



CHAIRMAN'S CORNER – Dawson Bradford WAMMCO Chairman

It is with great pleasure that I can announce the Co-operative's result for 2003/04 was a **credible profit of \$1.8 million**. This was achieved in a year when each days newspaper headlines announced **record prices** paid to producers for lamb whilst the \$A recovered to over \$US0.80. The profit has been applied to reducing losses incurred in the first 12 months of the Co-operative's existence but it has raised the probability that at least part of future profits will be used to pay rebates to members (either in the form of cash and/or shares).

This prompted your Board to set the framework for **future rebates**. There are **two key elements**. First members must hold **participation units** covering the lambs they deliver (although additional lambs can be delivered they will not qualify for rebates). Members have been allocated participation units on the basis of 1 unit for each 8 shares held. Members who do not hold the required number of units may subscribe for additional shares and thus increase their number of participation units.

The other key determinate in qualifying for rebates are they will only be payable on lambs purchased on an **"over the hooks"** basis where the price paid is derived from WAMMCO's schedule of prices. The only exception will be in the case of heavyweight market indexed forward contracts where the member receives less than the scheduled price plus any rebate.

Since its acquisition in 1999, WAMMCO has **invested considerable funds** in upgrading our Katanning processing plant to increase its efficiency. It is now a plant members can be justly proud of and draws favourable comment and comparisons from all visitors, including customers and

overseas reviewers. Whilst our achievements have been significant we must consider this as a "work in progress" and **further expenditure will be required in future years** to ensure the plant remains one of the most efficient prime lamb "value adding" facilities. This is the only way we can ensure members receive the maximum value for their product.

Raising sufficient **capital** to fund further upgrades may include **approaching members** at some point in the future to assist. I certainly hope that if this occurs members will have sufficient faith in the future of their industry to get behind any proposal.

Rumours are difficult things to answer however one we are regularly hearing (probably spread by opponents of the co-operative) is that **selected producers** had preferential access to killing space when it was tight in May and this enabled them to make a "killing" by purchasing cheap livestock in the market and having it killed immediately at a profit. The fact is that the **only members** who had preferential killing space were those that had **taken up forward contracts** well in advance. These contracts were available to all producers on a "first come first served" basis. It is possible that contract holders purchased in the market to fulfil their obligation but this has to be considered a legitimate (although possibly risky) option.

Finally, I again point out to members the possibility of a **shortage of processing space** at the peak of the coming season. Members may guard against this by taking up a forward contract. Members currently have **exclusive access to available space** until 31 August 2004, when any remaining space will be available to all producers. I urge members to take advantage of this exclusive booking period now!

USA MARKET ON TARGET – Damien Giumelli

Marketing Manager Damien Giumelli visited the USA in June following a strong year of sales to the market. The USA now ranks as one of WAMMCO's largest markets for chilled and frozen lamb with further growth projected in the years ahead.

All customers have been pleased with the quality and consistency of lamb supplied by WAMMCO, which has contributed to higher volumes of chilled sales into key retail accounts. In particular, sales have been helped by an increase in availability of heavy-weight lambs with 43% of WAMMCO's kill above 22 kg for the 2003/2004 year.

Strongest demand continues to be for heavy-weight racks and shortloins, though we are working to develop additional leg and shoulder sales.

Standing in front of a consignment of chilled lamb received in from WAMMCO were Bill McMichael and Alastair Bayliss of the Australian Lamb Company in Los Angeles, USA.





NUTRITION FOR PRIME LAMBS – *Rob Davidson*

Many of you have taken up the heavy weight forward crossbred lamb contracts for 2004/ 2005. If the lambs meet the contract specifications then, they will be paid the higher of the guaranteed minimum price, WAMMCO's published schedule at the time of slaughter or the average market price based on the basket of livestock markets (Ballarat, SA Livestock Exchange, Wagga, Midland and Katanning). For example, 24kg carcasses, fat score 2, 3 or 4 delivered in November will return a minimum price of \$72/head.

But do we have a nutritional plan to ensure all lambs meet market specifications?

Backgrounding – is the process of growing lambs slowly and cheaply using farm resources. Be it weaning the lambs into spray topped pasture, perennial pastures, silage regrowth, standing fodder crop, crop stubbles, hay or simply annual pasture, it is important for the lambs not to receive a nutritional set back. Four vital management decisions when backgrounding lambs. Lambs must be fully vaccinated, taught to recognise and eat grain supplements before weaning, ensure the paddock chosen to background lambs in is free of grass seeds and monitor the growth (weighing and condition scoring 50 on a monthly basis) to ensure lambs are constantly meeting growth targets.

Finishing – The intense finishing of prime lambs is more common these days with the lambs being totally reliant on the producer supplying its diet whilst being in a smaller area to minimise energy being wasted walking to water and feed.

How much feed will they eat? To estimate feed consumption you need to estimate the food conversion ratio (FCR). FCR is the amount of food the lamb consumes to gain 1 kilogram of live weight. Crossbred lambs will average 5.5 – 8:1 and Merino lambs 6-8.5:1. If the average FCR is 7:1 and you wish to grow them from 46kg to 54kg, then each lamb will require approximately 56kg of feed.

So what do we feed them? Finishing lambs will require a diet consisting of 14 – 16% crude protein and 10.5 – 12 MJ ME/kg DM and will consume up to 4.5%/day of their body

weight. Most rations will contain roughage – essential for the efficient functioning of the digestive system (10–40%), cereal and legume grains, such as lupins, oats, barley, peas etc (60–85%) and minerals (up to 5%). To improve feed efficiency the ration components should be analysed to ensure a balanced diet.

Protein is required for building body tissues however, the crude protein of a feed can vary widely with season, yield and other agronomic factors. Oats, has the most variation in protein content and when fed alone generally meets the maintenance requirement for weaners. However, oats must be supplemented with other grains such as lupins to supply the required protein for meat production. The crude protein level of lupins is up to 35% and the higher the inclusion rate of lupins in the ration will generally indicate the faster growth of the animal.

The **metabolisable energy** provides the power needed to drive all the metabolic processes of an animal be it meat, milk, wool production and is described in terms of megajoules of metabolisable energy per kilogram of feed dry matter (MJ ME/kg/DM). In finishing rations the majority of the energy is supplied by the cereal grains. Cereal grains contain varying levels of starch (highest wheat, lowest oats). Care must be taken when introducing the grain to lambs to avoid acidosis.

Cereal grains are low in calcium and sodium. To correct the deficiency add 1.5% of finely ground limestone (calcium carbonate) and 1% salt to rations. Calcium deficiency can cause a reduction in appetite, soft bones and the formation of urinary stones that affect mainly male sheep. Additional salt encourages water consumption, feed intake and growth rate.

Most of the local feed mills produce lamb finisher **pellets**. Pellets are generally more expensive to purchase than grain, however they are of known nutritional value, provide a complete and balanced ration in every pellet, trial results indicate improved animal performance when compared to loose grain mixes and thus may be a cost effective option.

For more on lamb nutrition contact Rob 0429380195

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EDITORIAL – *Rob Davidson*

Welcome to the 4th issue of LambLine. I hope members find the news and information it contains informative and rewarding.

We are getting closer to two important management decisions for most farms - ram purchases and the management of grass seeds. Both of these topics have been covered in LambLine issue 1. Ram buyers are encouraged to use LAMBPLAN

indices and purchase the more muscled, faster growing and leaner sires for your prime lamb enterprise. In order to manage grass seeds, fodder conservation, shearing and chemical sprays will minimise the issue.

Please contact me if you wish to offer any feedback on LambLine. I can be contacted on Tel: 64881953, Mob: 0429380195 or email rdavidso@agric.uwa.edu.au

CO-OP COMMENT – *Peter Krupa*

Over the past financial year, there was a 50% increase in the number of lambs contracted to WAMMCO. These lambs received 26c/kg more than sale yard purchases and 18c/kg more than schedule. The average weight of the contracted lambs was 22.5kg, whereas sale yard averaged 21.3kg and schedule 21.5kg. A large number of the contracted lambs however, failed to reach the contract weight, which impacts on saleable lamb that is pre-sold to our customers in USA.

Most of the problem over the past year centered around lambs being left for too long on stubbles or attempted to be finished on oats alone. Producers can improve their precision of their finishing systems by having grain components tested and rations designed to ensure all contracted lambs meet specifications.

The challenge for contracted lamb is to achieve an average carcass weight of 24-26 kg.

WAMMCO's Quest for Employees – *Tony Bessell*

Throughout the entire history of WAMMCO's ownership of the Katanning Processing Plant, it has yet to realise a full complement of staff despite providing continuity of employment in an industry renowned for its seasonality.

Staff shortages create two major inhibitors to the plant's operation and efficiency. Namely, the inability to maximise unit returns or a resultant reduction in processing volume.

WAMMCO has not been idle in its endeavours to resolve this ongoing problem. Recruitment initiatives and alliances both nationally and internationally continue to be progressed. Variations to terms and conditions of employment and training opportunities to provide clear career pathways have also been implemented to assist in attracting potential industry participants.

WAMMCO has also diversified its approach to remedying this situation by investing in automation and modifying existing process nature and design.

In this age of welfare dependency, unemployment and record levels of taxation, it is difficult to understand this lack of suitable, available unskilled employees in regional Australia.

However, members can be assured that every effort will be undertaken to continuously improve the plant's performance and efficiency in the future.

Current employment options exist in the following areas: - Skilled process workers for the slaughter floor and meat breaking room, knife hands, packing staff, cleaners and stock hands. For more details, please contact Judy Cameron on 98212000 or careers@wammco.com.au

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