



Australian Government

Department of Agriculture, Fisheries and Forestry
ABARES

Weekly Australian Climate, Water and Agricultural Update



2 February 2012

The full report is available from www.daff.gov.au/abares

Summary of key issues

- Flooding caused by heavy rainfall over the past few weeks on the north coast of New South Wales and in southern Queensland could affect some crops.
- Further rainfall is forecast over the coming week in areas already affected by flooding in central and southern Queensland.
- Low pathogenic avian influenza has been detected in ducks in Victoria. The area has been placed under quarantine.
- Water storage levels in the Murray–Darling Basin increased this week by 19 gigalitres and remain at approximately 82 per cent of total capacity.
- Avocado, banana, bean, broccoli, lettuce, pineapple and tomato wholesale prices were higher in the week ending 28 January 2012, but onion and pumpkin prices were lower.
- The world sugar indicator price averaged US23.8 cents a pound in the week ending 1 February 2012, US1.0 cents a pound or 4 per cent lower than the previous week.
- The world wheat indicator price (US hard red winter, free on board Gulf ports) averaged US\$300 a tonne in the week ending 31 January 2012, compared with US\$287 a tonne in the previous week.
- The world canola indicator price (Rapeseed, Europe, cif Hamburg) averaged US\$614 a tonne in the week ending 26 January 2012, compared with US\$589 a tonne in the previous week.
- The Eastern Market Indicator price for wool remained largely unchanged at an average of 1194 cents a kilogram clean in the week ending 25 January 2012. Bales offered at sale were 23 per cent lower than the previous week.
- Trade steer prices were lower in all states except Western Australia in the week ending 27 January 2012. In Queensland, the trade steer indicator price fell by 14 cents to 395 cents a kilogram.



Outlook 2012 conference – registrations open

Registrations are now open for Australia's premier agriculture economics and commodity forecasting event. Details at www.daff.gov.au/abares/outlook

1. Climate

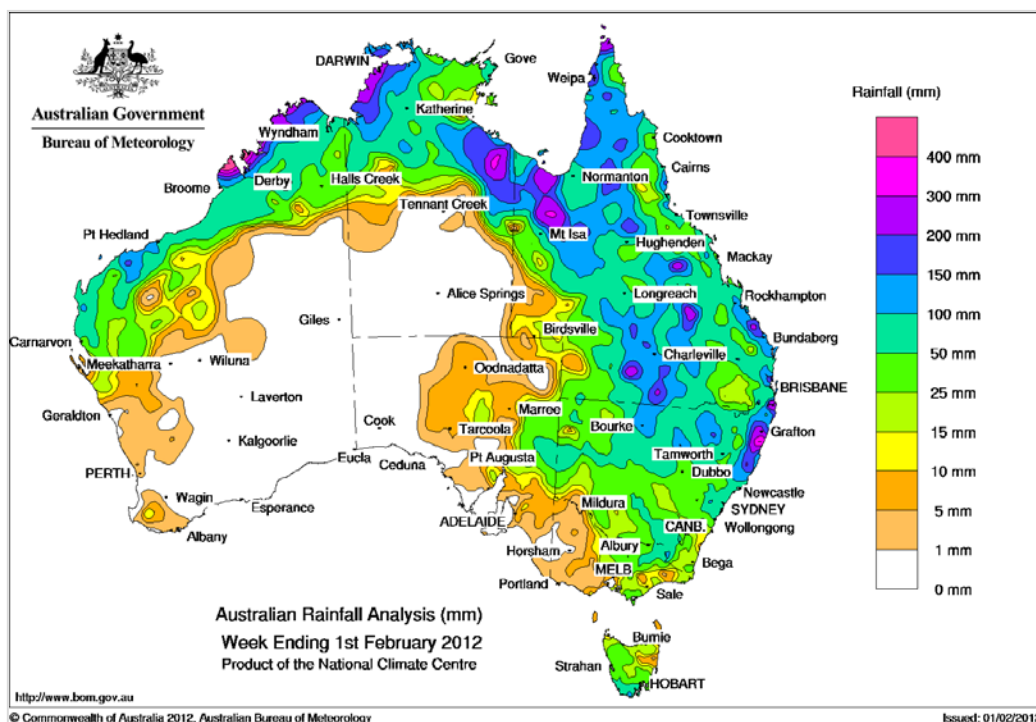
1.1. Notable events

- For the week ending 1 February, rainfall was recorded in all states and territories, with the highest falls occurring mostly in the north and east of the country. The highest measured total for the week was 747 millimetres at Cygnet Bay near Broome, Western Australia.
- Heavy rainfall over the past few weeks has caused flooding on the north coast of New South Wales and in southern Queensland. Flooding has reportedly affected sugarcane, soybean, corn and pastures in New South Wales and could affect quality and yield of the crops.
- The New South Wales Government has announced assistance under Natural Disaster Relief and Recovery Arrangements for eleven local government areas in northern New South Wales that have been affected by severe weather and flooding.
- Further rainfall is forecast over the coming week in areas already affected by flooding in central and southern Queensland and to a lesser extent, northern New South Wales.
- Due to hot and dry conditions over January 2012, a severe fire danger is forecast for areas of the Central Wheat Belt of Western Australia.
- Due to favourable seasonal conditions, producers have planted a larger soybean crop compared with previous years in north east Victoria and the New South Wales Riverina.
- La Niña conditions have showed only small changes over the past fortnight with models continuing to indicate a return to neutral conditions during autumn (Bureau of Meteorology 'ENSO Wrap-up' 1 February 2012).
- Low pathogenic avian influenza has been detected in ducks from a farm in Melbourne, Victoria. The affected and adjacent farms have been placed under quarantine.

1.2. Rainfall this week

For the week ending 1 February 2012, rainfall was received in all states and territories. For further information, go to www.bom.gov.au/climate/current/weeklyrain.shtml.

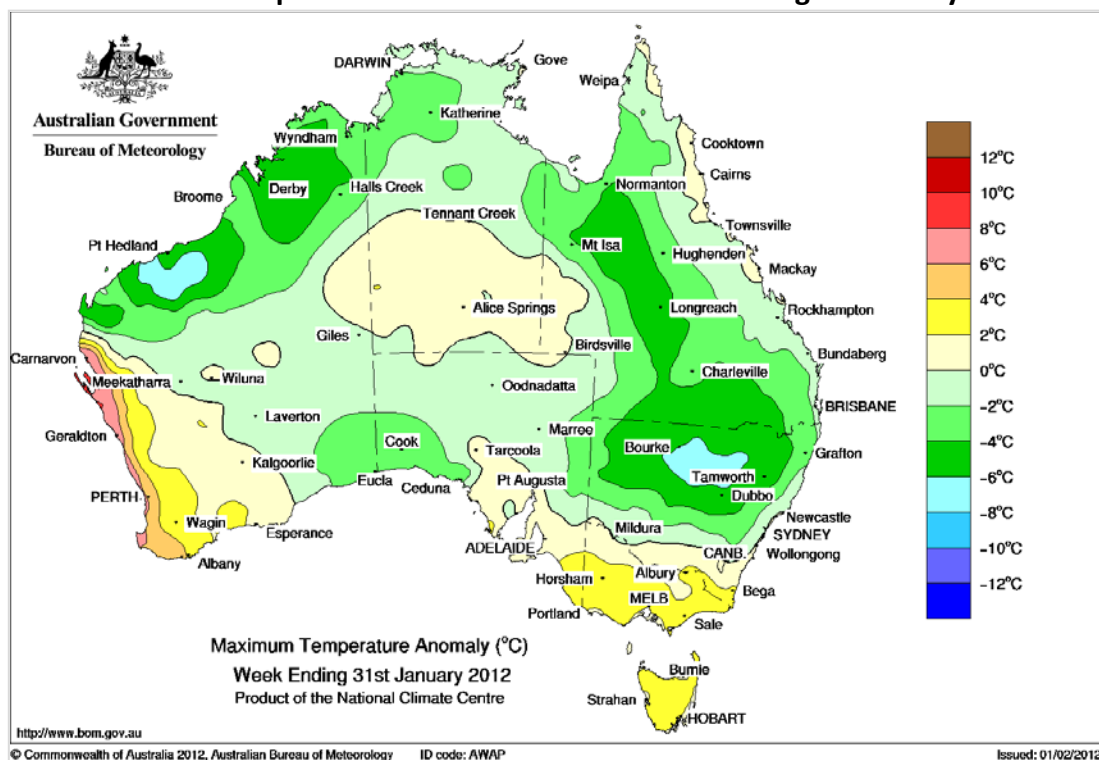
Rainfall for the week ending 1 February 2012



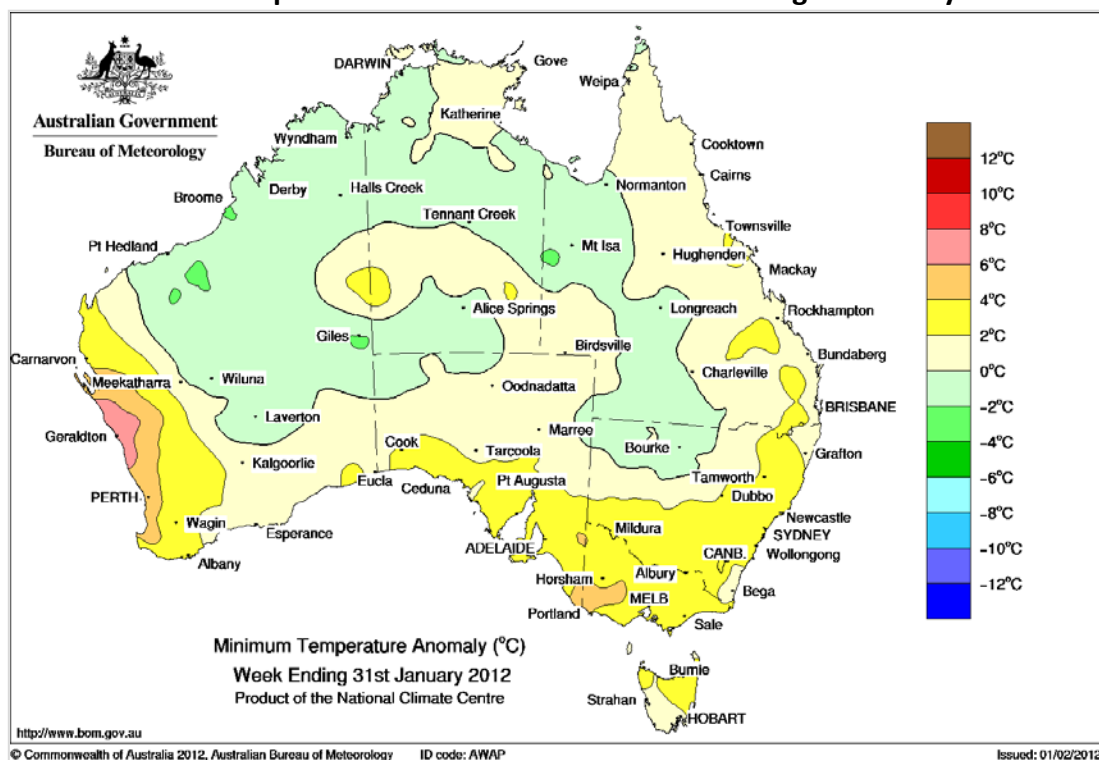
1.3. Temperature anomalies this week

Spatial temperature analyses are based on historical weekly temperature data provided by the Bureau of Meteorology. These temperature anomaly maps show the departure of the maximum and minimum from the long-term average. Temperature anomalies are calculated using high resolution gridded datasets from 1911 onwards. For further information on temperature anomalies, go to www.bom.gov.au/jsp/awap/.

Maximum temperature anomalies for the week ending 31 January 2012



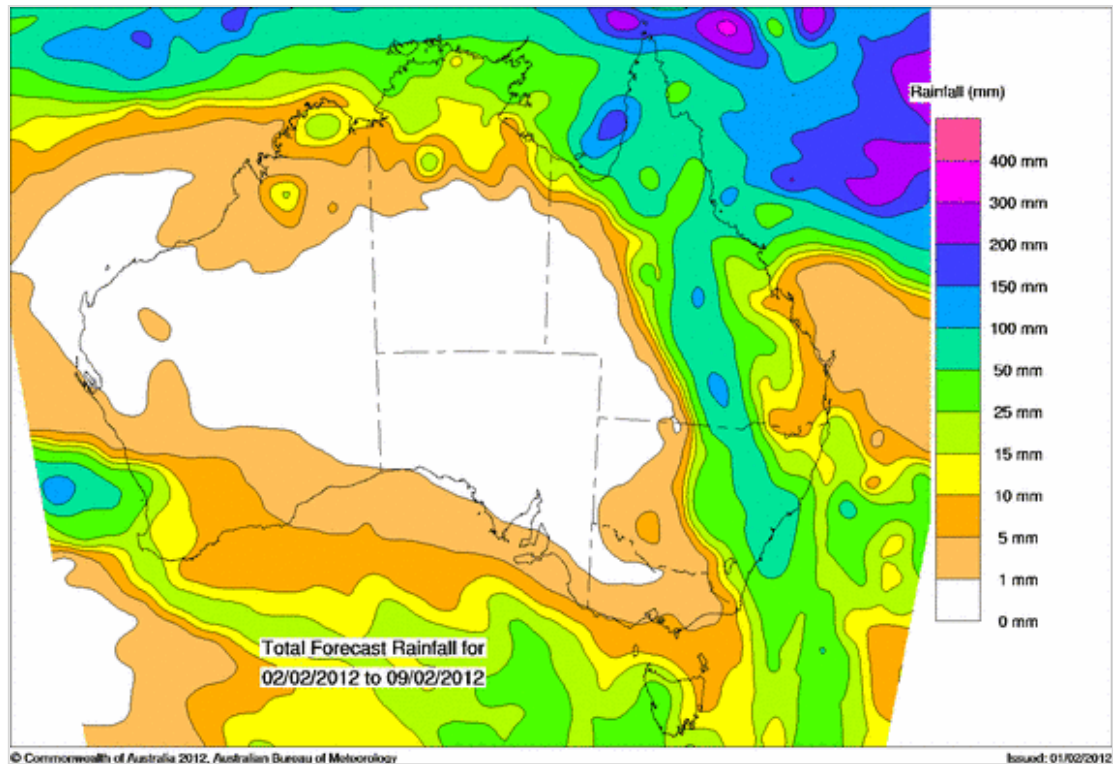
Minimum temperature anomalies for the week ending 31 January 2012



1.4. Rainfall outlook

The rainfall forecast below is produced from computer models. As it contains no input from weather forecasters, it is important to also check local forecasts and warnings by the Bureau of Meteorology.

Total forecast rainfall for the period 2 to 9 February 2012



2. Water

2.1. Water availability

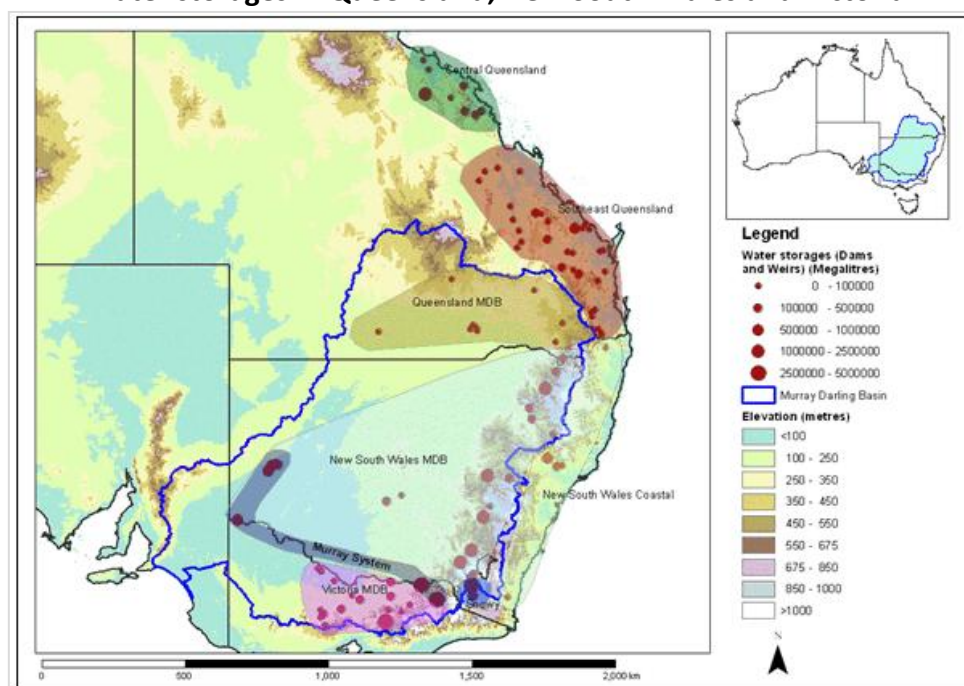
- Water storage levels in the Murray–Darling Basin (MDB) increased this week by 19 gigalitres (GL) to stay approximately 82 per cent of total capacity. This is 2 percentage points or 555 GL more than this time last year.

2.2. Water storages

Changes in regional water storage for January 2012 and the previous 12 months are summarised in the table and graphs below (current at 2 February 2012).

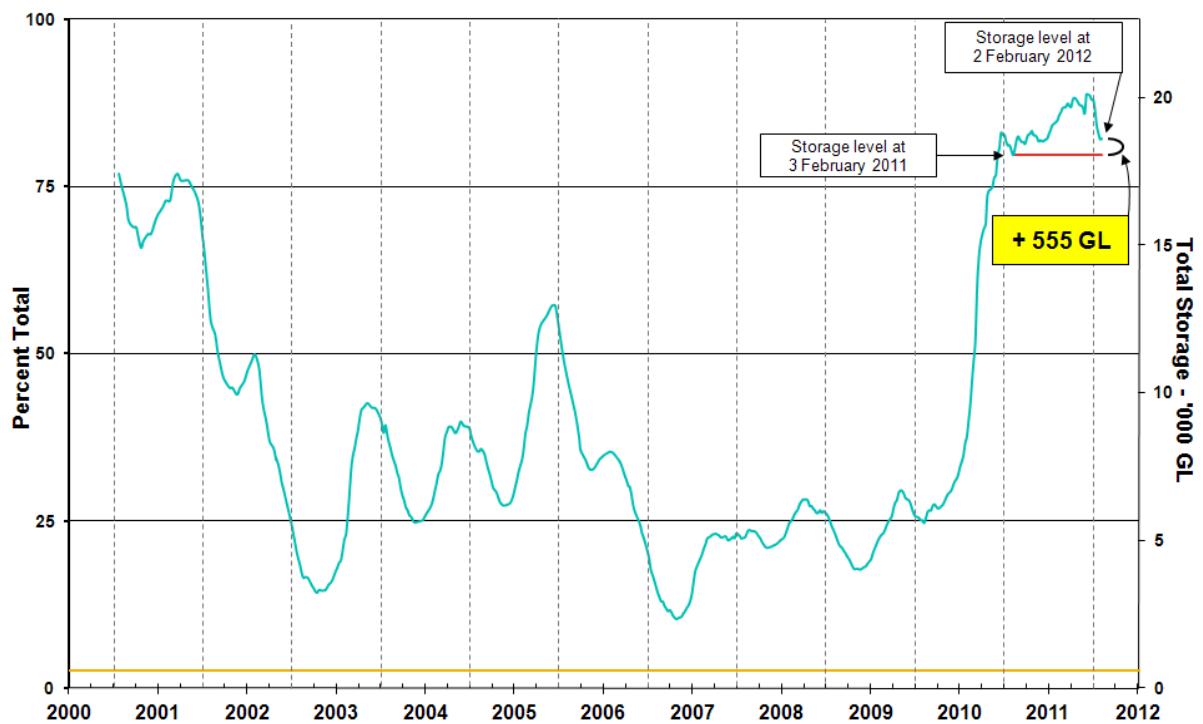
Region	Total capacity (GL)	Current volume (GL)	Current volume (%)	Monthly change (GL)	Monthly change (%)	Annual change (GL)
Murray-Darling Basin (MDB)	22557	18544	82	-443	-2	+555
Snowy Scheme	5744	3182	55	+5	0	+1139
Murray-Darling Basin Authority (MDBA)	9352	6974	72	-132	-1	+256
Queensland MDB	186	176	94	+4	+2	-9
Central Queensland	3154	2998	95	+56	+2	-151
South-east Queensland	3517	3443	98	+117	+3	-61
New South Wales MDB	13884	11220	81	-328	-2	-490
Coastal New South Wales	1074	1072	100	+1	0	+167
Victoria MDB	8488	7150	84	-119	-1	+1053

Water storages in Queensland, New South Wales and Victoria



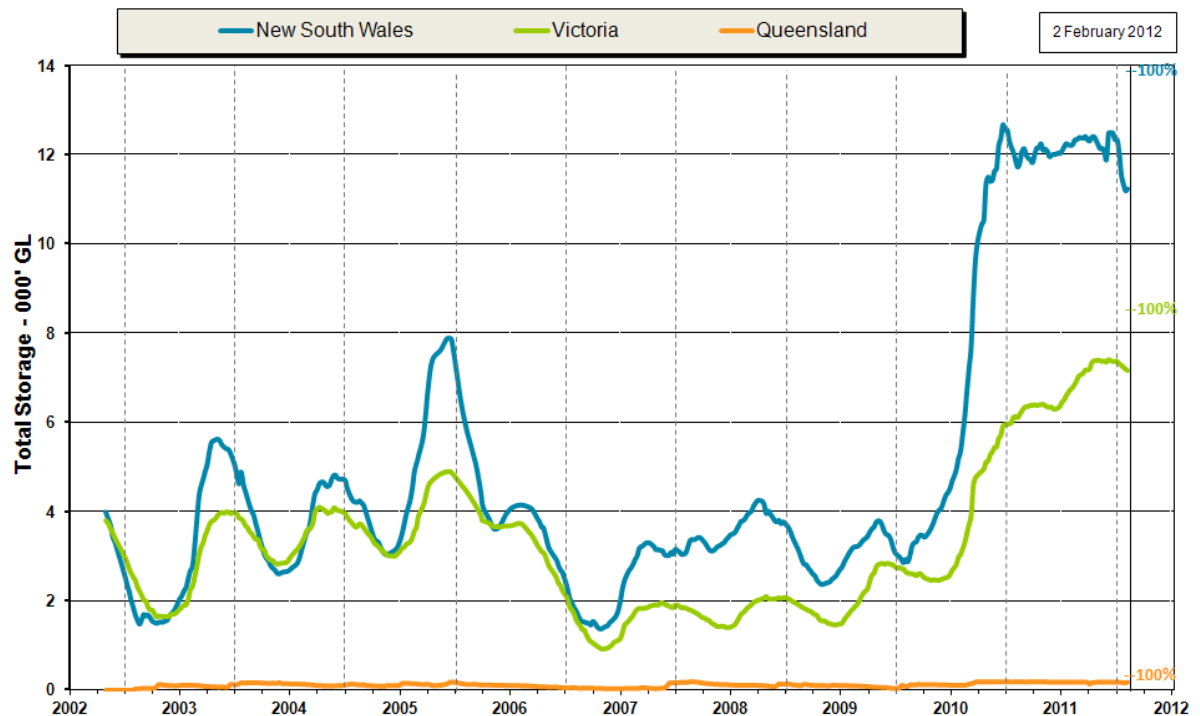
The blue line indicates the extent of the Murray–Darling Basin and the shaded areas denote the coverage of the individual reporting regions.

Water storages in the Murray–Darling Basin (NSW, Victoria and Queensland)



Information on irrigation water available in the Murray–Darling Basin from 1 January 2001 to 2 February 2012 is shown above. The top horizontal (red) line indicates the storage level at the similar time last year. The bottom horizontal (orange) line indicates the amount of 'dead' or unusable storage.

Water storages in the Murray–Darling Basin by state (New South Wales, Victoria and Queensland)



3. Commodities

3.1. Production and commodities

- Bean, broccoli, lettuce and tomato prices at wholesale were higher in the week ending 28 January 2012, but prices of onions and pumpkins were lower. Virtually all vegetable prices were lower than at the same time in 2011, reflecting markedly improved seasonal conditions and irrigation water supplies in most producing regions (figure A).
- Avocado, banana and pineapple prices at wholesale were higher in the week ending 28 January 2012, but most other fruit prices were steady. Of a selected basket of fruit, only prices of granny smith apples, bananas, cherries and pineapples were higher than at the same time in 2011 (figure B).
- There was record throughput of fruit and vegetables in the Sydney wholesale market in December 2011.
- The supermarket chain Coles (part of Wesfarmers Limited) announced plans this week to more aggressively discount fruit and vegetable prices.
- The world cotton indicator price (the Cotlook 'A' index) averaged US101.4 cents a pound in the week ending 1 February 2012, compared with US102.9 cents a pound in the previous week.
- The world sugar indicator price (Intercontinental Exchange, nearby futures, no. 11 contract) declined by 4 per cent to average US23.8 cents a pound in the week ending 1 February 2012, as expectations of record world sugar production in 2011-12 get closer to being realised.
- The Eastern Market Indicator price for wool remained largely unchanged at an average of 1194 cents a kilogram clean in the week ending 25 January 2012. Bales offered at sale were 23 per cent lower than the previous week.
- The world wheat indicator price (US hard red winter, free on board Gulf ports) averaged US\$300 a tonne in the week ending 31 January 2012, compared with US\$287 a tonne in the previous week.
- The world coarse grains indicator price (US no. 2 yellow corn, free on board Gulf ports) averaged US\$281 a tonne in the week ending 1 February 2012, compared with US\$272 a tonne in the previous week.
- The world canola indicator price (Rapeseed, Europe, cif Hamburg) averaged US\$614 a tonne in the week ending 26 January 2012, compared with US\$589 a tonne in the previous week.
- The Australian canola indicator price (Portland, Victoria) averaged \$493 a tonne in the week ending 30 January 2012, compared with \$479 a tonne in the previous week.
- Saleyard cattle prices for the week ending 27 January 2012 were generally lower. The Queensland trade steer indicator price fell 14 cents to 395 cents a kilogram, while trade steer prices were also lower in all other states except Western Australia. Heavy steer prices were lower in all states, while medium cow prices were also lower in all states except South Australia.
- Saleyard lamb prices rose in all states in the week ending 27 January 2012 as saleyard throughput continued to decline. Prices were 4 per cent higher in both Victoria and New South Wales at 514 and 497 cents a kilogram, respectively, while prices in Western Australia averaged 3 per cent higher at 540 cents a kilogram. In South Australia, prices rose marginally over the past week, averaging 495 cent a kilogram.

Figure A: Year-on-year change in selected vegetable prices, Melbourne wholesale market, 28 January 2012

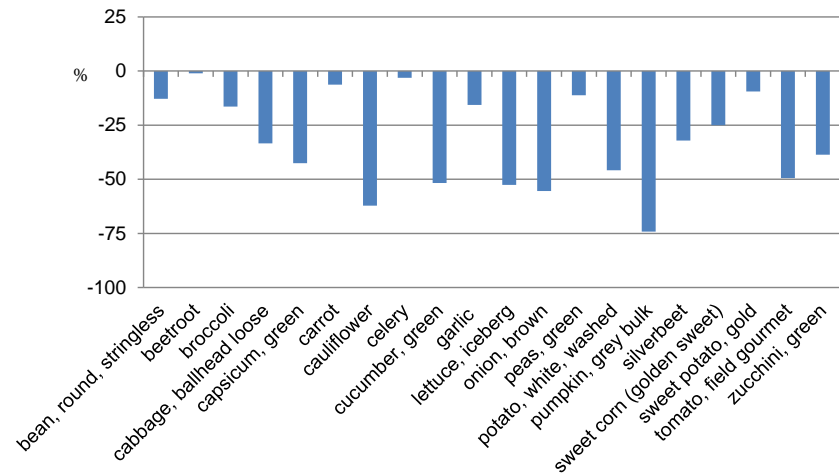
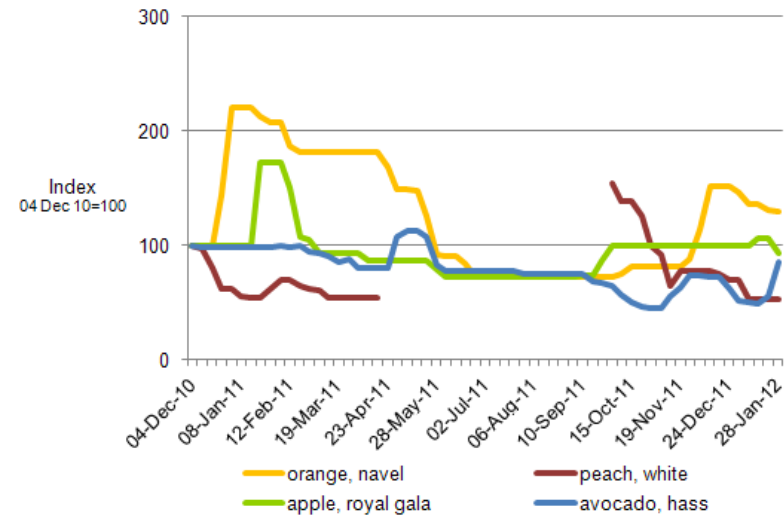
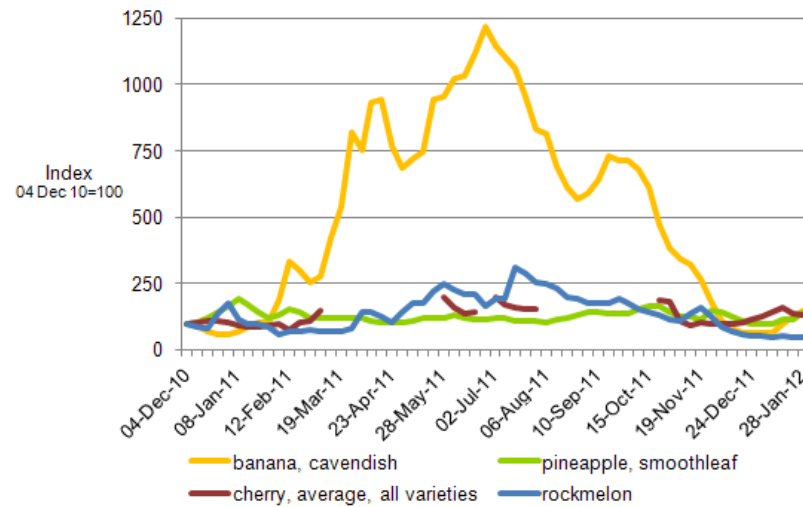


Figure B: Year-on-year changes in selected fruit prices, Melbourne wholesale market, 28 January 2012

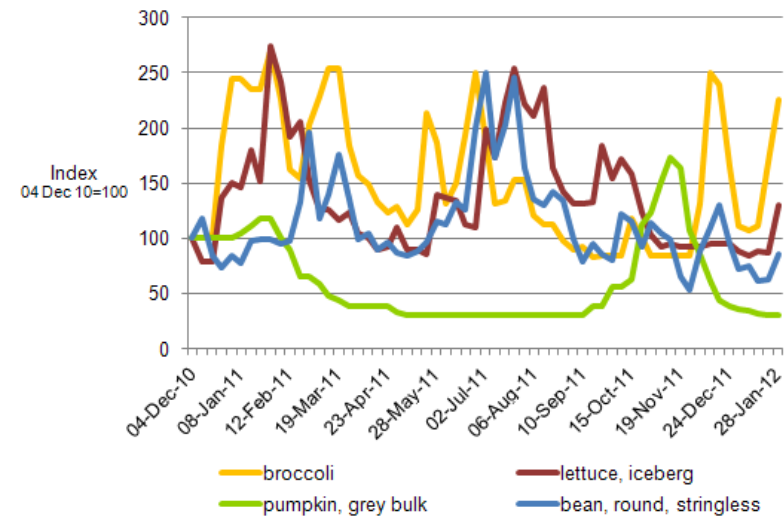
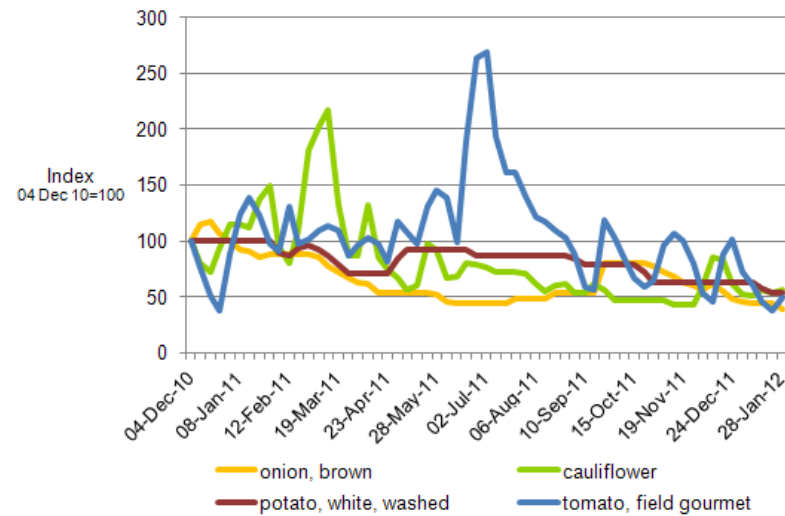


3.2. Recent movements in fruit and vegetable prices

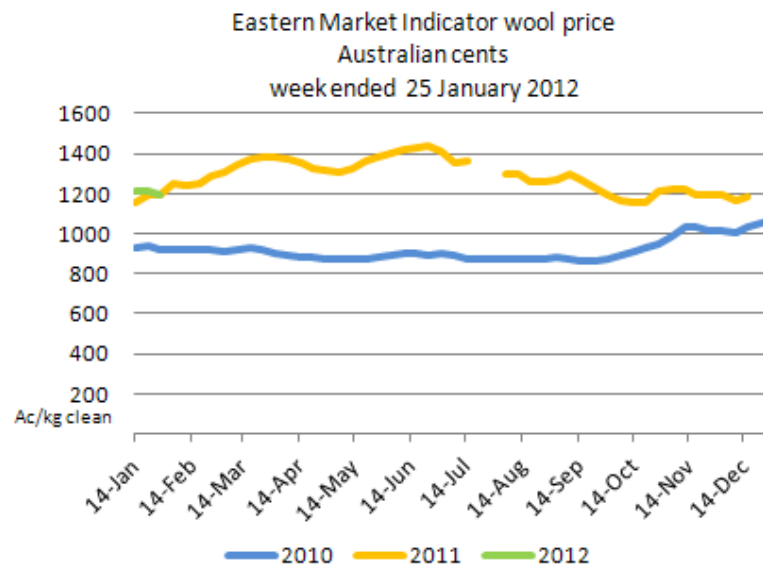
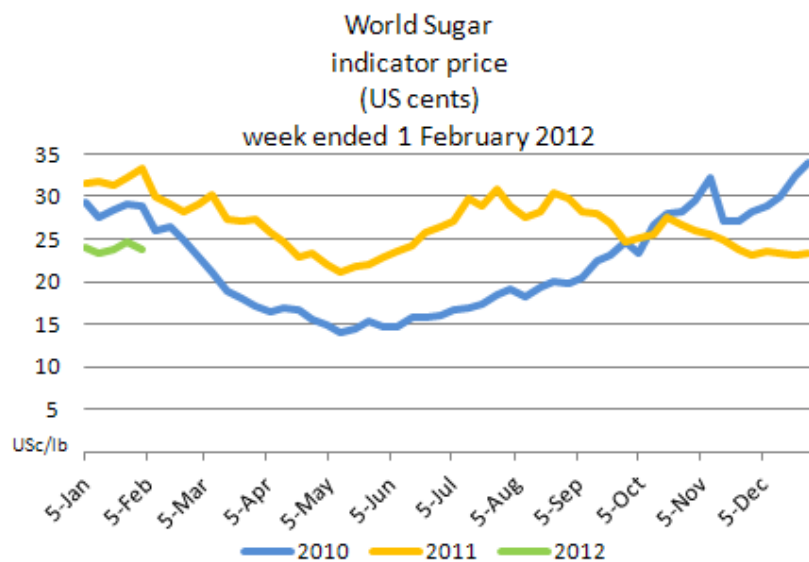
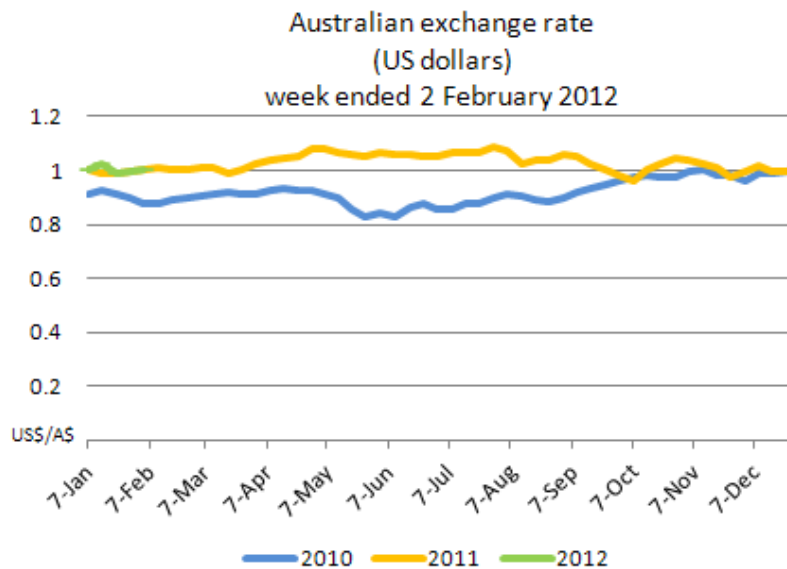
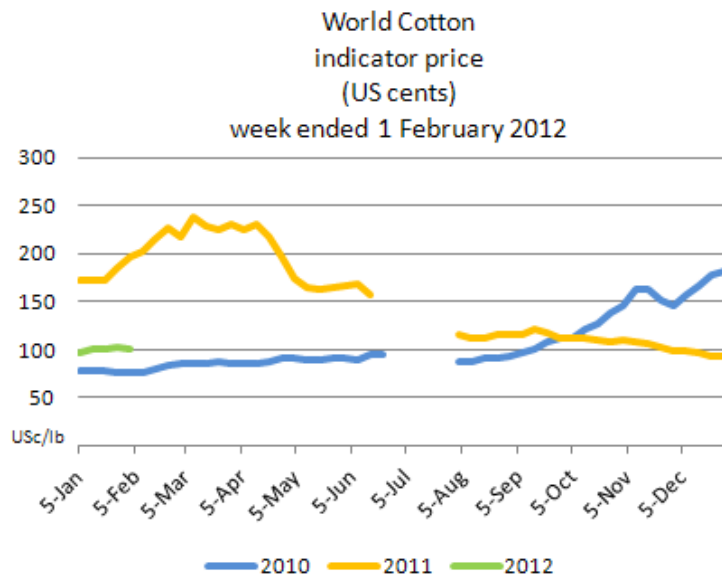
Weekly wholesale prices for selected fruit, Melbourne market



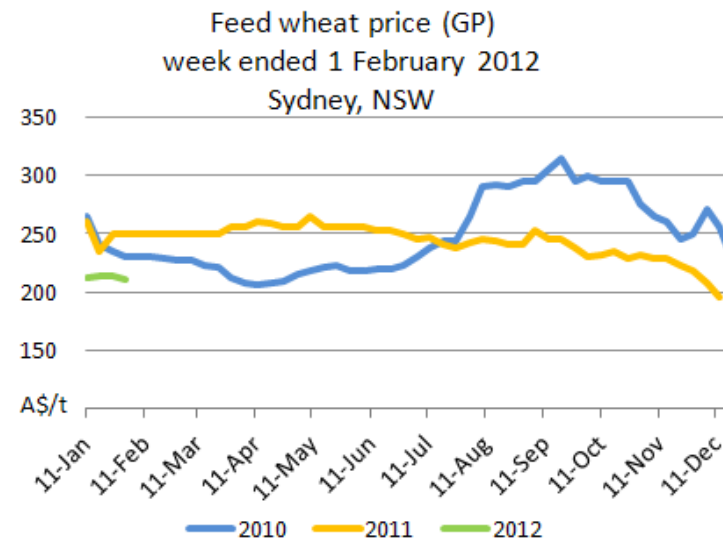
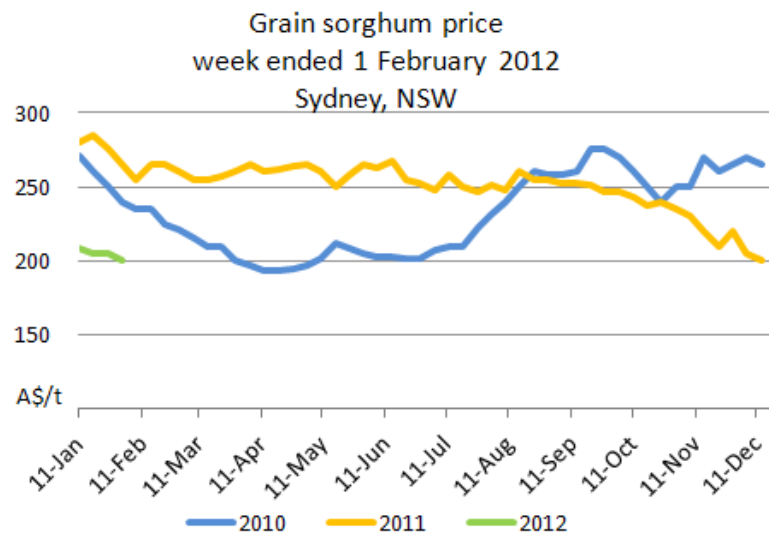
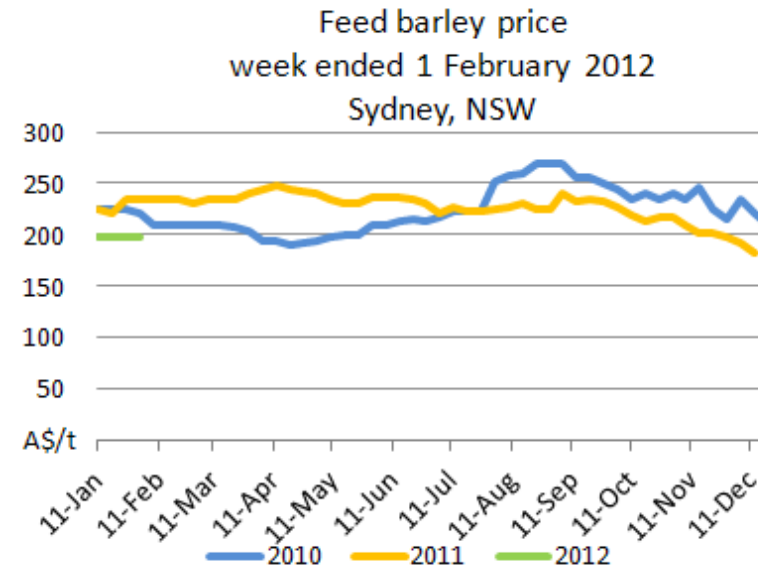
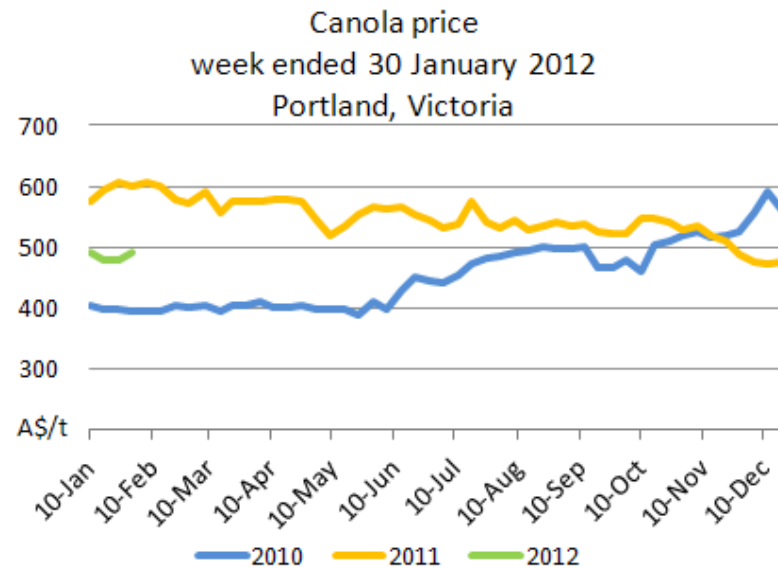
Weekly wholesale prices for selected vegetables, Melbourne market



3.3. Selected world indicator prices

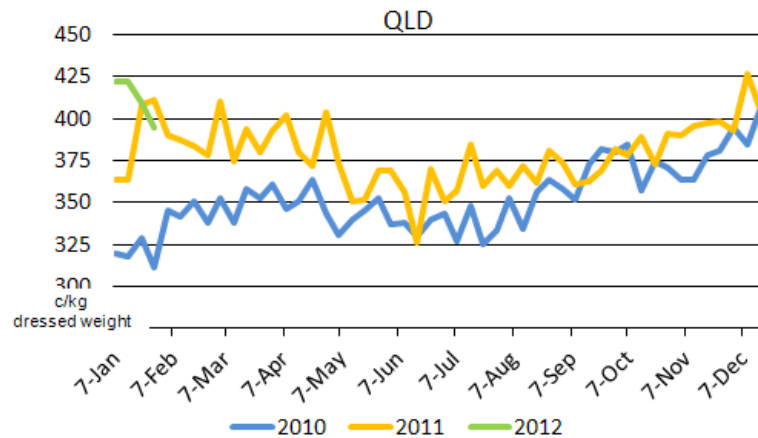


3.4. Crop indicator prices

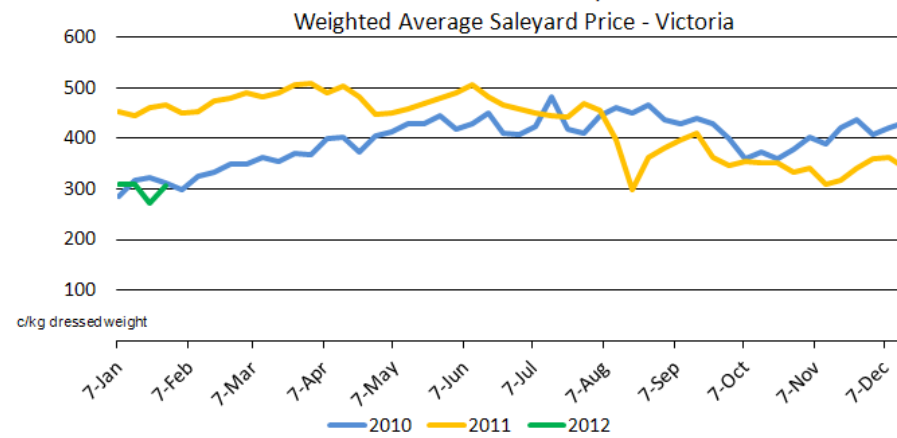


3.5. Livestock indicator prices

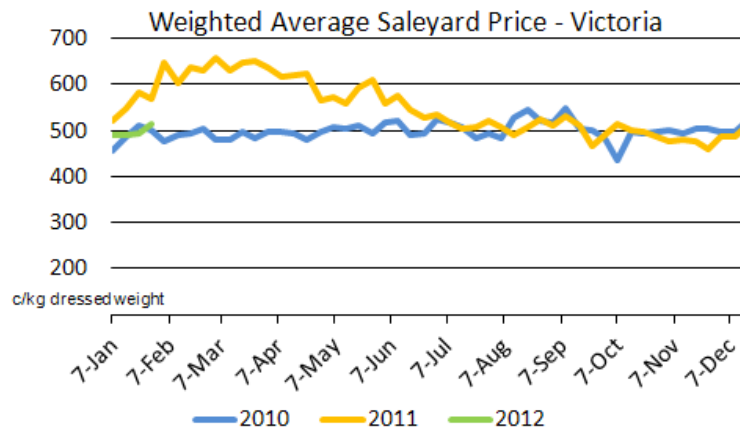
Young cattle indicator price
(330-400 kg live weight C3)
week ended 27 January 2012



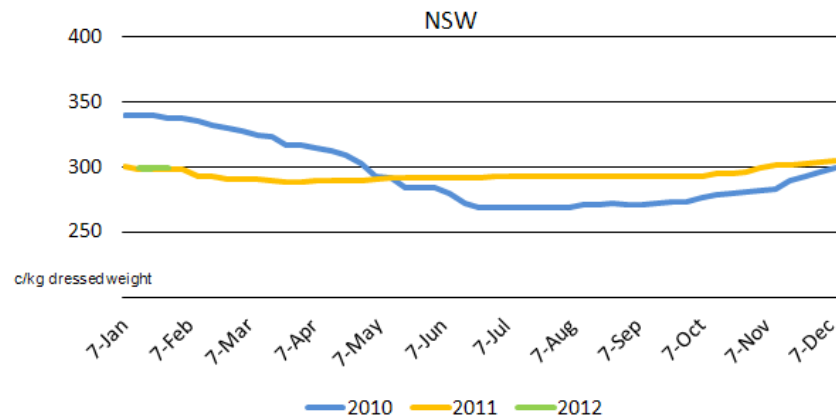
Mutton indicator price
(18-24 kg fat score 2-3)
week ended 27 January 2012



Lamb indicator price
(18-22 kg fat score 2-4)
week ended 27 January 2012



Baconer pig indicator price
GI 60-75 kg
week ended 28 January 2012



4. Data attribution

Climate

Bureau of Meteorology

- Weekly rainfall totals: www.bom.gov.au/jsp/awap/rain/index.jsp
- Monthly and last 3-months rainfall percentiles: www.bom.gov.au/jsp/awap/
- Temperature anomalies: www.bom.gov.au/jsp/awap/
- Rainfall forecast: www.bom.gov.au/jsp/watl/rainfall/pme.jsp
- Seasonal outlook: www.bom.gov.au/climate/ahead
- Drought statement: www.bom.gov.au/climate/drought/drought.shtml
- ENSO Wrap-Up: www.bom.gov.au/climate/enso/
- Soil moisture (BoM, CSIRO and the former Bureau of Rural Sciences): www.eoc.csiro.au/awap/

Water

New South Wales

- New South Wales Water Information: <http://waterinfo.nsw.gov.au/>
- New South Wales Office of Water, Department of Environment, Climate Change and Water: www.water.nsw.gov.au/Home/default.aspx
- Available water determinations register: www.wix.nsw.gov.au/wma/DeterminationSearch.jsp?selectedRegister=Determination
- Snowy Hydro: www.snowyhydro.com.au/lakeLevels.asp?pageID=47&parentID=61&grandParentID=4

Queensland

- Sunwater: www.sunwater.com.au
- seqwater: <http://seqwater.com.au>

South Australia

- SA Water: www.sawater.com.au/SAWater/Environment/TheRiverMurray/River+Murray+Levels.htm
- South Australian Department of Water: www.waterforgood.sa.gov.au/

Victoria

- Goulburn–Murray Water: www.g-mwater.com.au

Water trading

- Waterexchange: www.waterexchange.com.au

Commodities

Fruit and vegetables

- Datafresh: www.datafresh.com.au

Mutton, lambs, wheat, barley and grain sorghum

- The Land: hardcopy or online at <http://theland.farmonline.com.au/markets.aspx>

Cattle, mutton, lambs and pigs

- Meat and Livestock Australia: www.mla.com.au/Prices-and-markets

Canola

- Weekly Times: hardcopy