



WAMMCO International
A DIVISION OF THE WESTERN AUSTRALIAN MEAT MARKETING CORPORATION

BEVERLEY AGM TO ADDRESS KEY CHANGES

WAMMCO's annual meeting of shareholders at Beverley on Wednesday, October 31 will serve as an important indicator of 2013 market prospects for lamb producers.

CEO Coll MacRury said the co-operative had been unable to hold a \$4 per kg threshold for lamb prices in the lead up to Christmas, despite its efforts to focus on more lucrative chilled markets and by processing to forward order wherever possible.

"We have continued to give priority on price and processing to our shareholder producers, while trying to assist those with worsening feed situations for both lamb and mutton as best we can," he said.

"At this stage, we are still competing against cheaper lamb product, particularly frozen surplus stocks from New Zealand and Eastern Australia in export markets that have still yet to stabilise."

Coll said there were signs that the US lamb market had bottomed and was slowly regaining strength. US lamb prices was still for WA lambs of 22-24 kg, though a tough growing season in WA was producing slightly lighter lambs for this market on average than last year.

"However the Australian dollar remains volatile against the greenback and will need to come well below parity for WAMMCO to gain any significant advantage," he said.

"Canada is also showing prospects for sales growth in heavier lambs early in 2013, and we have been able to divert more lamb from Europe into the Middle East to capture freight and price advantages."

Coll said he and chairman Dawson Bradford would discuss WAMMCO's current and future prospects at the annual meeting at the Beverley Bowling Club, starting at 4pm on October 31.

2012 Nuffield Scholar and Yealering sheep producer, Dr Kelly Manton of Murdoch University would be guest speaker at the meeting on her research into meat consumer trends in the US, Middle East, China and Europe.

Coll said WAMMCO's processing versatility at Katanning was proving invaluable in enabling the cooperative to maintain a range of vital services to WA producers.

"We have continued to allocate a higher percentage of our capacity to lamb, despite the higher returns currently available from mutton, and have been able to value add to both lamb and mutton product to suit an increasing range of markets," he said.

"It is very much to the credit of our people at Katanning that WAMMCO has been able to shift from a winter of light kills, to a five week shutdown, to full processing capacity within a week of re-opening in September."

KIWI CONTRIBUTION

SPECIALIST meatworkers from New Zealand have been very much a regular feature of WAMMCO's multinational fabric over many years.

When the lamb season finishes in NZ each August, workers fly to WA to begin work under a reciprocal agreement with WAMMCO at Katanning. They then return to NZ before Christmas, ready to resume work when the local works re-open.

Boner Ricky Shaw and his partner, packer Renee' Butler from Silver Fern Farms, Balclutha, on the South Island, have been making the trip to Katanning each year for the past 11 years.

"We like the people at Katanning and the way WAMMCO does things," they said.

"The boning room operation is awesome, with a continuous flow of product and WA lambs are generally heavier than those we process in New Zealand."

WAMMCO Production Co-ordinator, Rob Panting said the pair were integral contributors to the culture at Katanning.

"Ricky is multi-skilled and can help out in many sections of the boning room operation," he said.



WAMMCO's Production Co-ordinator Rob Panting (right), with annual visitors, Ricky Shaw and Renee' Butler

BOOKINGS

WAMMCO's sheepmeat production is now solidly booked through to mid January 2013.

Katanning manager Tony Bessell said he was pleased that the plant had returned to full production within a week of reopening after a five week, August/September shutdown.

"The efficiency of the plant, combined with a stable workforce, enabled

us to go from eight months of heavily fluctuating production, to zero, to an immediate single shift capacity of around 22,000 units per week," he said.

He said the Katanning plant had recently added an accreditation to supply sheepmeats to Vietnam, via a listing granted by the Australian agency, DAFF Biosecurity.



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September Entrants

NOMAN'S Lake lamb producer Steve Angwin was an early entrant in the WAMMCO 2012/13 Carcase Competition, once again using the event as a measure of progress for his Nepowie Poll Merino/Hillcroft Farms Poll Dorset, commercial lamb enterprise.

"I like to watch the competition trends and to see how our lambs measure up," he said last week.

A client of Nepowie for Poll Merinos since 1956 and a buyer of Poll Dorset rams from Hillcroft Farms for many years, Steve mates about 4,000 Merino ewes each year, of which 800-900 are joined to Poll Dorsets rams.

He began entering the competition six years ago and has been among the top 10 finalists several times. Steve held hopes of a good price as well as a place in the competition when an impressive line of 112 heavier lambs averaged 25.2 kg on September 28.

"It was disappointing that the per kg price for these lambs was less than the price for a bigger line of 380 lighter lambs also entered in the competition and that our prices overall were below those of last year," he said.

"I think we are like many producers who would like to see a stable, viable price for our lambs, rather than extreme highs and lows."

The Angwin family have farmed "Warranella" as an increasing area of property at Noman's Lake since Steve's father Britt took up land there in 1917. He was approaching his 95th year before his recent death.

Steve said Merinos had always contributed to the enterprise, with prime lambs providing valuable cashflow early in the season.

"It suits us to turn off all of our lambs as suckers before November, leaving us clear for the annual cropping program," he said.

Frost has dealt a costly recent set-back to the season, with 200ha of wheat and barley being cut for hay last week.



Steve Angwin and son Wade, who is in his final year of farm studies at Narrogin, took time off from stacking hay on their Noman's Lake property for this photo with one of their first cross lambs last week.

BROADER APPEAL FOR 2012/13 CARCASE COMPETITION

WAMMCO has 'fine-tuned' the \$12,500 Carcase competition for 2012/13 to better reflect changes in the global demand for lamb.

Competition co-ordinator, Rob Davidson said a new judging grid to be applied this year would change the premium points focus in the overall category from fat score 2 carcasses weighing 24.1 kg to 27 kg to fat score 2 carcasses from 22.1 to 24 kg.

"We have also added a new section for traditional first cross lambs reared by a Merino ewe to complement last year's three categories for heavyweight, tradeweight and the 300 plus lamb consignment," Rob said.

Rob said the 2012/13 competition sponsors, Farm Weekly, Primaries, Elders, Milne Feeds, Superior Livestock Services and WAMMCO had pledged at least \$12,500 in cash and prizes.

"The competition opened on Monday, September 3 and will run until Thursday, February 26, 2013. There is a \$50 fee per entry, multiple entries are encouraged, and each entry must consist of a minimum of 100 crossbred lambs born in 2012."

Rob has invited interested producers to call him for further details on 0429 380 195 or to contact Judy Cameron at WAMMCO Katanning on 9821 2000 for lamb bookings. Entry forms are printed regularly in Farm Weekly.

EFFICIENCY PAY-OFF

A POLICY of continually upgrading the efficiency of plant and technology at Katanning is producing tangible cost benefits for the co-operative.

Katanning manager Tony Bessell pointed to a reduction of 800 tonnes in the annual fuel usage at Katanning – down from a peak of 1800 tonnes four years ago.

"These are significant savings to our operations, as well as assisting the plant to remain below its carbon tax threshold," he said.

WAMMCO is in the process of developing a joint venture project to research the potential for a new covered effluent pond system to harvest methane gas for power and heat generation, and is now tendering for its power supplies with significant savings already becoming apparent.