



## CHAIRMAN'S CORNER – Dawson Bradford WAMMCO Chairman

I am very optimistic about the **future** of the export prime lamb industry based on the research I have read. Over the 8 year period 1995 to 2003 the volume of Australian lamb exported has risen from 49,100 tonnes to 104,900 tonnes. This represents an increase of 114%. Even more significantly, the export value has increased 232%, from \$165.9 million to \$551.0 million. Producers have reaped the **benefit** of these increases in the prices they have received.

The most important single market movement was the US where volumes increased 273% and value a whacking 558%. This market requires lamb in the weight range 22kg to 30 kg fat scores 2 & 3. Traditionally Western Australia has not produced this type of carcase however we have seen producers responding to the challenge in a very **positive manner**. With the introduction of video imaging technology at Katanning (VIAscan®) producers will receive additional information on the meat value of their lambs which will assist them in identifying changes that may be necessary. To further assist we also have the services of our Supply Development Manager, **Rob Davidson**, available to members.

The **US** market is predicted to **more than double** over the next 10 years. To ensure that your co-operative is at the forefront of participating in this growth we are currently investigating the potential to secure a **shareholding** in an

established US lamb importing business. This will give us improved market intelligence as well as assisting in ensuring future access.

With producers enjoying a great start to the season I again remind members to plan their lamb marketing this season. If you want to get the best price for your lamb gone are the days when you could shop around and get processing space a few days before turnoff. We will again be offering members **preferential access to killing space** next financial year. Members can book up to the end of January 2006 in the months of July and August. Space in the February to August period in 2006 will be available to members on a preferential basis in November this year. Outside these periods space will be available to non-members, although we will always try and give preference to members whenever possible.

Although we have not finished the financial year I feel confident members will receive a **rebate** based on the number of lambs they have supplied in the current year, their value and the number of shares they hold. Also **rebates are only payable on over-the-hooks strictly schedule based purchases**. This excludes on farm, contract, weight no grade and saleyard suppliers. Please contact our Company Secretary, **Bruce Ede**, if you are not sure of your situation.

## Gulf Food Fair – Dubai – Albert Baker, Marketing Executive

In February Albert Baker and Production Coordinator Robert Panting attended the Gulf Food Fair in Dubai.

It provided time to meet present clients within the Middle East region, gain market knowledge and see first hand the growth within the Dubai market. Such is the growth and interest in the Middle East region the biannual Gulf Food Fair will from 2006 be an annual event.

WAMMCO Chilled Lamb Cuts are distributed into the leading five star hotels, restaurants and supermarkets in the United Arab Emirates by our agent El Fab Company LLC. Recently in conjunction with Meat & Livestock Australia WAMMCO has donated product for the MLA's Black Box Chefs Cooking Competition and organized an advertising campaign with signage on El Fab's vehicles.

*Ahuja MS, El Fab General Manager, Robert Panting, Albert Baker and Ashok Malhotra, El Fab Managing Director.*



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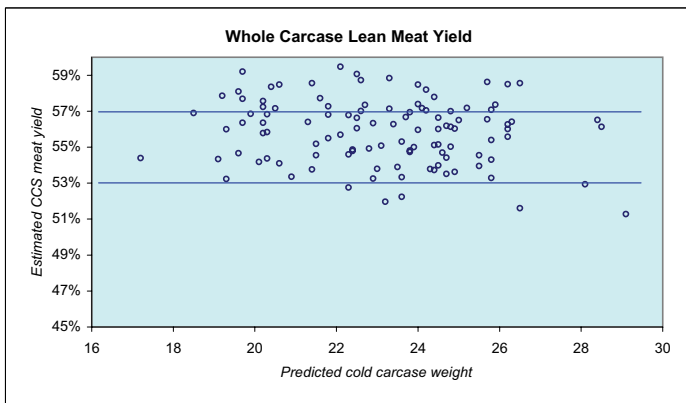
## VIAscan® feedback and improving lean meat yields – Ian Brown and Rob Davidson

WAMMCO crossbred lamb suppliers have started receiving additional VIAscan® information with their account sales.

The VIAscan® Sheep Carcase System is an objective grading tool that utilises Video Image Analysis technology to predict the lean meat yield of lamb carcasses at slaughter speed.

The following article explains the feedback producers are receiving and what changes producers can make to their management.

A higher “Benchmark Carcase Meat Yield” percentage indicates the carcase has more lean meat. The scattergram below shows each carcase as a dot, plotted against its predicted total lean meat yield (vertical axis) and its predicted cold weight (horizontal axis).



The horizontal lines indicate the upper and lower quartiles of a large sample of like carcasses in terms of potential total lean meat yield. ie. **carcasses above the upper dotted line (above 57%) are in the top 25%**; carcasses in the middle band are amongst the middle 50%; and **carcasses below the lower dotted line (below 53%) are in the lower 25%**.

Carcase Yield Summary		
	No	%
High (> 57%)	33	29.7
Ave (53 – 57%)	72	64.9
Low (< 53%)	6	5.4

In this case, 33 carcasses (or 29.7% of the line) were top yielding carcasses, 72 carcasses (64.9% of the line) were average and 6 carcasses (5.4%) were low yielding carcasses.

Additional data is also available to us include predictions on specific segments such as leg, loin, shoulder, tenderloin, tipped leg and many others. Once proven, WAMMCO will be able to use this data to better manage carcase selection for specific markets, which will enable us to further improve yields and profits. This in turn benefits the Co-operative’s members through improved returns.

WAMMCO is in the process of validating the VIAscan® system through a series of boneout trials to compare the actual versus predicted lean meat yield of crossbred lambs. Although the sample size is small, at this stage VIAscan® is over predicting the lean meat yield. WAMMCO and SASTEK (marketers of VIAscan®) together with industry partners are investigating broadening the types of lambs upon which the Australian yield predictions algorithms are based.

Even though the accuracy of the database is still being proven, producers can start making changes to their genetic base to ensure they reap the benefits of improved returns for the higher yielding carcasses when the payment system is in place.

Producers must understand the variation in percentage carcase lean meat yield is a function of fat depth and total muscle. If you are producing trade weight lambs (18 - 22 kg), 15 – 20% of the carcase weight is fat. However, the percentage of fat of heavy export lambs (26 - 30 kg) can be higher than 30%.

The key is to understand LAMBPLAN Estimated Breeding Values (EBVs). **Best results are obtained when rams have been carefully selected to match your ewe base and to meet your target carcase weight.** Selecting sires the combination of high growth EBV (+ve Post weaning weight), well muscled EBV (+ve Post weaning eye muscle depth) and lean EBV (-ve Post weaning fat) will produce fast growing, lean, well muscled lambs with a high lean meat yield. **Selecting sires on one attribute alone (ie fat or muscling) will not dramatically increase carcase lean meat yield.**

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## Editorial – Rob Davidson

What a magnificent start to the season the majority of the state is enjoying! However with additional feed come other potential problems. Producers understocked with pregnant ewes should be aware of potential big lambs or **dystocia** and not allow their ewes to get over fat. **Pulpy Kidney** can become a problem with the lush feed and producers are encouraged to administer an annual booster vaccination to their ewes 1 month before lambing. Finally, producers are reminded to **ensure their lambs are empty and clean** before being loaded onto trucks as mud, dirt and ingesta creates more food safety issues inside the processing plant.

Included with this issue of LambLine are three publications from Meat and Livestock Australia. The **Lambing Planning Virtual Shepherd** covers all of the critical management and nutritional decisions involved in the production of prime

lambs. The **Cost of Lamb Production Calculator** will allow you to compare the health of the enterprise as well as allow you to benchmark yourself with fellow producers in your region. The **Winning Against Seeds** publication provides producers with the essential tool to produce seed free products – essential reading given the season we are experiencing.

A series of field days will be held over the next 2 months across the state. A list of regions and venues will be regularly updated on the WAMMCO web site ([www.wammco.com.au](http://www.wammco.com.au)) in the Supply Alliance Diary under News and Events. Whilst looking for the field day locations why not become a registered user of the webpage. There is every chance lamb prices will fluctuate over the next few months and registered producers can access the up to date prices from the web page.

## CO-OP COMMENT – Des Griffiths & Damien Giumelli

The **consistent supply of good quality stock** through April and May have allowed **strong sales to continue into the USA, Europe and the Middle East.**

Sales into the USA have increased further from last year with **America now ranking as WAMMCO's largest single country market.** In Europe there have been firm prices for chilled ABO legs particularly in the UK, with France also continuing strong demand. Leg prices are expected to soften into June and July as the European domestic production season swings into gear, though demand for imported middle cuts like racks and loins will strengthen.

In the **Middle East** it is reported that **increased imports of lamb and mutton are coming from China.** Although product quality appears to be lower than Australian lamb, China has an estimated sheep population of 144 million compared to Australia's 100 million. While nearly all of this is consumed locally we need to be mindful of China as a potential competitor in the future. WAMMCO will visit China in July 2005 to make further assessment of the market.

**WAMMCO welcomes Rob Davidson as a fulltime member of the staff.** He is understood to be the only highly qualified lamb researcher in Australia, fully employed by a processor to assist lamb producers improve their productivity.

## Why is Ingesta a problem in an abattoir? – Alistair Baker

**Ingesta is the contents of an animals rumen** and is known to be a carrier of harmful bacteria such as E-coli and Salmonella that can cause serious illness in humans. A pin size of ingesta can and has in the past caused WAMMCO to lose markets.

If an animal's rumen is full at the time of slaughter, it can increase the risk of ingesta spillage during the slaughtering process. If an animal's intestinal tract is full during transport there is increased risk of faecal staining of fleeces that can lead to carcase contamination on the slaughter floor.

Carcases contaminated with ingesta require -

1. Extra trimming resulting in a loss of yield for both the farmer and the abattoir.
2. Additional inspection by specifically trained personnel

**Prevention on-farm** - Lambs must be offered water only and allowed to empty out (preferably on grating) in the 12 hours before trucking.

**At the Abattoir** - Lambs observed to have full rumens on delivery will be held over until the following day for slaughter.

This reduces the risk of spillage of ingesta during processing and the risk of cross contamination from the fleece.



*Ingesta spill from a full rumen*



## SAMM's win Member of the Month – Ian Brown

Mick and Todd Quinlivan, Quintarra Farms, Esperance are WAMMCO's Member of the Month for March.

Their **123 first and second cross, July drop, SAMM lambs** were slaughtered at WAMMCO Katanning on March 9. The consignment **averaged 27.44kg for \$3.07/kg with all 123 carcasses being fat score 2 or 3.** 65% of the carcasses achieved the premium grade of 22.1 -28kg, fat score 2 & 3.

The Quinlivan's put their success down to the SAMM genetics, LAMBPLAN and finishing the lambs in the feedlot.



*April's Winner – Peter and Isla Jensen, Pingaring*

A decision four years ago to mate one third of their Nepowie-based Merino ewe flock to SAMM rams, is paying off for **WAMMCO's April 2005 Member of the Month, Peter and Isla Jensen and family of "Uralla" Pingaring.**

Their April award-winning shipment of **402 crossbred lambs averaged 26.44 kg and scored -0.287** on WAMMCO's lamb competition grid – **an outstanding result for such a large line of lambs.**

Previous success with SAMM/Merino cross lambs included the Jensen's **second place in 2003 Carcase Competition.**

The Jensen's will be making earlier contract arrangements for their 2006 lambs, having missed out on WAMMCO contracts for this year's lambs. Even so the winning consignment of 402 crossbreds averaged \$2.91 per kg for an average carcase value of \$76.93. As an experiment, these lambs were shorn just before dispatch to Katanning and after shearing costs, netted an estimated \$8.30 per head for the lambs wool.

The Member of the Month is judged using the State Carcase Competition price grid where producers are rewarded for producing lambs as close to 26.1 – 27.0 kg fat score 2.

## East vs West Skin Values – Peter Fowler

One of the most frequently asked questions is **why there is such a large discrepancy in lambskin prices between the eastern states and WA.**

WAMMCO's Skin Manager, Peter Fowler, sometimes questions the accuracy of market reports but putting this aside he advises there are a number of factors including:

- 1) **Ribbyness (wrinkle)** in skins is a fault skin tanners do not like. As most of the lambs in WA are either 1<sup>st</sup> cross or Merino we see a lot of rib. Compare this to the east where most lambs are 2<sup>nd</sup> cross without the same degree of rib. Ribby lines in the pelt are caused by the wool folds that are a characteristic of the Merino. Unfortunately, the skin is weaker along these lines and can be damaged during the tanning process.
- 2) Skins are sold on **size**. The larger 2<sup>nd</sup> cross lamb produced in the east yields a much greater recoverable skin area.
- 3) Today the main demand is for skins that are suitable for both double face clothing and shoe linings. **The best prices obtained are for skins that have a pelt free of both rib and grass seed.** The wool needs to be dense, free of vegetable matter and with a wool count of about 24 microns. Unfortunately, due to our harsh climatic conditions (green feed is available in parts of the east year round) and the finer wools from the Merino influence many of our skins do not fit into the above category.
- 4) Processors in the east also have access to a significant domestic market. In many cases lamb skins can be delivered green to domestic processors without the need for preservation. This saves **costs**. In WA, we must salt all skins to preserve them and if we sell to the east additional freight is involved.

We have seen eastern state processors advertise attractive skin prices. Invariably these are only **indicative prices** and we know of many cases where the producer has not received the price quoted because of rib and size.

"We do closely **monitor** eastern states prices and where the return is better we send skins to that market" Peter said.

The skin from an animal is an important component of the price a producer receives. Peter is confident that as WA producers respond to the challenge of producing heavier crossbred lambs they will see the **"gap"** between the markets **close.**