



WELL POISED FOR LAMB'S RECOVERY

WAMMCO chief executive Col MacRury has confirmed rising north American interest in Australian lamb from a meeting of the co-operative's marketing affiliate, Australian Lamb Company in America last week.

"The signs remain positive and we are anticipating steady demand for heavier lambs in both the US and Canadian markets over the next 12 months, with further growth beyond," Mr MacRury said.

His report followed an address to producers at the annual WAMMCO carcass contest presentation at Katanning at the end of May and a subsequent interview with West Australian business writer Brad Thompson in which he pointed to an improving US economy, a falling Australian dollar, and a move by WAMMCO to offer a processing alternative to WA's pastoral fat tail sheep producers.

A number of trial consignments of Damara-type fat tail ram lambs bred by mid west pastoralists and farmers and processed at Katanning, have shown that with some supplementary feeding, pastoral clean skin ram lambs can meet WAMMCO's main international markets.

"We are working with pastoralists to assist them to maximise their returns from us via supplementary feeding and improved genetics, so that we can offer a real and ongoing alternative to the live sheep export market they have been entirely dependent on.

"The market for 'tail on' fat tails is still developing, but we have made

an important start and we are customising our processing of these sheep to maximise their value."

Mr MacRury said a solid performance in mutton at WAMMCO's Goulburn plant in NSW, and a consistent production in lamb and mutton at Katanning, with improving markets, pointed to a much better 2013/14 for WAMMCO than the previous 12 months.

"Our east and west operations are integrating very well enabling us to further consolidate our position," he said.

He also reaffirmed comments by WAMMCO Marketing Manager Damien Giumelli that Chinese demand for red meat, - WA lamb in particular - was enjoying significant expansion.

There had been a noticeable improvement in the quality and range of lamb product now being consumed in China along with the prices they are prepared to pay, and Mr Giumelli found strong recognition of the WAMMCO brand at a recent major trade fair in China.

New Zealand was a major competitor in the Chinese market and had the advantage of a free trade agreement. However NZ production was currently down about three million lambs as the result of dry conditions during the last breeding season.

Mr MacRury said WAMMCO directors were meeting this week and would consider a number of initiatives to advance the co-operative and its member benefits.

CHINESE WORKERS IN LIMBO

WAMMCO is awaiting the outcome of a recent special Tribunal hearing of the Industrial Court in Perth to hear applications by 21 Chinese workers at the co-operative's Katanning plant to register for Australian residency on successful completion of their 457 visa requirements.

Katanning manager Tony Bessell said the worker applications were strongly supported by both WAMMCO and the Australasian Meat Industry Employees' Union because of the vital contribution the visa holders are now making to processing operations at Katanning.

Tony said evidence was also given by Great Southern Development Commission CEO Bruce Manning of WAMMCO's importance to the regional economy and the co-operative's dependence on 457 visa holders from China since their arrival in Katanning six years ago.

"Thirteen visa holders from China were approved for residency over the past two years, as they completed mandatory four year terms at Katanning under their 457 visa requirements," Tony said.

"But approval for the current applications for residency by the remaining 21 workers are also critical to WAMMCO because we would now find it extremely difficult to function without them."

ANNUAL MAINTENANCE



□ Lairage manager at Katanning Phil Bolt with the new mesh flooring.

WAMMCO will close its Katanning processing plant for annual maintenance on Thursday, July 18.

The plant will re-open on Monday, August 5.

Katanning Manager Tony Bessell said installations would provide for heavier mutton product, and a tripe scalding machine to cater for growing Chinese demand.

Tony said the installation of new lairage flooring was now complete and had greatly streamlined stock receival efficiency.



WAMMCO's success in underwriting the West Australian lamb industry can be largely attributed to the high calibre of its directorate - working with a unique management team - since the co-operative was formed in 1999. The current six-member, producer dominated board has been chaired by Popanyinning producer Dawson Bradford since 2000 and his views on WAMMCO together with those of fellow Great Southern director, Craig Heggaton, Kojonup are the first in a series of three feature director profiles in WAMMCO Info.



□ Dawson Bradford.

WAMMCO Chairman Dawson Bradford believes solid gains are set to flow to producer members of the co-operative from 14 years of careful consolidation and growth.

"It took a long time after a difficult start in 1999, for us to achieve viability, and we quickly realised that we would have to expand WAMMCO's business base significantly, together with developing a name for premium product, if we were going to reach a position of strength.

"This vision has been realised, firstly with the assistance of CEO's Des Griffiths, and latterly with Col MacRury and our dedicated staff, and I believe WAMMCO producer members are already becoming the envy of their Eastern counterparts.

"The contribution of the Goulburn NSW plant over the past two years has been within a strict charter to confine WAMMCO's business to sheep/lamb processing, and is rapidly strengthening our position in the industry.

"We can now look at a whole range of new options - and will take opportunities as they arise - not only to propel future growth, but to consolidate our shareholder and employee base."

Dawson believes WAMMCO and its producers have led the way in lifting the status of WA lamb from a 'commodity' to a premium product.

"We know that consumers are prepared to pay for guaranteed quality and we are excited by some of the advances in performance testing of animals and product that will enable WAMMCO to work with our members to offer new taste and quality guarantees."

Dawson received an Honorary Doctorate from Murdoch University in 2011 for his significant contribution to West Australian agriculture, and his many years of co-operating with and supporting scientists from the School of Veterinary and Biomedical Sciences.

His unique contribution as Chairman of WAMMCO in its most formative years, was on top of many roles promoting R & D in both the prime lamb and pig industries.

Since 1967, Dawson with his wife Greta, and latterly with the support of son Dawson and his wife Lisa, have developed the 4,500 ha Hillcroft Farms family holding at Popanyinning to become one of WA's most productive commercial and stud sheep producing properties.

New WAMMCO Option for Pastoral Lambs

Moves by WAMMCO to process fat tail ram lambs from the mid-west rangelands at Katanning are generating considerable interest among producers faced with increasing uncertainty in their live sheep export markets.

Geraldton representative for Primaries Craig Walker started a trial process earlier this year with WAMMCO livestock representative Wayne Radford to find a processing alternative for pastoral sheep stranded by the live shipping crisis.

Significant numbers of Damara-cross fat tails have since been processed at Katanning with average returns to producers from their different consignments ranging from just below \$60 per head to nearly \$80 per head.

Ready markets have been found by the WAMMCO marketing team in SE Asia and the Middle East that prefer this type of meat in carcass form. Tony Bessell and his processing team at Katanning have overcome difficulties on the chain with leaving the fat tails on the animals intact to boost their sales appeal.



□ Craig Heggaton.

Kojonup Producer Director Craig Heggaton says recent moves by WAMMCO to provide fat tail sheep producers in the pastoral areas with a vital processing option, further confirmed the readiness of the co-operative to support WA producers.

"We are unique because we are producer owned and controlled and I strongly support the view of my fellow directors that there will be many more opportunities for WAMMCO to benefit its shareholders in line with its clear charter to maximise their returns.

"We are already seeing a bounce in global lamb prices as world production continues to decline, and a lift in preference and demand for WAMMCO product because of its reputation for top quality and consistency.

"WAMMCO expects to enhance this reputation by working with members to implement new eating quality technology to enable them to further advance their lamb genetics and management.

"We are keen to restore the principles and benefits of WAMMCO Select and see this new standard of feedback to producers as a major breakthrough."

Craig said the board's decision to invest in the Goulburn lamb and mutton business had been a vital component of WAMMCO's long term strategy.

"It has helped to minimise and capitalise on that big exodus of WA's sheep breeding stock to the Eastern States two years ago and it has also greatly assisted us to stabilise and boost WA lamb prices during a difficult marketing phase," he said. "The potential for future growth and development from this east/west spread of business is unlimited."

Craig is in his fourth year as a director of WAMMCO. His experience and skills as a qualified veterinarian, sheep breeder and businessman have significantly assisted WAMMCO's direction since his appointment as a director in October, 2009.

He graduated with a degree in Veterinary Science from Murdoch University in 1983 and provided a consultancy service to WA's live sheep shipping industry for two years before entering the sheep artificial breeding industry.

Since establishing the Evergreen Grazing farming operation in the mid-1980s, Craig and his wife Liz have become major commercial lamb producers, as well as one of WA's leading genetic suppliers, having developed two high fertility lines of composite prime lamb genetics and a Poll Dorset stud.

The co-operative's supply development manager, Rob Davidson said the focus was now with pastoralists to encourage genetic and feeding management changes to achieve the full loins and well formed hindquarters that would assist their fat tails to achieve maximum prices.

"With some supplementary feeding, we are finding that clean skin, pastoral ram lambs can meet our international market requirements and the higher returns cover extra feeding costs. We also believe that pastoralists who are prepared to invest now in genetics that can improve processing returns, can assist us to build a valuable future lamb market."

Further details on the new WAMMCO partnership with pastoral lamb producers may be obtained from Wayne Radford on 0429 944 733 or Rob Davidson on 0429 380 195.



□ Katanning departmental supervisor, Alex Hamlin with some of the pastoral ram lamb carcasses for Malaysia.