

# WAMMCO *Info*

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**WAMMCO** *International*  
A DIVISION OF THE WESTERN AUSTRALIAN MEAT MARKETING CORPORATION

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## Mt Barker AGM celebrates WAMMCO's \$10m profit

PRODUCER members of WAMMCO will get confirmation of a \$10.044 million record profit, after the payment of tax and rebates on livestock worth \$1.8 million - as well as a guest appearance by top Australian cricketer Adam Gilchrist - at their annual meeting in Mt Barker on Wednesday, October 23.

WAMMCO Chairman Dawson Bradford has sent personal invitations to the AGM to nearly 2000 members of the co-operative.

Mr Bradford will join WAMMCO's chief executive Coll MacRury in identifying key aspects of the record profit and how these factors are likely to impact on WAMMCO's future direction.

With the 40c/kg rebate on lamb and the 20c/kg rebate on mutton, paid to producers in September 2013, WAMMCO has returned nearly \$7 million to producers in trading bonuses since it began paying rebates in 2005.

Mr MacRury said the successful integration of the Southern Meats processing operation in Goulburn, NSW, had greatly boosted WAMMCO's ability to capitalise on a massive 50 per cent jump in Chinese

demand for Australian mutton and lamb products. The Goulburn operation had also greatly consolidated the co-operative's expanding markets through the Australian Lamb Co-operative in the US, Canada and other countries.

"There have been many benefits from the increased activity out of China notably that the increased demand for cheaper products has lifted the world base price and helped the entire industry," he said.

"I believe WAMMCO has never been better placed to underwrite a new era of growth and stability for its producer members."

The AGM on October 23 will be at the Mt Barker Bowling Club starting at 5:30pm.

The presentation by Adam Gilchrist will be at about 6:30pm, followed by a "lamb chops and lager" session through to 7:30pm.

Members are urged to RSVP to WAMMCO's Katanning office on 1800 199 197 or by email to Bruce Ede, bruce@wammco.com.au.



□ WAMMCO Chief Executive Coll MacRury.



□ Adam Gilchrist will be a guest speaker at the AGM event.

**BOTH Rod Madden, who was appointed to the board of WAMMCO in 2003, and Tony Boyle who was elected a producer representative in 2010, believe the co-operative is providing an exciting blueprint for the future of sheepmeats production in Australia. These interviews with Rod and Tony are the last in a series featuring WAMMCO's six directors over the past three editions of WAMMCO Info.**

YORK-BASED director, Tony Boyle is confident WAMMCO's ongoing capacity to pay rebates to producer members will see more producers supporting the co-operative using weight and grade schedules.

"I believe we have never faced such excellent market prospects for all weights of lamb, and that producers can already see increasing advantages in dealing with WAMMCO, instead of trying to 'beat' the market," he said.

"By contracting to supply lambs weight and grade, with the promise of regular future rebates, WA producers will not only ensure they get top money for their livestock, but also that they will be guaranteed killing space at Katanning.

"Originally I was interested in the argument that members selling weight no grade to WAMMCO should also be entitled to a rebate, but this cannot apply when those members have probably already accepted a higher return at the point of sale.

"I believe a change in producer culture is already taking place, that will see the co-operative ultimately moving to a second shift.

"I would also support a move by WAMMCO into processing and marketing other meats such as beef.

The WAMMCO and Southern Meats brands already enjoy a strong global reputation for quality and I believe we now have the opportunity to apply our successful co-operative model to further expansion preferably in WA, but alternatively in other



□ WAMMCO director Tony Boyle.

States or countries where opportunities present.

"WAMMCO's acquisition of Southern Meats, Goulburn, was originally questioned by some of our members, but has clearly demonstrated the benefits of careful strategic investment." Tony Boyle is completing his third year as a director, having been elected as a producer representative late in 2010. He is up for re-election in 2014.

"I believe that the growth in world demand for our lamb and mutton will continue to move rapidly and that WAMMCO will need to stay ahead of emerging trends," he said.

"We are already looking at plate freezing technology, - similar to that installed at Southern Meats in Goulburn - to allow Katanning the capacity to freeze more product for markets such as China."

WAMMCO director Rod Madden would like to see more young lamb producers taking an interest in the future direction of their co-operative.

Rod is due to retire in 2014 after his appointment to the board 10 years ago as a director with special co-operative expertise gained with both CBH and United Farmers' Co-operative.

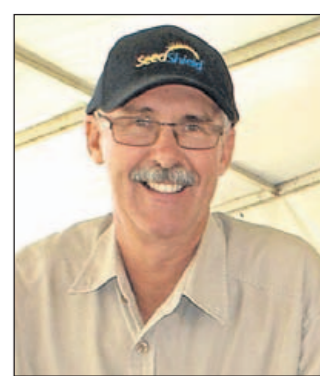
"I believe WAMMCO is now at an exciting stage in its evolution and that it will need committed, able young producers to ensure that it continues to grow in stature and in the benefits it can generate for the industry," he said.

Rod is also concerned that not enough WA lamb producers see the co-operative as an extension of their business.

"WAMMCO is unique not only because it provides essential underwriting and competition for our stock, but also ensures that it is processed to the highest standards and sold to the best restaurants, stores and markets in the world," he said.

"Rebates such as this season's record 40c/kg on lamb and 20c/kg on mutton are the best way for us to reward our active producers, yet we still have members missing out because they have not purchased sufficient participation units to cover their lamb or mutton deliveries or do not realise that rebates apply only to stock sold to us by weight and grade."

Rod said when he joined the WAMMCO board in 2003, it was in the early stages of a major rationalisation soon after its turbulent formation in mid 1999, and was holding 12 million foundation shares valued on about \$5 million of capital.



□ WAMMCO director Rod Madden.

"I have been greatly impressed by the professionalism and dedication of management, staff and directors in the way they have guided WAMMCO from that early predicament to where it is today," he said.

"The purchase of the Southern Meats Goulburn business and of a key shareholding in the Australian Lamb Co-operative which markets WAMMCO lamb product in Northern America, have been major achievements. Southern Meats at Goulburn is already a rapidly growing asset for WAMMCO and I believe our members will be rewarded when NSW producers see the need to purchase or take an interest in the facility."

In the early 2000's Rod worked with then Minister for Agriculture, Kim Chance to have State Parliament enact the provision of section 120 (i) c which enables qualifying co-operatives to claim a tax deduction for the repayment of both principal and interest on infrastructure investment.

This facility was used to finance the \$5 million upgrading of the boning room at Katanning three years ago, on very favourable terms.

## New sponsors, more time for carcass entries

**THE addition of NAB, Zoetis, Gallagher and the return of Landmark to the loyal list of sponsors for WAMMCO's annual State Prime Lamb Carcass competition, together with an earlier start and later closing date for entries, - plus an excellent season - should propel the 2013/14 event to new highs.**

Co-ordinator Rob Davidson said he was hoping members would use the competition as a yardstick for their own standards by entering all sections of the competition.

"Using multiple entries across the board is a valuable means of crosschecking your genetics, your management and your commercial progress," he said.

The co-operative is hoping for a resurgence in member interest to more than 100 entries this year with cash and donated product nudging a record \$20,000.

"The additions of NAB, Landmark, Gallagher and Zoetis to our long standing sponsors, Primaries, Elders, Milne Feeds, Farm Weekly, Superior livestock Services and WAMMCO certainly confirms our place as Australia's richest lamb competition," Rob said.

There had been a good flow of entries since the competition opened on September 1, and the event will close with final deliveries on May 29.

"With the bumper season, producers will face a significant challenge to keep their lambs in the fat score 2-3 range," he said.

Members interested in obtaining more details on the competition should contact Rob Davidson on 0429 380 195.

## Trials aimed at more processing and Gallagher gains

WAMMCO Katanning is to trial a new forequarter splitting unit that arrived in WA from Denmark in September.

"We have agreed to sponsor a trial of the fully automated unit - the first of its kind in Australia, - with an agreement to acquire the technology if it proves successful," Katanning manager Tony Bessell said last week.

Mr Bessell said the new unit was designed to handle the entire range of lambs with greater accuracy enabling better yields, higher productivity and improved safety standards.

"It promises to automate what has previously been a manual process," he said.

Growing overseas demand for manufacturing mutton has also resulted in the acquisition of extra trunk deboning capacity for Katanning.

"This equipment will assist WAMMCO to target bigger, fatter animals and to diversify our product range to better suit markets in the Middle East, Japan and China," Mr Bessell said.

"It coincides with an excellent season in WA that is producing bigger, fatter lambs and mutton."



□ Katanning manager Tony Bessell.



## New Zealanders return

NEW ZEALANDERS Renee Butler and her partner Ricky Shaw (pictured at the works with WAMMCO's Rob Panting), are members of a team of 12 skilled Kiwis, back at WAMMCO Katanning for their 12th term. They have just completed a bumper season at Balclutha, Otago Province, South Island and come each year to WA to help out during the peak of the WA lamb season.