



Australian Government

Australian Bureau of Agricultural and
Resource Economics and Sciences

Weekly Australian Climate, Water and Agricultural Update

3 November 2011

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

Summary of key issues

- Rainfall received this week over large parts of Australia will increase soil moisture and assist pasture growth leading up to the summer growing season.
- Dry conditions in South Australia have been ideal for the start of the winter grain harvest.
- General security water allocations in the New South Wales Murray and Murrumbidgee Valleys increased to 100 per cent and 69 per cent of entitlement, respectively.
- Water storage levels in the Murray–Darling Basin decreased this week by 101 gigalitres to approximately 87 per cent of total capacity.
- Vegetable price movements were mixed in the week ending 29 October 2011, while for fruit, avocado, banana and melon prices continued to decline.
- The world wheat indicator price (US hard red winter, free on board Gulf ports) was largely unchanged, averaging US\$309 a tonne in the week ending 1 November 2011.
- The world coarse grains indicator price (US no. 2 yellow corn, free on board Gulf ports) remained at US\$281 a tonne in the week ending 2 November 2011.
- Australian beef and veal exports were around 84 000 tonnes in October 2011, 2 per cent higher than September 2011 and 14 per cent higher than October 2010.
- The world cotton indicator price (the cotlook 'A' index) increased by 2.6 per cent to US110.9 cents a pound in the week ending 2 November 2011.
- The Eastern Market Indicator (EMI) price for wool increased by 4.9 per cent in the week ending 27 October 2011, to 1215 cents a kilogram clean, following a decline in the EMI over the previous six weeks.
- Australian milk production in the first three months of 2011–12 increased by 2 per cent compared to the same period in the previous year. Milk production in September 2011 rose 6 per cent year on year with most of the increase occurring in Victoria and Tasmania.

For more information or to subscribe, email ClimateUpdate@daff.gov.au

www.abares.gov.au

Science and economics for decision-makers

1. Climate

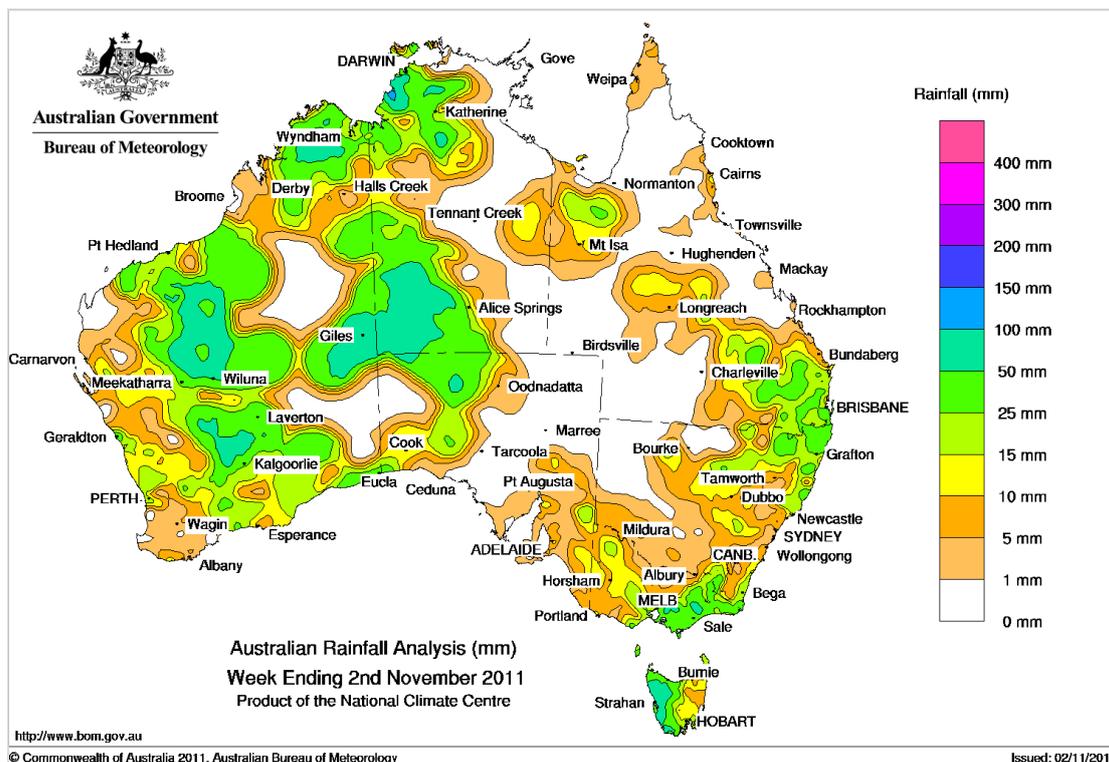
1.1. Notable events

- For the week ending 2 November 2011, rainfall was received in all states and territories, with heavy rain across north-west, central and south-east Australia. The highest measured total for the week was 152 millimetres at Mount Read on the west coast of Tasmania.
- The recent rainfall over parts of central and north-west Australia will assist pasture growth leading up to the summer growing season. Rainfall received this week in north-east New South Wales and south-east Queensland will improve soil moisture leading up to the summer cropping season.
- Dry conditions in South Australia's Mallee region are assisting the winter harvest.
- The outlook for Australian Plague Locusts is for localised areas of high density nymphs and some band activity to continue in the southern half of South Australia in early November, followed by an increase in adult numbers. Further localised reports of nymphs are likely in Victoria during November. Rainfall in November could initiate summer breeding in some locations.

1.2. Rainfall this week

For the week ending 2 November 2011, rainfall was received in all states and territories. For further information, go to www.bom.gov.au/climate/current/weeklyrain.shtml.

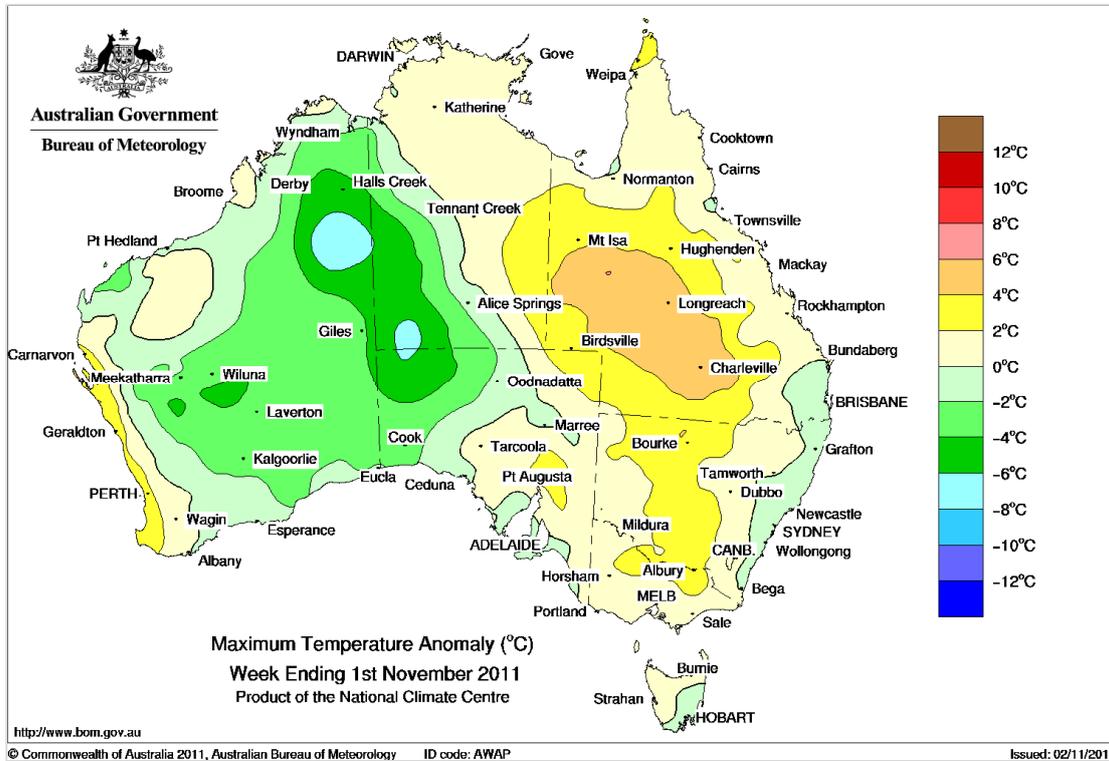
Rainfall for the week ending 2 November 2011



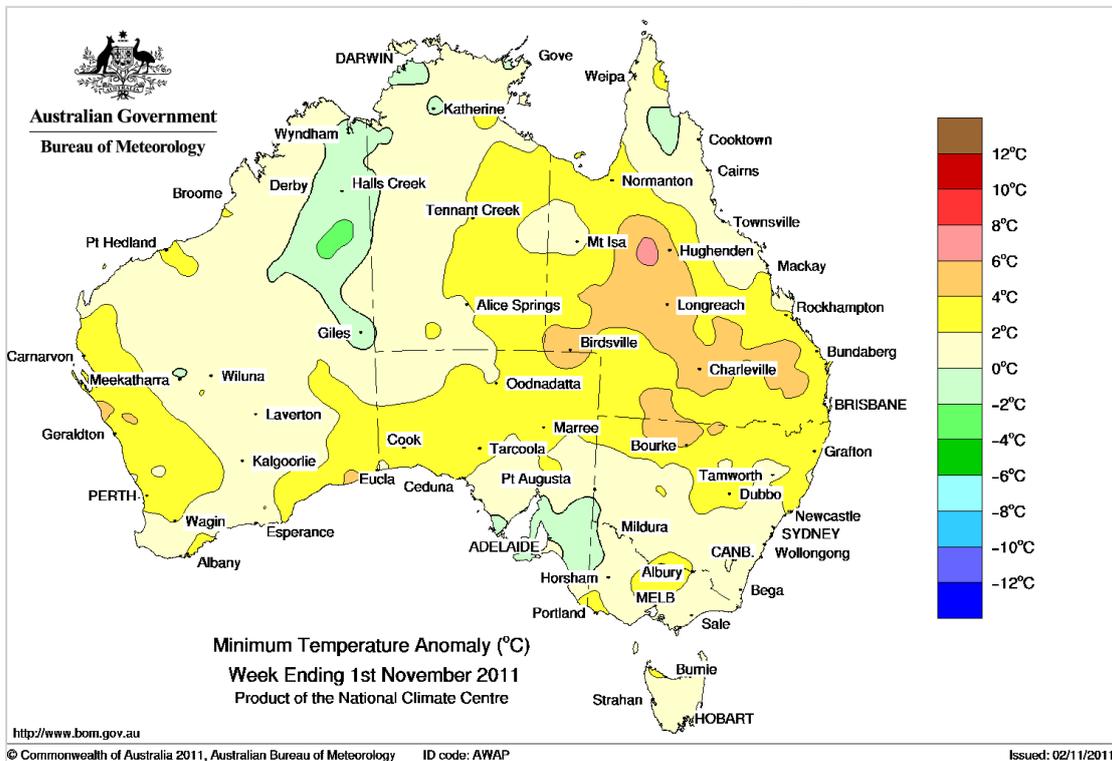
1.3. Temperature anomalies this week

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 1 November 2011



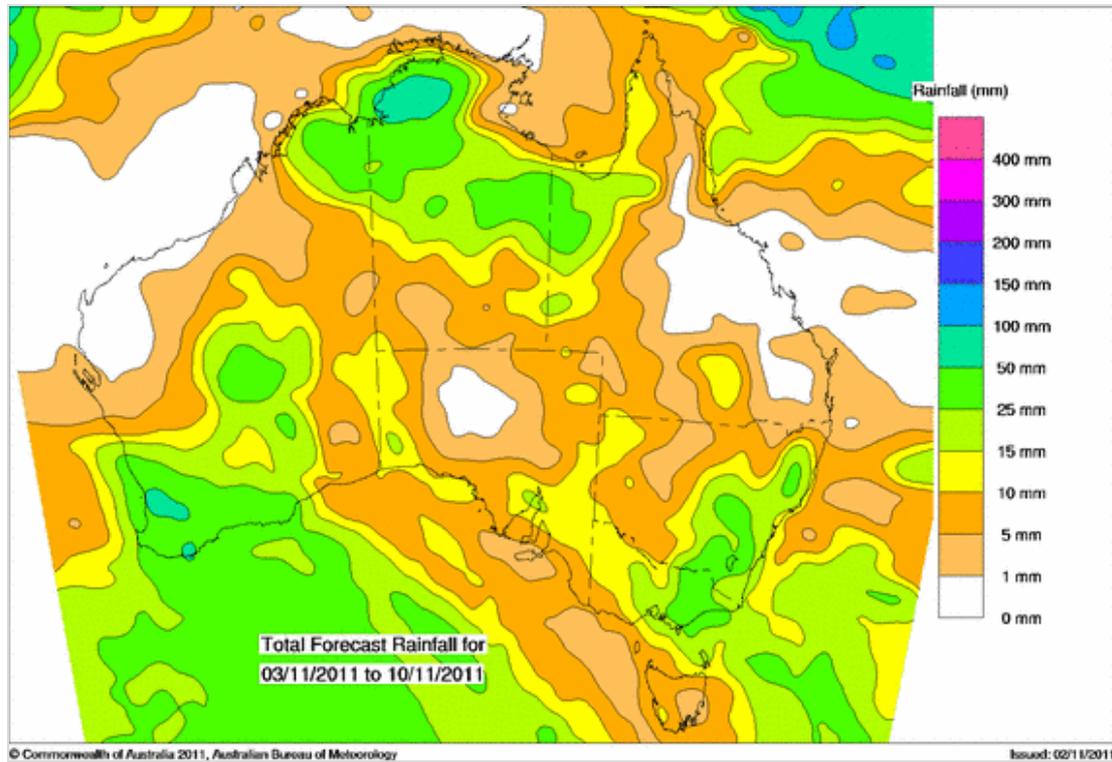
Minimum temperature anomalies for the week ending 1 November 2011



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 3–10 November 2011



2. Water

2.1. Water availability

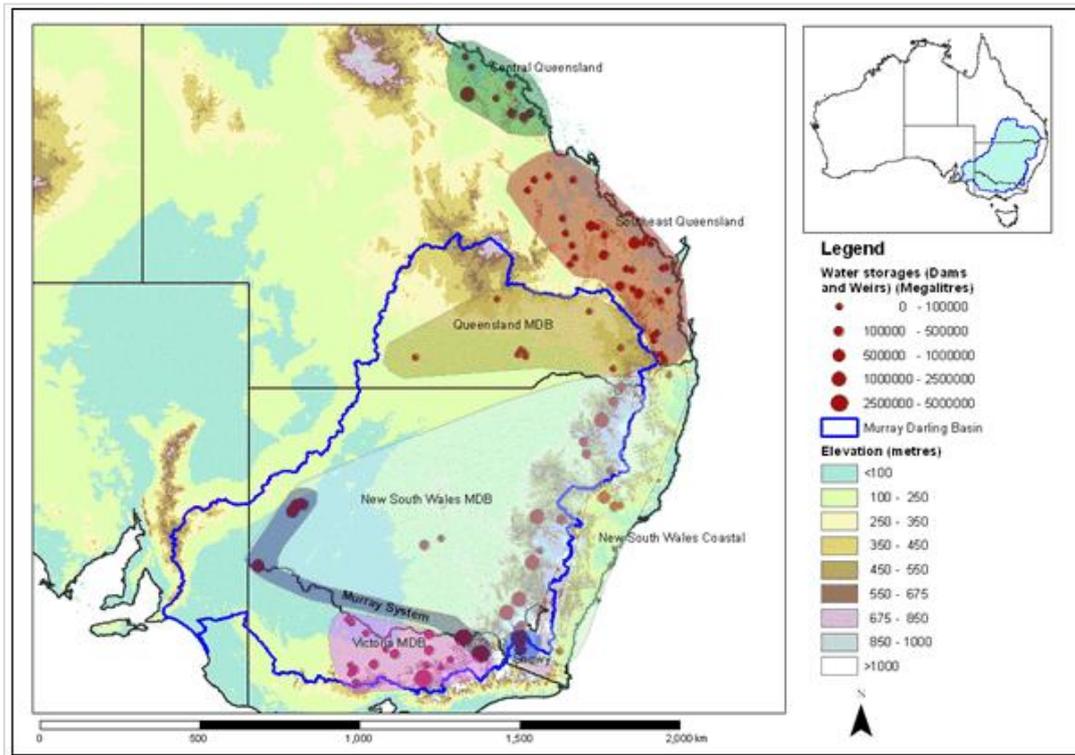
- Water storage levels in the Murray–Darling Basin decreased this week by 101 gigalitres (GL) to approximately 87 per cent of total capacity. This is 13 percentage points or 2839 GL more than this time last year.
- High reliability water allocations in the Victorian Murray Valley increased by 9 per cent this week to 95 per cent of entitlement.
- General security water allocations in the New South Wales Murray Valley increased by 74 per cent this week to 100 per cent of entitlement. General security water allocations in the Murrumbidgee Valley also increased this week to 69 per cent of entitlement.

2.2. Water storages

Changes in regional water storage for October 2011 and the previous 12 months are summarised in the table and graphs below (current at 3 November 2011).

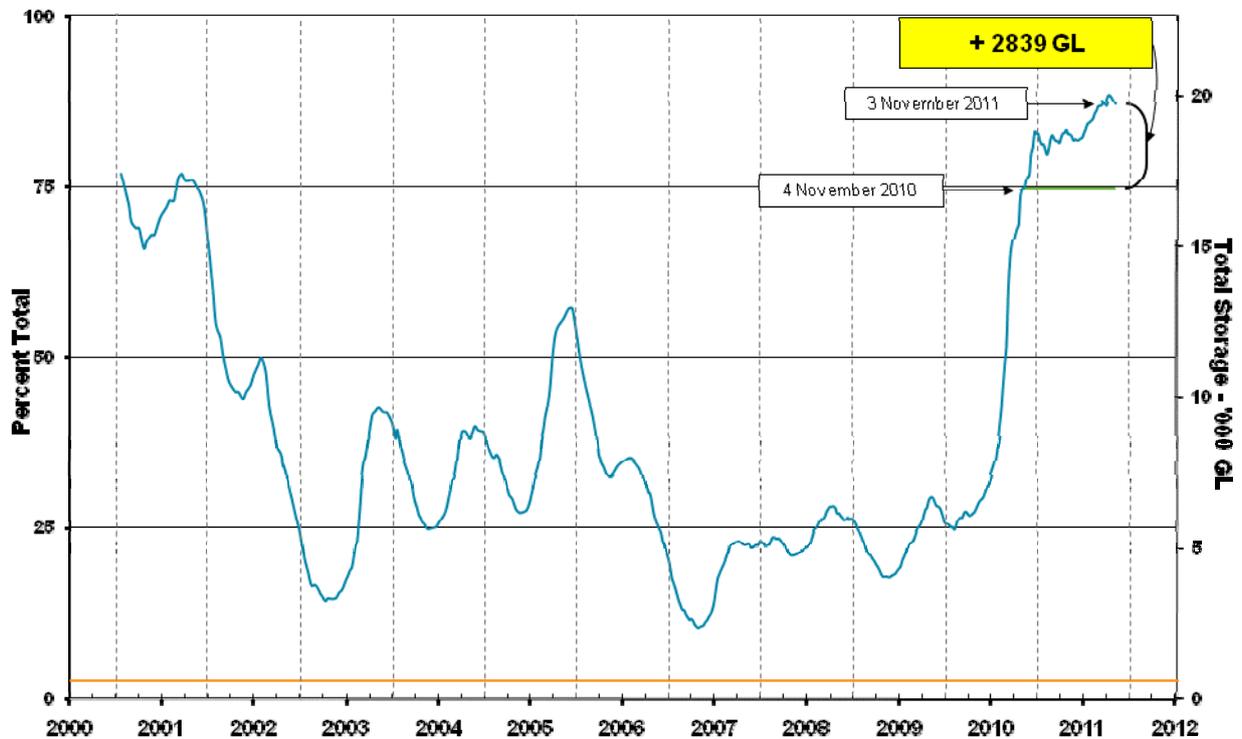
Region	Total capacity (GL)	Current volume (GL)	Current volume (%)	Monthly change (GL)	Monthly change (%)	Annual change (GL)
Murray-Darling Basin (MDB)	22557	19675	87	-190	-1	+2839
Snowy Scheme	5744	2878	50	+56	+1	+882
Murray-Darling Basin Authority (MDBA)	9352	7903	82	-88	-1	+813
Queensland MDB	186	179	96	+11	+6	-7
Central Queensland	3154	2899	92	-85	-3	-3
South-east Queensland	3517	3320	94	-47	-1	+345
New South Wales MDB	13884	12122	87	-253	-2	+730
Coastal New South Wales	1074	1047	97	+14	+1	+198
Victoria MDB	8488	7374	87	+52	+1	+2116

Water storages in Queensland, New South Wales and Victoria



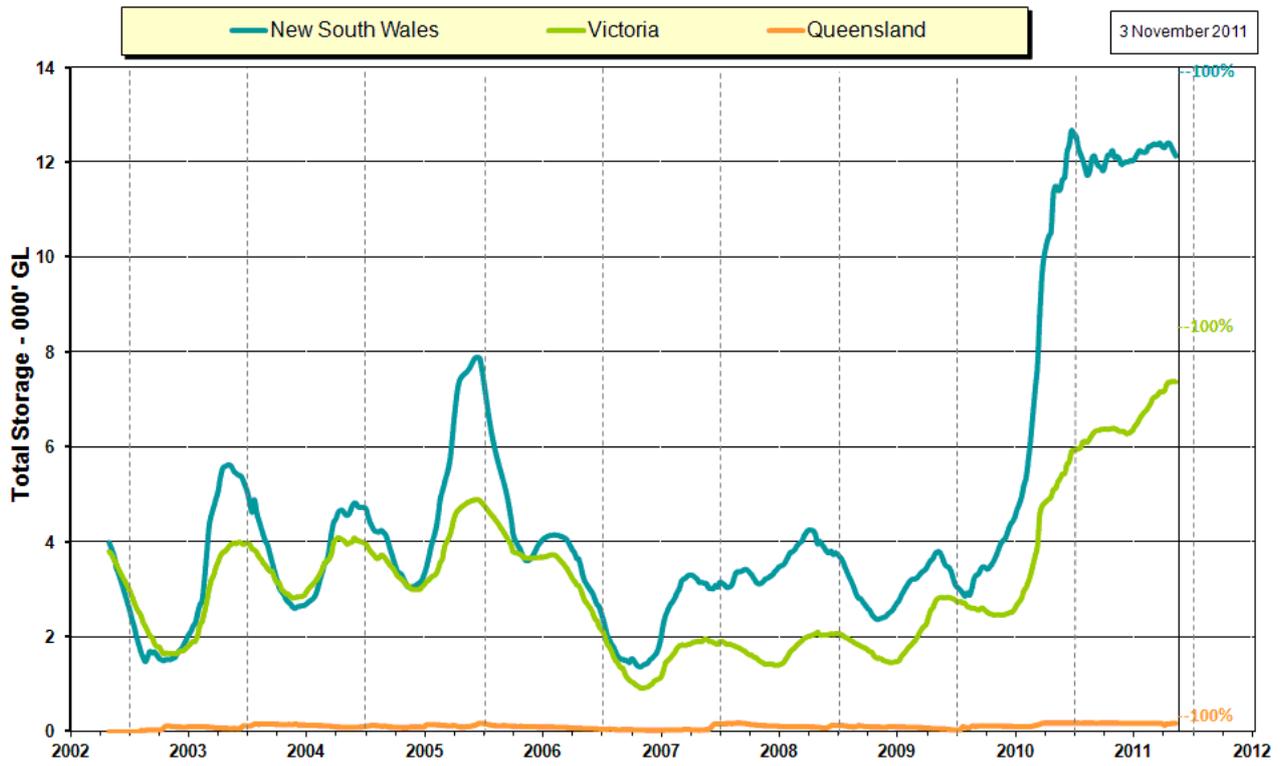
The blue line indicates the extent of the Murray–Darling Basin and the shaded areas denote the coverage of the individual reporting regions.

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 3 November 2011 is shown above. The green line indicates the storage level at the same time last year. The 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 2011–12 water trading season and changes over the last month for licence holders in New South Wales, Victoria and South Australia water systems are summarised in the following table.

	Allocations at 19 October 2011 (%)	Allocations at 2 November 2011 (%)
NSW Murray Valley		
High security	97	97
General security	26*	100*
NSW Murrumbidgee Valley		
High security	95	95
General security	65*	69*
NSW Lower Darling		
High security	100	100
General security	100*	100*
NSW Macquarie Valley		
High security	100	100
General security	32*	32*
NSW Hunter Valley		
High security	100	100
General security	100	100
NSW Lachlan 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	86	95
Victoria Goulburn		
High reliability	100	100
Victoria Campaspe		
High reliability	100	100
Low reliability	100	100
Victoria Loddon		
High reliability	100	100
Victoria Bullarook		
High reliability	100	100
Low reliability	100	100
Victoria Broken		
High reliability	100	100
Low Reliability	10	20
South Australia Murray Valley		
High security	100	100

*Carryover water may also be available.

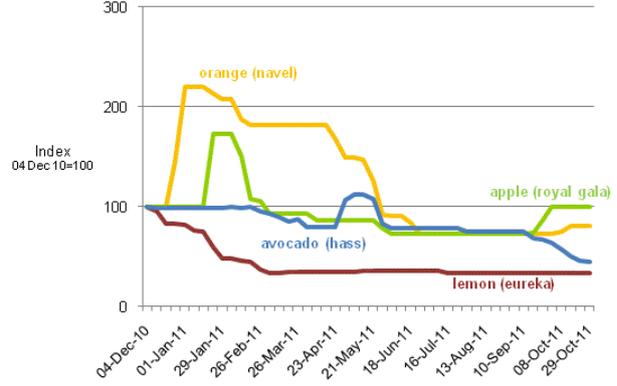
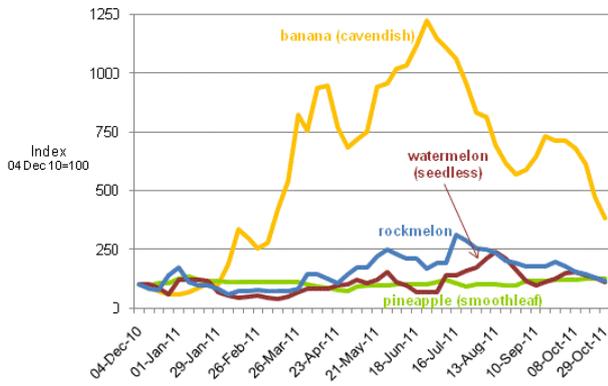
3. Commodities

3.1. Production and commodities

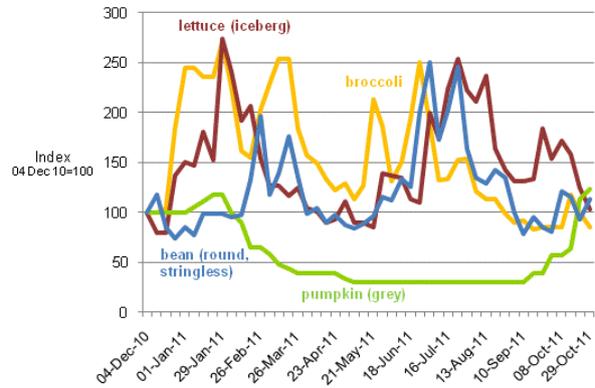
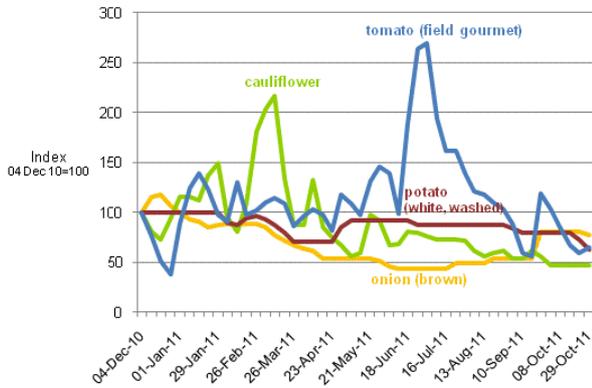
- Wholesale prices of avocado, banana and melons continued to decline in the week ending 29 October 2011. Banana wholesale prices (cavendish variety) fell another 19 per cent and are now at their lowest level since late February 2011.
- There were mixed movements of wholesale vegetable prices in the week ending 29 October 2011, with price falls with broccoli, lettuce, onion and potato, but price rises with bean, pumpkin and tomato.
- The world cotton indicator price (the cotlook 'A' index) increased by 2.6 per cent to US110.9 cents a pound in the week ending 2 November 2011, compared with US108.1 cents a pound in the previous week.
- The world sugar indicator price (Intercontinental Exchange, nearby futures, no. 11 contract) fell a further 3.4 per cent to average US25.8c a pound in the week ending 2 November 2011, as concerns over Brazil and Thai sugar harvests ease and the 2011–12 sugar cane crush in India nears commencement.
- The Eastern Market Indicator (EMI) price for wool increased by 4.9 per cent in the week ending 27 October 2011, to 1215 cents a kilogram clean, following a decline in the EMI over the previous six weeks. Prices increased across all micron categories except some broader micron wools in the southern region auction centres. Bales offered at sale for the week ending 27 October 2011 were 15 per cent lower than the previous week.
- The world wheat indicator price (US hard red winter, free on board Gulf ports) averaged US\$309 a tonne in the week ending 1 November 2011, compared with US\$307 a tonne in the previous week.
- The world coarse grains indicator price (US no. 2 yellow corn, free on board Gulf ports) remained at US\$281 a tonne in the week ending 2 November 2011.
- Australian milk production increased by 2 per cent in the first three months of 2011–12 compared with the same period in the previous year. Milk production in September 2011 rose 6 per cent year on year with nearly all the increase occurring in Victoria and Tasmania.
- Australian beef and veal exports were around 84 000 tonnes in October 2011, 14 per cent higher than in the same month last year. This was driven by increases to Japan (9 per cent), the Republic of Korea (26 per cent) and the United States (36 per cent). Between July and October 2011, total Australian beef exports were 2 per cent higher year on year.
- Saleyard lamb prices eased in most states in the week ending 28 October 2011. In the eastern states, quality was affected by warmer weather and a higher proportion of unfinished lambs yarded. In Victoria, lamb prices were 2 per cent lower, averaging 486 cents a kilogram. In South Australia, lamb prices declined by 4 per cent to 476 cents a kilogram. Saleyard lamb prices in New South Wales were influenced by the absence of Inverell's fortnightly sales and reduced throughput at Dubbo. Prices increased by 1 per cent to average 398 cents a kilogram. In Western Australia, prices declined by 3 per cent to 416 cents a kilogram, with heavy rain limiting throughput and mixed quality affecting sales. Saleyard lamb prices in Tasmania increased by 5 per cent to 536 cents a kilogram.
- Saleyard sheep prices generally declined in the week ending 28 October 2011, with mixed quality again putting downward pressure on prices. South Australia recorded the largest decline, with sheep prices falling by 11 per cent to 296 cents a kilogram. In Victoria, prices declined by 5 per cent to 332 cents a kilogram, while in New South Wales, sheep prices rose by 1 per cent to 398 cents a kilogram, supported by restocker activity. In Western Australia, sheep prices decreased by 2 per cent to 353 cents a kilogram.

3.2. Recent movements in fruit and vegetable prices

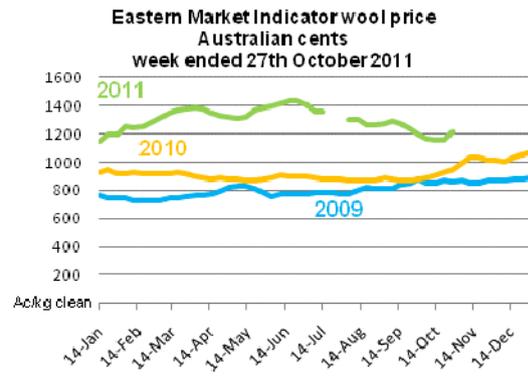
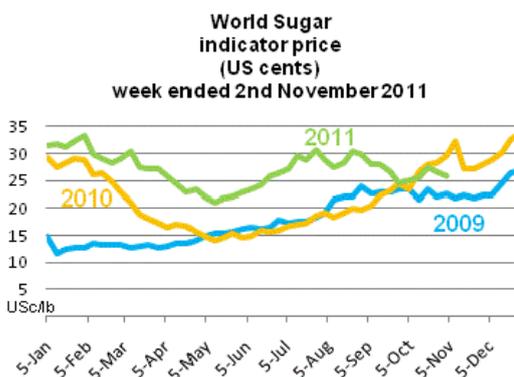
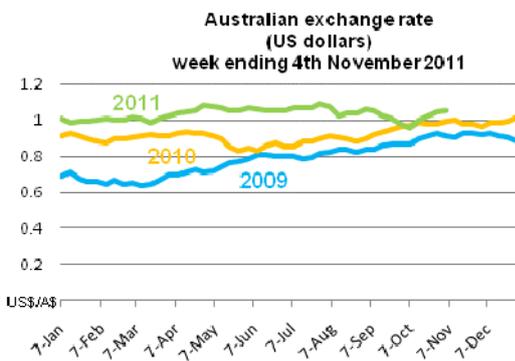
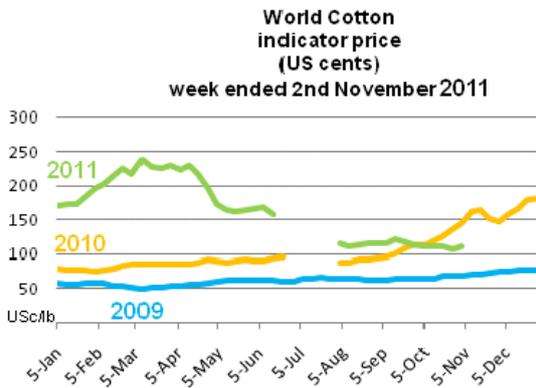
Weekly wholesale prices for selected fruit, Melbourne market



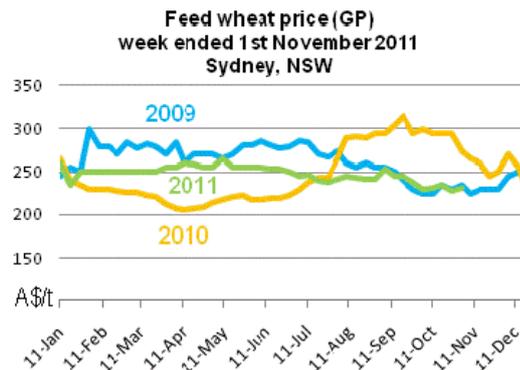
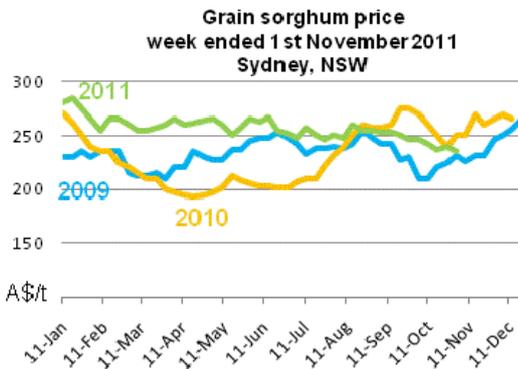
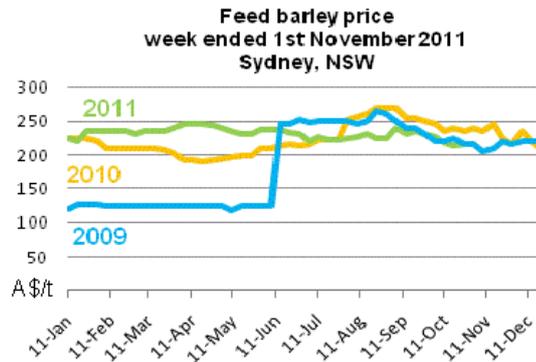
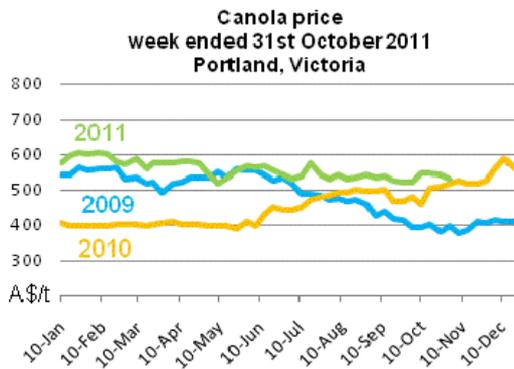
Weekly wholesale prices for selected vegetables, Melbourne market



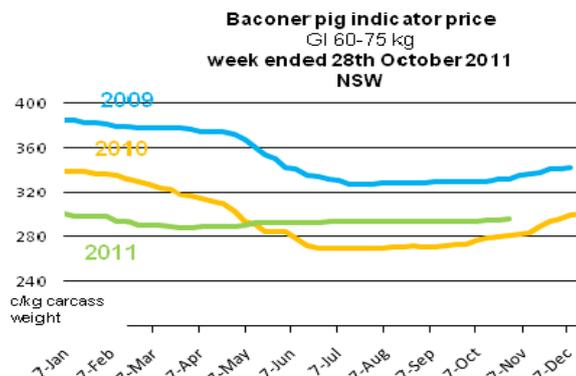
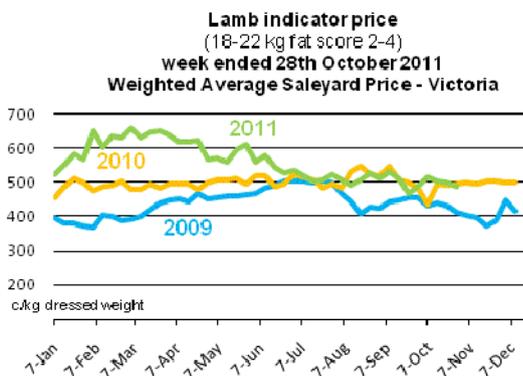
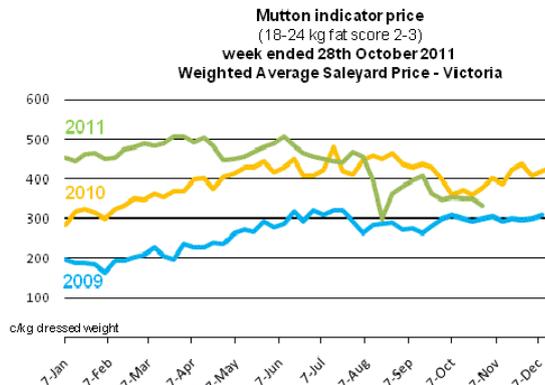
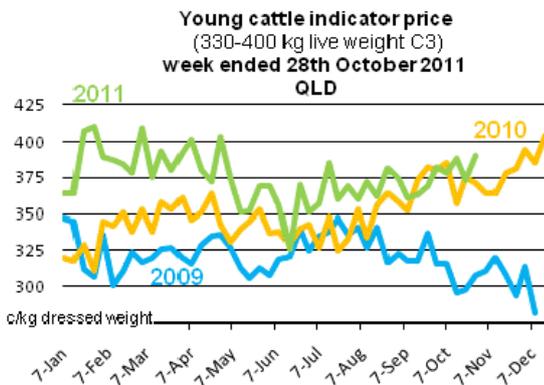
3.3. Selected world indicator prices



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: <http://www.bom.gov.au/jsp/awap/>
- Temperature anomalies: <http://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

Murray–Darling Basin

- Murray–Darling Basin Authority: www.mdba.gov.au/water/waterinstorage

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