



Australian Government

Australian Bureau of Agricultural and
Resource Economics and Sciences

Weekly Australian Climate, Water and Agricultural Update

26 May 2011

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

Summary of key issues

- Winter cropping regions across southern Australia received widespread rainfall this week, which will assist sowing, germination and establishment of crops.
- Wetter than normal conditions are forecast for north-eastern Australia during winter 2011, whilst drier than normal conditions are forecast in south-west Western Australia. (Bureau of Meteorology June to August 2011 Seasonal Rainfall and Temperature Outlooks).
- Water storage levels in the Murray–Darling Basin (MDB) increased this week by 35 gigalitres and remained at approximately 82 per cent of total capacity.
- Saleyard lamb prices for the week ending 20 May 2011 rose significantly in all states except Tasmania. Improved pasture availability has encouraged restocking activity, resulting in lower saleyard throughput and higher prices.
- The Eastern Market Indicator price for wool rose by 3 per cent to 1364 cents a kilogram clean in the week ending 20 May 2011. The price rise was led by wools in the 19 to 21 micron range. The number of bales sold was 2 per cent higher than the previous week, at 34 792 bales.
- The world wheat indicator price (US hard red winter, free on board Gulf ports) averaged US\$373 a tonne in the week ending 24 May 2011, a 6 per cent rise from the previous week.
- The world cotton indicator price (the Cotlook 'A' index) remained around US165c a pound in the week ending 25 May 2011, after declining sharply in recent months in anticipation of much larger world cotton production in 2011.
- Revised estimates from Japan's Ministry of Agriculture, Forestry and Fisheries indicate that the earthquakes and tsunami in March 2011 have caused losses of A\$136 million for crop and livestock production and A\$445 million for agricultural and livestock facilities. Damage to agricultural land is now estimated at around A\$5 billion and damage to agricultural infrastructure is estimated at around A\$4 billion (see <http://www.maff.go.jp/j/press/keiei/saigai/110525.html>).
- According to the Ministry of Finance (preliminary data), Japan's imports of foodstuffs in April 2011 increased year on year by 16 per cent to around A\$6 billion. The biggest increase (in value terms) was for cereals, which rose 37 per cent year on year. Imports of meat products also increased by 8 per cent year on year.

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

www.abares.gov.au

Science and economics for decision-makers

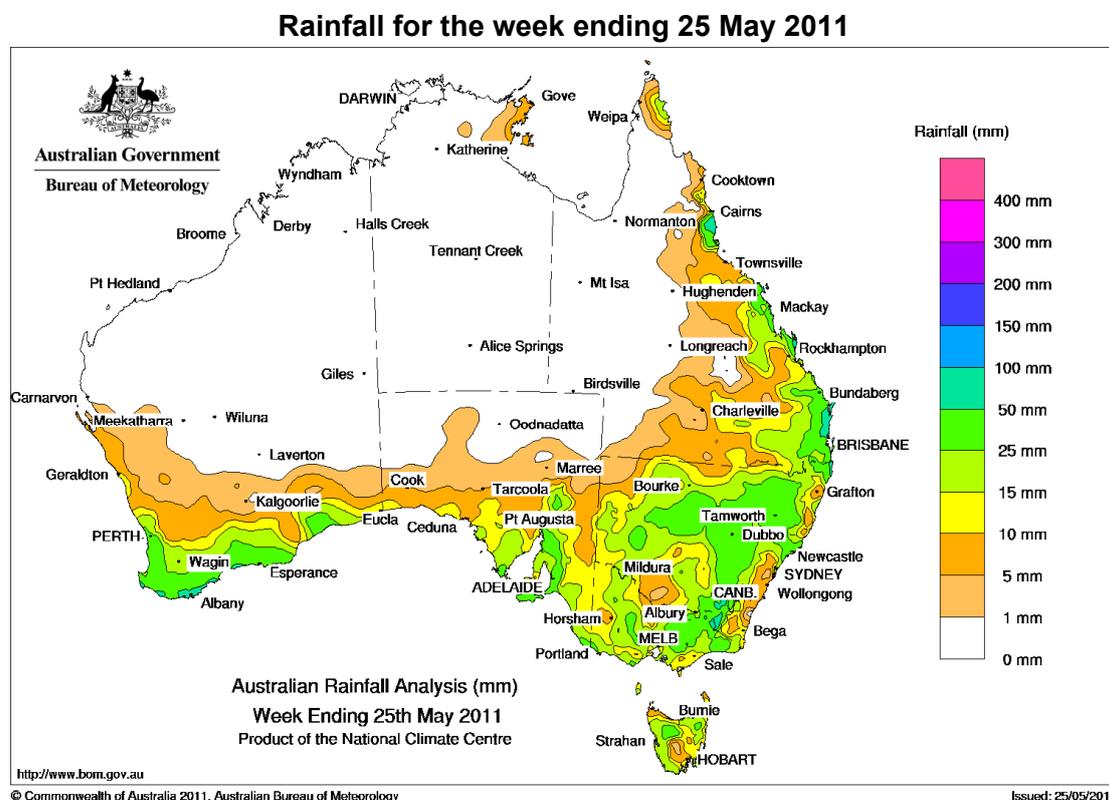
1. Climate

1.1 Notable events

- For the week ending 25 May 2011, rainfall was mostly recorded across southern and eastern Australia. The highest measured total for the week was 115 millimetres at Newcastle in New South Wales.
- Winter cropping regions across southern Australia received between 10 and 25 millimetres of rainfall this week, which will assist sowing, germination and establishment of crops. Rainfall in south-west Western Australia has slightly eased rainfall deficiencies in this area and may assist cropping.
- Mice have reportedly caused significant damage to early sown canola, barley and lupin crops in southern regions. Some resowing has reportedly been undertaken in parts of New South Wales.
- Drier conditions through late April and early May have aided harvest of later sown summer crops in New South Wales.
- The 2010–11 La Niña event has ended, with climate indicators of the El Niño Southern Oscillation returning to average levels (Bureau of Meteorology ENSO 'Wrap-Up', 25 May 2011).
- Wetter than normal conditions are forecast for northern New South Wales and eastern Queensland during winter 2011, whilst drier than normal conditions are forecast in south-west Western Australia (Bureau of Meteorology June to August 2011 Seasonal Rainfall Outlook).
- Maximum temperatures are likely to be warmer than average across much of southern Australia during winter 2011. For the rest of the country, the chances of exceeding or not exceeding the maximum median temperatures are about the same. Minimum temperatures during winter 2011 are likely to be warmer than average in southern Australia excluding Tasmania during winter 2011 (Bureau of Meteorology June to August 2011 Seasonal Temperature Outlook).

1.2 Rainfall this week

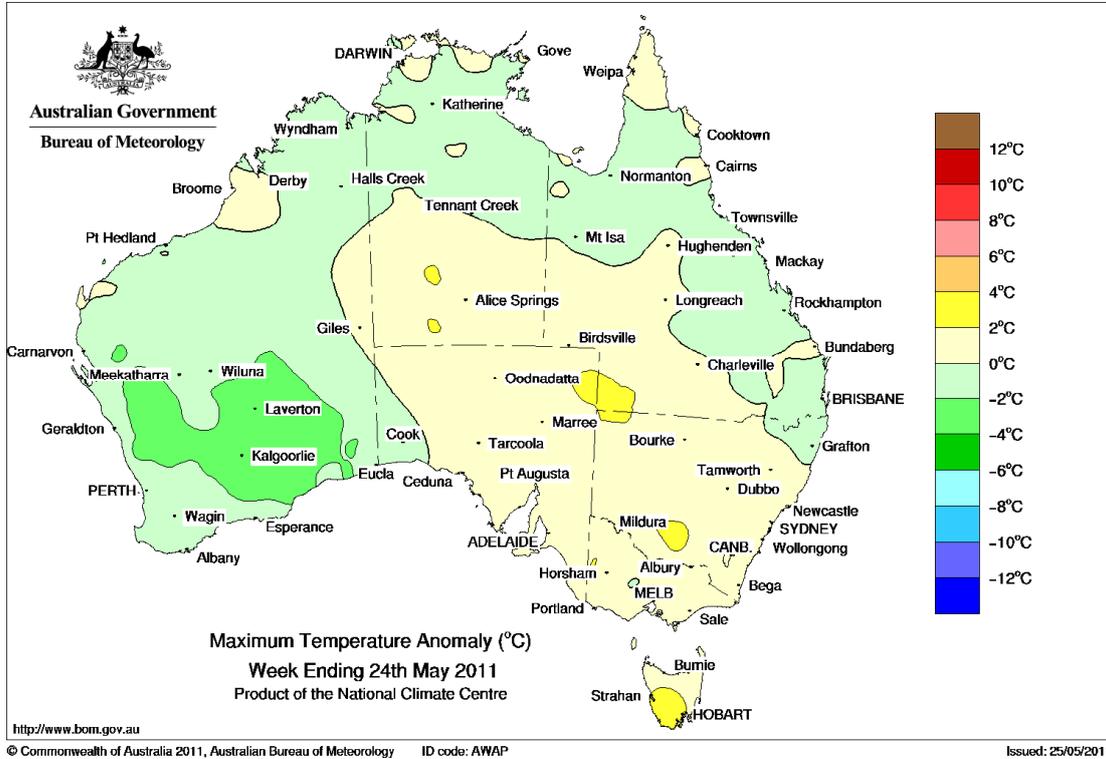
For the week ending 25 May 2011, rainfall was mostly received in southern and eastern Australia. For further information, go to www.bom.gov.au/climate/current/weeklyrain.shtml.



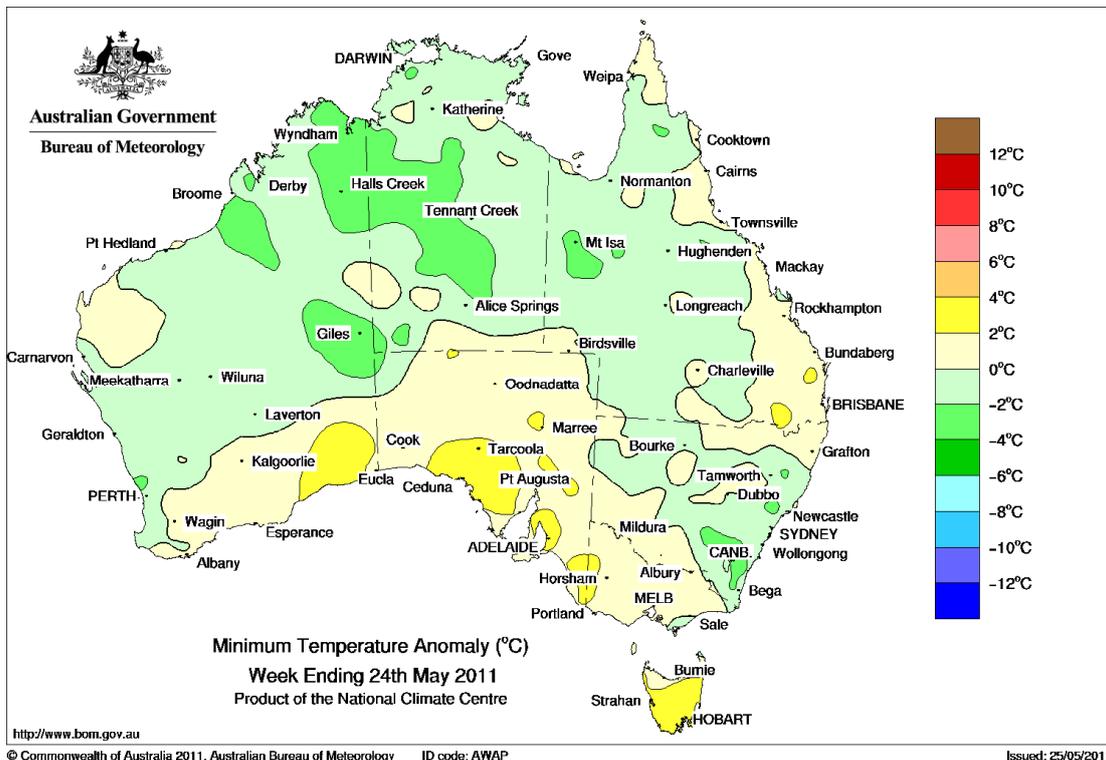
1.3 Temperature anomalies this week

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 24 May 2011



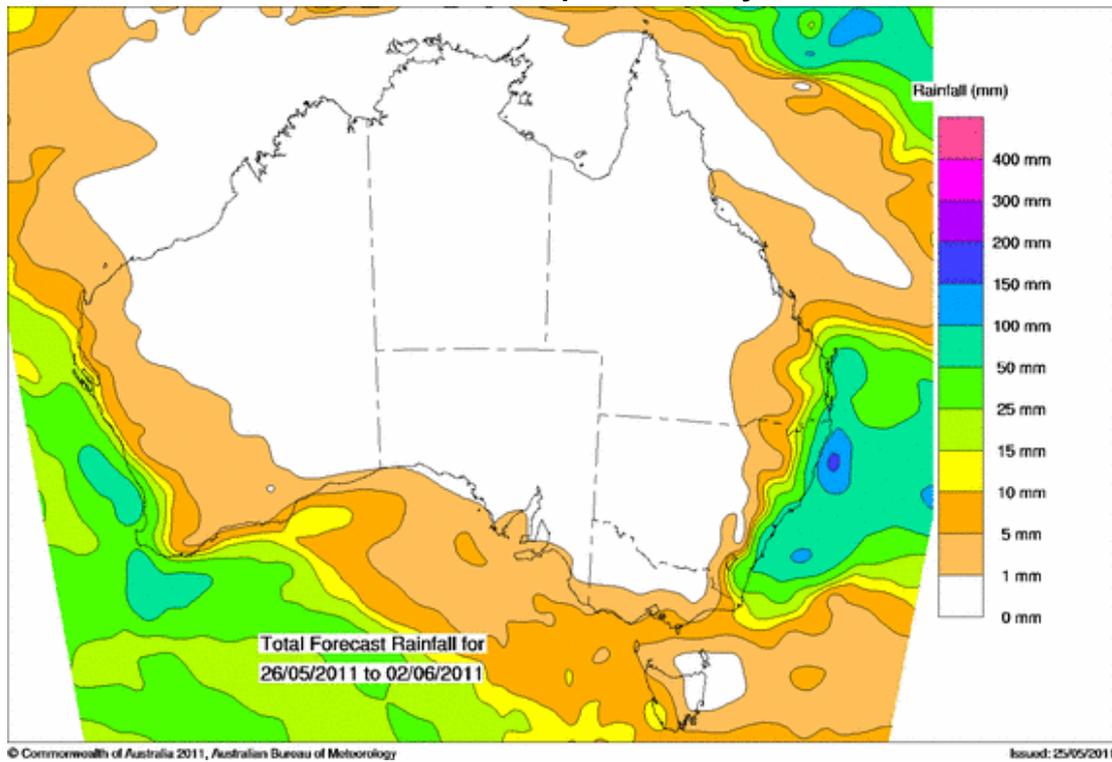
Minimum temperature anomalies for the week ending 24 May 2011



1.4 Rainfall outlook

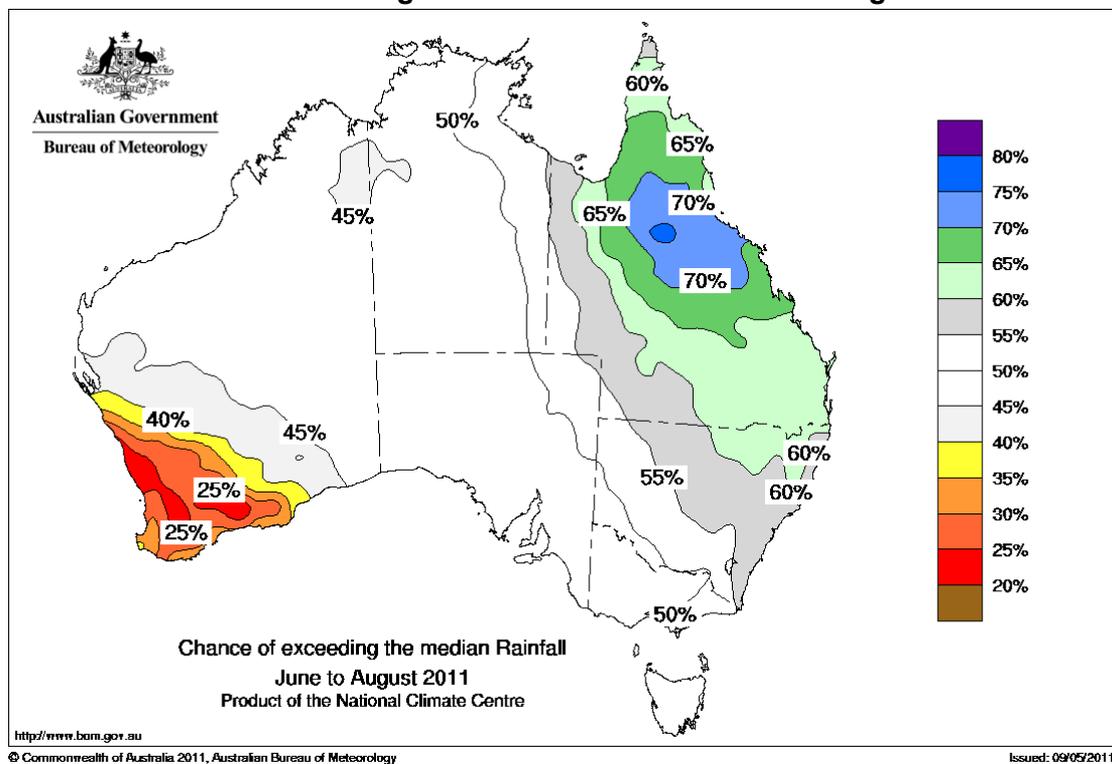
The rainfall forecast below is produced from computer models. As it contains no input from weather forecasters, it is important to also check local forecasts and warnings by the Bureau of Meteorology.

Total forecast rainfall for the period 26 May to 2 June 2011

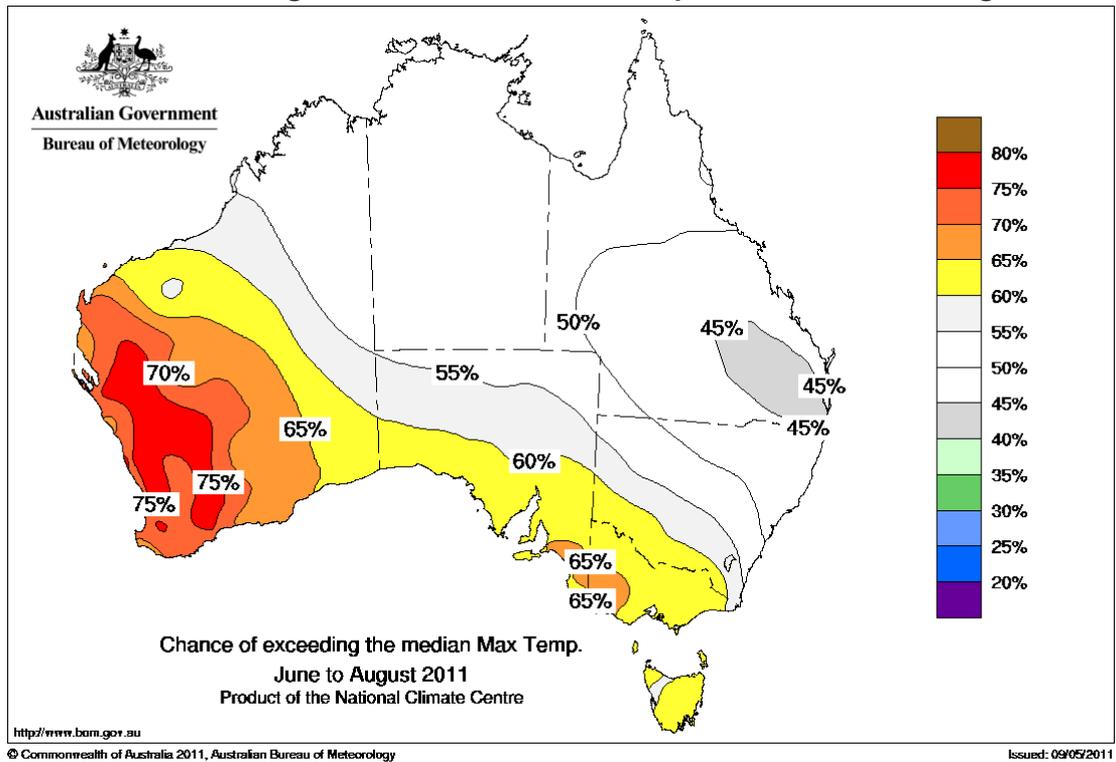


1.5 Seasonal outlook

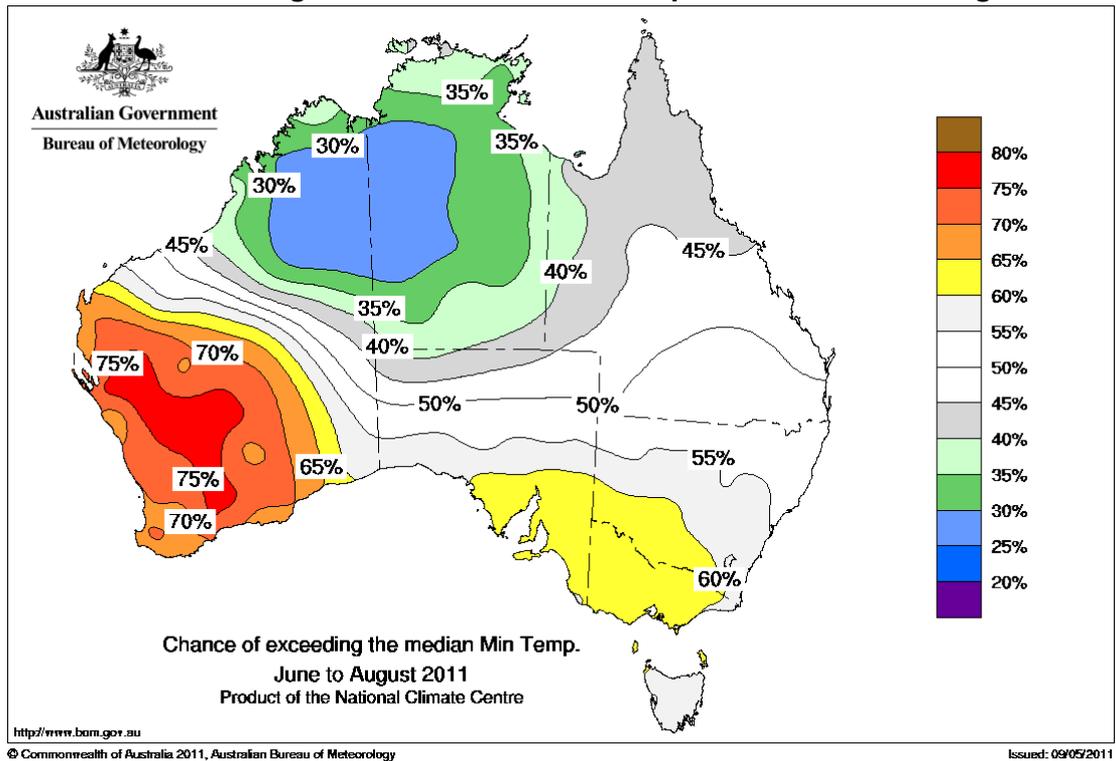
Chance of exceeding the median rainfall – June to August 2011



Chance of exceeding the median maximum temperature – June to August 2011



Chance of exceeding the median minimum temperature – June to August 2011



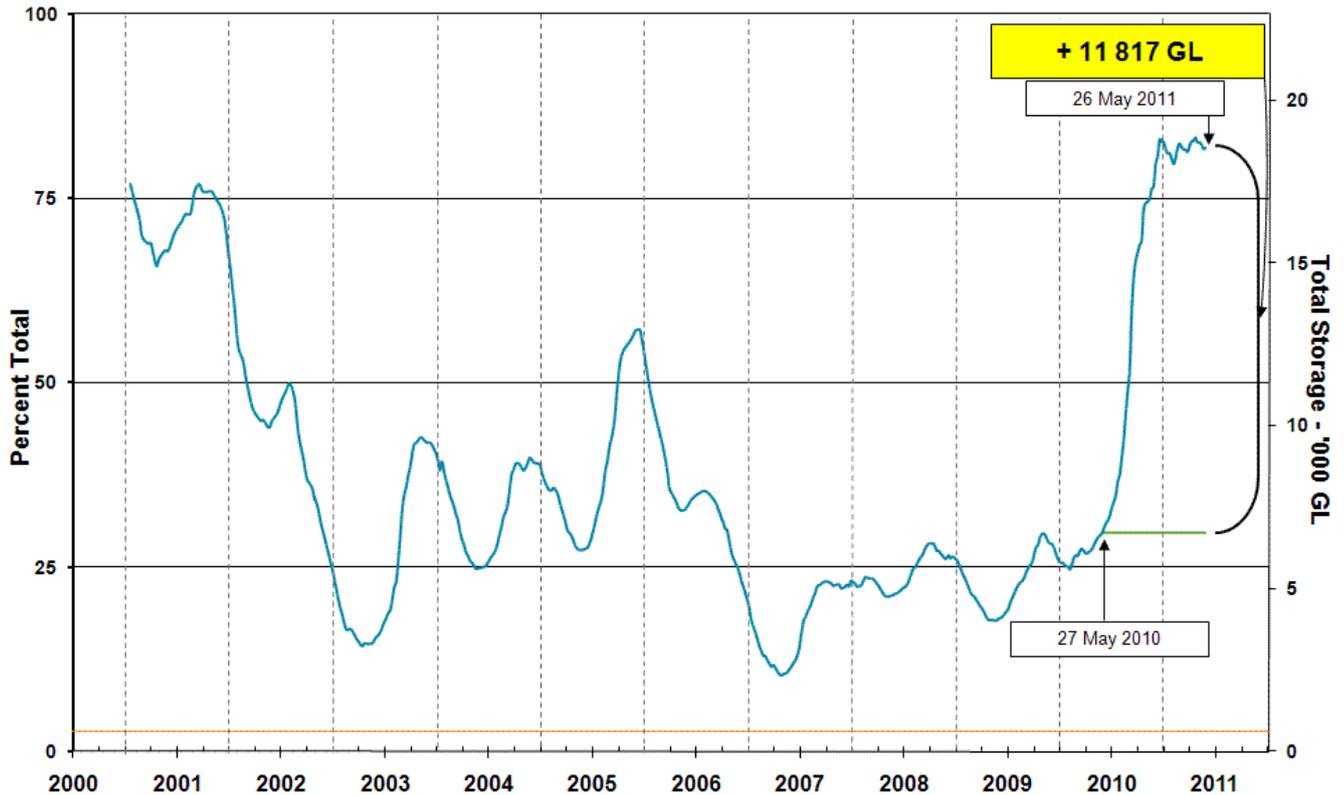
2. Water

2.1 Water availability and trading

- Water storage levels in the Murray–Darling Basin (MDB) increased this week by 35 gigalitres (GL) and remained at approximately 82 per cent of total capacity. This is 52 percentage points or 11 817 GL more than this time last year.
- 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)

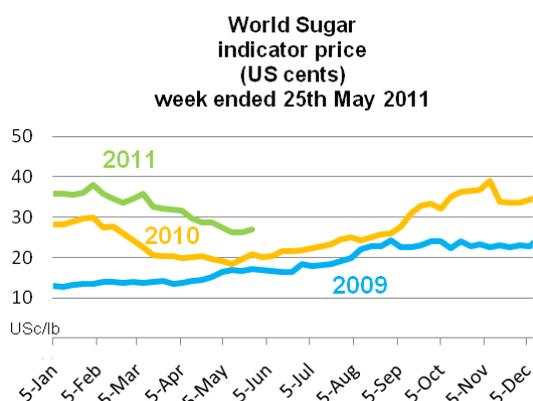
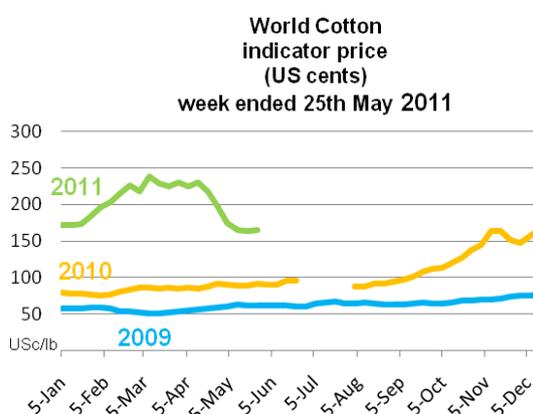


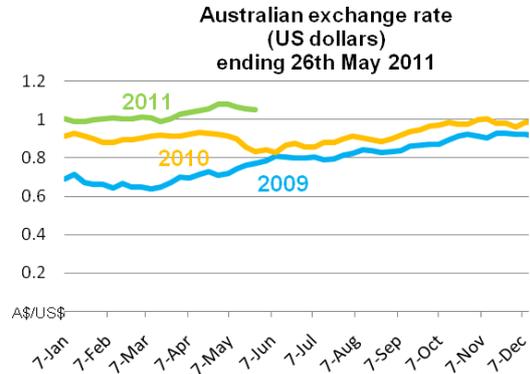
Information on irrigation water available in the Murray–Darling Basin from 1 January 2001 to 26 May 2011 is shown above. The green line indicates the storage level at the same time last year. The orange line indicates the amount of 'dead' or unusable storage.

3. Commodities

3.1. Production and commodities

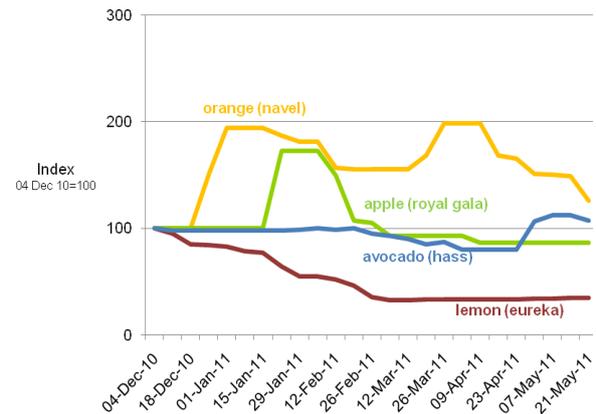
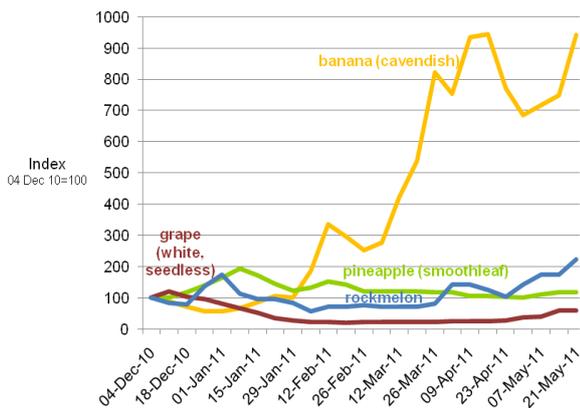
- Soybean plantings in the United States reached 41 per cent in the week ending 22 May 2011, a significant increase from 22 per cent in the previous week. However, progress is still well behind the same time last year. The world soybean price was around \$US565 a tonne in the week ending 19 May, a 4 per cent increase from the previous week.
- Saleyard lamb prices for the week ending 20 May 2011 rose significantly in all states except Tasmania. The largest increase occurred in New South Wales, where trade lamb prices averaged 11 per cent higher at 582 cents a kilogram. Lamb supplies generally begin to trend down towards the end of the season (July-June). In addition, improved pasture availability has encouraged restocking activity, resulting in lower saleyard throughput and higher prices.
- Saleyard sheep prices for the week ending 20 May 2011 rose in all states, with the largest increase occurring in South Australia (to 441 cents a kilogram). Saleyard throughput of sheep fell in all states except New South Wales.
- The Eastern Market Indicator price for wool rose by 3 per cent to 1364 cents a kilogram clean in the week ending 20 May 2011. The price rise was led by wools in the 19 to 21 micron range. The number of bales sold was 2 per cent higher than the previous week, at 34 792 bales.
- The world wheat indicator price (US hard red winter, free on board Gulf ports) averaged US\$373 a tonne in the week ending 24 May 2011, a 6 per cent rise from the previous week.
- In Ukraine, the Cabinet of Ministers is reported to have adopted a resolution on the abolition of quotas on grain exports on 25 May 2011. However, according to the International Grains Council, Ukraine's parliament recently passed a law to impose grains export duties. Once the new law is signed by the President, it would operate until 1 January 2012.
- The world cotton indicator price (the Cotlook 'A' index) remained around US165c a pound in the week ending 25 May 2011, after declining sharply in recent months in anticipation of much larger world cotton production in 2011.
- Banana prices increased in the week ending 21 May 2011 to a level only slightly below peak reached in mid April. Prices for new season fruit types—mainly apples, winter citrus and avocados—were mostly lower.
- Most vegetable prices were steady or slightly higher in the week ending 21 May 2011 (except broccoli and capsicum). Compared with the same period a year earlier, vegetable prices were substantially higher for cauliflower, carrot, potato and tomato, but lower for celery, cucumber and sweet corn.
- Revised estimates from Japan's Ministry of Agriculture, Forestry and Fisheries indicate that the earthquakes and tsunami in March 2011 have caused losses of A\$136 million for crop and livestock production and A\$445 million for agricultural and livestock facilities. Damage to agricultural land is now estimated at around A\$5 billion and damage to agricultural infrastructure is estimated at around A\$4 billion (see <http://www.maff.go.jp/j/press/keiei/saigai/110525.html>).
- According to the Ministry of Finance (preliminary data), Japan's imports of foodstuffs in April 2011 increased year on year by 16 per cent to around A\$6 billion. The biggest increase (in value terms) was for cereals, which rose 37 per cent year on year. Imports of meat products also increased by 8 per cent year on year.



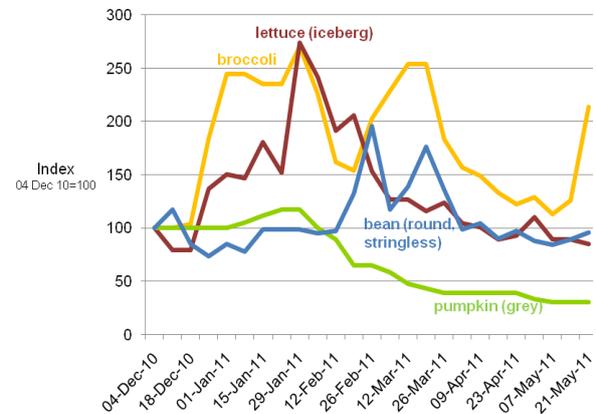
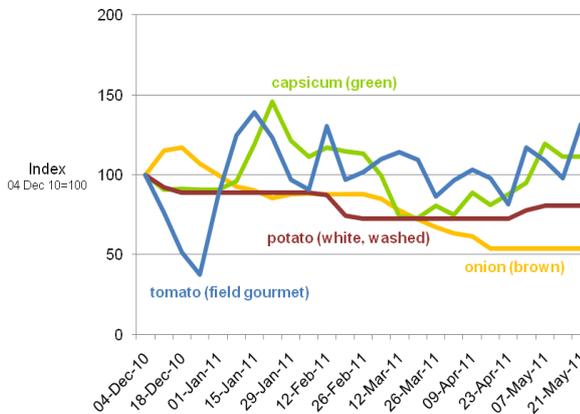


3.2. Recent movements in fruit and vegetable prices

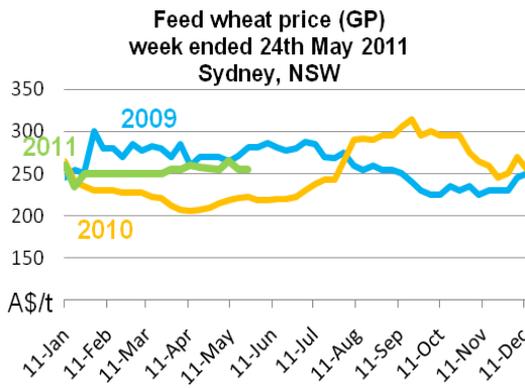
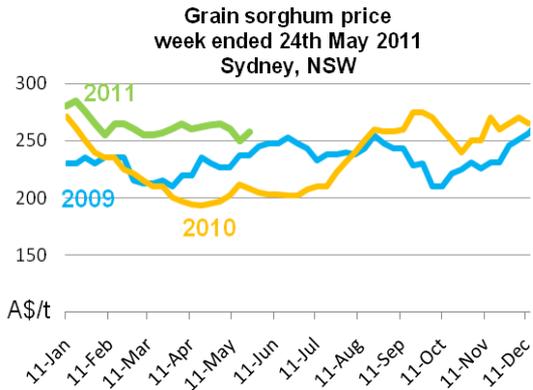
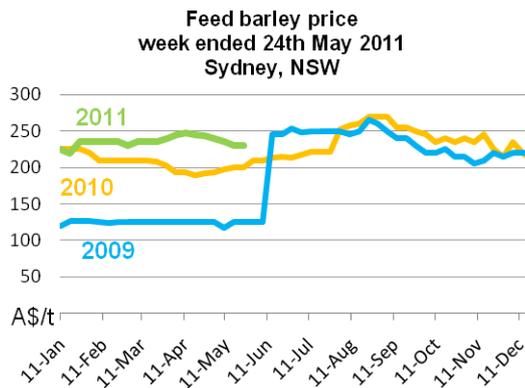
Weekly wholesale prices for selected fruit, Melbourne market



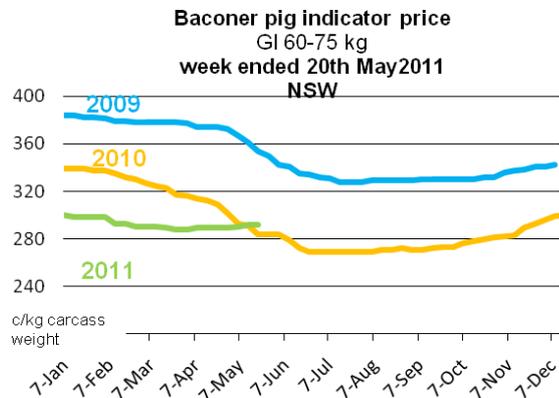
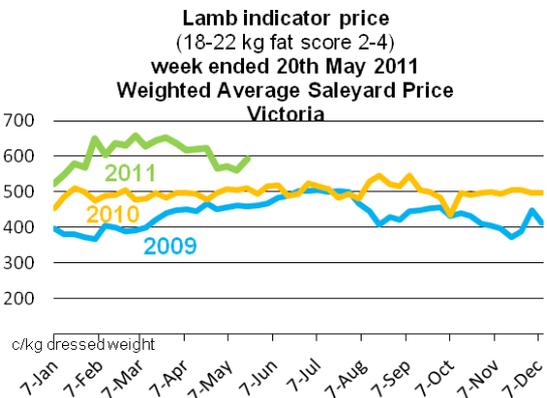
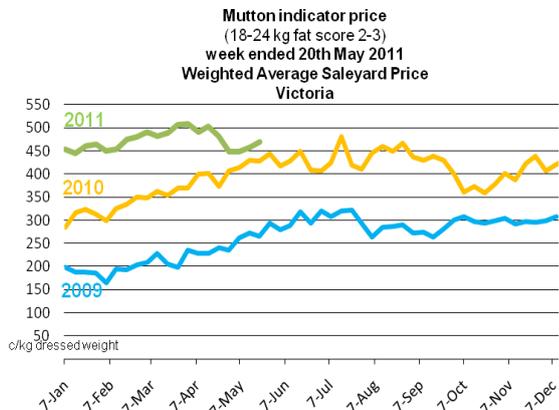
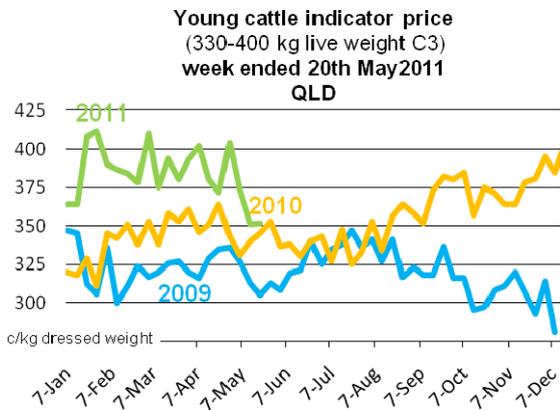
Weekly wholesale prices for selected vegetables, Melbourne market



3.3. Crop indicator prices



3.4. 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