



22 March 2016

RE: Egg Organisation's Financial Situation

Dear Fellow Egg Producer,

SAPA has made strides in the journey towards resolving a number of issues which lead to declining support among egg producers for the organization – these having been communicated in a number of ways in recent months.

One of the proactive steps taken, and aimed at addressing the call for Egg producers to have their own “face” within the organizational structure, is the appointment of Dr Charlotte Nkuna to the position of Egg Liaison. Your committee considers this to be a positive move, her first task being to develop a plan for the egg industry aimed at growing member numbers and involvement at a cost that is considered reasonable by producers.

At the SAPA Egg Organisation Committee's scheduled meeting held on 10 March 2016 the financial status of the Egg Organisation was reviewed.

Simply put, the Egg Organisation's income is not sufficient to sustain the expenditure that the organisation has to carry albeit that the items being funded have been cut significantly.

We currently operate on the basis of voluntary membership with participants levied at the rate of 1 cent/ dozen sold – a level that had previously been considered acceptable to a number of role players in our industry.

Unfortunately very few members are voluntarily submitting their production and sales figures for invoicing and in the case of those who do submit their statistic, not all the invoices are settled by the members.

In resolving to direct this communication to you, the committee must mention that, should the situation not improve in the near term, SAPA will be left with no option but to dissolve the Egg Organisation.

Should the Egg Organisation be dissolved there are a number of services/ opportunities of strategic importance which will be lost to us as producers and which could have dire consequences for us, threatening our long term sustainability e.g.:

1. The industry information provided through the statistics service will be lost to us.
2. The ability to be able to debate issues of common concern in a safe, competition commission compliant forum will cease.
3. The ability to speak with one voice and claim representation when engaging government at all levels will no longer exist – I cannot over emphasise how important this aspect is.

4. We will no longer have the option of representation in Parliament through the Parliamentary Portfolio Committee on Agriculture.
5. Representation as an industry at the National Animal Health Forum will cease
6. Significantly, the ability to engage the welfare and standards bodies as a collective will no longer exist. This is of particular concern as the SABS in collaboration with the NSPCA are currently in the process of drafting layer welfare standards and industry's involvement is of paramount importance if new production standards are not to be developed without our collective involvement.

Other benefits that will cease include:

- The opportunity to participate in the transformation initiatives being negotiated with government, the IDC and other partners.
- The Galliova awards and the publicity associated with it for the egg producers.
- The ability to promote the goodness of eggs in a collective manner with various actions including those delivered by Madeleine de Villiers.
- International representation through the IEC.
- The involvement of the egg producers in the DAFF led Export Forum. The call to have industry consultants to handle export queries has finally been heeded by DAFF and the egg producers involvement and benefits will be lost if the egg organisation ceases to exist.
- PDMA and its role in disease control will suffer as well. We are in the process of engaging DAFF on the coordination of the *Salmonella gallinarum* control measures.
- The work of the Research Chair, particularly on research associated with important diseases such as Newcastle disease, Avian Influenza, Mycoplasma, Infectious bronchitis and *Salmonella gallinarum* will be dealt a severe blow.

In the unfortunate event that the dissolution of our representative body becomes a reality, the Egg Industry will suffer a tremendous loss which may seem insignificant at present, but its long term impact will be devastating.

While it is neither required nor expected that all the financial woes of the EO are resolved immediately, genuine progress needs to be demonstrated before the end of this year, if not earlier.

During previous interactions I held with producers around the country, it was clear that there existed a universal belief that a national representative body is needed and I therefore appeal to all producers to carefully consider this matter and support our collectively representative body.

I am willing to chat through the issues with those who may care to call me; alternatively, we will endeavor to ensure that Charlotte Nkuna makes contact with you. Conversely, please feel free to contact her (charlotte@sapoultry.co.za or 011 795 9920) directly with your feedback and general comments so that we can take the organization forward.

Yours in Agriculture



Robin Barnsley
Chairman: SAPA Egg Organisation