being persuaded to resume it only when prices have fallen to disproportionately low levels. If prices could be kept even a little more "popular" in the autumn, this break in the consumption habit would be less pronounced. We recognise, however, that the autumn price must not be so reduced as to discourage production at that season.

With these considerations in mind, producers have suggested to us that seasonal prices should be fixed which will give better returns in the spring but will lower, to some extent, the autumn level. The subject of price control is discussed in detail subsequently, but it is necessary to state at once our definite view that the fixing of prices by mere declaration for a commodity such as eggs is impracticable. It is probable that organisation would of itself tend to steady prices at all times, particularly in the spring; but if seasonal price levels are to be deliberately modified, it can only be done in association with an adequate control of the marketed supply. To some extent changes from spring to autumn production are already taking place, on account of the higher autumn prices. The pressure of supplies upon the market can be still further adjusted, within limits, by the removal and storage of a proportion of the spring production and its release in the autumn, with the double effect of assisting spring prices at their lowest ebb and enlarging the demand for home-produced eggs in the autumn, to the advantage of both producer and consumer. But this will be practicable only if a central authority is able to assess quickly and accurately the supply and demand situation at all times, and to exercise effective control over the marketing of home-produced supplies.

(ii) The Reduction of Marketing Costs.

While we have not conducted any detailed enquiry into distributive margins, it has to be recognised that until bulk supplies of home-produced eggs of assured quality are made readily available, the distributive trades must be put to trouble, expense and possible loss that should, under other conditions, be avoidable. When the position has been improved by the introduction of organised methods of assembly, it should be possible for the distributive trades to work to lower margins, to the benefit of the industry as a whole. In any event we are of opinion that the first step to effect this improvement must come from the producers' end.

We are convinced that considerable improvements can be made in producers' returns, without raising prices to consumers, by the introduction of economies in assembly and marketing on the part of producers. As regards assembly, even in those districts where the greatest advances have been made in organisation, there is still a large amount of overlapping in the collection of eggs, involving

uneconomic cost. Moreover, by enlarging the unit of assembly, there is scope for economy and improvement in such matters as management, the provision of labour-saving machinery and the bulk purchase of various requirements, all of which would contribute to a reduction in general costs.

So far as the subsequent stages of marketing are concerned, the first essential is that commercial supplies should pass by recognised channels from producer to consumer. If, in addition, they are bulked, graded and suitably packed at the first point of assembly, they become a standardised article that can be the subject of quick and easy trade in the wholesale and retail markets of the cities and towns. We believe that the regular supply of a standardised article will permit traders to work to smaller margins of profit.

(iii) Market Expansion.

There is convincing evidence of the popularity of home-produced new laid eggs where their quality can be relied upon, and the public is plainly willing to pay more for them than for the best imported eggs. The principal obstacle that has hindered English eggs from securing a better place in the great urban consuming centres has been the difficulty of obtaining bulk supplies of graded eggs of uniformly high quality. It is important to remember that one half of the population of England and Wales is concentrated in some fifty cities and towns of 100,000 or more inhabitants, and it is here that future expansion must take place. The primitive methods of marketing still employed in many parts of the country recognise no common standards and provide no machinery for bulking supplies. In spite of the steps that have been taken under the National Mark Scheme to alter this position, it is still true of the majority of the big consuming centres that there is no central point to which a wholesaler or a retailer can go with the certainty of getting the supplies he needs of graded English eggs of good quality. Any scheme for the reorganisation of the industry must make provision on a country-wide scale, not only for the assembly of eggs, but also for their passage into distribution in an easy and orderly manner acceptable to the needs of the great consuming centres.

(iv) The Requirements of the Consumer and the Trade.

It is convenient to deal together with the needs of the consumer and those of the distributor who supplies him because, in the long run, the success of the distributor is dependent upon his ability to satisfy the wants of his customer.

The ultimate purchaser must be enabled to obtain a plentiful supply of high quality eggs at reasonable prices. Quality is of paramount importance and depends largely upon freshness. Given suitable conditions of production, high quality can be secured

first by reducing to the minimum the period between the laying of the egg and its consumption, and secondly by ensuring, through an efficient system of testing, that eggs which are defective when laid are not allowed to pass into consumption with the others. These two points—rapid handling and effective testing—are of high importance.

The question of weight grades is clearly of less importance than that of quality. While certain purchasers have a preference for the very large egg, most of them are content with an egg of average size, though all demand a fresh egg. Some witnesses have impressed upon us that there is a serious risk of complaints by consumers if there are noticeable differences in the sizes of the eggs sold in one retail lot. In order to meet the varying needs of the trade, a satisfactory system of weight grading must be provided.

These are points that affect consumer and distributor alike. The distributor wants to be assured of a sufficiency of high quality graded eggs at a suitable price, without unnecessary restrictions. The plan, to be successful, must provide for consultation and co-operation between the central authority and the distributive trades in order that the two may work in harmony.

(v) Machinery.

The individual producer is chiefly concerned that the machine shall work smoothly and without friction, collect his eggs with regularity, afford him a certain outlet for them, and pay him promptly for his supplies at a fair price.

On the administrative side, a marketing scheme which may concern some half a million producers, large and small, must be simple, particularly where it affects the individual producer. Whatever requirements are imposed upon him by the collective will of himself and his fellows, in their common interest, should be easily understandable. In order to secure simplicity of administration as between the Board and the individual producer, a large measure of decentralisation will be required. The scheme must not result in fixing a gulf between the individual and his Board. Every producer should be able to feel that he is an integral part of the organisation which he himself has built up in his own interests.

(vi) The Essential Needs.

In setting out our view as to the needs of the situation, we have touched upon some matters that are vital and others that are merely important. Grading, for instance, is important, but it must be obvious that a scheme which stopped short at imposing even the best possible grading system would not reach the root of the problem. Similarly simplicity of operation from the producer's point of view, and the maintenance of a happy relationship with the trade, though

highly desirable, must be recognised as ancillary, because they cannot in themselves go far to meet the urgent demands of the industry.

The scheme must concern itself essentially with the provision of outlets through which the volume of the home-produced supply can be sold at reasonably remunerative prices. To dispose economically of an increasing production, every encouragement must be given to greater consumption. Advertising and other propaganda, supported by the advice of nutritional experts and investigations into alternative uses for eggs, will assist in this direction. Most of the responsible representatives of producers whom we have seen recognise that there is no room at present for any appreciable increase in the average level of retail prices if consumption is to be maintained and increased.

Existing methods of marketing depend to a considerable extent upon innumerable small and, from the standpoint of the industry as a whole, uneconomic units. They result in the multiplication of services and in the depression of prices to the producer. It is clear, therefore, that no substantial advantage is to be gained by either producer or consumer until assembly and distribution are placed upon an orderly basis.

As regards price fixing, to which producers naturally attach the greatest importance, it is obvious that it would be hopeless to fix prices, and to expect producers to adhere to them, unless those producers were assured of an outlet for all their eggs at the fixed price. It would be short-sighted to attempt a price-fixing plan which depended for success only on policing against undercutting and panic selling. Price control in this industry can only be made to work if there is some organisation in a position to take over at the day's price all the supplies offered, and thus remove all incentives to evasion.

The scheme, then, must set up a comprehensive and economic system of collection and preparation for the market, by means of which the present duplication and waste can be eliminated. Secondly, it must give the producer an assured outlet for all his eggs at a regulated price. Thirdly, it must provide channels through which bulked supplies of eggs of reliable quality can flow swiftly, steadily and economically into the centres of consumption.

The evidence which we have heard from producers and their organisations, from packers and from the trade has led us to believe that, in the main, the facts of the situation are recognised, though it may be that the implications following from them have not yet been fully appreciated.

PART II.—THE ORGANISATION OF EGG MARKETING

CHAPTER 4.—THE PLAN IN OUTLINE.

It is proposed first to describe, in broad outline, the system of marketing organisation which we have devised, and in subsequent chapters to deal in detail with each of the issues. The discussion of such matters as the constitution of the Board, the administration of the scheme, exemptions and grading is deferred until the system of marketing has been explained.

Marketing practice must not be transformed with such rapidity as to endanger public supplies, and the scheme therefore demands careful preliminary preparation. We propose an interim period of approximately eighteen months during which the change-over should be effected, but for full comprehension the plan must be visualised in complete operation.

(i) Assembly.

The first necessity is organised collection and assembly. It is proposed that the country shall be divided into a number of "Areas," each capable of supplying the requirements of one packing station operating on such a scale as to be the most effective economic unit. The extent of Areas and the capacity of packing stations may vary within wide limits, since they will depend upon such factors as the density of fowl population and the conformation of the country. For the purpose of this survey it may be said that, on the average, a single packing unit may serve an area with a radius of some 10 miles. All packing stations will operate under conditions laid down by the producers' Board, though they will not necessarily be owned by the Board.

Subject to the exemptions dealt with later, all registered producers will be required to sell their eggs to their Area packing station. Regular and frequent collection will be arranged by the packing station, and producers will be paid on a grade basis. The eggs sent to packing stations will be tested and graded according to the standards of quality and weight determined by the Board.

(ii) Distribution.

The country (apart from London, which will call for special treatment) will be divided into twelve provinces or "Regions." The Regions we propose have been defined with special reference to the distributive side of the industry, though in some cases the chief markets they supply are within the Region, and in others they are outside. In each Region the Board will have an office and a small staff under the charge of a Regional Manager.

Each Area packing station will be free to supply any customer—wholesaler or retailer—within the Area. All sales outside the Area must be notified to the Regional Manager and be subject to his approval. We do not suppose that the Regional Manager will often find it necessary to interfere with sales outside the Area. He must, however, have information as to all such sales, and he may be able to reduce transport charges in the aggregate by assisting packing stations to find customers outside, but in the vicinity of, the Area.

The Regional Manager will be kept constantly informed by each packing station within his Region of any demands that cannot be met immediately and of any surpluses on hand. It will be his duty to co-ordinate surpluses and deficiencies within the Region and to report net Regional surpluses or deficiencies to the Board's principal Marketing Officer, who will thus be placed in a position to assist where necessary in regard to inter-Regional movements.

(iii) Prices.

It will be apparent that, under a system which requires each producer to sell his eggs to a specified packing station and may impose restrictions on sales by those packing stations, prices must be controlled in the interests both of the producer and of the packing station. Obviously a packing station could not be given the monopoly of egg collection in an Area unless the price to be paid to the producer were safeguarded; and it would be equally unreasonable to restrict the markets of individual packing stations without affording them similar protection. Accordingly it is proposed that no packing station may sell eggs below a price to be declared by the Board. This price will represent the price delivered at the customer's premises and will be subject to rebates in the case of purchasers of large quantities.

At any given time all packing stations will be selling—subject to rebates—at the same *national delivered* price, the eggs being delivered to the buyers' depot, and any price change will take effect at all of them at the same moment. As a result, it will make no difference to a buyer in Reading, for example, whether his supplies come from Berkshire or from Cornwall; the eggs, delivered to him, will cost the same. The cost of carriage will be paid by the packing station and will be deducted, as part of the station service charge, from the amount due to the producer.

All packing stations will be operating on a service charge basis, the service charge being made up of the costs of collection; testing, grading and packing; selling and delivering. The producer will receive the national price, less the service charge at his own station and a small levy to meet the administrative expenses of the Board. It will, therefore, be a matter of some consequence to the Cornish producer, for instance, whether his surplus eggs can be sold in Plymouth or have to be consigned to London. There will be a direct and clear incentive, freed from the confusion of a multitude of price variations, to sell to the nearest buyer; and any help

the Regional Manager can give in finding a buyer near at hand, in substitution for a more distant one, will assist towards higher producers' returns.

Packing stations in surplus-producing Areas will, of course, be obliged to "export" part of their supplies to the large centres of consumption; and since the producers in those Areas will be bearing the extra costs of delivery, they will receive somewhat lower returns than producers situated on the outskirts of the great towns and cities.

We have spoken in an earlier paragraph of "national" prices. The prices at which eggs will be sold to the distributive trades should be prescribed from time to time by the Board at levels so adjusted that the demand at those prices is just sufficient to clear the supply. At seasons of expanding production, prices will still have to fall as they do to-day; and as production decreases in the summer and autumn, prices will rise again. At all times it must be the aim of the Board to prescribe a price at which supply and demand are equated.

It will, however, be open to the Board to exert an influence on the price level by exercising some control over marketed supplies, and we suggest that a policy of storage in the spring and release in the autumn might be cautiously pursued with this object in view.

CHAPTER 5.—ASSEMBLY.

The system of marketing which we recommend depends to a very large extent upon comprehensive changes in methods of assembly, so that in future all eggs—subject to certain specific exemptions—will pass through packing stations operating on a monopoly-collection basis. The country will be divided into Areas, in each of which there will ultimately be one packing station responsible, upon conditions laid down by the Board, for organising collection throughout the Area.

Assembly on a monopoly basis is essential to the scheme which we have drawn up. We see no other way of preventing the duplication of services and of securing those economies in the actual collection, handling and distribution of eggs which, we are convinced, offer to an expanding industry the most immediate prospect of satisfactory returns. Such a system not only renders price control possible by affording knowledge of the marketed supply; it actually makes price control necessary, because without it producers could not be expected to bind themselves to one purchaser.

(i) Size and Delineation of Areas.

One of the first duties of the Board will be to determine the Areas upon which the commercial structure of the scheme will be based. Each Area must be defined solely in relation to commercial considerations. In deciding what is likely to be an economic

throughput for a packing station in any given part of the country, the Board will have to take account of collection costs, and these, in turn, will depend upon the topography of the country and the density of the poultry population. Subject to these considerations, it is important that each station shall be of such a size as to secure the greatest possible economies in its internal operation.

Where communications are difficult and the poultry population is scattered, stations may need to operate on a throughput of, perhaps, 5 million eggs per annum or even less. But in districts where the poultry population is dense and collection is easy and cheap, we think it may be advisable to estimate for stations having a throughput of 50 million eggs per annum or even more. Because of these differences, both Areas and packing stations must vary considerably in size, even under a completely organised system of collection; and while we offer suggestions as to what may be regarded as a reasonable average size for an Area at the outset, experience may suggest material changes. In any case the original boundaries of some of the Areas are certain to need adjustment in the course of time.

From such data as we have had before us, we think that a collecting radius of about 10 miles is likely to be a reasonable average. This would mean that there would be some 200 packing station Areas in England and Wales. For some of these Areas, of course, the radius of collection may be considerably greater than 10 miles, while for others even a 10 mile radius might mean uneconomic travelling. The average throughput we have in mind is much higher than that of existing stations, but we do not believe it will prove to be too high under a properly organised system. At the same time we intend to offer no more than a guide to those whose business it will be to translate our proposals into practice.

(ii) Ownership of Stations.

When decisions have been reached by the Board as to collection areas, it will be necessary to arrange for the provision of packing stations to serve them.

At the present time there are a number of packing stations in existence in various parts of the country, some of which are owned by individual persons or firms and some by producers' co-operative societies. Many of these stations would be capable, with adaptation, of filling the requirements of licensed stations under the scheme, but others are so small, and in some instances so close together, that their continuance would not be in the interests of the proper administration of a national scheme. It has also to be accepted that new stations will have to be established in Areas where there is at present either no station at all or at least none which is likely to be suitable as the cadre of an approved station.

The question of the future ownership of packing stations is one to which we have given a great deal of consideration. There are strong arguments in favour of the view that all stations should in future be owned and operated by the Board. In the first place there is the fact that a monopoly of collection in an Area will be given to each station. This would necessitate a large measure of supervision of stations not owned by the Board in order to afford the requisite protection to the producer compelled to send his produce to a particular station. The Board would require generally to supervise the operations of such stations and to exercise control over the amount of the service charge and, in particular, the amount of profit to be retained by them, and these matters would doubtless give rise to certain administrative difficulties which would be avoided if all stations were owned by the Board. It is also possible that a system of price control could be made less rigid, or would at least be more easily administered, if all stations were owned by the Board. Again it may be argued that under a system of licensing arrangements, which of necessity imposes certain restrictive conditions, there will not be the fullest incentive to "privately-owned" packing stations to effect economies in administration and to dispose of the produce to the best advantage of the producer. Lastly, it may be held in general that a system of individuals operating under licences will not permit of the full advantages either of private enterprise or of mutuality in trading.

We have given full consideration to these arguments, but have come to the conclusion that it would not be advisable to recommend that all stations should in future be owned and operated by the Board. In the first place we feel that it is desirable to cause as little dislocation as possible to existing interests. Secondly, we think that it will be to the Board's advantage to enlist the help of efficient packers and so utilise the experience which they possess. Thirdly, we believe that, given the necessary goodwill, there should be no insurmountable difficulties in administration, for it will be recognised that it is to the mutual advantage of producers and packers that stations should be run with the maximum of efficiency, while providing for a reasonable return to the proprietors. Fourthly, we desire to retain for the benefit of the industry as much as possible of the capital at present invested in packing stations, and to encourage the provision from sources outside the industry of the additional capital required for the extension of existing stations and the establishment of others. Finally, we believe that the existence of "privately-owned" packing stations would have the desirable effect of preserving some measure of elasticity at this stage of the marketing structure. For these reasons we think that it should continue to be open to private enterprise to operate packing stations, subject to the necessary safeguards provided by a system of licences to be granted by the Board.

On the secondary question as to whether stations should be operated by individuals or by co-operative societies of producers, we think that both forms of ownership should be admitted. Where convenient, ownership by producers' co-operative societies is to be encouraged, and, in connection with new stations, the Board might explore the possibilities of the "revolving fund" method of capitalisation.* Where societies are capitalised on the usual lines, the share unit should be kept as low as possible to give even the smallest producer an opportunity of becoming a member. While we recognise the benefits of co-operative ownership, it must be admitted that the efficiency of a station will depend upon the nature of its management and not upon ownership. The Board should therefore consider applications for licences on their merits, and should be guided solely by the prospect of obtaining efficient service.

While we think it both necessary and desirable that privately-owned stations should be enabled to take part in the scheme, both at the outset and in the future, it is unlikely that there will be many privately-owned stations in a position, when the scheme comes into operation, to undertake responsibility for an Area without reconstruction. In suitable Areas efforts might be made to bring together existing small packers to form a single large unit. Some private stations have, however, attained a large measure of efficiency, and the Board should seek by friendly negotiation to weld them into the framework of the scheme. Furthermore, some of the multiple stores, large wholesalers and others have established their own collecting and packing depots in different parts of the country to supply the needs of their own businesses. We think that the Board should give sympathetic consideration to applications from such firms to continue in the business, provided that they were prepared to conform to all the conditions of the licence. These would include the collection and packing for a complete Area, and the obligation to supply the needs of the Area itself before exporting eggs from it.

After the Areas have been delineated and applications from existing packers have been considered, there will probably remain a number of Areas in which there is no suitable packing station. In such cases we think that the Board should make it known in the locality that a new packing station, organised with the Board's approval, must be set up in that Area within a given time, and that these stations may be either co-operatively-owned in one of the forms we have indicated or privately-owned, provided in each case that the promoters were prepared to comply with the Board's conditions and to satisfy the Board as to their ability to give efficient service. If, within the specified time, no suitable proposal was forthcoming, it would be necessary for the Board to set up their own packing station within that Area.

* See footnote on page 124.

During the early years of the scheme the Board will have an opportunity of studying the results obtained by stations operating under the various forms of ownership. If they decide that one form is proving more effective than the others, they may then decide to take such steps as may be possible to encourage ownership in that form.

(iii) Relationship of Stations to the Board.

All Area packing stations will be licensed by the Board, and the licences will be subject to revocation if the station either fails to conform to the Board's conditions or if, in the opinion of the Board, it is not operating efficiently. Licences will embody conditions as to, *inter alia*, the collection of eggs from all registered producers within the Area; grading, testing and packing to the Board's standards; distribution within the Area and outside the Area; regular reports of throughput and stocks in hand; the payment of producers by grade at the national prices, less an approved service charge; the granting to traders of such rebates as are determined by the Board; the keeping of standard accounts; the submission of books to the Board's accountant for examination; and the inspection of operations generally. In a later chapter we propose that the administrative levy should be obtained by deduction at the packing station, and the collection of the levy and its remission to the Board will, therefore, be another condition of the packing station's licence.

Provided that a packing station complies with the terms of its licence, the Board will have no direct control over its working. Though the owner of each station will be responsible for its management and operation generally, the Board will be in a position to secure efficient service to producers by taking suitable disciplinary action and, in the last resort, by revocation of the licence. It is to be hoped that the need for taking the extreme course will very rarely arise; but since the effect would be to prevent the owner from carrying on the business, we have provided in the scheme that the owner of any packing station, whose licence, once issued, is withdrawn on the ground that the conditions of the licence have been contravened shall have the right of appeal on this issue to an independent arbitrator appointed by agreement or, in default of agreement, nominated by the Minister of Agriculture.

(iv) Organisation of the Station.

Under a system of monopoly collection, each Area packing station will be assured of a regular and sufficient throughput, and the turnover of the average station will be greatly increased. The managers, with precise knowledge of the number of producers, will be able to organise collection on the most economical basis. Outlets for eggs should also be more regular and assured, so that substantial economies may be expected in the cost of the services

which the packing stations will render to the producer. Regularity of throughput should result in greater technical efficiency and in considerable economies in administration, direct costs and overhead charges. Centralisation of buying through the Board would lead to standardisation and reduction in the costs of equipment, packing materials and the general requirements of the station.

We do not propose to make concrete recommendations as to the machinery or the type of case or materials to be used, since these are matters which more properly fall within the province of those who will be directing the scheme. The use of dirty and dilapidated cases, and even of boxes that were never intended for eggs, has given rise to legitimate complaint on the part of the trade and has probably prejudiced the use of all returnables. While non-returnables have certain definite advantages, they are more expensive, and the Board might explore the possibility of effecting economies by using standard returnable cases, of a suitable type, especially for short-range marketing, and by developing a system of pooling the ownership, transport and maintenance of such returnables.

Management.—Though there are a number of packing stations at the present time which are run with skill and efficiency, there are probably not many packers who have been able to devote to the internal management of the station the attention that it deserves. It will clearly be necessary to study and improve the technique of packing station organisation and management and to see that a proper system is observed in all packing stations. The Board will require the assistance of an officer who possesses wide experience of modern methods of organisation and of the processes concerned. One of the duties of this officer will be to supervise the work of the packing station managers and to secure their goodwill and co-operation in developing and improving existing methods of handling.

Collection.—It is the actual collection costs which, under a monopoly system, will offer the greatest field for economy. The extent of the reduction will probably vary considerably according to local conditions, but we are in no doubt at all that great reductions are possible in normal circumstances.

Direct collection by the packing stations' own vans will probably prove the best method in Areas where the means of communication are easy and production is heavy. Whatever the actual method of collection, there will no longer be a number of competing collectors calling at the same farm, so that overlapping will be eliminated. Time schedules should be worked out, so that the producer will know on what days and approximately at what time his eggs will be collected. In many Areas it may be possible to reduce collection costs still further by arranging assembly points to which cottage producers can themselves deliver small lots of eggs to be picked up

by the collecting van. Some successful experiments on these lines, in connection with the National Mark Scheme, have already been made by Women's Institutes. Again, where transport conditions are difficult, the development of a system of collecting depots at a convenient distance from the central packing station may sometimes offer economies.

The rationalisation of the assembly system will inevitably displace some existing agencies, but we hope that, as far as it is possible to do so with economy, packing stations will endeavour to make use of those who are at present engaged in collecting eggs. Though it is generally desirable that collectors should be the direct employees of the station, it may be convenient for arrangements to be made in some instances for higglers to collect on commission. In other Areas, again, the most suitable plan may be to enter into an agreement with those local grocers and carriers who are now engaged in collecting eggs. Such arrangements may prove to be cheap and effective, especially in districts where holdings are difficult of access. The grocer's shop would, in effect, become an assembly point from which the station vans would collect at regular intervals, at the same time delivering graded and tested eggs for the grocer's own trade. These suggestions do not, of course, cover all the possibilities, but they are sufficient to indicate that there will be ample opportunity for experiment and ingenuity in evolving methods of assembly best suited to each particular locality.

Whatever method of collection is used, it must operate *rapidly* as well as cheaply. The greatest asset of the home-produced egg should be its freshness; and the whole organisation of assembly and distribution must be designed to make the utmost of this asset.

(v) Payment of Producers.

We regard it as essential to the building up of a healthy industry that the payment made to producers for their eggs should be dependent both upon internal quality as determined by candling, and upon cleanliness. In addition to the deductions for naturally faulty eggs, special deductions might be made for dirty eggs and penalties inflicted for sending stale eggs, on a scale laid down by the Board. To put the matter shortly, the producers who send a first quality article to the packing station should be paid a higher price than those who take less trouble. In this way the undesirable practice of holding eggs on a rising market would also be checked.

Whether producers should be paid for first quality eggs according to individual weight grade or on a per lb. basis seems to us to be largely a matter of convenience of administration. Since the prices at which packing stations will sell will be fixed by grade, there may be difficulty in arriving at a flat rate price per lb. which will accurately reflect the national grade basis. If this difficulty could

be overcome, payment on a per lb. basis might effect certain administrative economies, particularly in regard to small lots. But our conclusion is that payment by weight grade will be the more satisfactory method.

Every packing station will pay for each grade the national price ruling during the week of collection, less the approved service charge. If, however, prices changed during the week, it would clearly be unfair for individual producers to gain or to lose because of the date of collection, which would necessarily be fixed by the packing station. In such circumstances all producers should be paid on the basis of the weekly average of the prescribed prices.

Although producers will thus be paid on the prices ruling during the week of collection, packing stations will be selling at the prices ruling on the day of sale. A packing station will not be able to dispose of all the eggs it receives on the day of receipt, and consequently there will be times when the price governing the packing station's sales is different from the price on the basis of which the packing station has to pay the producer. During the period of falling prices, therefore, the weekly sum paid to producers for their eggs, plus the service charges, will tend to exceed the weekly sum realised by the packing station for its sales; and the converse will be the case when prices are rising.

For stations owned by the Board this question is of little importance because, over the long period, payments and receipts must be made to balance. For privately owned stations, however, and for those owned on the ordinary co-operative basis, it may be of some moment. A solution can be found in either of the following ways. The net profit or loss arising out of these differences, as affected also by any sales made above the national prices, could be regarded as a commercial risk to be borne by the packing station and to be taken into account in fixing the service charge. Alternatively, it might be looked upon as a risk to be carried by the producers within the Area, in which case a balance would be struck at the end of each year to show the surplus or deficit arising purely from alterations in price, and this surplus or deficit could be transferred to, or recovered from, the producers.

There are disadvantages as well as advantages attaching to either method. If the risk remained with the packing stations, they would, of course, expect it to be covered in the service charge, and there would be a temptation to hold eggs at certain times of the year in the hope of price increases. But the service charge will have to be negotiated with, and approved by, the Board; and the supervision exercised by the Board would prevent holding on any considerable scale. On the other hand, if the risk were borne by producers, there would be less incentive to the packing stations to keep stocks moving rapidly when prices were falling; the individuality of packing stations would be further weakened; and a

complication would be introduced which producers might find difficult to understand. In a matter of business detail such as this, the choice of method must lie with the Board, but it is obvious that the same system should be adopted generally throughout the country.

Since many producers possess but small financial resources, they should be able to receive prompt payment for their eggs. If it were possible to arrange for settlements on a monthly basis considerable administrative economies would result. If producers desire to be paid weekly, this should be arranged, though it will necessarily be more costly. Payment for the eggs at the time when they are collected will be impossible, since the sum payable will depend upon the results of testing and grading. But payment should be made at the next collection, so that producers need not wait more than one week, the first, for cash.

(vi) The Service Charge.

The price which the producer will receive will be the national delivered price, assessed separately for each grade, less the service charge. The service charge will vary from Area to Area, according to the conditions under which the packing station is working. In all Areas it will directly represent the actual costs of marketing.

Many producers are now disposing of their eggs to higglers, retailers and others without being charged separately and directly for the costs of collection, handling and distribution; and a number have become opponents of the principle of packing stations on account of the large deductions made by some of them in arriving at the prices paid to producers. It is obviously a mistake for those who sell their eggs to dealers to imagine that they have no marketing costs. The buyer must clearly take account of the price he can get, and the services he must give, in deciding upon the price he can pay the producer. We have sympathy, however, with those who complain of the charges made by some packing stations, for we agree that the returns have sometimes been disappointing. This has been due in a large measure to the difficulties under which packing stations have been working, most of which should be obviated under the new proposals.

The service charge must primarily cover the actual outgoings of the station, i.e., the expenses of collection, testing, grading, packing, sale and delivery and overhead charges, the latter including the full remuneration for management. There then remains the question of "profit", which should represent a return on the capital employed commensurate with the element of risk and enterprise associated with the investment. It will be necessary for the service charge in respect of stations owned by individuals or by groups of producers to include an adequate loading for profit, and the Board, in consultation with such packers, should decide what will be a reasonable amount in the circumstances. We are of opinion that a profit loading

should also be introduced in the case of stations owned by the Board for the purpose of securing uniformity in the treatment of producers as between one Area and another.

Until experience of service charge rates has been gained, the Board, in the first year or two, may be unable to fix a charge that is exactly adequate to requirements. We suggest, therefore, that in the first instance surpluses arising out of the service charge should be divided between the station owner and the producers in the Area in agreed proportions. The major portion of any such surplus should go to the producers, but it is advisable that some share should accrue to the owners to provide an incentive to effect the greatest economies in working. Conversely, if the service charge did not prove adequate to provide a reasonable margin of profit to the owners, arrangements should be made for a fair adjustment. When the Board can estimate service charges on a basis that is fair to both parties, some measure of stability might be introduced. Eventually it might be found more conducive to efficiency on the part of station owners if they were allowed to retain the whole of the difference between their total expenses and their gross income from service charges. The Board should not, however, abandon their right to require periodical revision.

It is evident that the supervision and approval of service charges will be an important matter and will affect every individual producer. The Board will gain experience by operating packing stations of their own and by comparisons, under a system of standardised accounting, between the costs of stations working under similar conditions. We believe that, under the new system, packing station costs should be capable of material reduction. From the beginning, the Board should institute a thorough investigation with the object of effecting economies; and we have no doubt that the lower collection costs, the bulk purchase of materials and the complete organisation of stations will result in a considerable reduction in the charges at present borne by producers.

CHAPTER 6.—DISTRIBUTION.

In examining the question of the distribution of eggs from the packing station, we have had two principal objects in view. The first is to straighten and broaden the channels through which eggs reach the consumer, thus speeding up the process and reducing the gluts which upset the market at certain times of the year. The second is to provide for day-to-day information as to supplies in hand and coming forward, thus providing the Board with such knowledge as will make their price policy practicable.

The plan we have proposed for organising assembly will introduce radical alterations in producers' methods of marketing, but our proposals with regard to distribution are, in the main, designed to use and to improve existing distributive channels, both wholesale and retail, and not to replace them. The standardising and bulking of high quality produce should result in a great increase in the flow of home-produced eggs to the urban markets.

(i) Distribution within the Area.

Eggs should pass into consumption along the shortest practicable route. A packing station should first supply the requirements of its immediate neighbourhood, and only then should it send eggs farther afield. The great consuming centres should draw their supplies from sources as near to them as possible, and eggs should not be allowed to form a glut on any one market while there may be shortages on others.

Rural districts and provincial consuming centres to-day draw their supplies from near at hand. Under the new system, producers will normally sell to the Area packing station, and it will be the first duty of the packing station to supply the needs of the Area. The only change in the situation from the point of view of the retailer or the local wholesaler will be that there will be one major source of supply instead of a large number of minor ones. In this local trade, stations will deal either with the wholesale provision merchant or direct with the retail shops, whichever is cheapest and most convenient.

There should, even in country districts, be an improvement in the quality and freshness of the eggs. This should follow from the more regular and more frequent collections, from universal testing for quality, and from the fact that it will no longer be necessary for the retailer in the villages and small towns to buy more than he

requires for immediate consumption. We hope that the risk of overstocking and the consequent temptation to hold over supplies will become things of the past.

(ii) Distribution outside the Area.

It is clear, however, that there will be very few, if any, Area packing stations which, throughout the year, will have supplies exactly equal to the needs of their own Area. Nearly all Areas will have either a regular or an occasional surplus to be disposed of elsewhere, or will have to draw extra supplies from outside. The movement of supplies between Areas will again be local in many cases; eggs will have to be sent outside the Area, but only to a consuming centre close at hand. In other cases, however, eggs will have to go long distances to find a market. At present, owing to the paucity of market intelligence and of the means of co-ordinating such information as there is, the packer is obliged to work largely in the dark. All he can do is to send his surplus to one of the central markets—usually to London—for sale on commission. In the spring when every country packer is in the position of seeking outlets for his surplus, central markets inevitably become glutted: eggs cannot be moved rapidly into consumption, and must either be held or sent to another market which may itself have heavier stocks than it can handle. In either case there must be depreciation of quality. Neither producer nor consumer benefits, for the former receives poor prices and the latter poor eggs.

To meet this situation we propose the creation of Regional clearing houses, each under the control of a Regional Manager, and all working under the guidance of the central authority. The duty of the Regional Manager will be to co-ordinate the surpluses and deficiencies of Areas within the Region; the duty of the central authority will be to co-ordinate the surpluses and deficiencies of Regions within the country as a whole.

It is not intended that this organisation shall either usurp the functions of the wholesale trade or impose irksome restrictions upon the packing stations. Its main purposes will be to collect and disseminate information and to put buyers into immediate touch with the nearest and most convenient source of supply. Actual control over the physical movement of supplies should be as slight as is consistent with the fulfilment of these objects.

(iii) The Regional Plan.

For distributive purposes we suggest that England and Wales shall be divided into the twelve Regions defined below. In addition to these twelve Regions, we propose that London shall be made a special distributive district which, because

of its importance as a market, will be in direct contact with the Board's central organisation. The proposed Regions are :—

Region 1 : Cumberland, Durham and Northumberland.

Region 2 : Cheshire, Lancashire and Westmorland.

Region 3 : Yorkshire.

Region 4 : Derbyshire, Leicestershire, Lincolnshire, Nottinghamshire and Rutland.

Region 5 : Herefordshire, Shropshire, Staffordshire, Warwickshire and Worcestershire.

Region 6 : Anglesey, Caernarvonshire, Denbighshire, Flintshire, Merionethshire and Montgomeryshire.

Region 7 : Brecknockshire, Cardiganshire, Carmarthen, Glamorganshire, Monmouthshire, Pembrokeshire and Radnorshire.

Region 8 : Cornwall and Devonshire.

Region 9 : Dorset, Gloucestershire, Somerset and Wiltshire.

Region 10 : Hampshire, Kent, Surrey and Sussex.

Region 11 : Bedfordshire, Berkshire, Buckinghamshire, Hertfordshire, Huntingdonshire, Middlesex, Northamptonshire and Oxfordshire.

Region 12 : Cambridgeshire, Essex, Norfolk and Suffolk.

The London District : The City of London and the County of London.

These Regions are unequal not only in area, but in human and poultry population. They have been chosen for their convenience from the point of view of distribution. The plan may require alteration in the light of experience, but we think that it will form a satisfactory starting point.

If the Regions are examined in detail, it will be seen that Nos. 1 to 5 and No. 7 are based upon the great consuming centres of the North, Lancashire, the West Riding, the East Midlands, the West Midlands and South Wales, respectively. While we do not suggest that any of these Regions will be entirely self-supporting in the sense that it will never have a surplus or a deficiency, we think that all of them will provide the bulk of their supplies of home-produced eggs. At least we expect that they will draw any additional supplies they may need from near at hand and will not depend upon distant "exporting" Regions.

The remaining Regions are different. North Wales sends mainly to Manchester and Birmingham and will probably continue to do so. The other five, constituting the whole of the southern, south-western and eastern counties and a large part of the South Midlands, all "export" to London and its suburbs, though they all have some important consuming centres within their own

boundaries. London itself is by far the largest "importing" market in the country, drawing its supplies at certain seasons of the year from places as far distant as Cumberland and Cornwall.

(iv) Division of Functions under the Regional Plan.

Under our proposals, there may be some two hundred Area packing stations responsible for the assembly and the local distribution of eggs. Areas will be grouped into the twelve Regions, an average of sixteen Areas to the Region. Regions, through their Managers, will be under the control of the Board, and distribution in London will also be supervised by the Board.

The following notes indicate our view of the relationship between Areas, Regions and the Board.

The Manager of the Area packing station.—A packing station Manager, though not employed by the Board (except where the station actually belongs to the Board) will, under the terms of the station's licence, be responsible for reporting daily to the Regional Manager his throughput, his total sales within his own Area and within the Region, his sales outside the Region and their destination. Sales inside the Area will be free from control by the Regional Manager, but all sales outside the Area will be made subject to his approval. This does not mean that the packing station will have to obtain a permit for each case of eggs sold out of the Area, since we anticipate a great increase in regular orders and believe that the bulk of the trade will be carried on in this way. Regular sales will receive automatic approval from the Regional Manager unless they involve the sending of eggs on journeys which are clearly uneconomic.

The Regional Manager.—The Regional Manager will be the principal administrative officer of the Board in the Region. His duties will be, first, to ensure that the inter-Area movements of eggs within his own Region are on the most economic basis, and, secondly, to keep the Board advised of the state of supply and demand. Packing stations will keep him informed daily of their stocks on hand, and wholesalers or large retailers in his Region will approach him if supplies are short. Should packing stations report a surplus, he will try and find an outlet within his own Region; and if a wholesaler reports a deficiency from his regular sources, he will either meet it from other packing stations within the Region or procure a supply from elsewhere. He will keep the Board informed of his net regional surplus or deficiency and of the position regarding supply and demand.

The Central authority.—The co-ordination of Regional surpluses and deficiencies will be the business of the principal officers of the Board. They will perform for the country as a whole the functions which the Regional Manager carries out within his Region. They

will have before them the daily reports of the Regional Managers and of the officer responsible for the London district. They will be in possession, therefore, of precise knowledge as to where eggs are needed and whence the needs can most economically be met, and will thus be in a position to modify local gluts.

The great bulk of the surpluses from all sources reported to the Board's central office will find an outlet on the London market. It will, therefore, be necessary to have an officer under the General Manager responsible for the needs of London. His duties will be largely concerned with the facilitation of distribution, for there will probably be no packing stations within the London district. His function will be to connect traders in London in need of supplies with the surpluses of packing stations in the exporting Regions. While we have suggested provisionally that the London district might consist of the City and the County of London, we think it not unlikely that other urban areas lying outside the county boundary may need to be included in this arrangement. The precise extent of the special London district should, therefore, be determined by the Board in the light of experience before the scheme comes into complete operation, and be amended according to circumstances.

(v) Charges for Sales Services.

The operation of this Regional plan will obviously involve the Board in certain costs in directing the flow of eggs. It is undesirable that the Regional organisation should be called upon to perform any material amount of actual selling services, and therefore should packing stations come to lean too much upon the Regional office for disposal of supplies, it might be considered whether a charge should be made for services rendered.

(vi) Transport Matters.

In the ordinary course each packing station will bear its own transport costs and will include them in the service charge. Some may find it cheaper and more convenient to contract with local carriers for delivery within the Area than to operate their own delivery services.

The Board will, no doubt, enter into negotiations with the railway and road companies to secure, on a national basis, the best possible terms for the very considerable traffic in eggs.

CHAPTER 7.—PRICE POLICY AND PRICE CONTROL.

(i) Common Interests of Producers and Consumers.

In the last resort producers will measure the success or the failure of any marketing scheme by its effect on their net returns. Taking the long view, there is no necessary divergence of interest between the producer and the consumer of eggs in this respect, if producers recognise, as most of them do, the importance of demand in the determination of egg prices—the importance, that is, of desire for the product on the part of consumers, coupled with the ability to buy. Producers realise that it would not be to their advantage to seek to raise prices to an extent that would place home-produced eggs beyond the reach of any considerable section of the buyers. Consumers, on the other hand, have much to gain in respect of quality and freshness if a large and increasing proportion of the total supply of eggs is produced in this country. They have, therefore, a direct interest in the maintenance of a price level high enough to promote the well-being of an important national industry.

(ii) The Need for Price Control.

The organisation of assembly and sale through a limited number of packing stations will do much to remove the inequities of the existing methods of price determination. The differences in price which are due to differences in the relative bargaining strength of producers will be eliminated under a packing station system. There will remain, however, other difficulties which such organisation will not by itself remedy.

Price fluctuations.—Short-term fluctuations in price, whether caused by a sudden contraction or expansion in production or demand, or by speculative activities, are a constant source of discontent. Producers may lay undue stress on price reductions and may forget the occasions on which the movement is in their favour, but there is some substance in their complaints, even if they are exaggerated.

The spring slump, although annual and inevitable, is also a source of uncertainty. Producers never know at what low level the spring price will eventually touch bottom, and go through an annual period of anxiety. We have already referred to the effects upon demand of unduly high prices in the autumn, and we are convinced that some modification of the seasonal price curve would be to the advantage of producers and consumers alike.

We believe that, under an organised system of marketing, both casual fluctuations in price and the seasonal variations can be reduced. Our recommendations on price policy have been framed on these assumptions.

Effect of assembly and distribution plans.—Other important factors also contributed to our final decisions. The first was the situation created by our proposal for monopoly collection areas; and the second, the implications arising from the suggested system of area and regional distribution.

With monopoly collection in force, producers will be under a legal obligation to sell their eggs to their Area packing station which, in many instances, will not be under the immediate control of the Board. It is, therefore, necessary to make sure that justice is done as between the producer and the packing station. There can hardly be a question that measures must be taken to secure that the prices received by producers for their eggs are fairly related to the prices obtained by the packing stations. If, moreover, each packing station were left to make its own prices, the returns to producers would vary to a greater degree than was justified by differences in service charges. The variations might be due in part to such internal matters as comparative sales efficiency, and in part to special arrangements that might be reached between individual stations and their customers. While it is probable that the prices returned to producers by stations would, over a period, differ by little more than the difference in service charges, any additional difference, when other things were equal, would be unfair to those producers who were forced, without any option in the matter, to send their eggs to a station paying a lower price. Moreover, if some 200 packing stations were selling in unrestricted competition with one another, the distributive trades would be in a strong position to secure any margin that might exist between the price which demand would bear and the price at which these trades could sell at a reasonable profit. If, however, a producers' board were controlling the price at which the packing stations would sell, they should be able so to pitch the price as to secure this extra margin for producers, while yet leaving the price to the consumer unaffected and the distributive trades with a reasonable profit. We conclude, therefore, that if the producer is to obtain the fullest benefit from such economies in marketing costs as will result from our proposals, it will be necessary for the Board to control prices.

(iii) The Method of Price Control.

Indirect or direct price control.—Price control may take one of two forms: it may be *indirect*, by the regulation of the marketed supply; or it may be *direct*, by the fixation of price. In practice, the choice of method is determined in part by the objective, and in part by the conditions of supply and demand in relation to the particular commodity. The indirect method is the one usually adopted when the object is to raise the price level of primary commodities. Considered in relation to conditions of supply and demand, eggs share many of the characteristics of the primary products most amenable to the indirect method. The supply varies in response to natural factors as well as to price changes, demand is relatively elastic, and it is difficult to forecast changes in either.

We are aware of the particular difficulties involved in the exercise of the direct form of price control for eggs; and had we been in a position to make a decision solely in relation to the conditions of supply and demand, there would have been strong reasons for recommending the indirect method. As it is, we have been obliged to consider also the objects of a marketing scheme, and certain of these make necessary the adoption of the direct method. Earlier in this chapter we argued that some form of price control was desirable to eliminate the short period price fluctuations, to achieve some modification of the seasonal price curve, and to secure the smooth working of the systems of monopoly collection and Area and Regional distribution. It is true that the first two of these objectives might be achieved by the regulation of supplies. But when we come to the third, the objection to compelling individual producers to sell to a particular station would still remain, unless they were protected in the matter of price.

A recommended price.—For much the same reasons the publication by the Board of a "recommended" price would not provide an adequate solution. It would still leave packing stations to negotiate the actual terms of each transaction; and the difficulties we have enumerated would not be avoided. The Board would have no immediate responsibility beyond the publication of the price, and there would be a natural temptation for them to pitch it on the high side. Indeed there might be some justification for doing so, for sellers would be inclined to regard the Board's price as a minimum, while buyers would be reluctant to go above it. Any divergence between the "recommended" price and the average price realised by individual stations would, however, give rise to dissatisfaction and disputes between producers and the station authorities. Producers would naturally expect to be paid on the basis of the "recommended" price; but unless the latter were an exact reflection of current market conditions, it could not correspond to the prices actually realised.

Direct price control.—On the ground of administrative expediency we consider that prices must be prescribed from time to time to serve as the basis of trade between producers and packing stations on the one hand, and between packing stations and their customers on the other. For essentially practical reasons, therefore, we recommend that the Board should undertake the direct control of prices.

(iv) Some General Considerations on Price Fixing.

If the principle of direct price control be accepted, the difficulties and responsibilities it entails must be realised. We think that the Board, in carrying out this function, should recognise certain underlying principles, and we would emphasise the fact that, unless they do, price control may be attended with grave danger, if not with disaster.

Price raising.—The power to prescribe prices cannot be used in an arbitrary fashion to raise the general level of egg prices. For such a perishable commodity, of which the supply is capable of easy and rapid expansion and the demand is sensitive to changes in the prices both of eggs and of competitive foodstuffs, price must continue to perform its essential function of equating supply and demand. We are convinced that the arbitrary fixing of prices at a level higher than would obtain in a free market would lead to a contraction of demand. The fixed prices would then inevitably collapse under the pressure of unsold supplies. Taking a long view—and it need not be a very long one—the arbitrary raising of prices by the Board has nothing to offer to producers; and though it may appear to provide a short cut to prosperity, it would prove to be a will-o'-the-wisp against which we warn both producers and the Board.

Prices related to costs of production.—Some witnesses have advocated the fixing of prices based upon production costs. This theory is popular among producers, and we do not doubt that the Board will be strongly pressed to fix prices upon this basis. We have devoted a good deal of attention to the subject of production costs and have received evidence both from professional sources and from individual producers. The results of this part of our enquiry, however, have been mainly negative. While we recognise the difficulties of ascertaining the real costs of egg production, we have been impressed by the wide variations in the figures of costs that have been submitted, even when those costs related to apparently similar types of production units in the same district. We have come to the conclusion that it is quite impossible, having regard to all the difficulties, to calculate a representative cost of egg production either for the industry as a whole, or for the general farmer and the specialist producer separately.

Even if it were practicable to fix prices on this basis, the Board would have to ensure that the costs they adopted represented the expenses of efficient production. Such a basis, however, would not satisfy the large number of producers whose efficiency, measured by their costs, fell below the standard. These producers would continue to agitate for prices to be fixed in relation to their own higher costs. Thus if the Board attempted to fix prices solely on a cost-of-production basis, they would be faced by the dilemma either of failing to meet the desires of a large section of producers, or of embarking upon a policy of artificial price raising which would seriously prejudice the demand for eggs. We trust that the Board will realise that price fixing provides no solution for the problems of high-cost producers.

These considerations are, however, of theoretical value only, because the determination of prices according to production costs is merely one form of that arbitrary price fixing which we have

already condemned. If it were possible so to control the volume of eggs produced, and so to restrict the competition of other foodstuffs, that egg supplies could be kept equated to demand at any price level that was decided upon, it might be practicable to fix prices by reference to costs determined in some prescribed manner. But bearing in mind that there are already hundreds of thousands of producers, that thousands of others could take up production to supply their own requirements, and that eggs are constantly in competition with a multiplicity of other foodstuffs, we do not believe that control of that character is within the bounds of practicability.

Positive principles.—We have recommended that the Board should prescribe prices for certain specific reasons, one of which is to facilitate the operation of the new systems of assembly and distribution essential to the development of the industry. It follows that, in determining the level of prices, *the objective must be the effective clearance of supplies.*

Neither of the other two objectives of price control—the elimination of short period fluctuations and a modification of the seasonal variation—need involve practices conflicting with this principle. Both require some degree of control of the supply reaching the market; but provided that a proper sense of proportion is preserved, that control should be kept within manageable limits. Many of the fluctuations in price that occur under existing conditions are caused by temporary factors and could be eliminated without serious interference with the flow of supplies. If, however, the quantities available indicated a need for a price reduction, the Board might, instead of lowering the price, withdraw a portion of the total supply from the market either for storage or for some form of industrial utilisation. In this way the volume of supplies might be reduced and prices steadied during the spring and early summer months, when for some weeks prices fluctuate around a more or less constant, but low, level. Action of this kind demands great care.

A policy of modifying spring and autumn price levels by storing spring eggs on a large scale for sale in the autumn should by no means involve a departure from the principle that the prescribed price must be one which equates supply with demand. Such a policy should, in fact, aim at operating indirectly on prices by changing the volume of seasonal supplies. We do not think that a reduction of the seasonal price variation should be attempted on too large a scale. We believe that during the period of heaviest production, prices might be prevented from sinking unreasonably low, and that during the period of lowest production, price levels which exaggerate the contraction of demand might be reduced. If the operation of the policy suggested is kept strictly within these limits, both producers and consumers should benefit.

(v) **The Nature of the Prescribed Price.**

The technique of price determination under the scheme must be developed on the basis of experience. At the same time there are certain aspects of the question to which we have given considerable attention and which we think it advisable to discuss. There is in the first place the question whether the prices shall be those paid to producers or those at which eggs are sold to the distributive trade, and in the second place, whether prices should be prescribed for each Region or for the country as a whole. In addition there are certain ancillary matters of importance to a proper understanding of the position, such as market intelligence, cold storage, the effect of imports and the actual machinery of price assessment.

Producer's prices.—Since a marketing scheme under the Acts is essentially a producers' scheme, it might be argued that prices should be controlled by fixing the actual payments made to producers. Although the course we recommend does not take that precise form, it does in effect determine the price that each producer will receive; for we propose that the Board shall *prescribe the minimum price at which packing stations are to sell and shall also approve the service charge of each packing station.*

Since service charges at the different packing stations must vary to some extent, the fixing of one price to be paid to all producers throughout the country would mean either that service charges would have to be pooled, or that there would be a variation from Area to Area in the prices at which packing stations could sell. As regards the pooling of service charges, apart from the objection of administrative complexity, the fact that stations will not be operating under comparable conditions will make the pooling of the expenses inequitable and impossible. As regards the second alternative, there could never be stability if packing stations in different Areas were selling at different price levels.

The prescribed price should, therefore, be the price at which packing stations are to sell. In arriving at the price to be paid to the producer, each packing station will deduct from this price the amount of its approved service charge. Producers supplying different stations will thus receive prices that will vary only by the amount of the difference in the respective service charges.

Regional or national prices.—From an administrative standpoint there are very considerable advantages to be gained from prescribing prices on a national, as distinct from a regional, basis. Regional prices would lead to serious conflicts of interest between producers whose regional prices varied. Producers in a high price region would oppose the movement of supplies into the region from outside, whereas producers in a low price region would wish to "export" as large a part as possible of their output because, in each case, of the effect on the local price. The Board would, in

practice, probably be compelled either to enforce movements of supplies so as to equalise to some extent the prices in different regions, or to operate some other form of inter-regional price equalisation. These difficulties will not arise if the prescribed price is a national one.

If the principle of a prescribed selling price is adopted, we can see no real objection either from the trade or from the consumer to the basis being national. It is true that retail prices vary from place to place under existing conditions, but not on a regional basis. Certain distributors and consumers will no longer be able to obtain low priced supplies from those producers who are to-day obliged to accept any price that is offered them. The raising of prices to this minority will, however, do no more than place them on equal terms with the majority of distributors and consumers.

National delivered prices.—Under present methods of marketing, there are at all times considerable variations in the prices at different markets. These variations are, in part, a reflection of differences in the quality or appearance of the eggs or of the reputation of the market or district; but they include also an allowance for differences in transport costs to the consuming markets. Thus, apart from questions of quality, no one expects eggs in remote districts to make as good a price as eggs produced on the fringe of the great cities. The latter have a "place" value that enters into the producer's price, and this should, in equity, be retained under an organised system of marketing in order to compensate for certain differences in costs of production.

If the national prices were *delivered prices*, the result would be, as we think it should be, that the cost of transport would be reflected in the prices received by producers. Producers in an Area which is able to dispose of its eggs close at hand would thus continue to receive rather better prices than those in an Area with a large surplus which had to be marketed at a distance.

A delivered price would have the further advantage that it would enable a trader to take supplies from any packing station with which he might be put into touch, without having to consider transport charges. If delivery costs were chargeable to the buyer, he would naturally want to get his supplies from the nearest packing station. The result might be an excess of demand on the packing stations in proximity to the cities at the expense of those at a distance. The possibilities of irritation and inequity are indeed so great that it is difficult to believe that a national selling price at the packing station could be successful. In consequence, we have come to the conclusion that the national price should represent the price of eggs delivered at the customer's premises.

It is intended that differential prices should be prescribed for the different weight grades of first quality eggs, though "seconds" and broken eggs might be sold for what they will fetch. Competition and varying costs will still play their part in determining retail prices, but the differential national delivered prices will obviously go

far towards defining the prices at which each grade will be sold in the shops, without the necessity for any positive attempt to control either retail prices or margins.

We recognise, however, that these proposals may have a considerable effect upon the present methods of conducting the wholesaling of eggs. The wholesaler is an important link in the chain of distribution for certain sections of the trade, and should continue to perform a useful service to the producer by providing a channel for disposal of supplies in bulk for subsequent distribution in smaller quantities, and so relieve the packing station of this expense. It is necessary, therefore, to devise some modification, in the form of a rebate on the national price, to enable wholesalers to continue to perform their function on a reasonable basis. Such modification should also be designed to take into account persons other than wholesalers buying on a comparable basis, and so to stimulate the sale of increasing quantities of eggs.

We think that it should be possible to measure this on a quantitative basis in such a way as at once to be equitable and to make for the greatest simplicity in administration. We accordingly suggest that the rebate should be determined according to a graduated scale in respect of deliveries by a packing station to any one address. This would, in our view, provide the necessary modification of the national price in the case of wholesalers and would also afford the necessary encouragement to large retailers of eggs. It will probably also be necessary to make some arrangement whereby packing stations will be freed from, or compensated for, the additional cost involved in dealing with the delivery of very small quantities. In this connection care would have to be taken to ensure that there was no undue increase in the retail price of eggs in rural areas.

It will be important that all rebates should be calculated by reference to quantities taken over a period rather than to individual deliveries, in order to avoid giving encouragement to the purchase of larger quantities than can be disposed of in a few days.

We do not think it necessary or desirable that we should indicate the quantities or the rates which should form the basis of these arrangements, as we consider these should be the subject of negotiation between the Board and the various sections of the trade. It will be appreciated that the quantities and rates will require to be varied from time to time throughout the year according to the seasonal fluctuation in production, but this also will be a matter for agreement between the Board and the trade.

(vi) The Technique of Price Control.

We have now examined in some detail the theoretical possibilities of price control and the practical alternatives that present themselves. We have arrived at certain conclusions as to the nature and purpose of the control, and we now proceed to give an indication of how, in our view, price determination will operate.

Market information.—The Board, in determining prices, will have to be advised of the trend of production, of the current supply situation, and of the relative movements in demand. There must be an efficient system of collecting and analysing the relevant statistics and appreciations of the supply and demand situation. The provision of regular reports as to supplies reaching the stations and sales and stocks on hand will form a condition of the licence under which the stations operate. Information regarding the trend of the market will be available to the Board through the Regional Managers and through their own contact with the distributive trades under the system of advisory committees suggested later in the Report. The Board will themselves control the storage of home-produced eggs. It will, however, be necessary for them to have a knowledge of current and expected supplies of imported eggs. The fixing of prices will be further facilitated by reliable estimates of the trend of production at home and abroad and of estimates of the trend of demand. It will be for the Board to ensure that their organisation for collecting information as to supplies and demand is capable of providing a continuous and representative picture of the changes in the egg market. It will be necessary for the Board to arrange for the regular publication of the national prices and the prompt notification to packing stations and trade organisations of any variations decided upon.

The storage of eggs.—In our recommendations on prices we suggest the storage of eggs as a means of reducing seasonal variation in prices. If, however, this method is employed the Board must take every possible step to ensure that the total gross returns to producers are not thereby reduced. The absence of any experience of the difficulties and pitfalls that will be encountered makes it imperative that the Board should adopt a cautious and, in the first stages, an experimental policy. In determining their seasonal programme the Board must pay special attention to the effect on prices of reducing the spring supplies and of increasing those in the autumn. Storage would prove an uneconomic proposition if the removal from the market of large quantities of eggs resulted in a very small improvement in spring prices, while at the same time the small additions to the autumn supply brought about a considerable reduction in price. On account of these uncertainties, as well as of the experimental character of the proposal generally, we advise the utmost caution in undertaking seasonal storage.

The reduction of the seasonal variation in price may also have repercussions on the ratio between spring and autumn production. In so far as the storage programme raises the spring price and depresses the autumn price, there will be some tendency for spring production to be stimulated and for autumn and winter production to be discouraged. If this movement were allowed to go far, it would defeat the object of seasonal storage and upset the winter egg producers. It would manifestly not be the policy of the Board to substitute stored spring laid eggs for new laid winter eggs.

If, however, the storage programme were kept within proper limits, a good deal could be achieved in the way of steadying prices from week to week in the spring and early summer and of maintaining a larger volume of demand for home-produced eggs in the autumn. The practice of the Board would probably be to determine sometime early in January the quantity of eggs that should be put into cold store during the glut period. In making that estimate, the most important consideration should be the capacity of the autumn market for good quality chilled eggs at prices which are remunerative, but which do not seriously undermine the winter market for new laid eggs. The estimate should not be exceeded, though it might be subject to reduction in exceptional circumstances.

From about the middle of March, when prices are falling seriously under the pressure of increasing home supplies, the Board would arrange to put eggs into store. The programme should provide for the storage of increasing quantities until production had reached the maximum, and then for a gradual reduction. The whole quantity should be bought and stored within the period when prices are most in need of support. The frequency of price alterations during the spring months could be reduced if the Board varied the actual quantities going into store in order to support prices when necessary. Over the whole period, however, they should never exceed their total estimate as originally determined. The eggs would be purchased by the Board at the current prescribed prices. As prices in the autumn begin to rise, the home-produced stored eggs would be gradually released at prices which would enable a rapid clearance to be effected by the distributive trades.

Eggs should be stored at a number of centres. This would make for convenience of distribution and reduce transport charges and expenses generally, since the cost of storage is usually less in the provinces. The stored eggs should be put on the market in small quantities at first; but once the trade has begun, it should continue until stocks are cleared, for distributors should not be expected to handle stored home-produced eggs at irregular intervals. The success of the experiment will largely depend upon successful marketing, and distributors should be encouraged in every possible way to look upon the stored home-produced egg trade as a part of the normal supply during the autumn and winter. It is, therefore, of vital importance that the trade and the public should be able to place full confidence in the quality of the Board's stored eggs.

The Board will be the trading body in stored eggs and will have to take responsibility for finance. We deal with the financial aspect of the proposal in Chapter 20. Even if the storage operations, as such, resulted in a small financial loss, it would not necessarily follow that the object had not been attained. A trading loss on the whole transaction, even coupled with a decrease in autumn returns, might be more than counter-balanced by the higher prices realised by producers in the spring.

It is desirable here to restate our view that seasonal storage should be undertaken as a means of securing firmer prices in the spring and a reduction of the price peak in the autumn, and not as an end in itself. To be successful, it must achieve these objects within the limits imposed by the interests of different groups of producers and without reducing the total gross return to the industry.

The effect of imports.—The determination of matters relating to imports and import control lie outside our terms of reference; but we are bound to recognise that proposals for price control, and for the regulation of the home supply on a seasonal basis, cannot be seriously discussed without giving some consideration to imported supplies. The Board would find themselves in an impossible position if the home-produced eggs going into store in the glut period were replaced by increased supplies of imported eggs. Apart altogether from the broad question whether existing import duties afford sufficient protection for the home industry, the seasonal regulation of home-produced supplies, for the purpose we intend, requires for its success at least a comparable degree of regulation of the imported supply. It is also most desirable that the Board should have information regarding anticipated imports for a week or two in advance. Beyond the bare statement of these two important general considerations it is not our duty to go, because questions of import policy are being dealt with by the Reorganisation Commission for Great Britain.

The machinery of price determination.—We are of opinion that the Board should be responsible for prescribing prices, though they must take full account of the advice that can be made available to them from outside sources. The Board will have always in view the permanent interest of the industry, which can best be served by encouraging the increased consumption of its products. But even if they were not disposed to take the long view, they would very soon be compelled to do so by force of circumstances. Any attempt to hold prices above the level dictated by the supply and demand situation would immediately react upon them, and there need be no fear, in our opinion, that the consumer will, or can, be made to suffer by the power to fix prices being conferred upon a responsible producers' board.

The day-to-day duty of assessing prices will be delegated to a committee of the Board which can be called together as frequently as may be necessary, and at short notice. In the main their function will be to consider all the relevant information that can be laid before them and to draw deductions from it. This information will include a digest of the returns received from packing stations as to intake, sales and stocks; appreciations of the supply and the demand situation, and of factors likely to affect it, from the Regional Managers; suggestions and comments from the trade advisers;

and, we hope, an accurate forecast of the imported supplies to be expected. From these data, and in the light of their experience, they will draw their inferences and reach their decisions. They will always endeavour to secure, in the interests of a continuing and expanding industry, the maximum stability of price and the minimum interference with demand.

CHAPTER 8.—WEIGHT AND QUALITY GRADES.

Our inquiries have revealed a remarkable depth of feeling in certain sections of the industry on the subject of weight grades for eggs. It is curious that this question should have aroused so much controversy amongst producers, because the primary purpose of grading is to facilitate the handling of goods in bulk and to make possible their sale and purchase on description alone. In the selection of grades, therefore, it is the convenience of the wholesale and retail trades and of the purchasing public that should be considered first. The other objects of grading are, by assisting orderly distribution, to reduce waste and so to enable producers to obtain better returns. Grading is also of value in that it makes it possible to pay each producer according to the quality and value of his produce.

It is customary to consider grades for eggs in relation to two factors, quality and weight (or size). While we make suggestions as to both of these factors, we regard the choice of suitable weight grades as an ancillary matter. The question of quality is in an altogether different category. The public has a right to expect that, when producers are organised on a national scale, the home product will represent the best that can be marketed. It is doubtful whether anything could prejudice the Board in the eyes of the consumer more than the sale of inferior quality eggs under the Board's name.

(1) Weight Grades for First Quality Hen Eggs.

The statutory grades.—Statutory grades for eggs have been prescribed by the Minister of Agriculture under the Agricultural Produce (Grading and Marking) Acts and are at present in use under the National Mark Scheme. These grades are as follows:—

						<i>Minimum egg weight.</i>
Special	...	...	...	...	...	2½ oz.
Standard	...	...	...	...	...	2 oz.
Medium	...	...	...	...	...	1¾ oz.
Pullet	...	...	...	...	...	1½ oz.

In addition, of course, eggs in each grade have to conform to a certain quality standard.

Alternative suggestions.—It has been represented to us, however, that these grades are not the most suitable for adoption under a marketing scheme, and several alternative proposals have been put forward. Criticism centres almost entirely around the view that the "Standard" grade is unduly high and exclusive. Opponents of the statutory grades usually support what are known as the "Lancashire" grades, which allot to "Mediums" only the eggs of less than $1\frac{7}{8}$ oz. weight, so that the "Standard" grade includes those in the $1\frac{7}{8}$ oz. to 2 oz. range, as well as the eggs weighing more than 2 oz. Many supporters of this proposal would have no objection, however, to the large eggs over, say, $2\frac{1}{2}$ oz., being taken out and classed as "Specials." A second proposal was that the statutory grades should be left unchanged except that the minimum egg weight in the "Standard" grade should be reduced to $1\frac{1}{4}$ oz.

A further alternative suggested was that four grades should be retained, the top three with minimum individual egg weights of $2\frac{1}{2}$ oz., $1\frac{7}{8}$ oz. and $1\frac{5}{8}$ oz. and the lowest with no minimum. In addition it was proposed that the first three grades should have a minimum weight per 120 of 17 lb., $15\frac{1}{2}$ lb. and 13 lb. respectively, which would ensure a large proportion of the heavier eggs being included in each grade. The grading systems in force in Northern Ireland and under the Scottish National Mark Scheme are based on the principle of a prescribed weight per 120 eggs, with a minimum weight for any 12 eggs.

The number of grades.—Some witnesses have urged upon us that there should be fewer than four grades, on the grounds of simplicity. On the other hand it has been represented that, in a scheme which is to cover the whole country and a very large proportion of the eggs going into consumption, provision must be made for a multiplicity of grades to suit all the different classes of trade and local variations in demand.

Of the total production of eggs, only some 20-25 per cent. can be regarded as extra large or extra small. One single main grade, therefore, containing the remaining 75-80 per cent. of the output, could hardly satisfy the different types of demand from different classes of customers and in different localities, and the practical minimum would seem to be *two main grades*. This would give a somewhat cheaper egg to those content with the smaller size, and provide a larger egg for those willing to pay a slight price premium.

We have come to the conclusion, therefore, that there should be two main grades in addition to the large and small sizes above and below them. We do not think that the existence of four such grades will cause undue complication; each retailer must decide which grades suit him best.

Another objection, however, has been made to a system of four grades, on account of the difficulty of fixing price differences between them at all times of the year. In extreme cases, it sometimes happens that the difference between the wholesale prices of grades of National Mark eggs is so small that it is practically impossible to make appropriate retail price differences.

The experience of the National Mark grades may not be altogether reliable as an indication of what may be expected under a comprehensive scheme, because only some 12 per cent. of the present output comes under the National Mark. Taken on an egg weight basis, the small price margins do not accurately represent the real differences in value between the different grades. The difference in weight between a dozen "Standard" eggs and a dozen "Medium" eggs would normally amount to at least 10 per cent., which, even at the season of low prices, should be equivalent to about 1s. difference in the prices per 120. The most probable explanation of these small inter-grade margins, which occur only during the period of low prices, is that the competition of cheap but good quality ungraded eggs forces down the prices of the heavier grades of National Mark eggs to relatively low levels. Under a comprehensive system of grading this competition would be eliminated, so that it should be possible to maintain representative differences between grade prices at all seasons of the year.

The provision of three grades instead of four might help to reduce the difficulty, but by itself would not remove it. A more direct method of attack would be for the Board to quote the fixed price on a per dozen basis and to endeavour to secure a difference per dozen between each two consecutive grades that could be reflected in retail prices. In fixing prices, the Board must, of course, have regard to the supply of, and the demand for, eggs of different grades, and they may occasionally find it necessary to vary the fixed price of a particular grade by less than 1d. a dozen. Even if this situation were to arise, we think that the quotation of prices per dozen, together with the removal of the competition of ungraded eggs, would generally enable the Board to make price changes that would be reflected in the retail price.

On the general issue, it is only necessary to compare ungraded English eggs with uniform National Mark or imported eggs to realise the advantage as a "selling line" of an evenly and closely graded pack. A large weight range in any individual grade makes it easy for the housewife to pick out the largest eggs. Because of the importance which many of the witnesses before us attached to the question of grades, we arranged for substantial parcels of eggs to be graded in accordance with the statutory grades and with the more important of the suggested alternatives, and compared them with several grades of Danish, Dutch and Northern Irish eggs. We were convinced by this demonstration that a weight range of more than $\frac{1}{4}$ oz. in any grade detracts from its

appearance and makes it comparatively easy, even for a novice, to pick out the largest eggs. This practical experience also afforded support to the view that four weight grades are necessary to cover the normal range of production.

Considerations regarding the weight grades.—So far we have discussed the question of grading principally in relation to what we have called the primary purpose of standardisation, namely, the facilitation of trade. It becomes necessary at this point to consider how it may affect returns to producers.

We have referred in the previous paragraphs to the two main grades that we regard as necessary to meet all the requirements of the retail trade in a country-wide system. We would emphasise the fact that we look upon both these middle grades as *main* grades. All the alternatives to the statutory grades that have been put to us have as their object the inclusion in the "Standard" grade of the largest of the eggs now falling into the "Medium" grade. After the most careful examination of the case, we have come to the conclusion that the belief that an extension of the "Standard" grade would secure better returns over the whole field of home supplies is fallacious. On the face of things it must be supposed that, if the standard of any grade of eggs is debased, its money value will be correspondingly reduced. It is impossible to believe that any system of grading would provide an exception to this universal rule, provided that the grades were compulsory and were generally observed. So long as systematic grading is applied voluntarily and to a small proportion of the total output only, some individuals will always be tempted to indulge in such practices as packing to slightly lower weights, and suggesting, or leaving it to be assumed, that particular parcels of eggs are of recognised grades. These are among the many difficulties which have confronted the National Mark packers.

It is true that, by extending the "Standard" grade, the producer might get a better price for those of his eggs that weighed between $1\frac{3}{4}$ oz. and 2 oz. At the same time he would get only that same price, which would be somewhat lower than the 2 oz. "Standard" price, for all those weighing 2 oz. or more. But the inclusion of eggs of $1\frac{3}{4}$ oz. to 2 oz. in weight in the "Standard" grade would debase not only that grade, but also the grade below it by removing from the latter all the biggest eggs and so lowering its money value. We are informed that, at present, the 75 per cent. of eggs which fall within the two main grades are made up of 45 per cent. of "Standards" and 30 per cent. of "Mediums." At least one-half of the "Medium" eggs are of $1\frac{3}{4}$ oz. in weight or more. If these were taken from the "Medium" grade, even allowing for the addition of other eggs of $1\frac{3}{4}$ oz. to $1\frac{1}{2}$ oz., the proportion of "Standards" to "Mediums" would become nearer 4 : 1 than the

current 3:2. If, in fact, the principle of two main grades has the value that we suggest, we think that the 2 oz. level should form the line of separation between them.

It has been represented to us by some producers that the laying of the large egg is injurious to the hen, and that the 2 oz. minimum egg weight of the "Standard" grade encourages the breeding of birds to lay larger eggs and so tends to lower the stamina of the laying flocks. We refer elsewhere to the important questions of disease and of lack of stamina in flocks. It is possible that there may be a connection between lack of stamina and efforts to produce hens able to lay a prodigious number of eggs, and especially of large eggs, but we do not find that it affects the question now under consideration, since healthy flocks on general farms normally produce 2 oz. eggs in large numbers.

Individual egg weight or weight per long hundred.—A number of suggestions have been offered to the effect that, whatever grades are adopted, a "tolerance" should be provided by allowing a limited proportion of under-weight eggs in any pack. The usual suggestion is to work on the basis of a weight per long hundred with either:—

- (a) an individual minimum egg weight slightly lower than the present one for each grade; or
- (b) a minimum weight per dozen eggs (as in Scotland and Northern Ireland); or
- (c) a minimum egg weight with a tolerance of, say, six or ten underweight eggs per 120.

The advantages claimed for such a system are that it makes the grades a little more flexible—which would help those who do not possess a highly efficient grading machine—and that the producer benefits financially by including the underweight eggs in a higher grade. The first alleged advantage, however, loses its force if a scheme on the lines we propose is adopted, for grading will take place at the packing stations. On the second point, we do not believe that the producer would obtain any price benefit from a tolerance if the system were universal. On the other hand there are evident disadvantages from the retailer's point of view. Any "tolerance" system of grading would certainly perpetuate the undesirable practice of mixing grades and accentuate the difficulties of control if, later on, any form of compulsory control should be found necessary.

Proposals as to weight grades.—We have, therefore, reached the conclusion that the grades to be adopted under the marketing scheme should be the present statutory grades, subject to two slight modifications. The name "Medium" has been objected to in certain quarters, and we are inclined to object to it ourselves, on the ground that it is capable of being misunderstood to be an admission of lower quality, as well as smaller size, than

the "Standard"; and, in fact, "Medium Weight" is not likely to be generally used. We recommend, therefore, that the name of this grade be changed to "Selected", the word at present in use in Northern Ireland for the corresponding grade. Secondly, we propose that there should be no minimum egg weight for the "Pullet" grade, which would thus include all eggs under 1½ oz. weight. With these modifications of the present statutory grades, the new weight grades for first quality hen eggs would be:—

<i>Designation.</i>	<i>Minimum Weight.</i>
Special	2½ oz.
Standard	2 oz.
Selected	1½ oz.
Pullet	None.

We do not propose that a maximum individual egg weight for each grade should also be prescribed, as the minimum of one grade will form the natural maximum of the one below. If the Board think it necessary, however, they will be able to fix both minima and maxima. It may be mentioned that we understand that Northern Ireland would be prepared to adopt the above grades.

(ii) Weight Grades for Second Quality Hen Eggs.

Second quality eggs will, of course, be thrown out of each of the four grades of "New laids", but it is unnecessary, in our opinion, to provide the same number of weight grades for them as for first quality eggs. We have considered a suggestion that, in order to avoid a wide range of sizes within a single grade, "Seconds" should be divided into two weight grades with the two-ounce level as the line of demarcation between them. On the whole, on account of the comparatively small number and lower value of "Seconds", we think it preferable that there should be no weight grades. We recommend, however, that it should be made a condition of a packer's licence that he should mark each case of "Seconds" with the weight per long hundred of the eggs packed therein. This should be sufficient for all trade purposes, and should prevent confusion between the first class product and the far less important second quality article.

(iii) Weight Grades for Cold Stored and other Conserved Eggs.

Some of the considerations set out above in relation to second quality home-produced eggs are equally applicable to the weight grades for cold stored and other conserved eggs. There is the additional point that only the middle weights of eggs are usually selected for preservation or storage. Very large eggs are not so suitable, and small ones can hardly bear the expense. Stored eggs, which will be sold in competition with imported graded supplies, should also be made up in uniform packs. This will be secured in practice if the eggs are graded at the packing stations

in the usual way before being set aside for storage. It is not desirable, however, that they should be sold under the grade names used for new laid eggs or under similar names, and we recommend that stored eggs, like "Seconds", should be sold on the weight basis of long hundreds.

(iv) Quality Grades for Hen Eggs.

Proposals as to first quality eggs.—The suitability of the present definition of "first quality" under the statutory grades has not been seriously questioned in the evidence we have received either from producers or distributors, though it appears that the absence of any provision for an age limit is looked upon by producers as a weakness. Quality in eggs is largely a matter of freshness, and freshness is closely bound up to age. A main object of organisation must be to get eggs to the consumer in the shortest possible time. But since the keeping properties of eggs vary and deterioration can take place rapidly under adverse conditions, it is a matter of practical impossibility to define quality in terms of age or to determine age by reference to quality tests. Flavour is also an important factor, but for obvious reasons it cannot be taken into account. Quality, then, can only be defined for practical purposes in terms of appearance when the eggs are "candled".

Candling is a skilled operation, the technique of which is still in the shaping; no doubt much knowledge has yet to be gained of the factors which bear upon egg quality. For the present, we think it better to defer consideration of refinements in quality grading, and to aim at a standard which will provide eggs of high quality, but is, nevertheless, possible of attainment by the vast mass of home supplies if they are marketed within a reasonable time. The definition we propose, which differs but little from the existing statutory definition, is as follows:—

The egg must not have been preserved by any process; the shell must be clean and sound; the yolk must be central, translucent or faintly but not clearly visible, the white translucent and firm; and the air-space must not exceed $\frac{1}{4}$ in. in depth.

We should much have liked to have included the words "and unwashed" in this definition and have only refrained from doing so on account of the extreme difficulty of policing such a requirement. We are sure that the Board will take any possible steps to discourage this practice, which is undoubtedly injurious to the keeping quality of the eggs.

As regards the grade designation for first quality eggs, the term "New laid" is already in very general use and is popularly regarded as indicating the highest standard of quality. We recommend its retention as part of each grade designation, so that the full designations would be:—

New Laid Special.
New Laid Standard.
New Laid Selected.
New Laid Pullet.

Proposals as to second quality eggs.—At present "fresh" eggs (i.e. those which have not been stored or artificially preserved in any way) which fall outside the definition of "first quality" have not been made the subject of a statutory quality definition, and their sale can take place under any description other than the statutory grade designations which imply the "first quality" definition. The quality level of home-produced eggs would, no doubt, be quickly and surely raised if the sale of any eggs (except stored or preserved eggs) of other than first quality were prohibited altogether, except for industrial purposes. We are not prepared, however, to recommend such a drastic course.

Provision must, therefore, be made for the sale for consumption of second quality unstored eggs, and there must obviously be some means of distinguishing them from first quality eggs. We accordingly recommend that second quality eggs should be individually marked as such at the packing station, and we think that the term "Second quality" or "Second", allowing these alternatives, would be suitable.

Chilled, cold-stored and preserved eggs.—While it is of importance that the Board should maintain a high standard of quality for their conserved eggs, we have not thought it necessary to set out quality definitions for these eggs. Nor do we desire to comment on the descriptions at present in use, which were prescribed in Regulations made under the Agricultural Produce (Grading and Marking) Act, 1928, for the different classes of conserved eggs. We do regard it, however, as a principle of major importance that all eggs subjected to artificial preservation should be marked in such a way as will plainly indicate the fact.

(v) Weight and Quality Grades for Duck Eggs.

Under the statutory provisions four weight grades are defined for duck eggs. The grade designations applied to these four grades are the same as those provided for hen eggs, and the minimum weight in each is $\frac{1}{2}$ oz. above the minimum for the corresponding grade of hen eggs. The production of duck eggs in England and Wales is small in comparison with that of hen eggs amounting, in 1933, to some 60 million per annum as compared with a hen egg production of 3,700 million per annum. Moreover there seems to be no reason to anticipate any rapid increase of demand and so of production. For these reasons, and bearing in mind once more the importance of simplicity, we are of opinion that two weight grades should be sufficient. The line of demarcation between the grades might be that which now exists between "Standard" and "Medium" duck eggs, namely, $2\frac{1}{2}$ oz. The names suggested for these two grades are "Special Duck" and "Selected Duck". The quality grade designation for first grade eggs should also be "New laid".

We think that provision should be made for a second quality, and the same name as for hen eggs ("Second quality" or "Second") might be adopted for duck eggs.

The definition we suggest for "New laid" duck eggs is:—

The egg must not have been preserved by any process; the shell must be clean and sound; the yolk central, visible but not dense and moving freely; and the white must be translucent and firm.

There is no need to sub-divide the second quality into weight grades, particularly as the total quantity falling within this quality classification will be comparatively small.

As it is understood that duck eggs are very rarely subjected to chilling, cold storage or preservation, it is not considered necessary to make any special provision for conserved duck eggs.

CHAPTER 9.—CONTROL OF THE GRADES.

(i) Control of the Weight Grades.

It will be apparent that, under the system of marketing we propose, the bulk of the eggs passing into commerce will be graded, so that sale by approved and uniform grades can readily be carried through to the consumer. The packing station will grade the eggs in the first instance and will afterwards sell them by grade, so that it will be easy for each subsequent vendor to pass them on in the grades in which he has received them.

It has been suggested to us, however, that it will be necessary to prevent retailers from mixing grades, or regrading eggs to lower standards, and that to effect this end there must be a statutory obligation upon retailers to sell eggs in the prescribed grades. Whether or not a statutory obligation is, in fact, the best method of achieving this must be considered in the light of the new conditions.

In regard to this suggestion, the position of retailers deserves particular attention. Control of the retail sale of eggs by grade would not be effective unless it were made compulsory to affix labels or tickets in the shops. If the ticketing of grades were required, the retailer would be the person upon whom the responsibility would fall for seeing that the ticket was correctly applied. He would consequently be the person on whom the penalties for failure to affix the proper ticket would also fall. It has constantly been alleged on behalf of retail traders in analogous cases that they are already overwhelmed with regulations of one sort and another, and made subject to prosecution and penalties even for accidental failure to comply with them. It is no part of their case that wilful attempts to defraud should be allowed to escape punishment. Their point is that, with so many regulations to obey, covering so many articles, it is impossible to avoid occasional

contraventions of those regulations, and that they are liable to prosecution, with the attendant publicity, for accidental as well as for wilful offences.

In addition to this plea, which we think is a valid one, the difficulty of securing that observance will be equally enforced throughout the country, and the expense of enforcing observance, also support our own conviction that it is better to avoid compulsory measures if there is a reasonable hope of achieving the desired end by less irksome means.

The problem might perhaps be solved without legislation if the Board were in a position to enforce their own "sanctions." If the stoppage of supplies could be threatened and, in the last resort, enforced quickly and easily, the mere existence of the possibility would go far to ensure compliance with the Board's requirements. Apart, however, from the serious practical difficulties, we do not think that, in principle, a producers' board is the right body to lay down the conditions of business between retailers and consumers, or to punish distributors for failure to comply with them.

We believe that much less stress will be laid on the advantages of statutory sale by grade when the effect of the changes that will follow reorganised marketing is appreciated. The plan is so constructed that practically the whole of the home-produced eggs passing into commerce will pass through packing stations where they will be graded according to uniform standards. The competition of ungraded eggs will be removed. It will be the rule, not the exception, to see in a shop eggs of certain specified and well-recognised grades. Under these new conditions there will be much less temptation for individual traders to mix grades in order to secure an advantage over their competitors. It is also less likely that success would attend the transaction if attempted.

During the period while the Board's organisation is being built up, graded eggs will not be obtainable everywhere; and it would be unreasonable to compel sale by grade until they are. There would, therefore, necessarily be an interval before any compulsory requirement could properly be enforced. In the meantime the Board should establish close contacts and working agreements with all sections of the distributive trade, including the organisations representative of individual shops, multiple shops and co-operators. There should be a reasonable hope of securing the adherence of these bodies when they realise that in a short time graded eggs will be on sale everywhere and may be nationally advertised. If, in fact, the Board set out to undertake regular and effective propaganda, and if the interest and co-operation of the big trading concerns and the national organisations can be early enlisted, the position may soon be reached that few individual traders of any consequence will be able to afford *not* to sell the advertised grades.

On the whole we believe that, if the Board make use of the openings that present themselves and cultivate the goodwill of the trade, compulsion to secure the sale of eggs by grade will be unnecessary under the new system. It is, however, impossible to be certain of the extent to which old practices may continue, and we suggest that the position might be reviewed in the light of the experience gained by the Board after the scheme has been operating for a year or two. If the Board then felt compelled to apply for procedure by legislation, they would be able to make out a much stronger case for statutory compulsion than is possible to-day.

(ii) Quality Control.

While it is of importance for the smooth working of the scheme that there should be general and close adherence to the weight grades, quality control is a matter of even greater moment. If eggs of inferior quality were still able to masquerade as the first-class product, it would undoubtedly be disastrous to the industry. The danger lies in the fact that, under any practicable system of price control, prices will still rise steadily through the summer months. There may thus be a temptation to buy and hold eggs in the hope of increasing profits, and the eggs in the meantime will deteriorate.

Several methods might be employed to control quality descriptions. Regulations might be imposed by statute providing for inspection by officers of the central or local government of the premises of wholesalers and retailers, but this is a course that we should be loath to recommend.

A measure of control—which would not extend beyond the wholesale trade—might be based upon the system of rebates suggested earlier in the Report. It might be made obligatory on all firms desiring to obtain these rebates to register with the Board and undertake to comply with certain conditions. These conditions might include a weekly return of stocks held; an undertaking that any eggs kept for more than, say, seven days should be sold as "Seconds"; and agreement to submit to a measure of inspection by the Board's officers sufficient to ensure that these two obligations were fulfilled.

The second of these conditions is the most important from the point of view of quality control, and there are several possible variations of it. In the ordinary way of business, wholesalers will be able to obtain eggs at very short notice from the packing stations. It should, therefore, usually be unnecessary for them to hold more than two or three days' stock at most. If, however, it were considered unreasonable to expect wholesalers to bear the cost and responsibility of unpacking and stamping as "Seconds" any eggs retained by them for more than seven days, they might be required to return all such eggs to the nearest packing station, on the Board's behalf, for recandling and repacking. It might be sufficient to negotiate an

agreement on these lines only in respect of the months of June to October, when prices are rising steadily and eggs are most likely to deteriorate on account of the weather.

We are of opinion, however, that under the proposed system, restrictive measures are likely to be less essential than they are to-day. We have also been anxious to avoid, in the interests of all concerned, the complications of registration and inspection. The policy of price control that we recommend, which will seek to secure the greatest possible stability of prices, and the fact that the carrying of stocks will be in a large measure shifted from the trade to the packing station should, we feel, go some considerable way towards removing the incentive to speculate in eggs. If, in addition, it were made a term of the licence of packing stations that every case of eggs despatched from each station should be effectively sealed and should bear *in plain figures*, not in code, the date of despatch, we think the effect would be to impose an effective, though indirect, form of control. Retailers would be advised to see that the seal was unbroken and to check the date on each box of eggs coming into their possession. They could no doubt be depended upon, in their own interests, to see that the date labels were there, and that the date was a recent one. We accordingly recommend that this simple system should be adopted in the first instance, and we do not think that it will be necessary to take further action.

CHAPTER 10.—EXEMPTIONS.

The general obligation on producers to sell all eggs to packing stations will need some qualification. The Agricultural Marketing Acts require every scheme to provide for exempting from all or any of the provisions of the scheme producers and sales of such classes or descriptions as may be specified in the scheme or determined by the Board. Exemptions may apply to classes of producers or types of sales which would be unlikely to benefit by being brought within the scheme and which would not prejudice the operation of the scheme if left uncontrolled. Alternatively, they may impose certain conditions on such producers or sales without making them subject to all the provisions of the scheme. In some instances they may be designed to relieve the Board of unnecessary and unprofitable administrative work. It is, however, open to any producer of the regulated product, notwithstanding exemption provisions, to register and come within the scope of the scheme if he so desires.

Exemptions included in the terms of the scheme itself can be modified only by a formal amendment of the scheme. Where, however, the Board determine exemptions, they will be able to extend their original decisions in the light of experience. We have made provision for both forms of exemption.

(i) Exemptions specified in the Scheme.

Hatching eggs.—We do not intend that the scheme should apply to eggs sold for hatching purposes. We have, therefore, provided in the formal scheme that all hatching eggs shall be exempted, subject to such conditions as may be prescribed by the Board. If it were thought that an unconditional exemption would lead to evasion, the Board might consider whether all eggs sold for hatching should be stamped in such a way as to indicate the fact.

Small producers.—We have also considered how the operation of the scheme might be simplified by the complete exemption of producers who contribute very little towards the marketed supplies. It has been suggested that the exemption limit should be fixed by reference either to the number of eggs sold, or to the number of laying hens kept. There are difficulties attending both of these methods. "Laying" hens are not easy to define, and if an annual, or even a monthly, maximum of eggs sold were fixed as the limit, individual producers would not know until the end of the period whether they ought to be registered or not. It is, however, important that borderline producers should know with certainty whether or not they are required to register before they may legally sell eggs.

With these points in mind, and having regard to the fact that poultry (fowls, ducks, geese and turkeys) as well as eggs come within our terms of reference, we think that the simplest method of dealing with the small producer will be to exempt all those owning less than a prescribed number of poultry of whatever kind. We accordingly recommend that all producers owning less than 25 head of poultry over the age of two months shall be exempted from registration. Unless these small producers deliberately elect to take advantage of the machinery to be set up by the Board, they will not be affected by the scheme. Every producer with 25 birds or more, however, and every producer increasing his flock to 25, will be required to register if he desires to sell eggs.

This proposal is in general accord with the views that have been expressed by witnesses before us. It appears to be agreed that such small producing units can safely be exempted, since their aggregate production is believed to be slight in relation to the total quantity of marketed eggs. Many of these producers' eggs are consumed at home or sold to neighbours. We anticipate, however, that an appreciable proportion of the remainder will voluntarily be passed through packing stations, and we think it is desirable that all producers eligible for exemption who wish to send eggs to the packing stations should be required to register. Since the administrative levy on eggs handled by the stations will be collected automatically, these producers will thus contribute to the expenses of the scheme on a scale proportionate to the advantages they derive from it. Registration should be made an extremely simple matter, and forms should be held available at every packing station.

Sales to producers' employees.—We have also included in the scheme an exemption in respect of sales of eggs and poultry by a registered producer to any of his servants for consumption in that servant's household.

(ii) Exemptions to be determined by the Board.

Direct sales from producers to consumers.—We propose that the Board should have power to exempt from the marketing provisions of the scheme all direct sales from producers to consumers, subject to certain qualifications. Since direct sales to consumers have certain definite advantages, it may be thought that they should be encouraged by exempting them in the scheme itself. While there are many advantages in direct producer-consumer sales, we are unable to estimate what effect the complete exemption of all such sales might have on the administrative difficulties of the Board. If producers were free to sell direct to consumers an unlimited, or even a considerable, number of eggs each week without any power of restriction, the Board might find that so many eggs were being sold outside the scheme that its objects were seriously jeopardised. This danger would be more real if a large number of producers were in a position to sell large quantities direct to consumers. In fact, of course, the vast majority of producers are unable to do so. On the other hand, if it were necessary for a producer to obtain a licence even for petty sales of this description, the Board might be overwhelmed by the number of applications for such licences. In the latter event the labour and cost involved would be still greater if the rendering of returns and the payment of levies were made conditions of the issue of licences.

A considerable part of this difficulty would be overcome if there were some provision for petty sales without the formality of a licence. In the early days, before the system has settled down, a number of producers may wish to sell direct to consumers. Later, as the advantages of sale through the packing stations become evident, comparatively few producers would probably be willing to face the trouble and expense of establishing a retail connection, even if they had the opportunity.

We think, on the whole, that when producers are satisfied that the new system will dispose of their eggs with little trouble to themselves and give them the best possible price, most of them will be well content to make use of the packing stations. No serious interference with the scheme would be occasioned by small sales to consumers, but the Board should be in a position to review and amend the maximum quantities allowed. Licences should be required where direct sales are appreciable in quantity; and we believe that the Regional offices will be able to cope with the applications and returns without serious embarrassment. We accordingly suggest that every registered producer should be free

to sell direct to consumers not more than a prescribed small number of eggs to be determined by the Board, without licence and without the payment of any levy in respect of them. The number to be prescribed may have to be small, or there might be serious interference with the scheme.

To meet the case of producers who have established already a direct trade with consumers, we propose that any registered producer wishing to sell direct to consumers more than the prescribed quantity of eggs should first obtain from the Board a "producer-retailer's" licence. This might be issued on some such conditions as the following:—

(a) that the applicant will render to the Board, in a prescribed form, quarterly or monthly returns of all his sales direct to consumers, and will remit the appropriate administrative levy in respect of all eggs so sold in excess of the prescribed number;

(b) that if the Board so determine, he will not sell eggs to consumers at prices lower than those prescribed by the Board from time to time for eggs sold by producers direct to consumers;

(c) that he will keep records, in a prescribed form, of all his sales of eggs and hold them available for inspection by authorised officers of the Board.

If, as a result of experience, the Board should find this system inconvenient, they might consider the alternative course of assessing the levy payable by producer-retailers on the number of poultry in their possession, and making the pre-payment of this sum a condition of the issue of the licence.

It is with some reluctance that we suggest even these restrictions upon direct trade with the consumer, because we have endeavoured throughout to avoid burdening individual producers with forms and regulations. But the purpose of the scheme is to expand and improve the market and to secure better returns for egg producers as a whole. It would obviously be unreasonable to allow one class—those who are in a position to sell direct to consumers—to share these benefits without bearing any part of the cost or submitting themselves to whatever measure of control the interests of the whole body demand.

Other exemptions.—We have also made provision in the scheme to enable the Board, at their discretion, to exempt other producers from all or any of the provisions of the scheme. There will certainly be cases in which the use of this power will be desirable, for instance where a subsidiary firm or company is established to produce eggs for a parent firm or company which utilises them for manufacturing purposes. In this and in similar cases it would be unnecessary to interfere with existing practices.

Again, it is possible that there may be a few producers situated in London itself who keep more than 25 head of poultry and who would have a ready market at their doors. There would be no interference with the principles of the scheme if they were exempted from the obligation to sell their eggs through licensed packing stations. No packing station is likely to be set up within the London District and it is clearly desirable that packing stations on the outskirts of London should, if possible, be relieved of the responsibility of collecting eggs from these producers. Similarly the Board may find it convenient to exempt producers in other places where the general plan we have proposed would be unduly difficult of application.

(iii) Non-exemption of Sales from Producers to Retailers.

We have given careful thought to the question whether exemptions should extend to sales by producers direct to persons selling by retail. In rural areas and the smaller country towns, direct sales from producer to retailer not only provide a comparatively short and effective marketing chain, but are a convenience to both parties. We recognise the weight of these arguments in existing circumstances, though we are inclined to doubt whether this method of marketing eggs is, in the end, as satisfactory as is sometimes claimed. It certainly leads to a considerable amount of "dumping" on to urban markets of surpluses that have been held in the retailer's shop; it does not always encourage frequent collection and rapid marketing; it tends to perpetuate the barter type of trade; and, by restricting the wholesaler's outlets for eggs, it causes a depression in price on the central markets which is soon reflected back in producers' prices. Under the system of Area assembly and distribution the arguments in favour of direct sale to retailers will become less cogent than they are to-day.

In the matter of price control, serious difficulties would arise if sales of this description continued under the new conditions. It would, in our opinion, be almost impossible to devise a system of "standard" prices for such sales which would hold the balance fairly with producers selling through packing stations. Even if it were possible to do so, control would be both costly to the Board and irksome to producers and retailers.

We have come to the conclusion, therefore, that when the scheme comes into full operation, direct sales from producers to retailers should cease. The reorganised system has been designed to give every producer a more convenient outlet for his eggs. It will also ensure to every section of the trade supplies of reliable eggs of the grade and in the quantity required. Every trader, wholesaler or retailer, except perhaps those in the centre of the great cities, will be within a few miles of his Area packing station, and the vans that are collecting from producers can, if necessary, deliver tested and graded eggs to shops in passing. Where desirable, it will still

be possible to employ country grocers to act as collecting agents for packing stations, and a system of this kind may well prove to be more acceptable to them than the present system. We have had evidence that in some parts of the country grocers are embarrassed by the necessity of taking larger quantities of eggs than they can use in order to oblige customers, though opinion is divided on this point. Our own belief is that it will be an advantage both to these individuals and to the trade generally if they are relieved of the responsibility of finding outlets for these unwanted supplies.

CHAPTER 11.—THE INTERIM PERIOD.

It is evident that time will be needed to bring our proposals into complete operation. After the declaration of a successful poll there will have to be a period of intensive preparation, during which the Board will be preparing to exercise full powers over assembly, distribution and prices. This period we have termed the *interim period*, and it may be of service to the proposed Board and of interest to producers to describe briefly the lines on which we think events should proceed.

(i) Appointment of Staff.

At the earliest possible moment it will be necessary to set up skeleton Headquarters and Regional staffs. The appointments should, in the first place, include the General Manager, his principal officers at headquarters and the Regional Managers. It is also important that, from the start, provision should be made for specialist services, particularly in so far as these affect the first tasks to be undertaken, namely, packing station organisation, and the collection and publication of market intelligence.

(ii) Delineation of Areas.

The first major problem confronting the Board and its newly appointed officers will be the delineation of the Areas which will be the basis of the organisation of assembly. The officer responsible to the Board for making proposals for the sub-division of each Region will be the Regional Manager. He will be guided by the broad principles laid down by the Board, and should also seek to make full use of local opinion, without being bound by it.

(iii) Area Organisation.

It is of the utmost importance that preparations within the Areas should be put in hand as soon as the Board have approved the sub-division of each Region. It may be assumed that, at a very early stage, the Board will receive applications from firms and individuals who desire to be licensed to operate packing stations. The applications should be remitted to the Regional Manager who, bearing in mind that it is an essential part of the plan to license

only one station in each Area when the scheme comes into full operation, will give them preliminary consideration. Where suitable licensees do not present themselves, the Regional Manager will either initiate local action or arrange for the establishment of packing stations directly controlled by the Board. In consultation with the local organisations to be set up under the scheme (which are described in Chapter 19) he will prepare for submission to the Board his plan of operation for the Region. Since the Board's object will be to establish monopoly organisation of assembly in each Area as soon as possible, it will be desirable at once to initiate proposals for any necessary amalgamations within an Area. Where there are two or more suitable applicants within an Area, they might be invited to consult together and to submit to the Regional Manager their joint ideas as to the unification of assembly within the Area. Failing agreement, the Regional Manager will himself be obliged to prepare and submit proposals to the Board. We fully recognise that an agreed basis will, in many Areas, be extremely difficult to find; where, for instance, efficient private and co-operative stations are now working side by side. This, however, is a matter upon which the Board will not be able to compromise, if the whole scheme of organisation is not to be seriously weakened.

It must be recognised that there will inevitably be some disturbance of existing interests and probably some instances of individual hardship. While we have no doubt that the Board will do what they can to mitigate the latter, reconstruction should aim at eliminating overlaps and redundancies, and reorganisation which did not reduce the intermediate costs between producer and consumer would fail in its object.

Producers should not be obliged to send their eggs to any particular station until the end of the interim period, but the advantages of beginning to do so in advance of "zero hour" should be strongly impressed upon them.

(iv) Headquarters and Regional Organisation.

The development of the principal administrative departments at Headquarters and in the Regions will proceed concurrently with the work in the Areas. Advisory bodies will be appointed by the trade organisations and, as soon as possible, Regional Managers will establish contact with the wholesale and retail trades in their Regions.

The creation of a market intelligence service should be undertaken from the start, on the ground both of the need of giving information to producers and of the importance of developing the technique necessary for price control at a later stage. During the early part of the interim period the Board should publish at frequent intervals such data as to prices as will assist producers to

obtain a fair price from collectors and packing stations. The Board, therefore, will continually be gaining practical experience which, with their examination of the data obtained by the market intelligence service, will be of the greatest value when the time comes to exercise complete control over prices.

(v) The Future of the National Mark Scheme.

When the marketing scheme reaches maturity, it is clear that the National Mark Scheme will have achieved its purpose and must come to an end as a voluntary effort. The Board should, however, endeavour to make the utmost use of the knowledge gained during the last five or six years. In the conduct of that Scheme, the appropriate branch of the Ministry of Agriculture and Fisheries has gained a unique experience of the inspection of quality and weight grading and of the supervision of packing station operations. It would clearly be helpful if the Board could arrange to have inspectors trained under the Ministry's staff. Though it must be left to the Board and to the existing organisations to work out details, we believe that the transition from the present to a comprehensive national scheme will be facilitated if, from the beginning, close working arrangements are made between them.

It would assist the Board if statutory recognition were given to the grades they adopt. The recommendations we have made as to grades involve some minor deviations from those defined in the Regulations made under the Agricultural Produce (Grading and Marking) Act, 1928, and used for the purposes of the National Mark Scheme. If the Board either adopt our suggestions or approve any other grades that differ from the present statutory grades, we suggest that, in the interests of consumers and the trade, consideration should be given to the question of continuing the regulations in force with such amendments as may be necessary to bring the Board's grades and the statutory grades into conformity. We observe that, under Section 20 of the Agricultural Marketing Act, 1933, contracts for the sale of more than two dozen eggs by a packing station would be void unless the eggs were contracted to be sold by weight or under a grade designation prescribed in regulations made under the Agricultural Produce (Grading and Marking) Act. Under a re-organised marketing system it should be unnecessary to retain this legal provision, but, if it is retained, it seems desirable that not only the Board's grades for new laid eggs, but also all other classes of eggs, such as "Seconds", cold-stored eggs and preserved eggs, should be made the subject of statutory grade designations.

If it is desired that the National Mark should continue to be applied to eggs, some arrangement will presumably be made between the Board and those responsible for the operation of the present Scheme, whereby the Board will obtain authority to use the Mark and to arrange for the supervision of its use.

(vi) Duration of the Interim Period.

It should be the object of the Board to end the interim period as soon as the marketing structure is completely established. The need for ending this preparatory period as soon as possible is apparent, for the Board cannot exercise their full powers, closely interlocked as these are as regards assembly, distribution and price, with a partially effective machine. On this point, we desire to meet in advance any criticism the Board may receive from impatient producers and to state in the strongest possible terms our conviction that to do so would be to court disaster. In particular we would emphasise that *prices cannot be prescribed until the interim period closes and arrangements for the assembly of all home-produced supplies are complete.* In considering the probable duration of the interim period, account must be taken not only of the urgency, but also of the magnitude and novelty of the undertaking and the need for thoroughness in reconstruction. With this in mind, we suggest that the Board should aim at bringing the interim period to a close within a maximum of eighteen months of the declaration of the poll.

PART III.—POULTRY MARKETING.

CHAPTER 12.—SUPPLIES AND PRICES OF TABLE POULTRY.

(i) Supplies of Home-produced Table Poultry.

Statistics relating to the home production and imports of table poultry (which we have interpreted as including domestic fowls, ducks, geese and turkeys), are given in Tables 9 to 11, and in the following paragraphs we confine ourselves to a general appreciation of the situation in regard to supplies and prices.

Production in England and Wales.—The estimated annual supplies of table fowls produced on agricultural and other holdings in England and Wales has increased from 20,600,000 in 1925* to 34,700,000 in 1933 or, on an estimated dead-weight basis, from 598,000 cwt. to 1,007,000 cwt., an increase of some 68 per cent. The latest available figures show that fowls account for about 80 per cent. of the total poultry production, ducks represent some 10 per cent. of the total, and geese and turkeys about 5 per cent. each.

The production of table poultry of all kinds, estimated on a dead-weight basis, has grown from 802,000 cwt. in 1925 to 1,239,000 cwt. in 1933, an increase of 54 per cent., consisting almost entirely of fowls.

Production in the United Kingdom.—In order to compare figures of home production and of imports, it is necessary to consider the United Kingdom as a whole, though England and Wales are responsible for four-fifths of the poultry production of the United Kingdom. The estimated annual output of fowls has increased from 732,000 cwt. in 1925 to 1,242,000 cwt. in 1933, or by about 70 per cent. The production of ducks, geese and turkeys, however, has increased by a much smaller percentage. The output of home-produced poultry of all kinds has risen from 989,000 cwt. in 1925 to 1,548,000 cwt. in 1933, an increase of 56 per cent.

(ii) Imports of Poultry.

Dead poultry.—Between 1925 and 1931 the annual retained imports of dead poultry increased from 374,000 cwt., valued at £2,148,000, to 651,000 cwt., valued at £3,055,000, but since 1931 they have declined, and in 1933 amounted to 495,000 cwt., valued at £1,938,000. In 1933, the only year for which separable statistics are available, fowls accounted for some 40 per cent. of the total, and turkeys, mostly for the Christmas trade, for 51 per cent.

Empire supplies have increased from 97,000 cwt. in 1925 to 117,000 cwt. in 1933. In spite of recent reductions in imports from the Irish Free State and of the increase in supplies from Canada and Australia, the Irish Free State remains by far the most important source of supply of dead poultry from within the Empire,

* The year 1925 has been taken for these quantitative comparisons because the statistics for that year are more complete than for preceding years.

sending, in 1933, some 88 per cent. of Empire imports, or 20 per cent. of the whole.

Foreign supplies increased from 290,000 cwt. in 1925 to a maximum of 553,000 cwt. in 1931, but fell to 383,000 cwt. in 1933. They are imported from a large number of countries and since 1925, and even since 1931, there have been material changes in the relative importance of the different individual sources. Supplies from Russia, in some years the most important source, fluctuate from year to year very considerably. Imports from France increased between 1924 and 1928, but since then have fallen to very small proportions. Supplies from Belgium and the Netherlands have also fallen off considerably since 1931. Imports from Hungary and Yugoslavia, on the other hand, have greatly increased. In 1933 the most important sources of foreign fowls and chickens were Hungary, Russia, the Netherlands and Poland—a newcomer to the trade—which together sent 80 per cent. of the total. Hungary, Yugoslavia and the Argentine sent about 84 per cent. of the foreign turkeys.

Live poultry.—Until 1932 there was a regular and considerable annual import of live poultry, the imports between 1925 and 1931 averaging nearly 1,250,000 birds annually. In 1932, however, they were reduced to 876,000 and in 1933 to 429,000 birds. Most of them came from the Irish Free State, whose exports to this country have been greatly reduced during the last two years.

There are no means of classifying these imports of live poultry, but probably the great bulk of them are fowls and the remainder almost entirely turkeys. It is estimated that the dead weight equivalent of these imports during 1925-1931 averaged 64,000 cwt. In 1932 it amounted to 46,000 cwt., and in 1933 to 23,000 cwt., valued at £41,409.

(iii) Total Supplies and Per Capita Consumption.

The estimated total supplies of table poultry* in the United Kingdom in 1925, 1931 and 1933 are shown in the table below :—

	1925.		1931.		1933.	
	Thousand cwt.	Per-centage of Total	Thousand cwt.	Per-centage of Total	Thousand cwt.	Per-centage of Total
Home - produced supplies.	989	69	1,315	65	1,548	75
Empire supplies	150	11	166	8	129	6
Foreign supplies	290	20	545	27	389	19
Total ...	1,429	100	2,026	100	2,066	100

* See Diagram D, and Table 11 on p. 163.

**TOTAL ANNUAL SUPPLIES OF POULTRY IN THE
UNITED KINGDOM.**

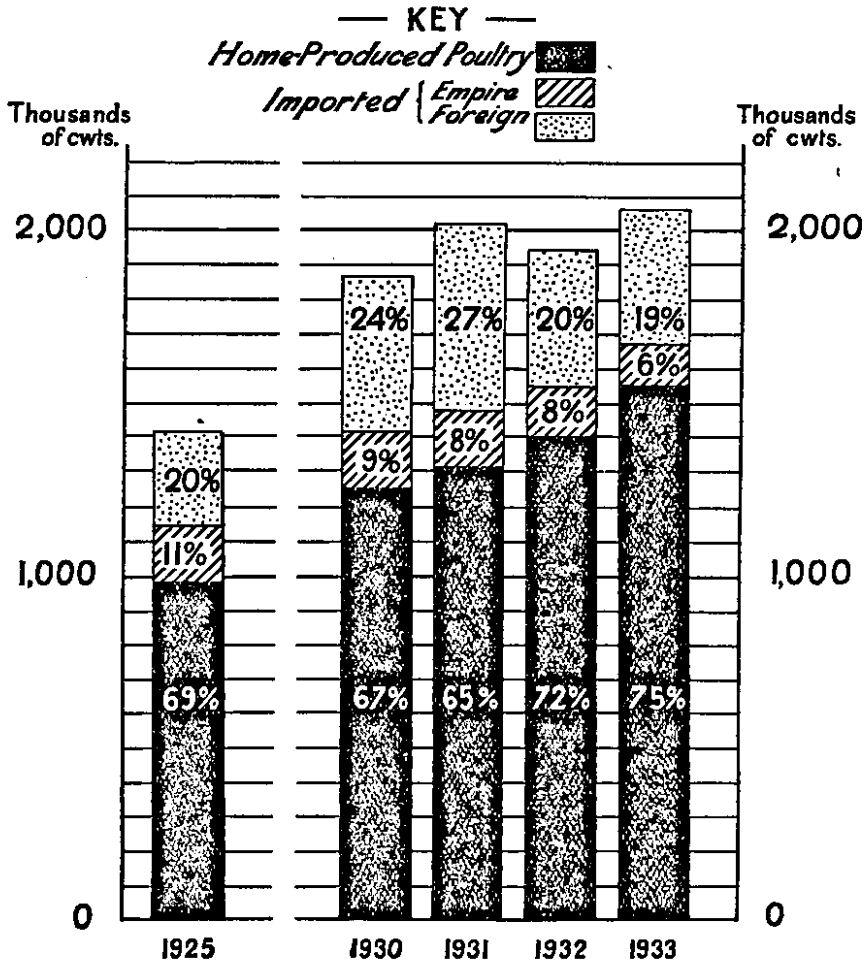


DIAGRAM D.

Between 1925 and 1931, when imports reached the maximum, supplies increased from all sources, though foreign supplies came to represent a larger proportion of the total. Since then both Empire and foreign imports have declined and home production has continued to increase, so that the latter now represents a larger proportion of the total. Between 1925 and 1933, total consumption had increased by 45 per cent. to 2,066,000 cwt., of which probably about 70 per cent. consisted of chickens and fowls and nearly 20 per cent. of turkeys. Over 80 per cent. of the chickens and fowls, but only about 30 per cent. of the turkeys, were home-produced.

The true significance of these estimates of total supplies is brought out more clearly when converted to a *per capita* basis. Though the estimated *per capita* supply of table poultry of all kinds and from all sources has increased since 1925, it is still no more than 5 lb. per year. The consumption of home-produced fowls in 1933 was about 2½ lb. per person, and of home-produced poultry of all kinds 8½ lb. So large a proportion of the total supply of table poultry is consumed at Christmas time that it can hardly be said to form an article of general diet during the rest of the year. Few people eat poultry regularly. A certain proportion of the middle classes may have poultry several times a year and must, therefore, consume considerably more than the average. Among the masses of the population, however, poultry is a luxury in which they are seldom able to indulge.

(iv) Seasonal Variations in Supplies of Poultry.

Home-produced poultry.—The supplies of home-produced fowls vary both in quantity and in quality at different times of the year. Figures relating to 1925 (there are no later figures for a representative sample) showed that supplies were most plentiful during the period from June to October and most scarce during the period from February to May. The evidence we have received on this point has confirmed generally the position revealed by these figures. The period of plenty corresponds with the months in which large numbers of cockerels reach maturity. It is also the season during which egg producers cull their flocks to make room for winter pullets. Consequently considerable numbers of hens are in the market at the same time as the surplus cockerels. As the season advances the weight of the birds increases, but the quality tends to depreciate.

The seasonal variation in the supply of home-produced ducks appears to be slightly greater than for fowls. May to August are the months of heaviest supply and January to March the months of shortest supply. In the London area the trade is most brisk during the London "season". Geese are chiefly marketed in September and December to meet the Michaelmas and Christmas trade. Turkeys are reserved mainly for the Christmas trade.

Imported poultry.—Imports of dead poultry are highly seasonal. About one-third of the annual total arrives in December for the Christmas trade. November, January and February are also months of heavy supply, while imports become almost negligible in May, June and July. Imports of turkeys are even more seasonal than fowls: in 1933, 87 per cent. of the turkeys were imported in January, November and December. Few fowls are imported during the period from May to August, and the supply is heaviest from January to April, when home-produced birds are scarce. Supplies of imported live poultry also have a regular seasonal variation, but in quantity they are not now important.

(v) Trends of Table Poultry Prices.

The wide range in quality, particularly in that of home-produced table poultry, and the absence of any generally accepted grades render the study of prices peculiarly difficult. Even comparisons between prices of poultry of the same description may not hold good at different seasons of the year, owing to changes in the quality of the supply. We have used in our survey the most representative data available, and these are probably sufficient to indicate the general trend of prices.

Home-produced poultry.—The prices of all kinds of home-produced table poultry at town and country markets have fallen since 1925. (See Tables 12 to 17 and Diagram E.) The annual average prices of fowls of first and second quality have declined from 1s. 4½d. per lb. in 1925 to 1s. 0½d. per lb. in 1933, a reduction of 24 per cent. The London wholesale prices of "Surrey" fowls declined by a similar proportion during the same period. On the whole prices in 1934 have been slightly lower than in the previous year. Generally speaking, the fall in prices for fowls at town and country markets has been more continuous than for eggs, though the proportionate reduction over the period has been somewhat less.

The average price of ducks at town and country markets in 1925 was 1s. 4½d. per lb., and in 1932 it had fallen to 1s. 0½d. per lb., at which level it has since remained. The year to year changes have generally been nearly parallel with those of fowl prices.

The average price of geese has fallen by 27 per cent., from 1s. 1d. per lb. in 1925 to 9½d. per lb. in 1933. Prices in December, which may be representative of values ruling for the Christmas trade and so relate to a large part of the supply, have fallen by some 37 per cent., from 1s. 3d. per lb. in 1925 to 9½d. per lb. in 1933. Except for a slight recovery in 1931, December prices have fallen steadily throughout the whole of the period.

Quotations for home-produced turkeys are more or less nominal during the greater part of the year. The December prices are the most important. They fluctuated between 1s. 6½d. and 1s. 9d. per lb.

between 1925 and 1928, and since then generally between 1s. 2½d. and 1s. 5½d. per lb. In 1931, however, they rose to 1s. 11½d. per lb., the highest price recorded during the period.

Imported poultry.—The course of imported poultry prices has been similar to that of the home-produced supply. The average import value of dead poultry declined by some 30 per cent. between 1925 and 1933. The decrease in the prices of the better qualities of imported chickens and fowls has, however, been slightly less than that of home-produced supplies. The London wholesale prices of Belgian and Dutch fowls, which are representative of a large proportion of the imported supply, have declined by about 20 per cent. since 1925. The prices of Hungarian turkeys, which in 1933 accounted for nearly half the total imported supply, have fluctuated from year to year, but on the whole have fallen less than those of home-produced turkeys.

(vi) Seasonal Variations of Price.

Home-produced poultry.—The highest prices for fowls at town and country markets are obtained in May, when prices are about 17 per cent. above the yearly average. They decline steadily to about 12 per cent. below the annual average in November, and then begin to increase and continue to rise to the next May peak. It is interesting to note that the prices of "Surreys", the best class of fowls finding a market throughout the year, follow almost exactly this same seasonal trend. (See Diagram F.)

The price of ducks has a seasonal variation very similar to that of fowls. It reaches a maximum in April or May and is at a minimum in October and November. The seasonal movement, however, is somewhat irregular from year to year.

There is not a continuous market for geese and turkeys, and it is not possible to measure the seasonal variation. Generally speaking the prices of geese and turkeys are at their maximum in November, December and January and are governed mainly by the Christmas trade.

Imported poultry.—The classes of imported fowls with a continuous market have a seasonal price variation almost identical with that of prices of home-produced fowls. The imports of ducks, geese and turkeys are intermittent, and it is not possible to measure the seasonal variation in prices.

ANNUAL AVERAGE PRICES OF HOME-PRODUCED TABLE POULTRY (AVERAGE OF 1st AND 2nd QUALITIES) AT TOWN AND COUNTRY MARKETS.

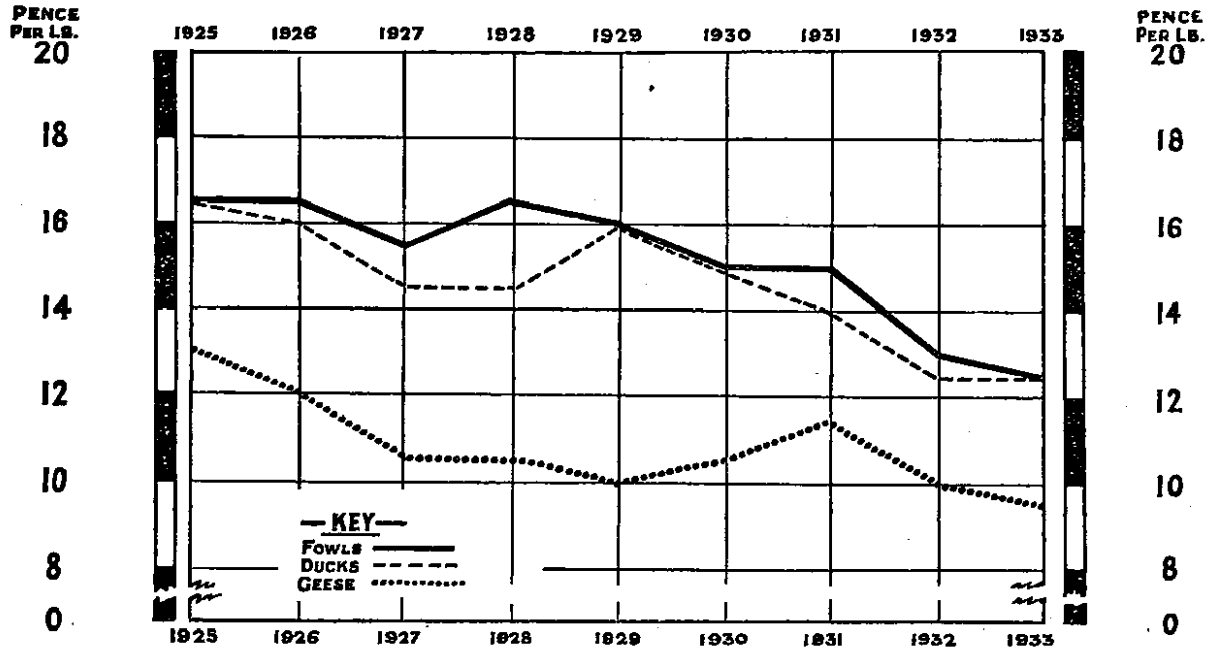


DIAGRAM E.

SEASONAL PRICE VARIATION.

AVERAGE MONTHLY PRICES OF HOME-PRODUCED AND IMPORTED FOWLS.

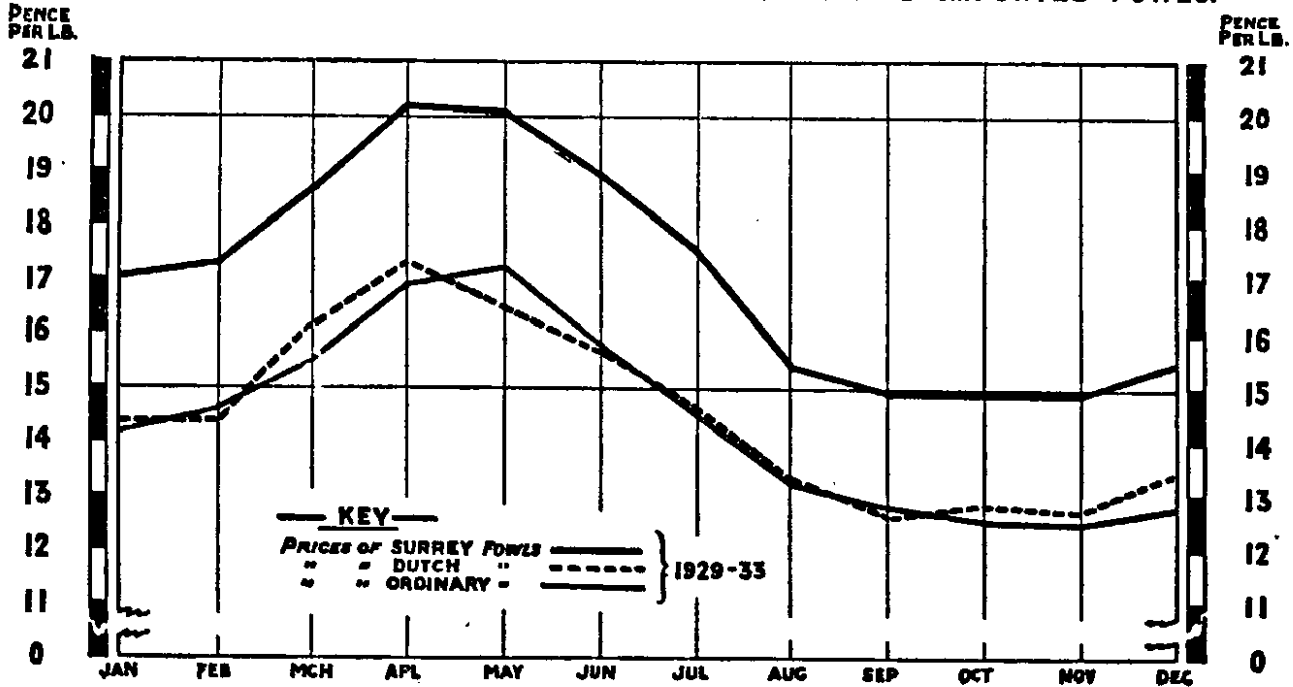


DIAGRAM F.

CHAPTER 13.—POULTRY MARKETING: THE PRESENT POSITION.

The classification of table poultry for marketing purposes is more complicated than that of eggs. Not only are there the four main divisions of fowls, ducks, geese and turkeys, but each of these is capable of further sub-division. Among fowls the principal categories recognised are "Surreys", country chicken and boiling fowls, and these may again be classified according to quality and colour of skin as well as by weight. "Surrey" fowls are specially fattened young birds, and their production is in the nature of a specialist industry. The term "country chicken" covers a large class of fowls which are, for the most part, the products of the general farms. These fowls have not usually been subjected to any fattening process, but are meaty and firm in flesh. "Boiling fowls" are the older of the hens culled from the laying flocks.

A distinction, though not a universal one, between fowls and other kinds of poultry lies in the fact that turkeys and geese and, to a lesser extent, ducks find a market that is mainly seasonal, while that for fowls, though not free from seasonal variations, is continuous. Quantitatively, fowls are by far the most important, though comparatively few are specially bred and fattened for table purposes. "Surreys" form a large proportion of the specially prepared fowls coming on to the London market, but rarely find their way to the other central markets. There are, no doubt, considerable quantities of reasonably well finished birds on many of the country markets and among the number passing direct from producer to retailer or consumer; but the supply of such fowls at country markets is very irregular, and the great bulk of table fowls reaching the central markets are the by-products of egg production.

(1) The Effects of Concentration on Egg Production.

Before modern methods of egg production were generally practised, most of the fowl flocks on ordinary farms were of a dual-purpose character, however nondescript they may have been. Consequently the production of eggs and the production of table poultry went on side by side. These flocks laid fewer eggs than the modern flocks, and it was necessary for the owners to pay attention to the preparation for the market both of surplus cockerels and of discarded hens, if they were to make a profit. Thus a large number of poultry keepers became skilful in the production of table birds, and the average quality of the home-produced supplies was, we have been assured, distinctly superior to that of the present day.

During the War it became much more profitable to produce eggs than to produce table poultry. The breeders, therefore, began to select their stocks from the most prolific layers and disregarded

other qualities in their birds. Egg-laying strains were produced from many of the existing breeds, and the majority of breeders concentrated on these strains.

After the War prices of feeding stuffs remained high, and the profits of egg production were much higher than those from the production of table poultry. There was also a great influx of newcomers into the industry who naturally concentrated on the easier and more profitable form of production. When the great expansion of the industry took place, development proceeded in one only of the two sections into which it is divided. We see the results to-day in the advanced technique of the poultry keeper in the production of eggs and in the backward condition, as regards both production and marketing, of the table poultry section.

These facts need to be borne in mind in attempting an appreciation of the present position of the market for poultry. It is difficult to criticise the producer for concentrating on the most profitable form of production or for developing on lines which enabled him to exploit it. It is, however, important to observe the state of disequilibrium into which the industry has fallen and to realise its consequences.

As egg production came to be the chief concern of producers, they sought to dispose of their surplus poultry with as little trouble as possible. This meant, as a rule, that the birds were sold alive without any special preparation for market, and surplus cockerels were sometimes destroyed as soon as sex could be determined. Those producers who had previously been skilled in the preparation of poultry for the table paid less attention to it, while many of the new entrants into the industry never had occasion or opportunity to learn the craft. The qualities that go to the making of good table birds attracted less notice, and there has been some consequent deterioration in the quality of the material available. Even the special class of producer, whose business it is to buy birds as stores and to bring them into first class condition for table purposes, has found it increasingly difficult to obtain store birds of the type he requires.

In spite of these drawbacks, home production to-day supplies three-quarters of all the poultry consumed. There can be little doubt, however, that the producer has paid too little attention to the requirements of the market. If in future he is to secure better returns, he must cease to concentrate exclusively on egg production and must realise that the two sides of his industry are closely interlinked. Even producers who are not interested in the production of table poultry must sell the hens culled from their laying flocks and their surplus cockerels. Both classes of bird, if properly handled and reared, and if a little care is taken to bring them into condition, might be sold more profitably for table purposes.

(ii) **Methods of Marketing.**

Little progress has yet been made in the direction of organising the marketing of table poultry. The methods now employed are described in detail in the Report on the Marketing of Poultry in England and Wales*, and we propose only to touch upon the more important features.

Broadly speaking, the ordinary producer has the same main outlets for his table poultry as for his eggs. He can sell direct to consumers; direct to the different types of retailer; in the auction and private treaty markets; and to higglers, dealers or packing stations. Some, however, send their poultry direct to the central markets in the large cities to be sold by commission agents.

Sales to consumers.—The practice of selling poultry direct to consumers has probably decreased in recent years. The producer in such cases is usually obliged to kill, pluck and dress the bird, and although he may receive a higher price than if he sold wholesale, he must set off against this his higher costs. Direct sales to consumers are also limited by the difficulty, in the case of large producers, of finding a regular outlet for more than a limited number of poultry and, in the case of small producers, of finding customers during the short periods when he has poultry available.

Sales to retailers.—As a rule the same general considerations apply to the direct sale of poultry to retailers, and the same kind of difficulty is met with in relating supply to demand. Producers as a result are frequently obliged to hold over their supplies after they are ready for market, and consequently, apart from the depreciation in the quality of their birds, suffer also the cost of the additional maintenance. Nevertheless a large volume of poultry is now sold directly to retailers, for, in the absence of any efficient wholesale organisation in many areas, retailers, particularly in the provinces, have made arrangements direct with producers in order to obtain reliable supplies. The requirements of retailers generally in the larger towns and cities cannot, however, be met satisfactorily in this way.

Auction markets.—The auction system is longer established and more widespread throughout the country for poultry than for eggs. As the practice of selling live poultry has become general, sales of poultry at auctions have increased, particularly in the eastern and south-eastern counties. The provision made for sales varies in efficiency, but even under favourable conditions the auction system is not suitable on account of the repeated handling of the produce. At some markets the facilities are so poor that values are seriously depreciated by exposure and rough treatment. The auction system has certainly provided for a certain type

* Economic Series No. 11.

of producer an outlet for poultry at any time and in any condition; but it has resulted in a lessening of interest among such producers in the requirements of the trade.

Private treaty markets.—Private treaty markets are still of more importance than auctions in the north and west of the country. Poultry is brought in by producers, very often with other farm produce, and sold, dead or alive, mainly to dealers. Even where the producer can maintain personal contact with regular buyers, he suffers from the disadvantage of not having any reliable guide to values, since the ruling price in many markets is dictated by a combination of dealers.

Dealers and higglers.—With the increase in poultry auctions dealers now obtain an increasing proportion of their supplies through these and private treaty markets for resale either to retailers or on the central markets. Where dealers call at the farm, they often assist producers by advising them on market requirements and on the suitability of their supplies, a service which is clearly to the advantage of both parties.

(iii) The National Mark Scheme for Poultry.

It was largely as an attempt to meet the needs of the market for standardised supplies in quantity that the National Mark Scheme for Poultry came into existence. The development of the Scheme has been slow and, although the supplies handled by the National Mark packing stations have increased year by year, they still amount to a very small proportion of the total poultry output of England and Wales. Nor can it be said that the Scheme has had the same wide indirect influence on marketing methods and prices as the National Mark Scheme for Eggs. Most of the National Mark poultry stations are small, several of them marketing the produce of a few selected farms only. A few stations, however, are providing a wider service to producers and are making steady progress on sound lines.

The Scheme has been handicapped by the difficulty of securing, at any station, a sufficient throughput to enable it to work economically. National Mark grades are prescribed only for first quality poultry, and the impossibility of obtaining sufficient poultry of that high standard has meant that only a comparatively small proportion of the supplies passing through the packing stations has been packed under the Mark. In consequence of the small quantities of National Mark poultry on the market, it has not been possible to develop a demand for it, and many buyers have been unwilling to support the scheme in the absence of a guarantee of the continuity of supplies. The grading question has also caused difficulties, for experienced poultry graders are hard to find; and the full advantages of standardisation have not been gained because the standards of grading have not been uniform at the different packing stations.

In spite of all this, the results obtained at those stations where a real attempt has been made to improve the quality of supplies, and where strict attention has been paid to grading, have encouraged us to believe that the principles underlying the National Mark Scheme are sound and indicate the best method of supplying the standardised products required.

(iv) Wholesale and Retail Distribution.

Wholesale distribution.—The wholesaling of both home-produced and imported poultry takes place for the most part in and around the central markets in London, Manchester and Liverpool. London may be regarded as the central point for the distribution of the great bulk of imported poultry, though Liverpool and Manchester are of importance, particularly in the Irish trade. London also provides by far the largest central market for home-produced poultry. In some other cities and towns there is a smaller wholesale trade in both home and imported supplies. It is usually in the hands of a few individual firms who may combine a wholesale business with the retailing of poultry and allied foodstuffs. A large number of the retailers in the provinces, however, obtain their supplies of home-produced poultry direct from producers and their imported birds through the London market.

Some of the home-produced poultry reaching the central markets consists of good quality birds consigned direct by producers and country dealers who have built up a reputation with the salesmen to whom they send regular consignments. A considerable proportion of the supply, however, is the surplus for which producers and dealers have not been able to find more direct outlets. Consequently these markets, which should be the channel of supply for the large towns and cities, are called upon to handle a great deal of poultry of poor quality. Consignments may be small and irregular; birds are often carelessly prepared and, as a rule, are neither graded nor even properly packed. As a result of the lack of standardisation, buyers of home-produced poultry on the central markets usually insist on packages being opened and on making their own selection from the birds. Producers sometimes allege that, as long as this practice continues, it is useless for them to grade. The fact is, however, that individual selection is necessary at present owing to the lack of proper preparation and standardisation. Imported poultry, which is mainly of uniform quality and standard pack, is commonly sold on sample or description. The necessity for opening each package and selling birds on their individual merits must obviously involve wholesalers in additional handling charges; and the danger of rapid deterioration consequent upon casual methods of preparation still further handicaps them.

The uncertainty both in the character and in the volume of supplies operates against the wholesaling of home-produced poultry. Although some wholesalers in the large central markets may concentrate upon home produce, the majority depend to a large extent upon imported supplies. Indeed, owing to the shortage of standardised home-produced poultry of good quality, the wholesale trade in these centres has developed mainly upon imported poultry.

Retail distribution.—The retailing of poultry is generally regarded as a difficult business. It is seasonal in character, meets an irregular demand and suffers from the variable quality of the supplies. In consequence, the trade is usually regarded as a side line to the business of fishmongers, butchers and provision dealers. Supplies are drawn from producers, from dealers or from the wholesale markets and, on account of the varying quality of the product, buying requires considerable skill. The retailing of table poultry frequently necessitates the drawing and trussing of the bird which add considerably to the selling costs, already high as a result of the small and irregular nature of the trade.

(v) Some General Reflections.

We believe it will be generally agreed that, for a variety of reasons, the organisation of table poultry marketing will be a more complicated task than that of egg marketing. Neither production nor standardisation is sufficiently advanced to make a comprehensive marketing scheme an immediately practical proposition. Moreover the number of classes and sub-classes into which poultry is divisible may occasion some minor practical difficulties; though as all kinds of poultry now move into consumption through the same assembly and distributive channels, it does not appear that the diversity of the product need affect any of the principles of organisation.

In view of the very small *per capita* consumption of table poultry, we believe that there is scope for considerable expansion. The demand for poultry, however, like the demand for eggs, is probably greatly influenced by the prices of meat and other competitive foodstuffs. Before any considerable extension of demand can take place, therefore, it will be necessary to reduce prices to consumers by means of economies in production, assembly and distribution, so as to bring the bulk of the table poultry produced in this country outside the "luxury" class of foodstuffs.

The second outstanding necessity is to organise the marketing of table poultry on lines that will permit of the bulk handling of poultry in town and city markets. At present the urban markets, and particularly those in the large industrial centres, are virtually starved of good English poultry at most times of the year, for

well-packed standardised produce is the exception. Greater consumption will only be brought about when the methods of production and marketing are such as to place a good quality article in the hands of the consumer at a reasonable and competitive price.

In general, we believe that a scheme to improve the marketing of table poultry must aim at the organisation of assembly and distribution on much the same lines as those we have recommended for eggs, but, before any system of marketing can be operated on a national scale, a good deal must be done to adjust the outlook of the producer to the new conditions. Practical experience must also be acquired of several aspects of production and marketing that have hitherto received inadequate attention. The plan, in short, will have to be more experimental and the approach more tentative, but its purpose should be to prepare the way for methods of marketing comparable with, and complementary to, those that we propose for eggs.

CHAPTER 14.—THE ORGANISATION OF TABLE POULTRY MARKETING.

Although there are material differences between the marketing problems of eggs and of poultry, it is important to recognise that they are differences in degree rather than in principle. Since the two commodities are so closely connected by nature, it seems reasonable to provide that one marketing plan should eventually include them both. Uneven progress in production and marketing technique need not stand permanently in the way of a common marketing system.

Our ultimate object, therefore, is to deal with table poultry on lines closely corresponding to those we have already described for eggs. The basis of organisation will be the poultry service station which will undertake for the table poultry side of the industry the services performed for eggs by the Area egg packing station. These poultry service stations* should be licensed by the Board, on conditions similar to those for egg packing stations, and should be responsible for collecting, killing, dressing, packing and selling birds on behalf of producers. An approved service charge should be made to cover the costs incurred, and the system of monopoly collection should tend to bring about marketing economies. It is to be hoped that there will be a considerable development of joint egg and poultry packing units, and in all cases a close working arrangement in the handling of the two commodities. Distribution should be facilitated through the same Regional machinery.

* We have referred throughout to poultry *service* stations and to egg *packing* stations.

When the organisation has been built up and an adequate degree of standardisation attained, price control might be undertaken. An important additional feature should be the provision of advisory services to stimulate the production of suitable table birds.

As there is at present so little organisation, development will necessarily be slow. For that reason we have given special consideration to the early stages. Though we have described above in broad outline the final form of organisation as we envisage it, the Board will have to bring it into being by such steps as may be dictated by the experience they will have gained.

(1) Initial Steps.

We have estimated that it will take some eighteen months to bring the egg marketing proposals into full working order. During this period the Board will be fully occupied, and we suggest that they should defer attempting the actual organisation of table poultry marketing until the interim period is nearing completion. In the meantime there will be a great deal of preparatory work to be done. We propose that, at an early stage, a committee of the Board should prepare a plan of experiment and development. If the eventual organisation of poultry marketing is to be placed upon a sound basis, it appears to us essential for the Board to undertake investigation into a number of problems on which there is at present insufficient information. Every effort should be made during this preliminary period to test the possibilities of a comprehensive marketing plan and to foresee the difficulties that will have to be overcome if it is to meet with success.

Size and nature of the service unit.—The first point upon which more specific information is required is the size of an economic packing unit. Though we are of opinion that the organisation of assembly should be based upon the same Area structure as that for eggs, we are unable, on the evidence available, to form a definite opinion as to whether a poultry service station will be required in each Area, or whether two or more Areas should be grouped to form the assembly unit for poultry. We have been informed that the efficient conduct of a station demands a minimum throughput of 3,000 birds in any week, but we are not satisfied that, under the new conditions, this figure will be large enough to give the best results.

Furthermore it may be advantageous in some circumstances to combine the assembly and packing of eggs and poultry at the same station. *Prima facie* a strong case can be made out for the dual type of station. As the period of peak production of poultry is different from that of eggs, there should be some possibility of effecting economies in collection and handling costs, as well as in administration. Such technical objections to the joint collection of eggs and poultry as have been raised in evidence do not impress us as being

insuperable. We propose, therefore, that the Board should investigate the relative merits of separate and combined stations. It may be possible to make arrangements for this purpose with existing poultry packing units and egg packing stations, but it may also be necessary for the Board to establish some experimental stations of their own. It would be advisable for the Board to supplement this experience by investigating the methods adopted at poultry packing stations in other countries.

Training of graders.—It will be essential to secure uniformity of practice in grading and also to ensure that the industry as a whole can rely upon the efficiency and integrity of the graders employed at the stations. Since there has yet been so little progress towards standardising poultry grades, it will clearly be necessary for the Board to provide training facilities for graders during the preliminary period, so that expert graders can be obtained by the new stations.

The Board may wish to consider whether, in order to secure independence and impartiality on the part of graders, they should all be employees of the Board, who would pay their salaries direct and recover them from the service stations. We think, however, it would be sufficient if the head grader at each station were required to hold a certificate of qualification from the Board. In addition, either Regional poultry marketing officers or supervisory graders employed by the Board should visit licensed service stations at frequent intervals for the purpose of ensuring that they are working on uniform and satisfactory lines.

Investigation into demand and production.—The Board should also undertake further investigation into the requirements of the market, the most suitable descriptions of table poultry to meet them, and the best methods of finishing birds for market. Work of this character is already being carried out at some of the agricultural institutions and, doubtless, by private individuals. Types and crosses of bird suited to the markets are also being developed in consultation with the trade. We consider it important that the Board should co-operate in this kind of investigation, with the object of encouraging the production of suitable types for the market. They might arrange with groups of producers to try out, under commercial conditions but with the financial support of the Board, birds of specified types and standards, which the Board would themselves market in order to test the demand for those types and standards. By studying the markets and co-ordinating the information received from distributors, the Board should be able to obtain information of practical value. They should co-operate from the first with distributors, who have greater knowledge of consumers' needs and tastes.

It is clear that if work along lines such as these is to be undertaken at once, the Board will be faced with expenditure which will not be immediately productive. The expenditure will, however, be of a development nature, the benefits of which will accrue to the industry as a whole and should be lasting in their effects.

(ii) The Approach to a Comprehensive Scheme.

At the end of the interim period for eggs, the Board will be able to give greater attention to the development plan for the marketing of table poultry. If investigation into the economic service unit has taken place meanwhile, detailed proposals for a comprehensive plan of organisation can be drawn up. We have given lengthy consideration to the possible methods of approach; and while we consider that it would be impracticable to aim at the immediate introduction of a complete national scheme of assembly and distribution, we think it imperative to keep that objective in view from the start. It would be a false step, in our view, to begin organisation on voluntary lines in the hope that it would meet with general and loyal support and so grow into a comprehensive scheme.

We suggest, therefore, that when the Board are satisfied that it is practical to bring poultry marketing within a national scheme, they should require all registered producers, subject to the exemptions, within one or two selected Regions to sell only to their local licensed service station. As quickly as possible thereafter, the scheme should be extended over the whole country. One or two new Regions should be added at regular intervals, and the scheme in its entirety should be brought into operation within a pre-arranged time. If there is any doubt as to the legality of this method of procedure, we suggest that the point might be dealt with in any amending legislation that may be contemplated.

The Board, having approved a programme of development, should instruct each Regional Manager to ensure that the establishment of poultry service stations was complete by the date decided upon for the application of the plan to his particular Region. The procedure in each Region should correspond to that previously adopted for eggs, except that the territory covered by a poultry service station might sometimes comprise two or even more egg collection Areas.

During the period of development much attention should be given to advisory work among registered producers themselves. We hope that local agricultural education authorities will do everything in their power to assist this development. We believe that county poultry instructors should continue to be independent of the Board, at least until detailed consideration has been given to the general question of co-ordinating educational activities, to which we refer again later (p. 142). It may, however, be necessary to provide additional personnel to advise producers on production methods.

The best and most economical plan will be, in our opinion, to supplement the existing educational services. We suggest that the Board might offer to share with the county authorities the cost of additional temporary staff for two or three years.

We think that the Regional method of approach would simplify the process of transition and offer the best prospect of success. Service stations would be afforded a guaranteed throughput from the moment when a Region came under control and, with the assistance of the Regional staffs, should be in a strong position to reduce service costs.

Certain difficulties may arise during the period when some Regions are controlled and others are not. As we shall explain later, it is proposed to exempt from the scheme all sales of live poultry between registered producers, in order to avoid the necessity of controlling the sale of breeding and store stock. This exemption should offer no difficulties under a scheme covering the whole country, for in the ordinary way all registered producers would eventually be obliged to sell their table poultry through the service stations. But while the scheme was in force in certain Regions only, it would be possible for collectors to become registered producers *outside* those Regions and to buy inside the Regions for sale elsewhere. It might be difficult, in these circumstances, to make the scheme watertight at the start. This objection might be serious if a smaller territory than the Region were adopted as the unit, for buying under such conditions might then be heavy enough to endanger the throughput of stations. But the effect of evasion of this character would be far less with Regions as the unit of control, for small dealers could only operate on the fringes and on a small scale, while dealers in a substantial way of business would hardly be prepared to build up a trade of this description if it were certain that other Regions were shortly to be brought within the scheme.

A further difficulty to be faced is that of price. Price control is out of the question, at least until the scheme is national in scope and until a considerable degree of standardisation of produce has been attained. When we come to discuss price policy, we shall examine what methods of safeguarding price can be employed in the meantime. We do not consider, however, that these difficulties will prove to be insuperable provided that the duration of the period of partial organisation is not unduly prolonged. It will be of the greatest importance, therefore, to bring successive Regions within the scope of the scheme as quickly as is practicable.

When by successive stages the system of marketing table poultry through service stations has been extended to all Regions, the plan will not only be comparable with that for eggs, but will generally operate jointly with it. The network of service stations will offer

the producer an outlet and will also afford him advice and assistance as to the type and size of bird that he should produce to make the best prices. To the distributor, wholesaler or retailer, the service stations will be able to offer, in bulk, standardised supplies of reliable quality.

(iii) Distribution.

While the Board are building up, Region by Region, their organisation for table poultry marketing, the distributive machinery for eggs, already in existence, should also prove of great value for poultry. It will be neither desirable nor practicable to attempt to control the flow of poultry supplies as between one Region and another until the Board have completed their organisation of service stations on a national scale. The function of the Board during this formative period will be gradually to develop demand for graded table poultry. They will also assist the orderly distribution of the heavy supplies that find their way on to the market at special seasons, particularly at Christmas. There are, in fact, a number of ways in which the Board will be able to lend support to the new service stations without actually taking over the responsibility for selling their output.

When the plan of re-organisation is complete, it is probable that the system of distribution suggested for eggs may require some modification in respect of poultry. As far as possible each service station might supply the needs of its own Area or Areas in the first instance; but as there will be variations in the type of the main demand in different localities, larger measures of adjustment will be needed. There may be an over-supply of ducks, or first grade chickens, in places in which there is little demand; and in some centres there may be a greater demand for boiling fowls than the local supply can satisfy. Such adjustments, however, must be left to the discretion of the Board.

CHAPTER 15.—PRICE POLICY FOR TABLE POULTRY.

In describing our suggested price policy for eggs, we were able not only to set out general principles, but also to show in some detail how a system of price determination might be expected to work out in practice.

We are in a much less favourable position as regards poultry. During the preparatory period the Board will have little power to affect prices, though they will be able to collect market information and to afford some limited help to producers by the publication of prices. While the Board are gradually extending their control, Region by Region, the conditions precedent to price control will be lacking, though with the extension of standardisation and of assembly on a large scale, the influence of the published prices should steadily increase. When the final stage is reached and a unified organisation covers the whole country, a substantial measure of price control might be undertaken. There will, however, remain certain differences in the nature of the commodity and of its market which will distinguish the problem of price control for poultry from that for eggs.

(1) Action during the Preliminary Stages of Organisation.

In the preliminary stages of the scheme the Board will only be able to help by publishing market information. During the following period the poultry marketing plan will be brought into operation by Regions. Monopoly collection will then be the rule in some parts of the country, but not in all. If it were practicable, the interests of producers during this period would best be served by an obligation upon service stations to pay them on a basis to be fixed by the Board. As, however, supplies from the uncontrolled Regions will still be in competition with those from controlled Regions, the Board could not attempt the fixing of prices until they had a more or less complete control of the marketed supply. We recommend, therefore, that during this period each producer should be paid on the basis of the actual prices realised by his service station, less the approved service charge.

The Board might, however, assist producers by extending their market information service so as to afford comparisons between the weighted average prices returned by the service stations, on a Regional or sub-Regional basis, and the average prices for supplies from uncontrolled districts. Stations should be under an obligation to make weekly returns of the quantities of each grade sold, the prices realised, and the markets in which the sales were made, in order to make this information as authoritative and complete as possible. The publication of particulars would enable producers to compare not only the prices of controlled and uncontrolled supplies, but also average realised market prices as against their own returns.

It should be a term of each service station's licence that its accounts should be submitted to the Board and that the service charge should be subject to the Board's approval. Until prices could be more strictly controlled, the supervision of service station accounts would at least enable the Board to check selling prices as well as service charges. If examination of the accounts indicated inefficiency, it would be the duty of the Board to give whatever help they could to improve the working of that station, but they might, in the last resort, have to consider making other arrangements in the Area.

(ii) Subsequent Price Policy.

When a poultry marketing organisation comes into complete operation, the Board will have to consider whether some more direct form of price control is desirable and practicable and, if so, how their powers can best be employed to that end. Some of the conditions of the poultry trade call for special consideration and will require some deviation from the Board's price policy in relation to eggs. For example there are the special outlets for various classes of poultry at certain seasons, such as the Christmas market for turkeys and the Michaelmas market, in the North more especially, for geese. The Board must endeavour to make the most of the special seasonal markets and, at the same time, to create a wider and more sustained demand at other times of the year.

Ducks, geese and turkeys.—The trade in ducks, geese and turkeys is likely to remain of a markedly seasonal character, though the extent and incidence of the seasonality will vary.

The basis of sound price control for perishable goods is a continuous market which allows of price being adjusted to supply. In a trade that is highly seasonal as well as perishable, the fixing of prices offers special difficulties. A misjudgment of the price level at the beginning of a short season might result in an accumulation of supplies. These must either be carried until the peak of the season is past, in which case they might be sold on a rapidly falling market, or disposed of at the peak period, when they would depress prices at the moment ordinarily most remunerative.

If, for these reasons, actual price control for ducks, geese and turkeys is not attempted for a time, even after the Board's organisation is complete, there is still a good deal of scope for the better regulation of the Christmas trade. Apart from any action that may be taken to regulate imports (which is a matter for consideration by the Great Britain Commission), the Board might do much to steady prices without attempting to prescribe them. Price slumps due to over-supply at particular markets—a common feature of the Christmas trade—might be avoided by better organised distribution. Producers and station managers would be materially helped by a good market information service giving not only representative price data, but also forecasts of the market trend and the supply situation.

at the more important centres of distribution. The prices published should come to be of the nature of recommended prices which the stations would normally be able to realise.

Fowls.—Under the existing system of marketing fowls, large numbers of private transactions never come under the notice of market reporters. There is so much variation in quality and so little information as to the price and volume of the supplies that are reported, that the analysis of price changes is extremely difficult.

In spite of the unorganised methods of marketing and the perishable nature of the product, average prices of dressed fowls on the wholesale markets appear to be reasonably stable from day to day and from week to week, though this stability may not always reach back to producers' prices. Moreover, the seasonal variations in prices are regular from one year to another. In these circumstances price fluctuations, at least, would not appear to offer any particular difficulty.

The question of regularity of supply should not prove a serious obstacle if producers realise that close co-operation with the service stations is essential. By organisation on the part both of the station and of individual producers, a much more regular supply of stock raised for the table, as well as surplus cockerels and culled hens, could be arranged. This would tend to prevent the exaggeration of seasonal gluts.

The practical application of the principles of price control will, nevertheless, prove more complex for poultry than for eggs. Neither accurate grading nor the standardisation of quality can easily be applied to poultry. Moreover, the trade in different parts of the country has been built up to meet local tastes and preferences, so that while the main demand in London may be for small and white-skinned birds, larger fowls or yellow skins may be preferred in other districts. Factors such as these will make it necessary for the Board to prepare the ground thoroughly before introducing price control. But if the chain of service stations when in full operation gives adequate control over the home-produced supplies, if these supplies are graded to standard grades, and if the Board are able to obtain accurate information as to current and expected imports, then we believe that price control for fowls may be attempted. We could not, however, advise the Board to embark upon an operation of such complexity unless the conditions precedent had been fulfilled. It may not, in any case, be possible to have uniform national prices.

It is certain that the quality of the supplies reaching service stations will vary for some considerable time. At any period that can be foreseen there will be a certain amount of low grade produce—the worst of the by-products of the egg producer—which will be difficult to price. At the present time much of this inferior produce is sold for what it will fetch, and is not expected to fetch

much. It is not likely that these supplies compete directly with the best quality produce, and the Board should not attempt to prescribe prices for "below grade" poultry, but should leave it to be sold by the stations at the best price obtainable.

(iii) Some General Considerations affecting Price Fixing.

In discussing price policy for eggs we have set out in detail a number of general arguments which it is not necessary to re-capitulate. We propose, therefore, to confine ourselves to two or three points that will need special consideration in relation to poultry.

Since price control cannot be undertaken for poultry until some time has elapsed and there have been considerable changes in the conditions of production and marketing, we offer no observations either upon the practicability or upon the desirability of using cold storage as a means of regulating supplies and prices. We could not recommend such a course during the period when some only of the Regions are under control, but the question should be examined when the marketing of all home-produced supplies has been regulated.

In the circumstances it would be unwise, and indeed hardly practicable, to attempt at this stage to lay down with precision the lines on which price control should ultimately proceed. The Board will have to acquire much experience and take many factors into consideration before they come to definite conclusions. Among other matters of major importance, there are as yet no sufficient data to show to what extent or in what direction it may be necessary to modify the system of a national delivered price such as we have recommended for eggs. We feel that it would not be helpful to the Board, and might actually impede them later on, if we were to attempt to find solutions for problems of detail which cannot yet be defined.

There is, however, one point of vital importance on which we think it desirable to express our conviction. In the case of poultry, as in that of eggs, it would be highly dangerous for a Board to attempt to maintain prices at an artificial level, or to fix prices in relation to some pre-determined standard of production costs. When the conditions permit of price control, the prices prescribed must be those at which supply and demand are equated; or, in other words, the prices that will keep supplies moving steadily into consumption.

CHAPTER 16.—POULTRY EXEMPTIONS.

For a variety of reasons we think that a poultry marketing scheme should at present be applicable only to table poultry. Though we consider the trade in breeding and laying stock to be in serious need of improvement, we think that it is not desirable to include it within the scheme. The Board will be representative, in the main, of egg and table poultry producers and will be fully occupied with the problems of those producers for some years to come. If, later on, it were thought desirable to bring breeding and stock birds under the control of the Board, the change would be a sufficiently important one to justify a formal amendment of the scheme.

The scheme is intended, therefore, to cover only eggs and table poultry. Unfortunately we have been unable to express our intention in a concise phrase which is at once sufficiently far-reaching and yet excludes breeding and store stock. We have been obliged, therefore, to frame the scheme in terms of "poultry" and to provide exemptions that exclude, as far as possible, sales of breeding and store stock.

We have already proposed that all producers owning less than 25 head of poultry over two months old and all sales of eggs and poultry to a registered producer's employees should be exempt from the scheme. In particular relation to poultry, we propose that the following exemptions should also be made:—

- (a) all sales of poultry under two months old;
- (b) all sales of live poultry to registered producers;
- (c) other sales of live poultry under permit of the Board;
- (d) if the Board so determine, sales of not more than a prescribed number of live birds to persons who are not registered producers; and
- (e) such other exemptions as the Board shall determine.

Provision for exemptions (a) and (b) is included in the scheme itself, but exemptions (c), (d) and (e) will be the subject of special determinations by the Board under their general power to grant exemptions.

The exemption of all sales of live poultry to registered producers ((b) above) will cover the bulk of the sales of breeding and store stock. It is important to observe that this exemption extends only to sales of live poultry to *registered producers*. It follows that, if the buyer wishes to resell such birds for table purposes, he is himself bound by the provisions of the scheme as a registered producer. If he wishes to kill and then sell, he will be obliged to sell to a service station, subject to the other exemptions. If he sells alive, he must sell either to a service station for slaughter or to another registered producer, who in turn will be subject to the same restrictions.

Exemptions (a) and (c) are designed to meet the case of sales to people who are not already registered producers. As regards (a), since the ownership of any number of birds less than two months old will not by itself make registration necessary, it is desirable to exempt all sales of such birds. The primary object is to give freedom to the considerable sales of day-old chicks, ducklings of a day to a month old, and young goslings and turkeys. Incidentally, however, this exemption will have another effect. Chicks of six weeks old may be marketed as petits poussins. This trade is of a special character and has not been developed to any great extent. Though many of these birds may, in fact, be sent to service stations, we do not think that there will be any disadvantage in allowing them to be marketed freely.

Exemption (c) will allow of the sale of birds more than two months old to persons who are not registered producers, but only under permit of the Board through the Regional office. This will allow persons entering the industry who are not yet registered to buy the necessary stock. The object of requiring such sales to be made under permit is to prevent the sale to dealers of table poultry under the guise of breeding or store birds. Licences for sales of breeding stock would be granted as a matter of course unless the Board had reason to suspect an evasion of the scheme. Specialist breeders might be allowed a general permit to cover all their sales of breeding stock for a period of, say, twelve months. We do not anticipate that evasions will create any difficulty; any serious attempt would be detected and the permit withdrawn. Producers who, although not specialist breeders, sell stock either for breeding or for store purposes will be required to secure a permit before sale to an unregistered person. No elaborate system of policing will be required; the object of the permit is simply to give the Board an opportunity for taking action in the case of considerable evasions.

The sale of either stock for egg production or stores for conditioning will again take place mainly between producers, although sales of small numbers of laying pullets to people with a total of less than 25 birds might be appreciable in the aggregate. In case it should appear in practice that the obligation of obtaining such permits were unduly restrictive, we have inserted (d), giving the Board power to exempt sales of not more than a prescribed number of live birds to persons who are not registered producers.

In addition to these specific exemptions we have given the Board in (e) power to exempt other persons or sales from all or any provisions of the scheme subject to such conditions as they may determine. This power should, we suggest, be used to grant exemptions for experimental periods to producer-retailers and also to poultry fatteners and large-scale producers of table-poultry, many of whom have built up connections which the Board may not wish to disturb. The power might also be used, if it were found necessary, to exempt sales from other producers direct to retailers.

Poultry fatteners.—The service stations in localities such as Sussex, where the specialised fattening of fowls is mainly concentrated, and that area of Norfolk in which the fattening of ducks is carried out intensively, will need to make provision for dealing with the special products of those districts. Although in the usual course service stations will buy poultry alive and kill, pluck, grade and pack them, some of these producers will probably prefer to do their own killing and dressing. Many of the latter have already well-established connections with large consumers, retailers and wholesalers, and the Board might consider exempting them from the scheme, subject to such conditions as may be prescribed.

Large scale producers.—Specialised production of table poultry on a large scale has been a recent development. The producers for the most part raise their own poultry, and their final product is, to some extent, a speciality. They may supplement their own production by purchasing stores for conditioning. If so, they usually contract for regular supplies from selected sources. It would probably inflict considerable hardship on these producers if they were required to send their output to a service station before its business were thoroughly established. We suggest that the Board may find it advisable to grant to these producers also exemption from selling through the service stations, subject to appropriate conditions.

Producer-retailers.—We suggest that the Board should provide for the total exemption of sales of dead poultry, not exceeding a prescribed small number per week, direct to consumers, and that producer-retailers who sell more than the prescribed number might, at the discretion of the Board, be exempted from the requirement to sell through service stations.

Producers who sell dressed poultry in considerable quantities direct to consumers are probably a small group, including those who sell on milk rounds or from the roadside and others who carry on a postal trade with distant customers. These producers should be registered as producer-retailers, provided the Board are satisfied that their sales are mainly birds of their own production, and should be required to pay a levy assessed on their output. It would be necessary to confine these exemptions to producers who—substantially—sell only their own produce.

CHAPTER 17.—THE GRADING OF DEAD POULTRY.

In contrast to the widespread interest in egg grading, on which nearly every witness had an opinion to express, we have received from producers practically no constructive proposals for a system of poultry grades, while the suggestions that we have had from packers and distributors have been of a somewhat tentative nature. It will, however, be necessary for the Board to prescribe grades for poultry in order that the need of the large consuming centres for reasonably standardised supplies may be met and, eventually, to provide a uniform basis for the quotation or regulation of prices by the Board.

(1) General Considerations.

At the present time the grading of home-produced poultry is not much practised outside the National Mark Scheme and the specialist table poultry industry, so that the great bulk of poultry goes on the market ungraded. There is thus very little experience to go upon in attempting to constitute suitable grades. In certain districts there is some measure of standardised production which lends uniformity to the table product, but this does not constitute grading in the true sense. We recognise that several difficulties have hindered the adoption of a uniform national system. There is very little uniformity of production over the country as a whole, and wide differences in the finished product may occur by reason of the class of fowl and the method of production used. These differences are often recognised in such descriptions as "Surrey" fowl, or "Aylesbury" duck, the use of which may be regarded as a primitive type of grading. Again there is the difficulty of defining quality standards for poultry and in securing uniform interpretation of such standards, for poultry grading cannot be reduced to a mechanical operation, but must always depend upon the human element. Finally, each of the four kinds of poultry—fowls, ducks, geese and turkeys—requires separate provision.

A grading system for poultry must be simple and easily understood; it must cover all qualities as well as all types of poultry; and, while remaining both simple and comprehensive, it must secure a reasonable degree of uniformity in each grade.

The statutory grades.—The present statutory grades, which are in use under the National Mark Scheme and which have recently been modified as a result of the experience of the four years operation of that Scheme, cover first quality poultry only. This one quality grade is divided into twelve different classifications, comprising seven classes of chicken and fowls, two of ducks, one of geese, and two of turkeys, the classes being defined by reference to weight and condition. If two or more lower quality grades were added in each of the different classifications, there would be a system of some forty or fifty grades, which would be at once condemned because it would never be understood by the public.

A simplification of the statutory grades.—Since the statutory grades are not entirely suitable for use as they stand, we propose the adoption of a simplified system. Briefly, we suggest the provision of quality grades for each class of bird (chicken, fowl, duck, etc.) to cover all descriptions of birds of that kind, without any subdivision into different weight categories. By this system three quality grades will be sufficient for chicken, four for fowls, three for ducks, two for geese and three for turkeys, while the inferior birds of each kind will be classified as being below these grades. As regards weights within the grades, it will be enough for the Board to require that all packages despatched from service stations shall contain birds of uniform weight, so that the quality definition of first quality chicken will be such as to cover all weights, whether petits poussins of 1 lb. or "Surreys" of $4\frac{1}{2}$ lbs. The net weight of the pack will be marked on the package, and no individual bird in it should vary from the average by more than a specified amount.

(ii) The Proposed Grading System.

Our suggestions as to grades are not intended to be of anything but a tentative nature. We shall be satisfied if they form a basis of discussion among producers and the trade, and for this reason we have not attempted to define the various grades, but have merely added notes which, we hope, will make our proposals clear. While we do not attach particular importance to the names to be applied to the grades, we suggest that it might be desirable to adopt the terms "Select", "Prime" and "Good", which are in use in the National Mark Scheme for Beef for the three quality grades, especially as the term "Select" is that which is already used for first quality poultry under the National Mark Scheme. The "Select" grade should, generally speaking, be used for specially fattened poultry in each class.

The use of trade descriptions.—It has been a practice in the trade to use descriptions such as "Spring", "Asparagus" and "Surrey" chicken, "Aylesbury" ducks and "Norfolk" turkeys. We think there would be an advantage in continuing, at least for a time, the use of descriptions with which the trade is familiar in conjunction with the grade designations. We suggest, therefore, that service stations should be allowed to apply the appropriate trade description as well as the grade designation to their packs, which might be described, for example, as "Select Asparagus Chicken" or "Prime Young Aylesbury Ducks"; but whereas the application of the grade designation will be compulsory, the application of a trade description will be optional. We must point out, however, that as long as those statutory grades remain in force which give a legal meaning to designations such as "Select Asparagus Chicken", all poultry sold under these designations must be of the standard laid down for the *statutory* grades.

Grades for chicken and fowls.

(a) *Chicken*.—The grades proposed for chicken are :—

Select Chicken.
Prime Chicken.
Good Chicken.
Chicken.

The top three grades should cover, respectively, specially fattened birds, well-conditioned chicken, and good quality chicken which have not undergone any special preparation for table. The fourth class will include all other chicken of lower quality.

(b) *Fowls*.—The grades proposed for fowls are :—

Select Roasters.
Roasters.
Select Boilers.
Boilers.
Fowls.

It seems necessary to provide different classifications for birds which, although they have passed the chicken stage, are not fully mature (roasters) and for hens which have been kept for breeding or for egg production (boilers). Two grades are suggested for each class, but the inferior qualities of both could be dealt with together.

Grades for ducks.—The grades proposed are :—

Select Ducks (or Ducklings).
Prime Ducks (or Ducklings).
Good Ducks.
Ducks.

Two quality grades should be sufficient for young ducks, including ducklings, with a further grade to provide for older birds which have been kept for egg production or for breeding before being sold for table.

Grades for geese and turkeys.—The grades proposed are :—

Geese :—

Select Geese.
Prime Geese.
Geese.

Turkeys :—

Select Turkeys.
Prime Turkeys.
Good Turkeys.
Turkeys.

The proportion of old geese and turkeys is so small that the provision of special grades for them is unnecessary, and they will fall into the last category. The separation of young turkey hens and young turkey cocks into two grades is also considered unnecessary, since it would follow automatically with systematic marketing and packing to uniform weights. Three upper grades for turkeys are desirable to cover the variation in quality, although two are all that are necessary for geese.

Although some time may elapse before the table poultry part of the scheme will come into operation, we recommend that an early opportunity should be taken by the Board to define grades and to make the grading system widely known. If this course is followed, it is hoped that some use will be made of the system voluntarily, so that both packers and buyers will gradually become accustomed to it.

PART IV.—ADMINISTRATION OF THE SCHEME

CHAPTER 18.—THE CENTRAL AUTHORITY.

The Board will be concerned with such operations as prescribing prices, determining cold storage policy, and organising the lay-out of the collection areas, and with the supervision of the whole field of operations. They will also be responsible for the business of some half-million producers and the efficiency of some 200 packing stations. Their duties in the first category will include the initiation of the scheme, and will call for energy, judgment and business ability of a high order. The conduct of day-to-day business will depend for success upon the fullest possible measure of decentralisation of detail and the tactful handling of the emergency problems inseparable from a scheme of such magnitude.

(i) The Board.

The marketing of eggs and the marketing of poultry will frequently present problems requiring separate consideration. It would, however, be undesirable to attempt to organise them separately, since the two sections of the industry are interdependent. Under Section 3 (4) of the Agricultural Marketing Act of 1931 it would have been possible to provide that when the initial poll is taken separate votes should be cast in relation to eggs and to poultry, but, because of the affinity between them, we have come to the conclusion that they should be regarded as together forming one "regulated product". While, therefore, we propose that the organisation of egg marketing should be dealt with first, we are of opinion that one scheme should be prepared to cover both commodities and that one Board should undertake responsibility for both.

Elected members.—The suggested electoral system differs in several respects from those which have been adopted for other marketing boards, and we set out here some of the general considerations which have weighed with us in working out our proposals. In the first place there are no major questions arising out of the operation of the scheme on which the interests of one part of the country are likely to conflict with those of another part, and therefore it is not necessary to provide that the Board should be elected on a territorial basis. Any such basis might result in the loss of the services of some of the best qualified individuals in the industry, should several reside in the same district. In the second place, we do not believe that elections held at general meetings are possible except under a system of proxy voting which, in our view, is not likely to prove satisfactory in such an industry as this. In any event, a general meeting truly representative of registered producers in the country as a whole

would be impracticable. The alternatives are either a series of district general meetings or a postal ballot. Either of these courses would involve heavy expense, yet neither would overcome the difficulty that the vast majority of the voters could have no adequate knowledge of the candidates between whom they were asked to choose.

For these reasons we suggest that advantage should be taken of the provisions of the Agricultural Marketing Act of 1933, under which the Board need not be elected directly by producers, but may be elected by bodies which had themselves been elected by the producers. If the country were divided for electoral purposes into districts of reasonable size, the registered producers within each of those districts could elect a committee of men whom they know and to whom they would be satisfied to entrust the duty of electing the members of the Board.

We think that a compact central authority will be best able to deal with the questions of commercial policy that will come before them, and suggest that there should be nine elected members.

Co-opted members.—The Act of 1933 provides that marketing boards shall consist, in addition to the elected members, of two members co-opted by these elected members after consultation with the Market Supply Committee; and further, that these co-opted members shall be persons specially qualified by reason of their commercial or financial ability. We believe that it would be to the advantage of producers if it were possible to strengthen the purely business side of the Board by the co-option of more than two specially qualified persons. We accordingly recommend that the existing law be amended to permit of the co-option of a larger number of members on to a marketing board; and if such legislation is passed, we suggest that there should be five co-opted members in all on the Board.

The method of election we propose is purposely designed to secure a strong Board rather than one which is merely representative of sectional interests. The power to co-opt more than two members would, however, allow the elected members to take into consideration the desirability of including persons possessing knowledge of any special interests within the industry which were not already adequately represented, in addition to strengthening the commercial element on the Board.

The provisional Board.—The first Board to be set up under the scheme will consist of the persons named in the scheme submitted by the promoters and two persons nominated by the Minister of Agriculture after consultation with the promoters.

We think it important that this provisional Board should be fully representative of all the larger organisations concerned with the industry. For that reason, and in order to ensure the largest possible measure of initial support, we hope that the scheme will be

promoted jointly by the leading national organisations, so that the first Board will enjoy general confidence and escape the reproach that it is not representative of all the varying interests of producers.

(ii) Committees of the Board.

The executive committee.—Section 15 of the Act of 1933 requires that every subsequent marketing scheme under the Acts shall provide for the appointment, from among the members of the Board, of an executive committee consisting of not more than seven members, and for the delegation to that committee of all the functions of the Board under the scheme except such (if any) as may be specified in the scheme. The Act requires further that at least one of the nominated or co-opted members of the Board shall be a member of the executive committee.

The formal scheme appended to this Report accordingly makes provision for an executive committee and for the delegation to it of certain of the functions of the Board. The reasons which influenced us in suggesting the addition of more than two co-opted members to the Board are equally applicable to the executive committee. We recommend, therefore, that in the event of more than two co-opted members being added to the Board there should be at least two of them upon the executive committee.

The Pricing Committee.—We propose that price determination should be carried out by a committee of the Board which must be so constituted as to be able to act immediately. This committee will be responsible to the Board, but since its decisions must be acted upon without delay, they cannot await ratification by the Board before taking effect. It will be necessary, therefore, for the Board to delegate the power to prescribe prices to this committee. It will probably also be expedient to give to this same committee executive powers to carry out the policy laid down by the Board in relation to spring storage of eggs and their disposal in the autumn, since these matters cannot be dissociated from price control.

(iii) Advisory Bodies.

While the producers' Board must take ultimate responsibility for the exercise of the powers conferred upon them by the scheme, there are many matters both of policy and of detailed administration upon which it would be advisable, and indeed in some cases essential, that they should seek the advice and guidance of the various sections of the trade. We suggest, therefore, that the different sections of the trade, that is the wholesalers and retailers, including the multiple shops and the co-operative movement, should be requested to appoint separate small committees to represent them and to consult with the Board from time to time on wholesale and retail problems respectively.

CHAPTER 19.—THE PROVINCIAL ORGANISATION AND ELECTORAL STRUCTURE.

(i) Area Committees.

The primary purpose of the Area committees will be to form an electoral college for the election of the Board. The further functions of these committees are, in our conception, two-fold :—

(a) to be informative and advisory bodies to the Regional Advisory Councils and to the Board on matters of particular concern to the Areas ; and

(b) to be informative and explanatory bodies to the registered producers within their Areas as to the aims and policy of the Board.

If the committees are to fulfil these functions the Areas they represent must be compact, so that the ordinary producer can have ready access to the members of the committee. The Areas which we have already described in connection with the business organisation of the scheme would seem to be of a suitable size for these electoral and administrative purposes also ; and there are obvious advantages in identifying the electoral districts with the packing station Areas.

The fact that packing station Areas form the electoral and administrative units of the scheme must not be allowed to affect the flexibility of these Areas for business development. The Board must, therefore, have power to alter the boundaries of the Areas as commercial needs may dictate. At the same time the electoral aspect of the Areas must be safeguarded, since there would be an objection in principle to the alteration of the basis of the electoral system at the will of the Board. For this reason we have provided in the scheme that all changes in the lay-out of Areas shall be submitted to general meetings of representatives of the registered producers for their consideration and approval.

Most of the adjustments in the boundaries of Areas will probably be of a minor character, and the alterations should not normally necessitate a re-election of the Area committees representing the amended Areas. It may, however, occasionally happen that major alterations require to be made ; for example, two Areas may be amalgamated, or perhaps split into three Areas. In such cases it is clearly necessary that Area committees should be elected in the new Areas to replace the old committees, and provision is made accordingly in the scheme.

We recommend that each Area committee should consist of seven members. It should not need any paid staff, but one of the members or, if necessary, a non-member, might receive a small honorarium for acting as secretary. All members should be allowed their travelling expenses. We suggest that each committee should meet periodically—monthly or even quarterly meetings should be sufficient—though the chairman or any three members should have power to call a meeting at any time.

Apart from the annual task of electing members of the Board, Area committees will be able to give very real and important help in maintaining a close relationship between registered producers and the Board. They should keep headquarters informed of the trend of local opinion, voicing the needs of the Area in relation to national policy, and should equally act as the Board's mouthpiece in the Area. The committee will be kept in touch with developments in the Board's policy through the Regional Manager and will, no doubt, organise local meetings of producers where matters of interest can be explained and debated. In this way producers will be helped to appreciate the difficulties of the Board, and by joining in the general discussions at these meetings they will come to feel that they are taking their share in finding solutions for them.

The Area committees can also be used to relieve the Board of a certain amount of administrative detail. The Board, through the Regional Managers, will be able to enlist the assistance of committees and their secretaries in keeping the register of producers up to date and in advising producers on matters of detail connected with the scheme.

The committee will also be able to represent the interests of producers in their business relations with the packing station. Producers will be able to carry their complaints to the committee, or, in the intervals between meetings, to the secretary. The committee could either take up such matters with the packing station manager, if they seemed capable of ready adjustment, or with the Regional office. Although producers will, of course, retain their right to complain directly to the Board, the committee should usually be able to localise minor difficulties. The Area committee, as representing the producers in the Area, will also be closely interested in the efficient and economical operation of the station, so that the service charge may be kept as low as possible. This does not mean that the Board should countenance any interference by Area committees in the management of the stations, or that the station manager should be in any way responsible to the committee. Much could be done, however, in the way of enlisting the goodwill and co-operation of producers if the packing station managers consulted the committees upon matters where their local knowledge might be of special service.

(ii) Regional Advisory Councils.

The twelve Regions into which we propose that the country should be divided have been determined entirely upon considerations of distributive convenience, and the duties of the Regional Managers and their staffs will consist very largely of furthering the distributive side of the business, while exercising a general supervision over the operation of the scheme locally. In carrying out

DIAGRAM OF THE ELECTORAL AND ADMINISTRATIVE STRUCTURE OF THE EGG AND POULTRY MARKETING SCHEME.

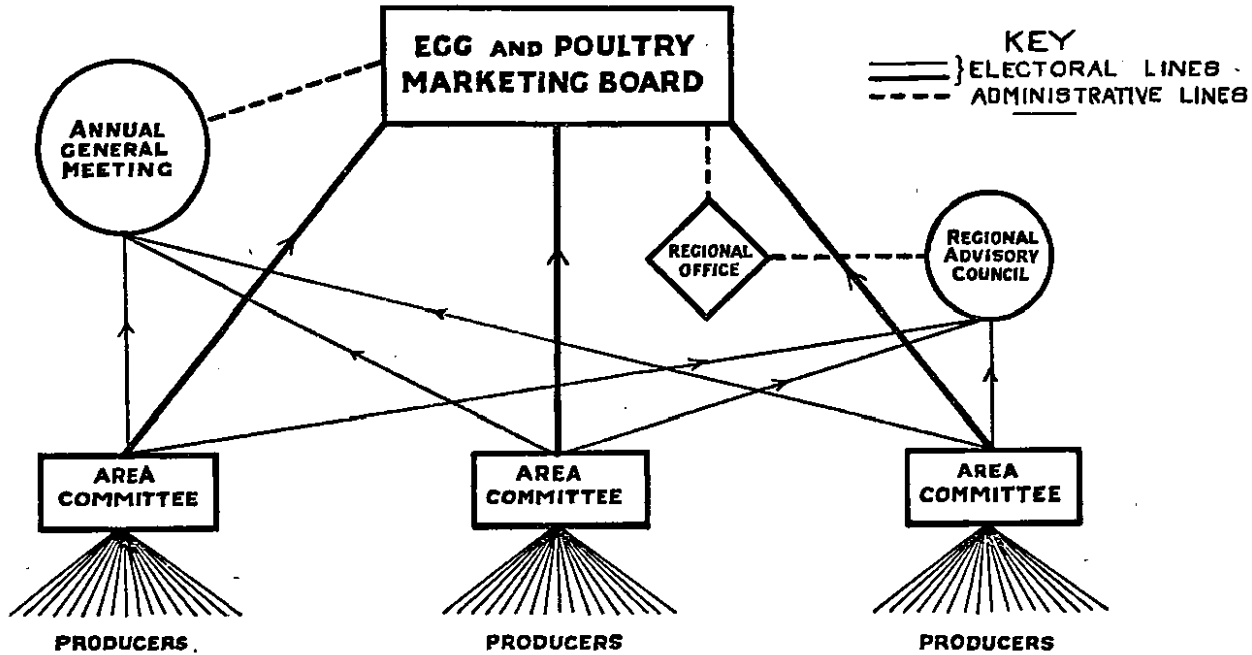


DIAGRAM G.

their distributive functions Regional Managers must seek all possible aid from the trade, but it will help them to have representatives of the producers from all the Areas within their Regions to whom they can go for consultation and advice.

We accordingly propose that in each Region there shall be established a Regional Advisory Council, consisting of two members from each Area committee within the Region, to keep in touch with the Regional Manager and to act in an advisory capacity to him. These Councils will offer an opportunity for Areas to co-ordinate their views and to maintain contact with one another; and they will afford a convenient channel through which Regional Managers can keep Area representatives acquainted with the policy of the Board.

While Area committees will be concerned with the domestic affairs of their own Areas, the Councils will be in a position to take a broader view and to occupy themselves with wider problems of policy and development.

It might be convenient, for example, for the appropriate officers of the Region, or the special officers of the Board, to have the assistance of sub-committees of the Council when dealing with such matters as veterinary, research and educational proposals, stock development plans and the improvement of table poultry. Where matters were in dispute between Area committees, as might happen in regard to such questions as the delineation, sub-division or amalgamation of packing station Areas, the appropriate Council could, no doubt, assist the Regional Manager in arriving at his recommendation to the Board.

Some Councils may be rather large in numbers if there are as many as twenty Areas in a Region, but it is not thought that they need frequently be in session. Indeed the nature of their functions will require them to work largely by sub-committee; and after the busy initial period is over, it may be sufficient to hold full meetings quarterly or at even longer intervals. Councils will not need any full-time staff, but it will probably be convenient for an officer from the Regional office to act as secretary. Members should be paid their travelling expenses and they should also be entitled to subsistence allowances.

(iii) The Electoral Procedure.

Election of Area committees.—We propose that each Area committee should be elected by all the registered producers within the Area, and should consist of seven members serving as a body for three years and being eligible for re-election at the end of that period. In order to keep the costs of election down to the minimum we have not provided for the annual retirement of a proportion of members. Casual vacancies should be filled by the co-option of

the first person on the list of unsuccessful candidates at the previous election or, if there is no such person, by the free choice of the remaining members. Persons so co-opted should retire at the same date as the remaining members.

We suggest that ten registered producers within the Area should be entitled to nominate a candidate. In order to allow a sufficient interval between each two successive stages of election, we propose that the closing date for nominations should be at least fourteen days after publication of the intention to hold an election; and that voting papers with particulars of the candidates should be in the hands of registered producers at least fourteen days prior to the date of the election. The closing date for nominations should, therefore, be at least twenty-one days prior to the election itself, so as to allow time for the printing and distribution of ballot papers. The ballot should be conducted by a postal vote.

We have considered whether, at elections of Area committees, it is desirable to "weight" the votes of individual producers. We believe that the most equitable basis would be to weight the votes of producers so as to make some differentiation according to their productive capacity, and we have, therefore, provided in the scheme that the vote of each producer should be weighted by reference to the number of head of poultry over two months old in his possession at a prescribed date. It is clear that, under such a system, it may be difficult to achieve absolute equity, and, accordingly, the actual method of weighting should receive close consideration by the promoters.

Election of Regional Advisory Councils.—Members of Regional Advisory Councils should be elected directly by the Area committees from among themselves. Except for alterations in the personnel of Area committees due to the filling of casual vacancies, changes will normally take place only in every third year, though where Areas are seriously altered, special elections may have to take place. In the ordinary course these representatives should be elected immediately after the election of Area committees and serve for a period of three years.

Election of the Board.—Members of the Board should be elected by Area committees, each committee voting as a unit by postal ballot. We have already suggested that the Board should comprise nine elected members, and we have provided that three shall retire each year, the retiring members becoming eligible for re-election. Considerations of cost do not apply in this case, since only some 200 committees, and not the whole body of registered producers, will be called upon to vote. The co-opted members of the Board, other than those co-opted to fill casual vacancies, should similarly serve for three-year periods.

A casual vacancy in the membership of the Board should be filled, as in the case of Area committees, by the co-option of the first person on the list of unsuccessful candidates at the previous election, but we have provided that any such member should retire (and, if he wishes, seek election) at the next annual election, whether or not the member he replaced would have been required to do so.

We suggest that nominations for election to the Board should be made by :—

- (a) any Area committee; or
- (b) not fewer than 50 registered producers; or
- (c) as regards not more than one nomination for each annual election, by resolution of the Board.

The object of the last of these provisions is to ensure the nomination of any retiring member whose services have been of exceptional value to the Board.

For the reasons that have been mentioned in relation to Area committees, notification of the date of election and of the closing date for nominations should be made at least fourteen days before the closing date. Nominations should be sent to the Board and a list of accepted nominations, with detailed particulars of the qualifications of each candidate, should be in the hands of the Area committees at least fourteen days prior to the election. This course will afford reasonable opportunity for the committees to meet and discuss the merits of candidates before arriving at their decisions. The date of the election might thus need to be some four weeks after the closing date for nominations, and the total period between the first notification and the election itself might be six weeks.

Since there may be considerable differences in the relative importance of Areas from the production point of view, we think it desirable that the votes of committees in the election of the Board should be weighted in much the same way as the votes of individual producers. We have accordingly made provision in the scheme for the adoption of this method, but if it is found in practice to be too complicated, the weighting might take place on the basis of the number of registered producers in the Area which would afford a sufficiently close approximation for practical purposes.

(iv) Annual General Meeting.

Although, with the electoral system we recommend, there is no need for an annual general meeting of producers for purposes of elections, certain matters, such as the annual report and accounts, the remuneration of the Board and proposals for changes in Areas, should be presented to a meeting representative of producers as a whole. A general meeting of all producers is hardly practicable; and general meetings in Regions or Areas would not be feasible in this connection even if they were likely to be well attended.

An annual meeting of representatives of all registered producers would, therefore, seem to be the best arrangement. We suggest two delegates from each Area committee; and, since these delegates will attend on behalf of all the registered producers within their Areas, they should receive travelling and subsistence allowances. Voting at the annual meeting should be by show of hands unless a ballot is demanded, in which case the vote of each representative present should be weighted on the same basis as for the election of the Board.

CHAPTER 20.—THE COST AND FINANCE OF THE SCHEME.

Until actual experience permits of more detailed knowledge of the nature and extent of the organisation which will be needed to operate the scheme, it is not possible to forecast with accuracy either the capital outlay or the annual expenditure which will be entailed. Although the experience of other agricultural marketing boards affords some guidance, the organisation contemplated in our scheme differs in many respects from that of any existing marketing board. We have, nevertheless, thought it desirable to examine in some detail the finance of the scheme, and to offer some provisional estimate of the expenditure likely to be involved, together with some suggestions as to the methods by which the requisite funds might be obtained. While these estimates must, in the circumstances, be submitted with all reserve, we believe that they will give some approximation of the position.

The cost of the scheme to the general body of producers will fall under two heads:—

- (a) the expenses of marketing incurred by the packing stations; and
- (b) the administrative and other expenses incurred by the Board themselves.

Producers will bear the first of these expenses through the service charge made by the packing stations, and the second should be met by a levy. This levy would be charged on the number of eggs or table birds sold by each producer.

Producers who sell direct to customers, under licence, will bear their own marketing costs and will only be required to pay the levy in addition. Producers who are entirely exempt from the scheme will likewise bear their own costs of marketing, but will not pay the levy. It is true that exempted producers will probably derive some benefit from the scheme, but the exemption limit has been so calculated as to exempt only persons whose sales are of negligible volume and from whom the collection of the levy would be impracticable.

The most convenient and inexpensive method of collecting the levy will be by deduction from the payments to producers at the packing stations. Accordingly we propose that the levy should be expressed as an amount per dozen for eggs, and per bird for table poultry, and deducted *as a separate item* on the account rendered by the packing station to the producer. The amount so collected by the packing stations should be remitted at weekly intervals to the Board, accompanied by an explanatory statement of which a duplicate should be sent to the Regional office. Producers selling direct to consumers under licence should pay their levies monthly to the Regional office, and submit a statement of their sales at the same time.

It would, in our view, be impracticable to collect the levy otherwise than through the packing stations, as any other method would involve a further burden upon producers to meet the extra cost of collection. Since the organisation of egg packing stations will not be completed until the close of the interim period, we recommend that no levy should be made during that period, but that it should commence only from the appointed day on which the egg scheme comes into full operation.

In the same way there should be no separate levy on table poultry until the poultry scheme is completely operative. During the period which will be necessary for the formulation and establishment of the poultry marketing system, a certain amount of expenditure will be incurred by the Board by way of advisory services and in development work generally. It is considered, however, that this should be defrayed from the funds provided by the levy on eggs, as, apart from a small number of specialist producers of table poultry, the levy on eggs should represent a reasonably fair spread of this expenditure. When a poultry scheme comes into operation the Board can impose a separate levy upon sales of table poultry.

(1) Cost of Assembly and Marketing at Packing Stations.

The nature of packing station costs has already been discussed in the appropriate Chapters. In view of the variation in the conditions and methods of working at the present time, it is difficult to ascertain a representative present day cost of this service. It is even more difficult—especially in view of the relatively small trade hitherto conducted through such channels—to estimate the probable cost under the conditions which will be introduced by the scheme. As far as poultry service stations are concerned, there are even fewer data on which to form a view as to probable costs in the future.

In these circumstances it is impossible to express any definite opinion as to the amount of future service charges, especially as there will continue to be some variation between the costs of

stations on account of differences in the nature of the Areas which they serve. From our review of the conditions affecting the industry, however, it is clear that, provided stations are efficiently managed, the average cost of marketing should be substantially reduced under the new conditions.

(ii) Expenses of the Board.

Administrative expenses.—The work of the Board will comprise the general administration of the scheme and the superintendence of the various executive units. For these purposes administrative offices will be required in London, and local offices in each of the twelve Regional centres. The members of the Board—in particular the chairman and vice-chairman and the members of the Executive and Pricing committees—will need to devote a considerable amount of time to the work of the Board, and should be adequately remunerated for their services in addition to being reimbursed for out-of-pocket expenses. The principal officers will be charged with onerous duties calling for high organising, commercial and financial ability and should be remunerated on a scale commensurate with the responsibility of their offices. It will also be necessary to provide for clerical staff in London and the provinces, and for the expenses incidental to the maintenance and operation of the various offices. In addition the Board will be responsible for the expenses incurred by the Regional Councils and Area committees.

While it is impossible to make any accurate forecast of the annual sum that will be needed for these purposes, we think that it may approximate to £150,000 when the scheme is in complete operation.

Development expenditure.—The Board will doubtless desire to carry out a certain amount of work in the way of research, experiment and propaganda designed to further and to expand the interests of the industry. The field in this connection is wide, and the amount and nature of the outlay is a matter for the discretion of the Board and of the producers in general meeting. Bearing in mind the possible need for either direct research or grants in aid of existing services, the probable benefits of press and other advertising, and the necessity for experiment in the development of the table poultry side of the industry, we have assumed that there may be an annual expenditure of some £30,000 to £40,000 under these heads. It will be appreciated, however, that this is an entirely hypothetical figure, as the amount cannot be regarded as of even a semi-fixed nature and will depend on the desire of producers in the particular circumstances of each year.

Results of trading operations.—The Board may carry on a trade in stored eggs. The eggs would be purchased in the early months of the year, stored, and sold in the autumn and winter

months. It would be prudent to place any net profit arising from these transactions to reserve for the purpose, amongst others, of providing against the possibility of future losses. For the purposes of estimate, we have assumed that these operations will result in neither profit nor loss, though both are possibilities which the Board must bear in mind.

The only other form of trading which the Board will need to undertake immediately will consist in the operation of such packing stations as may be established and administered by the Board themselves. This should certainly not be allowed to result in a loss. On the contrary, the service charge should be so assessed as to result in a profit, comparable with that made at privately-owned stations, which should become part of the general funds.

Capital requirements and service of loans.—The Board will require a certain amount of capital for the purpose of meeting expenditure falling under three main heads:—

(1) *Financing of storage operations.*

A period of some six to nine months must elapse between the time when the Board will pay for the eggs placed in store and the time when these can be released for sale, and a substantial sum will be required to finance the purchases during this period.

(2) *Establishment of packing stations.*

Where responsibility for the provision of packing stations devolves upon the Board, capital will be needed for this purpose. From evidence placed before us, it would appear that the capital required to equip and operate an efficient and up-to-date packing station would vary from £5,000 to £10,000, a considerable portion of which represents working capital. While it is impossible to estimate the number of stations which the Board would require either to establish or to assist financially, it is possible that the sum required for this purpose might amount to £500,000 or even more.

(3) *Initial expenditure.*

This will comprise:—

- Promotion expenses;
- Equipment of offices; and
- Administrative expenditure during the interim period.

While it is difficult to forecast this outlay with any precision, it is thought that the sum required may be in the neighbourhood of £150,000.

The Board will not commence with any subscribed or permanent capital, and will consequently require to borrow such funds as may be necessary. It will be for the Board to determine whether this accommodation should be obtained from bankers or otherwise, but, in addition to arrangements through ordinary commercial channels, advantage might be taken of the facilities presented by the Agricultural Marketing Fund.

The question of the annual charge for service of these loans has an important bearing upon the amount of the annual levy to be paid by producers. The loans, other than that for storage purposes, will presumably be negotiated for as long a term as possible, but provision must be made for interest and repayment—the latter in the form either of annual instalments over the period of the loan, or of annual appropriations to a sinking fund designed to provide the full amount required at the expiry of the term.

Storage operations.—The advance to finance storage operations would be repaid out of the proceeds of sales, and it is hoped that under normal conditions a surplus would result on these operations at least sufficient to meet the interest charges. In these circumstances it should be unnecessary to provide for any charges in respect of this loan in budgetting for the amount of the levy.

Packing and service stations.—As regards the funds required for the setting up of packing stations, the effect on the general levy will depend upon whether it is decided that monies borrowed for this purpose are to be repaid by the general body of producers or by the particular producers who will use the packing stations in question.

It will be appreciated that the loans in question will be utilised to set up packing stations in Areas where stations conforming to the Board's requirements have not been established, either by the private enterprise of individuals or co-operatively by producers, within the Area. If it is contemplated that such stations as are instituted by the Board should continue to be owned and operated by the Board, it would seem that the loan should be repaid out of the general levy, as the property in the stations would belong to producers as a whole. If, on the other hand, it is desired that these stations should, in effect, become the property of the producers in the Area, it would appear that the repayment of the loan should be made by these particular producers. In the latter event the capital would be obtained by deduction from the amounts payable to the producers in that Area by the packing station. These deductions would form a fund in the hands of the Board which would belong to the particular producers concerned, and not to producers as a whole. These rights would, of course, subsist only for so long as the producers concerned remained registered under the scheme, unless the Board decided to establish the

fund on the "revolving" principle.* This principle possesses advantages in that a producer is able to reduce or liquidate his interest in the event of his decreasing his business or retiring from the industry. We understand that it has been satisfactorily operated in America, and the Board might explore its possibilities with advantage. We are advised, however, that it is not entirely free from doubt whether the Board could be given power to raise capital by this method under existing legislation, and we recommend that, in any further legislation to amend the Agricultural Marketing Acts, the opportunity should be taken to clarify the position.

It will be clear that the effect upon the amount of the general levy will depend upon whether such stations are to be owned by the Board, representing all producers, or by the producers in individual Areas. This is a matter which, we think, can be left to the promoters, and we, therefore, make no recommendation.

The question of the interest charges to be met in respect of loans raised for the purpose of establishing packing stations is not one which will affect the general levy, as any interest payable by the Board as the principal borrower will be recouped through the service charge made by the packing stations.

Initial expenses.—The loan to defray the initial expenditure and the administrative expenses of the interim period will clearly be the responsibility of the producers as a whole, and the interest charges and capital repayments will have to be obtained out of the general levy. Provision must accordingly be made for this in computing the amount of the levy.

Reserve fund.—It will be advisable for the Board to build up a reserve fund against such contingencies as may arise.

(iii) Amount of Levy.

As we have been at some pains to explain, it is quite impossible to estimate with any accuracy the total annual outlay to be met out of the levy payable to the Board. In the absence of accurate statistics regarding the quantity of eggs produced in the

* Under the "revolving fund" method of capitalisation, the money originally needed for capitalising the station would be provided in the form of a loan. This loan would be repaid over a period of, say, five years out of a small special levy made upon the producers in the particular Area. The sum thus raised would, however, be regarded as a debt repayable to the producers concerned at the end of the five-year period and secured on the packing station itself. At regular intervals certificates would be issued to producers showing the amounts collected from them for this purpose and promising repayment at the end of a five-year period. At the end of this period the whole of the original loan would have been repaid, and the capital invested in the station would consist of the levies raised from producers over the five years. The levies would, however, continue, and the proceeds would be used to pay off the certificates issued earlier as they fell due. In this way the capital required for operating the station would turn over, or "revolve", every five years.

United Kingdom, either in total or by various classes of producers, it is equally difficult to estimate the quantity of eggs upon which the levy will be based. Adopting the estimated production of eggs in England and Wales in 1933, allowing for some increase in this during 1934, and making arbitrary adjustment in respect of the quantities of eggs which will be exempted from the levy (including those consumed in producers' households), it is estimated that the quantity of eggs which will pass into consumption, and upon which the levy will be chargeable, will approximate to 3,250,000,000. On the basis of this figure and the very tentative estimates of expenditure already referred to, we are of opinion that a levy of 2d. per 120 eggs would be sufficient to provide for administrative expenses, development expenditure, the interest and repayment charges on the borrowings necessary for initial expenditure, and an adequate reserve. This does not, however, take into account the raising of funds to repay loans effected for the institution of packing stations, and the levy would require to be increased if it is decided that such loans are to be repaid from this source. The levy might also require to be increased if any large advertising campaign or outlay of a similar nature were desired. When a levy on table poultry is imposed it should be possible to reduce the amount of the levy on eggs.

(iv) Total Marketing Costs.

It is our belief that the total costs of marketing and administration which the scheme will involve and which, from the producers' point of view, will be represented by the service charge of packing stations plus the Board's levy, should be substantially less than the actual costs which are borne by the producer under existing conditions. The amount of the service charge and levy may appear to certain producers to represent more than their present-day costs, but such producers probably overlook the indirect costs which they are bearing to-day, such as the expenditure of their own time and other indirect costs reflected in reduced prices. In weighing the advantages and disadvantages of the scheme, producers should have regard to the overriding fact that it should result in better net returns. It is upon a comparison of net returns that the plan must be judged, and we are confident that these will be increased under the proposals now put forward. It is also our belief that savings in marketing costs will enable producers' returns to be increased without imposing a burden upon the consumer.

PART V.—SUPPLEMENTARY MATTERS

CHAPTER 21.—ADDITIONAL ACTIVITIES.

Under the provisions of the Agricultural Marketing Acts, a marketing board may be empowered to produce from the regulated product commodities specified in the scheme, to buy and sell, or to let for hire, anything required for the production, adaptation for sale or sale of the regulated product, or to co-operate with other interests in any of these matters. The Board cannot, however, compel registered producers to buy or to hire from them.

There are a number of directions in which these powers may be of value to producers and we have made provision in the scheme accordingly. We consider, however, that while the Board should be empowered to manufacture liquid and dried egg, canned and potted chicken and certain allied commodities, it would be preferable that they should co-operate with outside interests capable of undertaking these manufactures, rather than establish their own factories.

We think that this is a convenient place in which to comment upon certain other miscellaneous matters not directly connected with either manufacture or co-operative purchase.

(i) Processing and Manufacture.

Although the storage or preservation of eggs in one form or another is generally looked upon as the only practical alternative to sale for immediate consumption, there are other ways in which eggs can be utilised. Home-produced eggs are already an important ingredient in certain well-known commodities manufactured in this country, and we suggest that the Board, by arranging for bulk supplies at competitive prices where necessary, may assist in the further development of industries requiring fresh eggs for such purposes.

This country imports every year a large quantity of frozen liquid eggs and dried egg products for use in the wholesale confectionery and baking trades. It has been represented to us that the home industry could supply all the eggs necessary for this trade if imports were prohibited or severely curtailed. The manufacture of egg products, and especially of frozen liquid egg, is a commercial operation requiring raw material of high quality, a large and assured throughput, a considerable capital outlay and a high degree of technical skill. Of these conditions that of an assured throughput is not least important. No doubt these requirements could be fulfilled if there were profitable outlets for home-produced processed eggs; but

we think it open to question whether there would be the same demand for frozen liquid eggs if the price were high enough to make sale for processing an attractive proposition to the home producer. Since there are not at the present time sufficient home-produced eggs to fill the demand for fresh eggs, it would be futile to encourage sales at the much lower prices essential for the trade in processed or frozen liquid eggs. If, however, the home production of eggs continues to expand, the time may come when the manufacture of frozen liquid egg may prove a valuable means of absorbing surpluses, and possibly of utilizing those sizes of eggs for which there is not a ready demand. The Board may then supplement their storage programme for shell eggs by arranging for a part of the supply to be processed and stored in liquid or in dried form.

(ii) Canned Chicken.

At some seasons of the year a certain quantity of poultry can be diverted from the table poultry market for canning, for bottling, or for the manufacture of pastes, soups or jellies and other kindred food stuffs, and the Board might encourage the development of this trade. The "infant industry" of canning of table poultry, in particular, may prove a useful means of increasing consumption. We suggest, therefore, that the Board should consider the possibility of arranging contracts with the manufacturers for regular supplies, and at the same time encourage experiment to improve and cheapen methods of preservation.

(iii) Feeding Stuffs and Requisites.

At the present time a number of co-operative and private undertakings engaged in the handling of eggs also supply feeding stuffs. Certain of the poultry societies have also built up a substantial business in the supply of requisites to their members at reduced prices. The Board will no doubt encourage the extension of such activities and endeavour to co-ordinate existing arrangements, though they may consider it undesirable to undertake direct supply themselves.

(iv) Utilisation of By-Products.

There appears to be some scope for increasing producers' returns by organising outlets for by-products such as feathers and poultry manure. Service stations must dispose of the feathers from the birds which they kill and pluck and, with the large scale units contemplated, the trade in home-produced feathers may be expected to become of more importance than at present. The Board may be able to assist by co-ordinating supplies and finding markets. With regard to the disposal of manure and of feathers collected by individual producers, we suggest that, although the appended

scheme applies only to the marketing of eggs and table poultry, the Board might find means of profitable disposal through some voluntary organisation.

(v) The Conditioning of Table Poultry.

We are of opinion that every encouragement and assistance should be given to the producer to fatten and finish poultry for the table before sending it to the service station. But it may be desirable for the Board to experiment with a few stations for conditioning poultry with a view to their extension if it is found to be expedient.

Whether this kind of work should be undertaken at the poultry service stations themselves, or at special fattening plants adjacent to the stations, is a technical point for the Board to consider. In the latter case they would have the alternative either of organising co-operative fattening stations or of encouraging private enterprise. The fattening of store birds is already an established specialist industry in certain parts of the country, and we think that it would benefit if it could be assured of a regular position between the producer of store birds and the service stations.

(vi) Research into the Technical Problems of Handling Eggs and Poultry.

There is still much to be learnt concerning the problems of handling and packing eggs and poultry. Enquiry might usefully be directed to the technique of candling and to the factors affecting the internal quality of eggs; to the keeping qualities of eggs and of poultry; to changes in quality during cold storage and the relative efficiency of other methods of conservation; to the most suitable methods of packing for transport; and to analogous matters. Research into some of these handling problems is already taking place in this country and abroad, but the Board will clearly be in a position not only to assist and to promote research, but to test new methods under commercial conditions.

CHAPTER 22—EGG MARKING PROBLEMS.

In the course of our inquiries into present marketing practice, representations have been made to us on the subject of the marking of eggs and the descriptions that are applied to them. Although these are not essentially problems of marketing organisation, they have a practical bearing on the marketing of home-produced eggs.

(i) The Marking of Cold Stored Eggs.

There has been almost complete unanimity among producers and distributors of home-produced eggs as to the prejudicial effects of the differential treatment meted out to imported and home-produced cold stored eggs in the matter of marking requirements. The opinion has been freely expressed that the present provisions react unfairly on the home producer; and if that opinion is sound, it follows that a producers' board would be seriously handicapped in carrying out a programme of storing part of the spring supplies for release and sale later in the year.

At the present time all eggs produced in Great Britain which are subjected to cold storage must be marked on the shell with the word "chilled" or the words "cold stored" before they are taken out of store. Imported cold stored eggs, however, need not be marked as such, whether storage takes place in this country, or abroad, or in transit. In practice, either the containers of these eggs, or the eggs themselves, are sometimes marked in the country of origin in such a manner as to be distinguishable to the trade, though not to the consuming public.

Present requirements.—At the time when provision was made for requiring all imported eggs to bear an indication of origin, it was part of the plan for promoting the home industry and protecting the home consumer that the *only unmarked egg on the market should be the home-produced fresh egg*. This plan made it necessary to distinguish the home fresh egg from the home stored egg no less than from the imported egg, otherwise unmarked home stored eggs could have been sold as fresh eggs and thus militated against the reputation of the home fresh egg. The stamping of an indication of origin on imported eggs was designed to prevent the sale of these eggs as home new laid; and the stamping of home stored eggs as such was enforced with the same intention.

The marking of all other eggs has certainly had the effect of placing the home-produced fresh egg in a category by itself as the only unmarked egg on the market. The development of cold storage for home eggs seems, however, to have been prejudiced, because these eggs, being marked "chilled" or "cold-stored," are unable to compete on equal terms with Empire or foreign chilled

eggs which bear no evidence of their condition on the shell, but only an indication of origin. Moreover the absence of suitable marks indicating storage on imported stored eggs may have helped them in their competition with home-produced fresh eggs.

During the autumn, when egg prices are most favourable to the producer, three classes of eggs are available to the consumer: (a) eggs which have not been subjected to any form of conservation, (b) eggs which have been cold stored either at home or in near-by countries since the previous spring, and (c) eggs, imported mainly from the more distant Dominions, which have been chilled only during transit to the United Kingdom. It is generally agreed that the Dominion eggs referred to are "spring" eggs, marketed here within a few weeks of laying and of a high standard of quality. It is, however, alleged that the absence of marks indicating conservation is partly responsible for the popularity of these eggs, and that their sale during the autumn, without any direct notification to purchasers that they have been chilled in transit, has tended to depress home fresh egg prices. In consequence of the widespread belief in the truth of these allegations among producers, we have given special consideration to this subject in relation to these particular Dominions, but we would emphasise the fact that the representations made to us were directed to the general principle that all eggs, whether home-produced, Empire or foreign, which have undergone any process of conservation, should be distinguished from fresh eggs.

The position of southern hemisphere eggs.—It has been pointed out to us, as part of the case against the marking of Dominion eggs, that carriage in cool chambers is merely a necessary incident of transport either from Australia or South Africa, and that these eggs are not in the same category as those which have been held in store for long periods. It has been urged that if these eggs were required to be marked "chilled", they would be regarded as less fresh than eggs from certain supplying countries which send their produce long distances without the precaution of cool storage. It has also been strongly contended that the word "Australia" or "South Africa" on an egg is in itself a sufficient indication to any person who takes the least notice of a mark, that the egg must have been subjected to some form of conservation while in transit.

There is undoubtedly force in these arguments. The case is, however, weakened by the fact that eggs from the southern hemisphere, which must obviously be several weeks old, are frequently described by those who offer them for sale in this country not only as "fresh", but as "straight from the nest" and even as "new laid". We are, therefore, entitled to deduce that sellers in this country are inclined to gamble on the geographical knowledge of the average purchaser. The purchasers must either recognise the fact that eggs from these Dominions have necessarily been held in cool

chambers or not. If they already recognise that fact, the addition of the word "chilled" would obviously not deter them from buying Dominion eggs in the future. If they do not, they have been imposed upon to some extent by the seller.

As regards the contention that it would be unfair to place eggs which have been chilled merely for purposes of transport in the same category as supplies which have been held in store for several months, we have been assured from all sides that Australian and South African eggs have built up an excellent reputation for quality. There can be no doubt that they would continue to realise the best prices on their merits, even if they were required to be marked as chilled.

The position in relation to foreign eggs must also be considered. If either home consumers or home producers are prejudiced by the sale of transit-chilled Dominion eggs as fresh, they must be still more prejudiced by the sale as "fresh" of foreign eggs which may have been stored for several months. As regards most of the eggs from near Continental countries, there is just the same degree of difference between fresh and stored supplies as in the case of English eggs.

An alternative suggestion.—We have considered a suggestion that the need for requiring the marking of all imported cold-stored eggs as such might be obviated by controlling the use of the term "new laid". The proposal is that the use of the words "new laid" should be confined by statute to eggs of a prescribed standard of quality, either produced in this country or imported from near European countries which had previously satisfied H.M. Government that they had made satisfactory arrangements to ensure that all exported cold-stored eggs were suitably marked. It would be made an offence for any other eggs to be described as "new laid", and both home-produced eggs and eggs from the "approved" countries would be subjected to inspection and test to ensure that they reached the prescribed standard. This proposal rests upon the belief that purchasers are influenced more by the descriptions applied to eggs in the shops than by marks on the shells.

While we have examined this plan with interest, it seems to us to possess several undesirable features. It would give statutory sanction to the description of eggs imported from certain near European countries as "new laid", and, as against this, it has often been urged that this term should be expressly reserved for home-produced eggs. We are not disposed to recommend the latter course, since we believe that the term "new laid" ought to relate to freshness and not to origin, but we see no reason for going to the other extreme. Moreover such a plan would involve a country-wide system of inspection on the premises of retailers, a complication which we have sought to avoid throughout our recommendations.

Marking proposals.—We recognise the difficulty of policing a legal obligation to mark imported cold stored eggs as such, and accept the view that, in practice, it will be necessary to rely upon the co-operation of exporting countries. It seems probable, however, that the governments of the chief countries supplying the United Kingdom market would readily fall in with a requirement which would enable consumers, as well as the trade, to distinguish their fresh from their stored eggs, provided that it were generally and strictly enforced. In the last resort it might be necessary either to prohibit imports of eggs from countries which were not prepared to make the necessary arrangements, or to require *all* their eggs to be marked with some such word as “stored”, as well as with the indication of origin.

The matter assumes greater importance on account of our proposal that the Board should themselves put eggs into store. We have made strong recommendations that such eggs should only be stored when in the best possible condition, and we believe that the Board, in the interest of producers, will see that this is done. In this event any reproach, formerly attaching to British stored eggs on the ground that they were only stored when surplus to the requirements of the market and consequently not perfectly fresh, should disappear. We take the view, therefore, that home-produced cold stored eggs should be enabled to compete on their merits with eggs, whether from the Dominions or from foreign countries, which have been subjected to chilling or cold storage. We also consider that consumers are entitled to know when they are buying stored eggs, if only because of their reduced keeping properties. We have not conceived it to be our duty to give special consideration to political reactions, but have regarded the matter from the point of view of the operation of a marketing scheme. We are of opinion that the simplest and most effective way to achieve these results is to require that all such eggs shall be suitably marked on the shell.

We accordingly recommend that legislation should be introduced to require that all eggs imported into this country shall be marked on the shell with the word “stored”, unless the Government of the exporting country has satisfied H.M. Government in the United Kingdom that adequate steps have been taken to secure that, before being placed in cold storage, whether in the country of origin or on ship, all eggs so exported are marked with the words “cold stored” or “chilled”; and that eggs conserved by some other means than cold storage are similarly marked with the appropriate description.

We have given some consideration to the question whether, in order to distinguish between those eggs which have been subjected to long period storage and those which have been put into cold chambers for transport purposes only, it would be practicable to provide that the former should be marked either “cold stored” or “chilled”, and the latter with some such expression as “chilled

in transit". Though we think that this solution would offer only doubtful advantages to the Dominions concerned and might be open to serious administrative objections, we suggest that the possibilities should be further explored if it is decided to take action along the lines we have proposed.

Marking before storage.—The regulations for the marking of cold stored eggs in Great Britain provide that they shall be marked before being taken out of store, whereas in Northern Ireland eggs are required to be marked before going into store. It is understood that there were several reasons for the course adopted in Great Britain. The first was that traders sometimes store eggs which they have held for a time in the hope of effecting a sale, and eggs so held might not stand further delay in unpacking and marking before storage. It was also feared that, after eggs had been tested and examined for storage, the shells might have been cracked in stamping, to the detriment of the surrounding eggs, and further that there was some risk of ink marks running after storage while defrosting is taking place. It seems probable that these objections would carry less weight if they were set against the difficulty of policing the marking of eggs on coming out of storage. Under the plan that we have proposed it is anticipated that the producers' board will themselves arrange for cold storage on a considerable scale and that there will be less likelihood of individual firms storing on their own behalf. In any case the practice of storing eggs which have been held for a period is definitely undesirable, and is likely to become infrequent if the Board set a high standard of quality for cold stored eggs. As regards the possibilities of shells being cracked and of marks running, we are assured that these difficulties can be overcome if the operations of stamping and of defrosting are carried out carefully.

We, therefore, further recommend that consideration should be given to the desirability of amending the Agricultural Produce (Grading and Marking) Act, 1928, so as to require that all eggs, including imported eggs, subjected to cold storage in Great Britain should be suitably marked *before* going into store.

(ii) The Marking of Imported Eggs with Indication of Origin.

Some of the witnesses on behalf of producer interests have stated that the obligation to mark all imported eggs on the shell with an indication of origin has lost some part of its effect by reason of the practice—said to be prevalent in certain parts of the country—of removing the marks after importation, and selling the eggs as home produced. We are informed that this form of misrepresentation has been practised on a considerable scale in one district, but that, although occasional offenders have also been detected in some other parts of the country, there is little evidence to indicate that the practice is common.

The suggestions that have been made with a view to stamping out this form of malpractice are :—

- (i) to require that the indication of origin shall be marked "indelibly" instead of "durably" on the shell;
- (ii) to extend the powers of inspection conferred on officers of local authorities who are responsible for enforcing the marking Order; and
- (iii) to increase the penalties on conviction for the removal of marks.

Indelible marks.—Before an Order in Council is made under the Merchandise Marks Act, 1926, to require the marking of goods of any class or description with an indication of origin on importation or on sale or exposure for sale in the United Kingdom, the application for the marking Order (which must be made by one or more of the interests concerned) is referred to a Standing Committee for public inquiry and report. The requirement that the mark on eggs should be "durable" was included in the Order on the recommendation of this Standing Committee. It would appear that the proposal to substitute the word "indelible" for "durable" may be open to criticism on the ground that, for practical purposes, even "indelibility" must be a matter of degree. The Customs authorities would, it is thought, be placed in a difficult position if they were required to assure themselves, before passing any consignment for entry, that the mark on each egg was, in some particular sense, "indelible".

It seems to be desirable that the normal course of reference to the Standing Committee should be adopted in relation to any proposal to amend the marking Order, since the matter is one involving such matters as details of trade practice with which that Committee, and their methods of procedure, were specifically designed to deal. For that reason we make no recommendation on this point.

Powers of entry and inspection.—Under the Merchandise Marks Act, 1926, certain local authorities are empowered to enforce marking Orders relating to foodstuffs, and authorised officers of those local authorities may "at any time during the hours when the premises are open for business" enter any premises on which they have reason to believe that any imported foodstuffs to which a marking Order applies are kept for sale, and obtain samples for examination. It is contended that the power of entry and inspection is not sufficiently wide, because those persons who are engaged in the removal of marks from eggs either carry on the practice in their own private houses or in buildings attached thereto, or engage in it at times when they may hope to be immune from visits by inspectors. Presumably the reason for adopting the form of words used in the Act was to confine within strict limits, in the public interest, the powers of entry given

to the officers of local authorities. Obviously the civil rights of the people cannot be jeopardised for the sake of catching two or three rogues in the act of rubbing marks off eggs; but we suggest that the legal position might be examined afresh to see whether the existing powers could safely be extended in order to assist local authorities in detecting the offence of removing marks from imported eggs.

Increased penalties.—The maximum penalties provided under the Act of 1926 are substantially smaller than those that may be imposed under the original Merchandise Marks Act of 1887. Under the last mentioned Act it was an offence to apply to any eggs a "false trade description"; and this expression was defined to include any false statement as to the place or country in which they were produced. The Act of 1926 materially changed the situation, because it made it possible to require almost any class or description of goods to be marked with an indication of origin on sale or exposure for sale in this country. It was, presumably, the view of the legislature that failure to mark might well be accidental, and in any case would usually be a less heinous offence than false marking, so that lesser penalties were provided. The position is, therefore, that the penalties even for the deliberate removal of marks from imported eggs are a fine not exceeding £5 for a first offence and a fine not exceeding £20 for a second or subsequent offence, whereas, under the Act of 1887, the maximum penalties include a term of imprisonment.

We have much sympathy with the feeling that, where the removal of marks of origin from imported eggs can be shown to be deliberate, the present penalties are inadequate. We believe that imprisonment would be a great deterrent to the disreputable element of the community which engages in this practice; and we do not doubt that, if the penalties were made sufficiently severe, there would be little need to trouble whether the mark was required to be "durable" or "indelible".

The situation is, we realise, complicated by the fact that the Act of 1926 relates not only to all classes of agricultural products, but also to industrial and manufactured goods. In consequence it is clearly necessary that other commodities besides eggs must be borne in mind in relation to any proposal to amend it. We recommend, however, that, at the first convenient opportunity, careful consideration should be given by the appropriate authority to the views that have been expressed on behalf of the industry.

CHAPTER 23.—SOME PROBLEMS OF PRODUCTION.

(1) Stock Improvement.

We have been deeply impressed by the evidence we have heard as to the losses from disease suffered by the poultry industry, and especially as to the increase in mortality from disease during the last few years. The relationship between production and marketing is so close that a marketing board must perforce take some account of the problems of production.

The national and county egg laying trials are designed to afford opportunities for studying the performances of pens of specially selected birds over a period of 48 weeks. A feature of the trials in recent years has been the increase in the egg yield of winning pens and also in the average egg yield. For the past five or six years, however, there has also been a remarkable increase in the numbers of birds dying during the course of the trials. The rapidity of the growth in the rate of mortality is shown by the following figures, relating to two of the best known laying trials:—

<i>Trial Year.</i>	<i>Percentage mortality.</i>	
	<i>No. 1.</i>	<i>No. 2.</i>
1926-27 	4·35	6·65
1927-28 	5·57	7·27
1928-29 	6·81	7·08
1929-30 	7·77	8·76
1930-31 	7·87	10·67
1931-32 	10·78	15·46
1932-33 	11·22	14·80
1933-34 	13·47	16·35

The figures at other laying trials are generally comparable and are sometimes even worse, the mortality rate rising as high as 29 per cent. in one instance. A high mortality rate cannot, of course, long be confined to the highly bred stock sent to the trials, for the near blood relations of these birds usually form the foundation of the breeders' special strains. Figures have been submitted to us showing that the annual losses of adult stock, over a number of representative farms in the Midlands and in the north of England respectively, amounted, in 1932-33, to 12·84 per cent. and 16·45 per cent.

Unless active measures are adopted to deal with stock problems, it is to be expected that the death rate will continue to rise. While the monetary loss caused by the higher death rate may be offset to some extent by the increase in the egg yield, the fact that heavy mortality is not spread evenly over all farms, or over all pens

of birds at laying trials, indicates that greater egg yields are not necessarily associated with reduced vitality. In any event the results upon the industry as a whole of breeding from debilitated stock cannot be ignored.

Although the majority of the deaths can be diagnosed and are proved to be the immediate result of specific disease, there is a general consensus of opinion that the increased rate of mortality is directly related to lack of vitality in the stock and consequent low resistance to disease. Different views have been expressed as to the cause. Some witnesses have put the blame on the tendency to strive after larger eggs, and others on the constant efforts to increase egg yield. Others, again, have blamed artificial methods of incubation and rearing, on the ground that these methods produce a proportion of chicks that are weakly from the start. These latter witnesses advocate in various degrees a return to natural methods for the production of breeding and stock birds.

We are not competent to express an opinion upon the relative importance of these and other factors, but we think the root of the trouble lies deeper than any one of them. The post-War expansion of poultry keeping naturally created a large demand for stock birds. At the same time general farmers as well as specialist breeders began to interest themselves in egg laying strains, and to replace their flocks more frequently. In consequence there was a lively demand both for new stock and for replacements. The industry wanted egg yields, for the demand for heavy layers was increased both by the relative profitability of egg production and by the emphasis laid on yields at the laying trials. The prominence given to yields in laying trials promoted continual competition between breeders to produce even more prolific layers, regardless of possible consequences to health and stamina. At the same time the demand for stock probably induced breeding on a considerable scale from immature birds, or birds lacking in constitution.

The exceptional demand for laying stock a few years ago induced existing breeders to expand their stocks too rapidly, and many poultry keepers then entered the breeding business for the first time. At that time there was keen competition among buyers to obtain birds from successful breeders even at a high price. More recently the decline both in the numbers of stock birds required and in the prices that buyers were prepared to pay has tended to reverse the position. Each of these sets of conditions can be disturbing in a business where buyers are largely dependent upon the integrity of the seller. We have been informed, and believe, that there is an undesirable element in the industry intent upon quick profits, rather than upon the establishment of a permanent and reputable business.

In recent years the demand has been for day-old chicks, which has been met by the hatcheries, and these have increased both in number and in the extent of their operations. Most of them are dependent upon outside sources for supplies of hatching eggs, and probably find it impracticable to exercise adequate control over the individual producers from whom they are obliged to buy. The recent fall in the value of commercial eggs has not only stimulated the demand for cheaper stock, but has led to the sale for hatching of unsuitable eggs in order to secure a premium above their value for consumption.

Any reduction in the standard of the birds sent out by breeders and hatcheries must obviously be cumulative in its effects, for many producers replace a proportion of their stock each year with intensively bred birds, and use these birds to breed young stock for themselves or for sale to their neighbours.

The existing schemes.—Several voluntary schemes have been introduced with the object of assisting producers to obtain healthy and vigorous stock. The two most important are those concerned with accredited breeding stations and with the breeding and distribution of cockerels.

The scheme for Accredited Poultry Breeding Stations has been operating for several years, but was remodelled in 1933. All breeding stations desiring to come within the scheme must undertake that only healthy, pure bred birds of good type, which have passed the agglutination test for Bacillary White Diarrhoea, will be used for breeding. The hens or pullets must be mated to approved cocks or cockerels, bred from hens with special merit certificates in county laying trials or with copper ring awards under National Poultry Council rules. Each station must enter a pen of birds annually in either the county or some other recognised laying trials, and must attain to a specified standard of performance. The stations and the stock are subject to regular inspection by officers of the local authority and of the Ministry of Agriculture, but no control is exercised over prices.

Under the cockerel breeding schemes, hens are selected at the county laying trials and sent to approved centres, where they are subjected to the tuberculin and agglutination tests, vaccinated against fowlpox and suitably mated. The chickens bred from them are marked, and reared and kept under periodic inspection by a committee, until they are three months old. The chickens are then vaccinated against fowlpox and returned to the owners, but inspections still take place at the owners' farms until the birds are six months old. Each autumn arrangements are made for a public sale by auction of the approved cockerels thus bred.

Both of these schemes have made headway, though handicapped by the lack of any system of control over the distribution of poultry stock generally. The Accredited Poultry Breeding

Scheme has been taken up by nearly 180 breeding stations, distributed over 30 counties. The direct value of the schemes in the distribution of carefully selected stock is, of course, supplemented by their educational value and their assistance in establishing contact between county poultry instructors and the producers within their areas. We have no doubt that the Board, by encouraging to the utmost these voluntary schemes and urging producers to take full advantage of them, will expedite their expansion and so assist towards securing an all-round improvement of stock. We recommend that they should do so.

A technical committee.—The problem has, however, become urgent, and the danger to the industry grave. The difficulty of impressing the gravity and urgency of the position upon hundreds of thousands of producers is so great that it is open to serious question whether voluntary methods can be sufficient. We have accordingly considered whether a Board intended primarily to organise and control the marketing of table eggs and table poultry could properly be advised to make its own arrangements for the distribution, or for control of the distribution, of sound stock. We have come to the conclusion that this course would not at present be desirable. As the breeding industry is more or less separable from production for consumption, there would be obvious objections to placing that industry under the control of a Board representing, in the main, commercial producers. We believe that at the present stage more confidence would be reposed in a scheme of an independent character.

! Stock breeding problems are highly technical. In some other cases in which it has been thought necessary to protect the agricultural producer in the purchase of certain basic materials, an *ad hoc* committee has been appointed to advise upon the particular technical questions involved. We are of opinion that immediate investigation is required into the control of the supply and distribution of hatching eggs, day-old chicks and breeding stock, with particular reference to the dangers attaching to the distribution of diseased and debilitated stock. We recommend, therefore, that a special committee, including persons with technical qualifications, should be appointed by the Minister of Agriculture to examine and report upon these matters.

(ii) Research into and Control of Disease.

While positive action to prevent the sale of diseased or debilitated stock should be in the forefront of the programme for reducing mortality, there will still remain the need for research into specific diseases and measures of control, and for veterinary and other advisory services.

Research.—During the past twelve years specific research into the causes of a number of poultry diseases has been undertaken by the Ministry of Agriculture at its Laboratories at Weybridge. We are informed, however, that the funds at the disposal of the Ministry have never permitted the employment of more than one qualified research worker, and that even he must at times put research on one side to undertake duties of a routine character. We understand that a certain amount of additional work is done at two other State-aided institutions, and that some research is also conducted under the auspices of poultry societies. The sum of these efforts, however, seems to us to be utterly inadequate for so great and growing an industry.

This matter is so important that the Board should, in our view, be prepared to offer generous financial support to research work as soon as they are in a position to do so. But it must be some little time before the Board will be in a position to take action, and in the meantime the industry must be dependent upon other sources.

In addition to research into specific diseases, valuable work of a preventative character is undertaken at some research institutes and agricultural colleges and also by certain private institutions in this country. This work includes post-mortems and tests on live birds; diagnosis of disease and advice upon treatment; the supply of vaccines in cases where prevention by this means is possible; the distribution of leaflets and bulletins; and lectures to poultry societies and clubs.

Veterinary services.—We have been informed by technical witnesses that the number of veterinary surgeons in private practice who are fully competent to deal with poultry diseases is insufficient to meet the needs of the industry.

If adequate steps are to be taken to deal with the prevention and cure of poultry diseases, additional work is bound to fall upon the veterinary profession. If our recommendation that a technical committee be appointed to investigate the question of stock improvement is accepted, certain of the duties of veterinary officers in relation to the prevention of disease will depend upon the findings of that committee. We suggest that the committee might also consider the allied problem of the curative treatment of disease. If, however, any augmentation of services proves to be necessary in the meantime, it should take the form of an extension of the facilities now offered by the counties and the provincial centres, rather than of the establishment of a separate organisation under the immediate control of the Board.

In any case, since more veterinary officers with special experience of poultry are certainly required, we commend a suggestion that has been made to us that, in order to secure sufficient men and women

with suitable training, post-graduate courses in poultry diseases might be arranged for young veterinary surgeons, and that the Board might assist by offering scholarships.

Disease control.—There is, at present, no statutory provision under which action can be taken by either the Ministry of Agriculture or local authorities to deal with poultry disease by other than educational means. The question of the introduction of legislation to extend the application of certain of the principles of the Diseases of Animals Acts to poultry has, we understand, already been discussed between the Ministry and representative organisations of producers and of local authorities, and it appears that general agreement has been reached. We are strongly of opinion that powers both to prevent the importation of diseased stock and to check the spread of disease within the country are urgently needed.

(iii) Research and Education in relation to Production Problems.

Research into poultry nutrition, table poultry production and allied subjects is carried on by a number of institutions throughout the country: notably by the National Poultry Institute at the Harper Adams Agricultural College; the South-Eastern Agricultural College, Wye; the Animal Nutrition Institute, Cambridge; the Reaseheath School of Agriculture; and by certain poultry societies.

During the past two or three years, systematic enquiry into the costs of production has been undertaken by the Advisory Economists attached to certain of the agricultural colleges. The work has been rather restricted in scope, both in the number of farms costed and in the geographical range of the enquiry, though we understand that it is being extended within the limits of the finances available. Its special value lies in the provision of comparative data of the various items of cost, which would prove of constructive use in improving the technique of production and in reducing producers' costs.

We suggest, however, that if the full advantage is to be taken of work on costings, it should be combined with an enquiry into the comparative costs of different methods of production. At the present time the producer has difficulty in obtaining reliable and unbiassed information, either as to the efficiency of new methods or the development of those which are old-established. In spite of the value of the work of the institutions referred to, that work must eventually be tested on a commercial scale. For this reason, we think that authoritative investigation into the practical application of new methods or new developments should be undertaken, and we believe that it would be to the benefit of producers as a whole if the Board were to encourage, co-ordinate and assist work of this kind.

The function of the educational machine is to make available to individual producers the knowledge gained by research and investigation. Education in poultry husbandry depends partly upon the voluntary efforts of poultry societies and partly upon a State-aided system of county poultry instructors, farm institutes and agricultural colleges. Almost every county in England and Wales employs a poultry instructor, and many also have an assistant. These instructors are in constant touch with producers and, we believe, enjoy their confidence. We cannot contemplate the destruction of this confidence or of the experience that has been laboriously acquired. On the contrary we attach very great importance to the continuation and the extension of all means for keeping producers in touch with improvements in methods of production and of preparation for market. We believe that this may be most successfully achieved by consultation and close co-operation between the Board, the County Councils' Association and the educational authorities.

We suggest, therefore, that for the time being at least, it will be best to continue the existing educational organisation. If it should appear to the Board that the present organisation is inadequate for any particular need of the industry, they may have to consider the employment of an educational staff of their own. A duplication of services would, however, be costly and liable to produce administrative friction, and we should regret the adoption of such a course if it could be avoided.

We observe that the Reorganisation Commission for Fat Stock,* who were apparently faced with much the same problem, recommended that a special committee should be set up to consider what modifications (if any) might be introduced into the existing system of agricultural education and research in order to adjust that system to the new organisation of agriculture. We agree that it would be desirable to arrive at a definite policy for agricultural research and education, based upon a full consideration of the principles involved, and we therefore support this recommendation of the Fat Stock Commission.

* Economic Series No. 39, paragraph 93.

CHAPTER 24.—SUMMARY OF RECOMMENDATIONS.

For convenience of reference we set out here in concise form our principal recommendations without attempting to summarise the arguments.

(i) Administration and Electoral Structure.

Administration.—We recommend that a producers' Board should be set up to administer a scheme under the Agricultural Marketing Acts, 1931 to 1933, for the marketing of eggs and table poultry in England and Wales. Both commodities should be treated together as one "regulated product".

The country should be divided into Areas (of which there may be some 200 in all) grouped into 12 Regions. The delineation of the Areas should depend primarily upon commercial considerations and convenience of egg collection. The Area would, however, also be the unit for administrative purposes, and in each Area a committee of seven persons should be elected by registered producers. Two members should be elected from each Area committee in a Region to form a Regional Advisory Council. In each Region the Board should establish a Regional office in charge of a Regional Manager; who would be the chief administrative officer of the Board in the Region.

It is intended that Area committees should keep individual producers in close touch with the Board and perform minor administrative duties in the Areas. Regional Advisory Councils should act as advisory bodies to the Regional Managers and thus to the Board. The Board should also invite the wholesale and retail trades, respectively, to appoint advisory committees for consultation upon business matters.

The annual report and accounts of the Board, including proposals for the remuneration of the members of the Board, should be submitted to an annual general meeting, composed of two representatives from each Area committee. There would also be submitted for approval at general meetings proposals for alterations in the boundaries of Areas.

Electoral procedure.—It is proposed that the Board should be elected by the indirect method made possible by the Agricultural Marketing Act, 1933, and should consist of nine elected members and two co-opted members. Registered producers in each Area should elect the Area committees (the votes of individual producers being weighted according to productive capacity), and the Area committees, voting as units, should elect the Board. Representation would not be on a regional basis, and Area committees would

vote on the full list of nominated candidates. The votes of Area committees should also be weighted, and all ballots should be conducted by a postal vote.

We recommend the introduction of legislation to make it possible to strengthen the business and financial interests on the Board, and, if this is done, we recommend that three additional members should be co-opted by the Board, making five in all.

Exemptions.—We recommend that producers owning less than 25 head of poultry over two months old should be exempt from registration, and that sales of hatching eggs, sales of eggs or poultry to a producer's employees for their own household use, sales of poultry under two months old and sales of live poultry between registered producers should be free from restriction.

Producers selling not more than a small number of eggs, to be prescribed by the Board, direct to consumers should be exempted from the marketing provisions of the scheme; those selling more than this number would be required to take out a "producer-retailer" licence and to conform to conditions prescribed by the Board. Similar provisions should apply in the case of producers of table poultry selling direct to consumers. The Board might also grant exemptions, under certain conditions, to poultry fatteners and large scale producer-packers of poultry, and should have power to grant other exemptions as the need may arise.

(ii) The Egg Marketing Plan.

Assembly.—There should be a single packing station for each Area. The extent of the Area should be determined solely by the considerations of convenient collection and an economic throughput for the packing station. Areas should be subject to modification, if necessary, as a result of experience.

Packing station owners should be licensed by the Board as the persons to whom registered producers might sell eggs, on their undertaking to conform to the Board's conditions governing payment to producers, grading and other matters. Existing stations, whether owned privately or by producers' co-operative societies, would be eligible for licences if they satisfied the necessary conditions; and where new stations have to be set up, we recommend that they should be owned either privately, co-operatively, or by the Board themselves, according to the circumstances of the case.

Subject to the exemptions previously mentioned, all registered producers in each Area should be required to sell their eggs to the Area packing station. Producers should be paid on a weight and quality grade basis and receive the national price prescribed by the

Board, less the service charge of the station, which would also be approved by the Board. Arrangements should be made for producers to receive weekly payments if they so desire.

Distribution.—Packing stations should be entitled to sell either direct to retailers or through wholesale channels. All sales by packing stations should be at not less than the national price prescribed by the Board, subject to the rebates authorised by the Board and to the proviso that a station should not be obliged to deliver less than a prescribed minimum quantity at the national price.

Each packing station should be required to supply the needs of its own Area as far as possible before selling outside. Sales within the Area should be free from control. The Regional office and the Board's headquarters, should, where necessary, act as clearing houses in assisting with the disposal of Area surpluses. Sales *outside the Area*, but *within the Region*, should come under the supervision of, and be subject to the direction of, the Regional Manager, who would normally not intervene, but would give automatic approval unless he could effect more economical distribution. Sales *outside the Region* would similarly be subject to the direction of the Board, who would assist in co-ordinating supplies over the country as a whole. Traders would normally make arrangements to take regular supplies from packing stations, and these arrangements would receive the standing approval of the Board. It would be the duty of the Board to see that the needs of the London trade were met from the Regions of surplus production.

Price policy.—We recommend that the Board should prescribe the minimum prices at which packing stations should sell, and alter them from time to time as the supply-demand situation required. No attempt should be made to prescribe arbitrary prices. The price should be a *national* price, which we have defined as the price delivered to the buyer's premises, and which should, at any given time, be uniform all over the country. The Board should have the sole responsibility for prescribing prices, but should act with the advice and assistance of the wholesale and retail trade advisory committees.

Storage.—We propose that the Board should take a quantity of eggs, varying according to the situation in any particular year, off the market in the spring, put them into store, and release them in the autumn in the period of high prices. Until the effects of such a policy can be more accurately judged, the Board should proceed with great caution. Some seasonal regulation of imports would be a necessary complement to a storage programme for home-produced eggs.

The interim period.—It will not be possible for the Board to bring this plan into full operation immediately after a successful initial poll. We suggest that there should be an interim period of not more than eighteen months during which the Board should appoint the necessary staff, delineate the Areas, and set up the assembly and Regional organisations. During this period producers should not be obliged to send to packing stations, and price control should not be attempted, although an accurate market intelligence service should be provided from the start.

We think it desirable that the Board should make full use of the experience of those who have been engaged in the operation of the National Mark Scheme, and that the grades to be prescribed by the Board should, if possible, replace those now defined by statutory regulations. The question of continuing the use of the Mark might be considered by the Board with the responsible authorities.

Grades.—Definitions of first quality hen and duck eggs are suggested, and it is proposed that all second quality eggs should be stamped "Second" on the shell.

The full designations and weight grades recommended for first quality hen eggs are as follows:—

<i>Designation.</i>	<i>Minimum Egg Weight.</i>
New Laid "Special"	2½ oz.
New Laid "Standard"	2 oz.
New Laid "Selected"	1½ oz.
New Laid "Pullet"	None.

Second quality eggs and cold-stored and other conserved eggs should be sold on the basis of weight per long hundred.

The full designations and weight grades proposed for first quality duck eggs are:—

<i>Designation.</i>	<i>Minimum Egg Weight.</i>
New Laid "Special" Duck	2½ oz.
New Laid "Selected" Duck	None.

It is not considered necessary to provide weight grades for duck eggs other than first quality.

(iii) Poultry Marketing.

The general plan.—We recommend that there should be a period of experiment and development before a comprehensive marketing plan for table poultry is put into operation over the country as a whole, but that this plan should ultimately follow the general

lines proposed for egg marketing. Poultry service stations, with monopoly collection in an area, should be licensed by the Board. They might be operated either in conjunction with, or separately from, the egg packing stations, but as far as possible the organisation for marketing poultry should be closely co-ordinated with that for eggs. Price control might eventually be undertaken for certain classes of poultry when the conditions precedent to such a policy have been established.

The method of approach.—In the early days of the scheme, the Board should set up a poultry committee to plan, develop and supervise the organisation of this side of the industry. The first steps should consist of experiments to test the possibilities of a national scheme, and in particular to determine the most efficient type and size of the poultry packing unit, the provision of facilities for the training of graders, and investigation into market requirements and methods of production.

The Board should keep in view from the start the objective of a complete national scheme of assembly. As soon as sufficient preparatory work has been done, the compulsory scheme should be introduced by Regions, control being extended over one or two Regions at a time until the whole country was controlled. If there is any doubt as to the legality of this procedure, it should be removed in any new marketing legislation. The duration of the period of partial organisation should not be unduly prolonged.

The procedure adopted in each Region should correspond closely to that proposed for eggs, but the Board should assist in the provision of special advisory services for producers during the period of development.

Grades.—A simple system of grades for poultry is suggested as a basis for discussion.

(iv) Other Matters.

Additional activities of the Board.—We recommend that the Board should investigate the possibilities of developing in this country the processing of eggs and poultry and the manufacture of products therefrom.

The Board should consider the question of organising facilities for the supply of feeding stuffs and other requisites to producers, and for the conditioning of table poultry. They should also explore the possibilities of developing a voluntary scheme for the utilisation of the by-products of the industry, such as feathers and poultry manure, and encourage research into the development of the technique of handling and packing eggs and poultry in the course of marketing processes.

Egg marking.—We recommend the introduction of legislation to require that all eggs imported into this country which have been subjected to chilling, cold storage, or any form of preservation, shall be appropriately marked on the shell. We suggest that the requirement should be made effective by providing that *all* imported eggs should be marked "stored", unless H.M. Government in the United Kingdom are satisfied that arrangements are in force in the exporting country to ensure that all eggs from that country which are subjected to any form of chilling or preservation either before or during shipment are suitably marked. We also suggest that the possibility of distinguishing between eggs which have been stored for short or long periods should be explored.

We think that consideration should be given to the desirability of requiring that all eggs subjected to cold storage in Great Britain should be suitably marked before going into store instead of before removal from store as at present.

Consideration should also be given to the question of extending the powers of entry and inspection of premises which are suspected of being used for the removal of marks from imported eggs, and to the desirability of increasing the penalties for this offence.

Production matters.—We recommend that a special technical committee should be appointed by the Minister of Agriculture to investigate and report on the control of the distribution of hatching eggs, day-old chicks and breeding stock, with particular reference to the general menace of disease and the dangers attaching to the distribution of diseased and debilitated stock.

We feel that powers to prevent the importation of diseased stock and the spread of disease within the country are urgently needed.

We advocate an extension of the present research and veterinary services and a widening of the scope of the investigations now undertaken in connection with costs of production.

We support the recommendation of the Fat Stock Commission that a special committee should be appointed to consider whether any modifications should be introduced into the existing system of agricultural education and research, in order to adjust that system to the new organisation of agriculture.

CHAPTER 25.—CONCLUSION.

In describing the marketing scheme that we have prepared, we have preferred to examine principles and policies, together with the methods by which they might be put into practice, rather than to limit discussion to the letter of the scheme through which those principles can be given legal force. We are advised that a scheme approved in the form appended to the Report would empower a Board to carry our proposals into effect, and we have not thought it necessary to describe every provision in detail.

We think it desirable, however, to mention specifically, the question of penalties, since this subject has recently received considerable publicity. The attached draft scheme, in common with all other schemes under the Agricultural Marketing Acts, necessarily provides for the imposition of penalties by the Board on registered producers who contravene its requirements. We desire, however, to point out that, also in accordance with the Acts, the scheme provides that any producer who is aggrieved by any act or omission of the Board may refer the matter to arbitration, and we have set out explicitly in paragraph 115(c) that a registered producer upon whom a penalty has been imposed is entitled to demand arbitration.

The plan that we have drawn up aims at the development of both the egg and the table poultry sections of the industry through a comprehensive measure of organisation. It envisages material changes in the present methods of marketing these commodities. We believe that it offers the most practicable means of realising the hopes and expectations which have been shaping themselves in the minds of producers since the marketing problems of the poultry industry were first systematically examined and defined by the Linlithgow Committee in 1923.

In linking together in one scheme the marketing of eggs and of table poultry, we recognise the essential interdependence of the two sides of the industry. There is urgent need, as we have explained at some length, for further experiment and development in table poultry production before a system of poultry marketing, comparable with that proposed for eggs, can be brought into operation with a reasonable expectation of success. Without the stimulus to be derived from organisation, however, it would be impossible to look forward to that development; and, in consequence, our proposals in respect of poultry are intended to secure that, after an initial period of intensive preparation, development in production and organisation of marketing should move forward side by side.

Distributive problems.—If producers combine to carry these proposals into effect, they will have accomplished as much as it is possible for them to do by themselves to improve the marketing of their produce. The scheme will depend for success upon the

co-operation of the wholesale and retail trades. Such further steps as are needed in marketing organisation must be mainly the concern of the distributive trades themselves. It is a happy omen for the future that producers and distributors have already become accustomed to working together in the administration of National Mark schemes, and we have been much impressed with the evident desire of distributors to assist, both by placing their experience at the service of producers and by fitting their own organisations to the needs of the new order.

The system of organisation proposed for the poultry industry, whereby supplies would pass through packing stations which are in constant touch with the Regional offices and so with the central Board, will enable the Board to keep their finger on the pulse of production to an extent that has never before been possible. Absolute accuracy in statistics of production in the case of such a commodity as eggs is not to be expected, but in a short time the Board should be able to make assessments that will be accurate enough for all practical purposes. It is to be feared, however, that both producers' boards and the distributive trades must constantly be handicapped by the lack of any statistical or detailed information to guide them when considering questions of distribution. It seems to us also that this must be true of many other commodities besides eggs. The importance of the schemes of agricultural reorganisation now being put into operation, and of the problems of food distribution associated with them, makes the need for specialised knowledge a pressing one. We therefore support the opinion of the Reorganisation Commission for Fat Stock* and recommend that early consideration should be given to the question of acquiring detailed knowledge of the mechanism of distribution, including a scientific analysis of demand for both product and service in selected food trades.

Co-ordination between Marketing Boards.—We have formed the impression that there must be many directions in which Marketing Boards might take combined action to their mutual advantage without prejudice to their individual autonomy. Each of the Boards might profit by the experience of the others in several ways. Greater effectiveness and economy might be secured by arranging for combination in such matters as advertising. They might also adopt one common plan for the registration of producers, the recruitment and conditions of service of their staffs, and other similar matters. In the provinces, again, there may be opportunities for common office accommodation and other administrative economies.

A particularly important service would, we think, be performed both satisfactorily and economically, if the Boards were to set up a joint publicity department whose duty it would be to keep both

* Economic Series No. 39, paragraph 123.

registered producers and the public in touch with the decisions and the policy of the different Boards. It is becoming increasingly important that the press and the public should have an authoritative source to which they can go for knowledge of the activities of the Agricultural Marketing Boards, in order that discussion and criticism of this new development in the national life may be informed and constructive. Conversely, it is equally necessary that producers' Boards should constantly remember that success will depend largely upon the reactions of consumers to the effects of the schemes. A combined publicity department would be in close touch with the press and the public and would be valuable as a means of keeping the Boards informed of the trend of opinion. In addition producers themselves require particulars, in a simple but detailed form, of matters affecting them individually, and a periodical bulletin covering the activities of all the Boards would be an excellent and economical means of providing them with this information.

These are but examples—though important ones, we think—of the administrative advantages that co-ordination might offer. There must also be many matters on the business side, such as the conduct of negotiations for the supply of feeding stuffs and appliances, which should afford useful opportunities for joint efforts by the Boards in the interests of producers.

We began to form views along these lines at an early stage in our proceedings, and we have accordingly been interested to observe that initial steps have now been taken, by the establishment of a co-ordinating committee, to secure a measure of co-ordination of the activities of the existing Boards. Apart from all the administrative and commercial advantages that may be expected from it, we feel sure such co-ordination would be to the mutual advantage of the Boards in the consideration of general questions of marketing policy.

Acknowledgments.—We have already indicated, in the introduction to this Report, the wide scope of the evidence that has been laid before us by those interested in the industry in different ways, and we have expressed our sense of obligation to the many organisations and individuals who have assisted us.

During the greater part of the time spent in the preparation of this Report, we were privileged to have as Chairman, the Right Hon. Christopher Addison, M.D., M.P., whose wisdom and great experience guided us not only through the laborious task of taking and weighing evidence, but in the formulation of the principles upon which our Report is based. Circumstances prevented him from taking part in the final stages, and it has been a matter of extreme regret to us that he was unable to remain with us until the labours to which he had given so much time and energy could actually be carried to completion.

We desire to express our appreciation of the assistance we have received from the admirable staff placed at our disposal by the Minister of Agriculture. Mr. H. J. Johns, the Secretary to the Commission, was invaluable to us, both in the actual compilation of our Report and in the preliminary work of collecting and sifting evidence. We owe a great deal to his ingenious mind and balanced judgment. Mr. W. C. Tame discharged the duties of Assistant Secretary with conspicuous ability. The Marketing Officers attached to the Commission, Mr. C. A. Flatt, Mr. Harding Wynne (who was withdrawn six months ago to take up another appointment), Mr. E. P. Keely and Mr. W. J. B. Hopkinson, all gave us most valuable help for which we are indebted to them. We desire to pay a tribute to Mr. Flatt, whose intimate knowledge of the science and practice of poultry-keeping and of those engaged in the industry, not only greatly impressed us but materially lightened our labours. We were also impressed by the capacity and the fertility of suggestion shown by Mr. Keely and Mr. Hopkinson.

We would like to express our personal gratitude to all these officers of the Ministry without whose zealous and unselfish labours our task would have been much more difficult.

We have the honour to be,

Sir,

Your obedient Servants,

F. N. BLUNDELL, *Chairman.*

A. F. FORBES.

LINDSEY K. HUXLEY.

SIMON MARKS.

24th January, 1935.

H. J. JOHNS, *Secretary.*

W. C. TAME, *Assistant Secretary.*

APPENDIX A.

Statistical Tables of the Poultry Population, and the Supplies and Prices of Eggs and Poultry.

TABLE I.

NUMBERS OF POULTRY ON AGRICULTURAL HOLDINGS* IN ENGLAND AND WALES.

(Thousands).

Year ending 4th June.	Fowls under 6 months old.	Fowls over 6 months old.	Total Fowls.	Ducks.	Geese.	Turkeys.
1913	15,292	13,734	29,026	2,188	577	652
1921	13,114	11,702	24,816	2,391	517	445
1924	15,632	15,123	30,755	2,516	535	638
1925†	—	—	—	—	—	—
1926	19,901	16,662	36,563	2,742	646	668
1927	21,172	18,319	39,491	2,797	653	604
1928	20,344	19,572	39,916	2,507	620	593
1929	22,424	20,333	42,757	2,243	616	696
1930	26,460	21,441	47,901	2,383	604	667
1931	29,006	23,558	52,564	2,494	551	529
1932	32,130	25,617	57,747	2,632	573	553
1933	33,735	27,436	61,171	2,677	661	811
1934‡	33,424	27,886	61,310	2,452	650	799

* i.e., holdings of over one acre in extent.

† No comparable figures are available.

‡ Provisional.

TABLE 2.

COUNTY DISTRIBUTION OF THE FOWL POPULATION OF ENGLAND AND WALES
IN 1924 AND 1934.

County.	1924.		1934.*		Percentage increase in Fowl Population 1924 to 1934.
	Fowl Population.	Number of Fowls per 100 acres of Crops and Grass.	Fowl Population.	Number of Fowls per 100 acres of Crops and Grass.	
<i>England.</i>					
Bedford	271,948	108	425,654	176	57
Berkshire	315,107	95	511,572	162	62
Buckingham	450,976	119	687,970	188	53
Cambridge and Isle of Ely.	531,687	110	900,201	192	69
Cambridge	278,021	108	493,656	190	78
Isle of Ely	253,666	121	406,545	195	60
Cheshire	945,834	185	1,711,423	345	81
Cornwall	1,079,003	177	1,749,978	287	62
Cumberland	556,878	105	1,046,904	203	88
Derby	590,910	127	1,121,209	252	90
Devon	1,276,469	112	2,445,365	217	92
Dorset	365,944	84	766,890	182	110
Durham	311,392	77	633,338	164	103
Essex	923,696	122	2,365,358	332	156
Gloucester	636,679	101	1,107,400	179	74
Hampshire and Isle of Wight.	812,320	129	1,607,039	272	98
Hampshire	704,895	124	1,449,482	273	106
Isle of Wight	107,425	169	157,557	261	47
Hereford	394,736	90	780,492	179	98
Hertford	322,278	102	700,465	242	117
Huntingdon	173,896	86	233,517	118	34
Kent	1,075,382	156	1,983,820	303	84
Lancashire	3,203,523	428	7,609,115	1,094	138
Leicestershire	451,298	98	1,005,869	223	123
Lincolnshire	1,465,540	98	3,137,577	211	114
Lincoln (Holland) ...	275,109	116	663,134	278	141
" (Kesteven) ...	325,848	79	584,958	143	80
" (Lindsey) ...	864,583	102	1,889,485	225	119
Middlesex and London	79,874	107	101,625	236	28
Norfolk	719,244	70	2,023,376	296	181
Northamptonshire (including the Soke of Peterboro).	397,454	72	709,666	130	79
Northampton ...	355,031	70	648,753	129	83
Soke of Peterboro' ...	42,423	99	60,913	142	44
Northumberland ...	303,581	46	505,463	78	66
Nottingham	459,908	107	885,214	214	92
Oxford	355,771	89	625,122	160	76
Rutland	56,510	64	111,985	129	98
Salop	702,808	100	1,648,238	237	135
Somerset	876,958	109	1,728,679	220	97

* Provisional

TABLE 2--continued.

County.	1924.		1934.*		Percentage increase in Fowl Population 1924 to 1934.
	Fowl Population.	Number of Fowls per 100 acres of Crops and Grass.	Fowl Population.	Number of Fowls per 100 acres of Crops and Grass.	
<i>England—continued.</i>					
Stafford	694,179	122	1,451,005	265	109
Suffolk	881,730	118	2,042,350	285	132
Suffolk, East	551,709	123	1,182,143	275	114
" West	330,021	111	860,207	300	161
Surrey	362,994	165	616,793	338	70
Sussex	961,613	163	1,779,004	325	85
Sussex, East	663,289	199	1,143,127	370	72
" West	298,324	117	635,877	266	113
Warwick	504,229	104	879,964	189	75
Westmorland	243,683	106	470,763	208	93
Wiltshire	523,437	86	1,100,287	182	110
Worcester	452,920	120	1,076,187	294	138
Yorkshire	3,320,464	127	6,562,243	260	98
Yorks, E.R.	594,371	89	1,152,765	176	94
" N.R.	879,819	105	1,680,313	205	91
" W.R.	1,846,274	167	3,729,165	357	102
<i>Wales.</i>					
Anglesey	138,356	97	181,459	130	31
Brecon	126,544	70	179,598	105	42
Cardigan	274,859	113	454,536	190	65
Carmarthen	435,148	106	678,436	169	56
Caernarvon	153,914	95	249,019	161	62
Denbigh	238,092	93	366,014	147	54
Flint	170,673	140	298,002	246	75
Glamorgan	251,403	112	357,354	164	42
Merioneth	74,109	54	109,336	86	48
Monmouth	235,732	109	492,295	229	109
Montgomery	262,238	100	517,115	200	97
Pembroke	235,468	81	427,572	148	82
Radnor	105,526	68	150,197	98	42
England	28,052,453	122	56,849,140	255	103
Wales	2,702,062	96	4,460,933	163	65
England and Wales	30,754,515	119	61,310,073	245	99

* Provisional.

TABLE 3.

ESTIMATED PRODUCTION OF HEN AND DUCK EGGS (EXCLUSIVE OF EGGS USED FOR HATCHING) IN ENGLAND AND WALES, 1924-33.

(Millions).

Year.	Production on Agricultural Holdings.			Production on other Holdings.	Total Production.	
	Hen Eggs.	Duck Eggs.	Total.		Hen Eggs.	Hen and Duck Eggs.
				Hen Eggs.		
1924	1,316	67	1,383	500	1,816	1,883
1925	1,447	66	1,513	500	1,947	2,013
1926	1,597	65	1,662	530	2,127	2,192
1927	1,786	65	1,851	560	2,346	2,411
1928	1,993	64	2,057	590	2,583	2,647
1929	2,161	61	2,222	620	2,781	2,842
1930	2,365	58	2,423	650	3,015	3,073
1931	2,611	59	2,670	650	3,261	3,320
1932	2,840	68	2,908	650	3,490	3,558
1933*	3,043	60	3,103	650	3,693	3,753

* Provisional.

TABLE 4.

ANNUAL IMPORTS OF EGGS IN SHELL INTO THE UNITED KINGDOM, SHOWING EMPIRE AND FOREIGN SUPPLIES, 1924-33.

Year.	From Empire Countries.		From Foreign Countries.		Gross Imports.	Retained Imports.	
	Quantity.	Per cent. of Total.	Quantity.	Per cent. of Total.		Quantity.	Value.
	Millions.		Millions.		Millions.	Millions.	£'000
1924	633	26	1,800	74	2,433	2,401	15,275
1925	624	24	2,000	76	2,624	2,602	16,458
1926	622	23	2,033	77	2,655	2,649	16,332
1927	671	23	2,250	77	2,921	2,916	15,889
1928	706	22	2,470	78	3,176	3,165	17,711
1929	706	24	2,289	76	2,995	2,969	17,717
1930	700	22	2,485	78	3,185	3,172	16,318
1931	737	24	2,374	76	3,111	3,105	13,748
1932	722	30	1,678	70	2,400	2,392	9,030
1933	721	33	1,483	67	2,204	2,202	7,295

TABLE 5.

ANNUAL IMPORTS OF EGGS IN SHELL INTO THE UNITED KINGDOM, SHOWING THE
 CHIEF COUNTRIES OF CONSIGNMENT, 1924, 1930-33.

(Millions).

Country of Consignment.	1924.	1930.	1931.	1932.	1933.
Irish Free State ...	562	574	549	474	412
Australia	9	66	110	182	228
South Africa	26	56	71	63	55
Canada... ..	32	2	6	1	22
Other Empire Countries	4	2	1	2	4
Total Empire Countries	633	700	737	722	721
Denmark	725	807	906	767	748
Poland	88	434	322	225	202
Netherlands	148	442	461	168	120
China	124	205	180	102	168
Belgium	84	280	249	190	54
Sweden	9	59	41	43	24
Other Foreign Countries	622	258	215	183	167
Total Foreign Countries	1,800	2,485	2,374	1,678	1,483
Grand Total ...	2,433	3,185	3,111	2,400	2,204

TABLE 6.

ESTIMATED ANNUAL TOTAL AND *Per Capita* SUPPLIES OF EGGS IN THE UNITED KINGDOM, 1924-33.

Year.	Shell Eggs.			Eggs not in Shell (imported). †	Grand Total.	<i>Per Capita</i> supplies.			
	Home- production.*	Imported. †	Total.			Shell Eggs.			All eggs.
						Home- produced.	Imported.	Total.	
	<i>Millions.</i>	<i>Millions.</i>	<i>Millions.</i>	<i>Millions.</i>	<i>Millions.</i>				
1924	2,590	2,401	4,991	587	5,578	58	53	111	124
1925	2,708	2,602	5,310	678	5,988	60	58	118	133
1926	2,896	2,649	5,545	796	6,341	64	59	123	140
1927	3,136	2,916	6,052	798	6,850	69	64	133	151
1928	3,381	3,165	6,546	736	7,282	74	70	144	160
1929	3,582	2,969	6,551	852	7,403	78	65	143	162
1930	3,885	3,172	7,057	953	8,010	85	69	154	175
1931	4,206	3,105	7,311	921	8,232	91	67	158	179
1932	4,489	2,392	6,881	952	7,833	97	52	149	169
1933	4,727	2,202	6,929	793	7,722	102	47	149	166

* Less exports.

† Less re-exports.

‡ Shell egg equivalent of retained imports.

TABLE 7.

MONTHLY AND ANNUAL AVERAGE PRICES OF BRITISH EGGS (average of 1st and 2nd quality) AT TOWN AND COUNTRY MARKETS
IN ENGLAND AND WALES, 1924-34.

Month.	1924.	1925.	1926.	1927.	1928.	1929.	1930.	1931.	1932.	1933.	1934.
	<i>s. d.</i> <i>per 120</i>	<i>s. d.</i> <i>per 120</i>	<i>s. d.</i> <i>per 120</i>	<i>s. d.</i> <i>per 120</i>	<i>s. d.</i> <i>per 120</i>	<i>s. d.</i> <i>per 120</i>	<i>s. d.</i> <i>per 120</i>	<i>s. d.</i> <i>per 120</i>	<i>s. d.</i> <i>per 120</i>	<i>s. d.</i> <i>per 120</i>	<i>s. d.</i> <i>per 120</i>
January ...	24 5½	23 11½	22 9½	19 8.	23 10	21 0½	18 10	16 6½	14 5½	12 8½	13 1½
February ...	20 8½	19 5½	20 3½	19 4	16 1½	20 0	18 0	14 0½	12 3½	13 11½	11 5½
March ...	15 0	13 2½	12 5½	12 3½	11 2½	16 11½	11 7½	10 11	9 4½	9 0½	8 0
April ...	11 8	11 9	11 9	11 0½	11 0½	11 7½	11 1½	9 4	8 7½	7 7	7 11
May ...	11 11½	12 7	11 9	10 11	11 6½	12 10½	10 11	9 3	8 4	8 0	7 8
June ...	12 11	13 7½	11 5	12 0½	12 7	12 10½	11 9	9 5½	9 5½	9 5½	9 3
July ...	16 5½	16 5½	13 8½	13 7½	13 11½	16 1½	14 9½	12 2	11 10½	10 9½	10 1
August ...	18 5	18 11½	17 3	16 8	17 11	18 5	16 1½	13 7½	13 2½	13 4	13 10
September ...	21 0½	21 9	18 11	19 4½	19 1½	19 7	16 11½	15 1	15 6	14 8	13 0
October ...	27 2	27 4½	24 8	24 5½	24 3	26 2½	22 8½	18 9	17 9½	16 6½	16 9
November ...	33 5	33 3½	29 8	27 3	27 11	28 5	24 6½	22 7	20 8½	20 2½	20 5
December ...	26 5½	30 4½	25 8½	24 8	24 3	25 9½	20 1	16 5	16 1½	17 4½	17 1
Unweighted Annual Average.*	19 11½	20 3	18 4	17 7	17 9½	19 2	16 5	14 0½	13 1½	12 10	12 4½

* NOTE.—Although these and the corresponding figures in the other tables of prices are unweighted averages and do not give due weight to any changes in the seasonal variation in the supply, they are regarded as being sufficiently accurate to indicate changes in the price level from year to year.

TABLE 8.

MONTHLY AND ANNUAL AVERAGE PRICES (WHOLESALE TO RETAILER) OF NATIONAL MARK EGGS OF STANDARD GRADE
AT LONDON, 1929-34.

	1929.	1930.	1931.	1932.	1933.	1934.
	<i>s. d.</i> <i>per 120</i>	<i>s. d.</i> <i>per 120</i>	<i>s. d.</i> <i>per 120</i>	<i>s. d.</i> <i>per 120</i>	<i>s. d.</i> <i>per 120</i>	<i>s. d.</i> <i>per 120</i>
January	—	19 9	18 3	17 3	15 1	14 9
February	22 10	19 7	16 1	13 6	15 9	13 0
March	19 6	13 1	12 4	11 2	10 11	9 1
April	13 3	12 9	10 6	10 0	9 1	9 2
May	14 3	12 3	10 6	9 4	9 7	9 1
June	14 4	13 1	10 6	10 8	11 5	10 10
July	18 2	16 11	14 3	13 4	12 2	11 6
August	20 11	17 11	15 4	14 5	15 2	15 8
September	21 2	18 10	16 10	17 4	17 0	14 4
October	30 0	25 11	20 7	19 5	18 0	18 8
November	29 4	26 4	24 8	22 11	21 9	21 8
December	28 10	21 5	18 6	18 0	18 8	19 6
Unweighted Annual Average ...	21 2	18 2	15 8	14 9	14 7	13 11

TABLE 9.
ESTIMATED ANNUAL PRODUCTION OF TABLE POULTRY IN ENGLAND AND WALES, 1925-33.

Year.	Fowls.			Ducks.	Geese.	Turkeys.	Total (estimated dead weight).*
	On Agricultural Holdings.	On Other Holdings.	Total.				
	'000	'000	'000	'000	'000	'000	'000 <i>wt.</i>
1925	15,600	5,000	20,600	2,300	519	512	802
1926	16,600	5,000	21,600	2,500	569	526	846
1927	17,600	5,000	22,600	2,600	596	501	879
1928	18,600	5,600	24,200	2,500	583	474	917
1929	19,600	6,000	25,600	2,200	564	522	947
1930	21,200	6,000	27,200	2,100	554	542	991
1931	23,200	6,000	29,200	2,200	521	466	1,042
1932	25,700	6,000	31,700	2,400	512	432	1,119
1933	28,700	6,000	34,700	2,700	572	562	1,239

* The estimated average dead weight of fowls is 3½ lb., of ducks 5 lb., of geese 10 lb., and of turkeys 12 lb. each.

TABLE 10.

ANNUAL IMPORTS OF POULTRY INTO THE UNITED KINGDOM, SHOWING EMPIRE AND FOREIGN SUPPLIES, 1925-33.

Year.	Dead Poultry.						Live Poultry.					
	Empire Countries.		Foreign Countries.		Retained Imports.		Empire Countries.*		Foreign Countries.		Retained Imports.	
	Quantity.	Per cent. of Total.	Quantity.	Per cent. of Total.	Quantity.	Value.	Number.	Per cent. of Total.	Number.	Per cent. of Total.	Number.	Value.
	'000 cwt.		'000 cwt.		'000 cwt.	£'000	'000		'000		'000	£'000
1925	97	25	290	75	374	2,148	1,074	85	191	15	1,265	218
1926	108	26	303	74	402	2,259	1,127	86	179	14	1,304	219
1927	115	23	391	77	493	2,680	1,105	84	217	16	1,320	222
1928	110	22	380	78	469	2,567	1,021	86	161	14	1,181	196
1929	129	23	425	77	534	2,838	1,073	89	131	11	1,202	221
1930	116	20	454	80	555	2,810	971	89	121	11	1,089	182
1931	113	17	553	83	651	3,055	1,055	92	90	8	1,141	192
1932	124	24	390	76	503	2,208	734	84	143	16	876	115
1933	117	23	383	77	495	1,938	291	68	138	32	429	41

* Practically all from Irish Free State.

TABLE 11.

ANNUAL TOTAL AND *Per Capita* SUPPLIES OF TABLE POULTRY IN THE UNITED KINGDOM, 1925-33.

Year.	Home Production.					Imported Supplies.*	Total Supplies.	<i>Per Capita</i> Supplies.		
	Fowls.	Ducks.	Geese.	Turkeys.	Total.			Home-Produced.	Imported.	Total.
	'000 cwt.	'000 cwt.	'000 cwt.	'000 cwt.	'000 cwt.	'000 cwt.	'000 cwt.	lb.	lb.	lb.
1925 ...	732	116	57	84	989	440	1,429	2.5	1.1	3.6
1926 ...	778	125	62	88	1,053	471	1,524	2.6	1.2	3.8
1927 ...	818	131	66	88	1,103	563	1,666	2.7	1.4	4.1
1928 ...	869	126	65	88	1,148	531	1,679	2.8	1.3	4.1
1929 ...	922	112	63	100	1,197	597	1,794	2.9	1.5	4.4
1930 ...	986	109	62	102	1,259	612	1,871	3.1	1.5	4.6
1931 ...	1,054	114	58	89	1,315	711	2,026	3.2	1.7	4.9
1932 ...	1,139	123	57	85	1,404	549	1,953	3.4	1.3	4.7
1933 ...	1,242	136	63	107	1,548	518	2,066	3.7	1.3	5.0

* Alive and Dead, less re-exports of Dead Poultry.

TABLE 12.

MONTHLY AND ANNUAL AVERAGE PRICES OF FOWLS (AVERAGE OF 1ST AND 2ND QUALITY) AT TOWN AND COUNTRY MARKETS IN ENGLAND AND WALES, 1925-34.

Month.	1925.	1926.	1927.	1928.	1929.	1930.	1931.	1932.	1933.	1934.
	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>
January	1 5	1 4½	1 3	1 3	1 3½	1 2½	1 3	1 1	1 1	1 0
February	1 5	1 3½	1 3½	1 3½	1 3½	1 3	1 3	1 2	1 1½	1 0
March	1 6	1 5	1 4½	1 4½	1 4½	1 4	1 4	1 3	1 2	1 1
April	1 7	1 6½	1 5½	1 6	1 6	1 5½	1 6	1 4	1 3	1 2
May	1 6	1 7	1 5½	1 7	1 7	1 7	1 6	1 4	1 2	1 2
June	1 6	1 6½	1 5½	1 6½	1 6½	1 5½	1 4	1 1½	1 1½	1 1½
July	1 6	1 4½	1 4½	1 5½	1 5½	1 4	1 3	1 0	1 0	1 0
August	1 4½	1 3½	1 3½	1 4	1 3½	1 2	1 1	1 0	11½	11½
September	1 3½	1 2½	1 2	1 3	1 2½	1 2	1 0½	1 0	11	11
October	1 2½	1 2½	1 2	1 2½	1 2	1 1	1 0	1 0	11½	11
November	1 2½	1 2	1 2	1 2	1 2	1 1	1 0	1 0	11½	11
December	1 3½	1 3	1 2	1 3	1 2	1 1	1 1½	1 0	11½	11½
Unweighted Annual Average.	1 4½	1 4½	1 3½	1 4½	1 4	1 3	1 3	1 1	1 0½	1 0

TABLE 13.

MONTHLY AND ANNUAL AVERAGE PRICES OF SURREY FOWLS (AVERAGE OF 1ST AND 2ND QUALITY) AT LONDON, 1925-34.

Month.	1925.	1926.	1927.	1928.	1929.	1930.	1931.	1932.	1933.	1934.
	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>
January	1 7½	1 7	1 5½	1 6	1 6½	1 6	1 5	1 4	1 3½	1 2
February	1 9	1 7½	1 6	1 7	1 7	1 5½	1 6	1 4	1 4	1 2
March	1 10½	1 9	1 8½	1 8½	1 9½	1 6	1 8½	1 5½	1 4½	1 3
April	2 0	1 11	1 11	2 0	1 11½	1 9	1 10½	1 5½	1 5	1 4½
May	1 10	2 1½	1 10½	2 0½	2 0½	1 9	1 10½	1 5	1 3½	1 5
June	1 9	1 11½	1 10	2 0	2 0	1 7½	1 8½	1 3	1 3½	1 4
July	1 7	1 9½	1 7	1 11	1 11	1 5½	1 6½	1 2½	1 2½	1 3
August	1 6	1 6½	1 5½	1 7½	1 7	1 3½	1 4	1 2	1 1	1 0½
September	1 6	1 4½	1 5	1 6	1 5½	1 3	1 3½	1 3	1 0	1 0½
October	1 5	1 3½	1 5½	1 5½	1 5½	1 2½	1 3	1 2½	1 1	1 1½
November	1 4	1 4	1 4½	1 5½	1 5½	1 2½	1 3	1 2½	1 1	1 1
December	1 4½	1 5½	1 6	1 6½	1 5½	1 3½	1 4½	1 3	1 1	1 2
Unweighted Annual Average.	1 7½	1 7½	1 7	1 8½	1 8	1 5½	1 6	1 3½	1 2½	1 2

TABLE 14.

MONTHLY AND ANNUAL AVERAGE PRICES OF DUTCH FOWLS (AVERAGE OF 1ST AND 2ND QUALITY) AT LONDON, 1925-34.

Month.	1925.	1926.	1927.	1928.	1929.	1930.	1931.	1932.	1933.	1934.	
	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	
January ...	1 4	1 4½	1 2	—	1 2½	1 2½	1 3	1 1	1 2	1 0½	
February ...	1 4½	1 3	1 3	1 3½	1 2	1 3	1 3	1 1	1 2½	1 0½	
March ...	1 3	1 5½	1 3	1 4½	1 6½	1 3½	1 4½	1 2½	1 3½	1 1	
April ...	1 4	1 5½	1 3	1 6	1 8½	1 5	1 6	1 3	1 4	} No quotations.	
May ...	1 4	1 6	1 3	1 6	1 9	1 4	1 6	1 2	1 2		
June ...	1 4	1 7½	1 2	1 5½	1 9	1 2	1 4½	1 1½	1 1½		
July ...	1 3½	1 2½	1 1	1 6	1 7½	1 0½	1 3	1 1	1 1		
August ...	1 2½	1 1½	1 1½	1 2½	1 4½	1 0½	1 1	1 1	1 1		
September ...	1 2½	1 2	1 1½	1 2	1 2	1 0½	1 0	1 1	1 1		
October ...	1 1½	1 2	1 1½	1 2	1 1½	1 0½	1 1	1 0½	1 0		
November ...	1 1	1 2	1 1½	1 2	1 1½	1 1	1 0½	1 0½	1 0		
December ...	1 2	1 2	1 1½	1 2½	1 2	1 2	1 1	1 2	1 0		
Unweighted Annual Average.	1 3	1 3½	1 2	1 4	1 4½	1 2	1 3	1 1½	1 1		—

TABLE 15.

MONTHLY AND ANNUAL AVERAGE PRICES OF DUCKS (AVERAGE OF 1ST AND 2ND QUALITY) AT TOWN AND COUNTRY MARKETS IN ENGLAND AND WALES, 1925-34.

Month.	1925.	1926.	1927.	1928.	1929.	1930.	1931.	1932.	1933.	1934.
	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>
January	1 4	1 4	1 3½	1 2½	1 3	1 3	1 2½	1 0½	1 0	11½
February	1 4	1 4½	1 3½	1 2½	1 4	1 4	1 3	1 0½	1 1	1 0½
March	1 5	1 5½	1 3½	1 3	1 5	1 5½	1 5	1 1	1 3½	1 2
April	1 7½	1 8½	1 3½	1 5	1 7	1 7½	1 6	1 4½	1 4	1 3½
May	1 6	1 8	1 5	1 4	1 10½	1 6	1 7	1 4	1 3½	1 2½
June	1 4½	1 4½	1 4½	1 3½	1 6	1 5	1 3½	1 2	1 2	1 1
July	1 5	1 2½	1 3	1 2½	1 3½	1 3	1 2	11½	11½	11½
August	1 3	1 2½	1 1	1 2	1 2	1 2	1 0	11	10½	11½
September	1 2½	1 1½	1 0	1 1	1 1½	1 1	11½	10½	10½	10½
October	1 1½	1 1½	1 1	1 2	1 1	1 0½	11	10½	10½	10
November	1 2½	1 2	1 1	1 1½	1 2	1 0½	11	10½	11	10
December	1 4	1 3	1 2	1 2½	1 2	1 1½	1 1	11	11	11
Unweighted Annual Average.	1 4½	1 4	1 2½	1 2½	1 4	1 3	1 2	1 0½	1 0½	1 0

TABLE 16.

MONTHLY AND ANNUAL AVERAGE PRICES OF GEESSE (AVERAGE OF 1ST AND 2ND QUALITY) AT TOWN AND COUNTRY MARKETS IN ENGLAND AND WALES, 1925-34.

Month.	1925.	1926.	1927.	1928.	1929.	1930.	1931.	1932.	1933.	1934.
	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>
January	1 2	1 1	10½	11	11	1 0	1 0½	10½	9½	9½
February	1 1	1 1	10½	10½	10	10	11½	10	9½	10
March	1 1½	1 0½	10½	11½	9½	—	11½	9½	10½	—
April	1 0½	11½	10½	10½	9½	—	11½	10½	10½	10
May	1 0½	11½	10½	10½	9½	—	—	—	—	—
June	—	1 0½	10	9	10	10	—	—	9½	8½
July	—	11	10	9½	9½	9	—	—	9½	7
August	11½	1 0	10	9	9½	10	—	—	9½	8
September	1 0	11	10	10	10	9½	9½	10	9½	8½
October	1 0½	1 0½	11	1 0	11	10½	10	10½	10	9
November	1 0½	1 0½	1 0½	11	11	11	10½	9½	9½	9
December	1 3	1 1½	1 0½	1 0	11	11	1 1½	10	9½	9½
Unweighted Annual Average.	1 1	1 0	10½	10½	10	10½	11½	10	9½	9

TABLE 17.

MONTHLY AVERAGE PRICES OF TURKEYS (AVERAGE OF 1ST AND 2ND QUALITY) AT TOWN AND COUNTRY MARKETS IN ENGLAND AND WALES, 1925-34.

Month.	1925.	1926.	1927.	1928.	1929.	1930.	1931.	1932.	1933.	1934.
	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>	<i>s. d.</i> <i>per lb.</i>
January	1 5½	1 0½	1 5½	1 6	1 5	1 2	1 6*	1 3½	1 4	1 2½
February	1 4	1 5½	1 4½	1 5½	1 5	1 0½	1 4½	1 1½	1 0½	11½
March	1 4½	1 6½	1 5	1 3½	1 5½	1 1½	1 5*	1 1½	1 0	11
April	1 4	1 6½	1 4	1 3	1 4½	1 1½	—	—	—	—
May	1 4	1 5	1 3	1 2	1 2	11½	—	—	—	—
June	1 3	1 7½	1 2½	1 2	1 2	1 1½	—	—	—	—
July	—	1 7½	—	—	—	1 0	—	—	—	—
August	—	1 9*	—	—	—	1 1½	—	—	—	—
September	—	1 8	—	—	—	1 1½	—	—	—	—
October	1 6½	1 6½	1 4½	1 5	—	1 3	—	—	—	—
November	1 4	1 4	1 4½	1 5	1 5	1 3	—	1 4	—	1 0
December	1 6½	1 8½	1 9	1 8½	1 3½	1 5	1 11½	1 5½	1 2½	1 3

* First Quality only.

APPENDIX B

DRAFT SCHEME

UNDER THE AGRICULTURAL MARKETING ACTS, 1931 to 1933, REGULATING THE MARKETING OF EGGS AND POULTRY

PART I.—PRELIMINARY.

1. This Scheme may be cited as the Eggs and Poultry Marketing Scheme, 1933, and applies to England and Wales.

2. The Board to administer this Scheme shall be called the Eggs and Poultry Marketing Board and is hereafter in this Scheme referred to as "the Board".

3. In this Scheme, unless the context otherwise requires, the following expressions have the meanings hereby respectively assigned to them:—

"The Act of 1931" means the Agricultural Marketing Act, 1931, as amended by any subsequent Act.

"The Act of 1933 (No. 1)" means the Agricultural Marketing Act, 1933, as amended by any subsequent Act.

"Area", except in Part X, means an area determined under Part IV of this Scheme.

"Area committee" means a committee for an Area.

"Eggs" means eggs laid by domestic fowls or domestic ducks in England and Wales.

"General meeting" means a meeting of representatives of Area committees held in accordance with Part VII of this Scheme.

"Minister" means the Minister of Agriculture and Fisheries.

"Packing Station" means an undertaking established for the purpose of collecting, testing, grading, packing and selling eggs.

"Poultry" means domestic fowls, ducks, geese and turkeys produced in England and Wales.

"Producer" means a producer of eggs or poultry.

"Registered" means registered under this Scheme, and "registration" shall be construed accordingly.

"Secretary" in relation to the Board means a person appointed by the Board to be, or a person for the time being authorised by the Board to act, as Secretary of the Board.

"Service station" means an undertaking established for the purpose of collecting, killing, plucking, dressing, grading, packing and selling poultry.

4. The Interpretation Act, 1889, applies for the interpretation of this Scheme as it applies for the interpretation of an Act of Parliament.

PART II.—REGISTER OF PRODUCERS.

5. The Board shall keep a register of producers (hereafter in this Scheme referred to as "the register"), and every producer shall, on application to the Board, be entitled to be registered therein.

6. The register shall be open for inspection at the office of the Board during office hours.

7. The Board shall furnish a copy of the register or any part thereof to any person demanding it on payment of a fee of one shilling and, in addition, a further fee not exceeding one penny for each entry copied.

8. The following producers shall be exempt from registration and from the operation of this Scheme, namely—

(a) producers who for the time being have in their possession in England or Wales not more than twenty-five head of live poultry over the age of two months; and

(b) producers of such other classes or descriptions as may be determined by the Board.

9. The Board, if satisfied that a person who is registered is not a producer or is exempt from registration, shall remove his name from the register:

Provided that the name of a person shall not, by reason only that he is exempt from registration, be removed from the register without his consent.

PART III.—THE BOARD.

Constitution.

10. The Board shall be a body corporate with a common seal and power to hold land without licence in mortmain.

11. Until the end of _____, the Board shall, subject to the provisions of this Part of this Scheme as to the filling of casual vacancies, be composed of the persons named in the First Schedule to this Scheme and two persons nominated by the Minister in accordance with Section 14 of the Act of 1933 (No. 1).

12. As from the _____ the Board shall, subject to the provisions of this Part of this Scheme as to the filling of casual vacancies, be composed of nine members elected in accordance with the provisions hereafter contained in this Scheme and two persons co-opted triennially to the Board by the elected members thereof in accordance with Section 14 of the Act of 1933 (No. 1).

13.—(1) On the _____, 193____, three of the elected members of the Board, being those who received the three lowest in value of the votes given at the first election, shall retire, and their places shall be filled by the newly-elected members who shall come into office on that day.

(2) On the _____, 193____, three of the elected members of the Board, being those who received the three lowest in value of the votes given at the first election (other than the votes given for the three members referred to in the last foregoing sub-paragraph), shall retire, and their places shall be filled by the newly-elected members who shall come into office on that day.

(3) On the _____, 193____, and in every succeeding year, three of the elected members, being those who have been elected members, for the longest time without re-election, shall retire, and their places shall be filled by the newly-elected members who shall come into office on that day.

(4) Where an equality in value of votes was received by any two or more members and the subtraction of a vote from the votes received by any one or more of such members would require such member or members to retire, the Board shall determine by lot which of such members shall retire.

14. The two members to be co-opted to the Board by virtue of paragraph 12 of this Scheme shall—

(a) be co-opted by the elected members of the Board as soon as practicable after the _____ in 193 , and in each succeeding third year thereafter;

(b) hold office until the day on which the next triennial co-option of members takes place and shall then retire, and their places shall be filled by the newly co-opted members who shall come into office on that day.

15. Any person shall, unless disqualified by any Act or by this Scheme, be qualified to be elected and to be a member of the Board if he is of full age and a British subject.

16. Subject to the provisions of this paragraph, a person shall be disqualified for being elected or being a member of the Board if he—

(a) is a person who has been adjudged bankrupt or has made a composition or arrangement with his creditors; or

(b) has within five years before the day of his election or co-option or since his election or co-option been convicted in the United Kingdom of any offence and ordered to be imprisoned for a period of not less than three months without the option of a fine; or

(c) has within five years before the day of his election or co-option or since his election or co-option been convicted of any offence under Section 17 of the Act of 1931;

(d) is detained for more than seven days in any place under any enactment in force in the United Kingdom relating to persons of unsound mind; or

(e) is declared by resolution of the Board to have been absent from six consecutive meetings of the Board without reasonable excuse:

Provided that—

(i) the disqualification attaching to a person by reason of his having been adjudged bankrupt shall cease—

(a) if the bankruptcy is annulled either on the ground that he ought not to have been adjudged bankrupt or that his debts have been paid in full, on the date of the annulment; or

(b) if he is discharged with a certificate that the bankruptcy was caused by misfortune without any misconduct on his part, on the date of his discharge; or

(c) in any other case, on the expiration of five years from the date of his discharge.

(ii) the disqualification attaching to a person by reason of his having made a composition or arrangement with his creditors shall cease—

(a) if he pays his debts in full, on the date on which the payment is completed; or

(b) in any other case, on the expiration of five years from the date on which the terms of the deed of composition or arrangement are fulfilled.

17. A member of the Board may at any time resign his office by a notice in writing signed by him and delivered to the Secretary of the Board, and his resignation shall take effect upon the expiration of seven days from the date of delivery of such notice:

Provided that any such notice may be withdrawn by the member giving the same at any time before the expiration of seven days from the date of the delivery thereof.

Casual Vacancies.

18. Where before the _____, 193____, any member of the Board other than a member nominated by the Minister dies or resigns his office or becomes disqualified for being a member of the Board, the Board may fill the vacancy by co-opting to the Board a person duly qualified to be a member thereof.

19. Where before the _____, 193____, any member of the Board nominated by the Minister in accordance with Section 14 of the Act of 1933 (No. 1) dies or resigns his office or becomes disqualified for being a member of the Board, the Minister shall nominate a person to fill the vacancy.

20. Where after the _____, 193____, any elected member dies or resigns his office or becomes disqualified for being a member of the Board, the Board shall forthwith fill the vacancy by co-opting to the Board the person who, being duly qualified, received the highest in value of the votes given at the last election to candidates for election other than the successful candidates:

Provided that—

(a) where an equality in value of votes existed between any two or more such persons and the addition of a vote would entitle one of such persons to be co-opted, the Board shall determine by lot which of such persons shall be co-opted;

(b) in the event of there being no such person, the Board shall fill the vacancy by co-opting to the Board a person duly qualified to be a member thereof.

21. Where after the _____, 193____, a co-opted member of the Board dies or resigns his office or becomes disqualified for being a member of the Board, the Board shall forthwith fill the vacancy by co-opting a person duly qualified to be a member thereof:

Provided that the co-option of any particular person to the Board during the period of twelve months beginning on the _____, 193____, shall be subject to the approval of the Minister.

22. A person co-opted under paragraph 20 of this Scheme shall hold office until the _____ next following after his co-option and shall then retire, and his place shall be filled by one of the newly-elected members who shall come into office on that day.

23. A person co-opted under paragraph 21 of this Scheme shall hold office until the date upon which the person in whose place he is co-opted would regularly have ceased to hold office and shall then retire.

24. A person ceasing to be a member of the Board shall, unless he is not qualified or is disqualified, be eligible again to become a member of the Board.

Elections.

25.—(1) The first election of members to the Board shall be held on such date in the month of _____, 193____, as the Board may determine.

(2) Elections shall be held in each succeeding year after the first election upon such date in the month of _____ as the Board may determine.

(3) Nine members shall be elected at the first election.

(4) At the second and succeeding elections there shall be elected three members together with such a number of members as is required to fill the places of persons co-opted to the Board under the provisions of paragraph 20 of this Scheme.

(5) The provisions of the Second Schedule to this Scheme shall apply with respect to the election of members of the Board.

Chairman and Vice-Chairman.

26.—(1) The Board shall elect from among the members thereof a Chairman and a Vice-Chairman.

(2) The first Chairman and the first Vice-Chairman shall be elected as soon as may be after the coming into force of this Scheme.

(3) As from the _____ the Chairman and Vice-Chairman shall be elected annually at the first meeting of the Board held after the _____ in each year.

(4) A person holding the office of Chairman or Vice-Chairman shall, unless he retires or becomes disqualified for being a member of the Board, continue in office until his successor is elected:

Provided that if at any meeting the Board resolve by a majority of not less than two-thirds of the members present and voting that a person holding such an office shall be removed from office that person shall cease to hold his office.

(5) On a casual vacancy occurring in the office of Chairman or Vice-Chairman, the Board shall elect a person to fill the vacancy at the meeting of the Board held next after the occurrence of the vacancy.

Procedure and Committees.

27. The meetings of the Board shall be held at such hours and on such days and at such places as the Board may direct.

28.—(1) The Chairman of the Board may call a meeting thereof at any time.

(2) If the Chairman refuses to call a meeting of the Board after a requisition for that purpose signed by any two members of the Board has been delivered to him or if, without so refusing, the Chairman does not call a meeting within seven days after such requisition has been delivered to him, any two members of the Board, on that refusal or on the expiration of seven days as the case may be, may forthwith call a meeting of the Board.

(3) Three clear days at least before a meeting of the Board, notice of the time and place of the intended meeting and, where the meeting is called by members of the Board, of the business proposed to be transacted thereat shall be left at or sent by post to the usual place of residence of every member of the Board.

29. The quorum of the Board shall be such number, not being less than five, as the Board may from time to time determine and until the Board shall otherwise determine be five.

30.—(1) At a meeting of the Board the Chairman or, in his absence, the Vice-Chairman shall preside.

(2) If both the Chairman and the Vice-Chairman are absent from a meeting, such member as the members present shall choose shall preside.

31.—(1) The Board shall, as soon as may be after the coming into force of this Scheme and also as soon as may be after each annual election of members of the Board, appoint from among the members thereof an executive committee.

(2) The executive committee shall be composed of not more than seven persons, of whom the Chairman and the Vice-Chairman of the Board shall be two and at least one shall be a member of the Board nominated by the Minister or co-opted to the Board in accordance with Section 14 of the Act of 1933 (No. 1).

(3) On a casual vacancy occurring in the executive committee, the Board shall, subject to the provisions of the last foregoing sub-paragraph, appoint a member of the Board to fill the vacancy.

32. The Board shall delegate to the executive committee all the functions of the Board under this Scheme:

Provided that—

(a) the executive committee shall not, except where the Board otherwise resolve, exercise any of the powers of the Board in connection with any of the matters mentioned in Part I of the Third Schedule to this Scheme; and

(b) decisions of the executive committee in connection with the matters mentioned in Part II of the Third Schedule to this Scheme shall, except where the Board otherwise resolve, have no effect unless confirmed by the Board, and where the Board refuse to confirm any such decision the Board may either themselves decide the question or may remit it to the executive committee for further consideration.

33. The Board may appoint committees from among the members of the Board for any such general or special purpose as, in the opinion of the Board, would be better regulated and managed by means of a committee and may delegate to a committee so appointed, with or without restrictions or conditions as they think fit, any functions exercisable by the Board except the powers exercisable by the executive committee under the foregoing paragraph of this Scheme and the powers of requiring contributions from and imposing penalties on registered producers and of borrowing money.

34.—(1) Subject to the provisions of paragraph 26 of this Scheme, all acts of the Board or of any committee thereof and all questions arising at any meeting of the Board or of any committee thereof shall be done and decided by a majority of the members of the Board or of any committee, as the case may be, present and voting thereon at such meeting.

(2) In the case of an equality of votes, the person presiding at the meeting shall have a second or casting vote.

35. The names of the members present at a meeting of the Board or of any committee thereof shall be recorded.

36.—(1) Minutes of the proceedings of a meeting of the Board or of a committee thereof shall be drawn up and entered in a book kept for that purpose and shall be signed at the same or next ensuing meeting of the Board or committee, as the case may be, by the person presiding thereat, and any minute purporting to be so signed shall be received in evidence without further proof.

(2) Until the contrary is proved, a meeting of the Board or of a committee thereof in respect of the proceedings whereof a minute has been so made and signed shall be deemed to have been duly convened and held, and all the members present at the meeting shall be deemed to have been duly qualified and, where the proceedings are proceedings of a committee, the committee shall be deemed to have been duly constituted and to have power to deal with the matters referred to in the minutes.

37. A member of any committee shall cease to hold office—

(a) if he ceases to be a member of the Board; or

(b) if he delivers to the Board a written resignation of his office and the resignation is accepted by the Board or if not so accepted is not withdrawn within seven days; or

(c) if the Board resolve that he cease to be a member of the committee;

and in any event every member of a committee shall cease to hold office at the end of the day on which the first meeting of the Board is held after the annual election of members of the Board.

38. Every committee shall from time to time circulate reports of their proceedings to every member of the Board.

39. The Board or any committee shall (subject to the provisions of this Part of this Scheme and, in the case of a committee, subject to any directions of the Board) have power to regulate their own procedure.

40. The proceedings of the Board or of a committee thereof shall not be invalidated by any vacancy among their number or by any defect in the election or co-option or nomination or appointment or qualification of any member thereof.

41.—(1) A contract entered into by the Board shall not be avoided by reason only that a member of the Board is also a party thereto or is interested therein.

(2) A member of the Board shall not be liable to account to the Board for any profits realised by him out of any contract by reason only of the fact that the Board are also a party to such contract or are interested therein.

(3) A member of the Board shall forthwith disclose to the Board—

(a) any interest which he has or acquires or proposes to acquire in any contract to which the Board are a party or in which the Board have or acquire or propose to acquire any interest; and

(b) any interest which he has or acquires or proposes to acquire in any other contract whatsoever if such interest in any way conflicts with his duty as a member of the Board.

(4) A member of the Board shall not vote upon any question relating to any contract to which he is a party or in which he has or acquires or proposes to acquire, any interest, and if he does vote his vote shall not be counted:

Provided that nothing in this paragraph shall preclude a member of the Board from voting on any question relating to the general policy of the Board.

42. The Board may pay to any member of the Board such travelling or out-of-pocket expenses as have, in the opinion of the Board, been reasonably incurred by him in connection with the business of the Board.

43. The Board shall pay to the members of the Board such remuneration (if any) as may, in the case of any member or members thereof, be determined annually at the annual general meeting held in accordance with the provisions hereafter contained in this Scheme.

44. The application of the Common Seal of the Board shall be attested by two members of the Board and by the person acting as Secretary thereof.

45. Any contract or instrument which, if entered into or executed by a person not being a body corporate would not require to be under Seal, may be entered into or executed, as the case may be, on behalf of the Board by any person generally or specially authorised by them for the purpose.

Advisory Committees.

46.—(1) The Board may constitute such advisory committees as they think fit and may invite any person or any representative of any organisation interested in the production or sale of eggs or poultry to serve thereon.

(2) Without prejudice to the generality of the foregoing provision, the Board shall constitute two advisory committees consisting of representatives nominated by such organisations as are in the opinion of the Board best qualified to express the views of persons trading in eggs and poultry wholesale and retail respectively.

(3) The functions of the advisory committees constituted under the last foregoing provision shall be to consider and report to the Board on all matters particularly affecting, respectively, the wholesale and the retail trade in eggs and poultry.

(4) The Board may pay to any member of any advisory committee such travelling and other expenses as have, in the opinion of the Board, been reasonably incurred by him in connection with the business of any such committee.

PART IV.—AREAS AND REGIONS.

Delimitation of Areas and Regions.

47.—(1) The Board shall, as soon as may be after this Scheme comes into force, divide England and Wales into Areas of such extent as the Board shall, in the case of each Area, determine.

(2) The Areas delimited by the Board shall be of such nature and extent as will, in the opinion of the Board, conduce to economy in the collecting, grading, packing and delivery of the eggs produced in such Area by a packing station charged with the duty of buying all the eggs produced by the registered producers in such Area.

48.—(1) The Board shall, as soon as may be after dividing England and Wales into Areas, group the Areas into Regions:

Provided that the Board shall not be bound to divide the whole of England and Wales into Regions.

(2) The Board may at any time group into a Region any Areas not theretofore grouped into a Region or alter any existing Region by excluding therefrom or including therein any Area or Areas.

(3) In deciding what Areas are to be included in a Region, the Board shall group Areas in such manner as may seem to the Board most conducive to efficiency and economy in the distribution of eggs and poultry and the administration of this Scheme.

49.—(1) When the Board are of opinion that a *prima facie* case exists for an alteration of the boundaries between any two or more Areas or for the formation of a new Area or Areas, whether by the amalgamation of any two or more existing Areas or otherwise, the Board shall prepare a scheme for the purpose of carrying such changes into effect.

(2) Every such scheme shall—

(a) specify the date whereon the changes proposed to be effected thereby shall come into force; and

(b) in the case of a scheme involving the formation of a new Area, contain such provisions as are necessary to secure that for any such new Area there shall be a committee elected in accordance with the provisions hereafter contained in this Scheme:

Provided that the last preceding provision shall not apply to any scheme if the date specified therein as being the date whereon the changes proposed to be effected thereby shall come into force is less than three months before the date appointed for the election of members of Area committees.

(3) The Board shall publish a notice of every such scheme in such a manner as it thinks best for informing producers affected thereby and shall send copies thereof to the committee of every Area.

(4) The Board shall submit every such scheme to a general meeting held not less than one month after the publication of notice thereof, and, if the general meeting resolves that the scheme be approved, the scheme shall come into force upon such date as may be specified therein.

Area Committees.

50. There shall be for each Area an Area committee.

51. The duties of an Area committee shall be—

(a) to vote at elections of members of the Board;

(b) to nominate from among the members thereof two members to serve on the Advisory Council of the Region, if any, within which the Area is included;

(c) to nominate from among the members thereof two members to represent the committee at general meetings;

(d) to consider and report to the Board from time to time on the operation of this Scheme in relation to the producers producing eggs and poultry in that Area and, when consulted by the Board with respect to any proposal of the Board, to advise them as to the desirability of the proposal in so far as it concerns those producers;

(e) to carry out such other functions as the Board may from time to time request.

52. An Area committee shall consist of seven elected members.

53.—(1) Subject to the provisions of sub-paragraph (2) of this paragraph, any person residing within an Area shall be qualified to be elected and to be a member of the Area committee for that Area.

(2) A person shall be disqualified for being elected or being a member of an Area committee if he—

(a) is a person who has been adjudged bankrupt or has made a composition or arrangement with his creditors; or

(b) has within five years before the day of his election or co-option or since his election or co-option been convicted in the United Kingdom of any offence and ordered to be imprisoned for a period of not less than three months without the option of a fine; or

(c) has within five years before the day of his election or co-option or since his election or co-option been convicted of any offence under Section 17 of the Act of 1931; or

(d) is detained for more than seven days in any place under any enactment in force in the United Kingdom relating to persons of unsound mind; or

(e) is declared by resolution of the committee to have been absent from six consecutive meetings of the committee without reasonable excuse:

Provided that—

(i) the disqualification attaching to a person by reason of his having been adjudged bankrupt shall cease—

(a) if the bankruptcy is annulled either on the ground that he ought not to have been adjudged bankrupt or that his debts have been paid in full, on the date of annulment; or

(b) if he is discharged with a certificate that the bankruptcy was caused by misfortune without any misconduct on his part, on the date of his discharge; or

(c) in any other case, on the expiration of five years from the date of his discharge;

(ii) the disqualification attaching to a person by reason of his having made a composition or arrangement with his creditors shall cease—

(a) if he pays his debts in full, on the date on which the payment is completed; or

(b) in any other case, on the expiration of five years from the date on which the terms of the deed of composition or arrangement are fulfilled.

54. The persons entitled to vote at an election of members of an Area committee shall be the registered producers carrying on business within the Area.

55.—(1) The first election of members of an Area committee shall be held on such day as the Board may appoint to be the day of election.

(2) The second election shall be held on such day in the month of 193 , as may be determined by the Board, and subsequent elections shall be held on such day as the Board may determine in the like month in every third year thereafter.

56. Subject to the foregoing provisions, an election of members of an Area committee shall be conducted in accordance with the provisions of the Fourth Schedule to this Scheme.

57.—(1) The first members of an Area committee shall hold office until the _____, 193 _____, and shall then retire together, and their places shall be filled by the newly-elected members who shall come into office on that day.

(2) Subject to the provisions of paragraph 58 of this Scheme as to the filling of casual vacancies, the term of office of members of an Area committee other than the first members thereof shall be three years, and they shall retire together on the _____, 193 _____, and in every third year thereafter, and their places shall be filled by the newly-elected members who shall come into office on that day.

58.—(1) Where the number of persons elected at any election is less than seven, the elected members shall co-opt from among the persons qualified to be members of the Area committee as many persons as may be required to fill the vacancy or vacancies.

(2) Where for any reason whatsoever the place of any member of an Area committee becomes vacant before the end of his term of office, the committee shall fill the vacancy by co-opting to the committee the person who, being duly qualified, received the highest in value of the votes given at the last election to candidates for election other than the successful candidates:

Provided that—

(a) where an equality in value of votes existed between any two or more such persons and the addition of a vote would entitle one of such persons to be co-opted, the Board shall determine by lot which of such persons shall be co-opted;

(b) in the event of there being no such person, the Board shall fill the vacancy by co-opting to the Board a person duly qualified to be a member thereof.

(3) A person co-opted to be a member of an Area committee under the provisions of this paragraph shall hold office until the day upon which the elected members of the committee cease to hold office and shall then retire.

59. An Area committee shall meet for the despatch of business and shall make such regulations with respect to the election of a chairman, the summoning, notice, place, quorum, management and adjournment of their meetings and generally with respect to the transaction and management of business as they think fit, subject to the following conditions—

(a) an extraordinary meeting may be summoned at any time by the chairman or on the requisition of three members;

(b) every question shall be decided by a majority of votes of the members voting on that question; and in the event of an equality of votes, the chairman for the time being shall have a second or casting vote.

60. An Area committee shall appoint a secretary, and the Board may pay him such remuneration or honorarium as they may think proper.

61. An Area committee may appoint sub-committees of their members, may fix a quorum for each sub-committee and may lay down rules for its guidance. Every question before a sub-committee shall be decided by a majority of votes of the members voting on that question, and, in the event of an equality of votes, the chairman for the time being shall have a second or casting vote.

62. No act or proceeding of an Area committee shall be questioned on account of any vacancy in their body; and no defect in the qualification or appointment of any person acting as a member thereof shall vitiate any proceedings thereof.

63. A minute made of proceedings at a meeting of an Area committee signed by the chairman of that meeting or of the next ensuing meeting or a copy of a minute so signed which is certified by the secretary to be a true copy shall be received in evidence without further proof. Until the contrary is proved, every meeting of an Area committee in respect of the proceedings of which a minute has been so made shall be deemed to have been duly convened and held, and all the members thereof shall be deemed to have been duly qualified.

Regional Advisory Councils.

64.—(1) There shall be for each Region a Regional Advisory Council.

(2) A Regional Advisory Council shall consist of persons appointed to serve thereon by the committees of the Areas included within the Region.

(3) An Area committee shall be entitled to appoint from among the members thereof two persons to serve on the Regional Advisory Council for the Region within which the Area is included and, in the event of any person so appointed ceasing to act, to appoint another person in his place.

(4) The term of office of members of a Regional Advisory Council shall be three years.

65. A Regional Advisory Council shall meet for the despatch of business and shall make such regulations with respect to the election of a chairman of their meetings, the summoning, notice, place, quorum, management and adjournment of their meetings and generally with respect to the transaction and management of business as they think fit.

66. It shall be the duty of a Regional Advisory Council to consider and report from time to time on the operation of this Scheme in relation to producers of eggs and poultry in that Region and, when consulted by the Board with respect to any proposal of the Board, to advise them as to the desirability of the proposal in so far as it concerns those producers.

Expenses of members of Area Committees and Regional Advisory Councils.

67. The Board may pay to any member of a Regional Advisory Council or of an Area committee such travelling expenses as have, in the opinion of the Board, been reasonably incurred by him in connection with the business of the Board or Regional Advisory Council or Area committee and may, in addition, pay to members of Regional Advisory Councils subsistence allowances at such rates or on such scales as the Board may approve.

PART V.—POLLS.

68. On the coming into force of this Scheme, a poll of the registered producers shall be taken on the question whether this Scheme is to remain in force; and the said poll is hereafter in this Scheme referred to as "the initial poll".

69. The initial poll and every poll in connection with a proposal for the amendment or revocation of this Scheme or for the submission of a substitutional scheme shall be taken in accordance with the following provisions of this Part of this Scheme.

70. The persons entitled to vote shall be those producers who are registered on the qualifying date:

Provided that a producer who is exempt from registration by or under the provisions of this Scheme shall, notwithstanding that he is registered, not be entitled to vote on the initial poll.

71. The qualifying date shall—

(a) in the case of the initial poll be the day on which the time for registration specified in the notice published by the Board in pursuance of sub-Section (1) of Section 4 of the Act of 1931 expires; and

(b) in the case of any other poll be such day as may be determined in relation thereto by the Board.

72. The poll shall be conducted by post, and the Board shall, not later than the seventh day after the qualifying date, send a voting paper to every producer entitled to vote.

73. The voting paper shall be in such form as may be determined by the Board.

74. Every person who knowingly makes any false statement in a voting paper shall be liable on summary conviction to imprisonment for a term not exceeding three months or to a fine not exceeding one hundred pounds or to both such imprisonment and fine.

75. For the purposes of the poll, the quantity of eggs and poultry which a registered producer is capable of producing shall be deemed to be proportionate to the number of poultry over the age of two months in the possession of such producer at noon on the qualifying date.

76. The votes given on the poll shall be counted by such person, not being either a registered producer or a member of the Board, as the Board may appoint.

77. Any voting paper which contains any false statement or fails to contain the information required thereby or does not reach the offices of the Board on or before the fourteenth day after the qualifying date shall be rejected.

78. The decision of the person appointed by the Board to count the votes as to any question arising with respect to any voting paper shall be final and conclusive.

79. The person appointed by the Board to count the votes shall draw up a certificate showing the result of the poll in such form as may be prescribed by the Board and shall forward such certificate to the Board.

80. The result of the poll shall be declared at the meeting of the Board by the person presiding thereat.

81. The Board shall publish the result of the poll in "The Times" newspaper and in such other newspapers as the Board think best for informing producers generally and, except in the case of the initial poll, by sending notice thereof to each Area committee.

PART VI.—FINANCIAL PROVISIONS.

82. There shall be established a fund (hereafter in this Scheme referred to as "the Fund") which shall be administered and controlled by the Board.

83. All moneys received by the Board shall be paid into the Fund, and any moneys required by the Board for the operation of this Scheme shall be paid out of the Fund.

84. Any moneys for the time being standing to the credit of the Fund may be left on current or deposit account in any bank or invested in any securities in which a trustee may lawfully invest trust moneys by virtue of the powers conferred by Section 1 of the Trustee Act, 1925, as extended by any subsequent enactment.

85. The Board may borrow money for the purposes of exercising their functions under this Scheme in such manner, on such terms and on such security as they may arrange.

86.—(1) The Board shall keep proper accounts and other records in relation thereto and shall prepare an annual balance sheet and a profit and loss account or, if the Board do not trade for profit, an income and expenditure account and shall cause their accounts to be audited by a duly qualified accountant elected at an annual general meeting:

Provided that the person who is to audit the first annual accounts shall be nominated by the Board.

(2) In this paragraph the expression "duly qualified accountant" means any person qualified to be appointed under the Municipal Corporation (Audit) Act, 1933, to audit the accounts of a municipal corporation.

87. As soon as may be after the auditor has reported on the accounts of the Board for any period and in any case within three months after the close of that period, the Board shall send to the Minister and to every registered producer a copy of the balance sheet and profit and loss account or, as the case may be, income and expenditure account and of the report of the auditor thereon and also a report by the Board as to the working of the Scheme in the period covered by the account.

88. The Board shall, on the demand of any person and on payment by him of such fee not exceeding one shilling as may be fixed by the Board, furnish to him a copy of any of the balance sheets of the Board.

PART VII.—GENERAL MEETINGS.

89.—(1) The Board may at any time and at the request of any ten Area committees shall call a general meeting composed of representatives of Area committees.

(2) Every Area committee shall be entitled to nominate from among the members thereof two representatives to attend a general meeting.

90. The Board shall submit to a general meeting—

(a) all such matters as are required to be submitted to a general meeting by any of the provisions of this Scheme;

(b) any matter required to be submitted to a general meeting by a resolution passed by an Area committee and confirmed by any Regional Advisory Council;

(c) such other matters as, in the opinion of the Board, are proper to be considered at a general meeting.

91. The Board shall, within twelve months from the coming into force of this Scheme and subsequently within four months after the close of any period for which the auditor has reported on the accounts of the Board in accordance with paragraph 87 of this Scheme, call a general meeting (hereafter referred to as the "annual general meeting").

92. The Board shall submit to the annual general meeting—

(a) all such matters as are required to be submitted to an annual general meeting by any of the provisions of this Scheme;

(b) the balance sheet and profit and loss account, or, as the case may be, income and expenditure account of the Board, together with a report by the Board as to the working of the Scheme in the period covered by the account;

(c) such other matters as, in the opinion of the Board, are proper to be considered at such meeting.

93. The Board shall, in the case of an annual general meeting, at least thirty days or, in the case of any other general meeting, at least fifteen days before the day fixed for the holding of the meeting, send to every Area Committee a written notice stating—

- (a) the time and place appointed for the holding of the meeting; and
- (b) the business to be transacted.

94. No business shall be transacted at any general meeting other than the business of which notice has been given.

95. The Chairman of a general meeting shall be appointed by the Board: Provided that, if the person appointed by the Board to be Chairman is not present within fifteen minutes of the time appointed for the meeting, the meeting shall choose a Chairman.

96. Every question put before a general meeting shall be decided on a show of hands unless, either before or immediately after the show of hands, a formal vote is demanded by the representatives of not less than five Area Committees, in which case a formal vote shall forthwith be taken.

97. On the taking of a formal vote, the representatives of each Area Committee shall be entitled to give one vote and such vote shall be treated as being equivalent in number to the number of poultry over the age of two months in the possession of registered producers in the Area.

98. At any general meeting the declaration of the Chairman as to the result of any vote or show of hands shall be final; and in the event of an equality of votes, the Chairman shall, in addition to his other vote or votes (if any), have a casting vote.

PART VIII.—GENERAL PROVISIONS AS TO MARKETING AND PRINCIPAL POWERS OF THE BOARD.

99. The provisions of this Part of this Scheme, other than those of paragraph 102 hereof, shall come into force at the expiration of the period of two months commencing on the date on which the result of the initial poll is declared to be favourable to the continuance in force of this Scheme.

Exemptions.

100.—(1) The Board shall have power to exempt from all or any of the provisions of this Scheme such registered producers and such sales of eggs or poultry as they may determine.

(2) Any exemption granted by the Board under the power conferred by the last foregoing sub-paragraph shall enure for such period and be subject to such conditions as the Board may determine on the grant thereof.

101. Subject to the provisions of the Act of 1931 with respect to the effect of schemes on contracts and to the provisions of this Scheme, a producer of eggs or poultry who is not either a registered producer or a person exempted from registration shall not sell any eggs or poultry.

General Powers of the Board.

102. The Board—

(a) shall have an office in England at which communications and notices will at all times be received and shall notify the Minister of the address of that office and of any change in that address;

(b) may have such local offices as they think fit;

(c) may employ such officers, agents and servants and may allot to them such duties respectively as the Board think fit;

(d) may enter into such agreements, acquire such property and do such things as may, in their opinion, be necessary or desirable for the purpose of exercising or performing any of their powers or duties under this Scheme and may sell or otherwise dispose of any property acquired by them which they do not need for such purpose.

103.—(1) The Board shall, as soon as may be, cause to be compiled a record showing, in the case of each registered producer, the number of poultry over the age of two months in his possession and shall from time to time revise such record.

(2) Any entry in the record purporting to show the number of poultry over the age of two months in the possession of any registered producer shall, for all the purposes of this Scheme other than the purposes of Part V hereof, be deemed, in the absence of proof to the contrary, to be correct.

104. The Board shall have power—

- (a) to buy eggs and poultry;
- (b) to produce from eggs and poultry any of the commodities specified in the Fifth Schedule to this Scheme;
- (c) to sell, grade, pack, store, adapt for sale, insure, advertise and transport eggs and poultry and any commodity produced by the Board from eggs and poultry;
- (d) to buy and to sell or let for hire to registered producers anything required for the production, adaptation for sale, or sale of eggs or poultry;
- (e) to co-operate with any other person in doing anything which the Board have power to do by virtue of the foregoing provisions of this paragraph.

105. The Board shall have power—

- (a) to buy eggs or poultry from the board administering any other scheme under the Act of 1931 or under corresponding legislation enacted by the Parliament of Northern Ireland regulating the marketing of eggs or poultry;
- (b) to produce from anything bought under the last foregoing provision any commodity which the Board are authorised to produce from eggs or poultry;
- (c) to sell, grade, pack, store, adapt for sale, insure, advertise or transport any eggs or poultry bought from any such board or any commodity produced therefrom by the Board;
- (d) to exercise as agents for any such board any power of that board to sell, grade, pack, store, adapt for sale, insure, advertise or transport eggs or poultry.

106. The Board shall have power—

- (a) to lend to any registered producer, subject to such security or charge as the Board may determine, sums not exceeding one-half of the amount which they estimate he will receive during a period of one year from the date of the loan from the sale of eggs or poultry produced or in course of production by him;
- (b) to guarantee payment of any sums secured by an agricultural charge created by a registered producer under Part II of the Agricultural Credits Act, 1928.

107. The Board shall have power to encourage, promote or conduct co-operation among producers of eggs or poultry and research and education in connection with the production and marketing of eggs and poultry and the commodities specified in the Fifth Schedule to this Scheme.

108. The Board shall have power to regulate sales of eggs and poultry by any registered producer by determining, for such period as may be fixed by the Board on the occasion of each determination, all or any of the following matters, that is to say, the descriptions or grades under which eggs and poultry may be sold, the prices below which eggs or poultry or any description or grade or quantity of eggs or poultry may not be sold, and the persons to or through the agency of whom and the terms on which eggs or poultry or any description or grade or quantity of eggs or poultry may be sold.

Information and Inspection.

109.—(1) The Board may, whenever they consider it necessary for the operation of this Scheme so to do, serve on any registered producer a demand in writing requiring him to furnish to them within such period as may be specified in the demand such estimates, returns and other information relating to eggs or poultry as may be specified in the demand, and if without reasonable excuse he fails to comply with the demand within the time so specified or if he knowingly makes any false statement in reply thereto, then, subject to the provisions of this Part of this Scheme, the Board shall by resolution impose upon and recover from him such monetary penalty, not exceeding £20, as they think just.

(2) Without prejudice to the generality of the power conferred by the foregoing sub-paragraph, the Board shall from time to time require every registered producer to make a return of the number of poultry over the age of two months in his possession at a date to be specified by the Board.

110. Any person authorised in writing by the Board may, for the purpose of securing compliance with this Scheme, enter and inspect, at any reasonable time and on production of his authority, any part of the land or premises occupied by a registered producer (being a producer specified in the authority) which the person so authorised has reason to believe is used for producing eggs or poultry; and the registered producer shall afford reasonable facilities for such entry and inspection.

Contributions.

111. The Board shall have power to require the payment by registered producers of contributions to the Fund of such amounts in respect of the eggs and poultry sold by them as the Board may from time to time determine.

Compensation.

112. Any registered producer who satisfies the Board or establishes by arbitration in accordance with Part XII of this Scheme that he has suffered damage by reason of the Board treating him, without due cause, less favourably than it is their practice to treat other registered producers in like circumstances shall be entitled to receive from the Board such sums by way of compensation as may be necessary to make good the damage.

Distribution of surplus funds.

113. If at any time there are any moneys standing to the credit of the Fund which, in the opinion of the Board, are not required for the operation of the Scheme, the Board shall frame a proposal for the distribution thereof among the registered producers and shall submit the proposal to the next annual general meeting; and if the annual general meeting resolves that the proposal be approved, the moneys shall be distributed in the manner specified therein.

Penalties.

114. If any registered producer sells any eggs or poultry in contravention of any determination by the Board under this Scheme, then, subject to the

provisions of the Act of 1931 with respect to the effect of schemes on contracts and to the provisions of this Part of this Scheme, the Board shall impose upon and recover from him such monetary penalty, not exceeding £100, as they think just.

115. The following provisions shall have effect with respect to the imposition of penalties by the Board on registered producers under the foregoing provisions of this Part of this Scheme and with respect to the recovery of such penalties—

(a) No penalty shall be so imposed in respect of any act or omission which constitutes an offence under any Act other than the Act of 1931 nor until the registered producer has had a reasonable opportunity of being heard by the Board;

(b) Every penalty so imposed may, subject as hereinafter provided, be recovered as a debt due to the Board;

(c) Immediately on the passing of any resolution by the Board imposing a penalty, notice of the resolution shall be sent to the registered producer in question and he may, within fourteen days from the day on which the notice was sent to him, give notice to the Board referring the matter to arbitration under the provisions of Part XII of this Scheme; and if the matter is so referred, no proceeding shall be taken by the Board otherwise than under or for the purposes of the arbitration or otherwise than for the purpose of enforcing the award of the arbitrator, and the arbitrator may award payment of such penalty, if any (not exceeding the maximum penalty which could have been imposed by the Board), as he thinks just.

PART IX.—PROVISIONS AS TO MARKETING SPECIALLY AFFECTING EGGS.

116. The provisions of this Part of this Scheme shall come into force at the expiration of the period of two months commencing on the date on which the result of the initial poll is declared to be favourable to the continuance in force of this Scheme.

Exemptions.

117. There shall be exempt from the operation of such of the provisions of Part VIII and this Part of this Scheme as prohibit or impose restrictions on, or enable the Board to prohibit or impose restrictions on, sales of eggs—

(a) sales of eggs by a registered producer to a person employed by him for consumption by the household of that person;

(b) sales of eggs for hatching purposes;

(c) sales of eggs by retail by a registered producer holding a retail licence granted by the Board under the provisions hereafter contained in this Scheme:

Provided that the exemption of sales of eggs for hatching shall be subject to such conditions as the Board may from time to time determine.

Regulation of Marketing.

118.—(1) Without prejudice to the generality of the powers conferred on the Board by paragraph 108 of this Scheme, the Board shall have power to determine all or any of the following matters, that is to say—

(a) that no registered producer producing eggs in any area in respect of which there is for the time being a Packing Station holding a licence granted by the Board under the provisions hereafter contained in this Scheme authorising such Packing Station (hereafter in this Scheme

referred to as "a Licensed Packing Station") to buy eggs from registered producers in that area shall sell any eggs to any person other than such Licensed Packing Station;

(b) that no registered producer producing eggs in any Area in respect of which there is not for the time being a Licensed Packing Station shall sell any eggs to any person other than the Board;

(c) that the sale of eggs by a registered producer to a Licensed Packing Station shall be subject to all or any of the terms following, that is to say—

(i) that the Licensed Packing Station shall test, grade, mark and pack such eggs, and mark the packages or cases in which such eggs are packed, in such manner as the Board may from time to time prescribe;

(ii) that the Licensed Packing Station shall not sell such eggs otherwise than upon such terms (including terms as to discounts or rebates) as the Board may from time to time prescribe;

(iii) that the Licensed Packing Station shall not, without the approval of the Board, sell such eggs otherwise than for delivery thereof within the Area of the Licensed Packing Station;

(iv) that the Licensed Packing Station shall, if so required by the Board, offer to sell so many of such eggs as are unsold at the time when it is so required to such person, being a person carrying on business outside the Area of the Licensed Packing Station, as the Board may direct;

(v) that the Licensed Packing Station shall not sell such eggs at a price below such price (if any) as may from time to time be determined by the Board under the provisions hereafter contained in this Scheme as being the price below which such eggs shall not be sold by any Licensed Packing Station;

(vi) that the Licensed Packing Station shall pay the purchase price of such eggs within such period after the delivery thereof by the registered producer as the Board may prescribe;

(vii) that (subject to the right of the Licensed Packing Station to set off against the purchase price any sum due from the registered producer at the time when such purchase price becomes payable to such producer) the Licensed Packing Station shall, if required by a notice in writing by the Board, pay to the Board on behalf of such producer so much of such purchase price as is required to satisfy any debt due from such producer to the Board at the time when such purchase price becomes payable to such producer;

(viii) that the Licensed Packing Station shall furnish to the Board such estimates, returns, accounts and other information relating to eggs purchased and sold by the Licensed Packing Station as the Board may by a notice in writing require;

(ix) that the Licensed Packing Station shall keep its books and accounts in such form as may be prescribed by the Board;

(x) that the Licensed Packing Station shall permit any person authorised in writing by the Board to enter and inspect, at any reasonable time and on production of his authority, any premises of the Licensed Packing Station and shall afford all reasonable facilities for such entry and inspection;

(xi) that if at any time after the making of the contract of sale and before the completion of the performance thereof the Licensed Packing Station ceases to hold a Packing Station Licence, such contract or agreement shall, in so far as it remains to be performed by the registered producer, be void and unenforceable;

(xii) that if any question or difference whatsoever shall arise between the registered producer and the Licensed Packing Station, the matter in difference shall be referred to the arbitration of a

Packing Station Licences.

120.—(1) The Board shall, for the purpose of giving effect to any determination in relation to eggs made under the powers conferred by sub-paragraph (1) of paragraph 118 of this Scheme, have power to grant to a Packing Station a licence (hereafter referred to as "a Packing Station Licence") authorising such Packing Station to buy eggs from any registered producer in the Area to be specified in its licence:

Provided that the Board shall not grant a Packing Station Licence to any Packing Station unless such Packing Station is, in the opinion of the Board, capable of marketing all the eggs produced in the Area to be specified in its licence with reasonable efficiency and economy.

(2) The Board shall not grant a Packing Station Licence to more than one Packing Station in respect of any one Area.

(3) The Board shall have power to make the grant of a Packing Station Licence subject to such conditions as, having regard to the interests of registered producers, they think necessary for promoting the efficient and economical marketing of eggs.

(4) Without prejudice to the generality of the power conferred by the last foregoing sub-paragraph, every Packing Station Licence shall—

(a) state the period of its validity;

(b) state the amount of the service charge to be made by the Licensed Packing Station holding the same;

(c) contain the conditions following—

(i) that the Licensed Packing Station shall buy all eggs offered to it for sale by any registered producer in the Area specified in its licence;

(ii) that the Licensed Packing Station shall not, without the previous consent in writing of the Board, buy any eggs from any person other than a registered producer producing eggs in the Area specified in its licence;

(iii) that every purchase of eggs made by the Licensed Packing Station from a registered producer shall be subject to all such terms, whether as to the price or otherwise, as may from time to time be determined by the Board to be the terms upon which eggs may be sold by a registered producer to a Licensed Packing Station;

(iv) that subject to the provisions of paragraph 121 of this Scheme, it may be revoked by the Board upon breach by the Licensed Packing Station of any of its conditions, and that, in the event of such revocation of licence, the Board shall have power to copy such entries in the books or accounts of the Packing Station as they may require.

121. The following provisions shall have effect with regard to the revocation of a Packing Station Licence, that is to say—

(a) The Board shall send to the Licensed Packing Station notice in writing of their intention to revoke the licence as from the expiration of _____ months from the date of such notice;

(b) The notice shall give particulars of the breach or breaches of the conditions by reason whereof the Board intend to revoke the Licence;

(c) The Licensed Packing Station may, within _____ days from the day on which such notice was sent, give notice to the Board requiring the question whether the Licensed Packing Station has committed the breach or breaches of the conditions of the licence specified in the notice to be referred to arbitration, and if such question be so referred the Board shall not, pending the award on the reference, revoke the licence;

(d) The reference shall be to a single arbitrator to be agreed upon between the Board and the Licensed Packing Station or, in default of agreement, to be nominated by the Minister on the application of either party;

(e) The Arbitration Acts, 1889 and 1934, shall apply to the reference.

Board Packing Stations.

122.—(1) Without prejudice to the generality of any power conferred by any other provision of this Part of this Scheme, the Board shall, before any determination in relation to eggs made by the Board under any of the powers conferred by paragraph 118 of this Scheme takes effect, establish a Packing Station (hereafter referred to as a "Board Packing Station") in every Area in which there is no Packing Station capable, in the opinion of the Board, of marketing all the eggs produced in that Area with reasonable efficiency and economy or in which no Packing Station which is so capable is desirous of applying for a Packing Station Licence.

(2) Every determination by the Board under the powers conferred by sub-paragraphs (1), (c) (i), (ii), (v) and (vi), (d) (i) and (ii) of paragraph 118 of this Scheme shall apply to every Board Packing Station as if such Station were a Licensed Packing Station.

Producer-retailer licences.

123.—(1) Where and so long as any determination in relation to eggs made by the Board under the powers conferred by sub-paragraphs (1) (a) and (b) of paragraph 118 is in force, the Board may grant to any registered producer making application for such a licence a retail licence empowering such producer to sell eggs produced by him by retail.

(2) Every retail licence—

(a) shall state the period of its validity;

(b) may contain such conditions as the Board may think fit—

(i) as to the price below which eggs may not be sold thereunder;

(ii) as to the furnishing by the holder thereof to the Board of such information as to the sales of eggs thereunder as the Board may from time to time require;

(iii) as to the time at which and the manner in which the holder shall pay to the Board such contributions to the Fund in respect of eggs sold thereunder as the Board may require under the powers contained in this Scheme;

(c) may be revoked by the Board upon breach of any of its conditions.

(3) If any registered producer sells any eggs by retail in contravention of the conditions of his retail licence, the Board shall (in addition to or instead of revoking his retail licence) impose upon and recover from him such monetary penalty, not exceeding £100, as they think fit.

PART X.—PROVISIONS AS TO MARKETING SPECIALLY AFFECTING POULTRY.

124. The provisions of this Part of this Scheme shall come into force at the expiration of the period of two months commencing on the date on which the result of the initial poll is declared to be favourable to the continuance in force of this Scheme.

125. There shall be exempt from the operation of such of the provisions of Part VIII and this Part of this Scheme as prohibit or impose restrictions on, or empower the Board to prohibit or impose restrictions on, sales of poultry—

- (a) sales of poultry under the age of two months;
- (b) sales of live poultry to registered producers;
- (c) sales of poultry by a registered producer to a person employed by him for consumption by the household of that person.

126. Subject to the provisions of this Part of this Scheme, the provisions of paragraphs 118 to 123 inclusive shall apply to poultry with the following modifications—

- (i) for any reference to eggs there shall be substituted a reference to poultry;
- (ii) for any reference to a Packing Station there shall be substituted a reference to a Service Station;
- (iii) for any reference to a Licensed Packing Station there shall be substituted a reference to a Licensed Service Station;
- (iv) for any reference to a Board Packing Station there shall be substituted a reference to a Board Service Station;
- (v) for any reference to the national price there shall be substituted a reference to the prescribed price;
- (vi) the expression "Area" shall mean an area comprising such one or more of the Areas constituted under Part IV of this Scheme as the Board may, for the purposes of any determination under this Part of this Scheme, determine;
- (vii) sub-paragraph (c) of paragraph 119 shall be read as if the words "expressed in terms of pence per dozen" were omitted;
- (viii) the following sub-paragraph shall be substituted for sub-paragraph (1) of paragraph 122:—

"(1) Without prejudice to the generality of any power conferred by any other provision of this Scheme, the Board shall have power to establish a Service Station (hereafter referred to as "a Board Service Station") in any Area in which there is no Service Station capable, in the opinion of the Board, of marketing all the poultry produced in that Area with reasonable efficiency and economy or in which no Service Station which is so capable is desirous of applying for a Service Station Licence".

127. For the purposes of this Scheme a person shall be deemed to sell poultry if he sells the carcasses of any poultry.

PART XI.—AMENDMENT OR REVOCATION OF SCHEME AND WINDING-UP OF BOARD.

128. Before submitting to the Minister a substitutional Scheme or an amendment of this Scheme, the Board shall publish the proposed Scheme or amendment by sending notice thereof to every registered producer.

129. A poll on the question whether a substitutional Scheme or on the question whether an amendment of this Scheme shall be submitted to the Minister or on the question whether this Scheme shall be revoked may be demanded in writing by any registered producers amounting in number to not less than five per cent. of the total numbers of producers registered at the date of the publication of the substitutional Scheme or amendment or, in the case of a demand for a poll on the question whether this Scheme shall be revoked, at the date of such demand.

130. Any demand for a poll on the question whether a substitutional Scheme or on the question whether an amendment of this Scheme shall be submitted to the Minister must be made within six weeks from the publication of the substitutional Scheme or the amendment as the case may be.

131. No poll on the question whether this Scheme shall be revoked shall without the consent of the Board, be taken within two years of the declaration of the result of any previous poll on that question.

132. Part X of the Companies Act, 1929, (which relates to the winding-up of unregistered companies) shall apply in relation to the Board, subject to the modifications set out in paragraphs 4 to 8 inclusive of the Second Schedule to the Act of 1931 and to the provisions of the next succeeding paragraph of this Scheme.

133. Contributions under paragraphs 7 and 8 of the Second Schedule to the Act of 1931 shall be assessed in relation to each producer proportionately to the total number of poultry over the age of two months in his possession as shown in the Board's record at the date of the Winding-up Order and shall not exceed two pence for each head of such poultry.

PART XII.—MISCELLANEOUS.

134.—(1) Any producer who is aggrieved by any act or omission of the Board may refer the matter to the arbitration of a single arbitrator to be agreed upon between him and the Board or, in default of agreement to be nominated by the Minister on the application of either party, and the arbitrator may make such order in the matter as he thinks just.

(2) Every arbitration pursuant to this paragraph shall be subject to the provisions of the Arbitration Act, 1889, and the Arbitration Act, 1934.

135. Any requirement of this Scheme that a document shall be sent to or served on a person by the Board shall be deemed to have been complied with if, within the period (if any) limited for the sending or service of the document, the document is despatched to that person by post, properly addressed and with the postage prepaid.

136. Where by reason of a registered producer dying or becoming subject to some legal disability or entering into a composition or scheme of arrangement with his creditors, any property in or control of any poultry or egg is transferred from the registered producer to a personal representative trustee, committee or other person, the personal representative, trustee committee or other person, as the case may be, shall, for all the purposes of this Scheme, be deemed to be a producer.

137. For the purposes of this Scheme poultry shall, unless the contrary is proved, be deemed to be in the possession of the person in occupation of the land or premises upon or in which such poultry are kept.

138. Every determination or direction of the Board made or given under Parts VIII, IX and X of this Scheme shall be communicated as soon as may be to every Area committee.

139.—(1) Where the day or the last day on which anything is required or permitted by or in pursuance of this Scheme to be done is a Sunday, Christmas Day, Good Friday, bank holiday or a day appointed for public thanksgiving or mourning, the requirement or permission shall be deemed to relate to the first day thereafter which is not one of the days before mentioned.

(2) Where under the foregoing provisions of this paragraph an election is postponed, the day on which the election is held shall be treated as the day of election for all purposes of this Scheme relating to that election.

FIRST SCHEDULE.

Producers' Representatives on the Board as first constituted.

SECOND SCHEDULE.

Provisions with respect to the election of members of the Board by Area committees.

PART I.

1. The Returning Officer shall be such member of the firm of accountants auditing the accounts of the Board or other independent person as the Board may nominate.

2. The Board shall, from the record compiled in accordance with paragraph 103 of this Scheme, prepare and furnish to the Returning Officer a table showing, in the case of each Area, the total number of poultry over the age of two months in the possession of the registered producers in that Area.

3. The Returning Officer shall publish a notice of election in such manner as he thinks best adapted for informing registered producers generally of the election and of the number of persons to be elected and shall send a copy thereof to the Secretary of every Area committee by registered post.

4. A notice of election shall be in such form as the Board may from time to time prescribe.

5. Every candidate for election must be nominated by an Area committee or by not less than fifty registered producers or by the Board:

Provided that the Board shall not nominate more than one candidate at any election.

6.—(1) The Returning Officer shall provide nomination papers, and any registered producer shall be entitled to obtain the same from him or from the Board free of charge.

(2) The nomination of each candidate must be made on a separate nomination paper in a form to be determined by the Board and shall—

(a) state the name, place of residence and description of the candidate; and

(b) in the case of a candidate nominated by an Area committee, be accompanied by a copy of the resolution of such committee nominating such candidate certified by the Chairman and Secretary thereof; or

(c) in the case of a candidate nominated by fifty registered producers, be accompanied by a paper or papers containing the signatures, places of residence and descriptions of such producers; or

(d) in the case of a candidate nominated by the Board, be accompanied by a copy of the resolution of the Board nominating such candidate.

7. A person shall not be validly nominated unless his consent, given in writing within one month before the last day for the delivery of nomination papers, is sent to the Returning Officer within the time appointed for the delivery of nomination papers.

8. Every completed nomination paper shall be delivered to the Returning Officer.

9.—(1) As soon as may be after the time for the delivery of nomination papers has expired, the Returning Officer shall examine the nomination papers and decide whether the candidates have been validly nominated.

(2) The decision of the Returning Officer that a candidate has been or has not been validly nominated shall be final and shall not be questioned in any proceedings whatsoever.

(3) The Returning Officer shall send notice of his decision to each candidate at his place of residence as stated in his nomination paper.

10. The Returning Officer shall prepare a statement containing the full names of all persons validly nominated and their places of residence and descriptions and shall publish such statement in such manner as he thinks best adapted for informing registered producers generally and shall send a copy thereof to the Secretary of every Area committee by registered post.

11.—(1) If the number of persons validly nominated exceeds the number of vacancies, the election shall be held in accordance with the provisions of this Schedule from among those persons.

(2) If the number of persons validly nominated is the same as the number of vacancies, those persons shall be deemed to be elected.

(3) If the number of persons validly nominated is less than the number of vacancies, those persons shall be deemed to be elected, and such of the retiring members as may be determined by the drawing of lots conducted under the direction of the Returning Officer shall be deemed to be elected to make up the required number.

12.—(1) In the case of an election being held, the Returning Officer shall send a voting paper to each Area committee.

(2) Voting papers shall be in such form as may be determined by the Board:

Provided that the form shall provide for the insertion on the face thereof of the total number of poultry over the age of two months in the possession of the registered producers in any Area.

13. The Returning Officer shall, before sending a voting paper to an Area committee, insert thereon the total number of poultry over the age of two months in the possession of the registered producers in that Area as shown in the case of that Area in the table referred to in paragraph 2 of this Part of this Schedule.

14. Every Area committee shall hold a special meeting for the purpose of deciding to what person or persons among the validly nominated persons they shall give their votes.

15. An Area committee may give one vote and no more to each candidate:

Provided that the total number of votes which they may give shall not exceed the number of members to be elected.

16. The Secretary of each Area committee shall send to the Returning Officer by registered post the voting paper with the votes of the Area committee recorded thereon, together with a copy of the resolution or resolutions of such committee as to the giving of such votes certified by the Chairman and Secretary thereof.

17. Any question as to the validity of any voting paper shall be decided by the Returning Officer, and his decision thereon shall be final and shall not be questioned in any legal proceedings whatsoever.

18.—(1) The Returning Officer shall keep all the voting papers sent to him until the expiration of the time appointed for their return to him and shall immediately thereafter ascertain, in accordance with sub-paragraph (2) of this paragraph, the value of the votes given to each candidate, and the candidates who have obtained the greatest in value of the votes given shall be deemed to be elected.

(2) For the purpose of ascertaining the value of the votes given, the Returning Officer shall treat each vote given by an Area committee as being equivalent in number to the number inserted on the voting paper as being the number of poultry over the age of two months in the possession of registered producers in that Area.

19. Where an equality in value of votes is found to exist between any two or more candidates and the addition of a vote would entitle any one or more of such candidates to be elected, the Returning Officer shall, in the presence of two witnesses, determine by lot which of such candidates shall be elected..

20.—(1) The Returning Officer shall forthwith draw up a certificate in a form to be determined by the Board showing—

(a) the names of the candidates elected as having received the greatest in value of votes;

(b) the names of any candidates elected by the drawing of lots in accordance with the provisions of the foregoing paragraph; and

(c) the total value of the votes given for each candidate, whether elected or not;

and shall send such certificate to the Board.

(2) The Board shall forthwith publish the Returning Officer's certificate in such manner as they think best for informing registered producers generally of the result of the election and shall send a copy thereof to the Secretary of every Area committee.

21. The provisions of Part II of this Schedule shall have effect with regard to the times at or within which the proceedings required by this Part of this Schedule shall be done.

PART II.

<i>Proceeding.</i>	<i>Time.</i>
Nomination of Returning Officer ...	The fifty-sixth day before the day of election.
Publication of notice of election ...	The forty-second day before the day of election.
Delivery of nomination papers ...	The twenty-eighth day before the day of election.
Publication of notice of nominations and decisions thereon and despatch of copies of such notice.	The fourteenth day before the day of election.
Despatch of voting papers ...	The fourteenth day before the day of election.
Return of voting papers ...	The day before the day of election.

THIRD SCHEDULE.

PART I.

Matters in connection with which the Executive Committee shall not exercise any of the powers of the Board.

1. All matters contained in Part III of the Scheme except those relating to Advisory Committees.
2. All matters contained in Part IV of the Scheme.
3. All matters contained in Part VII of the Scheme.

4. All matters contained in Part VIII of the Scheme except those contained in paragraphs one hundred, one hundred and two, one hundred and seven, one hundred and ten and one hundred and twelve.

5. All matters contained in Parts IX and X of the Scheme except matters relating to exemptions.

6. Matters relating to the revocation of the Scheme.

7. The nomination of a candidate for election to the Board.

PART II.

Matters in connection with which decisions of the Executive Committee require the Confirmation of the Board.

1. The exemption of producers or of sales of any class or description.

2. The constitution of Advisory Committees and the payment of the expenses of members thereof.

3. All matters contained in Part IV of the Scheme except those relating to the fixing of the dates of elections of Area committees and the payment of the expenses of members of Regional Advisory Councils and Area committees.

4. The matters contained in paragraph one hundred and two of the Scheme except as regards the employment of officers, agents or servants at salaries less than, or on salary scales not rising above, £750 per annum.

5. The matters contained in paragraph one hundred and seven relating to the encouragement of co-operation, research and education.

6. The matters contained in paragraph one hundred and twelve relating to claims by producers for compensation.

FOURTH SCHEDULE.

Provisions with respect to the Election of Members of an Area Committee.

PART I.

1. The Board shall in the case of each Area—

(a) nominate a person, not being a registered producer, to act as Returning Officer for the purposes of the election; and

(b) prepare from the record compiled in accordance with paragraph 103 of this Scheme and furnish to the Returning Officer a list (hereafter in this Part of this Schedule referred to as "the list of voters") showing the names of all persons entitled to vote at the election and the number of poultry over the age of two months in the possession of each such person.

2.—(1) The Returning Officer shall forthwith publish a notice of the receipt by him of the list of voters.

(2) The notice shall state the place where and the times at which the list of voters may be inspected.

3.—(1) The Returning Officer shall publish a notice of election.

(2) The notice shall contain particulars of—

(a) the place where and the times at which nomination papers may be obtained;

(b) the date before which nomination papers are to be delivered; and

(c) the day of election.

4. Every candidate for election must be nominated by not less than ten registered producers carrying on business in the Area.

- (1) The Returning Officer shall provide nomination papers, and any person in the list of voters shall be entitled to obtain the same from him from the Board free of charge.
- 2) The nomination of each candidate must be made on a separate nomination paper in a form to be determined by the Board and shall:—
- (a) state the name and place of residence and description of the candidate; and
 - (b) be signed by, and contain the addresses of, the registered producers nominating the candidate.
3. A person shall not be validly nominated unless his consent, given in writing within one month before the last day for the delivery of nomination papers, is sent to the Returning Officer within the time appointed for the delivery of nomination papers.
7. Every completed nomination paper shall be delivered to the Returning Officer.
- 8.—(1) As soon as may be after the time for the delivery of nomination papers has expired, the Returning Officer shall examine the nomination papers and decide whether the candidates have been validly nominated.
- (2) The decision of the Returning Officer that a candidate has been or has not been validly nominated shall be final and shall not be questioned in any proceedings whatsoever.
- (3) The Returning Officer shall send notice of his decision to each candidate at his place of residence as stated on his nomination paper.
- 9.—(1) If the number of persons validly nominated exceeds seven, the election shall be held in accordance with the provisions of this Schedule from among those persons.
- (2) If the number of persons validly nominated is seven or less than seven, those persons shall be deemed to be elected.
10. The Returning Officer shall as soon as may be after examining the nomination papers—
- (a) publish a notice in a form to be determined by the Board showing—
 - (i) the full names of all persons validly nominated and their places of residence and descriptions;
 - (ii) in the case of the persons validly nominated not exceeding seven in number, that those persons have been deemed to have been elected and that no election will be held; and
 - (iii) in the case of the persons validly nominated exceeding seven in number, that an election will be held by postal ballot and the day of election;
 - and
 - (b) send a copy of such notice to the Board and to each person nominated.
- 11.—(1) In the case of an election being held, the Returning Officer shall send a voting paper to each person included in the list of voters.
- (2) The voting paper shall be in such form as may be determined by the board:
- Provided that the form shall provide for the insertion on the face thereof of the number of poultry over the age of two months in the possession of the voter.
12. The Returning Officer shall, before sending a voting paper to any person, insert thereon the number of poultry over the age of two months in the possession of that person as shown in the list of voters.

13. A person entitled to vote—

(a) may give one vote and no more to each candidate:

Provided that the total number of votes which he may give shall not exceed the number of members to be elected;

(b) shall vote on the voting paper sent to him by the Returning Officer and sign the same and add his address.

14. If any person entitled to vote has not received a voting paper, he shall be entitled, on making personal application to the Returning Officer before the day appointed for the return of voting papers, to receive and fill in a voting paper.

15. The voter shall send the voting paper by post to the Returning Officer on or before the day before the day of election.

16.—(1) If a voting paper is unsigned or the address of the voter is not given or if the voter has voted for more candidates than there are members to be elected, the voting paper shall not be taken into account.

(2) Subject as aforesaid, the votes of a person entitled to vote shall not be rejected by reason of any defect in the manner in which he has filled up his voting paper.

(3) Where it does not clearly appear from a voting paper whether or not the voter intended to vote in favour of any particular candidate, he shall be taken not to have voted in favour of that candidate.

17. Any question as to the validity of any voting paper shall be decided by the Returning Officer, and his decision thereon shall be final and shall not be questioned in any legal proceeding whatsoever.

18. The Returning Officer shall keep all the voting papers returned to him until the expiration of the time appointed for the return thereof and shall, on the day of election, ascertain, in accordance with the next following paragraph, the value of the votes given to each candidate, and the candidates who have obtained the greatest in value of the votes given shall be deemed to be elected.

19.—(1) For the purpose of ascertaining the value of the votes given to each candidate, the Returning Officer shall allot to any candidate for whom a voter has voted the standard number of votes of that voter.

(2) In this paragraph "the standard number of votes" means, in relation to any voter, one vote for every 500 head of poultry or part thereof over the age of two months in his possession as shown in the list of voters.

20. When an equality in value of votes is found to exist between any two or more candidates and the addition of a vote would entitle any one or more of such candidates to be elected, the Returning Officer shall, in the presence of two witnesses, determine by lot which of such candidates shall be elected.

21. The Returning Officer shall immediately after ascertaining the candidates elected—

(a) draw up and send to the Board a certificate in a form to be determined by the Board showing—

(i) the names of the candidates elected as having received the greatest in value of votes;

(ii) the names of any candidates elected by the drawing of lots in accordance with the provisions of the foregoing paragraph; and

(iii) the total value of the votes given to each candidate, whether elected or not; and

(b) publish a copy of such certificate; and

(c) send a copy of such certificate to each candidate.

22. The Returning Officer shall publish any notice, certificate or declaration required by this Part of this Schedule to be published by inserting the same in one or more newspapers circulating in the Area.

23. The provisions of Part II of this Schedule shall have effect with respect to the times at or within which the proceedings required by this Part of this Schedule shall be done.

PART II.

<i>Proceeding.</i>	<i>Time.</i>
Nomination of Returning Officer ...	The forty-ninth day before the day of election.
Publication of notice of election ...	The thirty-fifth day before the day of election.
Delivery of nomination papers ...	The twenty-first day before the day of election.
Publication of notice of nominations and decisions thereon and despatch of copies of such notice.	The fourteenth day before the day of election.
Despatch of voting papers ...	The fourteenth day before the day of election.
Return of voting papers	The day before the day of election.

FIFTH SCHEDULE.

Commodities which the Board may Produce.

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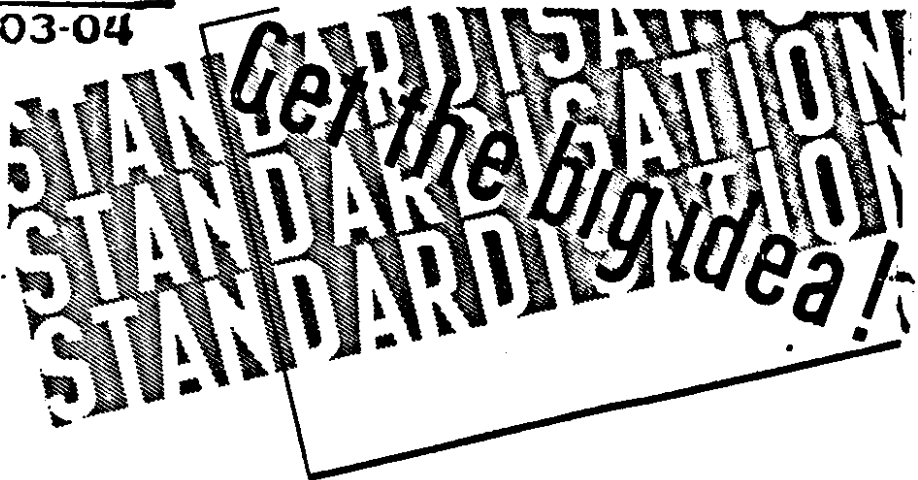
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