



# From the Chairman

WAMMCO chairman Craig Heggaton sees ongoing decline in the supply of global sheepmeats as the major challenge – and incentive – for Australia and New Zealand as the world's major exporters.

"The outlook for WA producers in 2019 remains bright with increasing demand and decreasing supply, and I believe we have developed the assets and technology both in the production and processing sectors to ensure standout world status for our products."

Craig said WAMMCO was unique – as a co-operative that not only offered its producer members profit incentives, but also ownership.

He believes the introduction of DEXA technology at Katanning in 2019 will offer producers an exciting opportunity to boost their lean meat production, while also preparing the Katanning plant for a new era of robotics.

On the negative side, rising costs – imposed mainly by government utilities and agencies – constantly threaten our ability to underwrite our producers with maximum prices for their livestock and rebates for high performance.



Craig welcomed Gnowangerup lamb producer Bill O'Keefe to the WAMMCO board at the co-operative's recent AGM. Bill (left) was pictured after the Katanning

meeting with Craig and former chairman Dawson Bradford.

Bill replaces Kelly Manton-Pearce who leaves the board after a distinctive four years as director.

"I join the WAMMCO team in offering our producers and staff an enjoyable, safe Christmas with a good season and ongoing rewards in 2019," Craig said.

# WAMMCO achieves outstanding results

WAMMCO CEO Coll MacRury has thanked the co-operative's producer members and staff for a resounding result in 2017/18, with indications of ongoing buoyancy in the year ahead.

"I was highly impressed by the positive tone of the recent AGM and Producer of the Year functions at Katanning, sharing the honour with Chairman Craig Heggaton and our directors of reporting a successful year, and presenting awards to our top performing producers," he said.

"With new initiatives for producers like DEXA to increase carcase feedback, and the fast-developing grassfed lamb program for North

America, plus advances in processing such as the conversion of our effluent system to biogas/solar power production, new waste water capture and the installation of a dedicated processing system for mutton, WAMMCO is well placed to capitalise on sustained global demand for sheepmeats.

"We expect the new biogas system to offset about 80 per cent of our current demand for electricity, while our new investment in waste water recovery should similarly offset the rocketing cost of scheme water."

Coll said it was pleasing to see more signs of a producer return to lamb and sheep

production in WA, with more young producers showing interest.

"Advances with lamb genetics and innovation in management and nutrition by WA producers has been quite stellar and will greatly assist WAMMCO to shape its future course," he said.

"Our producer members and our processing operations continue to set higher new standards while increasing government costs and red tape with everything from hygiene and animal welfare to visas for overseas workers serves as a costly offset."

"WA has been a national beacon for lamb and sheepmeat exports, offsetting a

massive drought problem in the Eastern States in 2018 and WAMMCO will again be relying on the West to maintain supplies over the next 12 months to service its heavy global commitments."

Coll said little change was expected in global demand for lamb next year, but exporters were keeping a close watch on China and the likely further erosion of its high economic growth rates of the past few years.

"On behalf of the directors and management of WAMMCO, I would again like to express our sincere thanks to our producers and our staff for a momentous year, along with our wishes for a happy festive season."



# Lynch family wins top WAMMCO award

To Tom and Donna Lynch, two of Western Australia's most recognised farm industry supporters, winning WAMMCO's Producer of the Year award was an important achievement.

The fact that the award was a special tribute to WAMMCO's Judy Cameron, held extra importance for Donna, a frequent visitor and caller to WAMMCO Katanning and admirer of Judy's.

The Lynch family lamb enterprise has been among the top scorers in WAMMCO competitions over the past decade, but this year's large crossbred producer category title is their first Producer of the Year award.

It was the drought of 2010 that drove a change from a Merino-Poll Dorset base to Prime SAMMs and the prospect of better growth and better lambing percentages, then a change from May to July lambing that offered more assured feed prospects and better marketing opportunities.

"We have been lambing onto green feed in July even in bad seasons such as this year's dry start, and still getting 100 per cent plus lambs when others are struggling for 80pc," Tom said.

"The lambs are shorn in October and finished in the paddock with our own grain. We also seed oats into our pastures to provide more bulk in the feed mix and are progressively increasing the use of



▲ The Lynch family, Hyden, won this year's WAMMCO Producer of the Year competition after taking out the large crossbred supplier category. With the trophy were Westcoast Wool & Livestock agent Lincoln Gangell (left), winners Monica and Donna Lynch, PD Lynch & Co, Hyden, WAMMCO chairman Craig Heggaton and Ben Fletcher, Zoetis, which was a major sponsor of the awards.

serradella on the property."

Prime SAMM genetics have been sourced from Uralla, another consistent winner of WAMMCO awards, with both SAMM and Poll Dorset breeding stock also purchased from KD Genetics of Kojonup and Cunderdin.

Tom and Donna believe the high feed conversion abilities of the Prime SAMMs assist them to readily reach their target of 50kg liveweight and to underwrite the better

sustainability of their lambs.

They said the family sheep enterprise was previously based two thirds on wool to one third on meat. Now the ratio is reversed.

"We are pleased to see that mutton is no longer regarded as a by-product of the sheep industry, and that it is gaining value, particularly with efforts by WAMMCO to lift the value adding of mutton product," they said.

"We are more than happy with

# Christmas closure

Last kill December 20.

Last deliveries of lamb and mutton to the plant for 2018 will be on December 19, before the plant closes on December 20.

Deliveries will resume on January 1 for the reopening of the plant on January 2.

# Strong finish to 2018

WAMMCO's Katanning plant will have worked 12 Saturdays straight plus overtime through to December to process up to 24,000 sheep and lambs per week in a busy run-up to Christmas 2018.

Katanning manager Tony Bessell said the bonus for both WAMMCO's bottom line, and in returns to producers, was that lamb weights were averaging about 1.5 kg more than last season.

"We have retained a solid core workforce of 340 people to handle peak production, and have broken boning room

production records," he said.

"Many of our workers have been up skilled, and our investments in upgrades to the plant are certainly paying dividends."

The downside had been costly power outages on two occasions over the past few weeks, with damage to plant systems still being assessed.

Contractors for a new solar/biogas complex that will offset about 80 per cent of the plant's future power requirements were on site recently and expect to have construction at Katanning under way early in 2019.

Biogas from a covered anaerobic lagoon at the plant will drive large generators with the power supply supplemented by solar panels.

The reliable back-up system will not only cut the costs of power but also assist to reduce WAMMCO's rising insurance costs.

Tony said the co-operative was in the early stages of planning for a new dedicated mutton line in the boning room, with the potential to increase carcase volumes from 4000 to 6500 units per shift. Mutton product is currently processed on equipment designed for lamb.



# "Off The Hook" confirms co-op's value to WA sheep producers

HOW close Western Australia's now-thriving producer lamb co-operative came to collapse after its establishment in 1999, is a reality few people understood before the recent release of WAMMCO's official history "Off the Hook," according to Aldersyde producer Wally Mills.

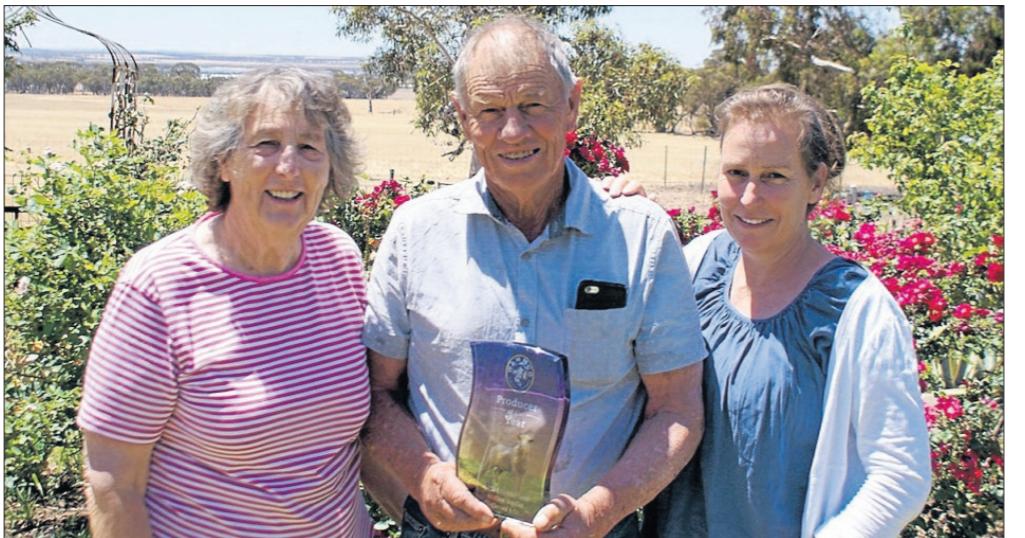
"Like everyone else, I have tended to take our WAMMCO co-operative for granted," Wally said last week.

"But in the latter months of 2000, the structure teetered on the brink of collapse with mounting liabilities, bankers and directors in flight and an apparent indifference by the coalition government of the day."

"Had it not been for directors Dawson Bradford, Max Cameron and others who took control, former Metro Meat CEO Des Griffiths and a team of accountants nominated by then Deputy Premier Hendy Cowan, there would have been little chance of a rescue."

"Off the Hook" confirms just how fortunate the sheep producers of WA are that they own Australia's most unique sheepmeats processing and marketing enterprise, and that it is doing so incredibly well for us."

Wally spoke of his surprise at the precarious early history of WAMMCO at the co-operative's



▲ Wally Mills, wife Glennis and daughter Kristine Ingham (visiting her parents from UK) at the Mills family's farm at Aldersyde last week.

Producer of the Year presentation, following the annual meeting at Katanning.

He urged fellow producers to fully appreciate the value and security the co-operative offered them by ongoing investment in leading edge processing technology, the production incentives it offered and the premium global markets it had developed.

"WAMMCO has grown as a major, truly co-operative asset for WA sheep and lamb producers that not only underwrites our prices each year, but now also shares profits in the form of a serious rebate in most years," he said.

Wally and Glennis Mills' Glenwal & Co won WAMMCO's Producer of the Year title in the medium crossbred lamb supplier category for 2018.

Tom and Donna Lynch of Hyden

won WAMMCO's Judy Cameron Memorial Award for Producer of the Year in the large crossbred producer category while the title for small crossbred producers went to Wayne and Johanna Tomlinson of Kalgan.

In the Merino section, Cascade producer Scott Welke won the large producer award, with the small producer title going to Evan, Jennifer and Patrick Wyatt of Pingaring.

## The increasing cost of regulation

WAMMCO's Katanning manager Tony Bessell is concerned that a recent report on the rising cost of government services – and the falling global competitiveness of Australia's beef industry – has similar implications for the lamb and mutton industries.

With the cost per head of processing cattle in Australia more than twice the cost in Brazil, 75 per cent higher than Argentina and 24pc higher than in the United States, there is concern that beef processing may move offshore.

"There is a minimum cost to

WAMMCO for providing federal services at Katanning of \$1 million a year, with more and more imposts for environmental, animal welfare and other demands adding to our cost every year," Tony said.

"In many cases there is duplication of these charges, with foreign authorities seeking similar accreditation for the Australian plants their buyers choose to deal with.

"Australian processors continue to lose their 'edge' because the governments of other meat exporting countries

accept that the cost of administering their processing industries is a legitimate cost to government to foster international trade."

Tony said the recent Cost to Operate report commissioned by the Australian Meat Processor Corporation, of which WAMMCO is a member, had identified exorbitant energy costs, the extremely high regulatory burden and labour as the main threats to the viability of Australian processors.

"We would like to see producers and local communities also voicing their concerns," he said.

worsening reliability. We have had two serious outages in the past few weeks, one where we lost power for an entire day at a direct cost of at least \$100,000, with the further cost of flow-on damage to our infrastructure yet to be determined," Tony said.

He said Australian meat processors were taking every opportunity to expose the crippling regulatory costs penalising the industry.

"In WA, it is not just the excessive cost of energy, but the

# Win tops off great year for Welkes

BALANCING 20,000 sheep with an annual 10,000 hectare cropping program is a comfortable mix for WA's 2018 Large Merino Producer of the year winner Scott Welke and his family at Cascades near Esperance.

"Coming from third last year to win the WAMMCO title for 2018 caps a great year for us, despite an extremely difficult season," Scott said last week.

Michael Letto's Shalimah enterprise at Grass Patch took second place in WAMMCO's 2018 Large Merino Producer category, and a number of other producers from the Esperance region including Westwood clients, last year's second placegetter Mark Walter and Simeon Roberts of Lortleaze Farms Cascades were counted in the top 10 of several categories. Simeon Roberts was also WAMMCO's Producer of the Month for May, 2018.

The Welkes introduced Merino genetics from Leahcim South Australia in 2001/02 in the quest for high performance, easy-care sheep, before Scott and his brother James established their own Westwood Poll

Merino stud five years ago.

"The September 2018 auction of 26 Westwood rams averaged \$1400 with our best-ever top of \$2500 – plus the ready private sale of another 80 rams – indicating the increasing grower interest in easy-care, dual-purpose Merinos," Scott said.

"We wanted a low maintenance Merino flock with good fleece weights and a positive body fat and eye muscle count aiming initially to lift our breeding numbers to 15,000 ewes. Now with 8500 Merino ewes and a further 1900 hogget ewes, some producing three White Suffolk cross lambs every two years, our current total flock of 20,000 sheep is profitable, manageable and compatible with our cropping."

Scott is excited by the prospect of increased performance data from WAMMCO's soon-to-be-installed, DEXA system and has congratulated the co-operative on its decision.

"We have also intensified our search for more top Merino and White Suffolk genetics to capitalise on any premiums that may flow



▲ Ben Fletcher (left), Zoetis, Landmark Esperance agent Neil Brindley, Cascade producer Scott Welke and WAMMCO chairman Craig Heggaton at the WAMMCO Producer of the Year awards. Merino lambs supplied by Mr Welke won the large Merino lamb supplier category in the competition.

from this new system," he said.

Heavy summer rains in February then very few falls of consequence until late July exposed many new anomalies for farmers in the Esperance area.

Red clover disease sparked by the wet February conditions, wiped out most of a good early showing of sub clovers on the Welke property by the end of March.

Medics were also under test, with

mixed endurance, and the pasture standouts were again vetch and Sarradella.

"We have been seeding 500-800ha each year of Sarradella and hope that it will be self-generating within two more years," Scott said.

Scott remains a committed executive member of the ASHEEP group at Esperance and is excited by some of the new trial work in progress.

## Tips to ensure a successful joining

WITH most growers focussing on completing harvest, mixed farming operations should not forget about their rams and breeding ewes to ensure a successful joining period.

The age, health, fitness, experience and joining percentage of the rams used in the mating program will all influence the potential lambing percentage.

All rams should have a health inspection eight weeks prior to the start of the planned joining program.

Ensure the rams are shorn, jetted, treated for internal and external parasites, that their teeth, testes and penis are all sound and if necessary trim their hooves.

Why eight weeks? This is the time it takes sperm production to be completed (ie cell initiation to viable sperm). Any stress during this period can adversely affect sperm production and thus mating efficiency.

Ram testes respond rapidly to nutrition and when correctly fed, their testes grow.

The number of sperm produced per gram of testes per day is constant hence the larger the testes at the start

of 25-50 ewes provides a reasonably accurate assessment of the condition of the entire flock and should therefore become part of your standard management

whenever the ewes are brought into the yards.

Approximately four weeks out from the start of joining conduct a health check on your ewes.

Check for poor udders (as a result of shearing cuts or mastitis), feet and teeth curl where necessary.

Check if your ewes are below a score 3 and if so, consider delaying joining and preferentially feed them until they achieve the ideal target.

The increased reproductive performance results from fewer dry ewes and an increase in the percentage of ewes conceiving twins.

Your aim should be to have the ewe flock averaging condition score 3 at joining.



▲ Zac Roberts, Dandaragan, with some outstanding lambs.

Although the response to increased condition score can be variable, the average response is an additional 20 foetuses per 100 ewes joined for an additional condition score at joining.

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□ Members seeking more information can contact Rob at rdavidson@wammco.com.au