



Australian Government

Australian Bureau of Agricultural and
Resource Economics and Sciences

Weekly Australian Climate, Water and Agricultural Update

9 June 2011

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

Summary of key issues

- Victorian grain growers are expected to plant a large canola crop this season, aided by adequate soil moisture following favourable seasonal conditions.
- Farmers in New South Wales have treated large areas of crops with rodenticides to avoid further crop losses to mice.
- March to May 2011 was Australia's coldest Autumn since at least 1950 (Bureau of Meteorology Special Climate Statement 33, 1 June 2011).
- For the first time in a decade, Murray–Darling Basin irrigators in South Australia will begin the water year (starting 1 July 2011) with 100 per cent water allocation.
- Banana prices continue to rise in the week ending 4 June 2011, but most other fruit prices were lower. Most vegetable prices were also lower than the previous week.
- The world wheat indicator price (US Hard Red Winter, free on board Gulf ports) averaged US\$361 a tonne for the week ending 7 June 2011, a 3 per cent fall from the previous week.
- A suspension of live cattle exports for slaughter to Indonesia was announced on 8 June 2011.
- The Eastern Market Indicator wool price rose by 1 per cent for the week ending 3 June 2011 to 1398 cents a kilogram clean.
- Average lamb prices fell by more than 8 per cent across the eastern states for the week ending 3 June 2011, as total saleyard lamb throughput increased week on week by 11 per cent.
- Sheep prices for the week ending 3 June 2011 rose by between 1 and 3 per cent in all states except New South Wales. Sheep prices in New South Wales were 5 per cent lower.

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

www.abares.gov.au

Science and economics for decision-makers

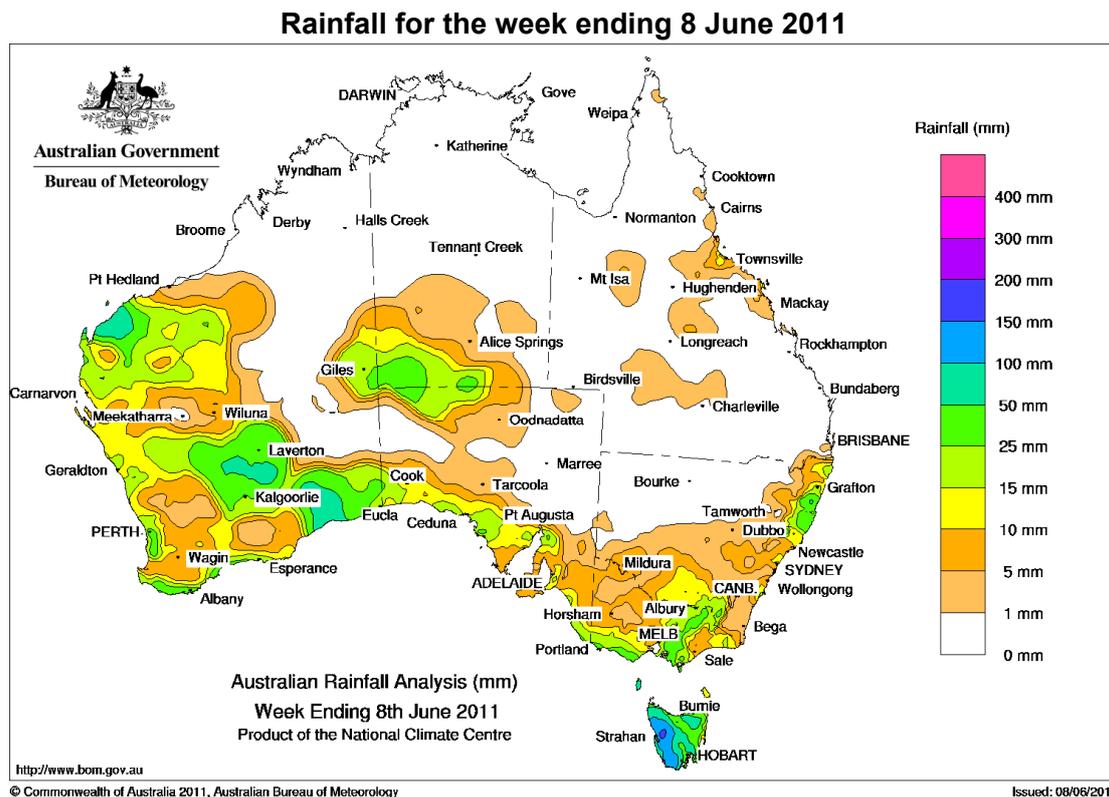
1. Climate

1.1. Notable events

- For the week ending 8 June 2011, rainfall was mostly recorded across southern Australia. The highest measured total for the week was 180.4 millimetres at Lake Margaret in Tasmania.
- Victorian grain growers are expected to plant a large canola crop this season, aided by adequate soil moisture following favourable seasonal conditions.
- Farmers in Central West, Riverina, Hume, Western and Lachlan regions of New South Wales have treated large areas of crops with rodenticides to avoid further crop losses to mice. There are reports that some producers had to re-sow paddocks.
- Rain, disease and high humidity levels have reportedly reduced this year's Australian dried fruit harvest by half.
- March to May 2011 was Australia's coldest Autumn since at least 1950. The cooler conditions have been largely caused by the strong 2010–11 La Niña event which brought heavy rainfall and cooler daytime temperatures (Bureau of Meteorology Special Climate Statement 33, 1 June 2011).

1.2. Rainfall this week

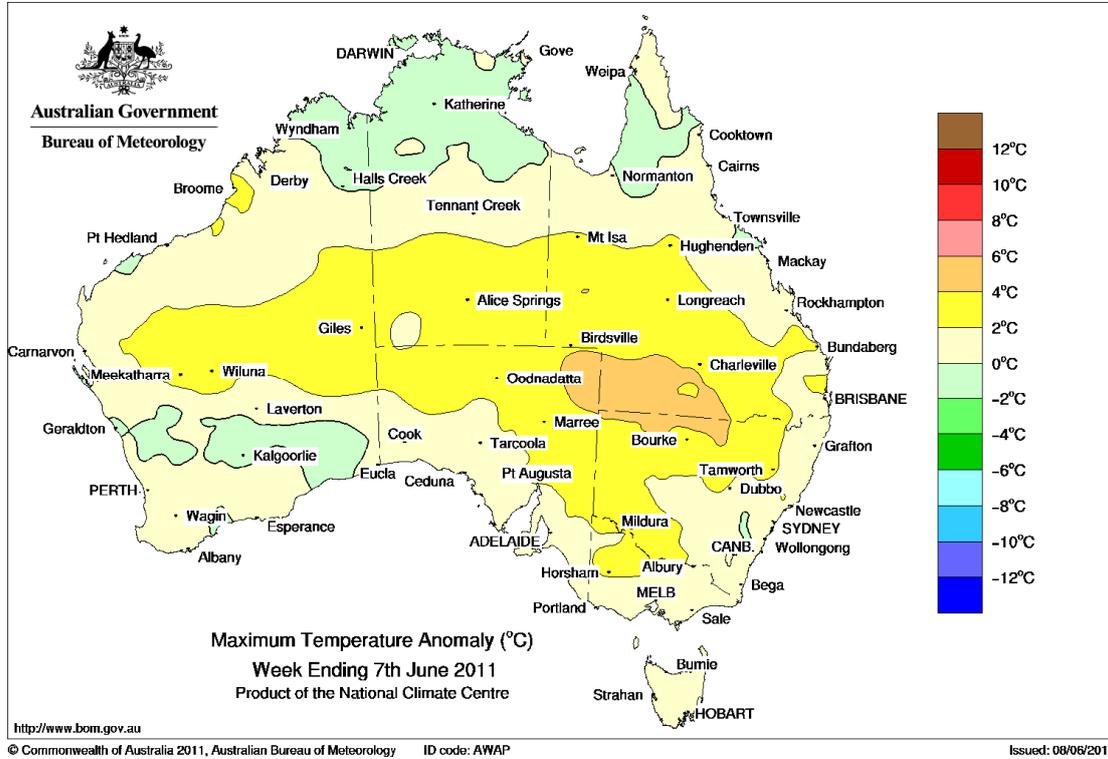
For the week ending 8 June 2011, rainfall was mostly received across parts of southern Australia. For further information, go to www.bom.gov.au/climate/current/weeklyrain.shtml.



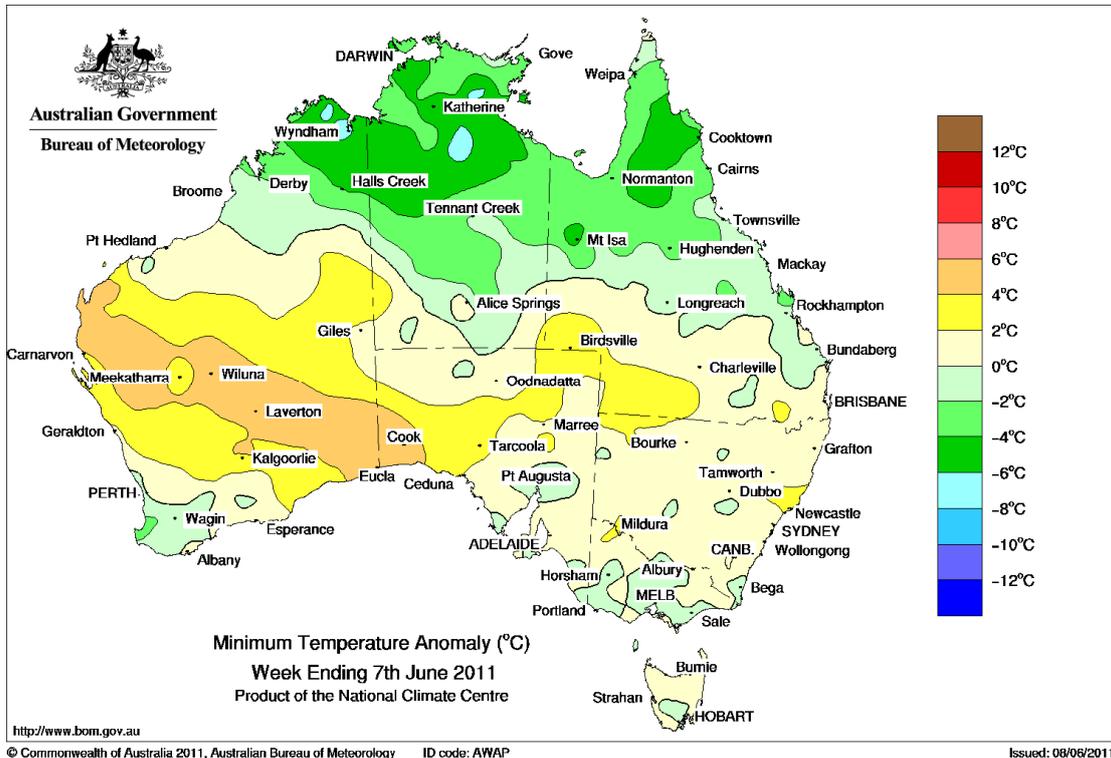
1.3. Temperature anomalies this week

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 7 June 2011



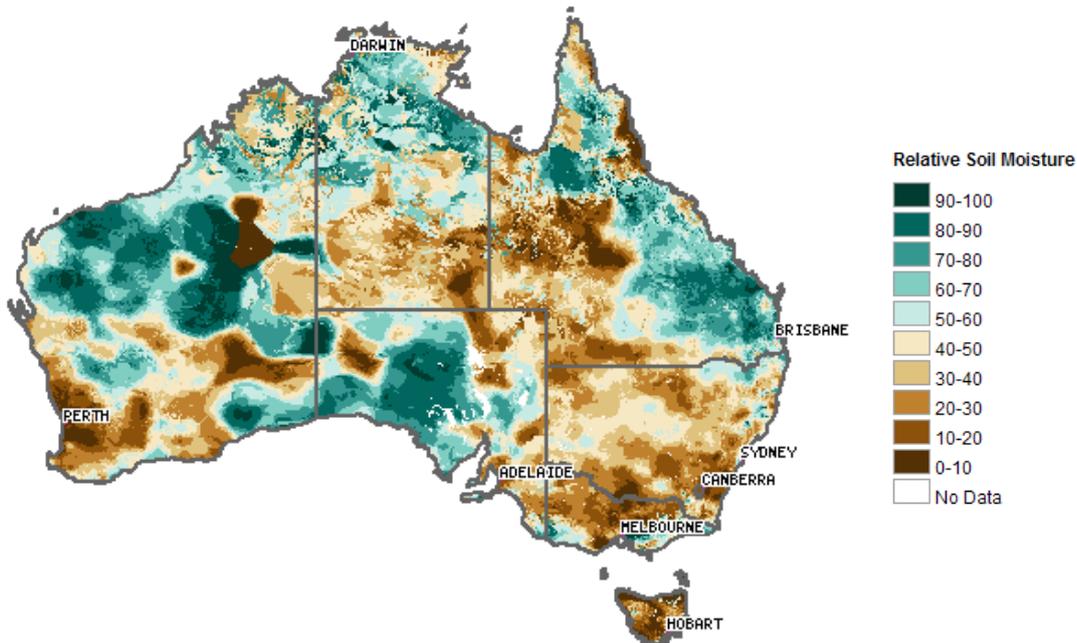
Minimum temperature anomalies for the week ending 7 June 2011



1.4. Relative soil moisture – May 2011

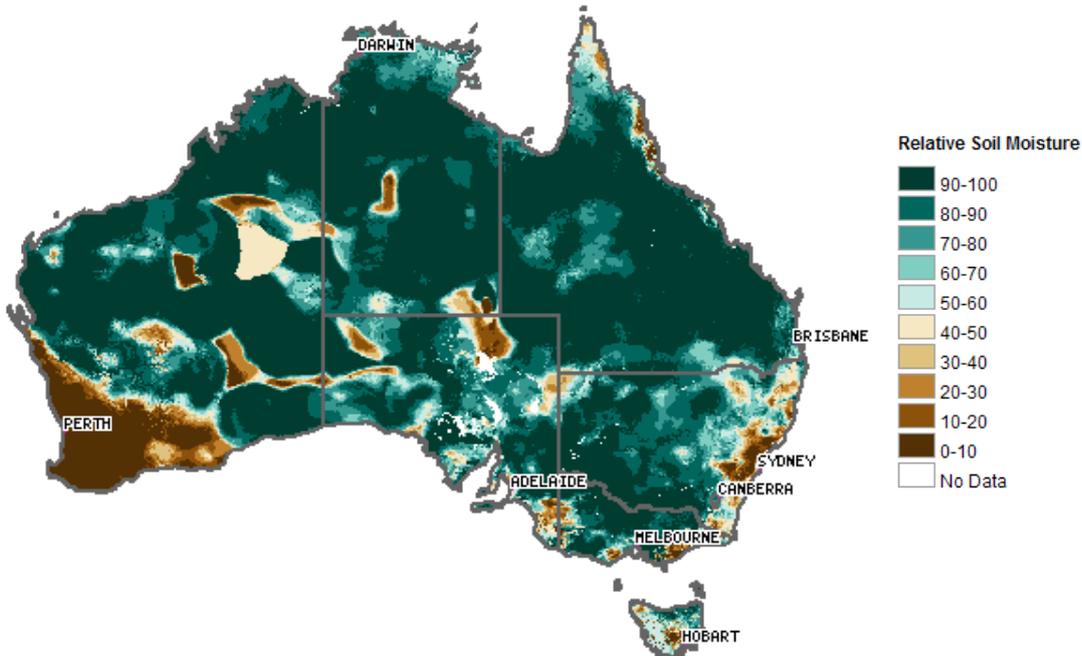
The maps show the relative levels of modelled upper (0 to ~0.2 metres) soil moisture and lower (~0.2 to ~1.5 metres) soil moisture at the end of May 2011. These maps show soil moisture estimates relative to the long-term average with respect to the reference period 1961 to 1990.

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.

Lower layer soil moisture

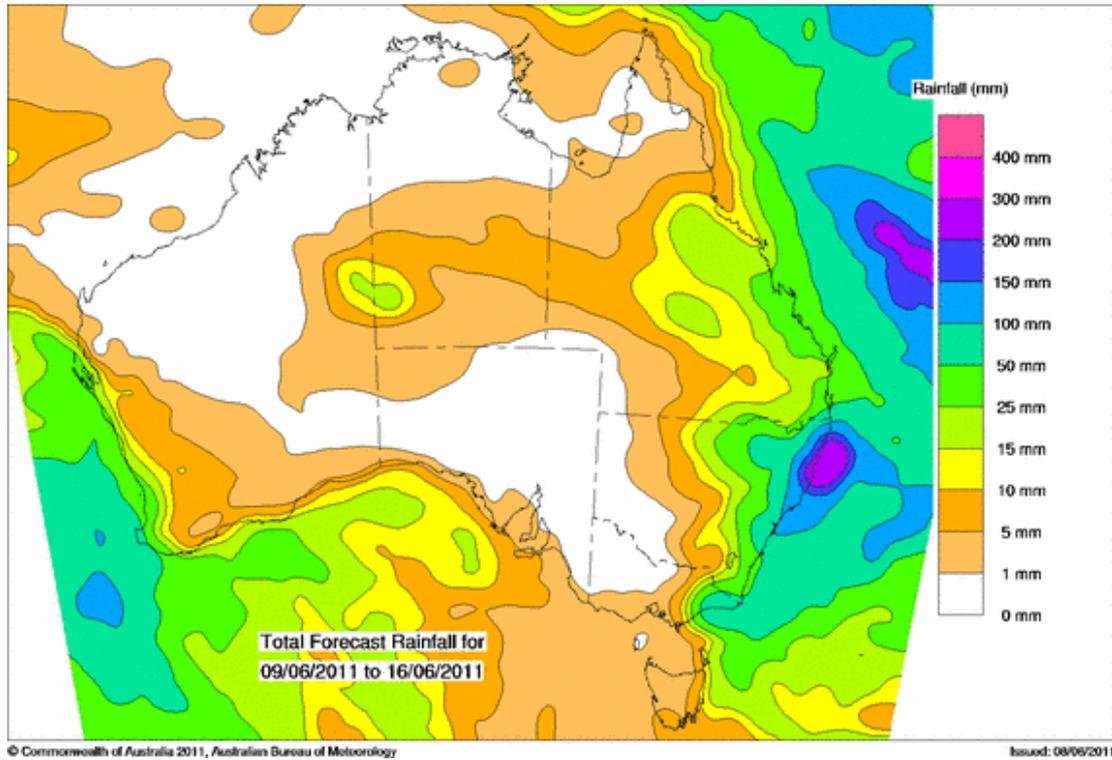


The lower layer soil moisture is a larger, deeper store that is slower to respond to rainfall and tends to reflect accumulated events over seasonal and longer time scales.

1.5. 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 9–16 June 2011



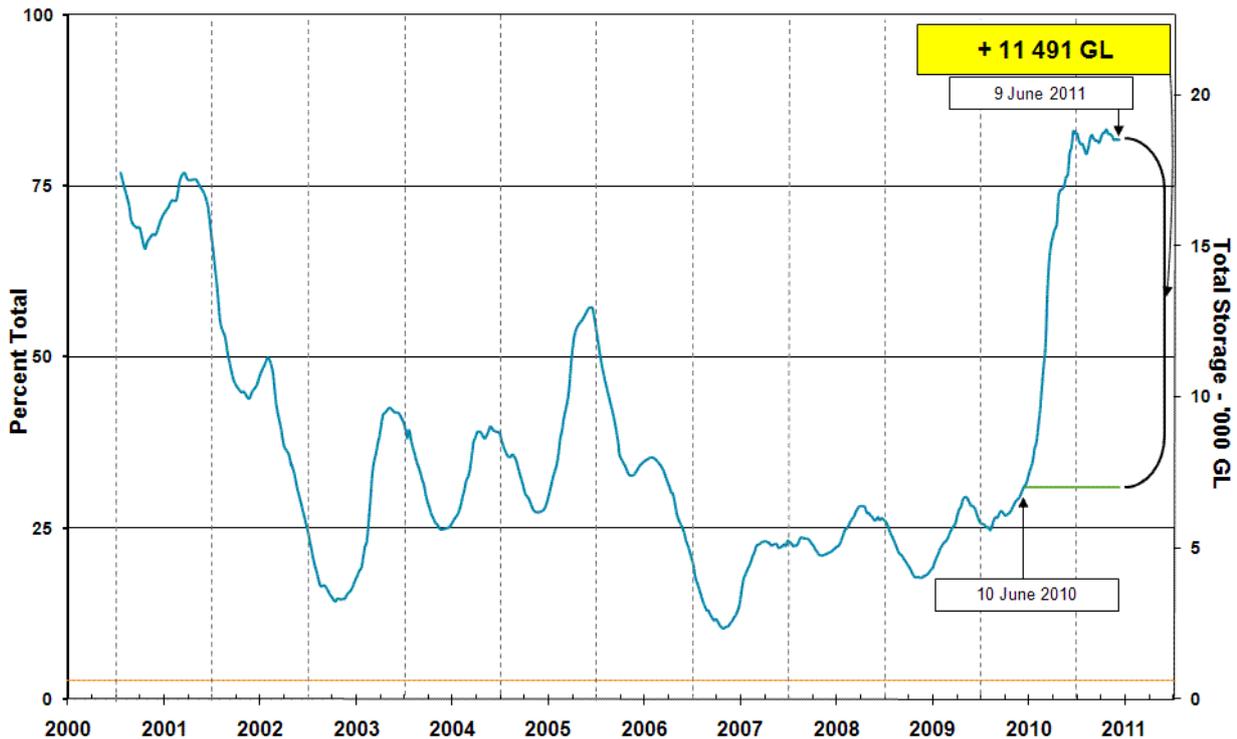
2. Water

2.1. Water availability and trading

- Water storage levels in the Murray–Darling Basin (MDB) increased this week by 3 gigalitres (GL) and remained at approximately 82 per cent of total capacity. This is 51 percentage points or 11 491 GL more than this time last year.
- For the first time in a decade, MDB irrigators in South Australia will begin the water year (starting 1 July 2011) with 100 per cent water allocation.
- 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 9 June 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

- The average price of cavendish bananas increased to \$126 a carton in the week ending 4 June 2011, which is still below the peak of \$143 a carton reached in the aftermath of Cyclone Larry in 2006 (Figure A). Most other fruit prices were lower, with the exception of pineapples. New season rockmelons are becoming available from the Ord River Irrigation Area of northern Australia.
- Compared with the previous week, most vegetable prices were lower in the week ending 4 June 2011. Compared with the same time a year ago, prices were higher for beetroot, carrots, cucumbers, lettuces and zucchinis, but lower for broccoli, cauliflower, garlic, sweet corn, sweet potato and tomatoes (Figure B).
- The world wheat indicator price (US Hard Red Winter, free on board Gulf ports) averaged US\$361 a tonne for the week ending 7 June 2011, a 3 per cent fall from the previous week.
- The world coarse grains price (US Corn, free on board Gulf ports) averaged US\$321 a tonne in the week ending 8 June 2011, largely unchanged from the previous week.
- Australian production of skim milk powder and whole milk powder increased by 21 per cent and 24 per cent, respectively, for the ten months ending April 2011 compared with the same period in 2010. Production of cheese was down 7 per cent over this same period while butter production declined by 3 per cent.
- A suspension of live cattle exports for slaughter to Indonesia was announced on 8 June.
- The Eastern Market Indicator wool price rose by 1 per cent for the week ending 3 June 2011 to 1398 cents a kilogram clean. The number of bales offered at auction increased by 6 per cent compared with the previous week, when offerings reached the lowest level for the 2010–11 season to date.
- Average lamb prices fell by more than 8 per cent across the eastern states for the week ending 3 June 2011, as total saleyard lamb throughput increased week on week by 11 per cent.
- Sheep prices for the week ending 3 June 2011 rose by between 1 per cent and 3 per cent in all states except New South Wales.

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

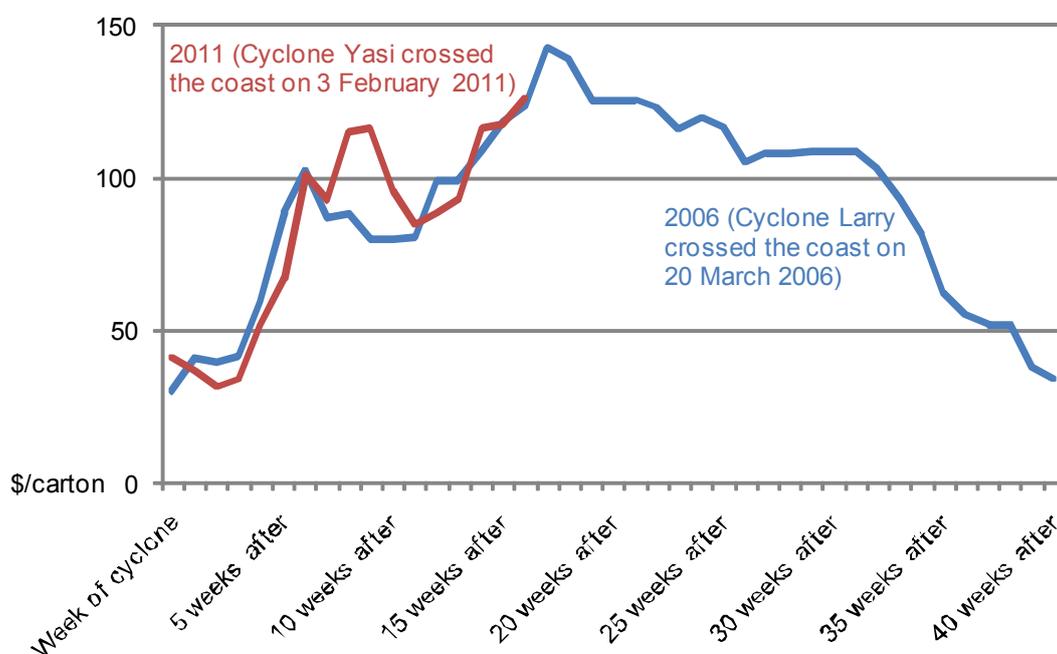
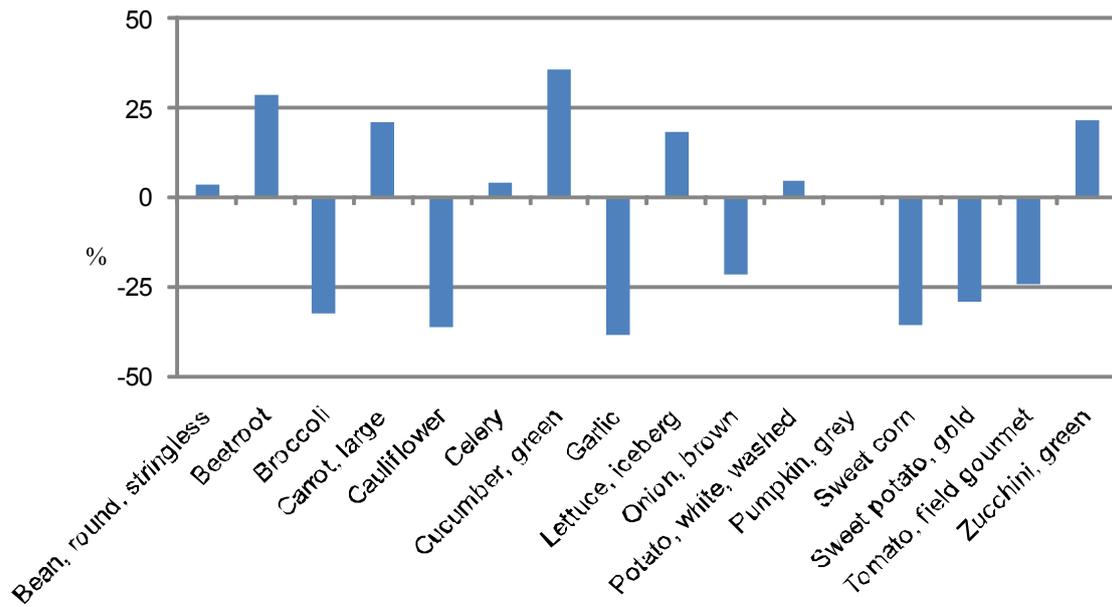
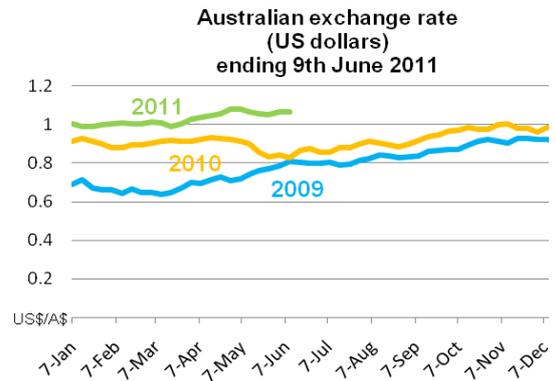
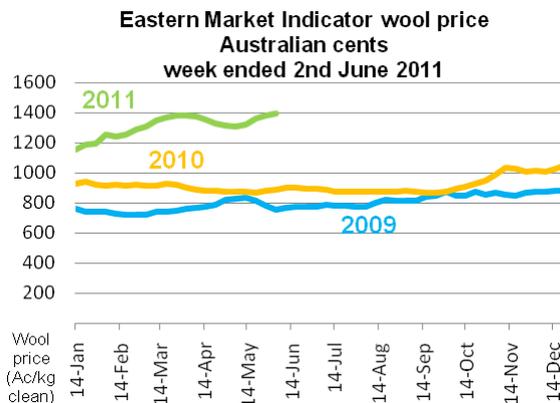
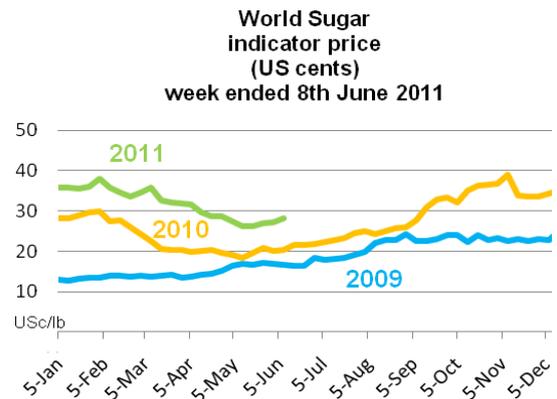
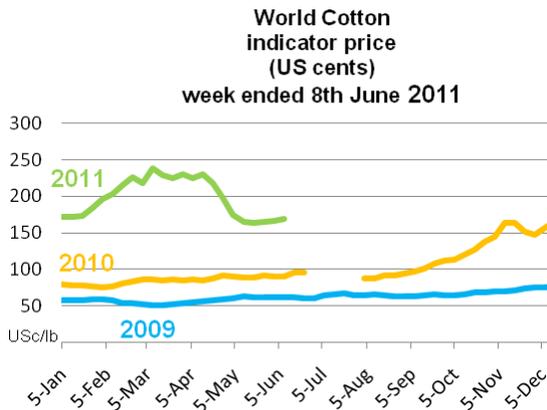


Figure B: Year-on-year changes in vegetable prices, 4 June 2011

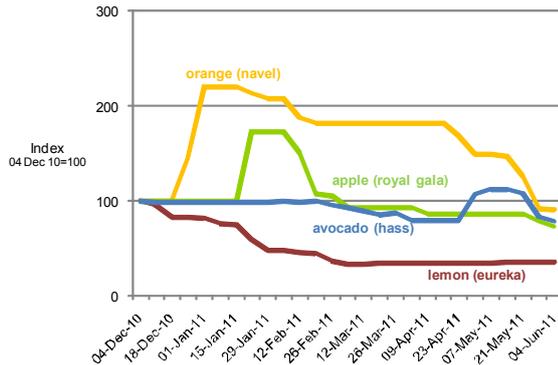
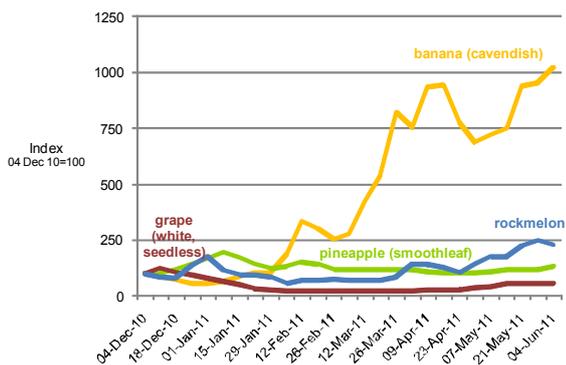


3.2. Selected world indicator prices

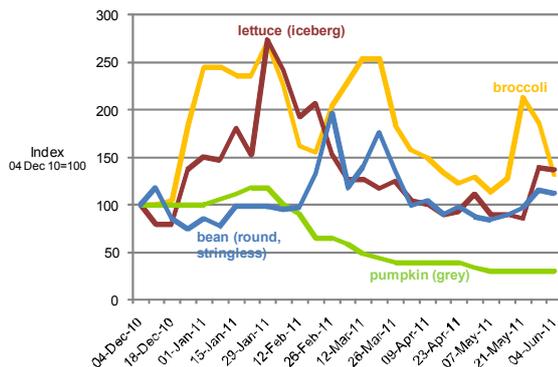
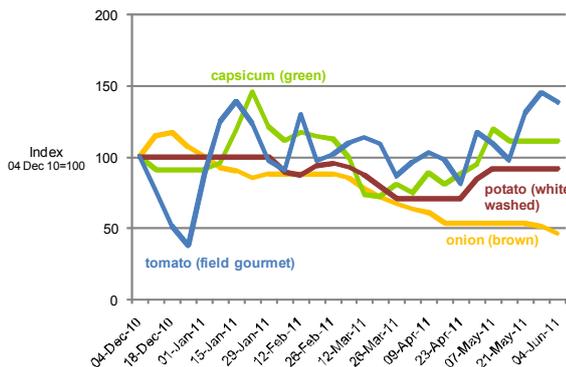


3.3. Recent movements in fruit and vegetable prices

Weekly wholesale prices for selected fruit, Melbourne market

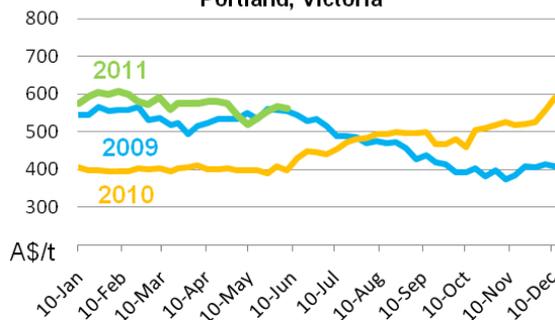


Weekly wholesale prices for selected vegetables, Melbourne market

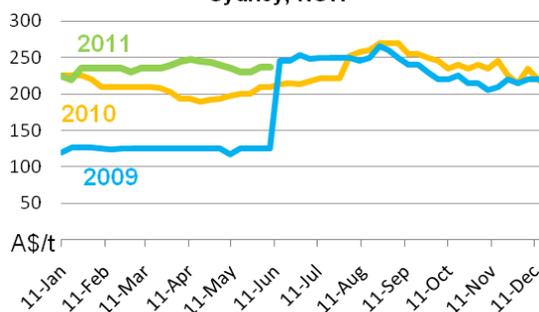


3.4. Crop indicator prices

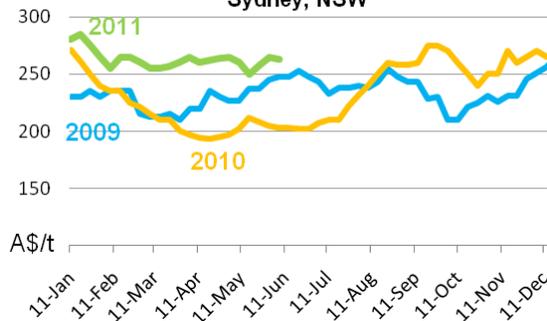
Canola price
week ended 6th June 2011
Portland, Victoria



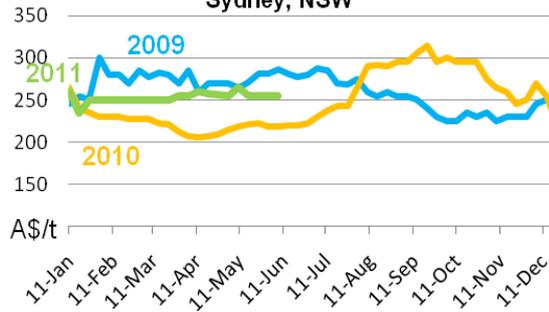
Feed barley price
week ended 7th June 2011
Sydney, NSW



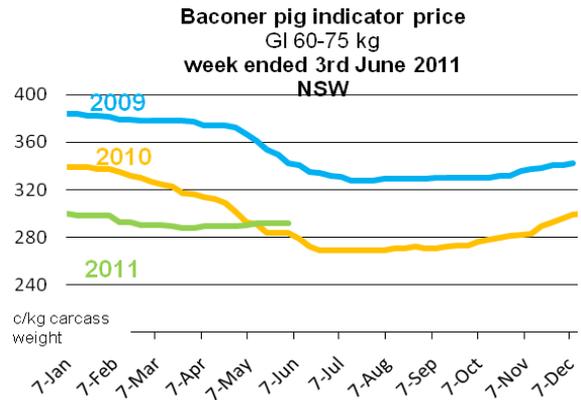
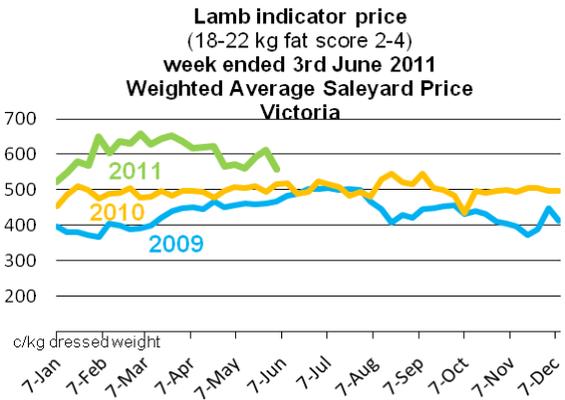
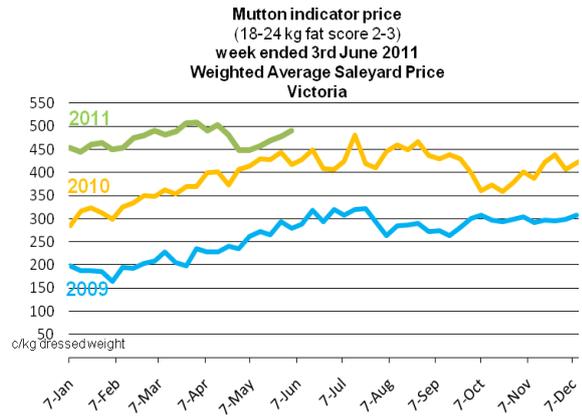
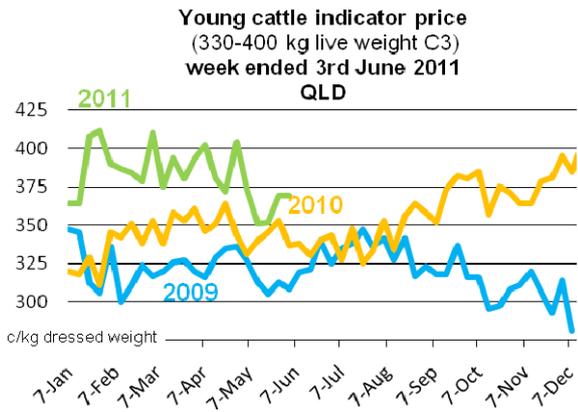
Grain sorghum price
week ended 7th June 2011
Sydney, NSW



Feed wheat price (GP)
week ended 7th June 2011
Sydney, NSW



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