



WAMMCO passes a big strategic test

A DECISION by WAMMCO management to 'meet the market' and the emerging efficiency of a new \$5 million boning room at Katanning has seen the cooperative survive one of WA's toughest lamb trading years.

"Even though there will be 2009/10 losses to declare, I believe WAMMCO has this year passed a real test of its strategic ability to service WA's lamb production industry," chief executive Coll MacRury said this week.

Lamb and mutton shortages pushed producer prices to record levels, while a high Aussie dollar added to the problem of selling an already high-priced commodity into key export markets.

Mr MacRury said WAMMCO had decided early in the season to 'meet the market' both in terms of its own producer price schedules and by competing in the saleyards.

"These actions resulted in record returns for producers but enabled us to maintain our

market share in a year when numbers fell by around 18 per cent," Mr MacRury said.

He said WAMMCO's unique structure had enabled the cooperative to contain and improve a looming high-loss prospect earlier in the season.

"Traditional trading rebates and bonuses have been already been paid up front and we have heavily reduced capital investment this year to offset the decline in profitability," Mr MacRury said.

"The bottom line has been helped considerably with a lower \$AUD over the past few weeks, and by the significant cost savings and increased flexibility emerging from the new boning room at Katanning.

"This investment has proved its worth in a year of lean supply and very difficult trading conditions and these benefits can be expected to compound in the years ahead.

"The boning room has also assisted us to maintain a stable workforce by keeping the plant

in operation, even in weeks of poor supply."

Mr MacRury said the average weight of lambs had also fallen as well as supply in the early part of the season.

"However we are seeing more producers better managing their lambs by feeding to finish them, and this may be due to lower grain prices, which are also encouraging more producers to reconsider lamb as an alternative enterprise.

"Another shift has occurred in our markets with Middle East sales up 6-8pc, making the region WAMMCO's biggest customer for 2009/10; This has been due mainly to more competitive currency terms in this region.

"Traditional customers in Europe and the US also continue to show high regard for the WAMMCO product and are maintaining a reasonable market share for lamb despite some loss of sales to cheaper chicken and pork."

ARE we taking the future of Australia's export lamb industry too much for granted?

What will happen to supply and prices?

What technological production and marketing advances must we know about?

THESE are some of the key questions to be answered over the two days of WA's biggest-ever lamb industry exposition – LAMBEX 2010 at Burswood on August 5 and 6.

WAMMCO's supply development manager Rob Davidson, who has joined with other industry representatives to develop LAMBEX, said there would be a national and international focus on the two-day event.

"Quite blatantly, our aim is to encourage producers back into sheep, while giving those already in the industry the confidence, technology and inspiration to keep moving ahead," Rob said.

"Lamb supply is an immediate problem, even in New Zealand, and Alliance Cooperative chairman Owen Poole is coming across to tell us what the Kiwis are doing about it.

"At the consumer end, the new kid on the domestic supermarket block, US giant Costco, will outline future trends in meat retailing.

"Then there will be a steep learning curve for producers, as the MLA's Dr Alex Ball, DAFWA's Dr Mark Ferguson and NZ scientist Dr Paul Kenyon talk about the latest genetic and production technology.

"In the producer case history category, Victorian sheep and composite lamb producer John Keiller, will explain high lambing percentages and survival rates in a very interactive session.

"Ms Kerry Corning from Queensland will discuss her vertically integrated lamb operation and Annie Hughes of Strathalbyn, South Australia, will outline

her work with shedding fleeces and high yielding carcasses."

Rob said the program had been deliberately designed with something for everyone - from the production end, through live exports and processing to economics, genetics, consumers and marketing.

"Even Lamb's own Sam Kekovich will be turning his attention from consumers to producers to give the LAMBEX event a special commendation," he said.

"We are keen to attract as many WA producers as possible and costs have been minimised with this in mind."

Interested producers may obtain full details of LAMBEX online at www.lambex.com.au



□ Australian lamb industry ambassador Sam Kekovich.

Katanning Prime SAMMS win again

KATANNING has become something of a lamb focus 'trifecta' over the past two months with two Katanning clients of Rocco DeBellis, Gracefield Prime SAMM stud, winning successive WAMMCO's Producer of the Month awards for April and May.

Nathan and Trina Garlick of Beninu Farm at Badgebup near Katanning followed April winners Phil and Helle Crossley, also of Katanning, by winning the May Producer of the Month title.

Like the Crossleys, Nathan and Trina moved from Merinos to prime lambs about four years ago, also choosing to buy Prime SAMM genetics from Gracefield.

"We have built the flock to about 500 ewes of which about two thirds are now pure Prime SAMMs," Nathan said this week.

"I now wish I had a few more.

"We continue to buy from Rocco, but now also breed some of our own replacements.

"We have always tried to breed big framed ewes and started with a good Merino base.

"The Prime SAMM influence has not only given us the required lamb growth and quality, but also lambings of around 115 per cent over the past two years."

Nathan said he had sent lambs to WAMMCO previously, but had used the saleyards instead last year, because he did not think his lambs were up to scratch.

"The winning consignment this year came straight off wheat, canola and barley stubbles and it was easy to draft



□ WAMMCO's May Producer of the Month winner Nathan Garlick with his sons Brock (left) 14, Saxon 11 and Bronte 8, at the family's Beninu Farm, at Badgebup.

off some good lambs," he said.

"I am extremely happy with the results from WAMMCO this year and will be aiming to increase our deliveries in future years."

Nathan said his 3035ha farming enterprise at Katanning was dedicated to about 90pc cropping.

"That provides us with plenty of stubbles and allows us to also buy in store lambs as we have done this year," he said.

The 137 lambs in the winning consignment were from the Prime SAMM nucleus flock.

They averaged \$112.05 per head including a skin value of \$4.31, and 77 lambs or 56.2pc of the draft qualified for WAMMCO Select to return a bonus payment of \$414.40.

Of the 137 lambs consigned, 130 of them achieved WAMMCO's maximum \$4.80 per kg price schedule on the day, with the top lambs returning up to \$134.88 per head.

Nathan said he and Trina and their sons Brock 14, Saxon 11 and Bronte eight, were taking a keen interest in the prime lamb enterprise on Beninu Farm.

Farewell from Brian Norsworthy

SINCE his retirement three months ago after 50 years in the meat industry, Brian Norsworthy says he still wakes occasionally at 4:30am, "missing the moment."

In a rare interview at his home in Kojonup, Brian listed the abolition of statutory marketing as a major development in the lamb industry.

"The aggressive move into the US market that followed, encouraged more professional feeding patterns by producers to achieve the heavier weights and out of season production, and saw solid associations of understanding develop between all parties," Brian said.

"It is particularly pleasing to see young farmers across the state taking an interest in sheep and lambs, and managing them well.

"Recent lamb competition results bear testament to this."

He said meat production, transport and processing were tough, demanding industries, which were also rewarding when accomplished.

"You don't get too many pats on the back in this industry, however it is great to be on lairage and to see top lines of stock arrive, that is gratifying and makes it all worthwhile."

He says having survived droughts, the collapse of the floor price for wool, and the flock reduction scheme, all parties can look to a challenging few years.

"I extend my thanks and appreciation to farmers, agents, transporters, and the processing staff for their support over the years, and I wish everyone all the best," Brian said.