



Australian Government

Australian Bureau of Agricultural and
Resource Economics and Sciences

Weekly Australian Climate, Water and Agricultural Update

22 September 2011

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

Summary of key issues

- Rainfall received in south-west Western Australia this week will improve soil moisture levels and the forecast rain for the next eight days could benefit some areas in the southern New South Wales winter cropping belt.
- Recent warm dry and windy weather in parts of South Australia and New South Wales has affected crops and may impact on yields.
- The rainfall forecast for the October to December 2011 period indicates wetter than normal conditions in northern and western parts of Australia. Drier than normal conditions are expected in south eastern parts of Australia.
- Warmer than normal maximum temperatures are expected for the next three months over the northern and southern regions of Australia. Night time temperatures are also forecast to be warmer than usual over much of the country.
- Water storage levels in the Murray–Darling Basin decreased this week by 73 gigalitres (GL), but remained around 87 per cent of total capacity.
- Prices increased for bananas, beans, cauliflower, lettuce and watermelons in the week ending 17 September 2011, but declined for avocados and tomatoes.
- The world wheat indicator price (US hard red winter, free on board Gulf ports) averaged US\$321 a tonne for the week ending 20 September 2011, compared with US\$343 a tonne in the previous week.
- Australian monthly cotton exports hit an all time high in July 2011, reaching 139 252 tonnes for the first time.
- The Eastern Market Indicator price for wool fell by around 2 per cent for the week ending 15 September 2011, to 1274 cents a kilogram clean as the number of bales offered for sale rose by 25 per cent from the previous week.
- While saleyard prices for young cattle averaged generally higher for the week ending 16 September 2011, young cattle prices across all states were around 3 per cent lower than the same time last year.
- Saleyard lamb prices for the week ending 16 September 2011 were mixed across the eastern states, averaging 2 per cent higher in New South Wales and South Australia, but 4 per cent lower in Victoria, largely reflecting changes in saleyard throughput.
- Australian milk production was 1.1 per cent lower year on year in July 2011.

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

1. Climate

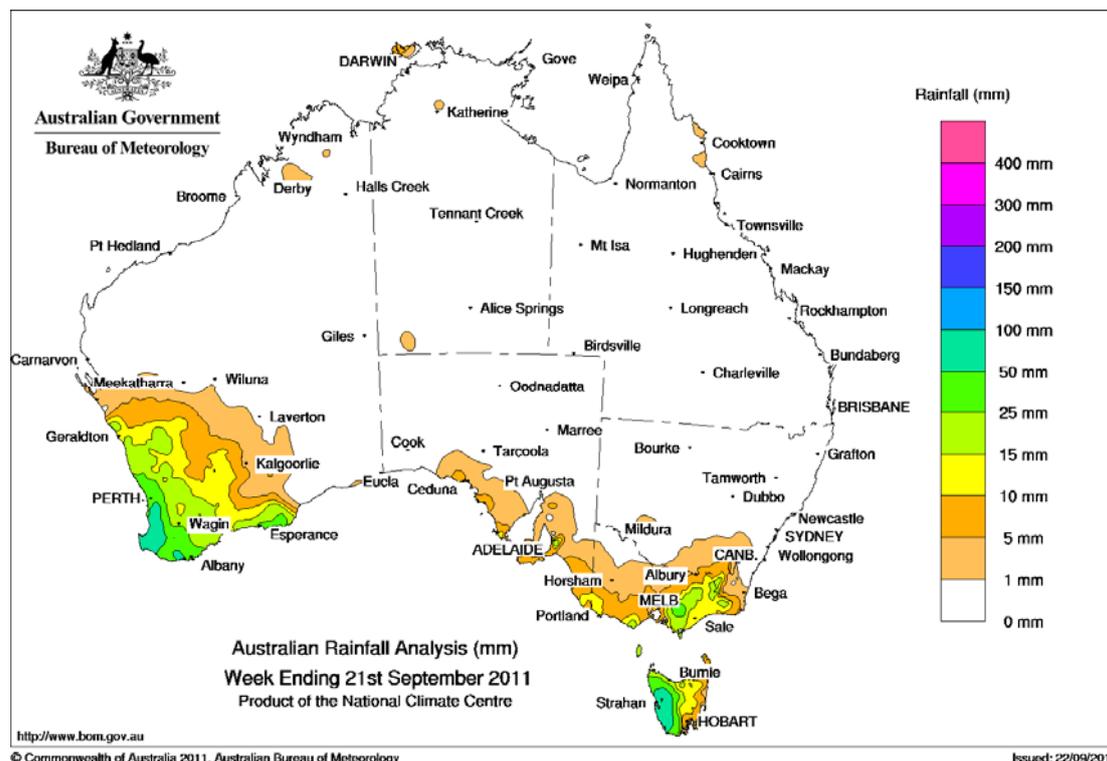
1.1. Notable events

- For the week ending 21 September 2011, rainfall was mostly received in south-west Western Australia, Victoria, and Tasmania. The highest measured total for the week was 121 millimetres at Mount Read in north-west Tasmania. The rainfall received in these areas will improve soil moisture levels, particularly in south-west Western Australia.
- Cherry crops in the south west slopes of New South Wales are reportedly in good condition, with producers not needing to irrigate at this point in the season.
- Recent warm dry and windy weather in parts of South Australia and New South Wales has affected crops and may impact on yields. South Australian regions particularly affected include the Riverland, Mallee and upper north regions. In New South Wales the north west plains, the central west, the south west and western Riverina regions have been particularly affected.
- Rainfall forecast for the next eight days could benefit some parts of winter cropping areas in southern New South Wales.
- The rainfall forecast for the October to December 2011 period indicates wetter than normal conditions over most of northern Australia and the central-west of Western Australia. Drier than normal conditions are expected in Tasmania and southern Victoria.
- Warmer than normal maximum temperatures are expected for the next three months over the northern and southern regions of Australia. The chance of exceeding median maximum temperatures is over 80 per cent in south eastern and north eastern parts of the country. Night time temperatures are also forecast to be warmer than usual over much of the country, with the exception of north western parts of Australia.

1.2. Rainfall this week

For the week ending 21 September 2011, rainfall was mostly received across Victoria, Tasmania and south-western Western Australia, with much of the continent receiving little or no rainfall. For further information, go to www.bom.gov.au/climate/current/weeklyrain.shtml.

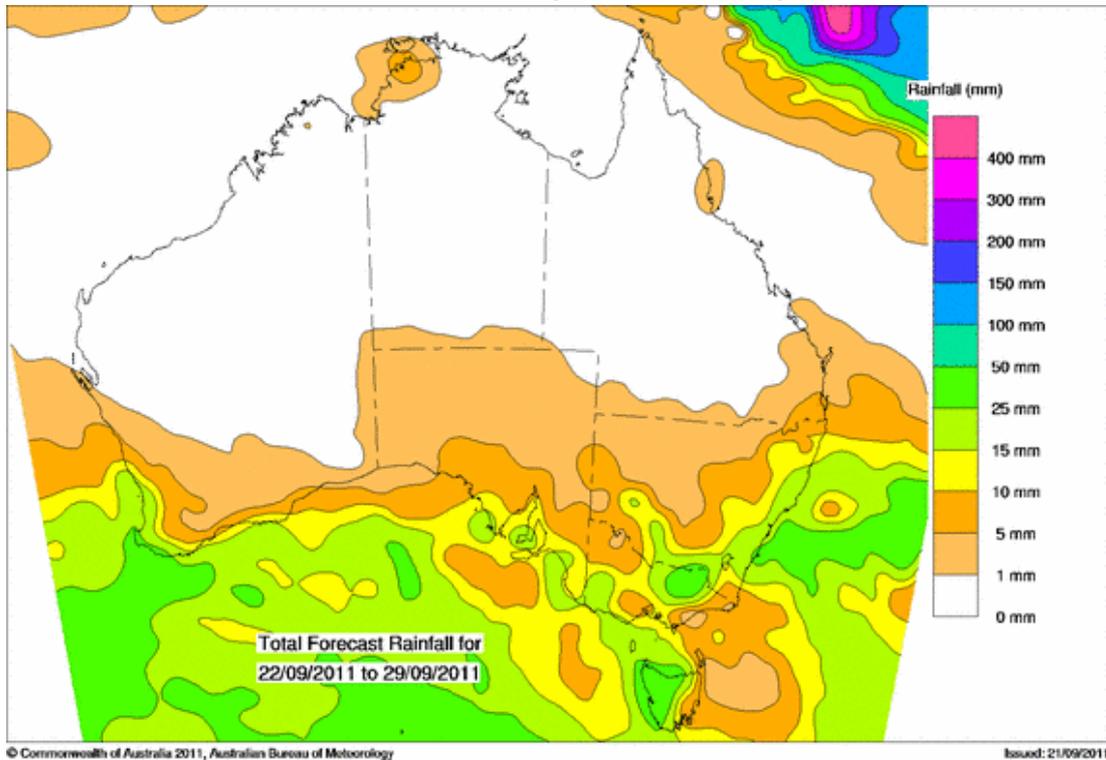
Rainfall for the week ending 21 September 2011



1.3. Rainfall outlook

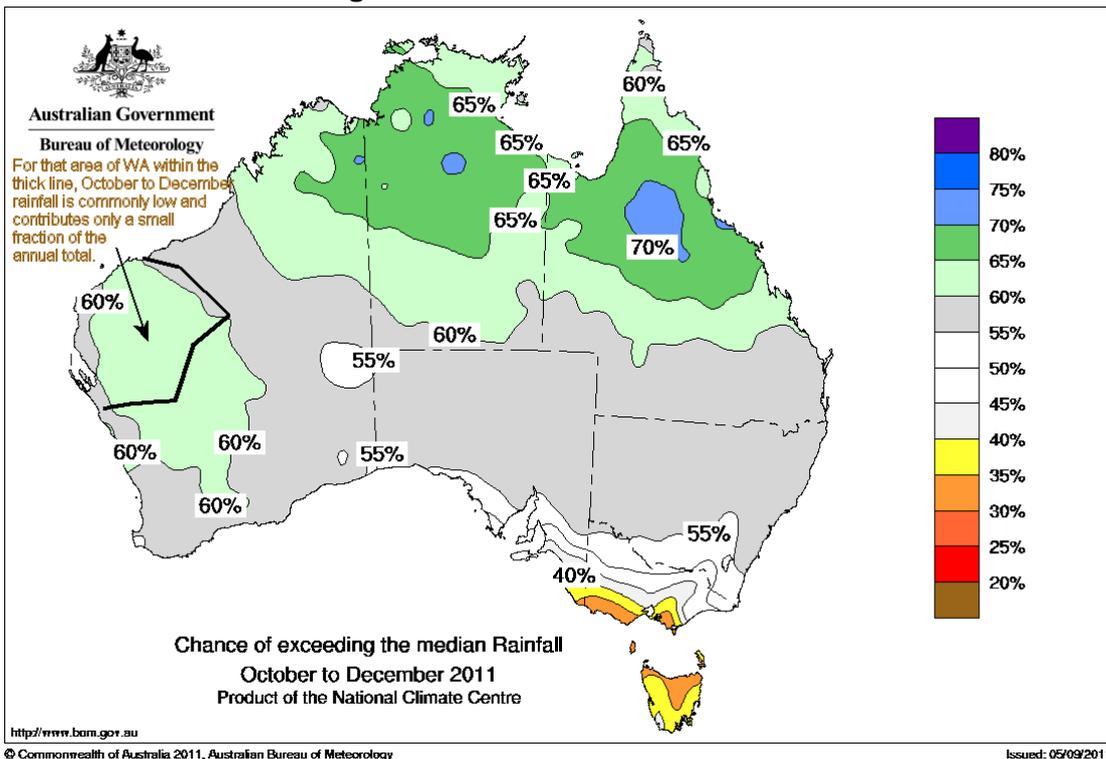
The rainfall forecast below is produced from computer models. As it contains no input from weather forecasters, it is important to also check local forecasts and warnings by the Bureau of Meteorology.

Total forecast rainfall for the period 22–29 September 2011

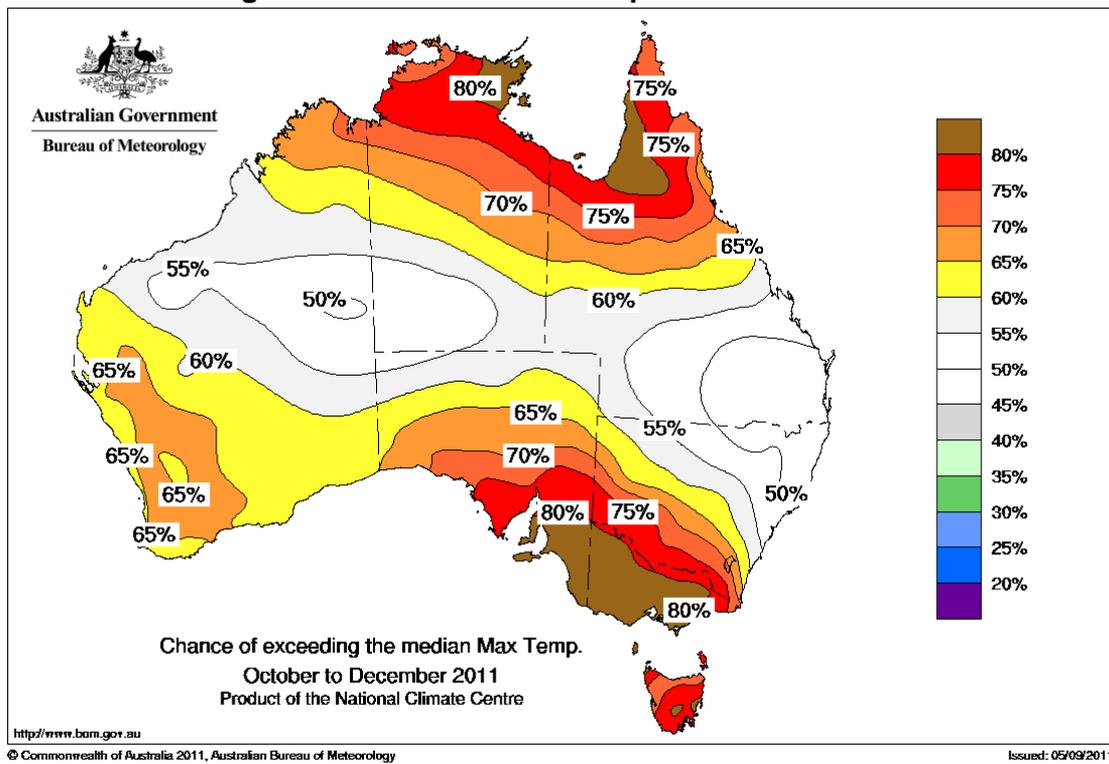


1.4. Seasonal outlook

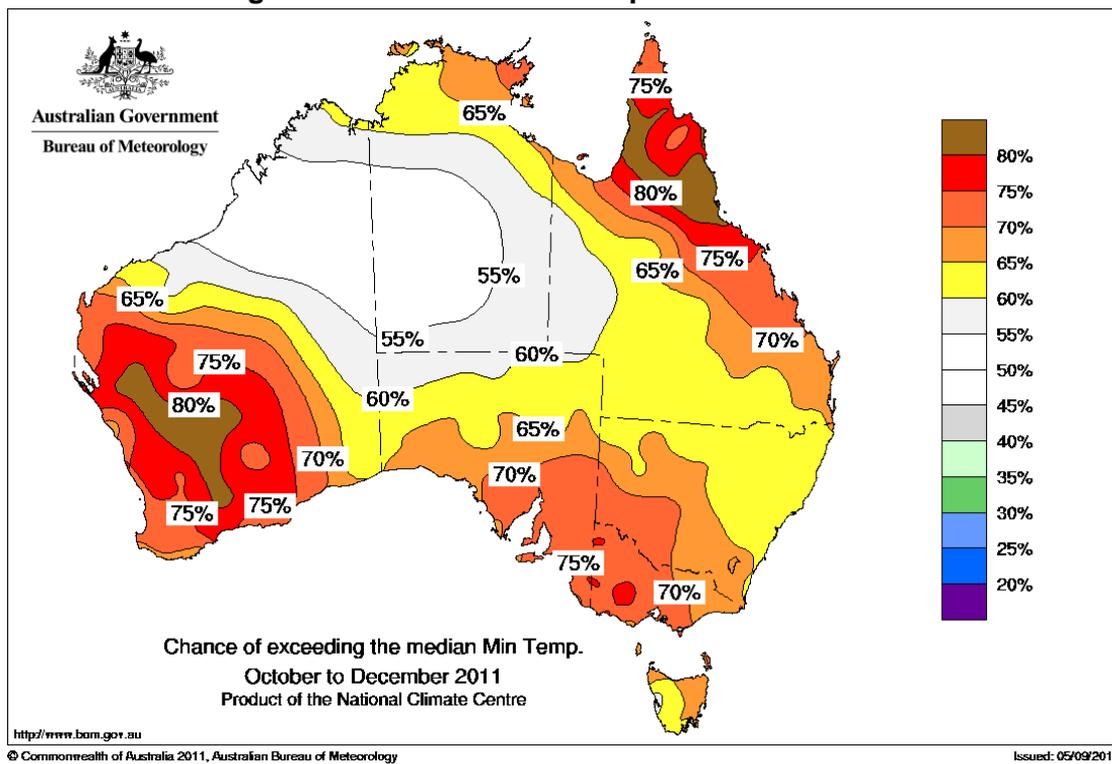
Chance of exceeding the median rainfall – October to December 2011



Chance of exceeding the median maximum temperature – October to December 2011



Chance of exceeding the median minimum temperature – October to December 2011

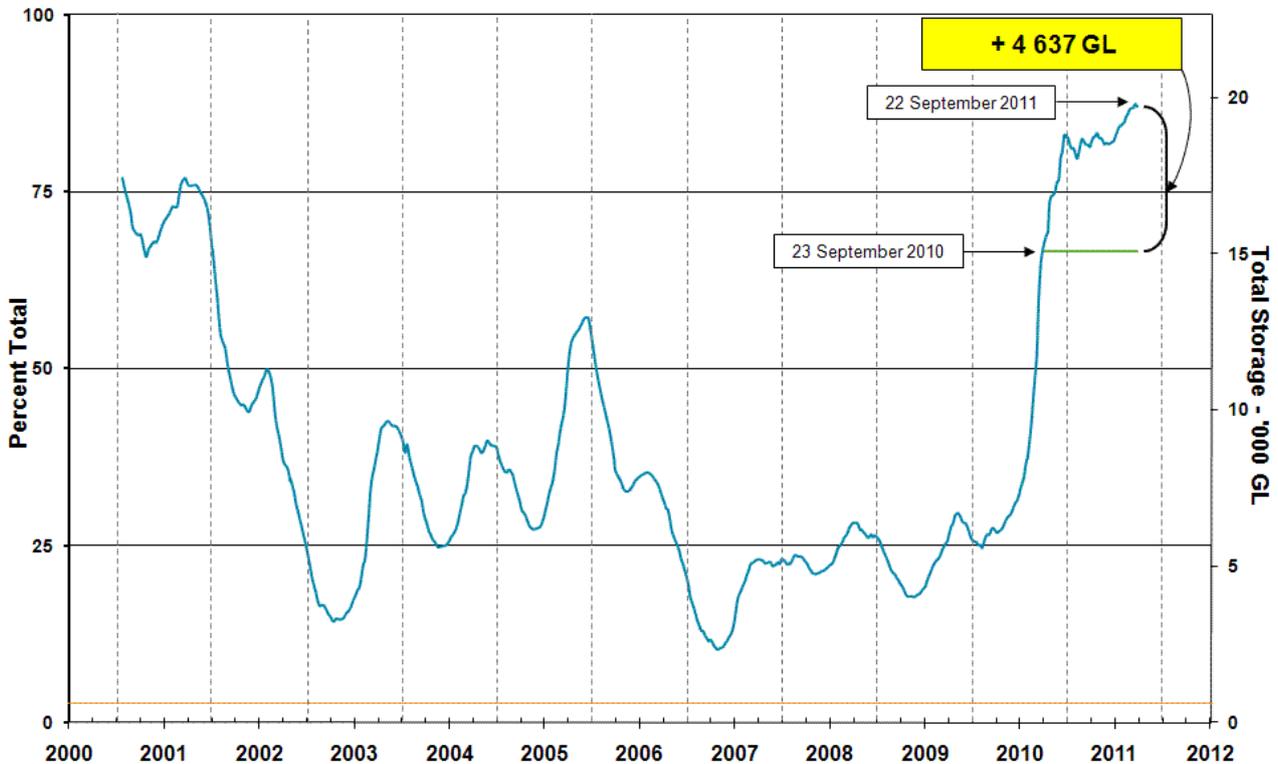


2. Water

2.1. Water availability and trading

- Water storage levels in the Murray–Darling Basin (MDB) decreased this week by 73 gigalitres (GL), but remained around 87 per cent of total capacity. This is 21 percentage points or 4 637 GL more than this time last year.

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 22 September 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 31 August 2011 (%)	Allocations at 15 September 2011 (%)
NSW Murray Valley		
High security	97	97
General security	15*	15*
NSW Murrumbidgee Valley		
High security	95	95
General security	50*	57*
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	50	69
Victoria Goulburn		
High reliability	78	95
Victoria Campaspe		
High reliability	100	100
Low reliability	54	91
Victoria Loddon		
High reliability	78	95
Victoria Bullarook		
High reliability	100	100
Low reliability	100	100
Victoria Broken		
High reliability	34	39
South Australia Murray Valley		
High security	100	100

*Carryover water may also be available.

3. Commodities

3.1. Production and commodities

- Wholesale prices of bananas and watermelons increased in the week ending 17 September 2011, but avocado prices eased. Banana prices are returning to the same path of movement as occurred with Cyclone Larry in 2006 (figure A).
- Prices of beans, lettuce and cauliflowers increased in the week ending 17 September 2011, while prices of broccoli and tomatoes declined. While prices of many vegetable types are substantially lower than at the same time in 2010, prices of beetroot, carrot, cauliflower, lettuce, pumpkin and zucchini are still higher (figure B).
- The world wheat indicator price (US hard red winter, free on board Gulf ports) averaged US\$321 a tonne for the week ending 20 September 2011, compared with US\$343 a tonne in the previous week.
- The world coarse grains indicator price (US no. 2 yellow corn free on board Gulf ports) averaged US\$295 a tonne for the week ending 21 September 2011, compared with US\$310 a tonne in the previous week
- The world canola indicator price (Rapeseed, Europe, cost insurance and freight Hamburg) averaged US\$635 a tonne for the week ending 15 September 2011, compared with US\$649 a tonne in the previous week.
- Australian monthly cotton exports hit all time high in July 2011 at 139 252 tonnes. This is the first time Australian cotton exports exceeded 100 000 tonnes in a month. For the four months to July 2011, Australia cotton exports exceeded 300 000 tonnes. This leaves 500 000 tonnes of the old crop to be exported over the remaining 8 months of the marketing year.
- Saleyard sheep prices for the week ending 16 September 2011 increased by around 3 per cent in New South Wales but fell in South Australia and Western Australia, by 2 per cent and 7 per cent, respectively. Sheep throughput at reported saleyards increased markedly in all states except Victoria, with yardings in South Australia 62 per cent higher than the previous week. Average prices for the 2011-12 season to date remain between 2 per cent and 8 per cent lower in the eastern states compared to the same period in 2010-11, reflecting increased sheep availability. Prices so far for the season in Western Australia have averaged 24 per cent higher compared to the same period in 2010-11, reflecting the improved seasonal conditions in that state.
- Saleyard lamb prices for the week ending 16 September 2011 were mixed across the eastern states, averaging 2 per cent higher in New South Wales and South Australia, but 4 per cent lower in Victoria. In Western Australian, prices declined by 11 per cent from the strong prices of the previous week. Price movements largely reflected weekly changes in saleyard throughput — lamb availability decreased in New South Wales, but increased in Victoria and Western Australia. In South Australia, prices averaged higher despite an increase in yardings.
- The Eastern Market Indicator price for wool fell by around 2 per cent for the week ending 15 September 2011, to 1274 cents a kilogram clean, as the number of bales offered increased by 25 per cent compared to the previous week. This week also saw the first offering in Newcastle for the 2011-12 season. The Australian wool exchange (AWEX) reports that 15,300 bales were offered in Newcastle, and that the style of wool offered was one of the best in a number of years. Prices for fine and superfine wools were higher in the Northern Market compared to the Southern Market, reflecting the specialised Newcastle sale attracting relatively more buyers of fine and superfine wools.
- While saleyard prices for young cattle averaged generally higher for the week ending 16 September 2011, young cattle prices across all states were around 3 per cent lower than the same time last year.
- Australian milk production fell year on year by 1.1 per cent in July 2011. Falls were recorded in all states except for New South Wales and Tasmania where production was 5.4 per cent and 12.3 per cent higher, respectively.

Figure A: Weekly banana prices, Melbourne wholesale market, 2006 and 2011

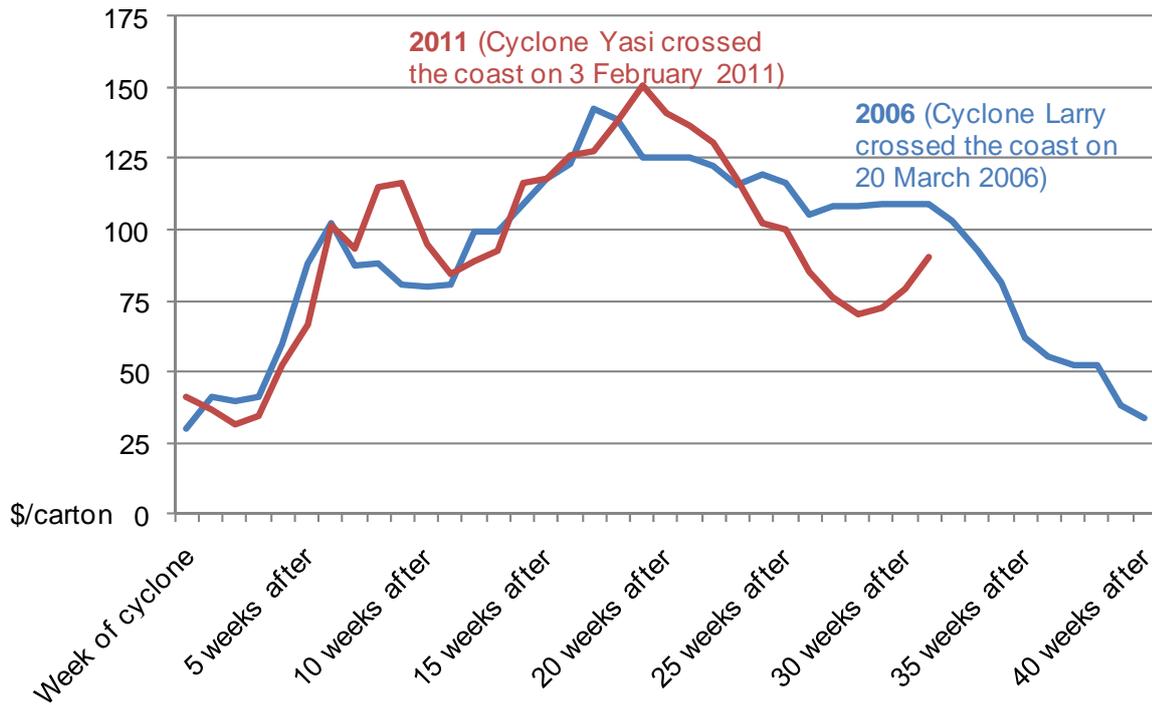
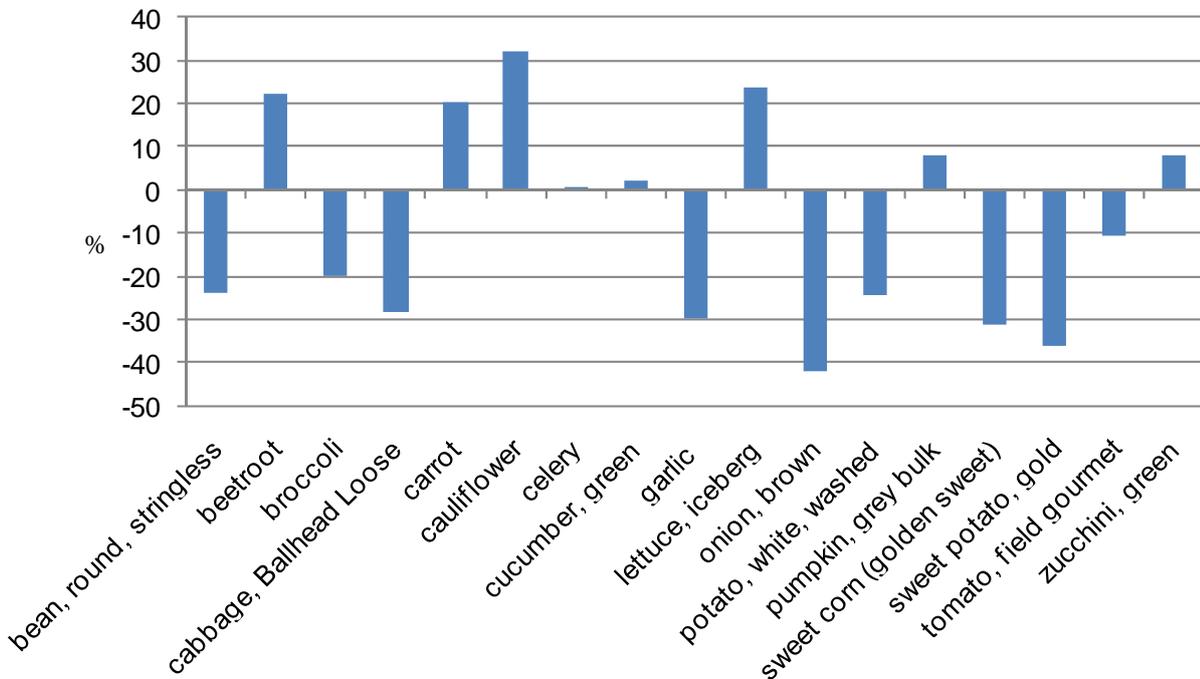
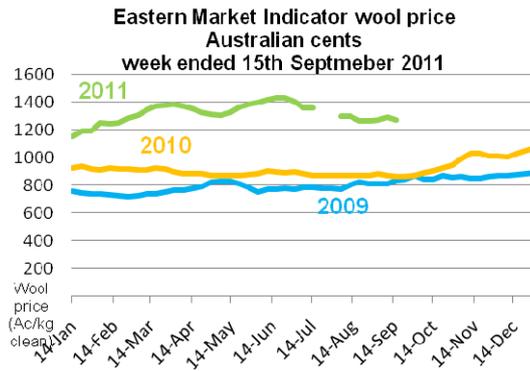
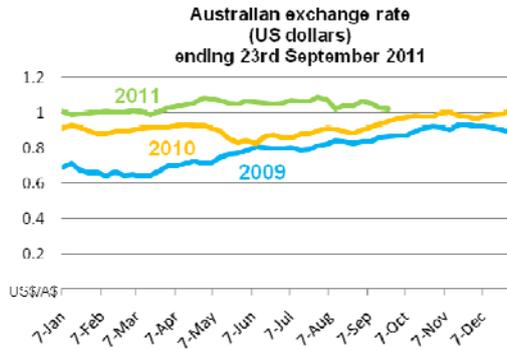
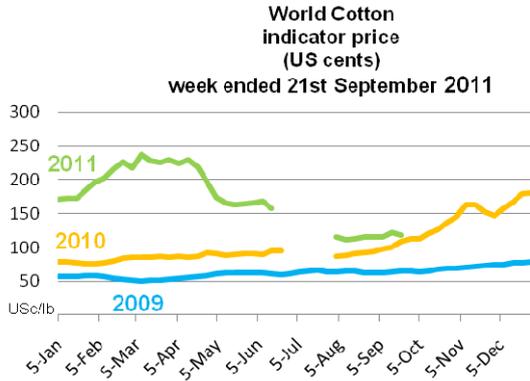


Figure B: Year-on-year change of prices of selected vegetables, Melbourne wholesale market, 17 September 2011

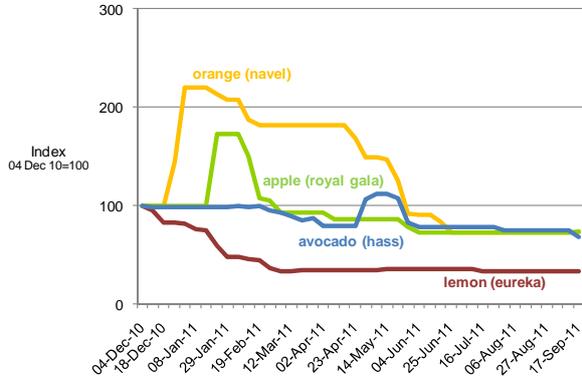
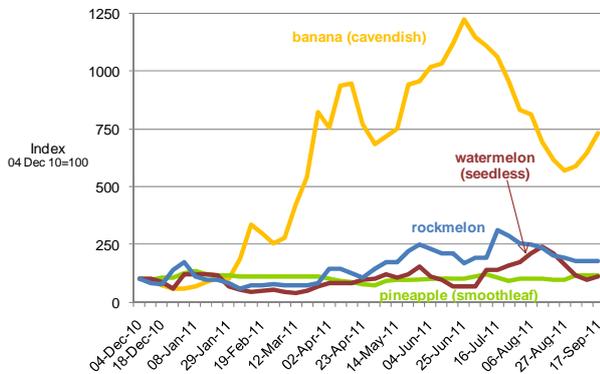


3.2. Selected world indicator prices

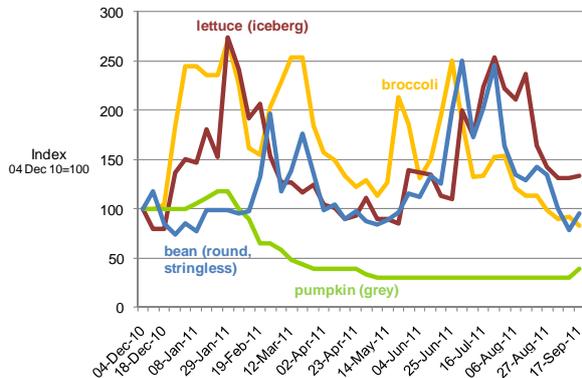
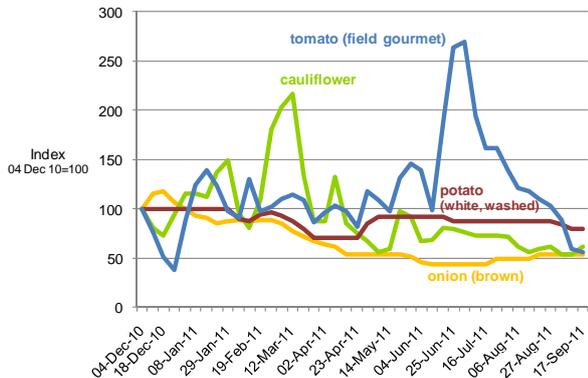


3.3. Recent movements in fruit and vegetable prices

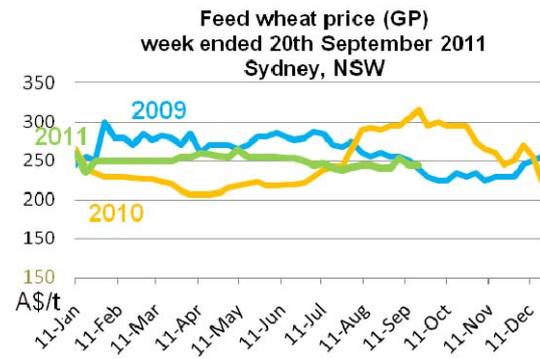
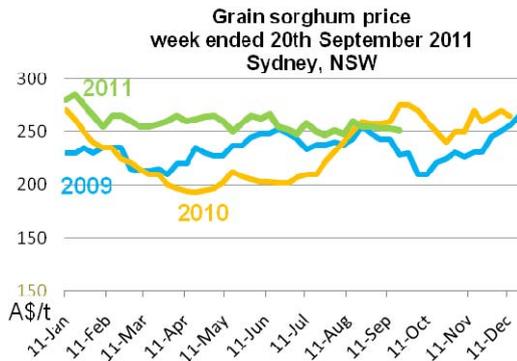
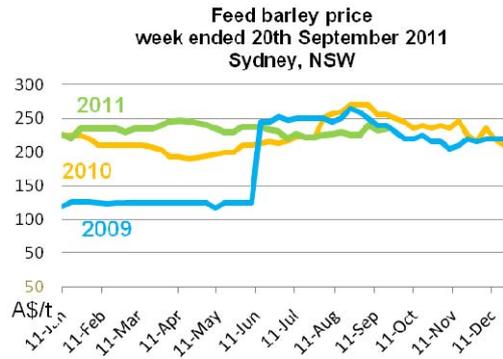
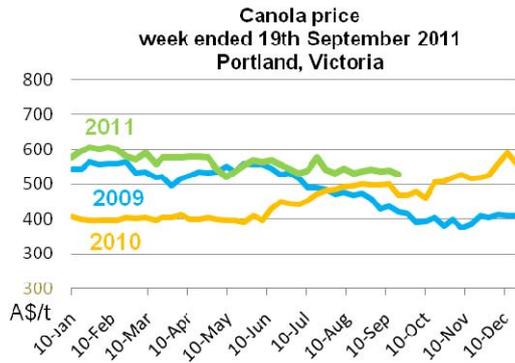
Weekly wholesale prices for selected fruit, Melbourne market



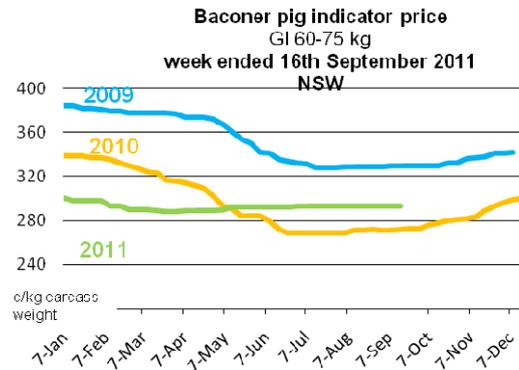
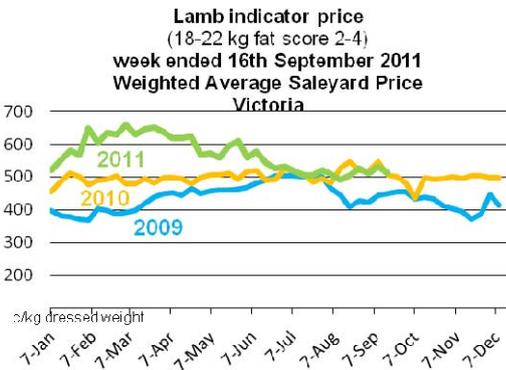
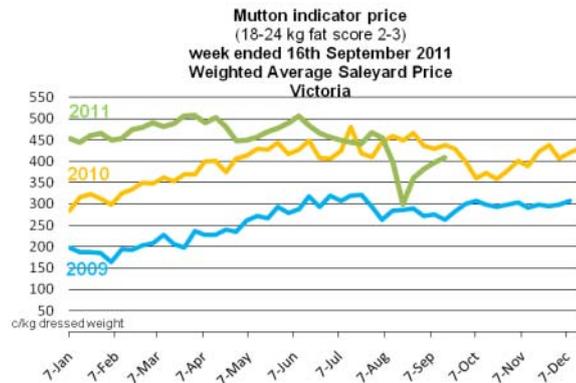
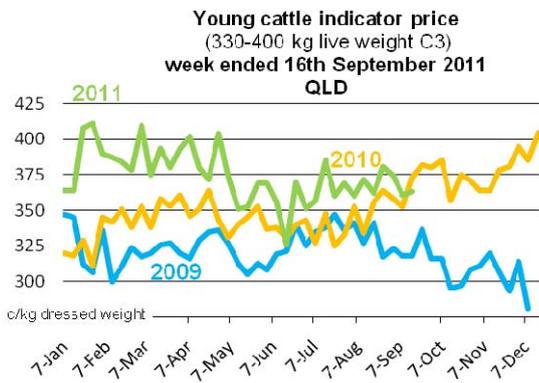
Weekly wholesale prices for selected vegetables, Melbourne market



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