



## Chairman's Corner

Along with Chief Executive Des Griffiths, I am proud to announce the Co-operative's second best profit on record. **The pre tax profit for the year ending 30 June was \$2.5 million.**

In what was described as a more difficult year, lower selling prices impacted on margins, reducing profit by \$2.9 million from the previous year's \$5.4 million record.

**Despite the reduced profit, a rebate bonus payment to members was held at 5% of the value of livestock supplied.** This will see qualifying members receive between \$0.98 and \$5.30 per head, with an average of \$3.39, depending on the value of the stock.

In looking ahead, an area I see of immediate concern is the difficult seasonal conditions currently facing Western Australian producers. Whilst too early to predict what exact effect this may have, both in the short and longer terms, I believe turnoff during the current year is going to be later and at lighter weights. This will make it challenging to identify possible alternative markets, whilst at the same time complying with the needs and specifications of our existing customers to ensure we maintain them for the future.

Looking beyond the immediate concerns, I believe the basic fundamentals for prime lamb in the longer term remain positive with production of sheepmeats world wide declining and demand expected to remain firm.

## Food Hotel Asia - Singapore

Earlier this year WAMMCO's Albert Baker (Marketing Executive) and Jason Satherley (Export Officer) attended Food Hotel Asia in Singapore. This biennial event held over 4 days attracted 2,327 exhibiting companies and 36,658 visitors from 80 different countries.

WAMMCO International's stand was within the Western Australian Department of Agriculture Food and Trade Development Pavilion and it provided the opportunity for present and prospective new clients and end users from throughout Asia, India, China, Mauritius, Africa, Middle East and Australia to discuss the WAMMCO brand and future opportunities.

Put it in the believe it or not category but a leading consultancy predicted that **prices for Australian agricultural commodities** will rise by the following percentages **over the next 15 years:** Beef +85%, Fruit +105%, Wheat +146%, **Lamb +156%** and Pigs +165%. This would mean the **average selling price** for a lamb in 2020 would be around **\$180 per head**. Being a little skeptical I reviewed my own returns to see what increase I had received over the last 14 years and was surprised to see prices **had increased by 154% since 1992** – so maybe the prediction is not fanciful.

Every indication is that the demand for lamb world-wide is increasing and production is decreasing so the signs are in the right direction. One thing we can be certain of is that the outlook for lamb is bright and producers need to plan to ensure they participate in their industries growth.

Supporting your co-operative is an integral part of this.

## WAMMCO International AGM

**Moora Bowling Club (Gardiner St, Moora)**

**Wednesday 25<sup>th</sup> October 2006**

**Commencing at 2pm**

**Guest Speakers:**

**Dr Graham Gardner – Murdoch University**

**Mr Rod Madden – WAMMCO Board Member**



Marketing Executive, Albert Baker with the Honorable Minister for Agriculture and Food, Kim Chance

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### Disclaimer

WAMMCO International makes no representation as to the accuracy of any information or advice contained in the LambLine newsletter and excludes all liability as a result by any person on such information or advice.



## Spraying locusts and export slaughter intervals – Kevin Walden & Farren Dixon Department of Agriculture and Food Western Australia

Department of Agriculture and Food monitoring would indicate that favourable warm weather in the past weeks has increased the number and rate of locust hatchings. The most effective means of controlling the pests is to spray them as juveniles. However, the chemicals used have the potential to cause unacceptable residues in grazing livestock and depending on the chemical used may mean members would be unable to sell stock to WAMMCO for up to 8 weeks after the break of season in 2007. It is vital that members adhere to the appropriate interval as Australia is renowned world wide for the quality of the lamb it exports and the freedom from unacceptable chemical residues. Hot spots range from north of Moora through to the Lakes region and out to Merredin. The Department of Agriculture and Food will be using Fenitrothion for both aerial and ground spraying. The following article will outline the basic rules involved with the sprays and export slaughter intervals.

**How do livestock become contaminated?** Livestock can be exposed to locust control chemicals by; direct overspraying, the grazing of pastures/crops that have been sprayed or onto which spray has drifted or feeding fodder that has been sprayed directly or exposed to spray drift.

**What chemical to use?** Use chemicals with an export interval that ends before the anticipated sale date of the stock.

Table 1: Recommended export intervals for products registered for locusts and/or wingless grasshopper control

Chemical	Export Animal Feed Interval EAF (1)	Export Slaughter Interval ESI (2)	Export Grazing Interval EGI (3)
Fenitrothion	14 days	EGI applies	14 days
Chlorpyrifos (EC)	10 days	21 days	28 days
Diazinon	14 days	14 days	28 days
Carbaryl	7 days	EGI applies	7 days
Fipronil ULV*	14 days	14 days	21 days
Fipronil – 200SC*	14 days	14 days	21 days
Fipronil – 200SC**	14 days	21 days	49 days
Alpha-cypermethrin	No data available	42 days	56 days
Diflubenzuron	No data available	21 days	No data available

\* Fipronil ULV and Fipronil – 200SC for plague locust control (1.25 grams active ingredient per hectare)

\*\* Fipronil – 200SC for wingless grasshopper control (2.5 grams active ingredient per hectare)

**Export Animal Feed Interval** – The minimum period that must elapse between the application of a chemical and grazing or harvesting the crop/pasture for animal feed.

**Export Slaughter Interval** – The minimum period that must elapse between removal of grazing livestock to clean pasture or feed and slaughter, where the livestock have been grazing the crop/pasture prior to expiry of the export animal feed interval.

**Export Grazing Interval** – The minimum period that must elapse between the application of a chemical and slaughter of the stock, where grazing has continued on the crop/pasture from the time the chemical was applied.

### Notes:

**ESIs and EGIs** do not appear on the product label.

The synthetic pyrethroid group of chemicals (ie alpha-cypermethrin, beta-cyfluthrin, lamda-cyhalothrin and gamma-cyhalothrin) will persist on dry pasture or forage and in cut fodder. The EGI does not commence until the next break of season unless no feed is left. If stock remain on sprayed areas, then members need to comply with ESI (ie 42 days on clean pasture before slaughter). If lambs are to be sold before the break of season next year and alternative feed is not available, it would be wise not to use synthetic pyrethroid

More details can be found at <http://www.agric.wa.gov.au> or the Safe meat website <http://www.safemeat.com.au>.

fig 1: First instar



fig 2: Adult locust





## Editorial

Although some parts of the state received some very welcomed August and September rain, the majority of the state is looking toward the skies for some finishing rains. In general, pasture availability is low, thus **members should start being proactive and plan now for the potential for long term supplementary feeding.** It could mean filling an extra silo with grain or inspecting crops early to determine if they are even worth harvesting. **If not, consider grazing as a standing fodder crop or conserving as hay. If the crop is to be harvested consider baling some stubble for roughage reserves.** It is nearly safe to say that the WA commercial pelleting plants have never been busier than during the last 6 months. I would encourage producers to plan ahead and work out the tonnages of pellets required and engage them in a supply purchase agreement to secure 12 months availability of their pellet of choice. Members are reminded of cost of production calculator at <http://www.mla.com.au> to fine tune their production systems.

The Department of Agriculture and Food Farm Business Development have announced the **2006 Dry Season**

## Co-op comment

Market visits to North America and Japan in July gave WAMMCO an opportunity to catch up with our existing supermarket and restaurant customers and to go over plans and opportunities for the year ahead.

Clear from all meetings is that **customers are very happy with the quality and consistency of our products** and are keen to find ways to increase sales. However, the underlying message is that **WAMMCO needs to stay price-competitive with other lamb brands,** as well as other protein choices like pork and chicken. It's been reported that some restaurants in the USA have dropped lamb from their menu because of its low profit-return relative to cheaper meal options.

Japan has seen stellar growth in Australian lamb exports during the past year – more than a 60% increase in volume. 68% of Australian imports are for boneless lamb shoulders used in a traditional eating style known as the Genghis Khan barbecue. Plans to increase our sales to Japan are tied to availability of extra labour needed to bone-out additional shoulder volume.

**Assistance Scheme. Grants of up to \$7500 are available** to help producers deal with the impacts of the current season. The major objective of the grants is **to address animal welfare issues and to assist eligible producers to retain their livestock whilst minimising the risk of land degradation.** The grant can be used to cover the cost of transporting fodder, cost of transport of stock to agistment, cost of water and its transport for use on farms for domestic and stock purposes, cost of cleaning and repairing existing dams, cost of labour and materials for the construction of an approved feedlot and cost of professional and technical advice. Applications will be subject to the availability of funds and must be received by 31<sup>st</sup> March 2007. For more information contact Bill Savage 93683949 or <http://www.agric.wa.gov.au>

Many regions of the state are currently experiencing increased **blow fly activity.** Members using chemicals should be aware of the **export slaughter interval** that applies to that particular chemical. This time period **ranges from 0 – 120 days.** For more information log onto <http://www.apvma.gov.au/>



*Pictured Thinly sliced pieces of lamb shoulder being cooked at a Genghis Khan barbecue in Tokyo, Japan.*

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## Discussing skins

Whilst sheepmeat is sold to most countries, only a small number are involved in the skin business. **China**, due to its low labour costs dominates the skin market, **processing approximately 80% of the world's skins**. Over the past three years WAMMCO has experienced no exports to China due to the SARS virus and when skins were unsaleable to a period when the ugg boot fashion was in full swing and record prices were being paid. We have moved on from both periods and today skins are bringing moderate returns.

Members need to be aware of how to maximise their skin returns.

Each skin is individually graded at Katanning. In general, the heavier the lamb, the bigger the skin, the better the return.

The **best prices are achieved by white woolled breeds**. Skins from breeds producing black fibres need to be dyed and processed, all at a cost hence limiting overall return.

**Keep the use of brand markers to the head region**. It is very difficult to remove brand markers from lamb wool on skins. The maximum water temperature used to scour lamb skins is 40 degrees compared to 100 degrees used for wool scouring and many of the commercially available branding products simply aren't scoured at this temperature.

The usual feature of a spring lambskin is evenness of the wool over the entire lamb skin. However, this year with the lateness of the season there has been a **higher than usual amount of clover burr in the new season spring lambskins**. This results in a lot of skins with matted bellies that need to be removed and thus lowers returns.

Barley grass, spear grass and Erodium seed heads only take a few minutes to get into the pelt. Members are reminded with these weeds being close to if not in ear to minimise the potential skin damage by removing stock from seedy paddocks, manipulating paddocks or shearing the lambs.

Most members are aware of eastern states skin prices, often quoted in the rural press. The higher quotes are mostly from second cross lambs. **It is WAMMCO's desire to reward producers who produce skins from similar animals**. At the moment we are tendering similar skins to maximise member returns.

Some exotic breeds are promoted as producing a premium quality skin. However skin buyers require similar type skins at regular intervals. Due to the irregular volumes we receive at this stage they are difficult to market limiting their returns.

## Producer of the month

Ross and Bill O'Keeffe of Stirling Park, Gnowangerup have been regular "top scorers" with their consignments of lamb to WAMMCO over the past few years, but set new precedents

for the cooperative's Producer of the Month award for August with a large draft of 1,194 lambs that averaged 28 kg per head. More than 76% were heavier than 26kg and averaged \$101.77 (including a \$5 skin).

Bill O'Keeffe said the season at Gnowangerup had been "late, and poor early" but had improved since July, enabling them to turn off their winning July/August 05 drop lambs with minimal supplementary feeding of lupins in the paddock.

The O'Keeffe's maintain a self-replacing flock of around 7000 Merino ewes on "Stirling Park", mating their cull ewes to Poll Dorset rams to produce two drops of prime lambs a year.

Bill said the family had followed this successful formula for several years, helped by 'ace' sheepman George Noakes.

*Editor's note: The O'Keeffe's are the first recipients of the POM award utilising the new format. The same weight/fat grid is used, only members are eligible and the minimum number in a consignment is 100 lambs. However a computer program now selects the producer's top 100 lambs out of a consignment.*

### Past winners:

**April: Gary Bungey, Borden**

**May: Stan Dorman, Beverley**

**June: Malcolm Fenwick, Wellstead**

**July: Arthur Parker, Gnowangerup**

## 2006 State Carcase Competition

Western Australia's premier prime lamb competition is open with this year over **\$10,000 in cash and prizes** up for grabs. The competition closes for lambs delivered on Wednesday 20 December 2006. An entry fee of \$50 applies and each entry must comprise of a minimum of 100 WAMMCO recognised XB lambs born in 2006.

Producers are allowed to submit multiple entries, however the lambs must be nominated before they are slaughtered. The lambs don't have to be suckers, can be shorn, ram lambs are permitted and the lambs don't have to be born on your property.

Despite the dry conditions and lighter lamb carcase weights, the competition is a fantastic benchmarking and learning exercise and all producers are encouraged to enter.

**Entry forms are available in the Farm Weekly or by contacting Rob Davidson 0429380195.**

**The competition is proudly sponsored by Elders, Farm Weekly, Primaries of WA, Farm Works Livestock, Ballard Seeds, Milne Feeds and Superior Livestock Services.**