

WAMMCO *Info*

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WAMMCO *International*
A DIVISION OF THE WESTERN AUSTRALIAN MEAT MARKETING CORPORATION

New visa problems delay vital project

A LONG awaited \$2.6 million by-products processing plant for WAMMCO's Katanning abattoirs is on hold because of new Visa immigration restrictions imposed by the Federal Government.

The Department of Immigration and Citizenship has refused to issue temporary visas to the engineers and

professional workers engaged by WAMMCO's contractor for the project, A and S Thai Works Co, citing recent changes to Australia's Subclass 456 Business visas.

WAMMCO's Katanning manager, Tony Bessell said five Thai specialists had applied for temporary visas in July but their applications had been declined.

"A and S Thai Works Co has contracted many similar plants in Australia over the past few years, using Thai specialists to install their prefabricated equipment," he said.



Rob Panting, Steve Weigand and engineer Stuart Mahon with the new rendering equipment awaiting installation.



Rendering supervisor Steven Weigand with the old by-products plant.

"Similar expertise is not readily available in Australia and to us, the service means a competitive cost for the latest technology and minimum disruption to our export lamb processing operations because of the rapid, specialist installation process.

"WAMMCO has already part paid for the equipment which is sitting at Katanning, ready for installation."

"Apart from our own pressing needs, WAMMCO is under considerable local community pressure to bring this new

technology on-line and we are exploring every possible avenue to allow our contractors to proceed."

Mr Bessell said the existing by-products plant was installed when the Katanning works was built in the early 1970's.

"It is urgently in need of replacement not only to enable WAMMCO to improve efficiency and the quality of its products, but also to address increasing environmental and safety issues," he said.

"WAMMCO directors approved the project last year expecting that it would be installed during a quieter production period at the works, and before the 2007 summer when odour and environmental issues reach a peak.

"Instead we are at a stalemate with no immediate prospect of any sensible outcome from the federal agency."



WAMMCO boiler attendant Adam Quick with the newly installed boiler equipment at Katanning

New for old

WHILST WAMMCO fights for federal permission to use Thai contractors to install a new \$2.6 million by-products plant, two new high technology boilers have been installed at Katanning at a cost of \$1.3 million.

The 5 meg boilers use recycled oil for the high efficiency generation of steam and hot water for the plant and were manufactured in Thailand for contractor, Tomlinsons Australia.

WAMMCO's Katanning plant manager Tony Bessell said installation of the two new units was completed last week.

They replaced three old boilers that had been in use at the Katanning works for many years.

Mr Bessell said with the 2007 projects, the cooperative will have spent more than \$12 million on capital improvements to the Katanning plant since it took ownership in 2000.

Somalis at WAMMCO



THE employment of refugees from Somalia by WAMMCO and their successful integration into the community of Katanning is attracting the interest of more Somalian newcomers.

Somalian community leader Ali Isse travelled to Katanning last week with four newcomers from his former country to inspect the WAMMCO works and to discuss employment prospects with Judy Cameron and the cooperative's management team.

They also visited the local community and inspected the mosque and other local facilities.

WAMMCO's Nigel Aitken was pictured briefing the visitors, Abdiwali Isse (left), Momin Ashmed, Mohammed Aden, Abdikhardar Abdirahman and community leader Ali Isse.

Independent Audits

AS overseas consumer interest increases in animal welfare and quality issues, more retail companies are undertaking independent audits of their suppliers.

WAMMCO's Katanning manager Tony Bessell said auditors were

impressed by the cooperative's investment in lairage and animal handling techniques as well as its high quality control and safety standards.

Another area of focus is on-farm QA and producers needed to keep this high on their list of priorities.

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WAMMCO announces bonus payment

DESPITE a difficult seasonal and trading year and a more modest profit than the previous year, the Board of WAMMCO has agreed to allocate \$1 million as a pool distribution bonus to qualifying members, equivalent to five percent of the livestock they supplied.

This is the third consecutive pool bonus to members and this year, the payment will average more than \$3 per head for qualifying lambs.

It will be paid on December 1.

CEO Des Griffiths said WAMMCO had moved to ensure that qualifying members who had supplied lambs under forward contract were not unfairly disadvantaged, a make-up payment would be made equivalent to any difference between the weekly hooks schedule price and the contract price for pooled lambs.

"The directors have also resolved to cap the number of bonus shares issued to qualifying members and to pay the bonus in cash to members holding the required number of foundation-subscription shares plus four bonus shares," Mr Griffiths said.

"Other members will continue to receive the bonus in the form of 60 percent shares and 40 percent cash until they reach the threshold."

He said it was disappointing that there were still a significant number of members who did not hold sufficient shares to qualify for a full bonus, because they were failing to maximise their returns.

WAMMCO'S new tax status will see business changes

A NEED to minimise taxation in future years is driving a number of new initiatives by directors of the Cooperative to increase the amount of business WAMMCO does with its shareholder membership.

CEO Des Griffiths said WAMMCO would face a taxation liability for the 2006-2007 financial year, ending a period of recovery for losses incurred in the early years of the Cooperative.

"A critical element of minimising future taxation liabilities will be to ensure that we transact at least 90pc of our business with members," he

Members could purchase extra subscription shares on the basis of \$1 share per lamb, with the remaining seven shares acquired from future pool bonuses.

It was also disappointing that fewer producers were able to take advantage of forward contracts because of the adverse seasonal conditions in 2005-2006, and that in turn, booking cancellations and postponements had seriously affected WAMMCO's throughput.

Mr Griffiths said despite lighter weights because of the difficult season, reduced selling prices and higher processing costs, WAMMCO had continued to underwrite the market for heavier lambs in WA to June 2006.

"Our prices were consistently above the saleyard rates available both in WA and the eastern states, and contributed to a \$1.34 per head increase on the previous year in the average price of lamb to \$65.52," he said.

"The 2006-2007 year has also got away to very mixed beginnings with a difficult start to the season affecting lamb supplies and prices, a racing Australian dollar, rising production costs and consumer resistance to high prices.

"However demand for lamb remains firm and with good rains in many of our lamb production areas over the past few weeks, we are looking forward to a late, but reasonable season."

said.

"Future strategies will be aimed not only at increasing shareholder membership, but also at increasing incentives and privileges for all members, to the point where future WAMMCO contracts and price schedules for members will exceed those available to non-members."

Mr Griffiths said the Cooperative's balance sheet continued to strengthen and the shareholder equity ratio at the end of the financial year had improved to 60pc.

2007 LAMB CARCASE COMPETITION OPENS AND WELCOMES NEW SPONSOR

WAMMCO and its sponsors launched Australia's biggest annual lamb carcase competition on July 15, and because of the late start to the season, have extended the closing date for entries to February 28, 2008.

WAMMCO's supply development manager Rob Davidson said the 2007 State Carcase Competition would run on the same judging criteria as last year with maximum points assigned to 24.1 – 27 kg, fat score 2 carcasses.

Bonus and discount points will be assigned depending on VIAscan lean meat loin yields.

All entries qualify to be in the draw for a sheep self feeder donated by new 2007 sponsor Moylan Grain Silos.

Other sponsors joining WAMMCO in hosting the competition are Farm Weekly, Elders, Primaries, Milne Feeds, Ballard Seeds and Superior Livestock Services.

"More than \$15,000 in cash and prizes will be awarded for the 2007 competition and we hope to see some newcomers and staunch competition supporters on the winners list when it is announced in March/April 2008", Mr Davidson said.

KATANNING FINALISTS

THE Katanning office of Job Network Member, Community First Inc, was one of three finalists, chosen from an Australian wide selection of nominees, for the National Employment Services Association annual awards for excellence. The nomination was based on a successful working partnership with WAMMCO to employ and train indigenous people.

Community First's Katanning manager Michael Pemberton flew to Coolool Beach in Queensland for the awards.

"We did not win an award, but it was a great achievement to be selected as one of three finalists," Mr Pemberton said.

"The partnership with WAMMCO is aimed at the long-term unemployed and requires a special dedication by everyone involved.

"We are learning as we go and the results to date have been very pleasing.

"We expect the program to be ongoing and hope that it will serve to change the welfare emphasis of long-term unemployed people in the Great Southern, by helping them to develop the skills required by WAMMCO."

WAMMCO congratulates all the staff at Community First for their outstanding efforts and dedication.

LAMB INFO

WAMMCO's supply development manager Rob Davidson has a busy speaking itinerary for August-September starting with an Information Day at Haseley White Dorpers, Toodyay, today, Thursday, August 2.

Mr Davidson will then be at Royston stud, Jerramungup for a SMM-Dorper day on Thursday, August 16, and then at Jilakin Downs stud for a White Dorper day on Wednesday, August 22.

These dates will be followed by the Newdegate Field Days on September 5 and 6, and at Morawa on September 7 for a Farm Improvement Group Meat Sheep day.

OVISWATCH

PRODUCERS are reminded that Ovis continues to pose a threat with a significant number of lamb carcasses regularly downgraded after cysts are identified.

"Dogs are the carriers and must be dewormed monthly," WAMMCO supply development officer Rob Davidson said.

"As part of an on-farm preventative program, producers should make sure that dogs are fed manufactured or cooked diets, not offered sheep offal and quickly remove any carcasses in the paddock."