

WAMMCO Info

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WAMMCO International
A DIVISION OF THE WESTERN AUSTRALIAN MEAT MARKETING CORPORATION

WA LAMB SET TO RIDE OUT GLOBAL UNCERTAINTY

WAMMCO is anticipating that 2009 could see a long-awaited turning point in WA's declining sheep flock, on the prospects of a good year ahead for WA lamb producers.

WAMMCO CEO Des Griffiths said after recent meetings with the Cooperative's export partners, that whereas uncertainty clouded the market prospects for lamb in North America, prices were holding well, and returns to local lamb producers were reflecting the low \$A and pending supply shortages.

"We have not changed our view that 2009 will be a good year for producers and difficult for almost everyone else," Des said.

"However the level of uncertainty in global markets is unprecedented as WAMMCO and its customers try to anticipate violent swings in currency, and a global economy running in all directions."

Des said WAMMCO had successfully built domestic lamb sales over the past 12 months to represent about 15 percent of its lamb market – partially to counter exchange rates of more than 95 cents in the dollar.

"That rate is currently around 65cents and exports are now more lucrative, but in the current global economic climate, it makes sense to also maximise our domestic market share."

He said maintaining the throughput of quality lamb in the year ahead would be the most critical test for WAMMCO.

"We hope to maintain current throughput at Katanning, but the prices to producers are already moving higher and we will be announcing new supply contracts in December in an effort to attract volume.

"Keeping a viable workforce at Katanning will be more critical than ever to seeing WAMMCO survive the worst global crisis for decades," Des said.

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ON SHOW FOR CHARITY

WAMMCO's decision to take a high profile at this year's Katanning Show, has had a welcome spin-off for local charities Royal Flying Doctor Service and St.John Ambulance.

The sale of WAMMCO lamb rolls by staff at the show on October 25, resulted in \$1,500 being raised for RFDS while three raffles of prime lamb packs and a lambskin bear brought in \$622 for St.John Ambulance.

WAMMCO Katanning manager Tony Bessell said local people had strongly supported the charity initiative and had also taken plenty of interest in the career, product and demonstration displays staged during the show by the cooperative. The cooperative is major sponsor of the Katanning Show for 2008 and 2009.

Presenting cheques to Les Crosby of RFDS and Syd Garlick of St.John Ambulance, he said WAMMCO

depended on the services of the two providers and welcomed the opportunity to show its appreciation.

RFDS flights through Katanning have increased from 80-100 a few years ago,

to more than 300 a year. About 10 WAMMCO staff complete the senior St.John First aid course at Katanning each year.



At WAMMCO Katanning for the charity presentation is St John Ambulance representative Syd Garlick (left) and Debra Rhodes, WAMMCO representative Tony Bessell and Fiona Clay and Royal Flying Doctor service (RFDS) representatives Adrian Roocke, Mavis Hartley and Les Crosby

PRODUCERS FOCUS ON WAY FORWARD

Pingelly prime lamb producer Bruce Sewell is like many of his fellow WAMMCO members – confident about the future prospects for lamb, but concerned about fluctuating prices and rapidly rising production costs.

Bruce was one of 19 invitees to the recent WAMMCO focus group discussion and hopes the cooperative will take account of the key concerns and suggestions put forward by members.

He is hoping for an extension of WAMMCO's unique lamb supply contract system, first designed as an incentive to underwrite out-of-season lamb, which developed from the very first focus meeting of producers about six years ago.

"I suppose I have a problem understanding why lamb prices offered by WAMMCO usually tend to follow saleyard trends, when the cooperative is supplying to viable export contracts negotiated well in advance of the season.

"Many of us would prefer a stable, viable price for our lambs to one that fluctuates from day to day and week to week. The bonus pool is a great innovation by WAMMCO but I would support more of the cash/share bonus going to

out of season lamb producers."

Bruce regards the forum as a positive step by WAMMCO and is looking forward to the second meeting early next year, possibly with an opportunity to inspect the Katanning plant.

He delivers up to 2,500 prime lambs a year to Katanning, about 1500 going as suckers and a further 1,000 being delivered from his feedlot between December and January.

Bruce and his father John Sewell bred Border Leicester lambs for many years and became some of the first breeders of SAMM lambs in WA after a breed comparison trial was run on their property by WAMMCO's Dr Rob Davidson in 1998.

WAMMCO Chairman, Dawson Bradford told the cooperative's recent AGM at Lake Grace that the focus group was a step towards encouraging greater member participation.

"We are never not only to bring members up to speed on what they need to know about their cooperative, but also for them to suggest how we can do things better.

"We also need to identify and encourage producers with the desire and ability to become future directors of WAMMCO," Dawson said.

LAMB COMPETITION GATHERS PACE

Nominations for WAMMCO's \$15,000 State Lamb Carcase Competition have already nudged ahead of entry numbers for this time last year, and convenor Rob Davidson is hoping for a bumper contest.

With 2009 also expected to see the introduction by WAMMCO of VIAscan premiums of \$3-\$4 per lamb as an incentive for high-yielding lambs, and a good season in most regions, producers have been lining up early to enter their lambs.

Lambs delivered to WAMMCO Katanning up until Thursday, February 26, 2009 may be nominated for the contest. Consignments must be a minimum of 100 lambs and a \$50 entry fee will apply.

Joining WAMMCO as sponsors of more than \$15,000 in cash and prizes for the competition are Milne Feeds, Primaries of WA, Superior Livestock Services, Elders, Ballard Seeds, Bayer and Farm Weekly.

Entry Forms appear in Farm Weekly and may be faxed to 9355 0961.

Competition inquiries should be directed to Rob Davidson on 0429 380 195, and bookings may be made through Fiona Clay or Rose Armstrong at WAMMCO Katanning on 9821 2000.

A GOOD DROP

A new tallow decanter, installed as a component of the extensive by-products upgrade now nearing completion at WAMMCO's Katanning plant, is already adding value to the tallow product from the plant.

Tallow is valued on its colour and levels of free fatty acids (FFA) and the new decanter, which separates all solids and impurities from the tallow, now provides WAMMCO with a much higher grade product for sale than was available from the old system.

Assistant Marketing Executive Ron Whyte said the quality of meat meal as well as tallow had already been improved and the reputation of WAMMCO's bloodmeal product would be enhanced with the installation of a new bloodplant to complete the by-products upgrade before Christmas.



By-Products Supervisor Steve Weigand tests a sample of the higher grade tallow from Katanning with Nigel Aitken.

VIASCAN START PRODUCTION RECORD

WAMMCO expects to have its specially-WA-adapted, VIAscan system in commercial operation at Katanning from the start of 2009.

Producers seeking updates on the system and how it will work to assist them, are asked to contact Dr Rob Davidson at WAMMCO on 9262 0999.

WAMMCO's Katanning processing plant has achieved unprecedented productivity levels in September/October boosted by plant upgrades, specialist workers on seasonal employment from New Zealand and new workers, especially a group from Burma, settling in to production routines.

Katanning Manager Tony Bessell said productivity in all sections of the works had increased, coinciding with the Spring lamb flush and WAMMCO's pre-Christmas export marketing push.

"Pre-Christmas demand is already in decline and will coincide with the New Zealand workers returning home in December," he said.



Checking WAMMCO data by laptop with director Rod Madden (second from right) at the recent AGM of the Cooperative at Lake Grace were Fay and Tom Stewart and WAMMCO's Producer of the Month winner for September, Beau Waddell