



Chairman's Corner – Dawson Bradford

I recently had the pleasure of announcing our **first ever bonus pool distribution** to qualifying members. Payments totalling \$825,000 will be made to a total of 531 members. Included in this are 421 members who supplied 192,500 lambs on our weekly over the hooks schedule. These members will receive an average payment of \$3.50 per head with a range from \$1.75 per head to \$6.50 depending on the value of stock delivered.

The distribution was possible because of a **record profit of \$5.4 million** in 2004/05, after allowing for the bonus distribution. Our previous best result was a profit of \$1.7 million the previous year. Members are now **seeing the benefits** of the reorganisation of the co-op the Board undertook in late 2000.

In addition to qualifying for pool distributions members also have free access to our **Supply Development Manager Rob Davidson**. Rob is able to advise members the best way of turning off lambs that meet the specifications our customers demand as well as being able to give advice on how members can improve the profitability of their lamb operations. The appointment of such a highly qualified and competent person is a first in the Australian meat industry.

China market visit – Albert Baker

In July a marketing visit to China was completed by Marketing Executive Albert Baker. The cities of Beijing, Shanghai, Harbin, Dalian, Xian and Jinan were visited.

Time was taken to meet present clients, prospective new clients, abattoirs, supermarkets and wet markets. Each city in China has a wide variation in eating habits that alter with the change of seasons, with the temperatures ranging from -28 to + 40 degrees in some cities.

Many of the processing plants are in the North East of China around the city of Harbin where the plentiful labour supply is able to be sourced at lower rates than in other major cities.

There are **future opportunities for sales of value added cuts** especially with the forthcoming Beijing Olympics but regrettably with the low GDP China will mainly be a cheaper off cut and offal market.

Members are also given **exclusive access to available processing space and forward contracts** during certain periods of the year. In **November**, members will be given preferential access to remaining space and contracts for the period **February to August** next year.

As a co-operative **we exist solely for the benefit of our members** and if you have not already considered the many advantages of active membership now is the time to do so.

We will be holding our **Annual General Meeting in York on Wednesday 26 October 2005**. The meeting will be preceded by a visit to Tony Boyle's feedlot commencing 1.00 pm. This will be followed by the AGM in the Federation Room of the Castle Hotel commencing 3.00 pm. The afternoon will conclude with refreshments.

All Board members will be in attendance and this is a great opportunity for you to hear more about what we are doing and to **communicate your thoughts and ideas** on what we are doing right and where you think we can improve. I urge you to come along and participate.

As in many cases, both the husband and wife of families are required to work and many women are owners of wet market stalls.

During the visit we met Yang Wei, a wet market meat trader at the Tiaguo Market in Harbin who at the time was selling WAMMCO product.



IN THIS ISSUE:

Increasing lean meat yields	2
Co-op Comment	3
Skins update	4
Member of the Month	4
Sheep Measles	4

Disclaimer

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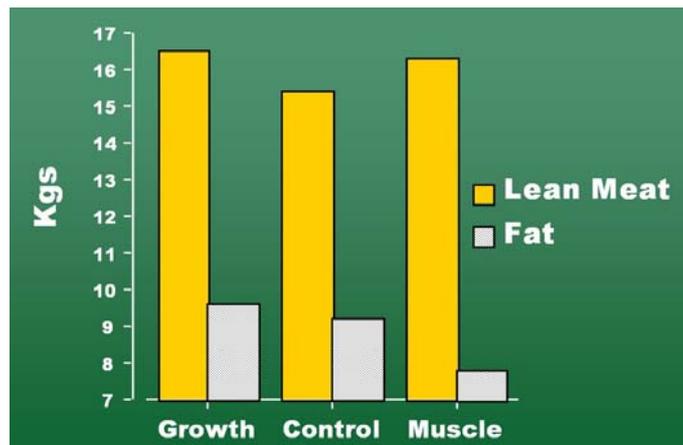
Producers can increase lean meat yield by selecting for muscling – Dr Graham Gardner, Lecturer, School of Veterinary and Biomedical Sciences, Murdoch University

Sheep producers can markedly increase lean meat yield by selecting sires with high post weaning eye muscle depth (PEMD) Australian Sheep Breeding Values. This has exciting implications, leading to greater on-farm efficiencies for lean meat production when selling based on lean meat yield and greater profit.

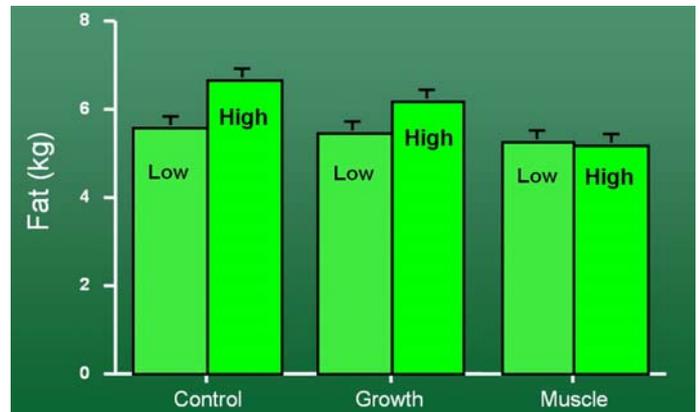
In a recent experiment funded by Meat and Livestock Australia and the Australian Sheep Industry CRC, a flock of lambs was grown out for slaughter at 8 months of age while being maintained on either high or low nutrition (controlled by stocking density). These lambs were the progeny of sires selected for growth (ie high PWWT ASBV's) or muscling (ie high PEMD ASBV's), or a control group which represented the average industry sire. All carcasses were boned out and their bone, muscle and fat components individually weighed.

Overall the lambs selected for growth were 2 kilograms heavier in hot carcass weight than the lambs selected for muscling. However when these carcasses were boned out it was found that the lean meat component was the same in both the muscle and growth selected lambs (Figure 1a). The 2 kg difference was predominantly made up by fat.

Figure 1. The impact of sire genotype on lean meat yield (1a) and fat deposition (1b) with lamb carcasses.



1A



1B

The other exciting result was the impact of nutrition. Generally under high nutrition lambs tend to lay down a great deal more fat (see Figure 1b), however the lambs selected for muscling did not. This suggests that the energy derived from improved nutrition is not being wasted on fat storage and can be put to better use in growing out the lean component of the lamb. It also has implications for on farm efficiency. The reduced fatness implies less feed intake to achieve the same lean meat yield (see Figure 1a), which on an energetic basis we estimate to be worth approximately 4 weeks less grazing, or in a feedlot 2 units of feed conversion efficiency.

It is important to note, however that the difference in fatness between the muscle and growth selected lambs could not be detected using the AUSMEAT "GR" measurement. The GR score is an excellent indicator of general carcass fatness, however in this case it was not sensitive enough to show the difference in lean meat yield between lambs from growth and muscling sires. For this reason VIAscan is recognised as an important step forward as it can predict lean meat yield and will potentially enable producers with higher yielding lambs to be rewarded.

So by selecting for sires with high PEMD ASBV's and high PWWT ASBV's we can optimise lambs both in terms of growth rate and muscling, producing more efficient lambs with higher lean meat yield!

Contact Graham on 93602264 for more information.

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Editorial – Rob Davidson

It has been fantastic speaking to many of you that have attended our recent series of 16 producer days or visited our displays at the Newdegate and Mingenew field days. We estimate that we have had well over 1000 contacts ranging from Esperance and Mt Barker through to Southern Cross and Northampton. As a result of the field days, **we welcome 100 new members of WAMMCO who have joined since July.**

Producers are reminded that if your livestock has been treated with any veterinary chemicals then you **must adhere to the Export Slaughter Interval (ESI) rather than the Withholding Period (WHP)** of the particular chemical. An ESI is the time that should elapse between the administration of the chemical to the animals and their slaughter for export. An example of the difference between ESIs and WHPs – Novartis Clik Sheep Blowfly Treatment, WHP – 28 days, ESI – 120 days. ESIs are often not noted on chemical packaging and are subject to change so **check the Australian Pesticides and Veterinary Medicines Authority website** for the latest information (www.apvma.gov.au).

With pasture in parts of the state beginning to hay off and in other areas continuing to thrive two main issues require your attention. **Grass seeds** (especially Barley grass) are beginning to mature and we encourage all to read the “Winning against seeds” booklet enclosed in the last issue of LambLine and make the necessary decisions to minimise the problem.

In other areas of the state with abundant feed **over fat lambs (fat score 5 carcasses)** are beginning to become an issue. Due to the excess fat and reduced muscle, these carcasses are paid at **\$1.10/kg (approximately one third of premium returns for 22-28kg carcasses)**. If the lambs are older than 14 weeks, it is important to recognise that milk contributes

less than 10% of the lamb’s total energy intake and little nutritional benefit is gained from remaining them with their mothers. **Wean these lambs into a worm and grass seed free pasture** of similar quality and composition of feed they grazed before weaning. If you intend to supplement these weaners **train them to recognise lupin and cereal grains before weaning**. If they will drink from dams or troughs it is again important that they are taught to recognise these water points before weaning.



We do not require over fat, poorly muscled carcasses.

The carcass competition has commenced with new grids. There is a larger target carcass weight range (24.1 – 27.0kg) to obtain maximum points along with a bonus/discount grid based on VIAscan predicted loin yields. Producers requesting entry forms can contact me. **We acknowledge the Farm Weekly, Primaries and Elders in supporting the event.**

Finally, producers **purchasing SAMM x Merino rams** must be aware the progeny will be **paid at the Merino schedule**.

Co-op comment – Des Griffiths & Damien Giumelli

Marketing

Global demand for legs and loins has been softer during the past 2 months with an unusually hot summer in the USA combined with high prices suppressing lamb sales.

Despite this, WAMMCO’s established retail programs have provided ongoing sales at positive returns, and conditions are slowly improving as we head towards Christmas.

An early start to the season is providing good quality lambs with frenched racks and shortloins being exported to North America and value-added chilled legs into France and the UK.

North America Visit

A market visit to the USA and Canada was conducted in August 2005. This follows a strong year of sales growth, particularly into the USA. WAMMCO’s lamb now features prominently in the US retail scene with consistent chilled sales now conducted 52 weeks of the year.

A highlight of the visit included meetings with retail customers who complimented the quality and consistency of the product. There is also a willingness to expand the business, though sales are being constrained by high prices compared with cheaper poultry and pork.

Opportunities to increase sales into foodservice markets are available as production capacity and labour resources can be expanded at Katanning. In particular there is demand for boneless legs, frenched racks and boneless shoulders.

WA Industry and Export Awards

The Western Australian Industry and Export Awards are the State’s most prestigious business awards acknowledging the innovation, hard work and success of businesses, large and small, in reaching new markets.

WAMMCO is a finalist in 3 categories – Large Advanced Manufacturers Export Award, Agribusiness Export Award and Regional Exporter of the Year Award. Winners are announced in mid October.



Skins update – Peter Fowler

Recently, a serious decline in the market demand for lambskins has resulted in a significant reduction in prices.

Skin prices had been steadily increasing for some time to meet the demand for manufactured leather satisfying the new ugg boot craze that had occurred, firstly, in the USA and then throughout the world. The ugg boot fashion is now over and the tanning industry has been left with an over production of high priced finished goods. Values for the other main skin products – shoe linings, double face clothing and wool products have been on a downward trend for some time.

Unfortunately, finished skin products have a small restricted buying clientele that come from very cold and in many cases poorer countries. This market is then controlled by changing fashions, weather conditions (a cold northern hemisphere is most desirable), stricter environmental controls, import taxes, trade restrictions and currency fluctuations.

The majority of the world's lambskins are manufactured in China because of cheap labour costs. Their situation has become very grim, with many tanneries being forced to close their doors because they have large volumes of high priced finished goods and cannot afford to pay for replacements.

The Australian skin industry is now trying to cope with a period of plentiful supplies of raw skins and large volumes of unsold skins, many purchased at higher rates to fill forward contracts that have not been honoured. In fact the **current value of skins with shorter wool lengths (< 1/4 inch) are below production costs** and as a result we have had to introduce a disposal fee.

WAMMCO has delayed this decision as long as possible, hoping for an upturn in the market, however, with the news that the market is continuing to fall a fee of \$1.00 per skin has been introduced to off set the cost of disposing of skins.

Member of the Month – Ian Brown

Buying in Merino ewes for breeding, as well as crossbred lambs for finishing is the basis of a lamb/cattle feedlotting operation at Karlgarin that is working well for August Member of the Month, **Jill, Keith and Todd Fotheringham**.

They use Poll Dorset sires from the Shirlee Downs Poll Dorset stud to mate 1000 - 1200 Merino ewes in March each year, when the ewes have gained condition on pea/lupin stubbles.

"The experts advised us that March mating was more natural, and we have certainly found that lambing onto good pastures from August 1, pays dividends," Jill said.

Their consignment consisted of 165 lambs averaging 25.1kg.

Past winners

May – Graham Moir, Borden – 175 SAMM xb 25.8kg

June – Peter Horwood, Mingenew – 256 PD xb 26.6kg

July – Arthur Parker, Gnowangerup – 280 Suff xb 26.2kg

Sheep Measles (*Cysticercus ovis*)

Although prevalence across Australia is low, the disease continues to cause significant economic loss to the sheep industry with up to 100% of sheep being affected in individual consignments at slaughter.

Sheep measles are a cystic stage in the lifecycle of the dog tapeworm (*Taenia ovis*). A mature tapeworm can be up to 2m in length and consists of segments (approximately 1cm in length). Periodically segments break off from the tapeworm, rupture, releasing thousands of tapeworm eggs that pass out in the faeces and contaminate the pasture.

The sheep become infected by eating the tapeworm eggs whilst grazing. These eggs hatch in the sheep's digestive tract and burrow through internal organs and body muscles (most commonly heart, diaphragm, tongue and cheek). Tapeworm larvae lodged in muscle tissue grow into fluid filled cysts. **The dog becomes infected by eating raw meat that contains sheep measles cysts.** These cysts develop into mature tapeworms in the dog's intestines.

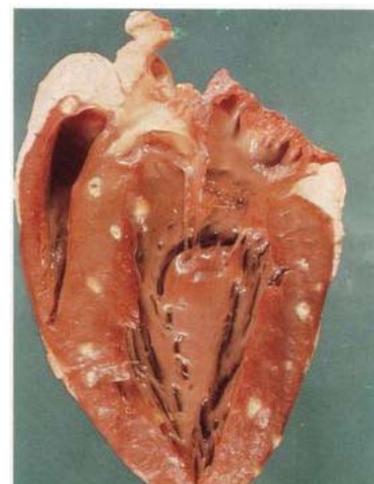
Affected sheep show no signs of the disease, the cysts can't be detected by examining the live sheep and there is no effective treatment for sheep measles. However there are 3 main parts to a preventative program;

- 1) routine deworming of dogs (every 6 - 12 weeks)
- 2) feed dogs only manufactured or thoroughly cooked diets
- 3) sheep offal should not be fed to dogs.

Carcases with 5 or more cysts are condemned. Carcasses with less than 5 cysts are downgraded by 50%.

Carcases with less than 5 cysts can be processed under special guidelines:

- 1) Carcasses are kept separate from non-affected carcasses in the chillers.
- 2) Carcasses are completely deboned under QA supervision after production of unaffected carcase has finished (allowing a total 'clean-down' after production of affected carcasses).
- 3) Meat can only be sold as boneless manufactured product earning lower returns than primal products.



Sheep measles in the heart. (Photo source Inkata press).