

IMPACT OF FLOODING ON FODDER

SOUTH-EAST AUSTRALIA

3 November 2022

MAJOR IMPACTS OF FLOODING ON SUPPLY OF FODDER

Across northern/central Victoria and southern NSW, the flood events have further reduced the already low production and supply of spring hay expected this season.

Widespread reports of crop losses and damage to crops on the cusp of being cut for hay.

Water damaged vetch crops across Victoria, southern NSW and SA are being reported – now only suitable for in-paddock green manure mulch.

Growing number of farmers indicating that they will struggle to service existing customers with long-term contracts.

Across flooded areas, the cutting and processing of early season hay and silage has been halted (significantly reduced quality expected).

Clear assessment of damage will take some time – however there are expectations that prices will significantly rise once short supply is clear.

There are now no opportunities to make silage and fodder – as well as freshly made and locked up on-farm stock being flooded and damaged (severely reduced quality).

Goulburn/Murray region

Supply

- Hay season would normally begin around mid-October, however with current conditions there is little to no hay being cut.
- Silage season also delayed, with uncut silage crops having now matured too far, and poor quality expected. (This is going to significantly reduce the supply of good quality silage available.)
- Most flooded crops are believed to be unsalvageable.
- Crops on higher land are providing some optimism
- Growers are still servicing contracts to Gippsland and south-west Victoria
- Movement of fodder also significantly impacted by road and infrastructure damage

Demand

- Requests are already going out for relief fodder deliveries from other less affected areas of Victoria and interstate.
- Currently, hay enquiries are almost at a standstill – communities in active flood recovery.
- No change to prices, however this is expected to change once shortages become more clear.

Gippsland

Supply

- Silage is being cut on hilly country
- Contractors from the more flooded areas of northern/central Victoria are moving down to parts of Gippsland to help with cutting in between rain events.
- The west of the region is facing severely downgraded crops.

Demand

- Hay demand is increasing due to shortages expected in the coming season.
- Most enquiries seem to be for longer term delivery contracts – due to an understanding that there is little hay and silage current available as well as an expected shortfall this season.

South-west Victoria

Supply

- In the north – growers are making the decision to plough in water damaged vetch crops – a significant shortfall in high quality protein hay is expected this season.
- Lentil and bean crops are also being impacted by prolonged wet weather.
- Silage cutting continues to be delayed – with at least two weeks before weather will support cutting.

Demand

- Fodder trade is already picking up – with weather affected farmers looking to increase on-hand stock in addition to early relief fodder requests from flooded regions of northern and central Victoria.
- There is some trade across the border to SA, however most enquiries are for the new season hay and growers are looking to lock in contracts rather than purchase single or small deliveries.

Central west, North Coast NSW and Bega Valley

Supply

- Almost all fodder trade has stopped in the central west due to flooding – with relief fodder being sought via government and charity sources.
- Those who do have available supply on hand will not be trading until the situation eases.
- No change to pricing as of yet.
- Along the north coast, fodder donations are still supplying a fair proportion of the market and hay is being accepted at any quality available.
- Farmers in the Bega Valley region are expected to keep silage and hay produced for on-farm use and storage.

Demand

- There was a slight increase in demand for hay across the northern region, as those in flood affected regions look for fodder supplies.
- Some older stock is moving but there is very limited supply available.
- Across the Bega Valley, fodder demand is starting to increase as it becomes clear there is limited stock available – most enquiries are for new season product.

South-east and central SA

Supply

- Again, vetch crops will not be harvested.
- Hay season is around four weeks delayed – so very little hay has been cut so far.
- Many crops are waterlogged across the region (complete crop loss is a reality for many).
- Where possible, growers are out in paddocks cutting, raking, and baling hay.
- Production of hay is now forecast to be even lower than first expected due to ongoing wet conditions and downgraded crop quality – further reducing supply.
- Old season hay no longer available on the open market – all committed to sale.

Demand

- Demand for hay is currently quiet in the region.
- Further price movement is expected once the market starts to compensate for the flood impacts in Victoria and NSW and the reduced supply of new season hay.
- New season hay needs to become available within the next two weeks to meet demand for hay going forward.