



Australian Government

Australian Bureau of Agricultural and
Resource Economics and Sciences

Weekly Australian Climate, Water and Agricultural Update

19 May 2011

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

Summary of key issues

- Parts of Western Australia's northern wheatbelt received 10 to 20 millimetres rainfall this week. Dry seeding operations that were cancelled prior to the rainfall are expected to recommence in the coming weeks.
- Winter grain planting has begun in Queensland, while wet conditions are delaying sowing in south-west Victoria.
- Flooding rains over the past year have increased the amount of groundwater in Victoria and New South Wales, with some aquifers rising by up to five meters.
- Initial water allocations for northern Victoria's irrigators are expected to be at least 40 per cent for high reliability water shares when the new irrigation season opens on 1 July 2011 (Goulburn-Murray Water update, 16 May 2011).
- Water storage levels in the Murray–Darling Basin decreased this week by 133 gigalitres to approximately 82 per cent of total capacity.
- Banana prices edged higher in the week ending 14 May 2011 but are down substantially from the peak reached in mid April 2011. There was a slightly firmer trend in prices for most vegetables, though capsicum and tomato prices eased.
- The domestic canola price (Portland, Victoria) was 8 per cent lower on 18 May 2011 than 18 April 2011 and with expectations of high canola plantings in the eastern states of Australia in the coming season.
- After an assessment on corn stocks by the Ministry of Agriculture and Food of Ukraine, it was recommended that Ukraine remove corn export quotas, according to the Ukraine government Internet portal.
- In the third quarter of 2010–2011, exports of Australian beef to the United States declined year on year by 63 per cent to around 35 000. This reflects continued strength of the Australian dollar, high US cow slaughter, and a decline in US per capita beef consumption.
- In the first three quarters of 2010–11, Australian exports of skim milk powder and whole milk powder increased 21 per cent and 20 per cent, respectively, compared with the same period in 2009–2010. Exports of butter were down 25 per cent over this same period while cheese exports declined by 7 per cent.

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

www.abares.gov.au

Science and economics for decision-makers

1. Climate

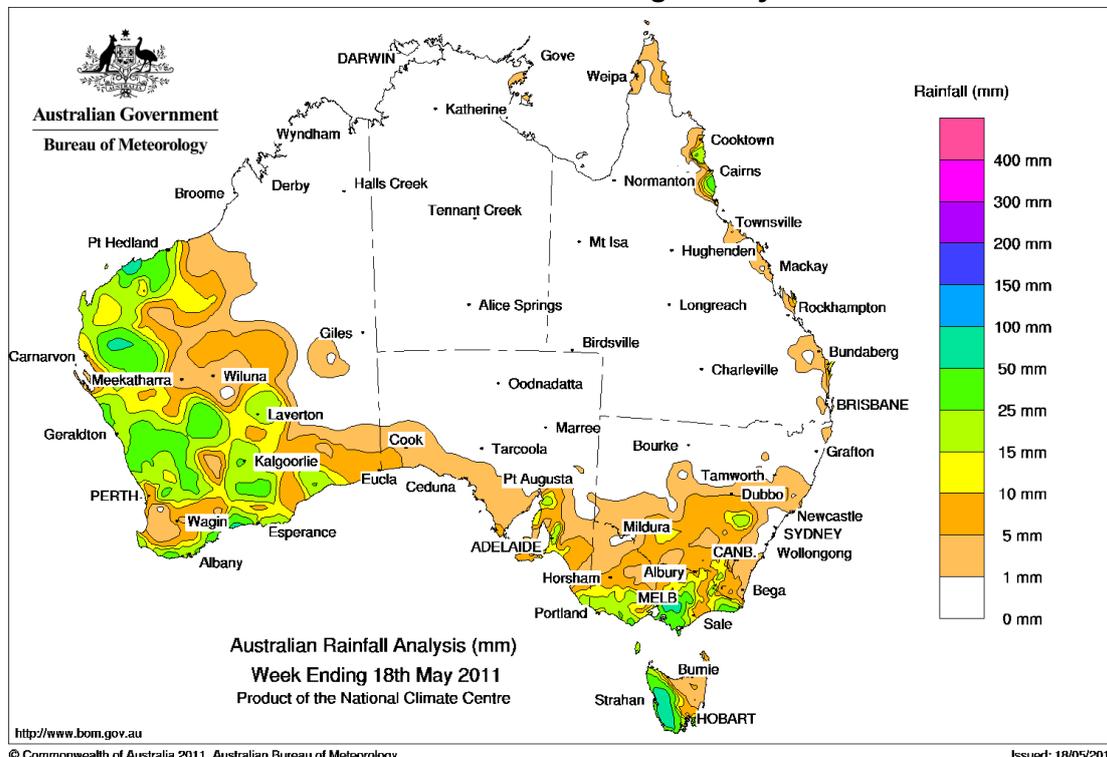
1.1 Notable events

- For the week ending 18 May 2011, most rainfall was recorded in the west and south of Western Australia and in south-east Australia. The highest measured total for the week was **159 millimetres at Mount Read** in Tasmania.
- Parts of Western Australia's northern wheatbelt have received between 10 and 20 millimetres of rain this week, with some areas experiencing much higher totals. It is expected that **dry seeding operations** which were cancelled prior to the rainfall will now recommence in the coming weeks.
- Wet conditions are **delaying sowing in south-west Victoria**. Recent rainfall is limiting some livestock producers from sowing pastures, while grain growers are finding it difficult to sow wheat and canola in the region.
- **Winter grain planting** has begun in Queensland this week. Sowing of wheat and chickpeas is expected to be high this year due to favourable seasonal conditions experienced through summer. **Peanut harvesting** in northern Queensland has also begun this week, with yields varying between paddocks.
- The **grape harvest** in north-east New South Wales has just finished; six weeks later than planned due to cold, wet conditions. Harsh frosts in the Canberra district are also affecting **olive groves**, with significant damage to fruit reported.
- A new **fruit fly outbreak** has been detected in Shepparton, Victoria. An eradication program has now been implemented in the area. The number of fruit flies detected this year is reportedly well above historic records, with 70 suspension zones across the Goulburn Valley and north-east Victoria.

1.2 Rainfall this week

For the week ending 18 May 2011, rainfall was mostly received in the west and south of Western Australia and in south-east Australia. For further information, go to www.bom.gov.au/climate/current/weeklyrain.shtml.

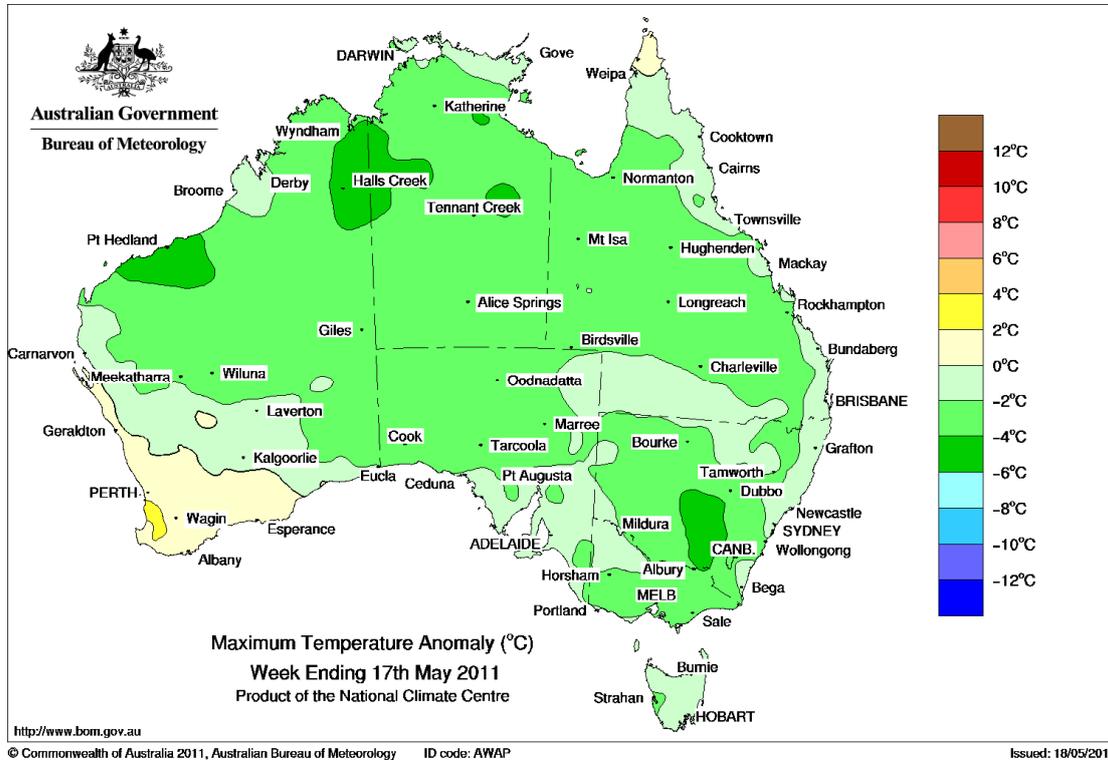
Rainfall for the week ending 18 May 2011



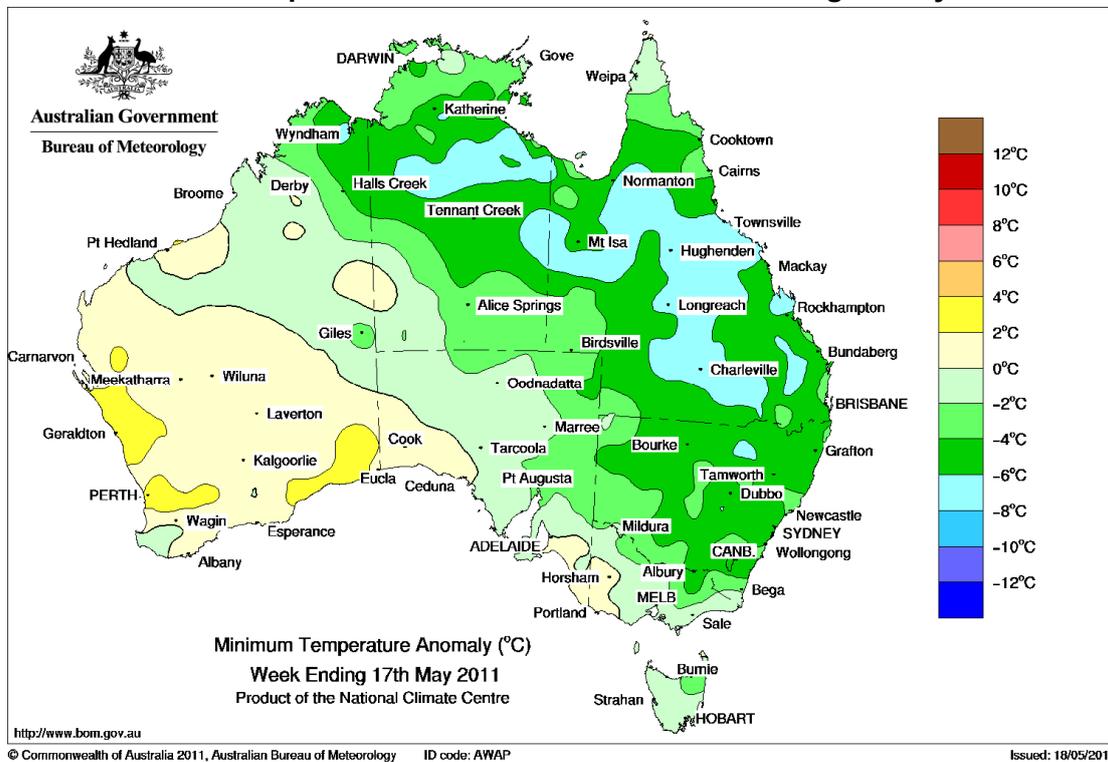
1.3 Temperature anomalies this week

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 17 May 2011



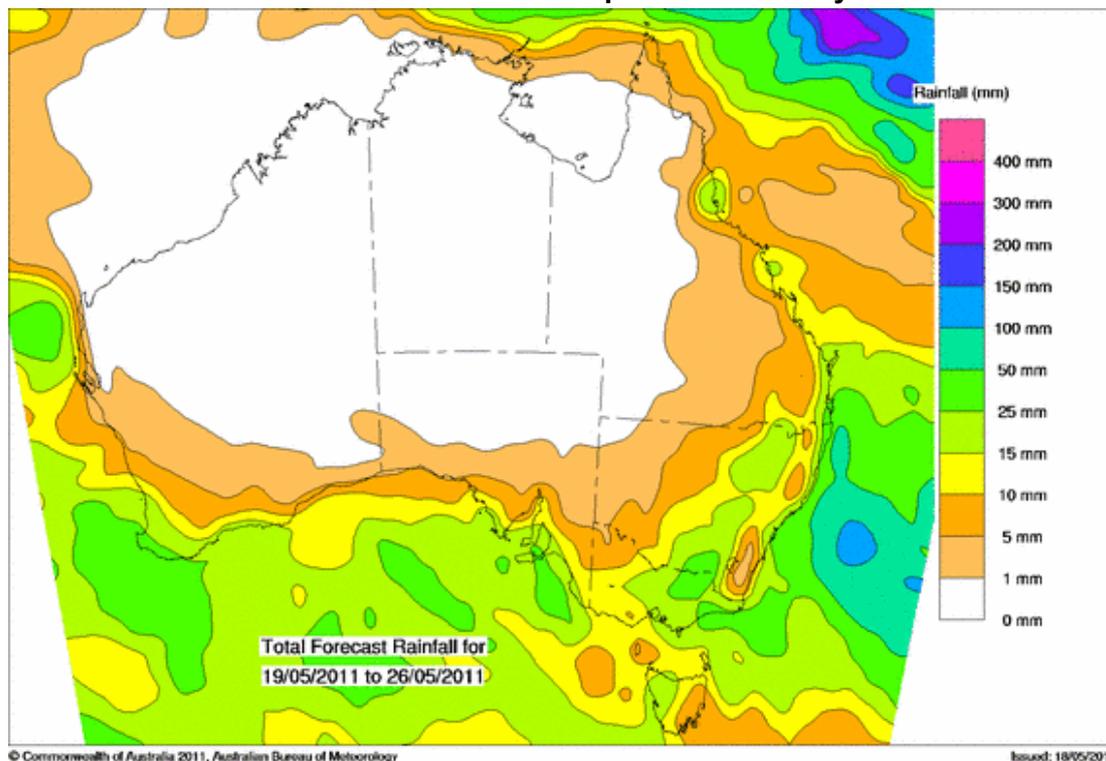
Minimum temperature anomalies for the week ending 17 May 2011



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 19–26 May 2011



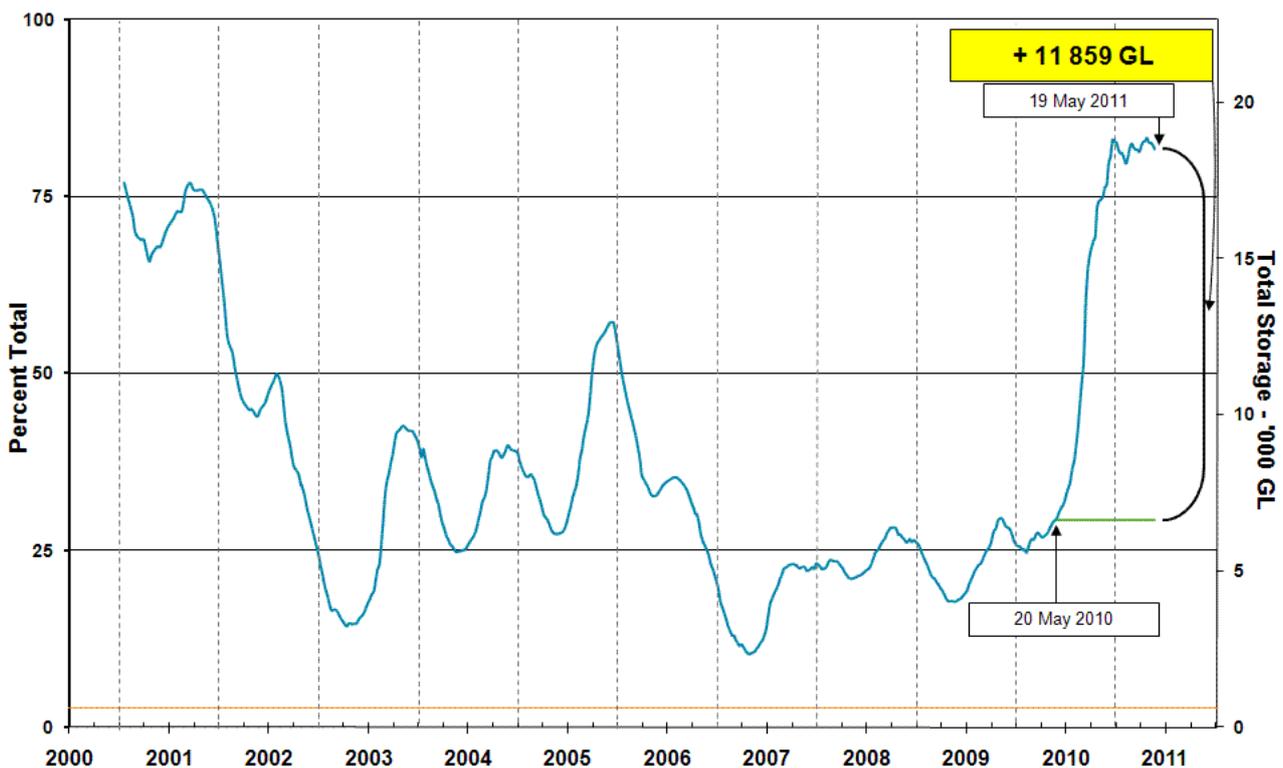
2. Water

2.1 Water availability and trading

- Water storage levels in the Murray–Darling Basin decreased this week by 133 gigalitres (GL) to approximately 82 per cent of total capacity. This is 53 percentage points or 11 859 GL more than this time last year.
- There was no trade in the three representative major temporary water markets over the past week.
- Trade in water allocations from NSW to Victoria and from the Goulburn, Campaspe and Loddon systems to the Victorian River Murray system has been suspended until 1 July 2011.
- Flooding rains over the past year have increased the amount of groundwater in Victoria and New South Wales. For the first time in five years, shallow aquifers across Victoria have risen up to two meters in some regions, with further measurements underway. Some shallow aquifers in New South Wales have increased by up to five meters.
- Goulburn-Murray Water released an outlook for irrigators to help them plan for potential water allocations under wet, average and dry conditions this week. Northern Victoria's irrigators are expected to be allocated at least 40 per cent of the high reliability water shares to begin the new irrigation season, when it opens on 1 July 2011.

2.2 Water storages

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



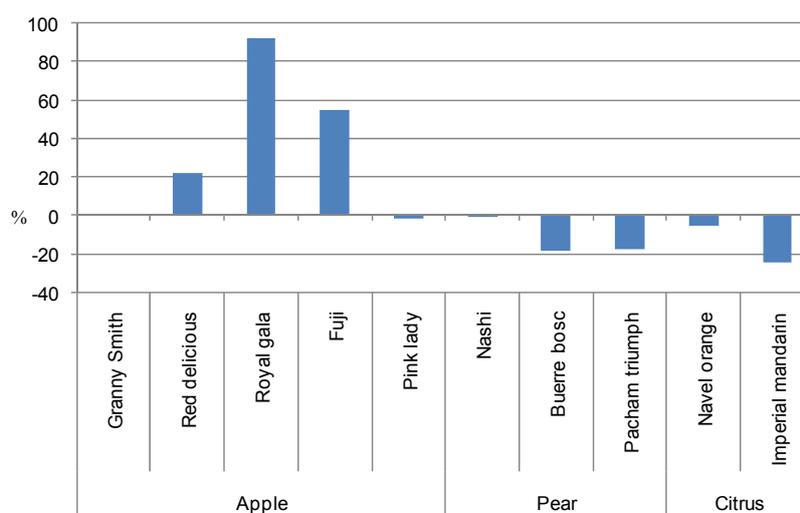
Information on irrigation water available in the Murray–Darling Basin from 1 January 2001 to 19 May 2011 is shown above. The green line indicates the storage level at the same time last year. The orange line indicates the amount of 'dead' or unusable storage.

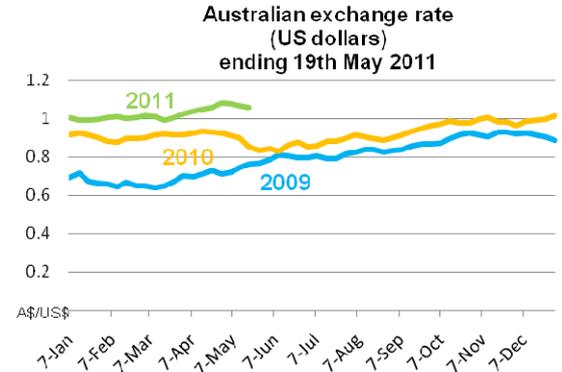
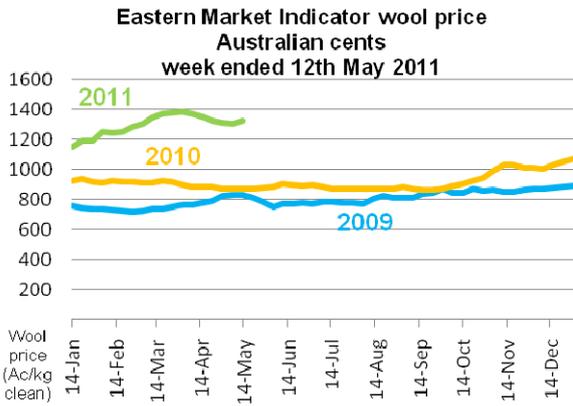
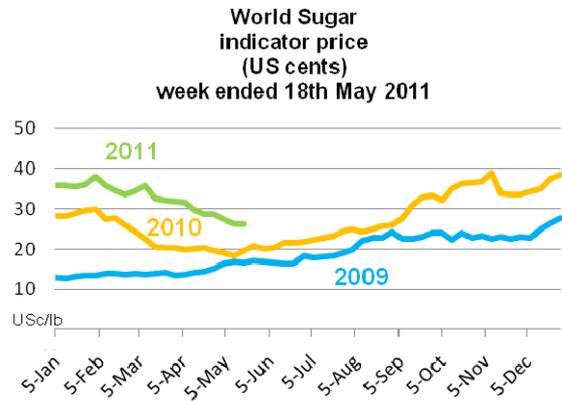
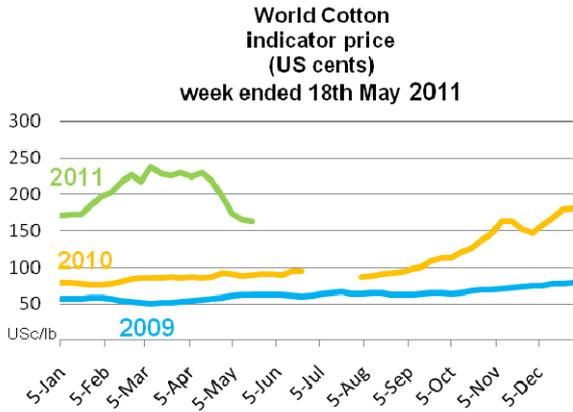
3. Commodities

3.1. Production and commodities

- Banana prices edged higher in the week ending 14 May 2011 but are down substantially from the peak reached in mid April 2011 in the aftermath of damage to the north Queensland banana crop from Cyclone Yasi. Prices firmed modestly for fruit types that are approaching the end of the growing season (grapes, melons and pineapples), but weakened slightly for new season citrus and pome (apple and pear) fruit. Prices for new season pears and citrus were lower than at the same time in 2010, reflecting good seasonal conditions, but prices for some apple varieties were considerably higher.
- There was a slightly firmer tone to most vegetable prices in the Melbourne wholesale market in the week ending 14 May 2011, though capsicum and tomato (Solanaceae family) prices eased.
- The world wheat indicator price (US Hard Red Winter, fob Gulf ports) averaged US\$352 a tonne for the week ending 17 May 2011, largely unchanged from the previous week.
- The domestic canola price (Portland, Victoria) was 8 per cent lower in the week ending 18 May 2011 compared with the week ending 18 April 2011 reflecting expectations of high canola plantings in the eastern states of Australia in the coming season.
- The world coarse grains indicator price (US Corn, fob Gulf ports) averaged US\$301 a tonne the week ending 18 May 2011, compared with last week's average of US\$297 a tonne.
- Wet conditions and late snow storms have significantly delayed canola plantings in Canada while persistent dry weather in the lead up to harvest, especially in France and Germany, has lowered the prospects for European Union canola production this season.
- Based on an assessment by the Ministry of Agriculture and Food of Ukraine that corn stocks in Ukraine are expected to be around 2 million tonnes at the end of the 2010–11 marketing year, it has recommended that the Ukraine Government remove corn export quotas, according to the Ukraine government Internet portal.
- In the third quarter of 2010–2011, exports of Australian beef to the United States declined year on year by 63 per cent to around 35 000. This reflects continued strength of the Australian dollar, high US cow slaughter, and a decline in US per capita beef consumption.
- In the first three quarters of 2010–11, Australian exports of skim milk powder and whole milk powder increased 21 per cent and 20 per cent, respectively, compared with the same period in 2009–2010. Exports of butter were down 25 per cent over this same period while cheese exports declined by 7 per cent.

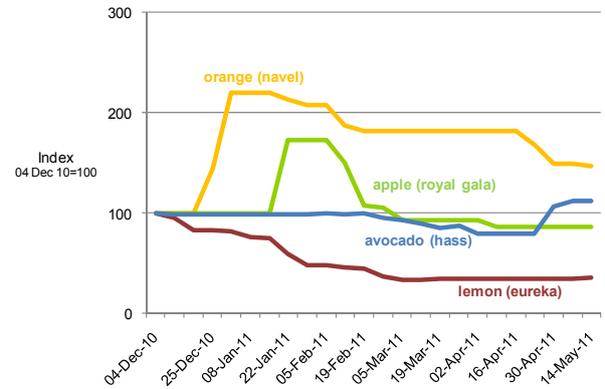
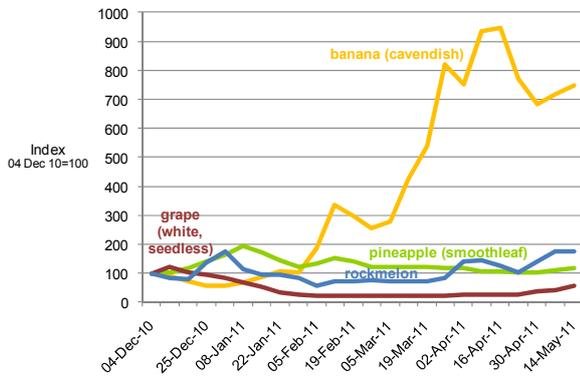
Year-on-year changes in pome and citrus prices, 14 May 2011



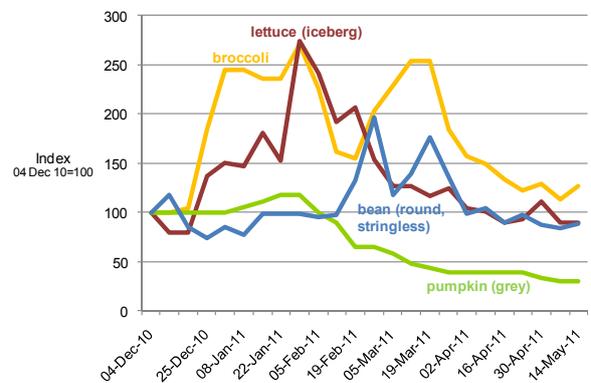
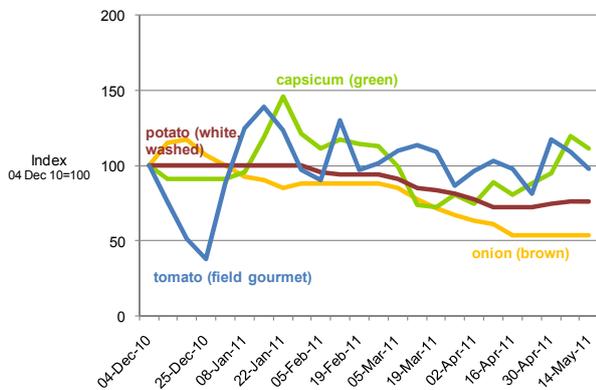


3.2. Recent movements in fruit and vegetable prices

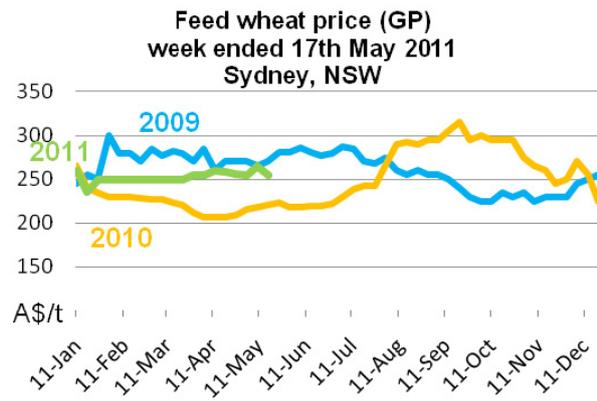
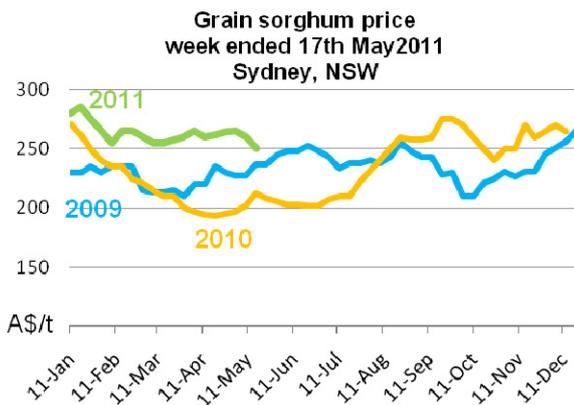
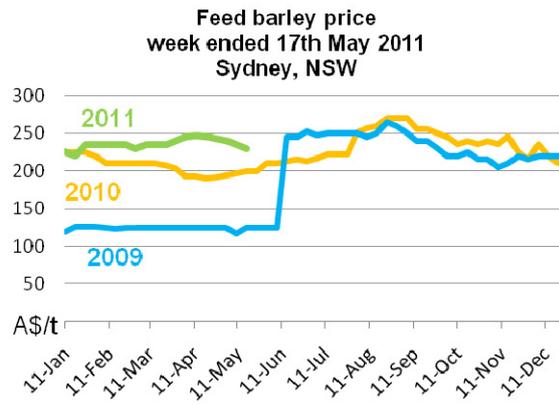
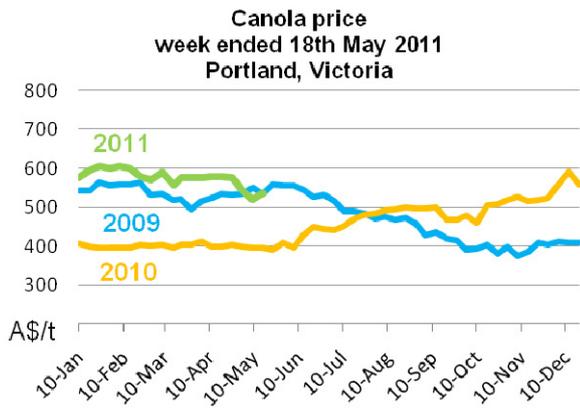
Weekly wholesale prices for selected fruit, Melbourne market



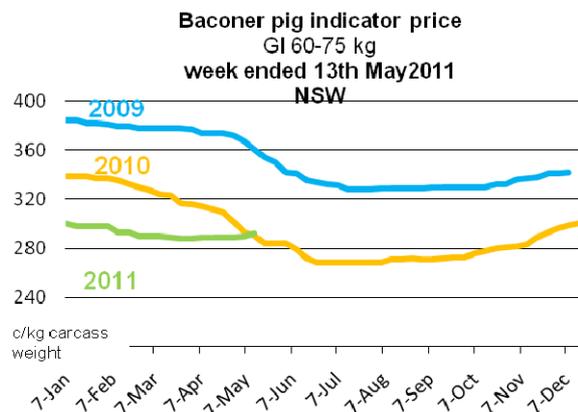
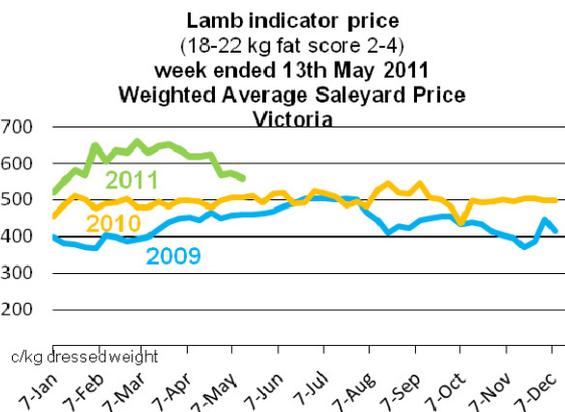
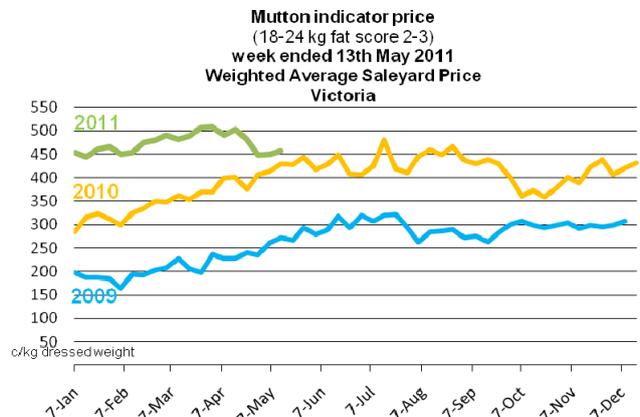
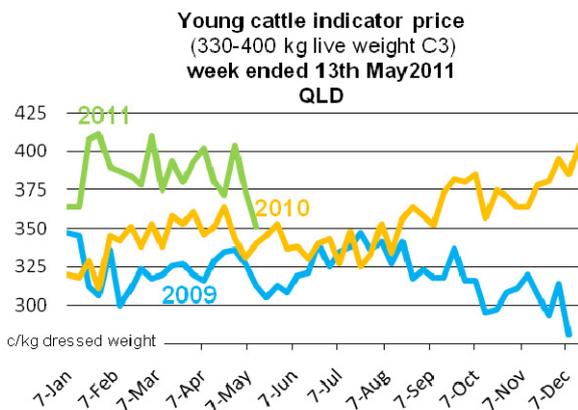
Weekly wholesale prices for selected vegetables, Melbourne market



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