



NEW DIRECTIONS FOR WAMMCO

THE scope for WAMMCO's new Goulburn sheepmeat processing works was outlined to producer members of WAMMCO Ltd, at their annual shareholder meeting at Hyden this week.

Confirming a successful financial result despite a difficult year, WAMMCO chairman Dawson Bradford said the acquisition of the Southern Meats plant in Goulburn early in 2011, represented an important change in direction and a big potential 'win, win' for the co-operative.

He told the AGM that WAMMCO had signed a two year lease with an option of a further 3 years on the Goulburn plant with a further option to purchase at a predetermined price.

Former WA CEO Coll MacRury is managing the Goulburn operations, which are already making a significant contribution to WAMMCO's supply capacity and bottom line.

Mr Bradford said producers in the East had welcomed WAMMCO's involvement and the new competition it had created.

They were also looking forward to the processing feedback supplied on their stock and other benefits of WAMMCO's co-operative system.

"There is a long way to go before we decide the next steps towards ownership, control, and local producer involvement, but some exciting

options are already beginning to appear," he said.

"These arrangements will enable WAMMCO to 'trade its way into ownership' of a major NSW sheep meat marketing entity, and could signal the start of bigger things to come."

New WAMMCO CEO Scott Weir also advised members that WAMMCO's new East/West synergy was a feature of the recent international Food Fair he had attended in Cologne, Germany with the co-operative's marketing manager Damien Giumelli.

"Previously separate exhibitors at this important five-day event, WAMMCO and Southern Meats were under the same banner and attracted considerable interest for their potential as a formidable Australian source of quality lamb and sheepmeat products," Mr Weir said.



Reporting a successful result for 2010/11, the Board and executive staff of WAMMCO at June 30, 2011: From left Gerard O'Brien (independent director), Tony Boyle (producer director), Craig Heggaton (producer director), Coll MacRury (then CEO), Bruce Ede (chief financial officer and company secretary), Dawson Bradford (chairman, producer director) Rod Madden (independent director) and Kim Hutchinson (independent director).

WAMMCO had been approached at Anuga by a major UK retailer to look at a new on-farm quality assurance partnership, and had also cemented trade ties with major customers in the Middle East.

ANNUAL REPORT HIGHLIGHTS

- Profit before pool bonus of \$3.014 million (A turnaround of \$5.926 million on the previous year's loss of \$2.912 million)
- Pool bonus distributions of \$550,000
- All-time record average payment to lamb producers of \$117.06 a head – up from \$99.89 a head average the previous year
- Average weight of lambs up from 21.45kg to 21.82kg
- Major dividends flow from \$5 million lamb boning room upgrade at Katanning
- WAMMCO Select payments total \$253,633 or 0.25c/kg above the listed schedule
- Improved returns on skins.
- WA sheep numbers down to 12.4 million
- Global demand remains strong and helps to counter high Australian dollar.
- Increased focus on domestic lamb sales.

New Shop Front



THE entrance to WAMMCO's Katanning processing plant has had a facelift. Gardener, Lee Hughes was pictured tending a new garden he has created, and which has already attracted favourable comment, at the Katanning plant entrance on Great Southern Highway.



Kondinin transport operator Bruce McCubbing was pictured with lairage supervisor Gary Hunter while delivering prime lambs to WAMMCO from clients at Hyden.

NOVEMBER FLUSH

WA'S annual lamb 'flush' has made a solid start in September/October, but is not expected to peak until November.

WAMMCO's Katanning plant manager Tony Bessell said 15,000 extra lambs were processed during September and the plant was running close to single shift capacity during October.

He said the indications were now that the supply of lambs would peak in November:

Kondinin transport operator Bruce McCubbing said lambs from the region were noticeably heavier because of the good season and numbers were growing steadily.

He said the new large loading system installed at Katanning two years ago was a major improvement, making life much easier for farmers and transporters.



New National Flavour

THE launch of the combined WAMMCO and Fine brands of Australian lamb and sheepmeats was a highlight of the Anuga International Meat Fair at Cologne in Germany earlier in October.

WAMMCO marketing manager Damien Giumelli said regular and new overseas customers welcomed the combination of the WAMMCO and Southern Meats (Fine Brand) products and the opportunity now on offer for them to source lambs and sheepmeats across Australia.

"WAMMCO and Southern Meats already share many international customers and the new company structure has been extremely well received," Mr Giumelli said.

The 2011 Anuga Fair had grown to become an extremely favourable venue for promoting Australian meat products and technology, with 16 exhibitors on the Australian stand.

"It has developed a strong international – rather than just European – focus, and is now regarded by both exhibitors and buyers as a benchmark for quality product, making the event ideally suited to the promotion of WAMMCO's diversified product range," he said.

"We had 120 meetings over the five days with buyers from China, The Middle East, Russia, Mauritius and the UK as well as others from Europe, and recognition of WAMMCO's role as a leading global supplier of lamb was a common theme."

Mr Giumelli said the high price of lamb continued to be a major source of concern for buyers at Anuga.

"The recent fall in the Aussie dollar provided some respite, and whereas the high global demand for lamb is unchanged, many of our buyers are struggling with price," he said.



WAMMCO CEO Scott Weir and marketing manager Damien Giumelli discuss the WAMMCO and Fine brands with Tony Sullivan, MD of Towers Thompson in UK.



Southern Meats sales manager Tim Gibson (left) and WAMMCO marketing manager Damien Giumelli (right) with mutual customer Ronghua Wang from Bo Long International Trade China.

He said EU quota restrictions continued to be a problem and all opportunities had to be followed to renew Australia's case for more lamb quota.



NEW FORKLIFTS

WAMMCO Katanning recently changed its forklift supplier, taking delivery of a 'fleet' of new Crown gas and electric propelled units.

Two of the co-operative's longest serving employees, Freezer/Loadout supervisor Zbigniew Soltysiak (driver) and his assistant Amalan Alma were pictured with one of the new Crown units at Katanning last week.

WORKFORCE INITIATIVE

WAMMCO's Katanning plant manager Tony Bessell has been appointed to the State Government's Great Southern Workforce Alliance, a new body to plan labour skills and resources for the region.

"As a major employer in the Great Southern, it is important for us to have a voice in the planning processes," Mr Bessell said.

ENTRIES FLOWING

The 2011/2012 WAMMCO State Prime Lamb Carcase Competition got away to a strong start on August 14 – underpinned by good seasonal conditions in many of WA's agricultural regions.

Producers have until March 1, 2012 to enter minimum consignments of 100 crossbred lambs for the chance to win cash and prizes totalling \$18,500. This season all entries qualify for the chance to win one of two hay feeding solutions from new sponsor, Advantage Feeders.

Rob Davidson said the three competition categories were again:

- Heavyweight export lambs
- Consignments larger than 300 lambs and
- Trade weight lambs 18-21 kg.

CSBP and Advantage Feeders have joined WAMMCO, Farm Weekly, Primaries, Milne Feeds, Elders and Superior Livestock Services as sponsors of the 2011/12 competition.

Rob encouraged all members to enter the competition and benchmark their lamb production system.

Any members wishing to know more about the competition should contact him on 0429 380 145.