

THE YEAR THAT WAS 2006

If everything seems under control, you're just not moving fast enough...Mario Angretti.

2006 can best be described as the year in which drought, water, climate change, the resources boom and the Cole Inquiry into AWB Limited dominated the headlines of our newspapers across the nation. I cannot remember a period in our history when rural issues dominated the minds of the nation to such an extent. As we know, attention from the press usually means that rural people are doing it tough.

The seriousness of our problems in 2006 have been exacerbated by the dry years since 1996 and in particular by the droughts of 2002 and 2004. Farmers are suffering financially, many farms have no water at all and the gardens in our towns are stark reminders of severe water restrictions now and the lack of sufficient water over a number of years.

Many people are asking whether our lack of rain and the subsequent reduced run off will become the norm, or whether this is just another dry weather cycle. Even though I believe the extremity of these conditions is predominately due to the latter, only time will tell.

Potential readers can be excused from perusing this summary, as it is perhaps only a painful reminder of a year we would all like to forget. However, I believe we may like to read an account of 2006 some years from now as we try to remember what actually did happen. So I will try to describe the season as accurately as I can for the Mallee and Wimmera region.

Very simply, the summer/autumn period was again dry. There were some cyclonic weather events in late January that caused incredible wind damage and flash flooding in isolated areas. Some of the tree damage experienced was extraordinary. In fact, the many windy days in 2006 have caused more substantial damage to trees, property and soils than usual.

One of the strange ironies of the autumn period was the talk of a wet year coming up. The forecasters in general were also optimistic about 2006: no El Nino was predicted and farmers were looking forward to an average or better year. Some were even saying that we farmers had forgotten how to cope with a wet year. Did the direct drill farmers know how to sow in wet conditions?

From a livestock perspective, the autumn was a period when stubbles provided good early feed. Even though prices were stuck on about \$3.20/kilo, lambs were fattened and sold. In fact, the price of lamb failed to reach the high prices hoped for in the winter, with very few lambs being sold for over \$3.80/kilo. Good trade weight lambs were making between \$80 and \$90 for most of the season which is still a good price.

Considering that this was our tenth dry autumn in a row, no one should have been surprised that hand feeding livestock was in full swing by March, continued well into the winter and, in many cases, beyond.

When it finally rained in the last week of April, we all thought we could now get our crops in and up in May and proceed with a normal season. How wrong we were. Even though most farmers received more than 20mm in the week long rain event, the soils were bone dry and the rain was not quite sufficient to get all crops up, particularly those sown on the heavier soils. Even some of the direct drilled crops sown into stubble failed to germinate. We needed another 20mm to get the season really going. Most farmers in the Mallee continued to sow the majority of their crop in May, even though they knew another rain was needed to ensure germination. In the Wimmera, some crop was sown but the majority was sown later in the season.

We all remember how we had to wait nine weeks, or until the 14th of July, before another rain came.

We need to pause here and remember what resilient plants our cereals are. Before this rain, many of the crops had tried and failed to come out of the ground, some had a shoot up that was severely stressed and some seeds refused to germinate at all. After the July rain of more than 20mm all crops came up and proceeded to grow as normal. Even though this has occurred before, I continue to find the resilience of our cereals in dry conditions fascinating. It also puts to rest the long held belief that germinated crops die if they don't get another rain. In 2006 many crops germinated in early May and survived adequately until July 14 – a two month dry period.

After this rain, many Wimmera farmers sowed the majority of their crop, some Mallee farmers sowed a bit more; almost all farmers failed to sow the acreage planned. We were still in there with a chance, even though Yield Prophet® was not optimistic. It has to be noted that some farmers in the Northern Mallee had up to 40mm in this rain which proved a godsend at the end of the season.

The rain was important in that it produced some ground cover over the paddocks and the sheep certainly appreciated the green feed; many were lambing.

A difficult decision soon arose: with crops in the same paddock at completely differing growth stages, how were weeds to be controlled? Should weeds be sprayed at all in such a difficult season or was that admitting defeat too early?

Even though Yield Prophet® in nearly every case advised against applying Urea, some was applied at this time.

By July the BOM were starting to suggest that an El Nino was possible even though the SOI had not officially been declared negative (it was, in fact, consistently near zero). As we all observed, from May onwards frosts were prevalent, huge high pressures were consistently in place over eastern Australia and cold fronts were slipping south as they have done too often before. The signs were not good. Added to this, a new phenomenon called the Indian Ocean Dipole was in the positive phase and was being canvassed as having a significant negative effect on the weather in our part of the world.

As if one dry period were not enough we again had to wait another eight weeks - or until the first week of September - before another 20mm fell. Strange as it may seem in retrospect, we again felt as though the season could be salvaged and some adequate yields result. This rain represented what was effectively the end of the season and to make sure that it was not going to succeed, a series of frosts hit flowering crops from late September till late October. Even later frosts in southern Victoria had a similar effect on crops that showed far more potential than ours.

A new challenge awaited: how to make some return from the drought and frost effected crops? Fortunately for those farmers who had enough dry matter in their crops to bale, the returns were good in making hay and selling it to the many drought affected farmers, particularly those in the dairy industry. All hay was easily sold for prices in excess of \$220/t. Yields were not high but returns were sufficient in many cases to cover variable costs. The quality was consistently good: in fact this year was the perfect year for making hay as no rain fell in the second half of September and throughout October.

The repercussions of a number of years of below average rainfall combined with the effects of the 2006 drought across southern Australia was having a dramatic effect on feed availability for

livestock. No longer could dairy cows rely on irrigation for feed, as water quotas across Victoria and NSW were put in place. Grain was selling for around \$300/t and was difficult to source. Hay from crops and pastures became the mainstay of food for the various livestock industries.

Harvest was a walk in the park. Many farmers only harvested sufficient grain for seed. Very few pulses were harvested at all. Those farmers who did harvest some grain were able to receive excellent prices, almost all of which went to the livestock industries. Australia as a whole only had about 4 million tonnes of wheat to sell for export, most of which came from Western Australia. Wheat crops yielded a little better than barley probably due to better moisture in wheat paddocks prior to sowing.

To add salt into the wounds, farmers south of the Waranga channel received no water at all from Grampians Wimmera Mallee Water for their farms. Those north of the channel were fortunate in being allowed one third of their dams to be filled. All towns in the Wimmera Mallee not on the pipe line were on stage four water restrictions which had an obvious effect on their gardens. No-one could complain about being picked on, as almost every town in Victoria finished up on water restrictions.

As is the case in most severe droughts, most livestock are sold as feed prospects disappear. As usual, those who sold early received good prices and as the season deteriorated prices were reduced to about half of those six months earlier. This is better than has been the case in other severe droughts, I think. Those who kept sheep concentrated on breeding ewes, which resulted in the disposal of most wethers and old sheep.

One advantage of drought-affected crops was their feed quality, even though the amount was limited. Those who bought lambs were well rewarded as they quickly fattened on every last blade of straw. Another innovation this year was the increase in the number of feed lots and containment areas for sheep. A lot of sheep producers now have an area in which sheep are either fattened for sale or contained to protect paddocks from erosion.

Wool prices in 2006 varied slightly around the 700 cents clean for 21 micron wool. We did, however, see a firming trend at the end of the year. It is now accepted that meat is the primary income earner from sheep and that wool is a secondary, though useful, commodity.

In summary, no one in our region could lay claim to having had an average year. There were a few small pockets where better yields plus high prices allowed modest profitability. Some made positive returns from hay, others from grain and some even made some return from sheep. No one I know made money from canola or pulses. Yearly rainfall and growing season rainfall finished up being about one third to one half of the average. Shortage of water for livestock, households and towns will be remembered for years to come. Farm debt is higher than it has been in our living memory, even though we are told a significant proportion of farmers in our region have no debt at all. Fewer farms than usual have been put up for sale, though farmers continue, not surprisingly, to leave the industry.

Finally, even though the farming community is plainly sick and tired of the run of droughts and dry years, it has, as expected, remained incredibly resilient, positive, and determined to make the best of a very difficult situation.

As I have said far too often “Every dog has its day” and our day must surely be just around the corner.