



Australian Government

Australian Bureau of Agricultural and
Resource Economics and Sciences

Weekly Australian Climate, Water and Agricultural Update

20 October 2011

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

Summary of key issues

- Rainfall forecast for the next week could assist southern and western Australian crops and pastures where short-term rainfall deficiencies have emerged.
- The possibility of rust diseases remains high in cereal crops despite the delay in their emergence this season.
- An above average number of tropical cyclones are forecast across northern Australia for the coming season.
- High reliability water allocations in the Victorian Murray system increased this week to 86 per cent of entitlement.
- Broccoli and pumpkin wholesale prices were higher in the week ending 15 October 2011, but banana, bean, lettuce, rockmelon and tomato prices were lower.
- The world wheat indicator price (US hard red winter, free on board Gulf ports) averaged US\$298 a tonne in the week ending 18 October 2011, compared with US\$294 a tonne in the previous week.
- The world coarse grains indicator price (US no. 2 yellow corn, free on board Gulf ports) averaged US\$280 a tonne in the week ending 19 October 2011, compared with US\$269 a tonne in the previous week.
- Saleyard cattle price movements for the week ending 14 October 2011 were mixed with the Queensland young cattle indicator price rose by 11 cents to 389 cents a kilogram. Prices fell in all other states except Tasmania.
- Saleyard sheep prices for the week ending 14 October 2011 were slightly lower in Victoria and New South Wales, 5 per cent higher in South Australia and 4 per cent lower in Western Australia.
- Saleyard lamb prices for the week ending 14 October 2011 were 7 per cent higher in South Australia and 4 per cent higher in New South Wales. In Western Australia and Victoria, lamb prices averaged 2 per cent and 4 per cent lower, respectively.

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

1. Climate

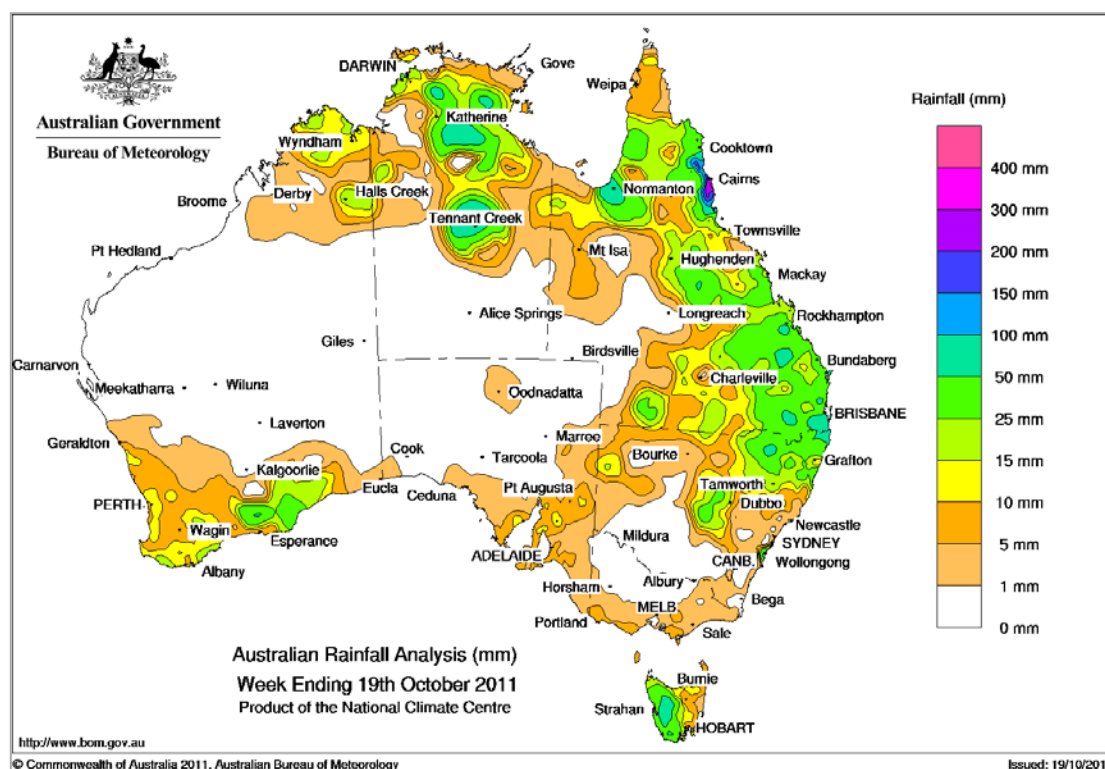
1.1. Notable events

- For the week ending 19 October 2011, rainfall was recorded in all states and territories with the highest falls received in northern and eastern Australia. The highest measured total for the week was 376 millimetres at Babinda, south of Cairns in Queensland.
- Rainfall forecast for the next week could benefit crops and pastures in south and western Australia, particularly where short-term rainfall deficiencies have emerged.
- Recent wet and cool conditions and effective control measures have limited locust hatchings around Australia.
- Frost over the recent weeks has reportedly damaged grain crops in some areas in south east Australia.
- Despite delay in the emergence of the rust diseases this season, the possibility of increased prevalence remains particularly in high rainfall zone cereal crops.
- Tropical cyclone activity is likely to be above average this coming season. This outlook is based upon status of the El Niño Southern Oscillation conditions over the preceding July to September period (Bureau of Meteorology, 17 October 2011).

1.2. Rainfall this week

For the week ending 19 October 2011, rainfall was mostly received in northern and eastern Australia. For further information, go to www.bom.gov.au/climate/current/weeklyrain.shtml.

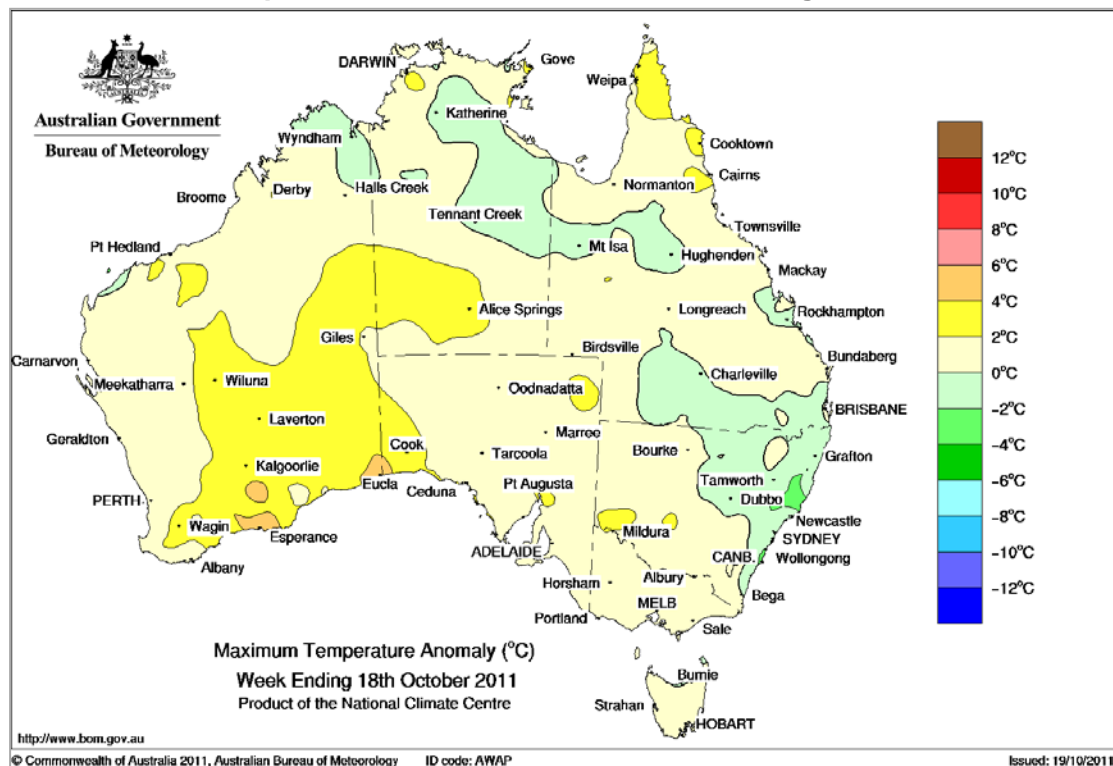
Rainfall for the week ending 19 October 2011



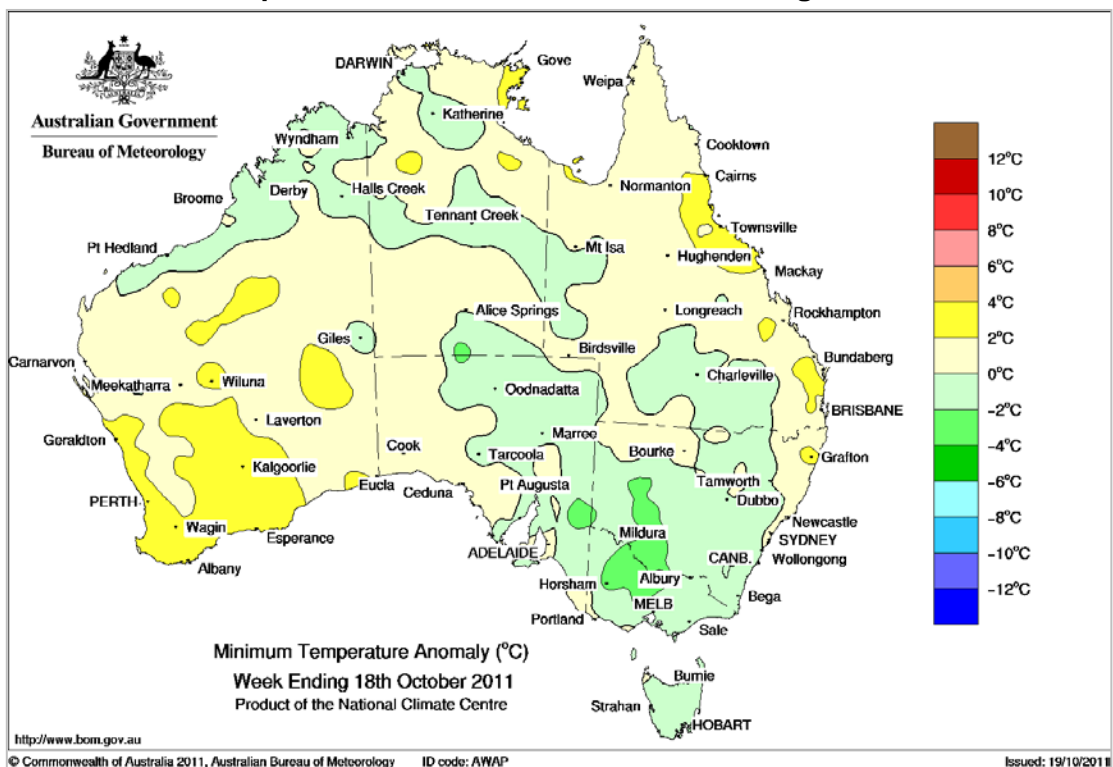
1.3. Temperature anomalies this week

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 18 October 2011



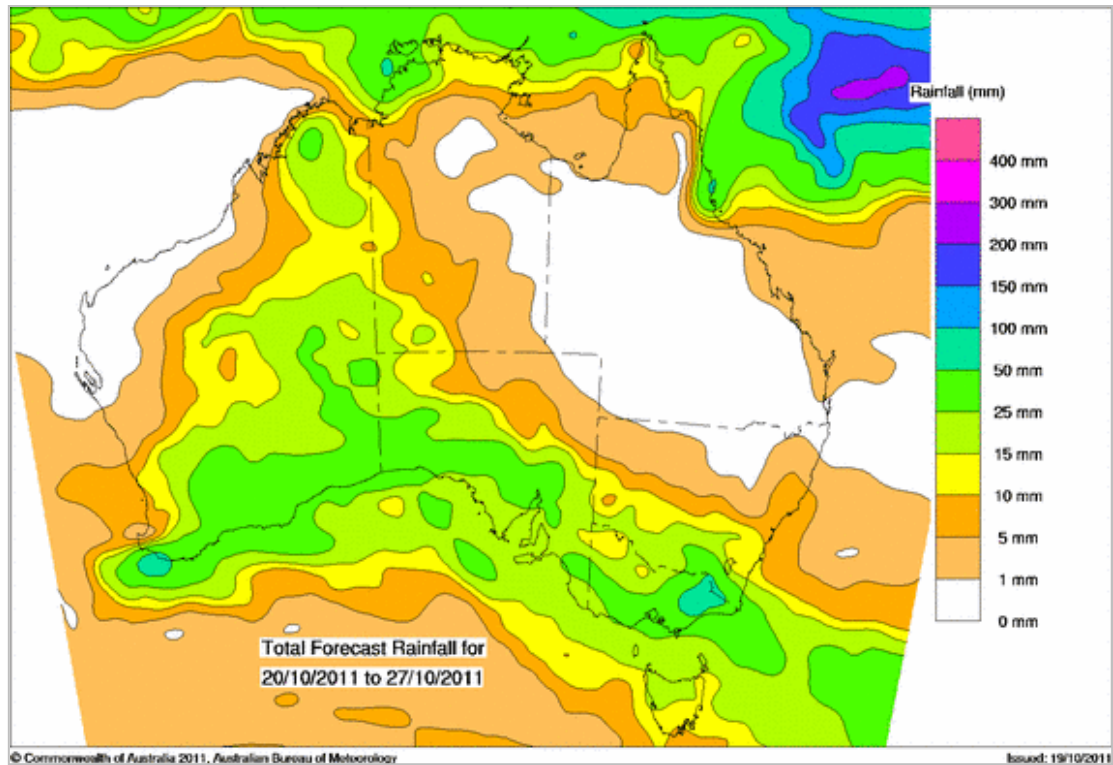
Minimum temperature anomalies for the week ending 18 October 2011



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 20–27 October 2011

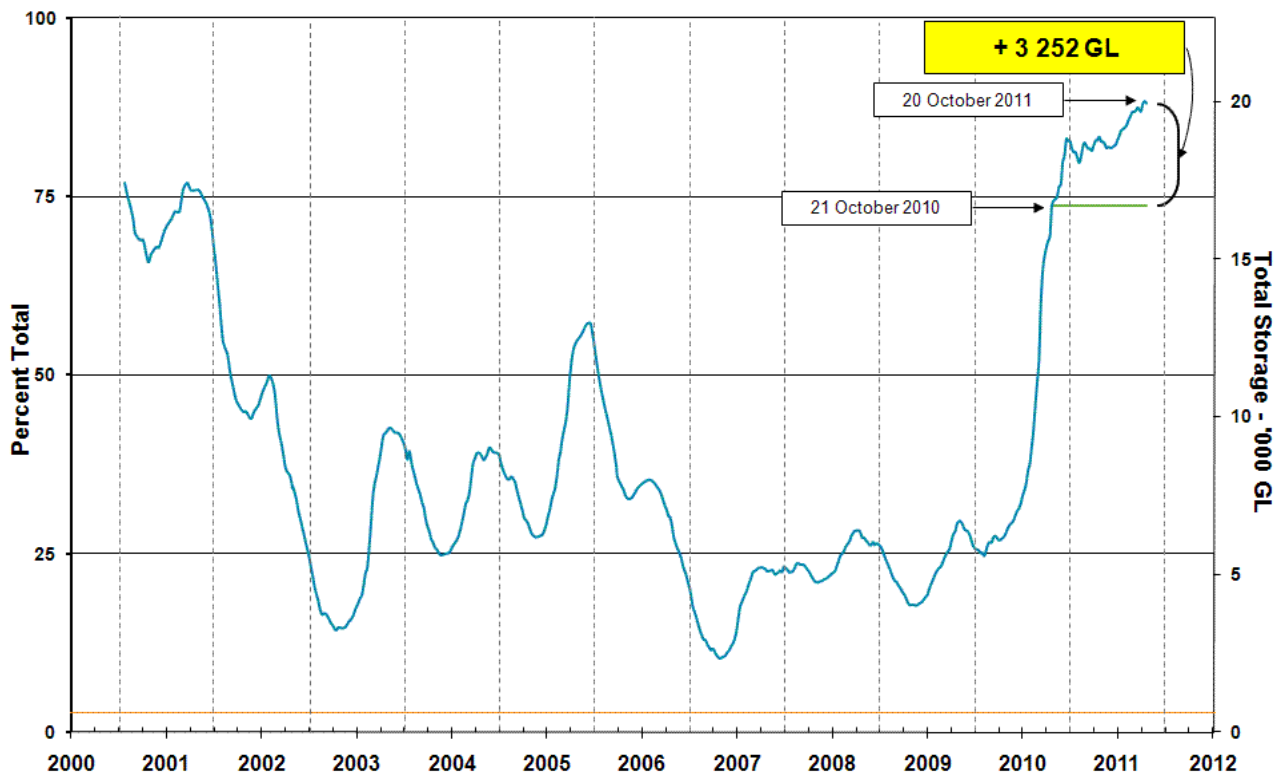


2. Water

2.1. Water availability

- Water storage levels in the Murray–Darling Basin decreased this week by 61 gigalitres (GL) but remained at approximately 88 per cent of total capacity. This is 14 percentage points or 3252 GL more than this time last year.
- High reliability water allocations in the Victorian Murray valley increased this week by 15 percentage points to 86 per cent of entitlement.
- General security allocations in the New South Wales Murray and Murrumbidgee systems increased to 26 per cent and 65 per cent respectively this week.

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



Information on irrigation water available in the Murray–Darling Basin from 1 January 2001 to 20 October 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.

2.2. 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 6 October 2011 (%)	Allocations at 19 October 2011 (%)
NSW Murray Valley		
High security	97	97
General security	21*	26*
NSW Murrumbidgee Valley		
High security	95	95
General security	63*	65*
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	71	86
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
South Australia Murray Valley		
High security	100	100

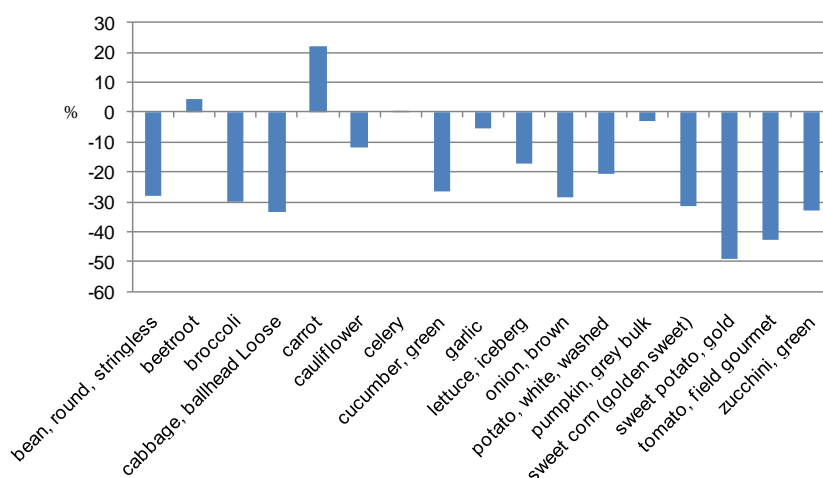
*Carryover water may also be available.

3. Commodities

3.1. Production and commodities

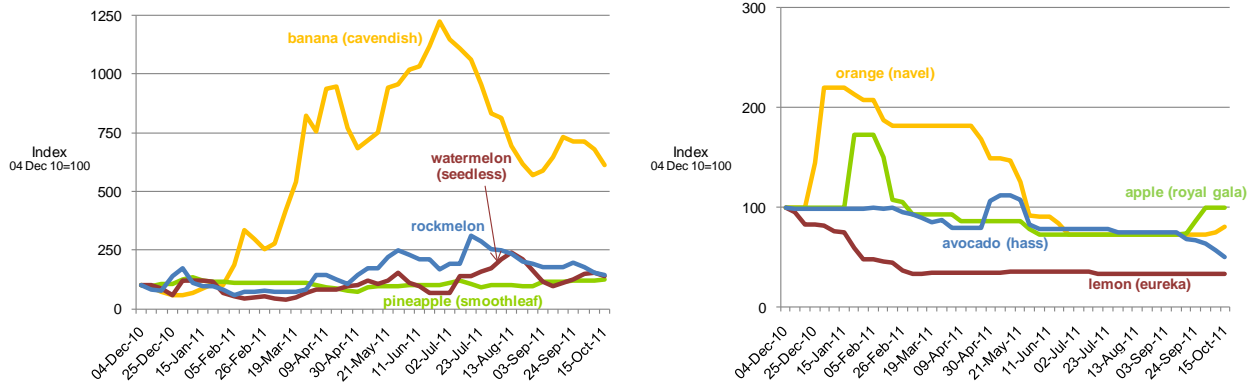
- Wholesale price movements were small for most fruit types in the week ending 15 October 2011, with slightly higher navel orange and pineapple prices, but lower banana and rockmelon prices. Mango prices declined but were still slightly higher than at the same time in 2010, despite the expectation of a much larger mango harvest in 2011. As at 17 October 2011, 17.6 tonnes of New Zealand apples have been inspected before import into Australia and so far 12.6 tonnes have passed quarantine requirements.
- Broccoli and pumpkins wholesale prices were higher in the week ending 15 October 2011, but bean, lettuce and tomato prices were lower. Favourable seasonal conditions in spring 2011 have resulted in most vegetable prices being substantially lower than at the same time in 2010, with the exceptions of beetroot and carrots (figure A).
- The world cotton indicator price (the Cotlook 'A' index) averaged US\$110.7c a pound in the week ending 19 October 2011, the lowest in 13 months. The previous low was US\$108.6c a pound recorded in the week ending 22 September 2010.
- The world wheat indicator price (US hard red winter, free on board Gulf ports) averaged US\$298 a tonne in the week ending 18 October 2011, compared with US\$294 a tonne in the previous week.
- The world coarse grains indicator price (US no. 2 yellow corn, free on board Gulf ports) averaged US\$280 a tonne in the week ending 19 October 2011, compared with US\$269 a tonne in the previous week.
- Saleyard cattle price movements for the week ending 14 October 2011 were mixed. The Queensland young cattle indicator price rose by 11 cents to 389 cents a kilogram, however, prices fell in all other states except Tasmania. Heavy steer prices rose in all states except Queensland, while medium cow prices rose in Victoria and Tasmania but fell in all other states.
- Saleyard sheep prices in Victoria and New South Wales for the week ending 14 October 2011 averaged slightly lower, at around 352 and 548 cents a kilogram, respectively. Prices in South Australia increased by 5 per cent to 331 cents a kilogram. In Western Australia, sheep prices decreased by 4 per cent to 343 cents a kilogram.
- Saleyard lamb prices for the week ending 14 October 2011 were mixed. Prices in South Australia averaged 7 per cent higher at 523 cents a kilogram, largely reflecting strong competition for higher quality lambs at the Naracoorte yarding. In Western Australia and Victoria, lamb prices averaged 2 per cent and 4 per cent lower, respectively, at 502 and 457 cents a kilogram, in response to increased lamb availability in these states. Despite an increase in lamb yardings, saleyard lamb prices in New South Wales increased by 4 per cent to 400 cents a kilogram, largely as a result of disruptions to sales from the public holiday and rain.

Figure A: Year on year changes in selected vegetable prices, Melbourne wholesale market, 15 October 2011

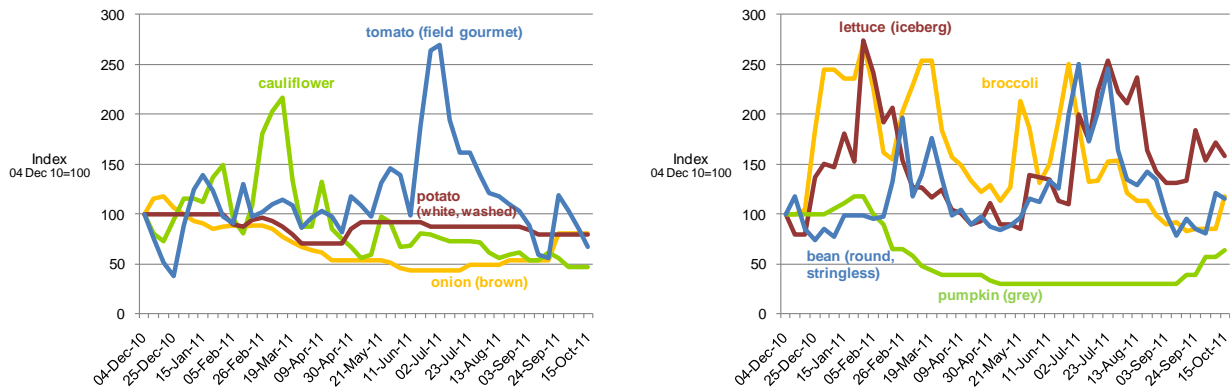


3.2. Recent movements in fruit and vegetable prices

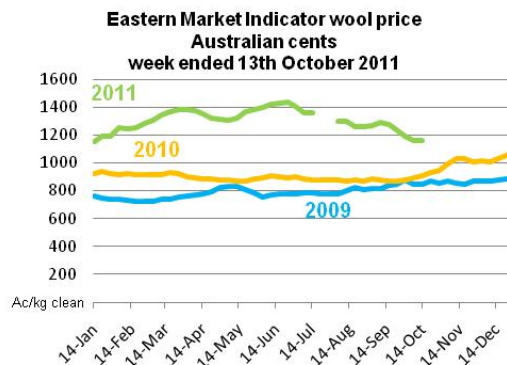
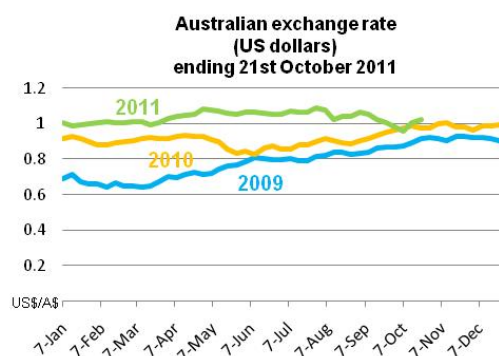
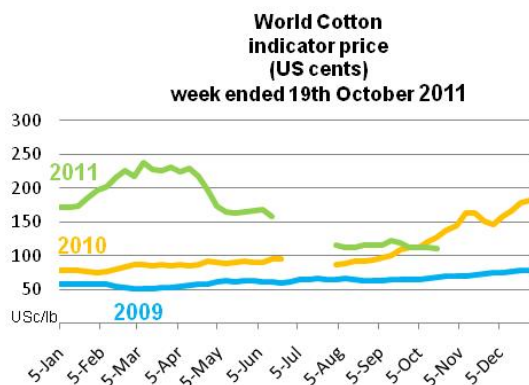
Weekly wholesale prices for selected fruit, Melbourne market



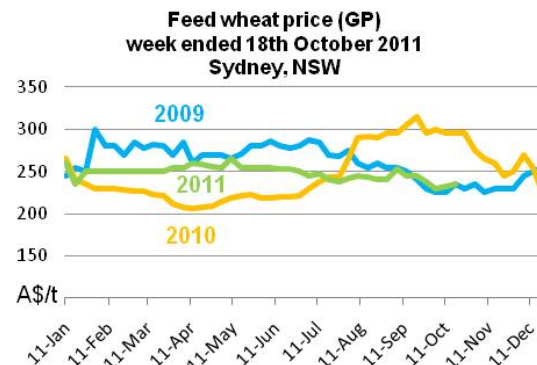
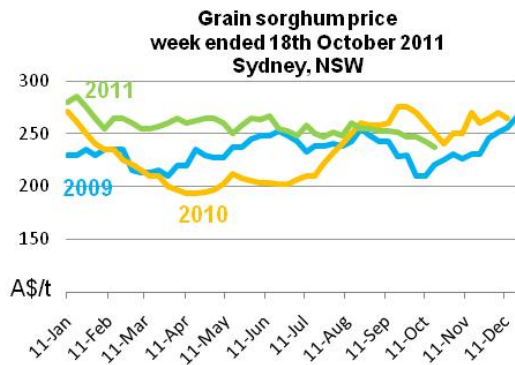
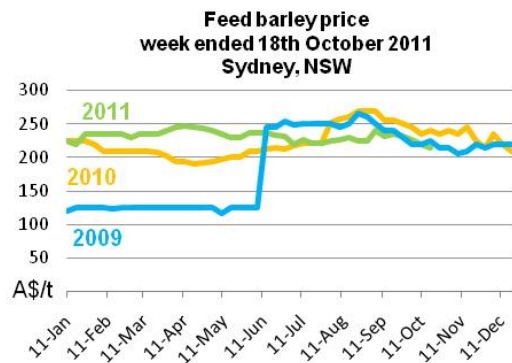
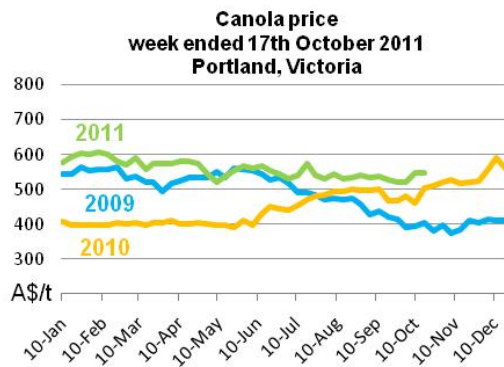
Weekly wholesale prices for selected vegetables, Melbourne market



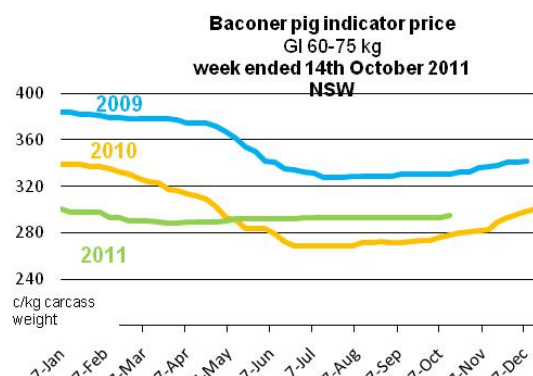
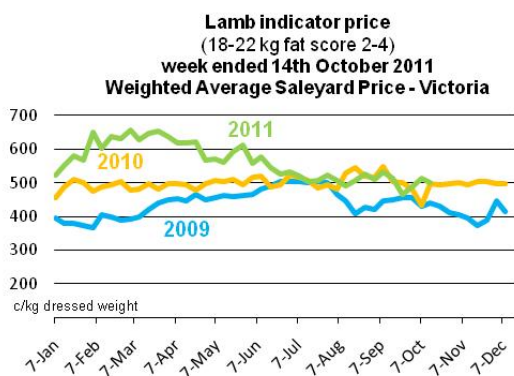
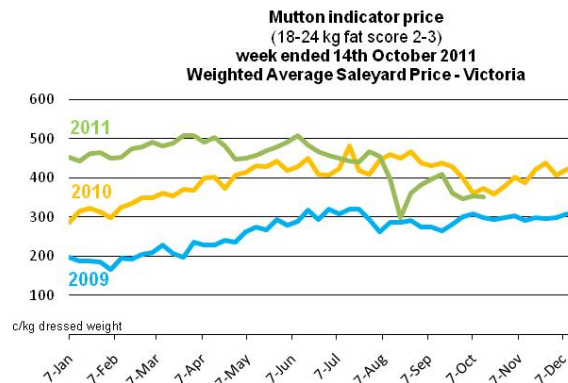
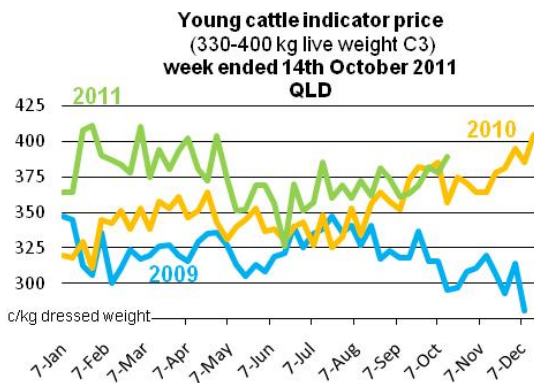
3.3. Selected world indicator prices



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