1996: The Year That Was

The problem with farming is - you can see what could have been."

What more could we ask for? An early break for most people, bounteous growing season rainfall, fabulous prices for most crops which will last for years, new wheat varieties which are CCN resistant and tolerant, cash available from previous good year to pile on inputs on 1996 crops, and fat lamb prices never heard of before.

Was this 1996?

Unfortunately, not totally.

began when the Western and Central Mallee, and Southern Wimmera received on the 16th of March, a received which dumped from 50-100mm of rain on the welcoming farmers. Parts of the Mallee received to 200mm.

The resultant growth of self-sown crops and pastures proved a boon for farmers wishing to fatten lambs. Soil could be prepared for crops: soil moisture levels were excellent. The CCN resistant wheat varieties Ouyen, Frame and Barunga were widely distributed. The opening of 1997 looked as if it were the beginning of backto-back good years. New crops - canola, lentils and chick peas - were being prepared for sowing.

World parity prices for cereals reached the highest levels on record in April. Chicago wheat December futures reached over \$6/bushel, or \$270 Australian per tonne. The world 1997 wheat production forecast remained critically low. Farmers could look forward to several years of high wheat prices. Chick peas were selling at \$360/tonne, fat lambs were making up to \$100 each. Wool and beef were the only commodities returning low profits.

April was dry.

May started wet for seemingly fortunate farmers in the Western Mallee and Northern Wimmera. Perfect sowing conditions resulted. Some other farmers began to sow dry.

On the 2nd of June, a general rain got everybody off the mark. Those who missed sowing by the end of June had to wait a month because July was so wet. Cold, wet, overcast days made crop growth slow. Some waterlogging was experienced. Spraying was impossible. Farmers sat and watched from the sidelines. Some urea was being spread from the air as farmers scrambled to assist struggling crops. The region was heading for a decile nine rainfall year (10% wettest years).

Meanwhile, wheat prices were starting to fall. US, Canada and Argentina were experiencing a better year than expected. Chick peas and field pea prices followed wheat. Malting barley and canola were the only commodities maintaining their high prices.

The spring was near perfect, August, September and early October producing ample rain. Could this be the year when rainfall would not be limiting?

Spring, however, can always play some nasty tricks on farmers. Frosts on the 25th and 27th of September, and again on the 22nd of October, proved devastating for some crops, particularly in wheat, chick peas and field peas. Mice were suddenly starting to cause some damage, particularly in some canola crops. The price of wheat dropped below the 10 year average. From October 5th, no rain was recorded in most places for the rest of the year. Even though this was not a catastrophe, 20mm in the middle of October would probably have helped greatly.

Was this year going to be the one that got away?

For some farmers, unfortunately it did. Most however, had a very satisfying year financially. Some even had their best year ever, possibly because spring temperatures were wonderfully cool for ripening crops.

Harvest began late. In general, canola yielded well, wheat was excellent when not frosted, barley very good, although protein and screenings were a problem for some. Field peas and chick peas generally suffered from frost damage and lentils and faba beans were very good to excellent. Fat lamb prices remained good all year, but cattle prices continued to fall dramatically and wool prices continued in the doldrums. Vic Grain proved that 1995's efficient delivery program was no fluke.

The washup of 1996 is that most farmers had a good to excellent season with similar profitability to that of 1995. Most farmers will remember the year of the missed opportunities when they did not forward sell cereals. Will they do so again?

To finish on a positive note, most farmers now are doing their farming better, thinking about the farming process, sharing ideas with others, being more adventurous with new crops and rotations, are better financial managers than in the past and are generally aiming for high yields and profits.

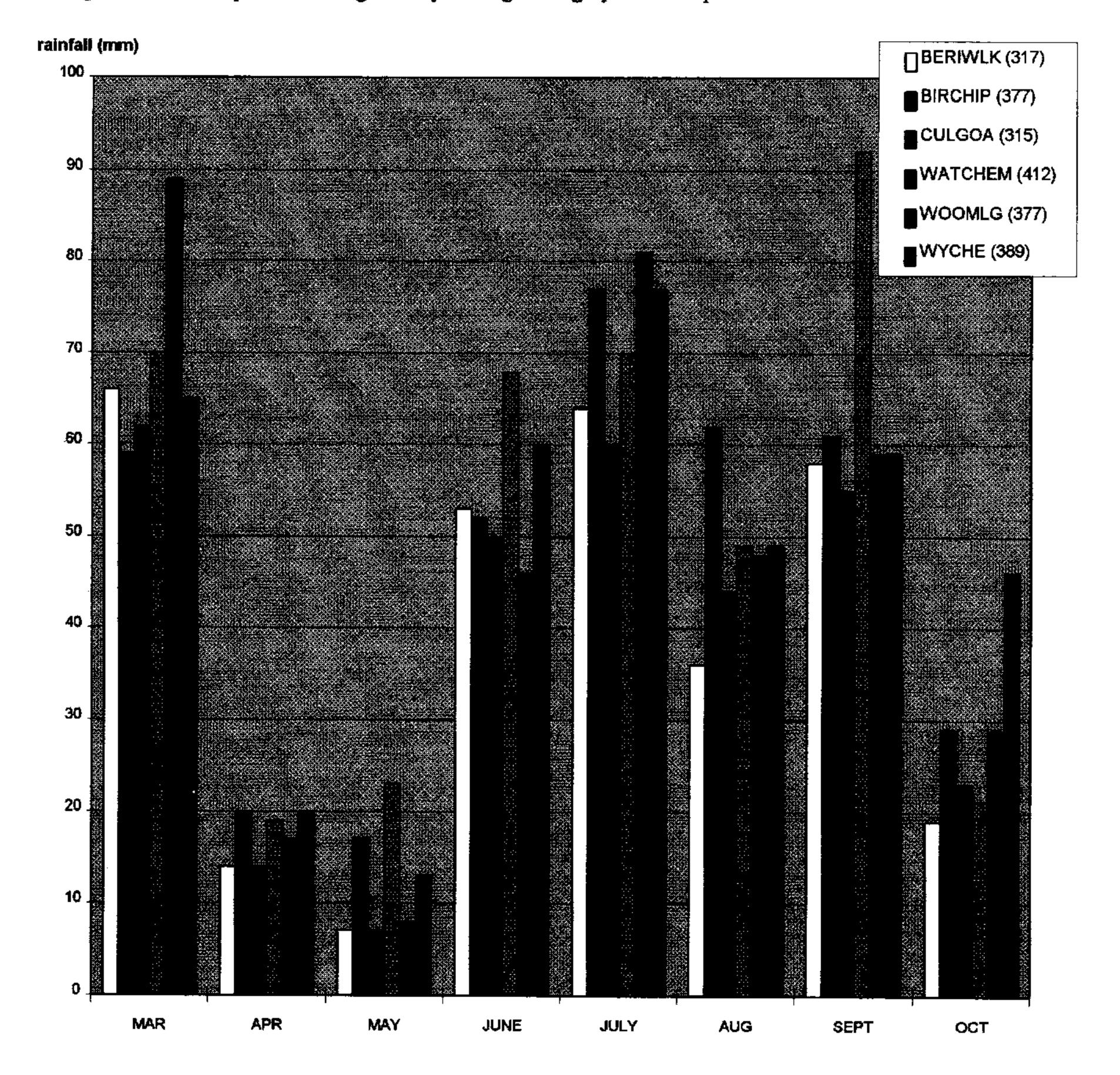


Figure 1. March to October Rainfall around Birchip in 1996 (totals in brackets).

ER 1996 RAINFALL DECILES WELL ABOVE AVERAGE (DECILE 10) BELOW AVERAGE (DECILE 2,3) ABOVE AVERAGE (DECILE 8,9) PMED AVERAGE (DECILE 4-7) WINT HORSHA MOBNIE

