



Australian Government

Australian Bureau of Agricultural and
Resource Economics and Sciences

Weekly Australian Climate, Water and Agricultural Update

14 July 2011

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

Summary of key issues

- Rainfall received this week across parts of southern Australia should assist crop growth.
- A case of the Hendra virus has been reported in north Queensland. The recent outbreak has resulted in the death of at least eight horses and a number of properties have been quarantined.
- Mediterranean fruit fly has been detected in the Northern Territory and raised concerns about the pest reaching Western Australia's Ord irrigation region.
- Irrigators in Victoria's Bacchus Marsh and Macalister Irrigation Districts have started the 2011–12 water year with 100 per cent and 90 per cent allocations for high reliability water, respectively.
- Prices for beans, broccoli, lettuces and tomatoes were markedly lower in the week ending 9 July 2011. Banana prices also declined for the second week in a row.
- Australian total beef and veal exports increased by 5 per cent in 2010–11 to 946 000 tonnes. The proportion of total Australian beef exports shipped to the major markets of Japan, the United States and the Republic of Korea fell by 7 percentage points to 69 per cent. Exports to the Russian Federation and the Middle East increased by 200 per cent and 50 per cent to 71 000 tonnes and 29 000 tonnes respectively.
- Australian milk production increased year on year by 1.7 per cent in May 2011. Milk production in the first eleven months of 2010–11 was 0.9 per cent higher year on year.
- The world wheat indicator price (US Hard Red Winter, free on board, Gulf ports) averaged US\$296 a tonne for the week ending 12 July 2011, a 1 per cent fall from the previous week.
- The world coarse grain indicator price (US no. 2 yellow corn, free on board, Gulf ports) averaged US\$295 a tonne for the week ending 13 July 2011, a 3 per cent rise from the previous week.
- Economic growth in China was reported to have been around 9.5 per cent year on year in the June quarter 2011. China is the second largest destination for Australian agricultural exports, only next to Japan.

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

www.abares.gov.au

Science and economics for decision-makers

1. Climate

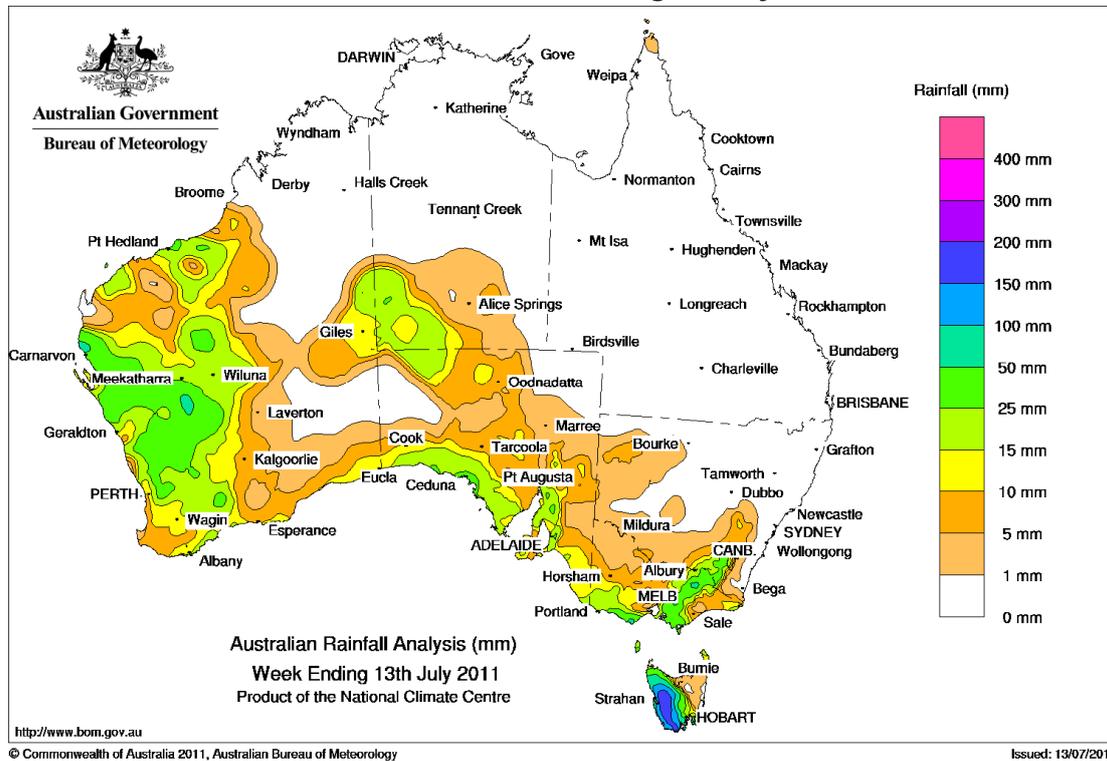
1.1. Notable events

- For the week ending 13 July 2011, most rainfall was recorded across southern and western Australia. The highest measured total for the week was 209 millimetres at Strathgordon in south-west Tasmania.
- Rainfall received this week across southern parts of South Australia, Victoria and Western Australia should assist crops, despite slower plant growth due to recent cooler conditions.
- Light to moderate rainfall is forecast for these areas for the coming week. If it eventuates, this will further assist crops.
- A case of the Hendra virus has been reported in north Queensland. In addition to the recent cases in southern Queensland and northern New South Wales, the outbreak has resulted in the death of at least eight horses and a number of properties being quarantined.
- Mediterranean fruit fly has been detected in the Northern Territory, leading to concerns about the pest reaching Western Australia's Ord irrigation region.

1.2. Rainfall this week

For the week ending 13 July 2011, rainfall was mostly received across southern and western Australia. For further information, go to www.bom.gov.au/climate/current/weeklyrain.shtml.

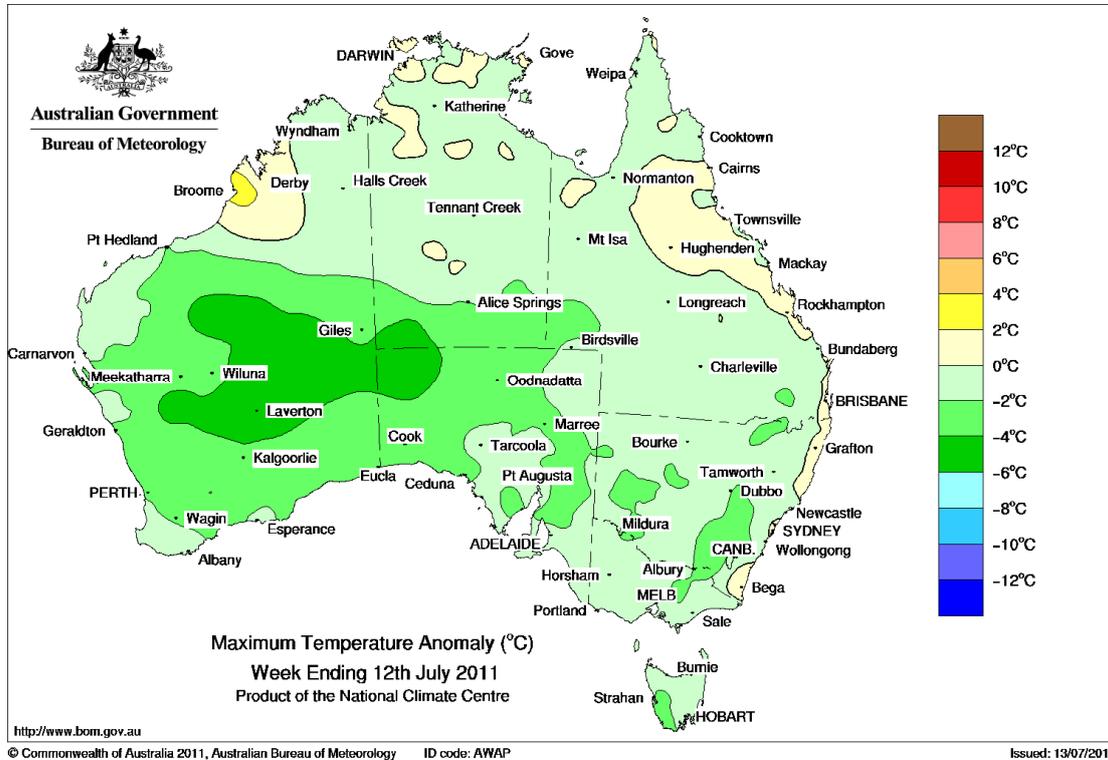
Rainfall for the week ending 13 July 2011



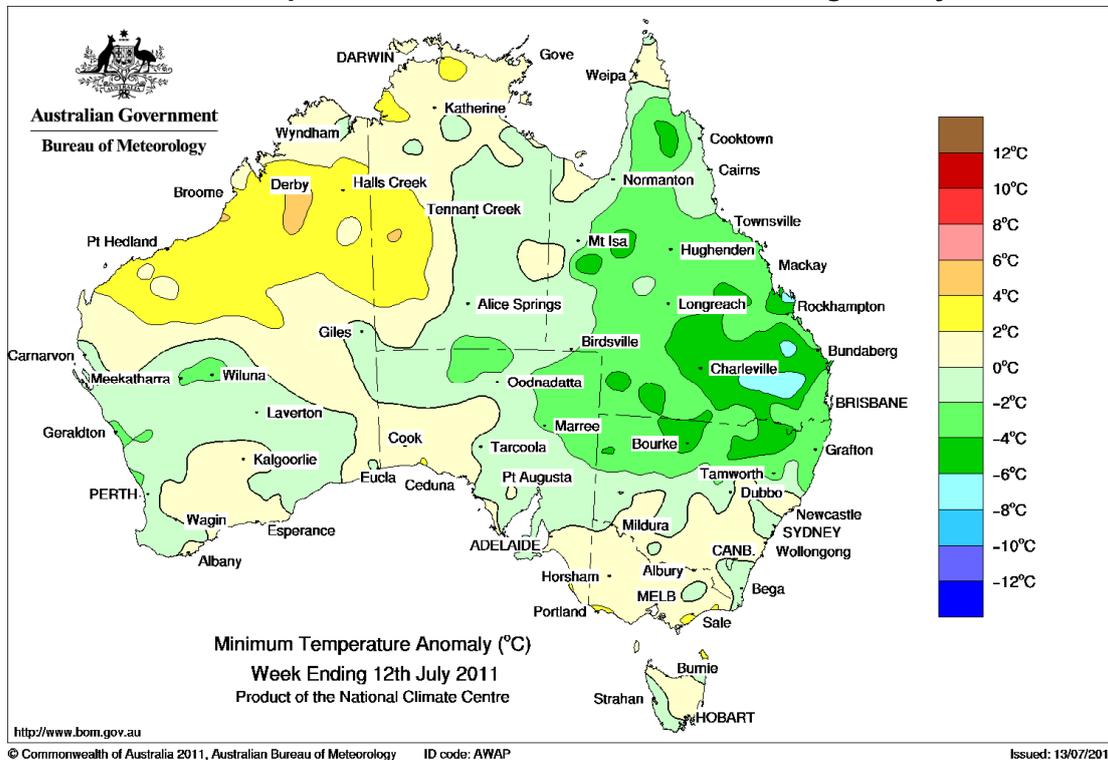
1.3. Temperature anomalies this week

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 12 July 2011



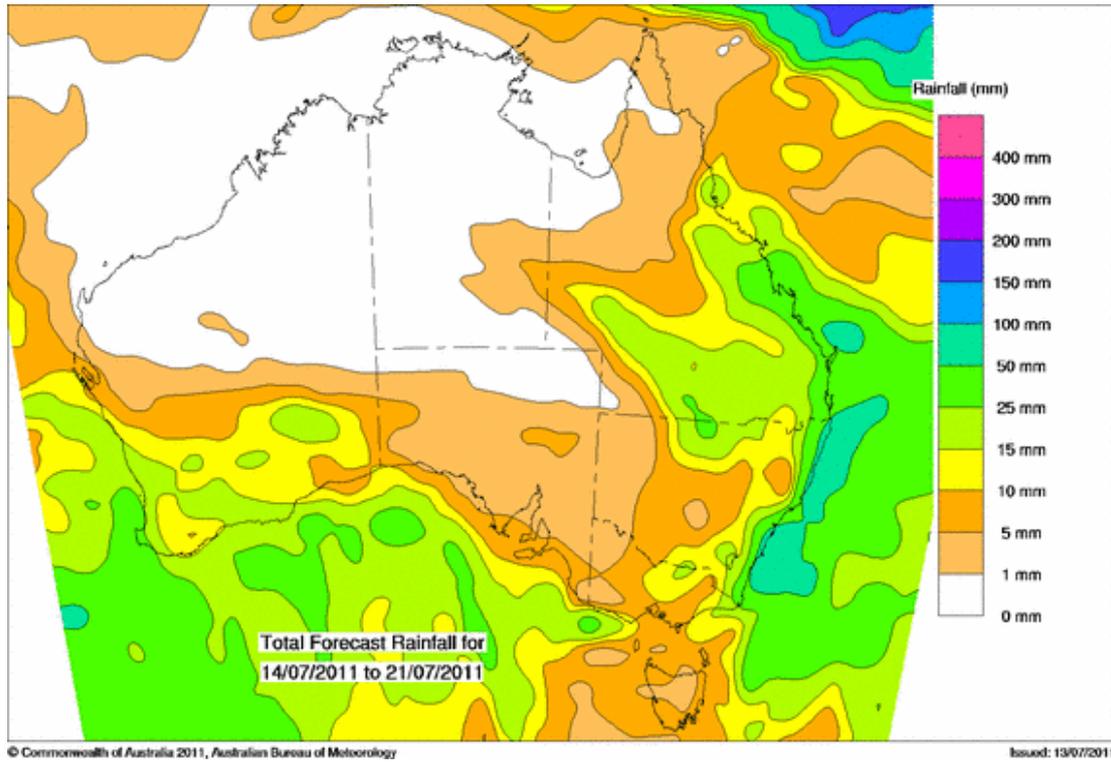
Minimum temperature anomalies for the week ending 12 July 2011



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 14–21 July 2011



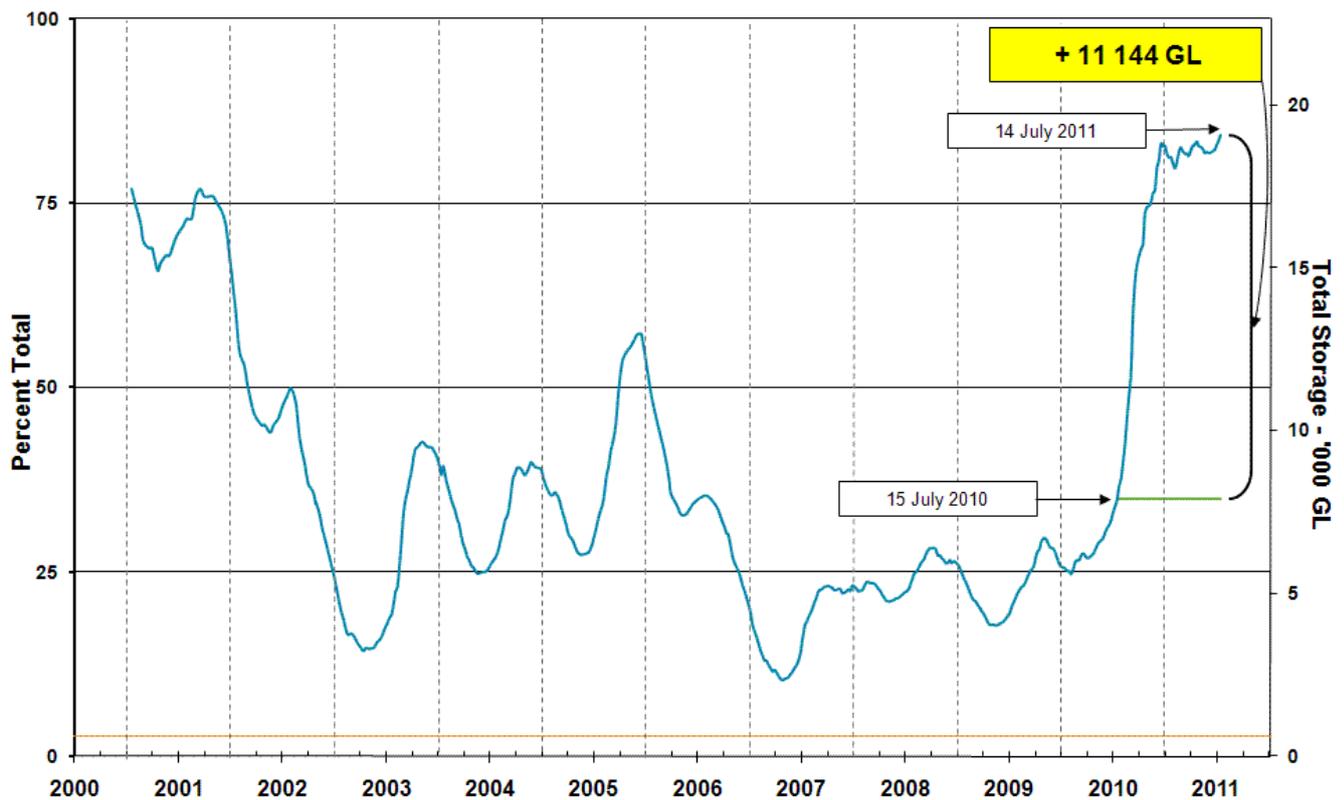
2. Water

2.1. Water availability and trading

- Water storage levels in the Murray–Darling Basin (MDB) increased this week by 163 gigalitres (GL) to approximately 84 per cent of total capacity. This is 50 percentage points, or 11 144 GL, more than this time last year.
- Irrigators in Victoria’s Bacchus Marsh and Macalister Irrigation Districts have started the 2011–12 water year with 100 per cent and 90 per cent allocations for high reliability water, respectively.
- There was no trade in the three representative major temporary water markets over the past week.

2.2. Water storages

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



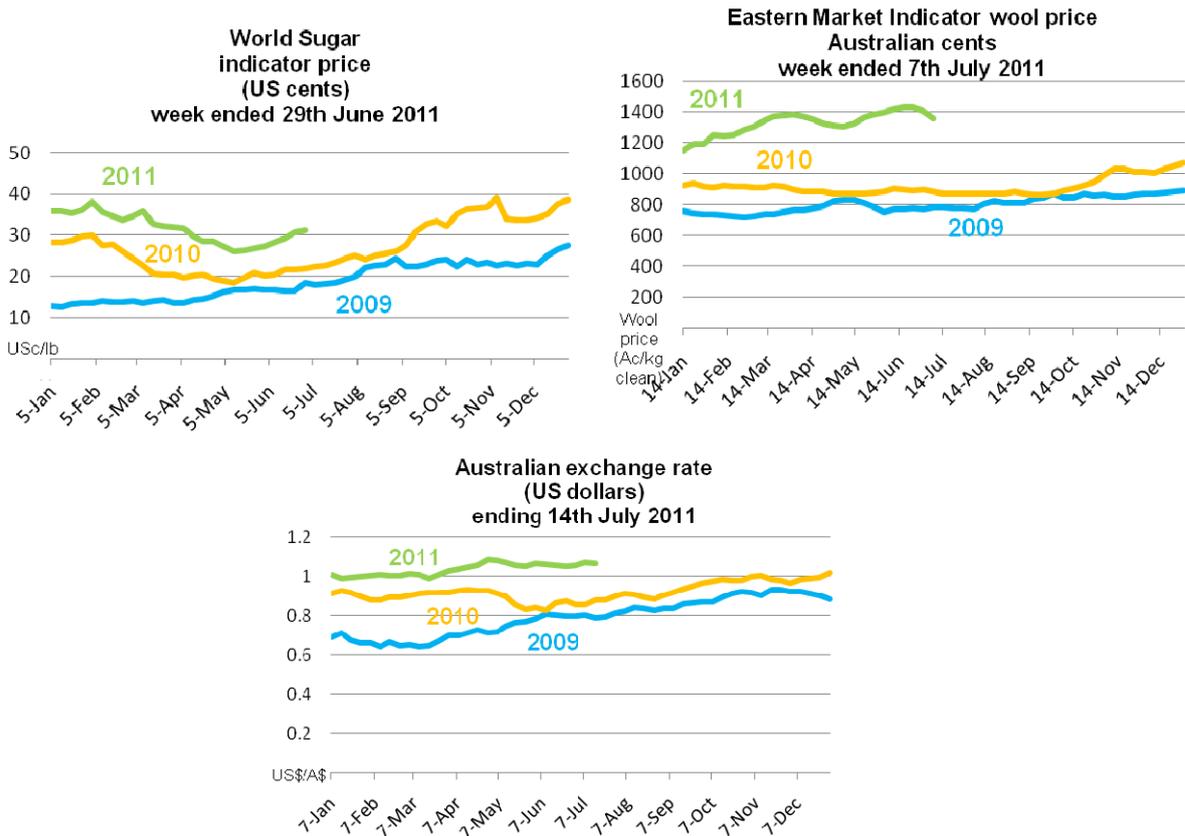
Information on irrigation water available in the Murray–Darling Basin from 1 January 2001 to 14 July 2011 is shown above. The green line indicates the storage level at the same time last year. The orange line indicates the amount of ‘dead’ or unusable storage.

3. Commodities

3.1. Production and commodities

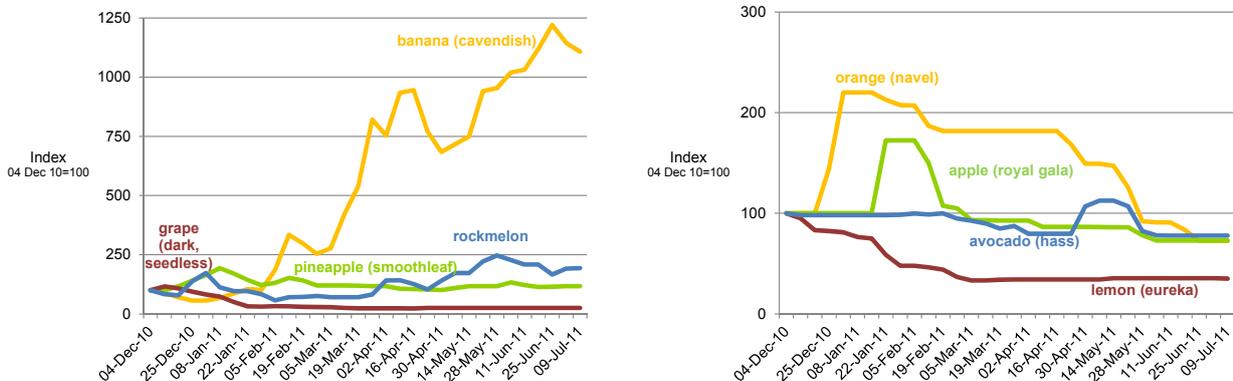
- Banana prices declined in the week ending 9 July 2011, the second week of decline. Most other fruit prices were steady.
- Bean, broccoli, lettuce and tomato prices declined markedly in the week ending 9 July 2011, after a period of price increases.
- Based on data from the Department of Agriculture, Fisheries and Forestry, Australian total beef and veal exports increased by 5 per cent in 2010–11 to 946 000 tonnes. The proportion of total Australian beef exports shipped to the major markets of Japan, the United States and the Republic of Korea fell by 7 percentage points to 69 per cent. Exports to the Russian Federation and the Middle East increased by 200 per cent and 50 per cent to 71 000 tonnes and 29 000 tonnes respectively.
- Australian milk production increased by 1.7 per cent in May 2011 compared with the same month a year ago. Milk production in the first eleven months of 2010–11 was 0.9 per cent higher year on year.
- The world wheat indicator price (US Hard Red Winter, free on board, Gulf ports) averaged US\$296 a tonne for the week ending 12 July 2011, a 1 per cent fall from the previous week.
- The world coarse grain indicator price (US no. 2 yellow corn, free on board, Gulf ports) averaged US\$295 a tonne for the week ending 13 July 2011, a 3 per cent rise from the previous week.
- Economic growth in China was reported to have been around a year on year rate of 9.5 per cent in the June quarter 2011. China is the second largest destination for Australian agricultural exports, only next to Japan. In 2009–10, the value of Australian agricultural exports to China totalled around \$3.5 billion.

3.2. Selected world indicator prices

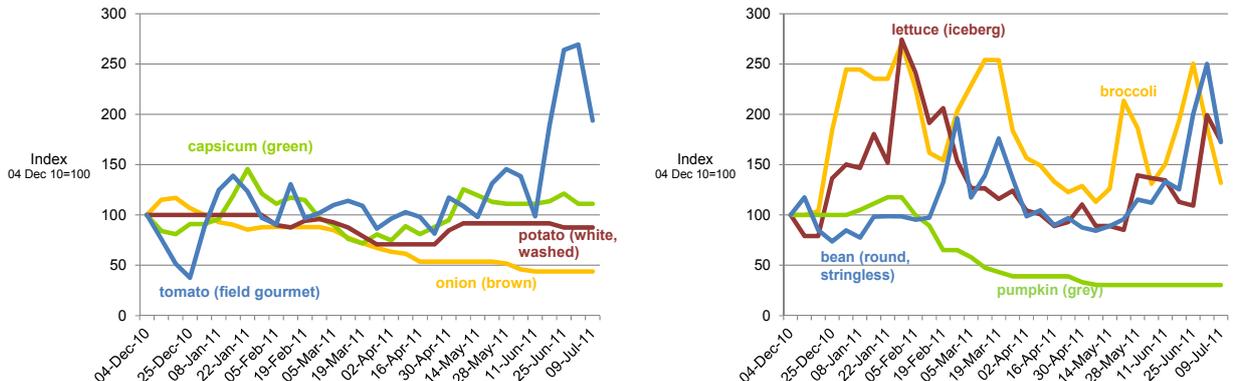


3.3. Recent movements in fruit and vegetable prices

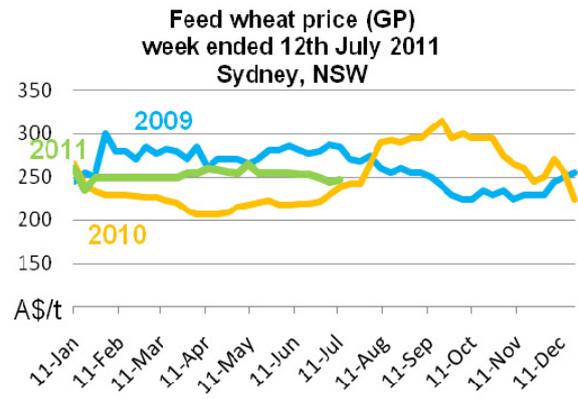
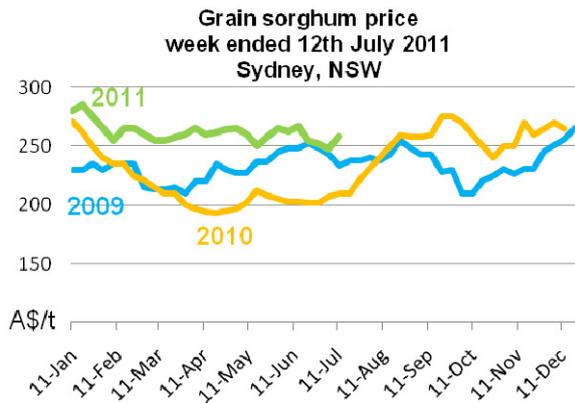
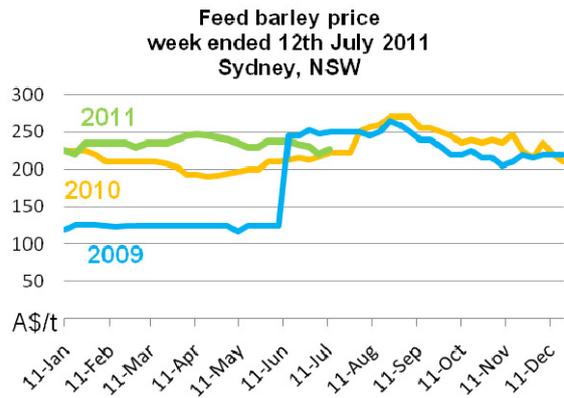
Weekly wholesale prices for selected fruit, Melbourne market



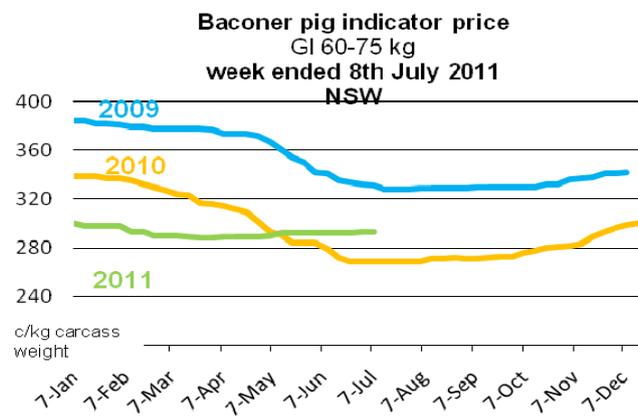
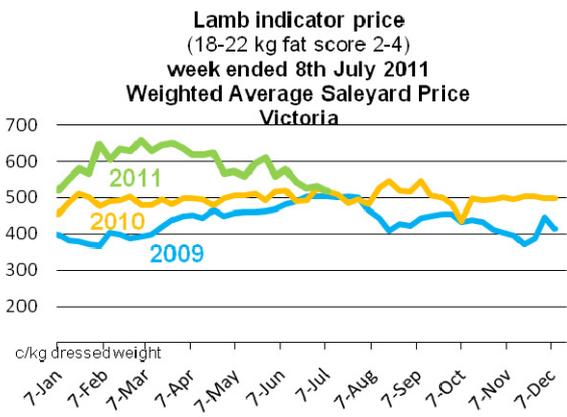
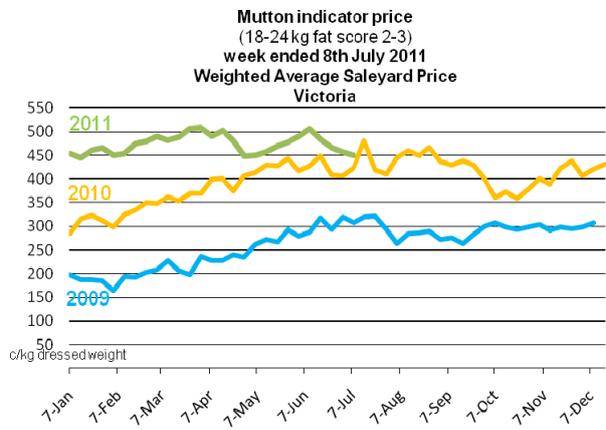
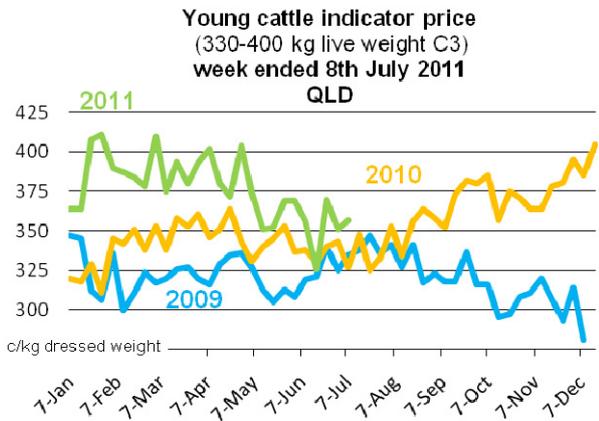
Weekly wholesale prices for selected vegetables, Melbourne market



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