



Australian Government

Australian Bureau of Agricultural and
Resource Economics and Sciences

Weekly Australian Climate, Water and Agricultural Update

12 May 2011

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

Summary of key issues

- Favourable seasonal conditions have allowed mice to reach high numbers. There are concerns about the rodents eating newly sown grain before it germinates.
- The 2010–11 La Niña event is nearing its end, with most indicators approaching neutral values (Bureau of Meteorology ENSO ‘Wrap-Up’, 11 May 2011).
- In 2009–10 total water use on agricultural holdings increased by 1 per cent to 7.4 million megalitres (Australian Bureau of Statistics, Water Use of Australian Farms, 2009–10, released 11 May 2011).
- Water storage levels in the Murray–Darling Basin decreased this week by 69 gigalitres to approximately 82 per cent of total capacity.
- Banana prices increased slightly in the week ending 7 May 2011. Prices for most vegetables were lower, with the few exceptions being capsicums and potatoes.
- The value of Australian rural exports (farm, fisheries and forestry) was around \$7.6 billion in the first quarter of 2011, a year on year rise of 19.2 per cent.
- For the month of March 2011, the value of rural exports was around \$2.9 billion, a year on year rise of 21.1 per cent.
- According to Japan’s Ministry of Finance (preliminary data), total Japanese agricultural imports was around A\$5.6 billion in March 2011, a year on year rise of 10 per cent in Australian dollar terms.
- The world wheat indicator price (US hard red winter, fob Gulf ports) averaged US\$353 a tonne for the week ending 10 May 2011, largely unchanged from the previous week. The world coarse grains indicator price (US corn, fob Gulf) eased to an average of US\$297 a tonne in the week ending 11 May 2011, compared with US\$312 a tonne in the previous week.
- Following the Easter break, all states except Queensland have returned to full selling weeks. Prices for the week ending 6 May were generally lower across all cattle and lamb categories with the exception of lamb in Victoria. The reduction in prices mainly reflected increased yardings.
- Exports of Australian minerals and energy commodities rose year on year by 31 per cent to around \$35.6 billion in the first three months of 2011. In the month of March 2011, Australian mineral and energy exports rose year on year by 43 per cent to \$13.6 billion, largely reflecting a year on year increase of 62 per cent for exports of metal ores and minerals.

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

www.abares.gov.au

Science and economics for decision-makers

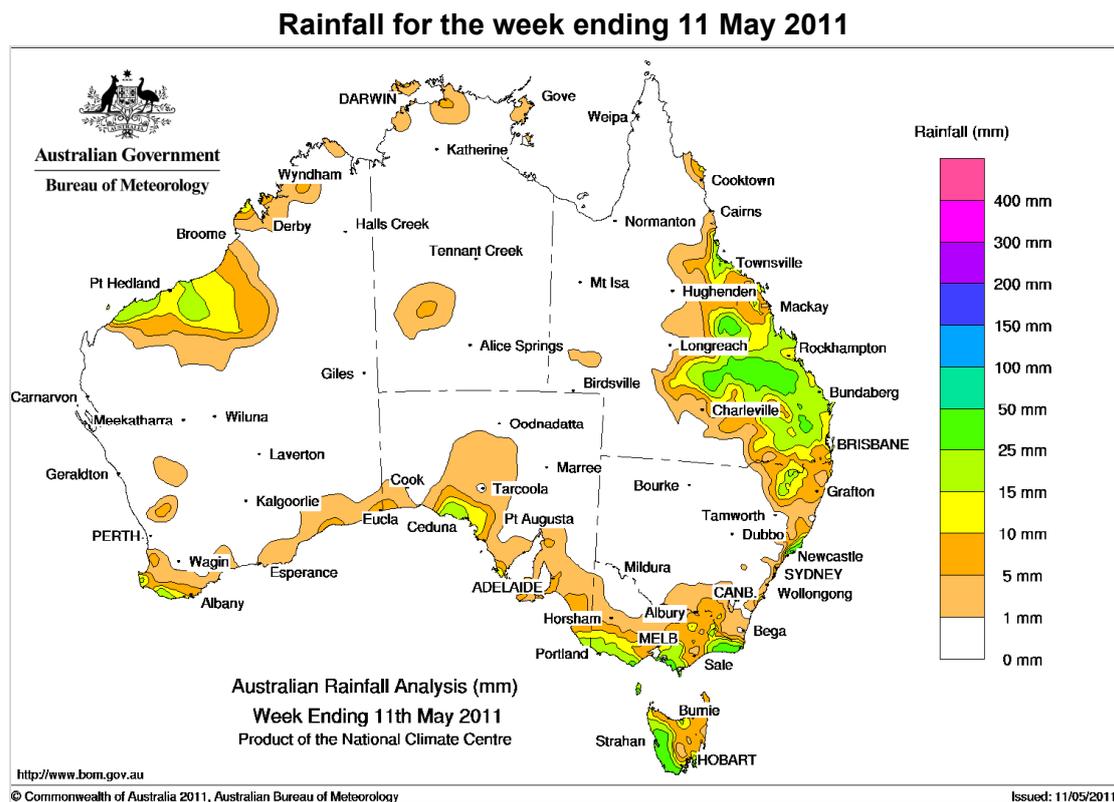
1. Climate

1.1 Notable events

- For the week ending 11 May 2011, rainfall was mostly recorded in parts of eastern, far south-east and north-west Australia. The highest measured total for the week was **118 millimetres** at **Seal Rocks** in New South Wales.
- According to the Invasive Animals Cooperative Research Centre, the current mouse plague is unprecedented, as it is affecting four states at the same time (South Australia, Victoria, New South Wales and southern Queensland). Favourable seasonal conditions have allowed the rodents to reach high numbers and there are concerns about the mice eating newly sown grain before it germinates. Control activities have intensified.
- A lack of recent rainfall and concerns about mice have reportedly led to delays to crop sowing in South Australia's Mallee region.
- Potato yields in New South Wales' Southern Tablelands region are reportedly high, reflecting favourable seasonal conditions.
- The 2010–11 La Niña event is nearing its end, with most indicators approaching neutral values (Bureau of Meteorology ENSO 'Wrap-Up', 11 May 2011).

1.2 Rainfall this week

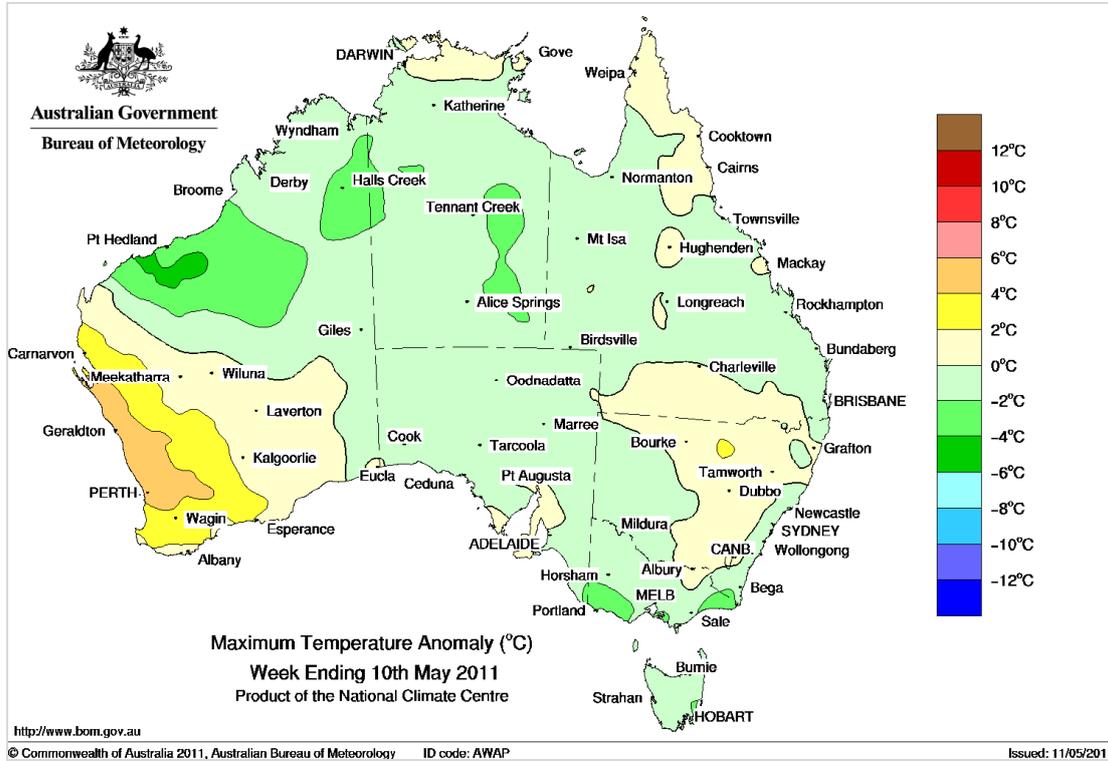
For the week ending 11 May 2011, rainfall was mostly received in parts of eastern Australia. For further information, go to www.bom.gov.au/climate/current/weeklyrain.shtml.



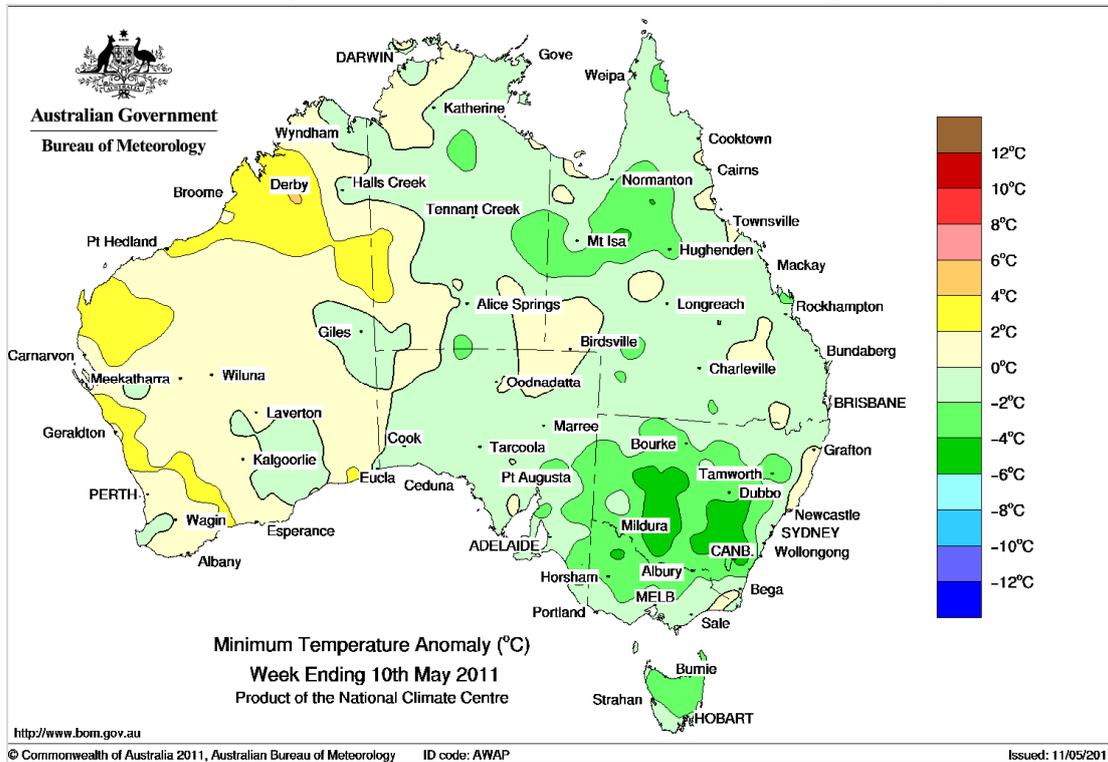
1.3 Temperature anomalies this week

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 10 May 2011



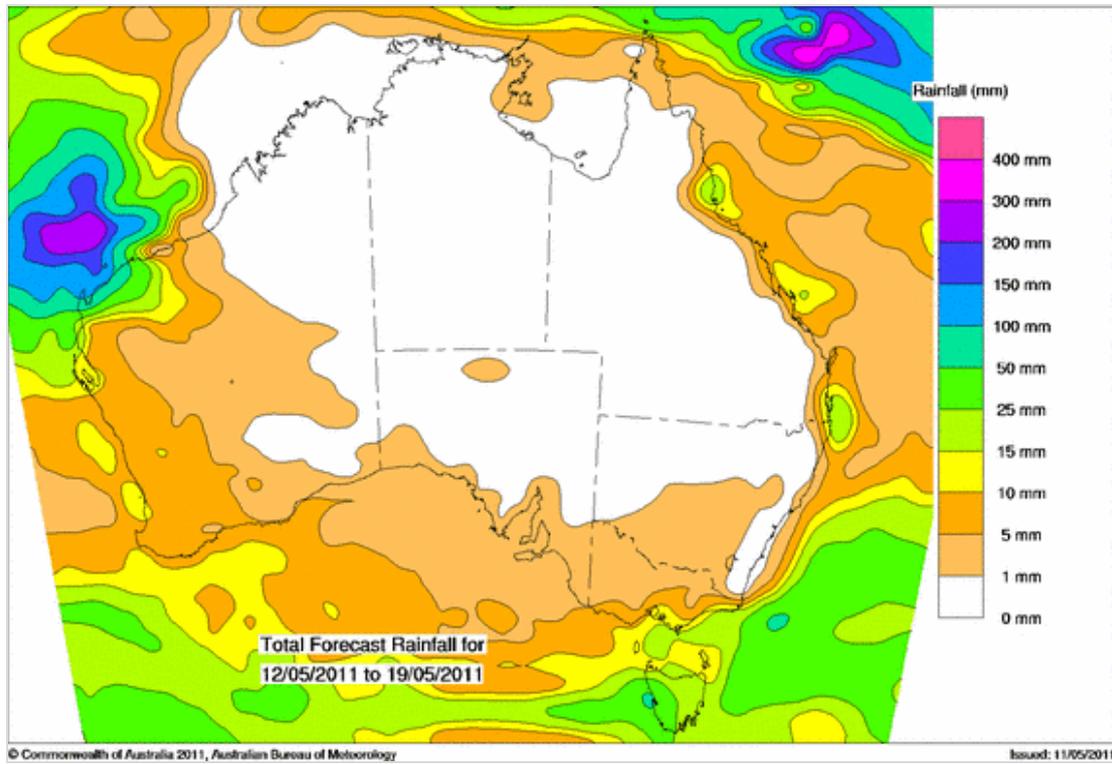
Minimum temperature anomalies for the week ending 10 May 2011



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 12–19 May 2011



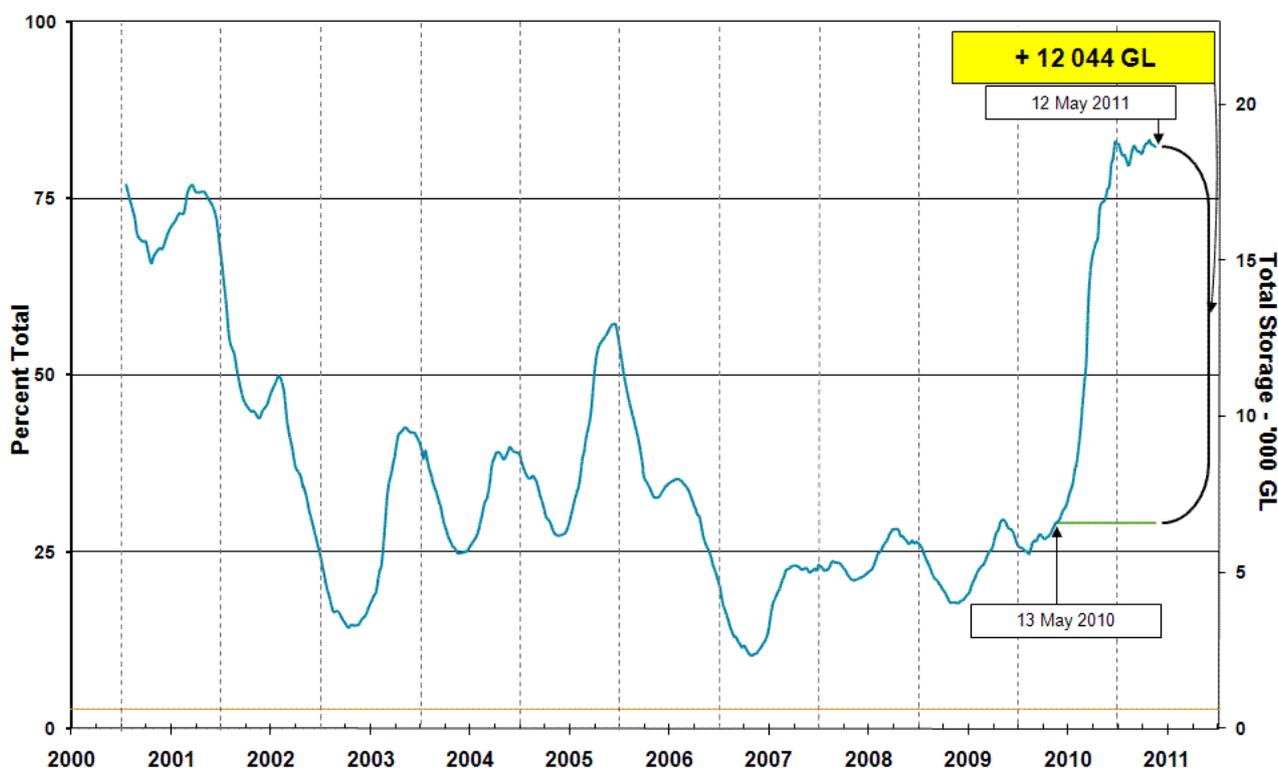
2. Water

2.1 Water availability and trading

- Water storage levels in the Murray–Darling Basin decreased this week by 69 gigalitres (GL) to approximately 82 per cent of total capacity. This is 53 percentage points or 12 044 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.
- In 2009–10 total water use on agricultural holdings increased by 1 per cent to 7.4 million megalitres. The total area of agricultural land watered increased by 5 per cent to 1.8 million hectares, and volume applied increased by 1 per cent to 6.6 million megalitres. The average application rate was slightly lower at 3.6 megalitres per hectare. The volume of water consumed by stock and for other purposes fell by 3 per cent to 763 000 megalitres (Australian Bureau of Statistics, Water Use of Australian Farms, 2009–10, released 11 May 2011).

2.2 Water storages

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

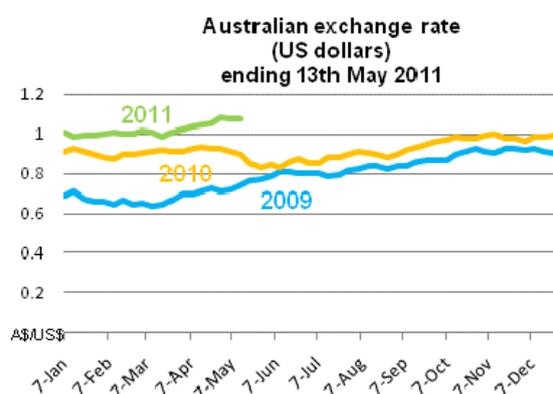
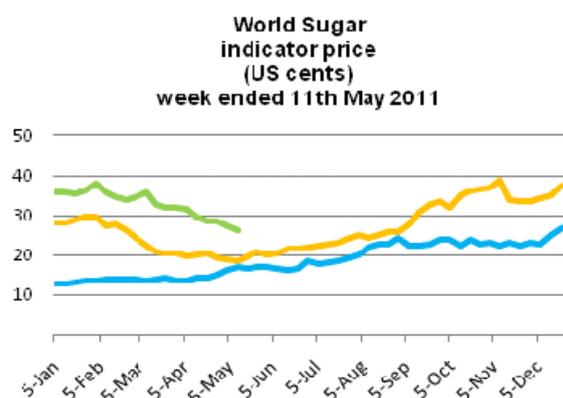
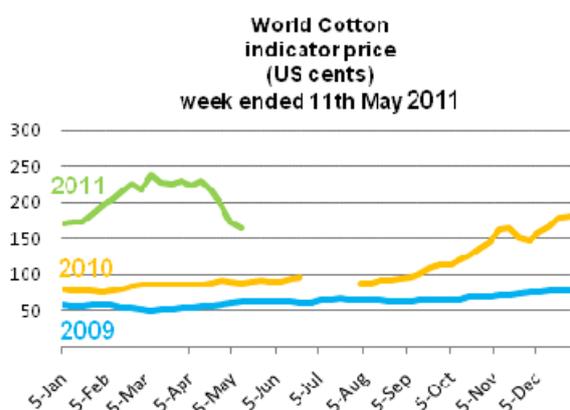


Information on irrigation water available in the Murray–Darling Basin from 1 January 2001 to 12 May 2011 is shown above. The green line indicates the storage level at the same time last year. The orange line indicates the amount of 'dead' or unusable storage.

3. Commodities

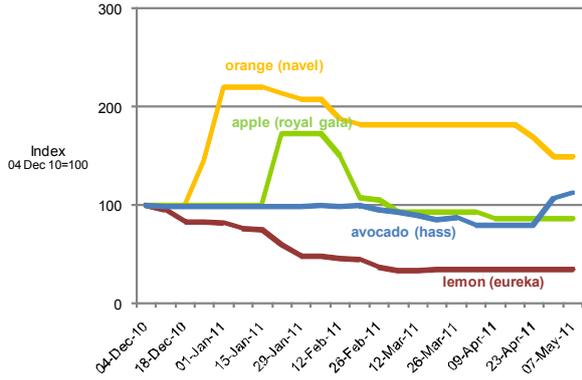
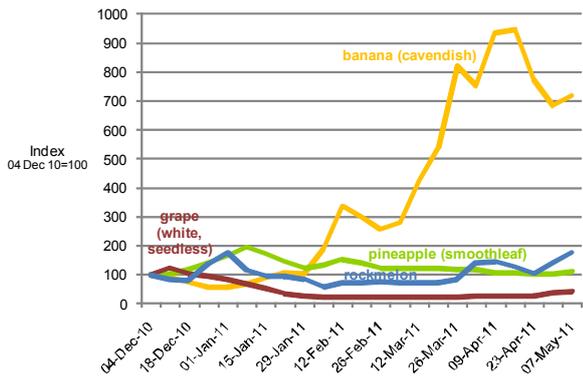
3.1. Production and commodities

- Banana prices in the Melbourne wholesale market firmed slightly in the week ending 7 May 2011. Poor quality of bananas has been a factor in the recent banana price weakness. New season mandarins and navel oranges are becoming more readily available, putting downward pressure on citrus fruit prices.
- Prices for vegetables in the Melbourne wholesale market were generally weaker in the week ending 7 May 2011, with capsicums and potatoes amongst the few vegetables whose prices increased.
- The value of Australian rural exports (farm, fisheries and forestry) was around \$7.6 billion in the first quarter of 2011, a year on year rise of 19.2 per cent. Significant rises were recorded for cereal grains and cereal preparations (a year on year rise of 39 per cent) and wool and sheepskins (40 per cent).
- For the month of March 2011, the value of rural exports was around \$2.9 billion, a year on year rise of 21.1 per cent.
- According to Japan's Ministry of Finance (preliminary data), total Japanese agricultural imports was around A\$5.6 billion in March 2011, a year on year rise of 10 per cent in Australian dollar terms (the Australian dollar averaged just under 83 Japanese yen in both March 2011 and March 2010).
- The world wheat indicator price (US hard red winter, fob Gulf ports) averaged US\$353 a tonne for the week ending 10 May 2011, largely unchanged from the previous week. The world coarse grains indicator price (US corn, fob Gulf) eased to an average of US\$297 a tonne in the week ending 11 May 2011, compared with US\$312 a tonne in the previous week.
- Following the Easter break, all states except Queensland have returned to full selling weeks. Prices for the week ending 6 May were generally lower across all cattle and lamb categories with the exception of lamb in Victoria. The reduction in prices mainly reflected increased yardings. The Queensland steer price, for example, was 7 per cent lower for the week ending 6 May compared with the previous week, but 13 per cent higher year on year.
- Exports of Australian minerals and energy commodities rose year on year by 31 per cent to around \$35.6 billion in the first three months of 2011. In the month of March 2011, Australian mineral and energy exports rose year on year by 43 per cent to \$13.6 billion, largely reflecting a year on year increase of 62 per cent for exports of metal ores and minerals.

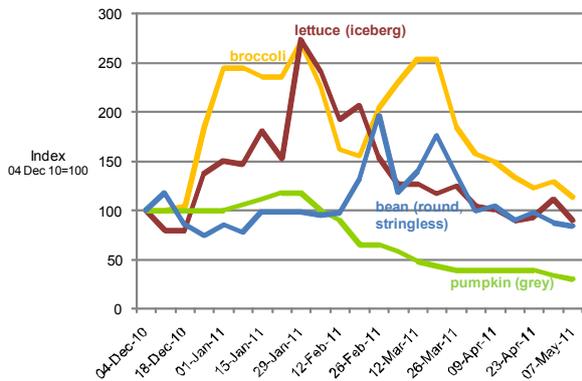
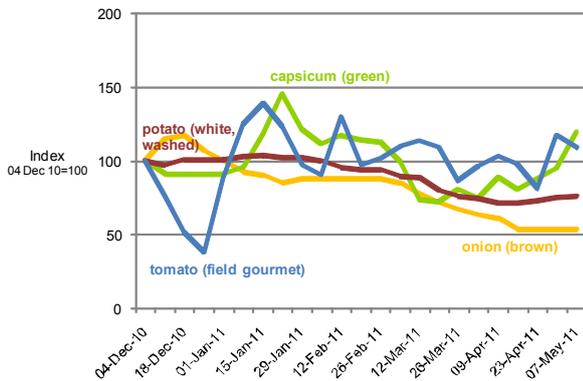


3.2. Recent movements in fruit and vegetable prices

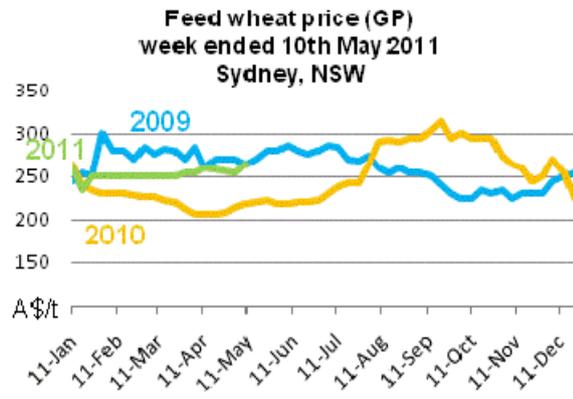
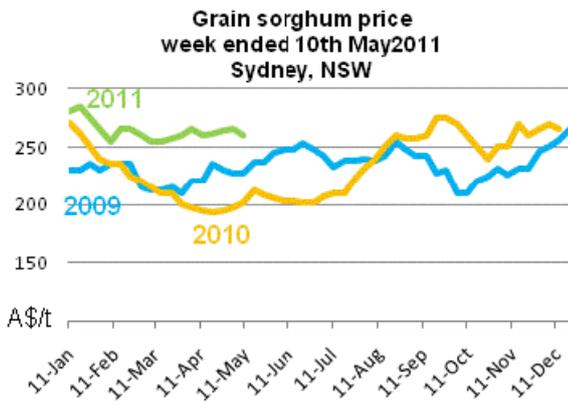
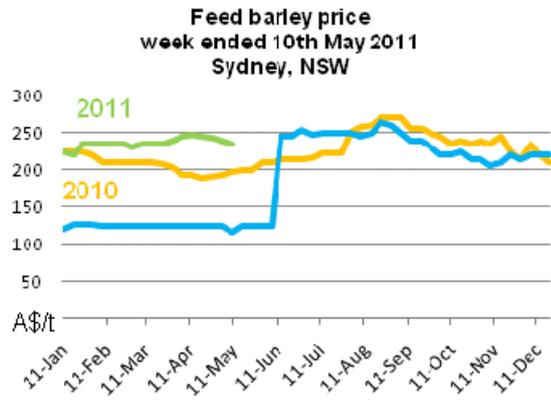
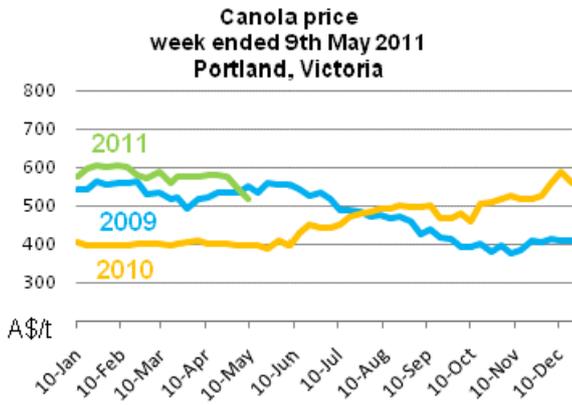
Weekly wholesale prices for selected fruit, Melbourne market



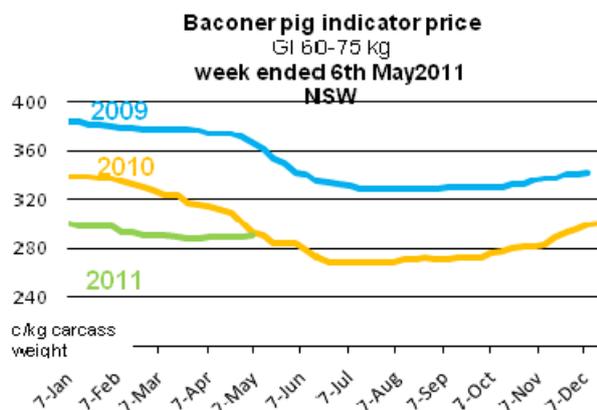
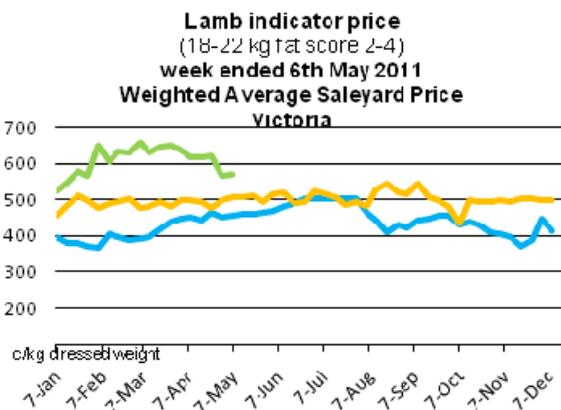
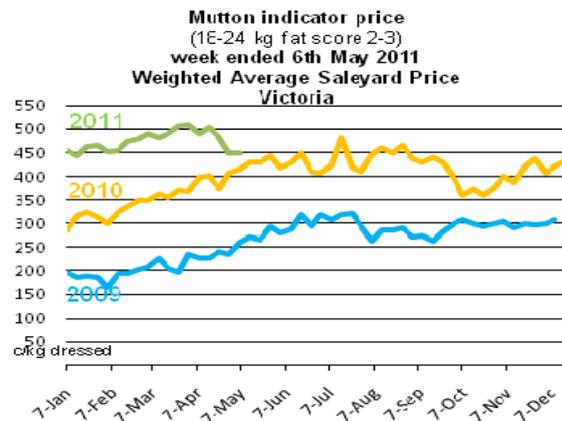
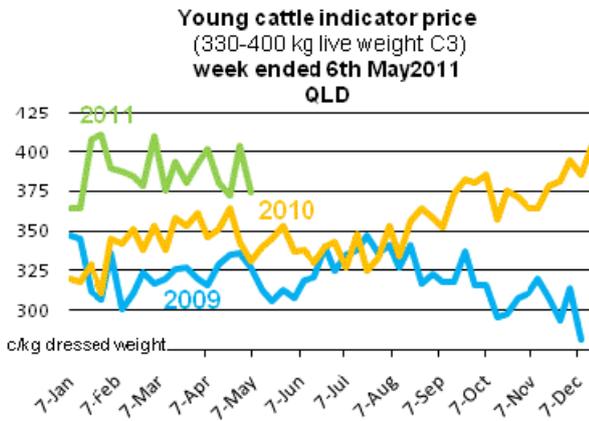
Weekly wholesale prices for selected vegetables, Melbourne market



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