

Dry Seasonal Conditions in Rural Victoria



Report: 88

7 May 2009



Kikuyu pastures around Maffra typically outperform other pastures, but currently are only just keeping pace with grazing. (May 2009).
Source: P. Bergmeier

Environmental Indicators

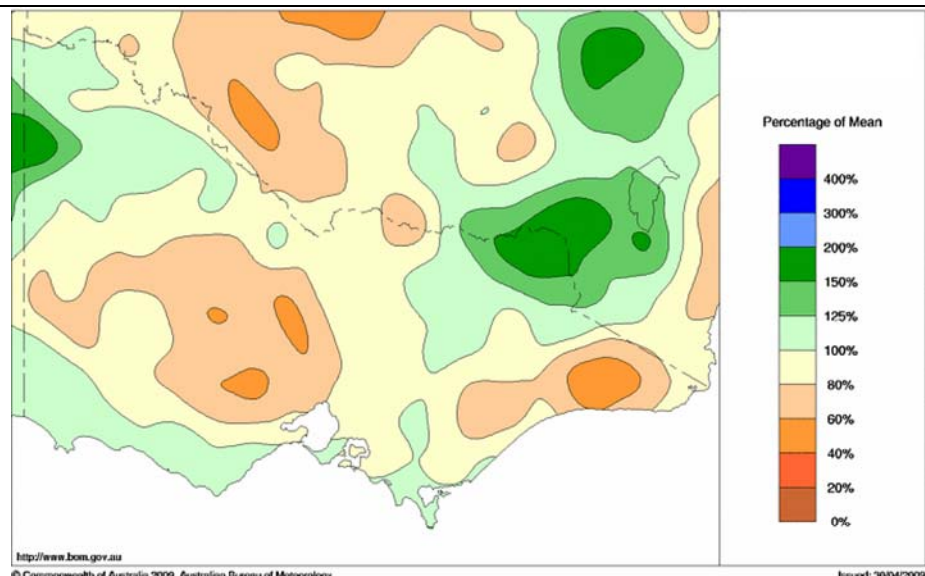
Weather

Rainfall

Rainfall totals for April were mostly close to normal, although much of this precipitation occurred during the last few days.

Figure 1.
Victorian rainfall percentages
1 month (April 2009)

National Climate Centre
Bureau of Meteorology



Temperature

After fairly normal weather for most of April, the last few days of the month were particularly cold with severe winds at many localities, and a tornado close to Robinvale on the 25th. The record low temperature for April was -8.2°C at Hotham Heights on the 28-29 (previously -6.9°C) and the month finished with a thick layer of snow covering the ranges.

Seasonal outlook

The Southern Oscillation Index for April was +8.6.

Water storages

Goulburn-Murray Water (G-MW)

Pumping of the Waranga Basin commenced on April 3. This will pump up to 86,000 megalitres of water that cannot be released by gravity and accounts for 7% of the Goulburn System's 33% allocation. This is the third consecutive season the Waranga Basin has been pumped, effectively using next year's water resources to increase this season's allocation. The season will end on May 15.

Southern Rural Water (SRW)

SRW has increased the irrigation allocation for customers in the Macalister Irrigation District and for license holders (river diverters) on the Thomson / Macalister Rivers and Rainbow Creek to 110%, up from 95% (Apr 24). SRW anticipates this will provide irrigators with the opportunity for at least one further irrigation before the end of the season. The season closes on May 15 in the MID and on June 30 for customers who access supply directly from the Thomson / Macalister Rivers or the Rainbow Creek.

Small Block Irrigators Exit Grant

The federal government has revised the guidelines for the Small Block Irrigators Exit Grant Package (Apr 24). The package has been extended to irrigators with farms between 15 and 40 hectares. Irrigators still need to have at least 10 megalitres of tradeable water entitlements and must sell all of these entitlements to the government. Applications are due by June 30.

Murray Darling Basin Authority

Murray System inflows for January to March 2009 were a historic minimum of 140 GL compared to the previous low of 150 GL in 2007 (*MDBA Drought Update, April 7*). The year to date (June 2008 to March 2009) system inflows have been 1,720 GL, and the year is currently tracking as the 6th driest year in 117 years of historical records.

Murray System inflows for the three years ending in March were 5,160 GL, or 46 % of the previous three year minimum of 11,300 GL in 1943 to 1946. The persistence and severity of this drought, particularly over the past three years, is unprecedented.

Storage	Change in last month	Capacity 04/05/09	Storage	Change in last month	Capacity 04/05/09
Goulburn Basin	-3%	13%	Thomson/ LaTrobe Basin	-4%	27%
Broken Basin	0%	1%	Werribee Basin	-1%	6%
Campaspe Basin	0%	7%	Glenelg/ Wimmera Basin	0%	4%
Loddon Basin	-1%	18%	Maribyrnong	0%	3%
Upper Murray Basin	-2%	15%	Barwon Storage	-2%	25%
Ovens Basin	-12%	38%			

Source: http://www.fishvictoria.com/pnews/water_levels.php

Social Indicators

DPI Drought Hotline

The DPI / DSE Customer Service Centre received 148 drought related contacts for April 2009 compared to 150 last month. Enquiries were from the North West (51), South West (28), North East (26), Port Phillip (26), Gippsland (13), interstate (4). The major queries are listed below.

FAQ's used to answer customer enquiries	Total
On-Farm Productivity Improvement Grants	52
Drought Apprenticeship Retention Bonus	32
Exceptional Circumstances	12
DVD: A Step Ahead	8
Other queries made up the remainder of the calls	

Drought financial assistance

Rural Finance Corporation have approved 12,570 applications for the **Exceptional Circumstances Interest Rate Subsidy** for primary producers with a 77% approval rate. The total value of the subsidies approved is \$377 million with an average of \$29,857.

Victorian Government drought support

For the ten months to the end of April, a total of \$9.56 million in **Municipal Rate Subsidies** was paid to EC relief payment recipients across 46 Shire and Rural City Councils. Councils have been paid \$334,714 to administer the delivery of this additional drought assistance on behalf of the state government.

To date a total of \$1.04 million in **Drought Apprenticeship Retention Bonuses** (DARB III - 1st payment) have been paid to Victorian businesses to support 1,384 apprentices in the 2008-09 financial year.

To date the Rural Finance Corporation have paid out \$1.1 million in **On-Farm Productivity Improvement Grants (2008-09)** to 591 applicants on behalf of the state government.

Economic Indicators

Commodity prices and movements

Livestock prices are good with recent rains slowing supply, though poorly finished stock are still trading at a discount. The lamb market is performing particularly well based on a general shortage of supply and high demand by processors.

Wool prices have improved as international processors start to rebuild stocks after the financial crisis slump. While the future global economy remains unpredictable the National Wool Production Forecasting Committee expect the wool clip to decline by 10% in 2008-09 and a further 6% in 2009-10.

Commodity prices	This Week	Last Week	Last Month	Last Year
Wheat APW pool ¹	306	306	306	398.03
Malting barley ¹	228	230	238	405
Yearling steers (C3 180-220 kg) ²	327	340	329	321
Old pasture hay (Bairnsdale \$/t) ²	130	130	130	130
Temporary water (Greater Goulburn \$/ML) ³	320.75	320.00	379.50	377.50

Grains are Portland cash price (except for APW pool)
Stock prices are ¢/kg cwt

Regional Reports

Mallee

Rainfall varied across the region from 15 to 40 mm. About 20% of crops were sown dry. Weed free paddocks are being sown now and others are busy with pre-emergent weed control. This rain will see 100% of sandy soils sown, but only 30-40% of heavier soils as they need more rain. Good rains have assisted with post harvest vine and tree crop water requirements.

Wimmera

The Wimmera had some of the lightest falls in Victoria in April with most areas receiving close to 20 mm. This is a handy early break, but follow-up rainfall is required as subsoil moisture reserves are very low. Croppers are currently controlling weeds with sowing of most cereals and pulses to start soon.

North Central

April showers gave a total of 20-30 mm; an excellent start to the season. Some crops were sown dry. Growers are sowing more cereals rather than the higher risk crops of canola, peas and lupins and are keen to minimise input costs such as fertiliser and sprays. Paddock feed is very short and completely dried off.

Northern Irrigation

The good general rain of 25 to 45 mm has seen a large number of dairy farmers begin to sow the paddocks that won't be getting irrigated. This should be enough to get the crops and pastures up, but they will require follow-up rain with such a dry subsoil. Dairy farmers are finding it difficult to plan properly when they face uncertainty in water availability and prices for milk and feed.

North East

A satisfactory April rain of 25-30mm. Sowing is in full swing and some areas will get all the crop sown on this rain though some heavier soils with lighter rainfall will need pretty quick follow-up. Pastures have responded to the rain but are not yet sufficient to support stock.

East Gippsland

Rain was extremely variable across the region in April ranging from 7 to 55 mm. Winter fodder crops and horticultural crops are being sown. Paddock feed is variable and in many areas it looks green but is not good enough for livestock. On-farm fodder reserves are low across the region.

West and South Gippsland

Good rains fell at the end of April. Autumn sown fodder crops are now up and going. Paddocks should respond well to this recent rain and fine weather, but will depend on the amount of supplementary feeding able to be done. Many have just about used up their stores of conserved fodder.

Port Phillip

Showers in the east have provided relief, but there was very little rain in the west. Some strawberry growers in the Yarra Valley are re-assessing the area of strawberries that they will plant for next season because of the cost of water. Paddock feed is low despite pastures greening up. Most irrigation farmers in the west have completed their last irrigation, and will be largely relying on rain and low temps to carry horticulture crops into the next season.

South West

In the last week of April there was good rain. Sowing is now in full swing. Pastures are slowly getting away, but will take time to build up under the current cool and frosty conditions. Farmers are still feeding out at high rates. There is little or no run-off into dams yet.

DPI response

Drought related activities held this month

Mallee

- 2 Apr - BCG workshop on soil tests and interpreting results at Quambatook.
- 7 - 8 Apr - Sustainable Farm Families workshop at Mildura. 21 attended.
- 21 - 22 Apr - Horticulture Industry Leadership Capacity Program at Robinvale. 16 attended.

Wimmera

- 2 Apr - Low rainfall and minimising risk at Brim TOPCROP. 18 attended.
- 15 Apr - Ag Futures - decision making and farm succession planning at Warracknabeal. 40 attended.

North Central

- 2 - 3 Apr - Sustainable Farm Families workshop at Natte Yallock. 21 attended.
- 23-24 Apr - Combined 'Farm 500' groups meeting and bus tour with DPI Evergraze and drought initiative funding assistance. 35 attended.
- 1 May - Drought situation and government programs to assist rural communities seminar for accountants and the finance industry. 53 attended.

Northern Irrigation

- 19 Mar - 25 May - Irrigation and Risk Management course at Kyabram. 20 attended.
- 27 Mar - 1 May - Irrigation and Risk Management course at Kerang. 12 attended.
- 6 Apr - Lucerne farm walk at Tragowel. 31 attended.
- 6 - 7 Apr - Sustainable Farm Families workshop at Rochester. 13 attended.
- 7 - 8 Apr - Sustainable Farm Families workshop at Echuca. 8 attended.
- 8 Apr - Lucerne farm walk at Kyabram. 37 attended.
- 9 Apr - Lucerne farm walk at Invergordon. 14 attended.
- 30 Apr - 1 May - Sustainable Farm Families workshop at Swan Hill. 12 attended.

North East

- 1 - 2 Apr - Sustainable Farm Families workshop at Benalla. 15 attended.

Gippsland

- 2 Apr - Farmer feed, fertiliser and finance forum at Leongatha. 50 attended.
- 20 Apr - Farmer feed, fertiliser and finance forum at Yarragon. 30 attended.
- 23 - 24 Apr - Sustainable Farm Families workshop at Swifts Creek. 9 attended.
- 28 Apr - Farmer feed, fertiliser and finance forum at Yarram. 30 attended.
- 30 Apr & 7 May - Pastures for Profit course at Gormandale.

South West

- 28 - 29 Apr - Sustainable Farm Families workshop at Colac.
- 29 - 30 Apr - Sustainable Farm Families workshop at Winchelsea.

Success stories

Two Irrigation and Risk Management Courses were conducted for dairy farmers in March and April this year in northern Victoria (with over 30 participants). These five-day courses were structured with traditional information on best management practices for improved water use efficiency as well as information on the tough and complex issues that irrigators are currently facing in relation to the best use of their scarce water resource.

After completing the course, participants were better positioned to manage their business risk through improved decision making skills in choosing farm forage mixes, by taking full advantage of a modernised irrigation delivery system and through an improved knowledge of the monetary value of each megalitre of water to their business. Participants also gained improved skills in how to trade water and with a better understanding of the business risks around trading permanent water. Participant feedback from the courses was positive and at least one has already made significant changes to his farm irrigation system to improve his water use efficiency.

Local workshops planned

Mallee

- 6 - 7 May - Sustainable Farm Families workshop at Mildura.
- 20 May - Water information session at Mildura including speakers from GM Water, LM Water & WM Irrigation.

- 20-21 May - Northwest Horticulture Industry Leadership Capacity Program at Robinvale.
- 25-26 May - Mildura Horticultural Field Days.

Wimmera

- One on One farm business management sessions are being arranged.

Northern Irrigation

- 25 May - 5 Jun - 9 x Grazing cereal workshops across the region.
- 25 - 26 May - Sustainable Farm Families workshop at Katamatite.
- 28 - 29 May - Sustainable Farm Families workshop at Shepparton.

North East

- 27 - 28 May - Sustainable Farm Families workshop at Mansfield.

Gippsland

- 19 - 20 May - Sustainable Farm Families workshop at Buchan / Orbost.
- 25 - 26 May - Sustainable Farm Families workshop at Leongatha.
- May - Jun - Drought forum for accountants and financial planners.

Port Phillip

- 21 - 22 May - Sustainable Farm Families workshop at Lilydale.

South West

- Mid-Jun - WestVic Dairy Extension Committee are planning to run a series of field days across the South West to provide information and support to dairy farmers managing milk price uncertainty and poor seasons in the area around the east of the region and north of the Princes Hwy.

Media and Communication

Media releases

7 Apr 2009 - Report provides bleak picture of state of Murray River. (Victorian Minister for Water) The latest drought update from the Murray-Darling Basin Authority has given the strongest indication yet of the need for significant investment in large-scale irrigation upgrades in northern Victoria to return water to the Murray River and its tributaries.

24 Apr 2009 - Small Block Irrigators Exit Grant package expanded. More irrigators in the Murray-Darling Basin can apply for the Small Block Irrigators Exit Grant Package under revised guidelines announced today by **Minister for Climate Change and Water**, Senator Penny Wong.

4 May 2009 - Water project creates 200 jobs for winter works. (Victorian Minister for Water) More than \$10 million in contracts have been awarded as part of the Brumby Government's Northern Victoria Irrigation Renewal Project, creating more than 200 direct and indirect jobs.

5 May 2009 - Brumby Labor Government stands by Victoria's farmers (Victorian Minister for Agriculture) The Brumby Labor Government will continue to stand by Victorian farmers through the longest drought on record, with the 2009 State Budget outlining more than \$68.2 million in initiatives to support farmers and drive new growth in the agricultural sector.

Media headlines

Weather

- **Give it a break** Weekly Times 29/04 - Rain at the weekend has brought the 'perfect start' for grain growers across the state.
- **Arrivals in a holding pattern. So was that a break or not?** Weekly Times 06/05 - How much rain makes an autumn break? Cropping programs across Australia's southern states rely on a good autumn break, but picking a definition can be tricky.

Farming and agriculture

- **Left high and dry** Weekly Times 22/04 - The flow of produce from the Bacchus Marsh irrigation district may soon dry up, local growers say.
- **Where are the sheep when it rains?** Stock & Land 23/04 - Predictions we are running out of sheep appear perilously close to coming true.

Water

- **Just 35% water for irrigators** Northern Times 03/04 - Local irrigators have received their final allocation figures for one of the lowest seasons on record.

Drought

- **Australia's dry run** National Geographic April 2009 - What will happen when the climate starts to change and the rivers dry up and a whole way of life comes to an end?
- **Towns tough it out** Weekly Times 15/04 - The combined effects of chronic drought and the commodity slump are threatening towns across northern Victoria like never before.

Drought financial assistance

- **Farmers' information wanted** Latrobe Valley Express 30/04 - Latrobe Valley farmers are being encouraged to submit details about rainfall and the state of their farms to support the case for the full suite of measures available through Exceptional Circumstances (EC) drought funding.

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