



Australian Government

Department of Agriculture, Fisheries and Forestry
ABARES

Weekly Australian Climate, Water and Agricultural Update



2 August 2012

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

Summary of key issues

- Colder than average temperatures throughout July 2012 have reportedly decreased vegetable production in Queensland.
- In the coming week up to 20mm of rain is forecast for cropping areas of Western Australia and south east Australia. The rain should provide timely moisture for the growth of winter crops and pastures.
- Continued warming in the Tropical Pacific Ocean shows a pattern typical of the development stage of an El Niño event, with climate models suggesting a return to weak El Niño conditions by the end of winter or spring 2012.
- High reliability water allocations increased this week in the Victorian Murray, Goulburn, Loddon and Broken valley systems. Low reliability water allocations in the Campaspe valley increased to 18 per cent of entitlement.
- The world wheat indicator price (US no. 2 hard red winter, free on board Gulf ports) fell to an average of US\$366 a tonne in the week ending 31 July 2012 from US\$371 a tonne in the previous week.
- The world coarse grains indicator price (US no. 2 yellow corn, free on board Gulf ports) averaged US\$341 a tonne for the week ending 1 August 2012, compared with US\$349 a tonne in the previous week.
- The world canola indicator price (Rapeseed, Europe, free on board Hamburg) also declined in the week ending 31 July 2012 to an average of US\$634 a tonne, compared with US\$638 a tonne in the previous week.
- After trending up over recent weeks, the Australian indicator price of feed wheat (Sydney GP) fell by 6 per cent to an average of \$290 a tonne in the week ending 31 July.
- The Queensland young cattle indicator price (330-400kg live weight C3) increased by 10 per cent to 400 cents a kilogram in the week ending 27 July 2012.
- Beef and veal exports were 82 500 tonnes in July 2012, 3000 tonnes higher than the same month in 2011. Shipments to Japan and the United States were 8000 tonnes and 1000 tonnes higher year-on-year, more than offsetting a fall of 2000 tonnes in shipments to the Republic of Korea.

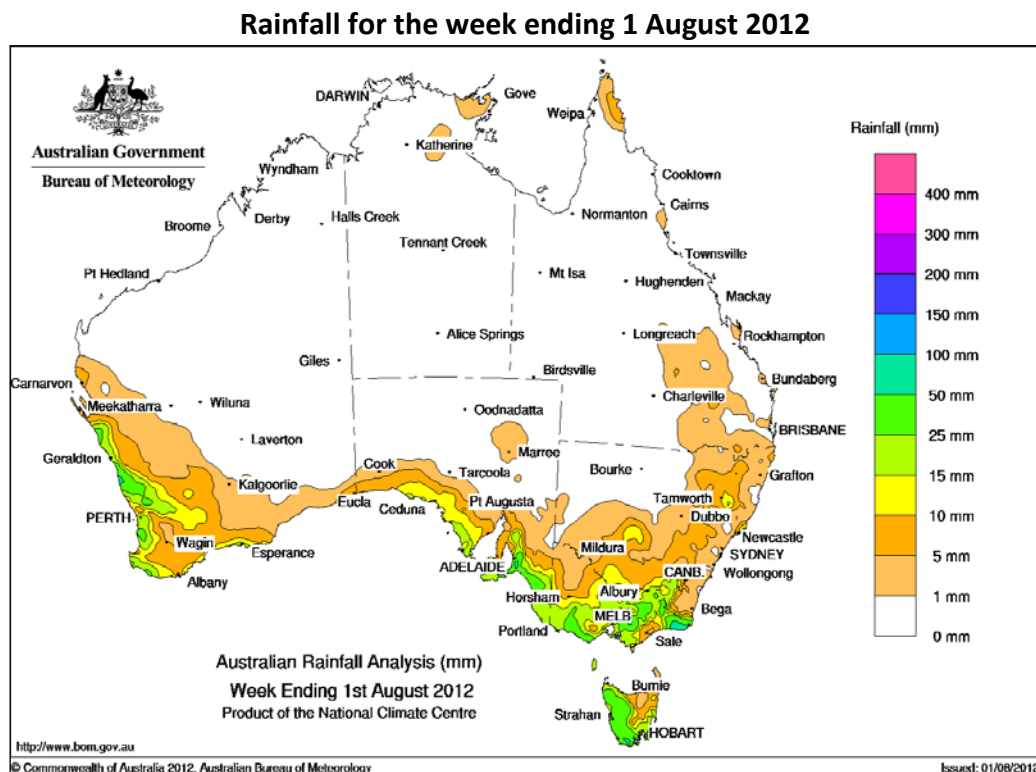
1. Climate

1.1. Notable events

- For the week ending 1 August, light to moderate rainfall was recorded in southern parts of Victoria and South Australia, and south west Western Australia. The highest measured rainfall for the week was 66 millimetres (mm) at Cabbage Tree Creek in south east Victoria.
- Colder than average temperatures throughout July 2012 have reportedly decreased vegetable production in Queensland.
- In the coming week up to 20mm of rain is forecast for cropping areas of Western Australia and south east Australia. The rain should provide timely moisture for the growth of winter crops and pastures after some cropping areas in Western Australia had the driest July on record (Bureau of Meteorology 'Monthly Climate Summary for Australia' 1 August 2012).
- Continued warming in the Tropical Pacific Ocean shows a pattern typical of the development stage of an El Niño event. Climate models are suggesting a return to weak El Niño conditions by the end of winter or spring 2012. No models predict a return to La Niña conditions (Bureau of Meteorology 'ENSO Wrap-Up' 31 July 2012).
- During an El Niño event, winter and spring rainfall is typically below average in large parts of central and south eastern Australia. But as the influence of El Niño typically begins to weaken throughout the year, it is not uncommon for hot and dry conditions at the start of summer to be replaced by cooler and wetter conditions in the latter half of the season (Bureau of Meteorology 'Australian rainfall patterns during El Niño and La Niña events').

1.2. Rainfall this week

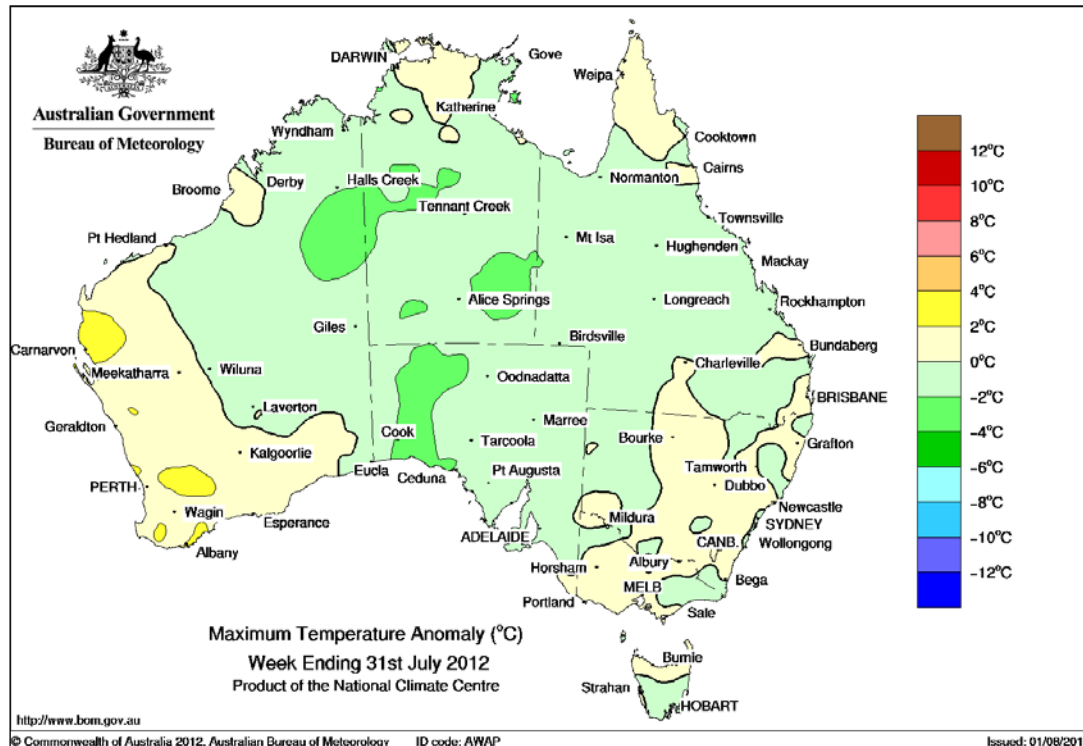
For the week ending 1 August 2012, light to moderate rainfall was recorded in south west Western Australia, southern Victoria and South Australia, with the exception of heavier falls in an isolated pocket of south east Victoria. For further information, go to www.bom.gov.au/climate/current/weeklyrain.shtml.



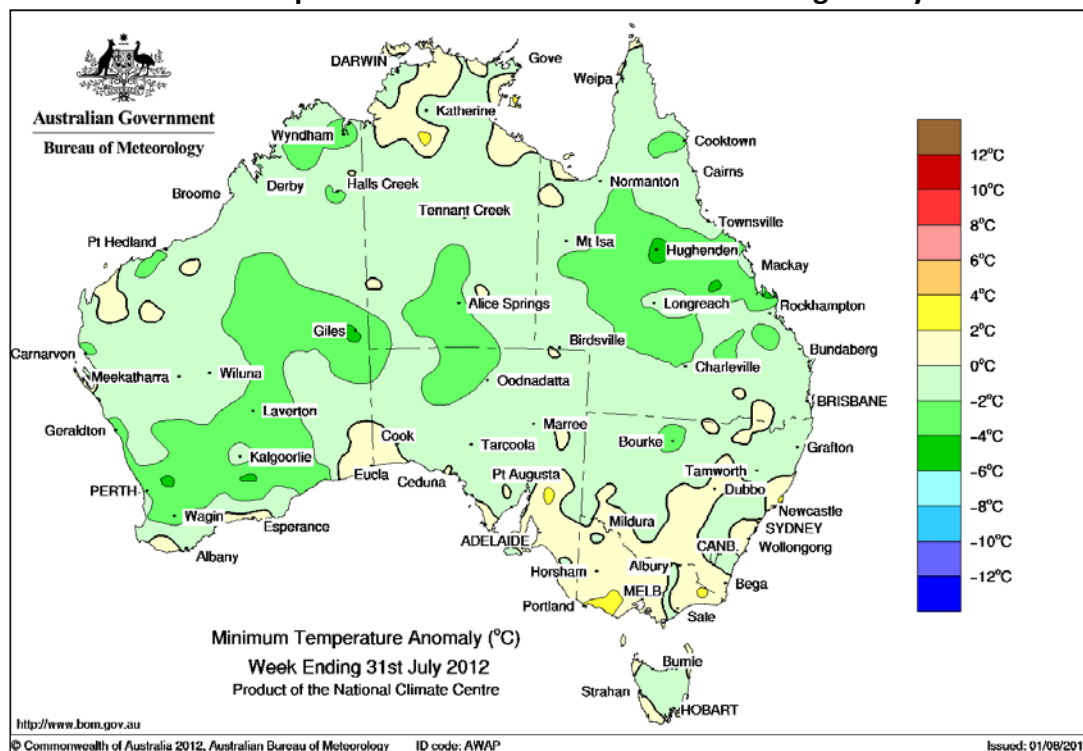
1.3. Temperature anomalies this week

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 July 2012



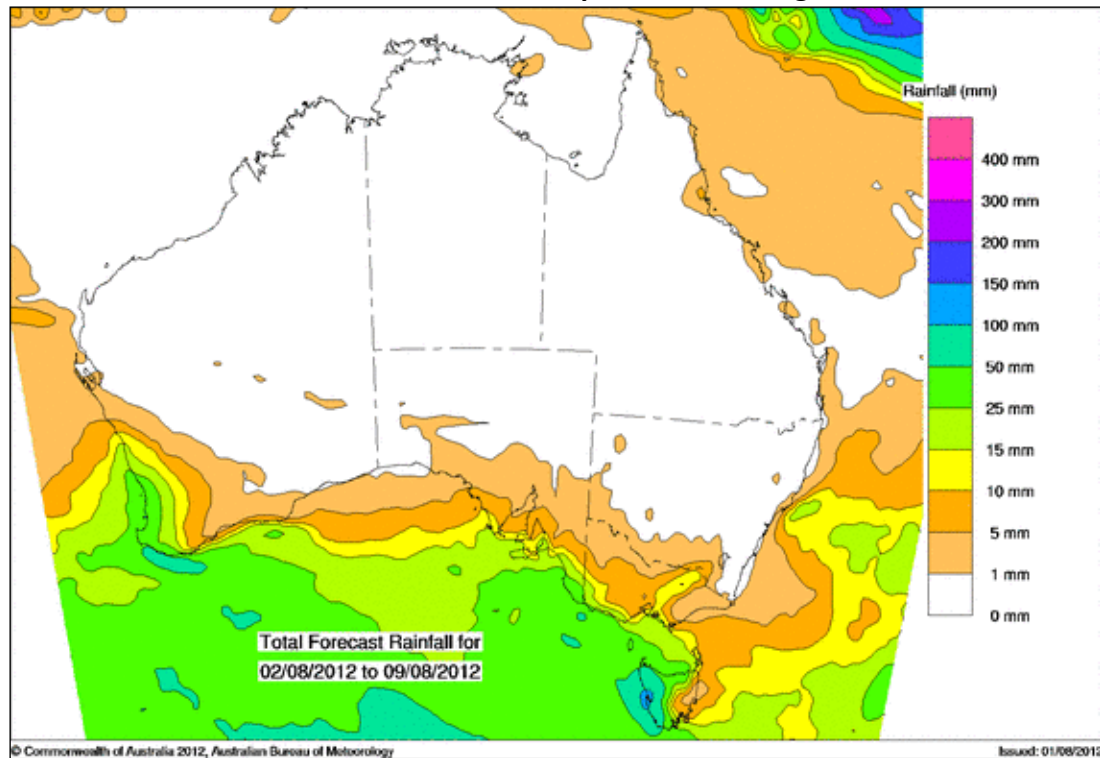
Minimum temperature anomalies for the week ending 31 July 2012



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 August 2012



2. Water

2.1. Water availability

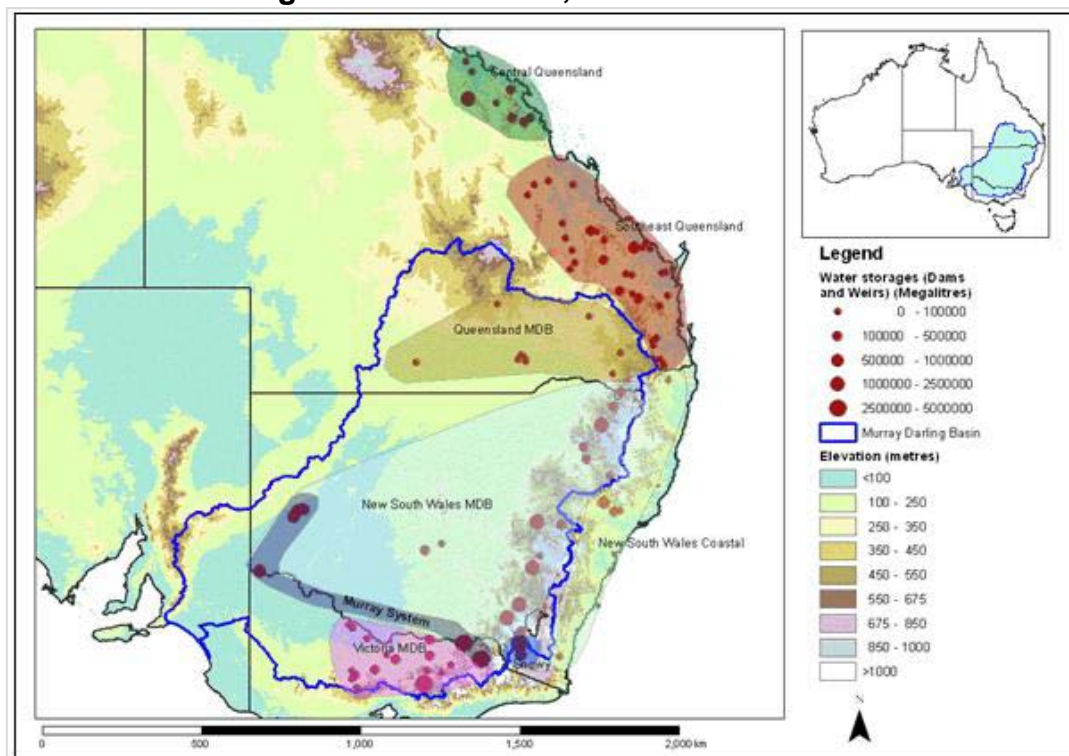
- Water storage levels in the Murray–Darling Basin increased this week by 1 gigalitre (GL) and remained at approximately 95 per cent of total capacity. This is 10 percentage points or 2238 GL more than this time last year.

2.2. Water storages

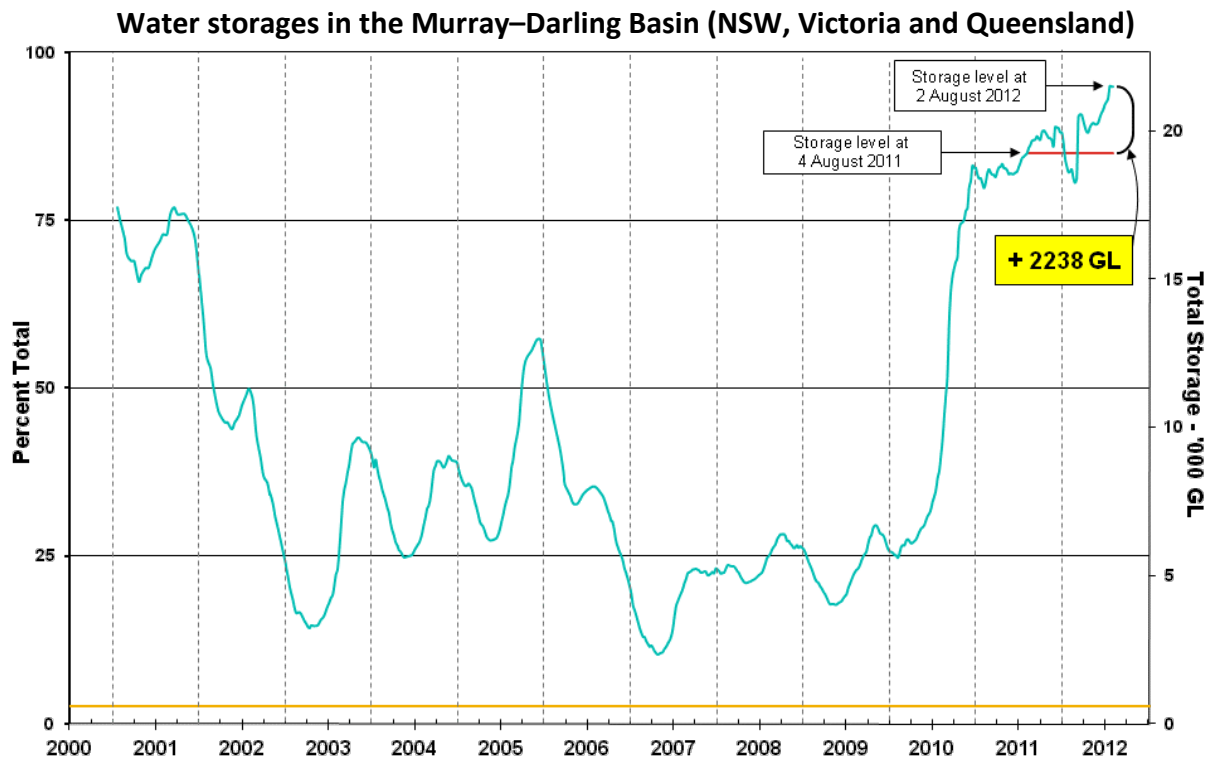
Changes in regional water storage for July 2012 and the previous 12 months are summarised in the table and graphs below (current at 2 August 2012).

Region	Total capacity (GL)	Current volume (GL)	Current volume (%)	Monthly change (GL)	Monthly change (%)	Annual change (GL)
Murray–Darling Basin (MDB)	22558	21399	95	+512	+2	+2238
Snowy Scheme	5744	3379	59	-115	-2	+1013
Murray-Darling Basin Authority (MDBA)	9352	8584	89	+161	+2	+933
Queensland MDB	186	141	76	+2	+1	-20
Central Queensland	3154	3102	98	-33	-1	-12
South-east Queensland	3517	3444	98	+3	0	-27
New South Wales MDB	13884	13506	97	+263	+2	+1294
Coastal New South Wales	1074	1075	100	+7	+1	+35
Victoria MDB	8488	7737	91	+247	+3	+963

Water storages in Queensland, New South Wales and Victoria

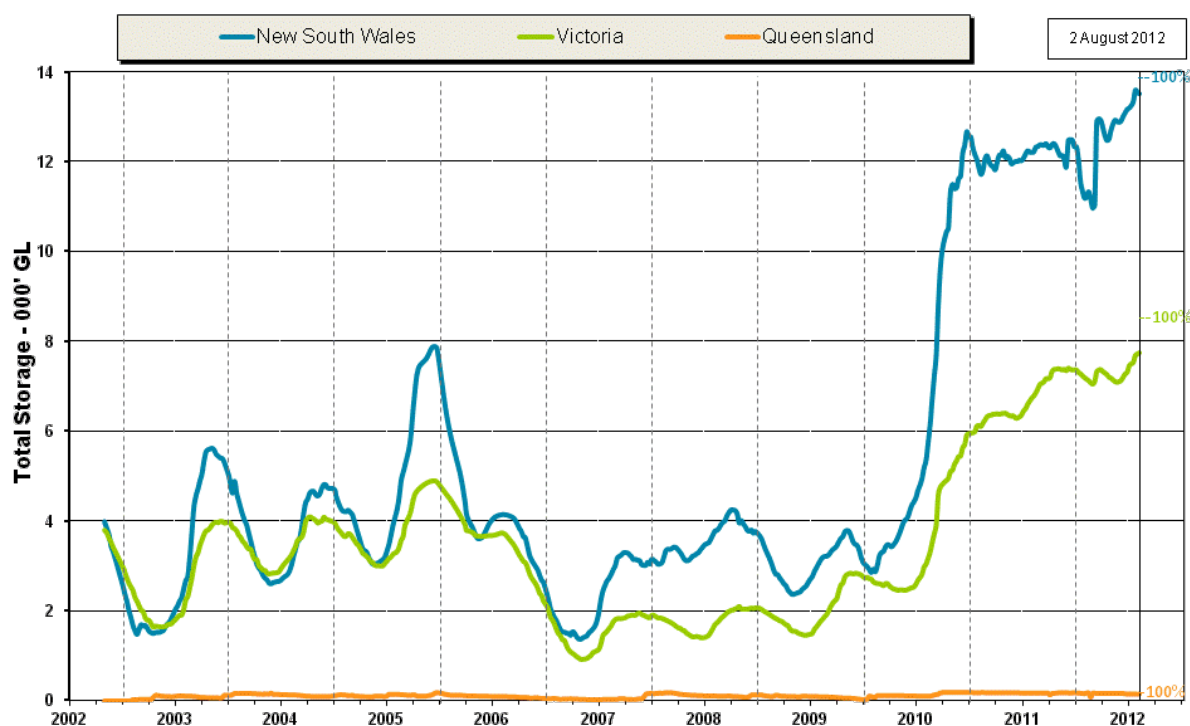


The blue line indicates the extent of the Murray–Darling Basin and the shaded areas denote the coverage of the individual reporting regions.



Information on irrigation water available in the Murray–Darling Basin from 1 January 2001 to 2 August 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 (NSW, Victoria and Queensland)



2.3. Water allocations

The current water allocations for the 2012–13 water trading season for licence holders in New South Wales, Victoria and South Australia water systems are summarised in the following table.

	Allocations at 19 July 2012 (%)	Allocations at 2 August 2012 (%)
NSW Murray Valley		
High security	100	100
General security	100*	100*
NSW Murrumbidgee Valley		
High security	95	95
General security	64*	64*
NSW Lower Darling		
High security	100	100
General security	100*	100*
NSW Macquarie Valley		
High security	100	100
General security	28*	28*
NSW Hunter Valley		
High security	100	100
General security	100	100
NSW Lachlan Valley		
High security	100	100

General security	0*	0*
NSW Lower Namoi		
High security	100	100
General security	0*	0*
NSW Upper Namoi		
High security	100	100
General security	100*	100*
NSW Gwydir Valley		
High security	100	100
General security	0*	0*
NSW Border Rivers		
High security	100	100
General security	100	100
NSW Peel Valley		
High security	100	100
General security	78*	78*
Victoria Murray Valley		
High reliability	34	41
Low reliability	0	0
Victoria Goulburn		
High reliability	74	88
Low reliability	0	0
Victoria Campaspe		
High reliability	100	100
Low reliability	0	18
Victoria Loddon		
High reliability	74	88
Low reliability	0	0
Victoria Bullarook		
High reliability	100	100
Low reliability	100	100
Victoria Broken		
High reliability	22	26
Low Reliability	0	0
South Australia Murray Valley		
High security	100	100

*Carryover water may also be available.

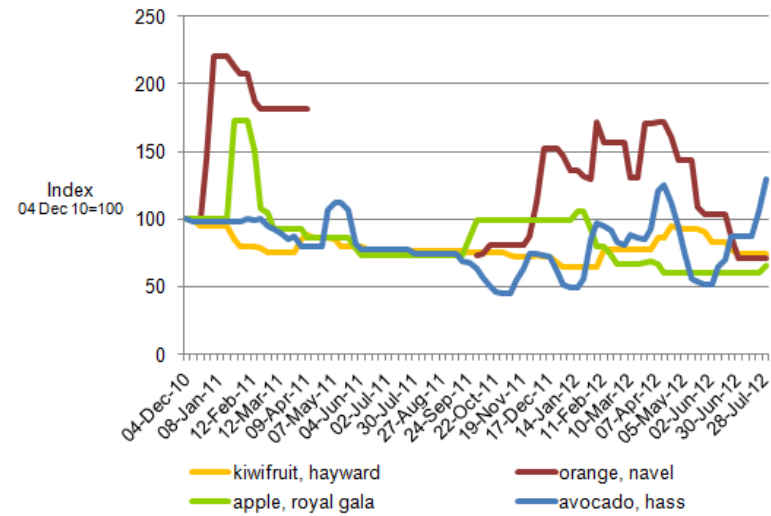
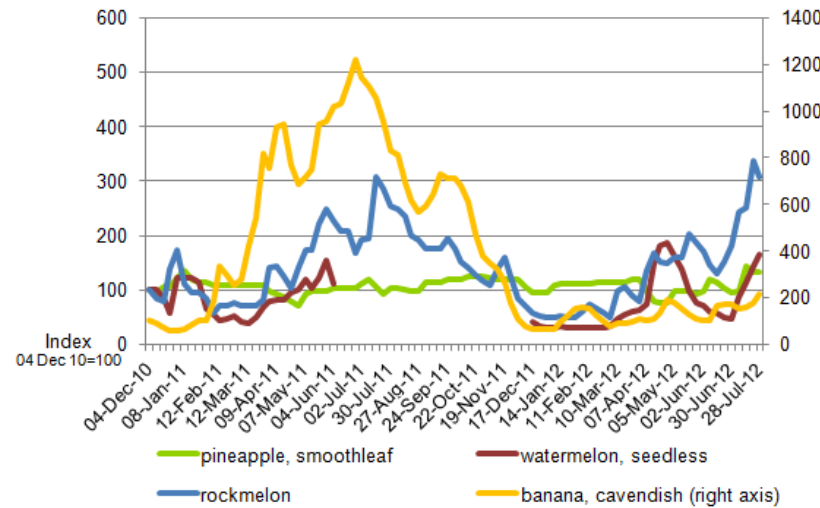
3. Commodities

3.1. Production and commodities

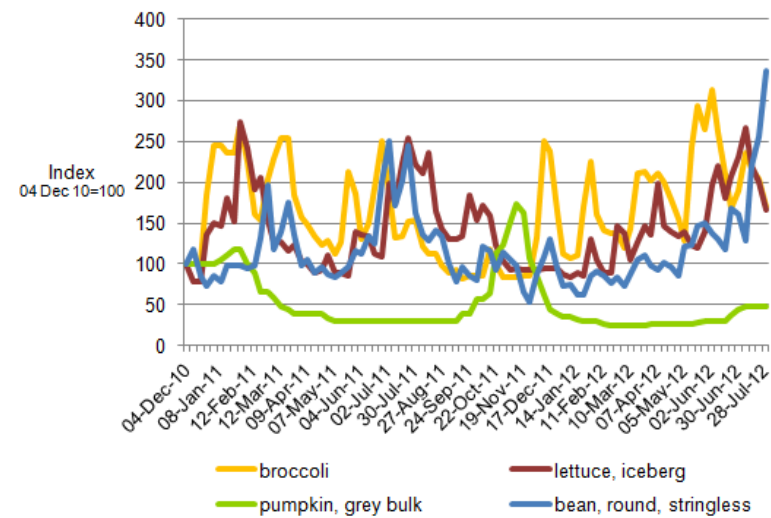
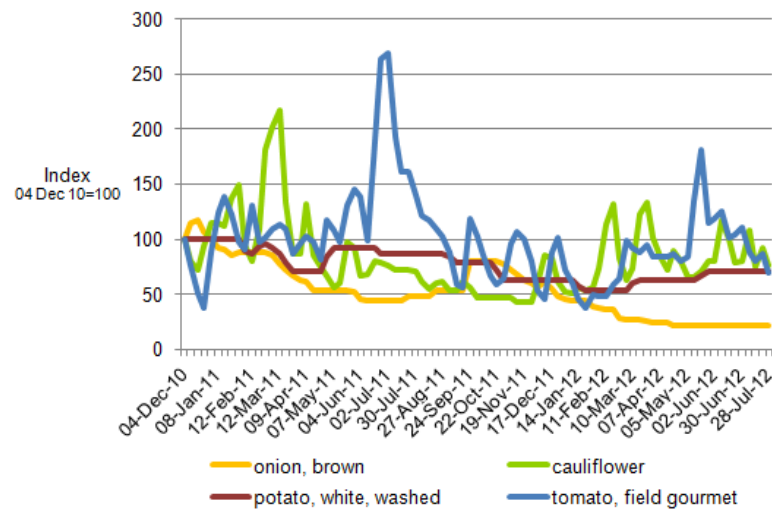
- Wholesale fruit prices were mostly higher or largely unchanged in the week ending 28 July 2012 with the prices of banana (cavendish), watermelon (seedless), apple (royal gala) and avocado (hass) rising.
- Wholesale vegetable prices were generally lower or largely unchanged in the week ending 28 July 2012 with the prices of cauliflower, tomato (field gourmet), iceberg lettuce and broccoli recording falls.
- The world cotton indicator price (the Cotlook 'A' index) averaged US82.8 cents a pound in the week ending 1 August 2012, 2.3 per cent lower than in the previous week.
- The world sugar indicator price (Intercontinental Exchange, nearby futures, no. 11 contract) averaged US22.6 cents a pound in the week ending 1 August 2012, 4 per cent lower than in the previous week.
- The world wheat indicator price (US no. 2 hard red winter, free on board Gulf ports) averaged US\$366 a tonne in the week ending 31 July 2012, compared with US\$371 a tonne in the previous week.
- The world coarse grains indicator price (US no. 2 yellow corn, free on board Gulf ports) averaged US\$341 a tonne for the week ending 1 August 2012, compared with US\$349 a tonne in the previous week.
- The world canola indicator price (Rapeseed, Europe, free on board Hamburg) averaged US\$634 a tonne in the week ending 31 July 2012, compared with US\$638 a tonne in the previous week.
- The Australian canola indicator price (Portland, Victoria) averaged \$545 a tonne in the week ending 1 August 2012, compared with \$570 a tonne in the previous week.
- The Australian indicator price for feed barley (Sydney) averaged \$260 a tonne in the week ending 31 July 2012, compared with \$263 a tonne in the previous week.
- The Australian indicator price for feed wheat (Sydney, GP) averaged \$290 a tonne in the week ending 31 July 2012, compared with \$310 a tonne in the previous week.
- The Australian indicator price for grain sorghum (Sydney) averaged \$245 a tonne in the week ending 31 July 2012, compared with \$250 a tonne in the previous week.
- The Queensland young cattle indicator price (330-400kg live weight C3) increased by 10 per cent to 400 cents a kilogram in the week ending 27 July 2012. However, prices of heavy steers (500-600kg live weight C4) in Queensland fell by 6 cents to 333 cents a kilogram.
- Saleyards prices of lambs fell in most states in the week ending 27 July 2012. The indicator price (18-22kg fat score 2-4) for lamb fell in Victoria and South Australia by 6 per cent and 9 per cent to 446 and 419 cents per kilogram, respectively. Saleyards throughput increased by 23 per cent in both states compared with the previous week.
- According to the US Department of Agriculture Foreign Agricultural Service, the Egyptian Government has lifted the ban originally imposed on cotton imports in October 2011 from all origins to meet the increasing demand of domestic spinners.
- According to the Australian Sugar Milling Council, around 4 million tonnes of cane were crushed by 24 July 2012, compared to 7.5 million tonnes of cane crushed by the same time last year.
- According to the International Sugar Organisation (ISO), the monsoon in India and excessive rain in Brazil are expected to reduce world sugar production in 2012–13 (October–September). The ISO has revised its forecast of global sugar surplus for the 2012–13 season to 4.7 million tonnes, around 41 per cent lower than in 2011–12.
- Beef and veal exports were 82 500 tonnes in July 2012, 3000 tonnes higher than the same month in 2011. Shipments to Japan and the United States were 8000 tonnes and 1000 tonnes higher year-on-year, more than offsetting a fall of 2000 tonnes in shipments to the Republic of Korea.

3.2. Recent movements in fruit and vegetable prices

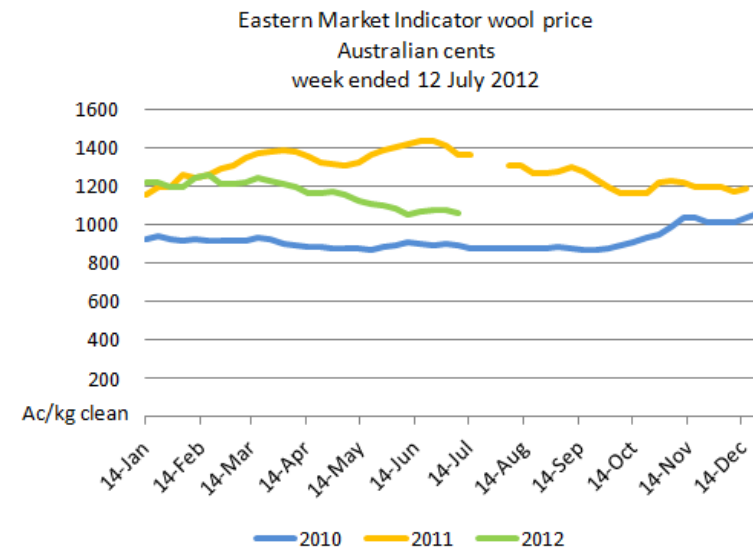
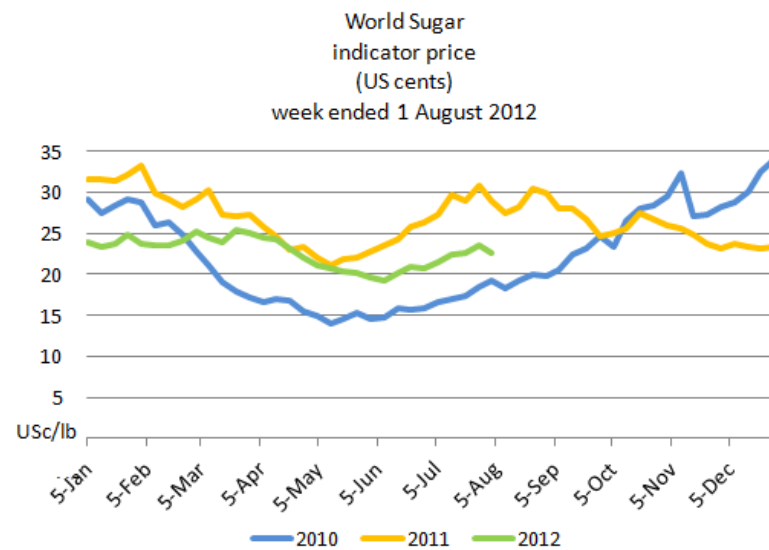
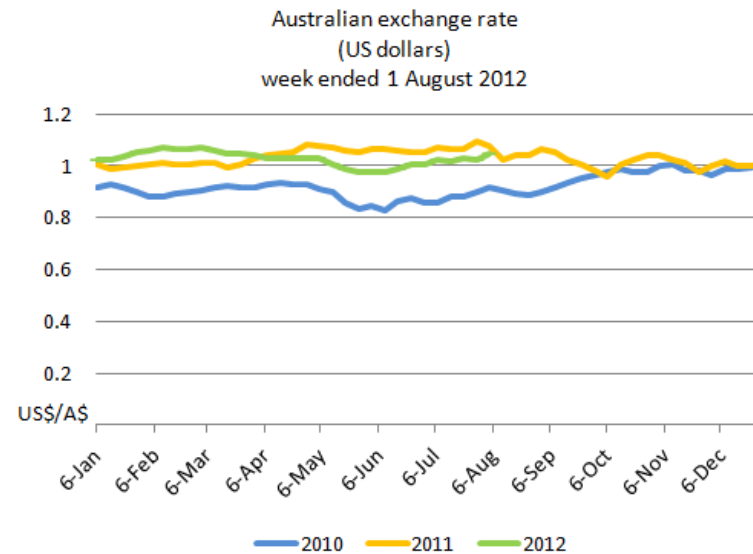
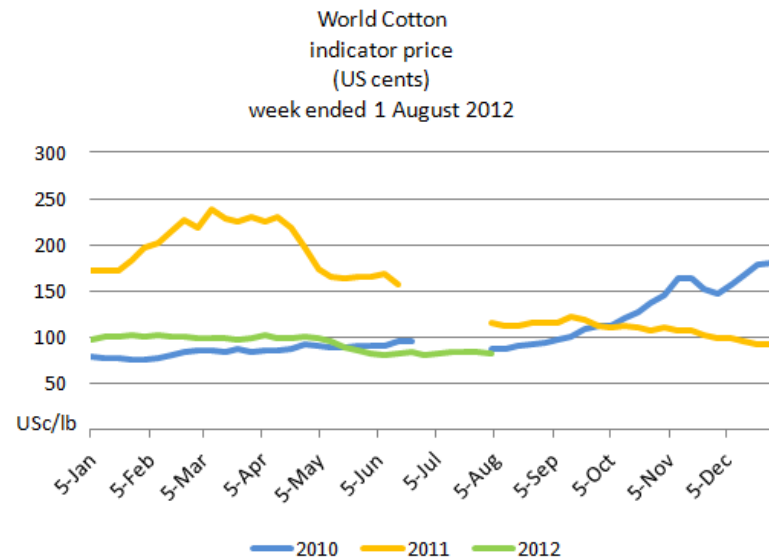
Weekly wholesale prices for selected fruit, Melbourne market



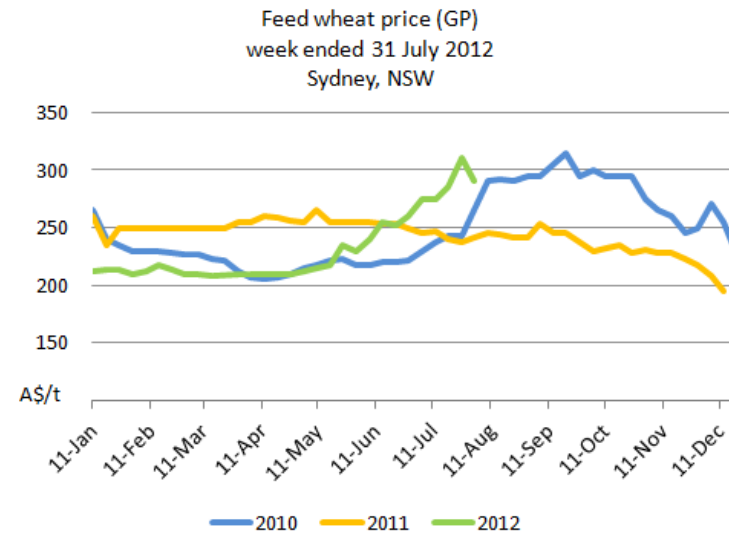
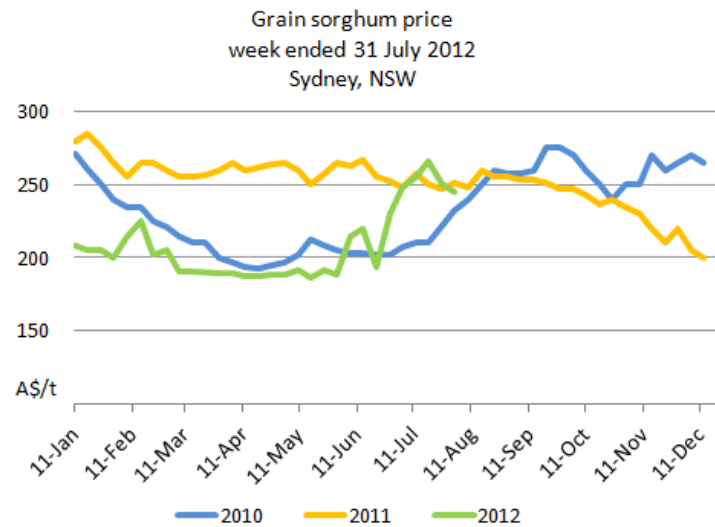
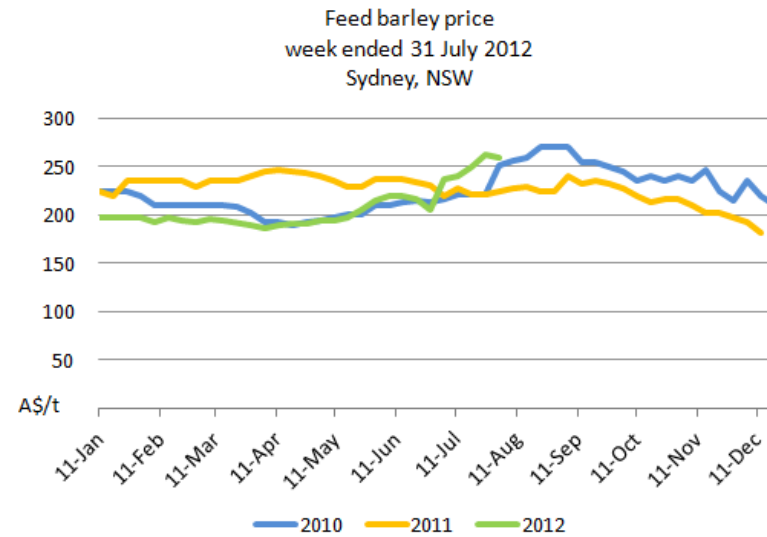
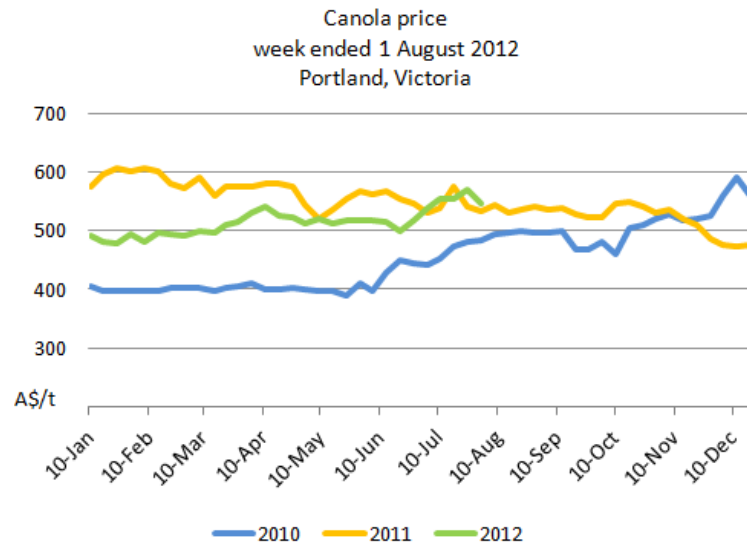
Weekly wholesale prices for selected vegetables, Melbourne market



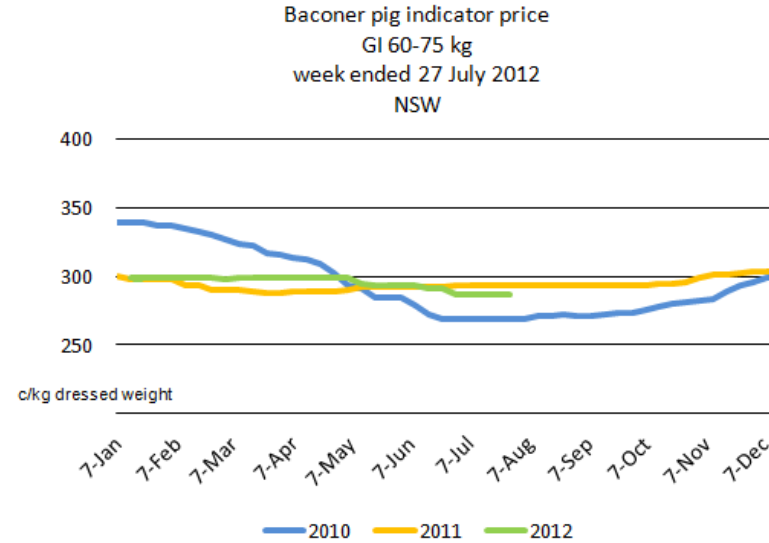
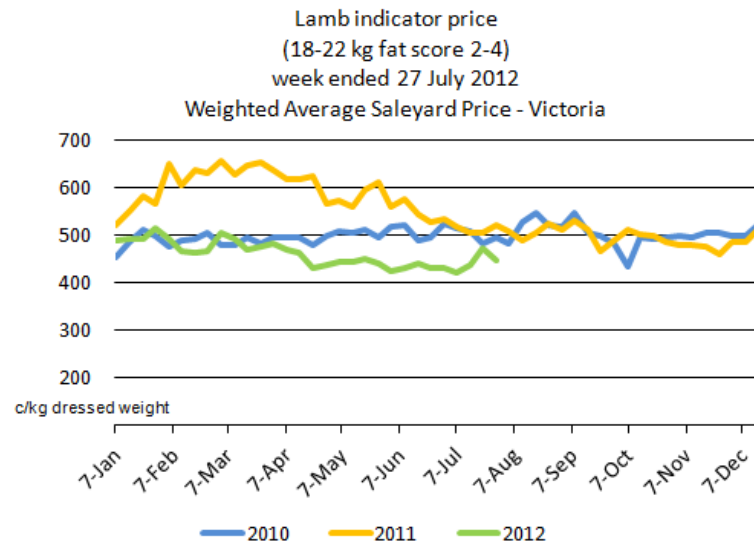
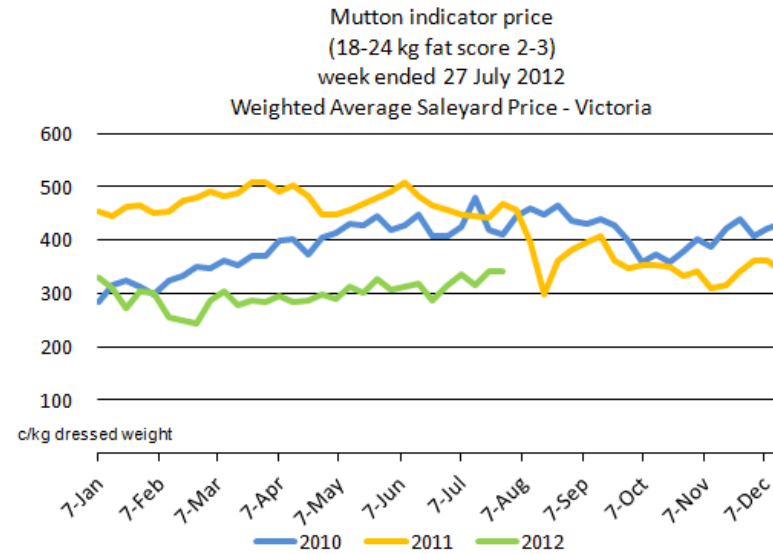
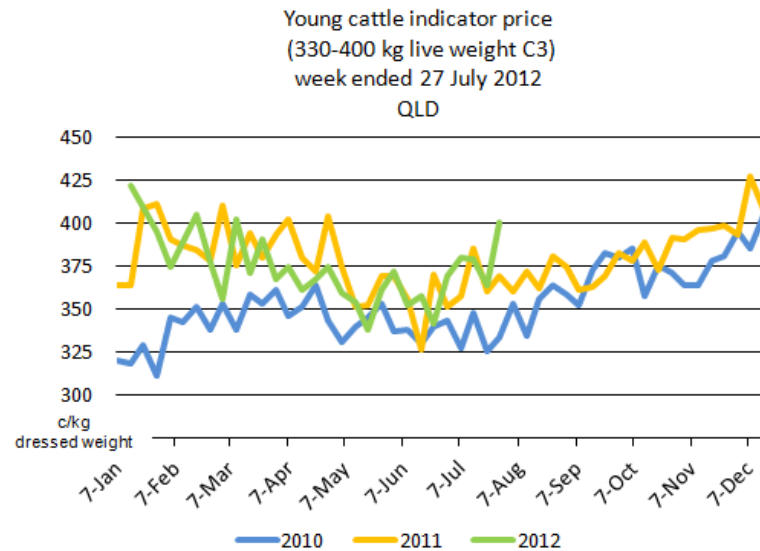
3.3. Selected world indicator prices



3.4. Crop indicator prices



3.5. Livestock indicator prices



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