

# The year that was 2007



***“A good crop you only see once, and that’s at harvest time.”*** *Wise old French farmer.*

The 2007 year can be summarized by the saying above. The essence of most farmer’s problems this year was that our crops looked so good in July that when no spring rain came the crops had to fall over. In fact we were lucky to get as much grain as we did. If the weather in October had not been cool then the result would have been far worse. I remember Nick Poole, at a workshop in August, saying the best thing that our crops could do, would be to drop a lot of tillers off - such was the potential.

For others the year was like a Shakespearian tragedy. We had a fantastic start to the year with good opening rains, highly fertile soils and low disease levels because of previous droughts, and wonderful warm weather to get the crops growing vigorously in May. Prices for grain firmed which encouraged forward selling. We had the potential for an enormously profitable year.

## **Then the tragedy struck.**

No spring rain, many crops collapsed, grain prices rose to unthinkable levels. Farmers were caught on all sides. Little grain harvested to fill contracts, missed chance of receiving record high prices, high debt levels from previous droughts adding to the pressure and having to observe farmers in other districts having their most profitable season ever.

## **Such is life!**

However there were compensations that did ensure 2007 was not the worst drought we have had - and for some, a profitable year. Areas of the southern Wimmera and western Mallee did receive better rainfall totals than most resulting in a good year. Other farmers on good sandy loam soils were also able to achieve reasonable crops. The farmers with sheep enterprises also did well because of the excellent early pastures even though water for many was a problem. The other big compensation this year was the demand for hay from the dairy industry which salvaged many crops with dry matter but little grain yield potential.

## **So what did happen?**

2007 started with a significant rain falling on 7 January in the western Mallee and Wimmera. Some farmers received up to 100mm of rain in one fall. For the rest some rain fell but not enough to add significantly to sub soil moisture levels. We had to wait until 20 March before another rain event helped those areas. This rain was important in that it germinated pastures and particularly those crops sown dry for grazing purposes. Dry conditions continued until 28 April when the beginning of a genuine seasonal break occurred. Three events occurred during the next five weeks giving excellent rains for everyone. Most farmers received around 100mm of rain in this period. The season was set - we thought.

As mentioned before the mild weather of May encouraged rapid germination and growth of crops and pastures. Livestock suddenly had a plethora of green feed after eating expensive grain or dry grass for the past six months. June and July were cold with little rain. As for spring - virtually no rain fell. For example, Birchip received only 13mm for the three months, or its third driest spring on record. Those farmer’s that were able to hang on ‘till November were rewarded with a large rainfall event occurring in the first week of that month. The southern areas of the Wimmera gained the greatest benefit. November continued to be above average as it has been over the last eleven years. In fact November has been our wettest month over this period. December’s rain was about average but harvest for most was not unduly interrupted or spoilt.

It is difficult to accurately summarise crop yields, such was the variation between differing soil types and districts. Barley generally yielded better than wheat which yielded better than both canola and pulse crops. Southern and western areas had the best yields while the central Mallee and eastern Wimmera experienced the worst yields. Some crops were not harvested or were cut for hay because of their yield potential. Many wheat crops yielded less than 0.6t/ha with a gentle gradation to as high as 2-3t/ha in the best areas. Barley yields varied between 0.8 and 3t/ha with most around 1t/ha. Very few canola crops were harvested, most being cut for hay. Most pulse crops failed to produce an economic yield.

The most significant development of the year was the surge in prices for both commodities and inputs. The suggestion at the beginning of the year, that world wheat and malting barley prices would be greater than \$350/t at harvest, would have been difficult to believe. The increase in the cost of fertilizers, fuel and chemicals which have mirrored these increases in commodity prices, is reason for concern for the future. As for livestock, meat prices did not increase from previous years yet wool finished the year at a 17 year high. Some merino sheep have returned as much as \$40 per head from wool. Unfortunately crossbred wools have not increased in price this year.

The importance of hay to many farmers profitability cannot be understated. As it turned out it was the perfect year to cut cereal and canola crops for hay as no rain occurred during the long drying process. Its quality was excellent, the price received was good, which varied from \$220 and \$260/t for cereal hay and significantly higher for canola hay, and the yields, although not great, better than cereal crops. The gross margin comparison between harvesting a 0.6t/ha wheat crop or cutting a 2.5t/ha hay crop were around \$100/ha for wheat as compared to \$400/ha for hay. Most farmers who decided to make hay will tell you that it was hard work, they didn't enjoy it much, and that it was more profitable than cereals because of the peculiar nature of the season. It is very rare that we get a large dry matter crop which does not yield accordingly.

If we regard 2007 as a drought year, we certainly did not get the soil erosion that is associated with such years. This was principally due to the early break in the season, the greater adoption of no-till practices and the general awareness of farmer's to the potential problem.

We cannot forget 2007 without remembering the severe shortage of stock and domestic water many farmers had to contend with during the year. Those farmers south of the Waranga channel received no water during the 2006/7 year. Many farmers spent the whole year carting water for livestock and watching their gardens wither before their eyes. For many this shortage of water had as much an effect on them as the season. Fortunately the pipes are being laid and within a couple of years all farmers in the region will have secure piped water to their farms.

As mentioned before the season was relatively kind for the sheep producer this year, after the April break. It is just as well because the first four months of the year was a difficult time. Even though the failed crops from 2006 made great feed for livestock during the first couple of months, it was soon eaten and expensive grain was fed. The state government made subsidies available for farmers who erected livestock containment areas. The prospect of another late break caused great concern. However massive amounts of feed grew in the winter which managed to sustain stock until harvest. The lesson from this year for livestock is the importance of an early break in the season for the profitability of the enterprise.

2007 will also be remembered by many as the year when the general pressures and malaise that farming families, businesses and communities have been under as result of the run of bad years, was at its greatest. The uncertainty of the year, the promise of a good season that failed to eventuate, the disappointments and the continued pressure on everyone's finances all had their effects. Farmers have also been pressured by the threat of climate change and the prospect of more drought years; what the future will bring being part of the problem.

What can be predicted is the continued demand for our meat and grain in the future at relatively higher prices than we have received in the past. The future looks bright for our agricultural products as long as we can produce them. This has always been our challenge. In the past we have continually adapted to changing circumstances and adopted new innovations, and we have managed. I expect we will also in the future.

