

# El Nino, La Nina??



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**Perhaps by the time this article hits the mailbox it may be out of date and good general rain will have been received across the Subtropical Dairy region. It has certainly been a mixed bag this summer. Some areas have had tremendous rainfall events to grow high yielding crops and pastures while other districts are in desperate need of moisture. The generally dry conditions have contributed to a spike in the grain and hay market, and some shortages of barley and corn grain locally. If the upward grain price trend is prolonged, margins will tighten and further scrutiny of diets and cows will be required to maintain high margin over feed costs going forward.**

Even though rainfall has been sporadic in southern Queensland, forage inventories are generally satisfactory across most farms, be that conserved feed or pasture. Additionally, there have been opportunities to grow or purchase hay and/or silage over the last couple of seasons at reasonable prices. It is encouraging to see so many dairy farmers prioritising feed security and looking forward with feed budgets to ensure future forage requirements are met. There are tools and calculators available through service providers and online through Subtropical Dairy and Dairy Australia. Spending some time analysing a forage budget and taking appropriate action can help maintain a strong financial position, rather than being forced to purchase spot forage in the future.

For farms with irrigation, supply and allocations are mostly above 90% across the state. This presents an opportunity for those businesses for the cool season ahead, or perhaps a conundrum. If winter pastures, for grazing, are normally 100% of the irrigation area, it may be appropriate to apportion some of the irrigation to crops that may be readily conserved and that are high tonnes per megalitre (ML). Winter cereals such as barley and wheat grown on the Darling Downs, for example, need around 3 ML (rainfall and/or irrigation) to produce a crop. Depending on the irrigation and soil profile this may suit, however, we know that summer crops are much more water use efficient. Following through winter and focussing on an early summer crop will provide increased tonnages for the water used, for example maize will usually be at greater than 4.6t DM/ML. Most dairy farmers have efficient low pressure irrigation systems; however, some high-pressure travelling irrigators are still in operation. An irrigation assessment in the Mary Valley recently identified that a high-pressure system was costing \$252/ML in electricity. This highlights the need to evaluate total tonnes of dry matter per ML of irrigation applied. An irrigation and forage budget is an activity worth completing to assist with this decision-making process. Again, spending some time in advance on this may mean the difference between a profit or a loss.

The 2024/25 QDAS data indicated that there was an increase of 35 (milking and dry cows) for participating farms from the previous year. This is healthy for the industry and total milk supply for the state, however it is important to be conscious of herd dynamics if we do enter an extended dry period. Feed budgets and forward forage projections will help determine if



the herd will experience reduced dry matter availability at some stage. If there are periods of deficit it may be prudent to consider a measured cull. Meatworks prices are at an all-time high, \$7.50/kg dressed for cows over 300kg (March kill). Now may be an opportunity to strategically lighten the herd numbers. Large Friesian cows are returning over \$2,250, with some over \$3,000. There is really no excuse to retain freeloaders regardless of the weather ahead.

Each year the Top 25% of QDAS farms are identified and there are several key features leading to exceptional financial performance. In the 2024/25 sample, one resounding aspect was that they had adequate pasture and/or conserved forage inventory for their business. They also had on average, higher production per cow (7,271L, 1,643L higher than the remaining 75%) and margin over feed cost (54.3c/L). All these businesses have a distinct focus on their forage base, its quantity and quality, and balance of feed ingredients. Feed related costs represented 49% of milk income in the 2024/25 QDAS sample. This has been a constant (or even higher percentages) every single year of my whole career. Clearly this is a priority focus area for dairy businesses in the Subtropical Dairy region, managing feed and its costs should demand a large amount of every dairy farmer's time. It is one of the factors contributing to high levels of financial success.

Approaching winter with a firm forage plan and feed inventory will reduce some stress and ease potential financial pressure if the season does turn dry. The Farm Business Resilience Project has been recently funded for a second phase after a successful initial program. This joint Queensland Government and Federal Government initiative strategises drought preparedness over traditional forms of support during drought periods. The Queensland Government has provided financial support through programs like the drought preparedness grant that assists primary producers with the implementation of projects that will position their businesses to better cope with climatic challenges. Please make contact with QDPI if you are considering making an investment. We will be able to assist with the application. ■■