



Weekly Australian Climate, Water and Agricultural Update

8 December 2011

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

Summary of key issues

- Flooding in north-west New South Wales has caused damage to some cotton crops and some stock losses.
- Rainfall this week over parts of Western Australia's wheatbelt may result in quality downgrading of some unharvested crops.
- La Niña conditions have strengthened over the past fortnight but remain weaker than at the same time in 2010 (Bureau of Meteorology ENSO 'Wrap-up', 7 December 2011).
- Water storage levels in the Murray–Darling Basin decreased this week by 18 gigalitres to remain at approximately 89 per cent of total capacity.
- General security water allocations increased this week in the New South Wales Gwydir, Peel, Lower Namoi and Macquarie and Cudgegong river valleys.
- Bean, broccoli, cauliflower and navel orange wholesale prices were higher in the week ending 3 December 2011, but banana, melon, onion, pumpkin and tomato prices were lower.
- The world sugar indicator price averaged US23.7c a pound in the week ending 7 December 2011, US0.5 cents a pound higher than the previous week and the first increase for seven weeks.
- The world wheat indicator price (US hard red winter, free on board Gulf ports) averaged US\$289 tonne in the week ending 6 December 2011, compared with US\$280 a tonne in the previous week.
- The world coarse grains indicator price (US no. 2 yellow corn, free on board Gulf ports) averaged US\$257 a tonne in the week ending 7 December 2011, compared with US\$261 a tonne in the previous week.
- The Australian canola indicator price (Portland, Victoria) fell by 2 per cent to AU\$475 a tonne in the week ending 5 December 2011, compared with AU\$487 a tonne in the previous week.
- The Queensland young cattle indicator price fell 5 cents to 393 cents a kilogram for the week ending 2 December 2011. Young cattle prices in all other states rose.

1. Climate

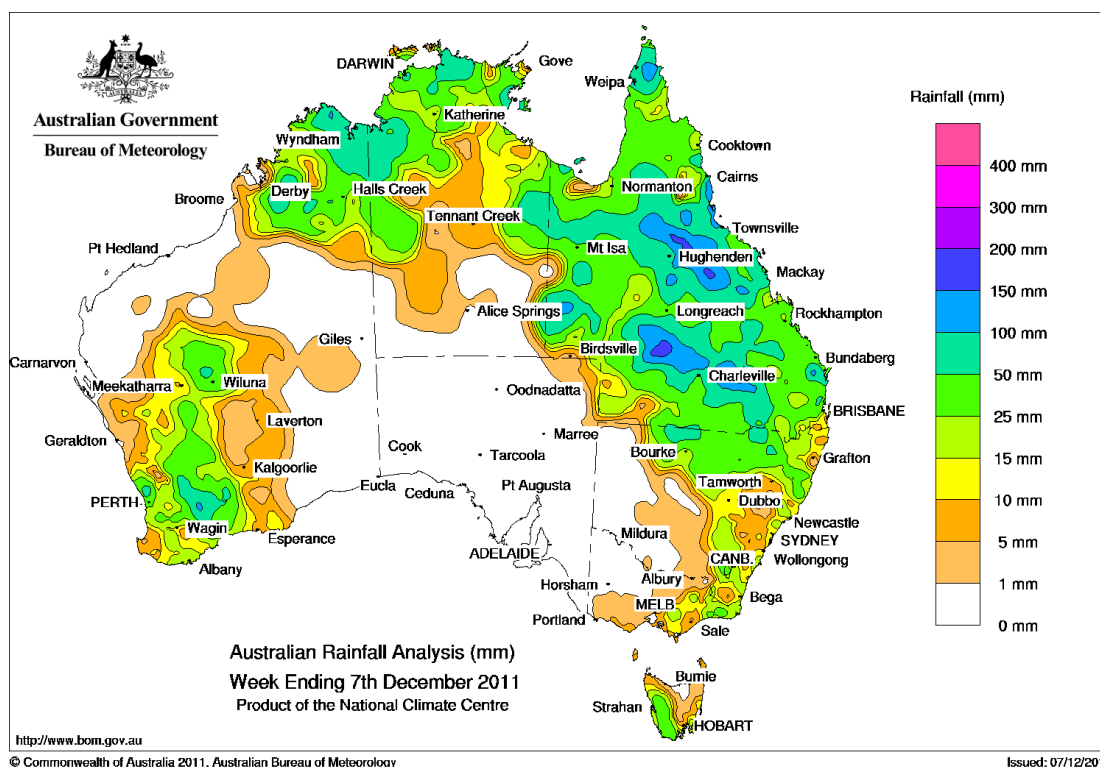
1.1. Notable events

- For the week ending 7 December, rainfall was mostly recorded in north-east and south-west Australia. The highest measured total for the week was 204 millimetres at Mutarnee in Far North Queensland.
- Flooding in north-west New South Wales has caused damage to some cotton crops and some stock losses. Early reports estimate damage to cotton crops of more than \$50 million.
- Thunderstorms and rainfall over parts of Western Australia's wheatbelt this week may cause sprouted grain and staining in some unharvested crops, resulting in a downgrading of quality.
- Rainfall over parts of Victoria has reportedly caused an increase in walnut blight. Control activities including spraying crops have increased. Rain in southern Queensland has prevented the harvesting of some vegetable crops.
- La Niña conditions have strengthened over the past fortnight. Despite this, the La Niña event remains weaker than at the same time in 2010. The event is likely to peak near the end of 2011 and persist until at least the end of summer (Bureau of Meteorology ENSO 'Wrap-up', 7 December 2011).
- Following a dry winter, spring 2011 saw a return to wet conditions, with western and northern Australia recording above average rainfall. Maximum and minimum temperatures were above average over southern Australia, with cool conditions recorded in the Kimberley and parts of the Northern Territory (Bureau of Meteorology Seasonal Climate Statement September to November 2011).

1.2. Rainfall this week

For the week ending 7 December 2011, rainfall was mostly received in north, east and south-west Australia. For further information, go to www.bom.gov.au/climate/current/weeklyrain.shtml.

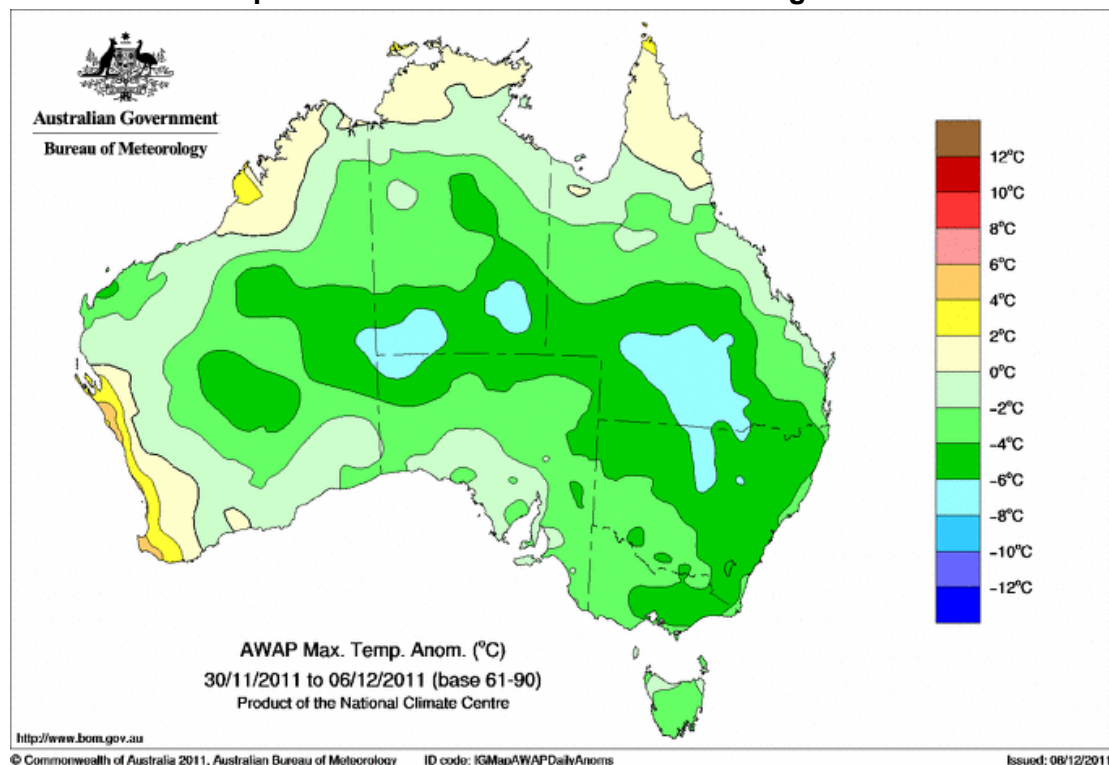
Rainfall for the week ending 7 December 2011



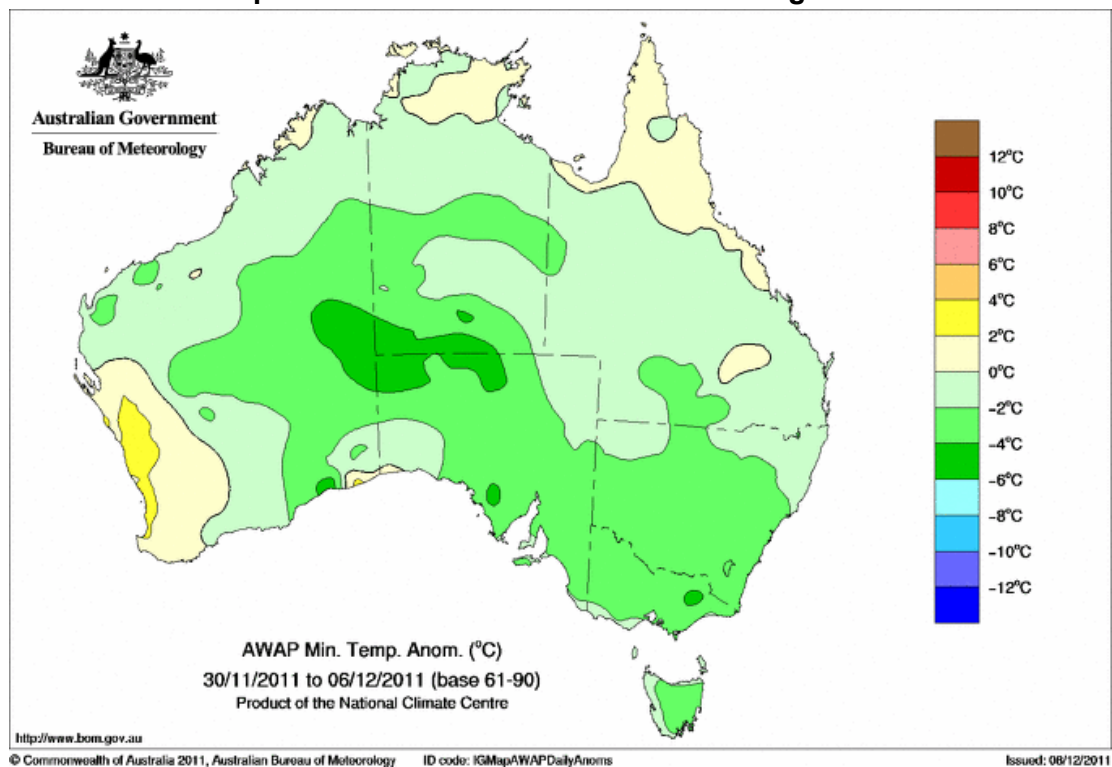
1.3. Temperature anomalies this week

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 6 December 2011

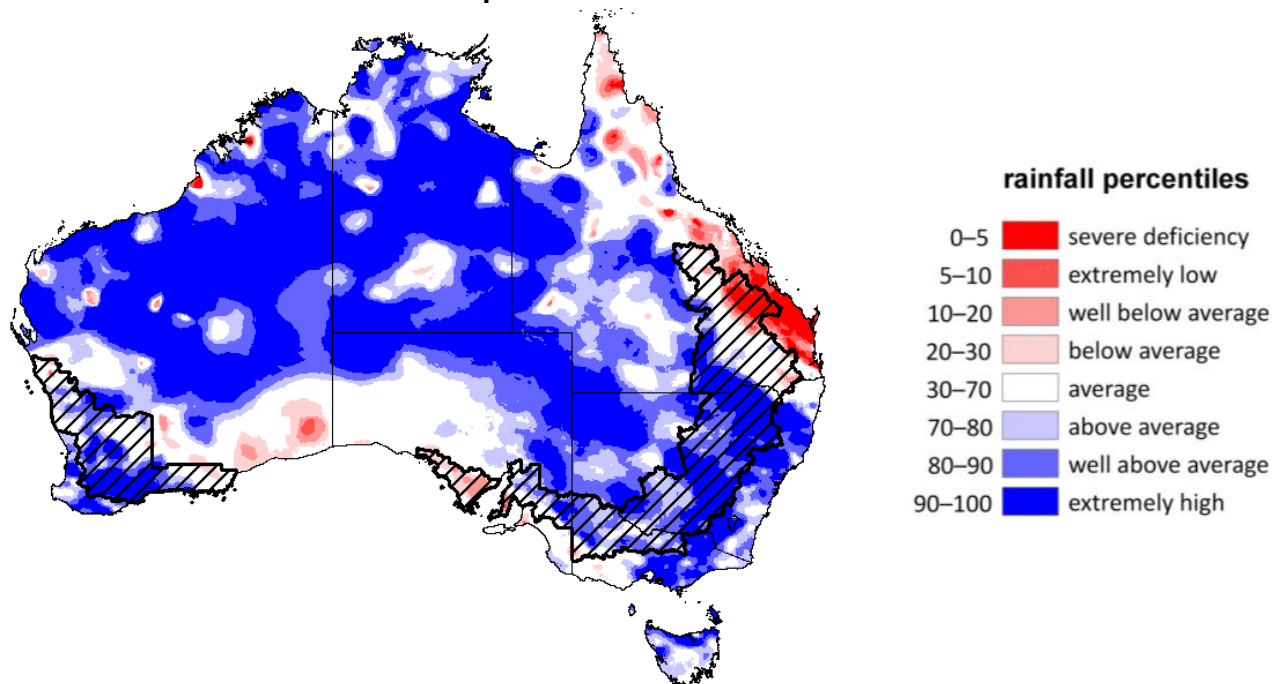


Minimum temperature anomalies for the week ending 6 December 2011



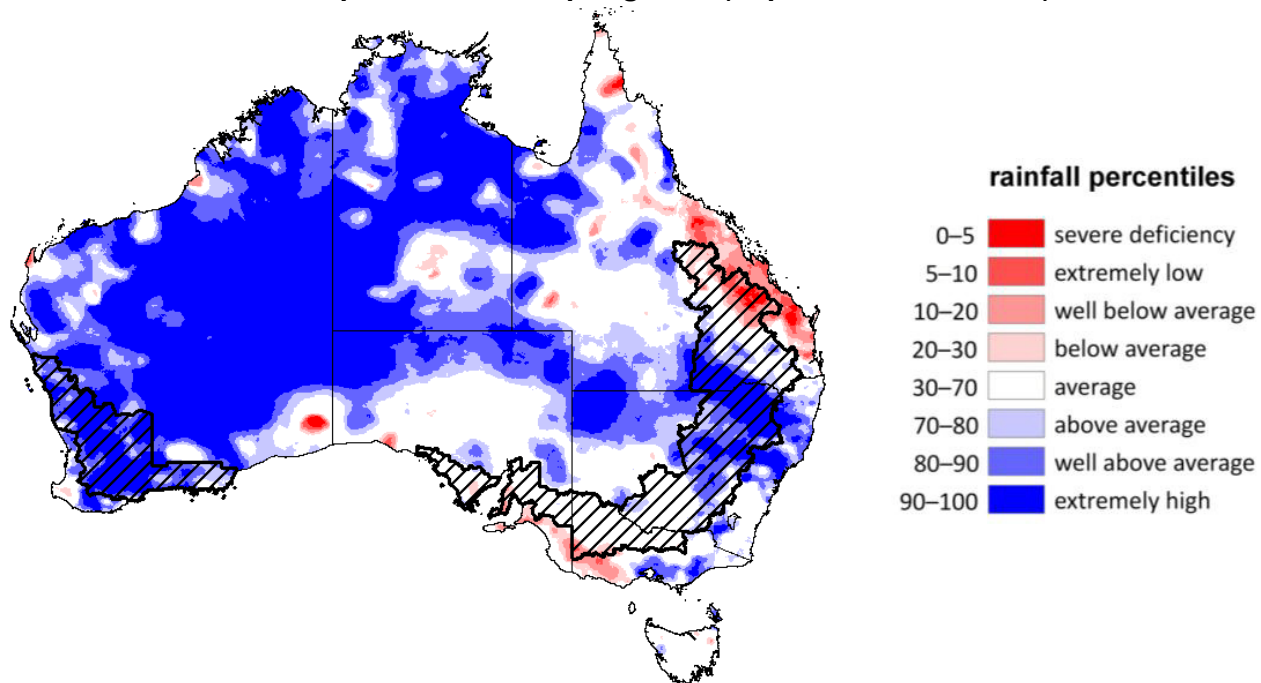
1.4. November 2011 rainfall

Rainfall percentiles for November 2011



1.5. Spring 2011 rainfall

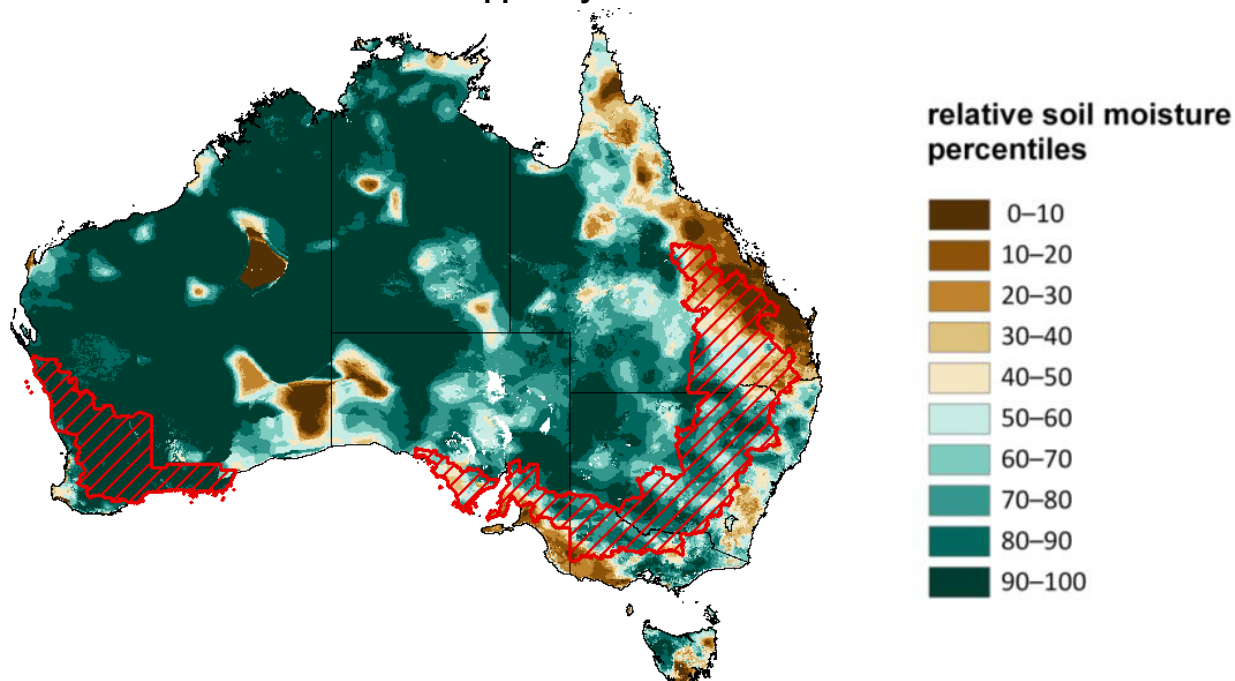
Rainfall percentiles for spring 2011 (September–November)



1.6. November 2011 relative soil moisture

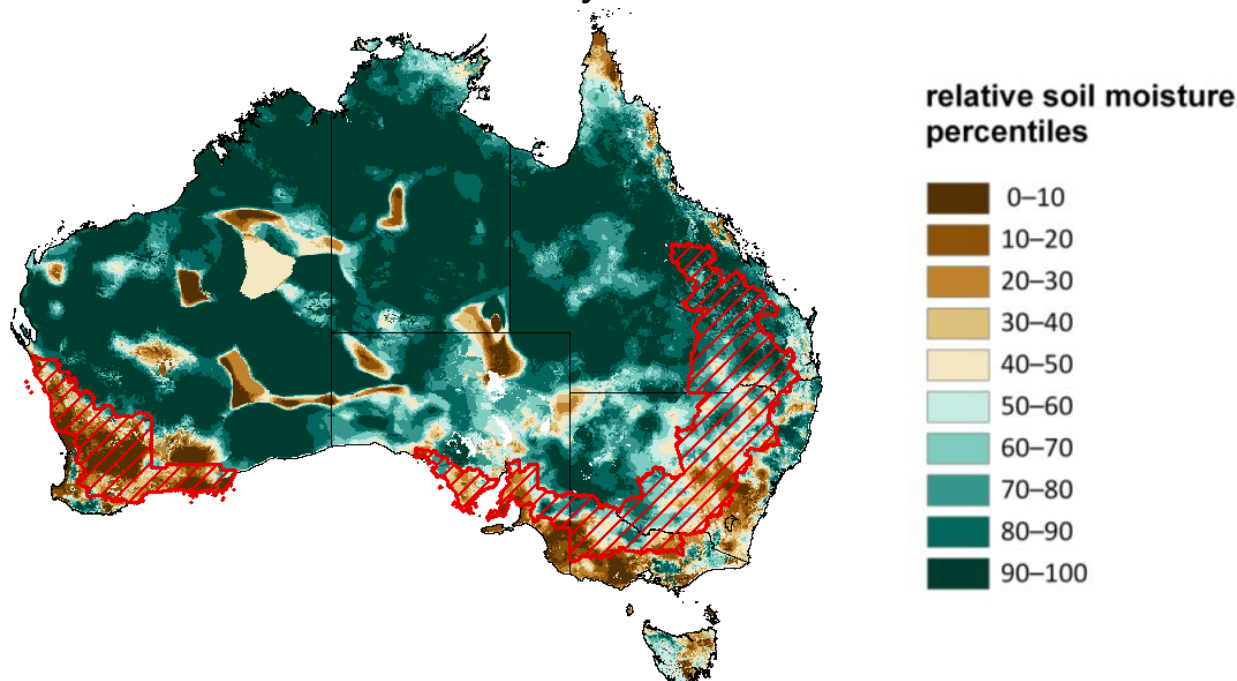
The maps show the relative levels of modelled upper (0 to ~0.2 metres) soil moisture and lower (~0.2 to ~1.5 metres) soil moisture at the end of November 2011. These maps show soil moisture estimates relative to the long-term average with respect to the reference period 1961 to 1990.

Upper layer soil moisture



The bulk of plant roots occur in the top 0.3 metres of the soil profile and soil moisture in the upper layer of the soil profile (0.2 metres) is the most appropriate indication of the availability of water, particularly for germinating plants. The lower layer soil moisture is a larger, deeper store that is slower to respond to rainfall and tends to reflect accumulated events over seasonal and longer time scales.

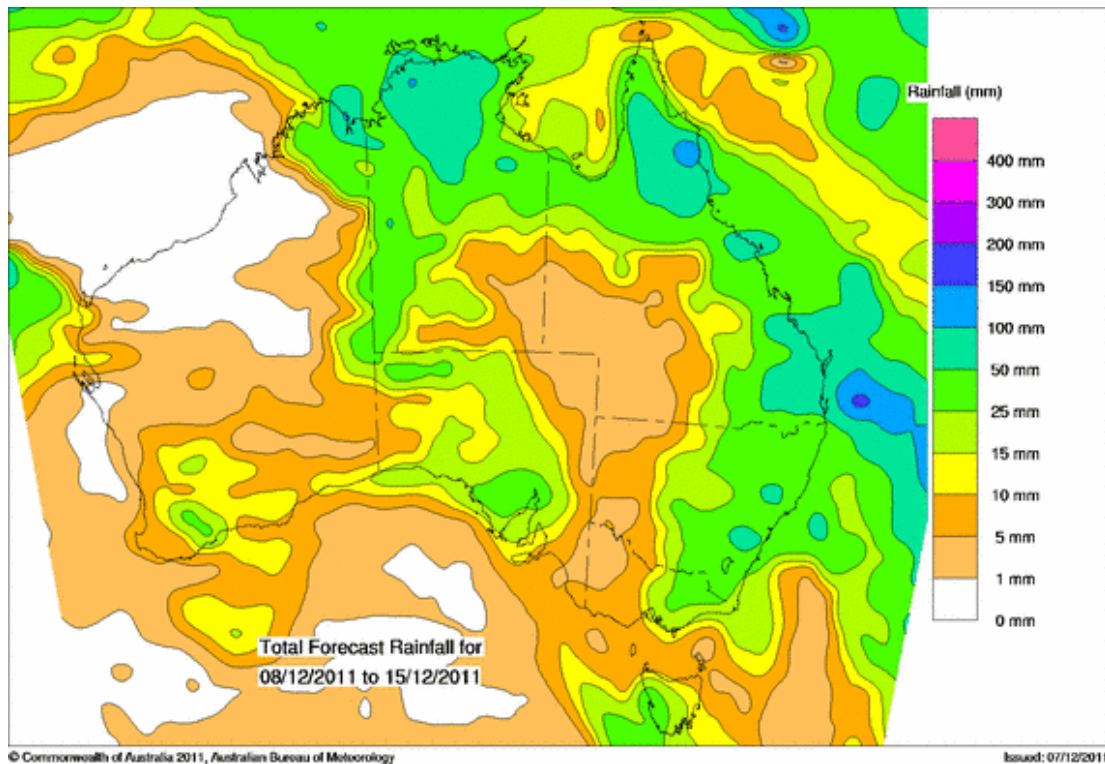
Lower layer soil moisture



1.7. 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 8 to 15 December 2011

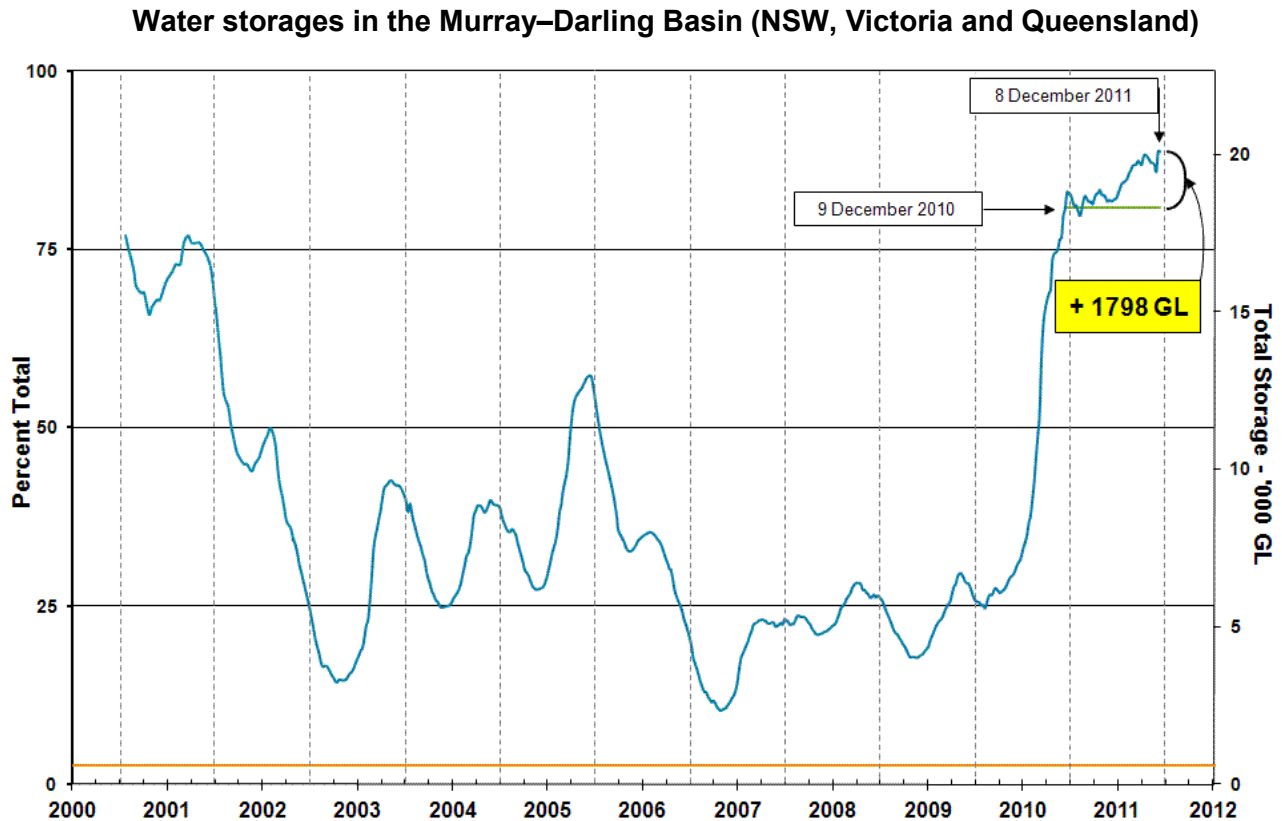


2. Water

2.1. Water availability

- Water storage levels in the Murray–Darling Basin decreased this week by 18 gigalitres (GL) to remain at approximately 89 per cent of total capacity. This is 8 percentage points or 1798 GL more than this time last year.
- General security water allocations increased this week in the New South Wales Gwydir, Peel, Lower Namoi and Macquarie and Cudgegong river valleys to 63, 100, 38 and 38 per cent of entitlement, respectively.

2.2. Water storages



Information on irrigation water available in the Murray–Darling Basin from 1 January 2001 to 8 December 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.

2.3. 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 1 December 2011 (%)	Allocations at 8 December 2011 (%)
NSW Murray Valley		
High security	100	100
General security	100*	100*
NSW Murrumbidgee Valley		
High security	100	100
General security	100*	100*
NSW Lower Darling		
High security	100	100
General security	100*	100*
NSW Macquarie Valley		
High security	100	100
General security	32*	38*
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	100	100
Victoria Murray Valley		
High reliability	100	100
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	40	40
South Australia Murray Valley		
High security	100	100

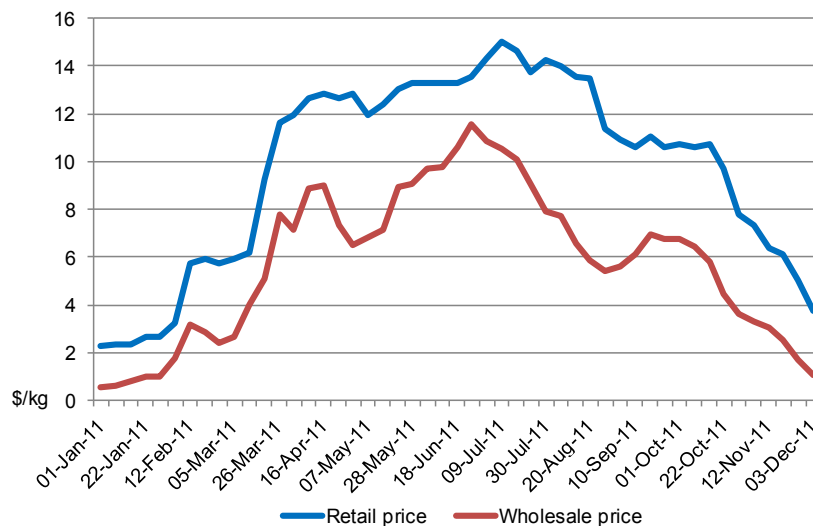
*Carryover water may also be available.

3. Commodities

3.1. Production and commodities

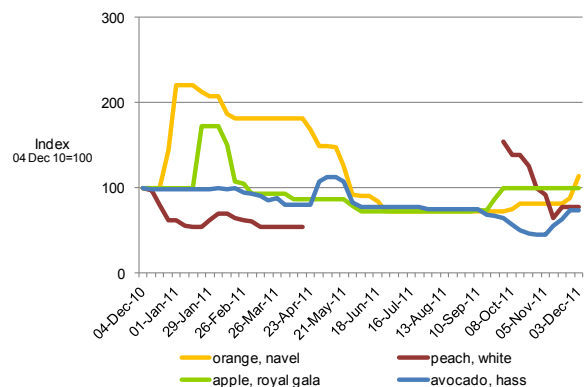
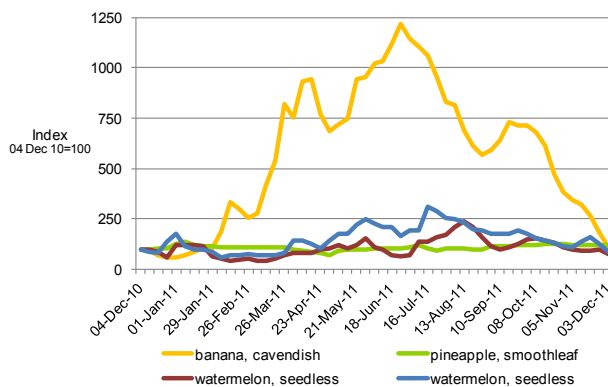
- Navel orange wholesale prices were higher in the week ending 3 December 2011, but banana and melon wholesale prices were lower. The retail price of cavendish bananas in Melbourne averaged \$3.75 a kilogram in the week ending 3 December 2011, down from a peak of \$15 a kilogram in early July 2011 (figure A).
- Bean, broccoli and cauliflower wholesale prices were higher in the week ending 3 December 2011, but onion, pumpkin and tomato prices were lower.
- The world wheat indicator price (US hard red winter, free on board Gulf ports) averaged US\$289 tonne in the week ending 6 December 2011, compared with US\$280 a tonne in the previous week.
- The world coarse grains indicator price (US no. 2 yellow corn, free on board Gulf ports) averaged US\$257 a tonne in the week ending 7 December 2011, compared with US\$261 a tonne in the previous week.
- The Australian canola indicator price (Portland, Victoria) fell by 2 per cent to AU\$475 a tonne in the week ending 5 December 2011, compared with AU\$487 a tonne in the previous week.
- The world cotton indicator price (the Cotlook 'A' index) averaged US98.8 cents a pound in the week ending 7 December 2011, compared with US99.3 cents a pound in the previous week.
- The world sugar indicator price (Intercontinental Exchange, nearby futures, no. 11 contract) averaged US23.7 cents a pound in the week ending 7 December 2011. This is US0.5 cents a pound or 1.9 per cent higher than the previous week and the first increase for seven weeks.
- The Eastern Market Indicator (EMI) price for wool increased by 1 cent in the week ending 1 December 2011, to 1193 cents a kilogram clean. The number of bales offered at auction this week was 2 per cent lower than the previous week.
- Saleyard lamb prices in the week ending 2 December 2011 increased in all reported states except Tasmania, where prices fell by 8 per cent to 505 cents a kilogram.
- Saleyard sheep prices mainly rose across Australia for the week ending 2 December 2011, except in South Australia where prices declined by 3 per cent to 273 cents a kilogram. Strong demand from processors supported a 7 per cent increase in prices in New South Wales to 379 cents a kilogram and a 6 per cent increase in Victoria to 361 cents a kilogram. In Western Australia, increased competition from processors, live exporters and restockers amid lower wether and ewe mutton availability resulted in a 5 per cent rise in prices to 415 cents a kilogram.
- Saleyard cattle price movements were generally higher in the week ending 2 December 2011. The Queensland young cattle indicator price fell 5 cents to 393 cents a kilogram. However, young cattle prices in all other states rose. Heavy steer prices rose in all states except Tasmania, while medium cow prices rose in all states.

Figure A: Retail and wholesale prices of bananas (cavendish), Melbourne

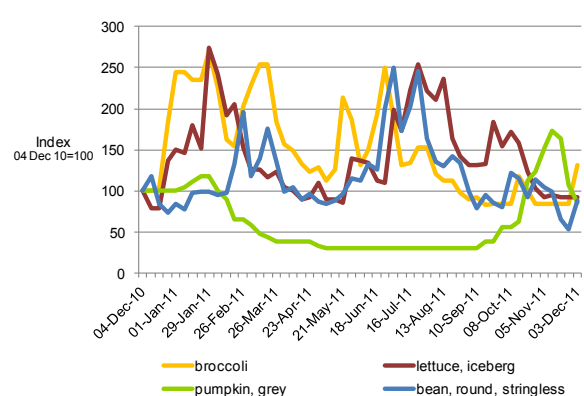
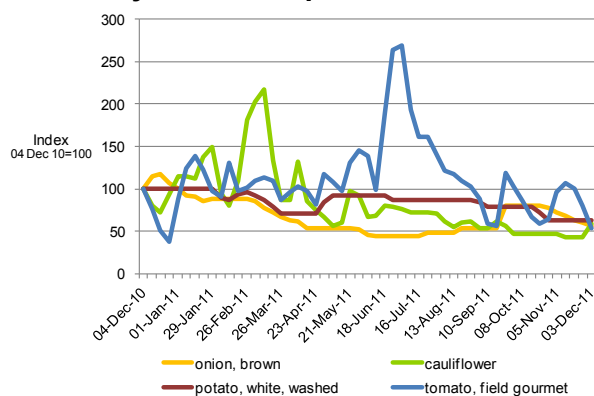


3.2. Recent movements in fruit and vegetable prices

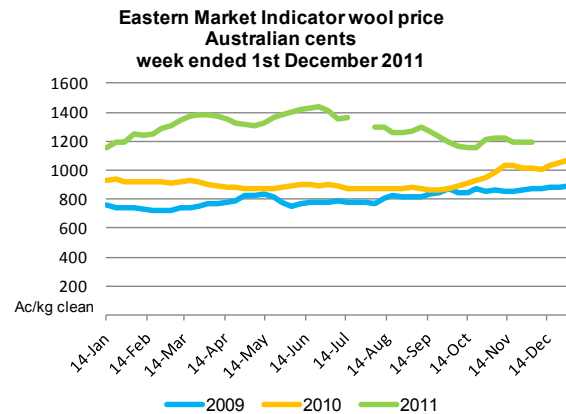
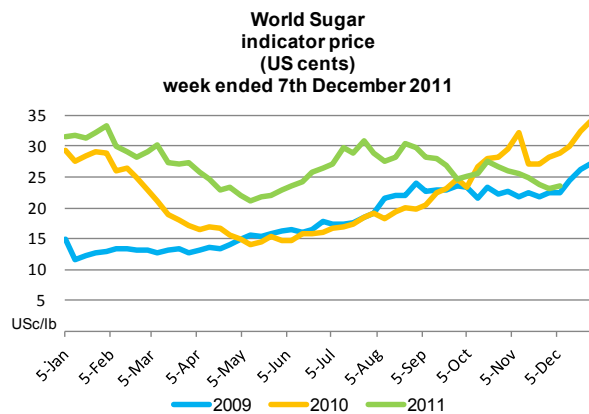
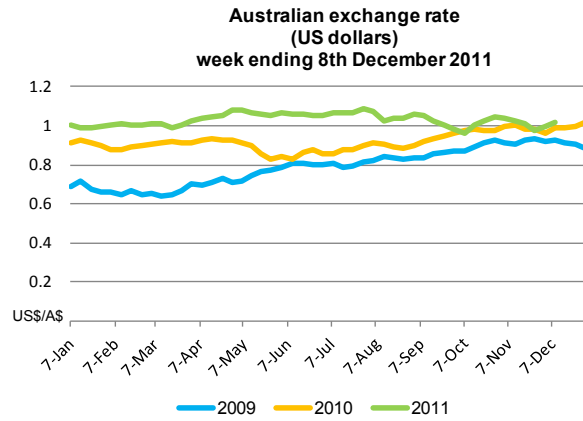
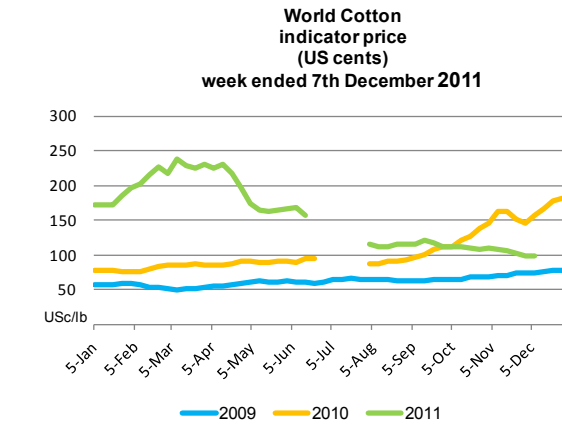
Weekly wholesale prices for selected fruit, Melbourne market



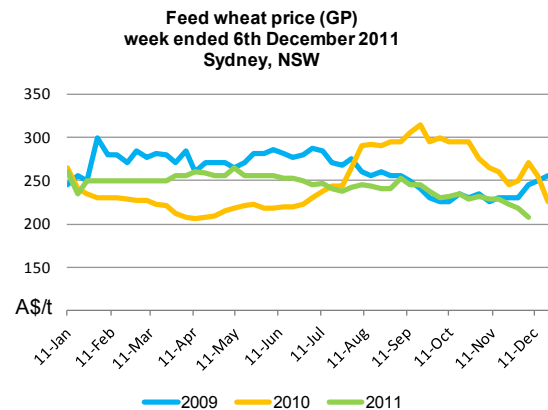
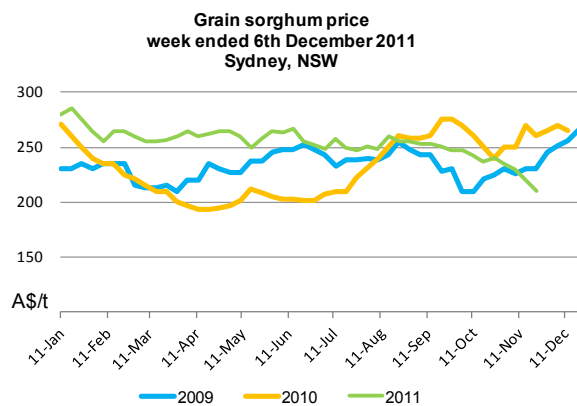
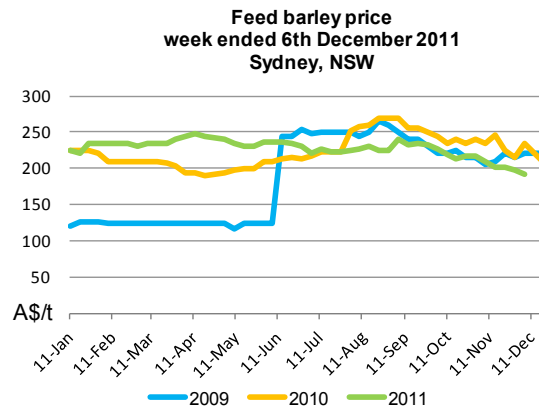
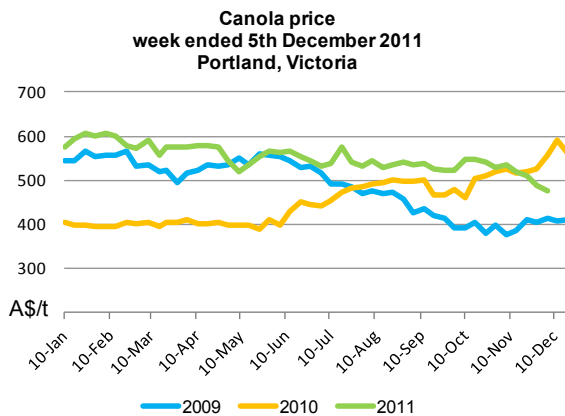
Weekly wholesale prices for selected vegetables, Melbourne market



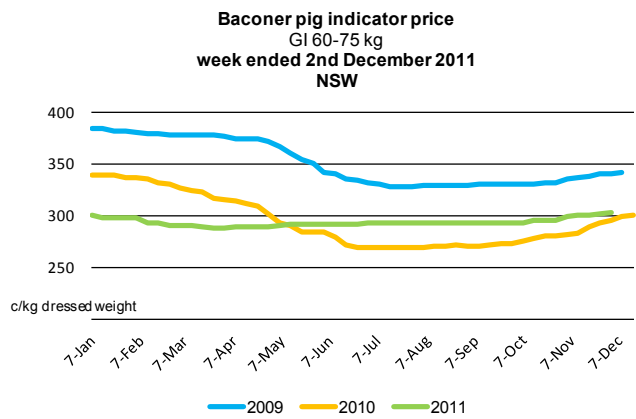
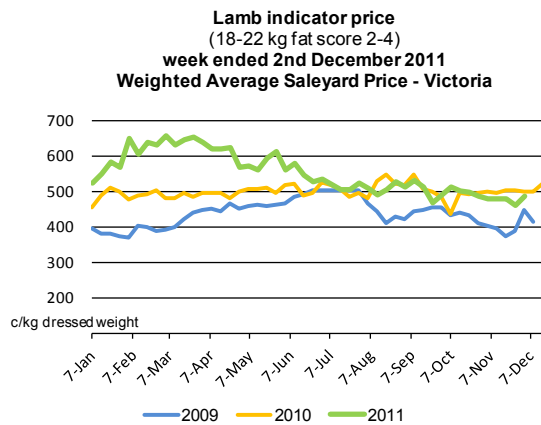
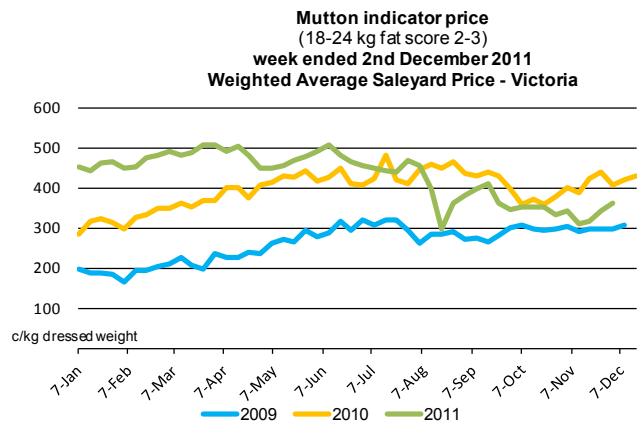
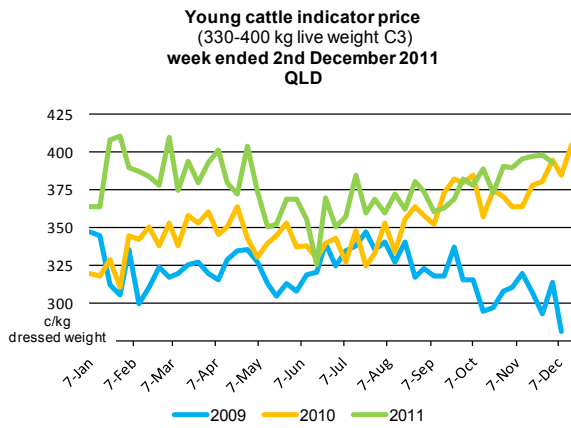
3.3. Selected world indicator prices



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