

# Dry Seasonal Conditions in Rural Victoria



Report: 93

5 October 2009



Dairy farmers gather for a 'Dairy Shed Session' in the Northern Irrigation Region in September.  
(Source: L Metcalf)

## Environmental Indicators

### Weather

#### Rainfall

September 2009 saw above normal rainfall across much of Victoria, in spite of the tropical Pacific Ocean temperatures continuing to exceed thresholds considered typical of an El Niño event. The reason for above normal rainfall is that unlike previous El Niño events, conditions are also warmer than average in the Coral Sea, off Australia's northern coasts and in far western Tropical Pacific, and the Southern Oscillation Index (SOI) is slightly positive. Another region of Sea Surface Temperature (SST) variability that impacts on Australian climate is that of the Indian Ocean. At present, the eastern Indian Ocean is warmer than the western Indian Ocean. This encourages the formation of rain-bearing northwest cloud bands ahead of cold fronts approaching Victoria (Bureau of Meteorology 29 September).

#### Temperature

Both overnight and daytime temperatures averaged above normal throughout the State, continuing the trend of recent months. September 12 saw an extraordinary burst of heat in Victoria, as strong NW winds, ahead of an approaching cold front, drove hot air from inland Australia across the state (Bureau of Meteorology 29 September).

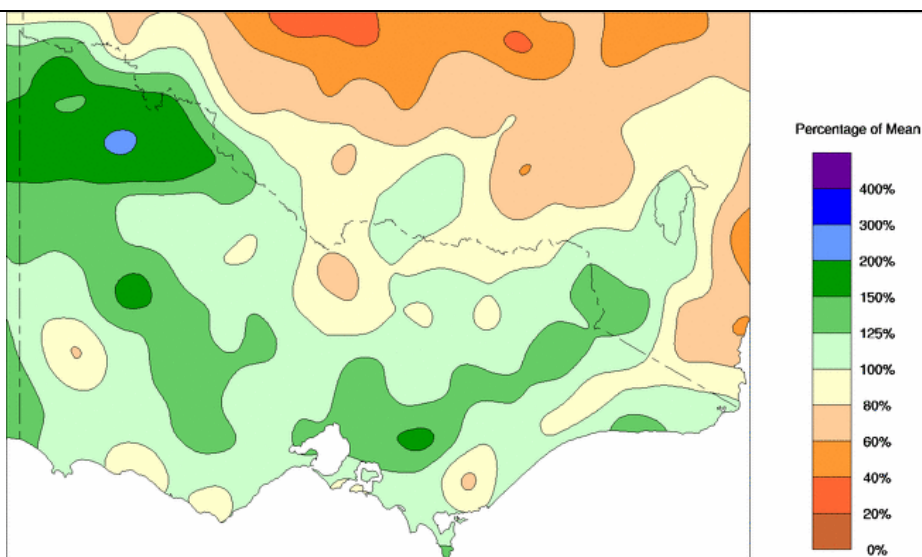
#### Seasonal outlook

For south eastern Australia, the outlook for rainfall over the December quarter (October to December) shows a moderate to strong shift in the odds favouring a drier than normal season across southern areas, including Tasmania (Figure 4.). The chances of exceeding the median rainfall for October to December are between 25-40% over much of Victoria (Bureau of Meteorology 22 September).

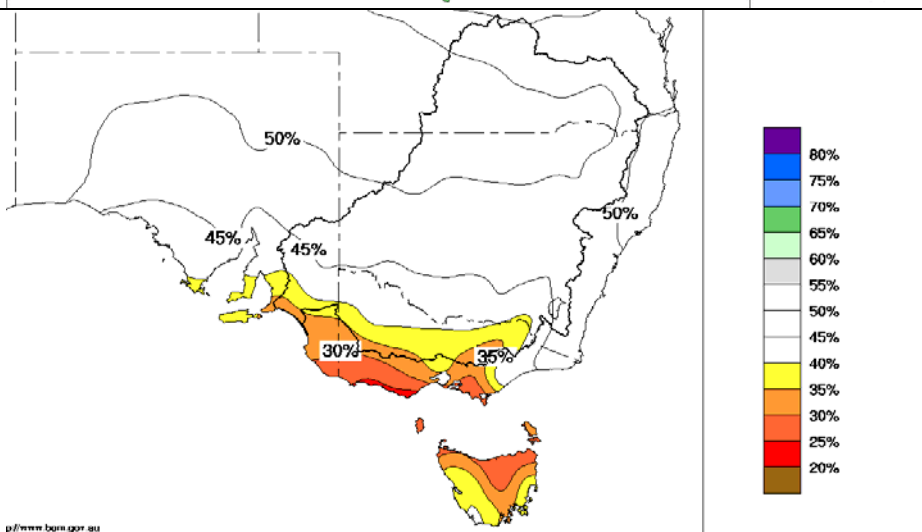
The latest 30-day SOI value is +3. The SOI is neutral and does not show an El Niño trend. The sea surface remains significantly warmer than the long-term average across most of the tropical Pacific Ocean, exceeding El Niño thresholds from west of the date-line to the South American coast. Most leading international climate models surveyed by the Bureau predict the tropical Pacific sea surface temperature (SST) to remain above El Niño thresholds until at least the end of 2009 (Bureau of Meteorology 30 September).

**Figure 1.**  
**Victorian rainfall percentages**  
**1 month (September 2009)**

National Climate Centre  
 Bureau of Meteorology



**Figure 2.**  
**Chance of exceeding the**  
**median rainfall**  
**(October to December 2009)**



## Water storages

### Goulburn-Murray Water (G-MW)

G-MW has announced improvements in the seasonal allocations for the Murray and Goulburn systems. The 1 October seasonal allocation in the Murray system is 29% of high-reliability water shares (HRWS), which is an increase of 16%. The seasonal allocation in the Goulburn system is 30% HRWS, which is an increase of 23%. At the same time last year, the Murray system had an allocation of 13% HRWS, the Goulburn system had a 9% HRWS allocation. The Broken, Campaspe, Loddon and Bullarook systems remain without an allocation in 2009/10. These systems will operate continuously for delivery of domestic and stock water, and possibly some carryover, throughout the year (G-MW 1 October).

### Southern Rural Water (SRW)

The 2009/10 season allocation for customers in the Macalister Irrigation Area is currently 75% of high availability water shares (SRW 22 September). In the Werribee Irrigation District and Bacchus Marsh Irrigation District, the seasonal allocation is 2% high reliability water shares guaranteed to 30 Nov 2009 (SRW 22 September).

**Table 2: Storage levels**

Storage	Change in last month	Capacity week ending 28/09/09	Storage	Change in last month	Capacity week ending 28/09/09
Goulburn Basin	7%	28%	Thomson/ LaTrobe Basin	4%	33%
Broken Basin	0%	2%	Werribee Basin	0%	6%
Campaspe Basin	1%	8%	Glenelg/ Wimmera Basin	4%	13%
Loddon Basin	0%	18%	Maribyrnong	0%	4%
Upper Murray Basin	5%	29%	Barwon Storage	7%	46%
Ovens Basin	6%	95%			

Source: [http://www.fishvictoria.com/pnews/water\\_levels.php](http://www.fishvictoria.com/pnews/water_levels.php)

## Social Indicators

### DPI Drought Hotline

The DPI / DSE Customer Service Centre received 67 drought related contacts for August 2009 compared to 57 last month. Enquiries were from Port Phillip (18), North East (8), North West (16), South West (14), Gippsland (10) and interstate (1). The major queries are listed below.

FAQ's used to answer customer enquiries	Total
Municipal Rates Subsidy 09-10	24
Interest Rate Subsidies	10
DVD: A Step Ahead	5
DVD: The Hard Yard	4
Drought Apprenticeship Retention Bonus III	4
Stock Containment Areas	4
On-Farm Productivity Improvement Grants	4

Other queries made up the remainder of the calls

### Drought financial assistance

As at 26 September 2009, Rural Finance reports that 13,659 applications for the **Exceptional Circumstances Interest Rate Subsidy** for primary producers have been processed with a 77% approval rate. The total value of the subsidies approved is \$418 million with an average of \$30,631.

#### Victorian Government drought support

As at 30 September 2009, a total of \$1.8 million in **Drought Apprenticeship Retention Bonuses (DARB III)** have been paid to Victorian businesses to support 1415 apprentices in the 2008-09 financial years.

As at 26 September 2009, Rural Finance has paid out \$2.50 million in **On-Farm Productivity Improvement Grants** to 945 applicants on behalf of the state government.

## Economic Indicators

### Production figures and forecasts

The total Australian winter crop production in 2009-10 is forecast to be around 36 million tonnes. This is an upward revision from ABARE's June 2009 forecast of 34.8 million tonnes. Dry seasonal conditions have resulted in a downward revision of forecast production for both NSW and QLD. However, this has been more than offset by upward revisions for Victoria, South Australia and Western Australia, which reflects timely seasonal rainfall. The total area sown to winter crops in 2009-10 is estimated to have increased by 2 per cent to 22.2 million hectares (Australian crop report, ABARE, 15 September)

### Commodity prices and movements

AWB has released its first schedule of estimated pool returns (EPRs) for all wheat grades in its 2009/10 season wheat pools. Benchmark grade APW wheat now has an EPR of \$263 a tonne in the eastern pool and \$255 a tonne in the Western pool (FOB, excl GST).

Estimated returns for AWB's 2008/09 wheat pools are holding steady, with the EPR for APW on \$325 a tonne in the Western pool and \$330 a tonne in the Eastern Pool (FOB, excl GST) (AWB 15 September). AWB's \$10 a tonne premium early commitment contracts for AWB's 2009/10 season wheat pools opened on Monday, 14 September and is scheduled to close on 16 October (AWB 14 September).

Grain and Hay prices remain under downward pressure. Temporary water prices have dropped.

**Table 3: Commodity prices and movements**

Commodity prices	Week ending 28 Sept	Week ending 21 Sept	August	Last Year
Wheat APW pool <sup>1</sup>	300	300	300	392
Malting barley <sup>1</sup>	190	190	205	N/A
Yearling steers (C3 180-220 kg) <sup>2</sup>	344	353	341	366
Lambs (16-20 kg) <sup>2</sup>	445	347	464	378
Old pasture hay (Bairnsdale \$/t) <sup>2</sup>	90	n/a	150	90
Temporary water (Greater Goulburn \$/ML) <sup>3</sup>	300	350	418	650

Grains are Portland cash price (except for APW pool)

Stock prices are ¢/kg cwt

Sources: <sup>1</sup> Weekly Times

<sup>2</sup> Stock and Land

<sup>3</sup> www.watermove.com.au

## Regional Reports

### Mallee

Rainfall ranged from 20 to 80 mm across Mallee during September. Prior to the rain, the majority of crops were showing signs of moisture stress and expectations were for low yields. The rainfall halted the decline in crop yield potential across region and may double the yields that were anticipated prior to the rain. There are still areas where crops have failed, such as on the heavy soils west of Lalbert and towards Culgoa, but these are the extremes. Many farmers have looked at their figures and have begun some cutting for cereal hay as a risk management measure. There are still good supplies of feed. Whilst conditions are still variable across the Mallee, the rain has caused a dramatic shift in expectations, with a more positive outlook for harvest. Further rainfall will help crops and farmers are hoping for no extreme weather events such as heat, hail or frost. Grape vines are sprouting leaves and citrus is flowering. The season looks to be slightly earlier than average.

### Wimmera

Soaking, timely rains have fallen over most major cropping areas in the Wimmera. The north and western Wimmera have had close to 25mm or over the week of September 20-26, while Horsham and surrounding areas received nearly 50mm. Most cereal crops are booting or are very close to flowering and September rain will help with grain fill and quality. Most southern, eastern and northern Wimmera areas would be looking at average or better yield potential and an early to mid-November finish for cereals if all goes well for the rest of the season. Areas around Nhill have received less growing season rainfall and crops will need another timely rain before the season finishes. In the central Wimmera, if below average rainfall occurred in October, average yields would still be likely for wheat. Paddock feed and fodder reserves are good.

### North Central

Pasture and crop growth conditions are normal and growing season rainfall from April to August has varied from 220-310mm across the North Central region. The June – September rains have wet the subsoil to a depth of about 40 cm. Cereal crops are now mostly a healthy green and coming into head, but there is moisture stress in the more northern areas such as around Charlton, Boort and Echuca. South of Bendigo crops are looking good due to rains of 50 to 70 mm of rain over the last month. Sheep are in medium to good condition on green pasture. Lambing is complete. Green paddock feed availability is good and is the best at this time of the year since 2005. Both grain and hay supplies are good. The rains over the last four months have put some water into the smaller farm dams in most paddocks across the region.

## Northern Irrigation

---

The recent rainfall has been consistent over the Northern Irrigation region, although the amount received has been significantly less than in the west and east of Victoria. The hot dry weather in early September damaged crops and pastures. Those that had not been irrigated for the year were severely set back. Late sown crops on the heavier soils were extremely moisture stressed prior to the rain on the 21 September. Crops close to death have been turned over to grazing. Whilst the rain has improved some of these crops, overall yield potential (hay or grain) has been severely limited. Although some areas received substantial falls, soil moisture monitoring of irrigated crops indicates that this moisture will be used by early October and the crops will require follow up rain or irrigation. The recent water allocation announcement has relieved some pressure for orchardists. It has also coincided with the critical time for irrigation requirements on pears and apples. Many dairy farmers have a small surplus of feed at the moment which is being conserved. Unfortunately this surplus is a lot smaller than was expected in August. Few dairy farmers have started large sourcing large amounts of hay for the season at this stage.

## North East

---

Conditions across the North East vary from average to excellent. There has been a drastic improvement in the last week of September with most areas receiving at least 25mm for the week. Some areas were days from drying off prior to the rain. The North East should enjoy some spring growth in all areas and an exceptional season in the higher rainfall areas. Most crops are looking great, the stressed crops have bounced back and most will now at least make viable grain and be a harvesting option. The lack of frosts and the recent rain has been positive for the horticulture industries. Paddock feed availability continues to vary depending on species, management and location. Current pasture growth rates are excellent and have potential to achieve an extended spring growing season, if there is more rainfall in the higher rainfall areas. Some areas are rapidly haying off. A small amount of pasture silage has been cut during the last two weeks. On-farm fodder reserves are largely depleted. Generally farm dams in the upland areas east of the Hume Highway are 70% to 100% capacity. Dams in the Riverina Plains west of the Hume Highway are only at 10% to 60% capacity. Some of these dams have yet to receive any significant surface runoff in 2009.

## East Gippsland

---

The rainfall that fell in the Macalister Irrigation District has helped pasture growth where pastures had been irrigated. The dry-land areas in the district are not growing very well at all. There is doubt whether these areas will be able to produce a 'normal' cut of fodder. Bairnsdale has received lower rainfall and pasture growth is poor (unless irrigated) on dairy farms. Orbost has received rainfall but more rain is needed to create the fodder harvest that is required to feed stock for the rest of the season. There are some crops failing due to the continued dry period. Where irrigation was supplied early (in August) paddock feed is of very good quality and quantity due to the mild September. Dry-land areas have had little growth on pastures that were dry during winter, due to low rain fall. Fodder reserves are low.

## West and South Gippsland

---

The month was highlighted by the excellent pasture growing conditions experienced for the first half of the month as a result of adequate rain and warm temperatures. All areas of the West and South Gippsland region benefited from some good rain, including the Yarram area. Rivers are now at levels not seen for some time and there has been runoff into dams. Those looking to sow fodder crops have been delayed by the wet conditions of paddocks. Paddock feed levels are generally quite good with some early pasture surpluses being turned into silage in early September. Fodder inventories are generally low but the availability of purchased feeds is good. Dams and tanks are close to being full in much of the district. Possibly only the Yarram area may still need more rain to continue to fill their dam supplies.

## Port Phillip

---

Rainfall has been good in the Port Phillip region during September. The rainfall has allowed for irrigators to save some water. Vegetable growers are finishing broccoli harvest and starting to plant lettuce. Bud burst has begun in the apples and stone fruit. Growers in Werribee are reasonably good however Bacchus Marsh growers are still struggling. Even though allocations are at 2%, Bacchus Marsh depends on the Pykes Creek reservoir to get water. The reservoir is still low and not supplying irrigation water. If there is no further rainfall, growers will need the irrigation water for crops.

## South West

---

Rainfall for September was average in the region. In the south of the region, particularly in the dairy areas it remains very wet. There is some evidence of water logging of cereal crops occurring. Otherwise crops are growing as expected. Pasture availability in the north and west of the region is adequate. To the south of the

region where it is very wet pasture growth has slowed and as a result some dairy cows are pulling off condition. Dairy farmers are reluctant to purchase fodder in this area due to the pressure on their cash flow. The filling of dams now means much of the pressure is off for the forthcoming summer, particularly in the west where water was scarce. Continued rainfall in the spring months is still necessary.

## DPI response

### Drought related activities held this month

---

#### Mallee

- 7-8 Sept – Edenhope - Sustainable Farm Families workshop. 17 attended.
- 22 Sept – Mildura – ‘Water Information’ session followed by ‘Where to From Here’ drought support session. 120 attended.

#### Northern Irrigation

- 21 Aug – Milnes Bridge – Cereals, Know When to Cut. 8 dairy farmers and 3 service providers attended
- 28 Aug – Congupna – Cereals, Know When to Cut. 15 dairy farmers and 2 service providers attended
- 7-22 Sept - Various Locations – ‘Managing the Challenge’ Shed Meetings. 222 dairy farmers and 105 service providers attended.

#### North Central

- 11 Sept – Wedderburn VFF committee - DPI meeting to plan risk management approach to farming information session. 4 attended

#### North East

- 10 Sept - Sandy Creek - Weather Drivers talk for MDBC drought bus. 40 attendees
- 22 Sept - Corryong - AgFutures. 40 attendees
- 31 Aug – Wodonga - Service Provider Seasonal update. 30 participants.

#### Gippsland

- 3 Sept – Bairnsdale - Beefing up Performance.
- 15 Sept – Marlo – EverGraze Supporting Site Field Day.

#### Wimmera

- 24 Sept – Horsham East – Seasonal climate update. 15 attended.

#### Port Phillip

- Sep – Mornington Peninsula - Mornington Peninsula Vignerons Association Water Session, supported by DPI. 30 attended.

#### South West

- 10-11 Sept – Clarkes Hill – Sustainable Farm Families workshop. 17 attended.

### Success Stories

---

#### Dairy Shed Meetings – Northern Irrigation Region

The Dairy industry recently conducted 29 shed meeting across the Northern Irrigation region in September. Attendances averaged just over 11 farmers and service providers for each meeting, allowing for great discussion amongst these small groups. Local consultants supported by DPI and factory field staff, facilitated the discussion and topics were far ranging to meet the needs of the farmers attending. The feedback was excellent with farmers enjoying the format and the chance to discuss the strategies they are considering with other farmers and industry service providers. With the constantly changing operating environment and challenging times, many farmers have lost confidence in even some of the more basic decisions, so they valued the opportunity to discuss the range of topics on offer.

#### Local workshops planned

---

#### Mallee

- 13-14 Oct – Serpentine - Second year Sustainable Farm Families workshop.

#### Gippsland

- 8 Oct – Orbost - Farmer evening with panel

#### Northern Irrigation

- 13-14 Oct – Calivil – Sustainable Farm Families workshop at Calivil

## Wimmera

- 6 Oct – Birchip Cropping Group Ladies - Climate and risk management tools

# Media and Communication

## Media releases

**8 September 2009 – Farmers call for clarity on Goulburn water allocation adjustments (VFF)** Farmers across the North of the State are calling for clarity after Goulburn Murray Water (G-MW) adjusted water allocation commitments that will transfer irrigation water to urban use.

**9 September 2009 – Succession planning recognised for drought-affected farmers (Hon Tony Burke MP)** The Rudd Government has acted to ensure farmers who want to pass their farms on to their children can still access Exceptional Circumstances drought income support. It follows concerns raised by some producers that the system prevented them from accessing drought income support if they passed their properties or other assets on to the next generation.

**9 September 2009 – Public meetings guiding inquiry (Dairy Australia)** More than 130 people have participated in public meetings being held throughout the Lower Murray Darling Basin region so far as part of a Dairy Australia inquiry into future dairying in the region.

**14 September 2009 – AWB provides full wheat pool estimates (AWB)** AWB has released its first full schedule of estimated pool returns (EPRs) for all wheat grades in its 2009/10 season wheat pools to provide growers with the best available information on how the market is likely to value quality this year.

**15 September 2009 – Mixed outlook for winter crops (ABARE)** The outlook for winter crop production is variable across the Australian grains belt because of patchy rainfall in some regions, according to ABARE's September issue of the *Australian crop report*. "Despite the variable conditions across regions, the winter grains harvest for Australia as a whole is forecast to increase in 2009-10," said Dr Terry Sheales, Deputy Executive Director, ABARE, on releasing the report.

**22 September 2009 – Higher Australian dollar affects commodity export earnings (ABARE)** Australia's farm export earnings are forecast to fall marginally in 2009-10, after increasing strongly in 2008-09. This and other commodity forecasts for 2009-10 are contained in the September issue of *Australian commodities*, released today by Dr Terry Sheales, Deputy Executive Director, ABARE.

## Media headlines

### Weather

- **Heavens hold the key to a potential bumper harvest – Anxious wait** Warrnambool Standard 20/08 – The Victorian grain season is delicately poised between a potential bumper crop and a below-average yield.
- **Rain puts spring in step** Stock and Land 24/09 – Farmers north of the divide have finally got the present they were looking for over the past four years - the first substantial mid-spring rains since 2005.
- **State storages get good top-up** Ballarat Courier 29/09 – Widespread drenching rain has sent 17 billion litres of water cascading into Melbourne's catchments and swollen the state's creeks and rivers.
- **Rains raise farmers' hopes for a good season at last** The Age 26/09 – Mallee and Wimmera farmers are rejoicing in some of the best spring rains for more than a decade and the prospect of a better than average harvest.
- **Rain bolsters crop outlook** Stock and Land 01/10 – Large parts of the cropping belt received more than 50 millimetres rain for the week up until Monday. It is the first good spring rain since 2005 and could add up to a million tonnes to total Victorian 2009-10 grain production.
- **Dry finish tipped as El Nino looms** Weekly Times 30/10 – Farmers in southeast Australia should enjoy the rain while it lasts, because the odds are moving towards a dry finish to the year.

### Farming and agriculture

- **Vigilance urged as we escape fruit fly for now** Sunraysia Daily 09/09 – Fruit fly larvae have not yet been detected in Mildura but people with strawberries bought locally last week are still urged to be vigilant in checking for them.
- **Vic, NSW back farmers' carbon credits** Australian Financial Review 10/09 – The Victorian and NSW governments have inflicted an embarrassing blow to the commonwealth governments policy on agricultural greenhouse gas emissions, by backing research that supports the federal oppositions campaign to allow farmers to claim and trade carbon credits.
- **Milk price lift not false** Weekly Times 09/09 – Murray Goulburn is denying it offered farmers false hope and attempted to stem the exodus of suppliers by offering additional incentives in its recent supplier's letter.
- **Buyers in for the kill** Weekly Times 09/09 – Rain across parts of the state, as well as an additional export processor entering the market, helped lift Victorian dairy cow prices last week.
- **Right tools for farmers** Riverine Herald 18/09 – A personalised case management support service will soon be available to northern Victorian dairy farmers.

- **Fruit fly strike team** Country News 14/09 – More than 3000 backyards in south Shepparton will be visited by a strike team of fruit fly inspectors across the next 10 weeks, in a major new operation against the pest as the weather warms up.
- **Rates are location, location** Weekly Times 23/09 – Grain growers are being warned to check their contracts following the release of Grain Trade Australia's 2009-10 locations differentials.
- **No rain, no meat, no work** The Age 22/09 – A dire shortage of dairy cows in the drought-stricken north-east of the state has forced the Tongala abattoir to cut almost half its workforce.
- **Milk Price Rise** Campaspe News 29/09 – Fonterra suppliers have been given a boost with the company announcing an increase in its milk prices.

## Water

- **Wimmera Mallee flows for Melbourne** Weekly Times 09/09 – Melbourne has found a fair chunk of water for its north-south pipeline – in the parched Wimmera Mallee.
- **Free Water update forum** Sunraysia Daily 15/09 – Questions about water allocations, markets and future decision making will be addressed during a water update forum at Mildura on September 22.
- **Water plan needs much more balance** Australian Financial Review 15/09 – The reaction to the proposed sale of Cubbie Station has highlighted a disturbing tendency of the water debate to focus on perceptions, at the expense of substance.
- **Water pipeline transfer disputed** The Australian 15/09 – A row has erupted over water allocations in the nation's parched southeast, with a federal MP calling on the Rudd government to block a Victorian move to recoup 12 billion litres of water a year from the state's northwest to boost Melbourne's dwindling supply.
- **Water boost for irrigated trials** Weekly Times 09/09 – The crops at the Victorian Irrigated Cropping Council trial site at Kerang received their first spring drink last week.
- **Victoria urged to remove failing water-trade limit** The Age 11/09 – Victoria has been dealt a major blow over water policy after Australia's competition watchdog found one of the state's controversial water trading limits was 'poorly targeted' and having negative impacts on the farmers it was supposed to protect.
- **Water cap lifted** Australian Financial Review 16/09 – Hundreds of water trades in Victoria will be allowed today after a 10 percent cap on entitlements was officially granted
- **Dairy shed amnesty** Shepparton News 16/09 – Dairy farmers can take advantage of an amnesty to ensure the water the use in the dairy shed is fully licensed.
- **Significant increase for irrigators** Northern Times 02/10 – Above average September rainfalls across northern Victorian catchments have created the opportunity for irrigation allocations to be increased.
- **MID allocation set to increase** Gippsland Times 25/09 – Macalister Irrigation District farmers have welcomed an increase in their water allocation but are still doing it tough this irrigation season.

## Drought financial assistance

- **Help for farmers and small businesses** Warrnambool Standard 20/08 – Exceptional Circumstances assistance for south-west Victoria was recently extended until March 31, 2010 which means farmers and small business operators can claim drought assistance now.
- **UDV: Farmers need help** Stock and Land 24/09 – Dairy farmers in northern Victoria have called for government action to help those intending to stay in the industry to ride through the current downturn.

Compiled & edited by Angie Grills, and proofed by Drought Operations & Response Managers.