



Australian Government

Australian Bureau of Agricultural and
Resource Economics and Sciences

Weekly Australian Climate, Water and Commodity Price Update 10 March 2011

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

Summary of key issues

- Widespread flooding following heavy rainfall in central and northern Queensland has reportedly damaged some rural infrastructure and stranded livestock.
- Heavy rain is forecast in parts of Queensland and northern Australia over the coming week, which may further impact some recently flood affected areas in Queensland.
- Average to below average rainfall over south-west Western Australia during February 2011 has maintained areas of rainfall deficiencies for the January 2010 to February 2011 period (Bureau of Meteorology Drought Statement, 7 February 2011).
- Water storage levels in the Murray–Darling Basin (MDB) decreased this week by 74 gialitres but remain at approximately 82 per cent of total capacity.
- The world wheat indicator price (US Hard Red Winter, freight on board (fob) Gulf ports) averaged US\$352 a tonne for the week ending 8 March 2011, a 1 per cent rise from the previous week.
- GrainCorp have announced that their grain handling and storage infrastructure did not suffer significant damage from recent rain and flooding and that losses to grain in storage were minimal.
- Following an increase in world canola prices, the Australian canola indicator price increased in the week ending 7 March 2011 to A\$590 a tonne, compared with A\$572 a tonne in the previous week.
- Average lamb saleyard prices rose in all states except New South Wales for the week ending 4 March 2011, despite saleyard throughput of lambs increasing in all states compared to the previous week.
- Banana and cherry prices increased in the week ended 5 March 2011, but most other fruit prices were steady or weaker. Banana prices are likely to rise further now that stocks of bananas salvaged in North Queensland following Cyclone Yasi have diminished.

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

1. Climate

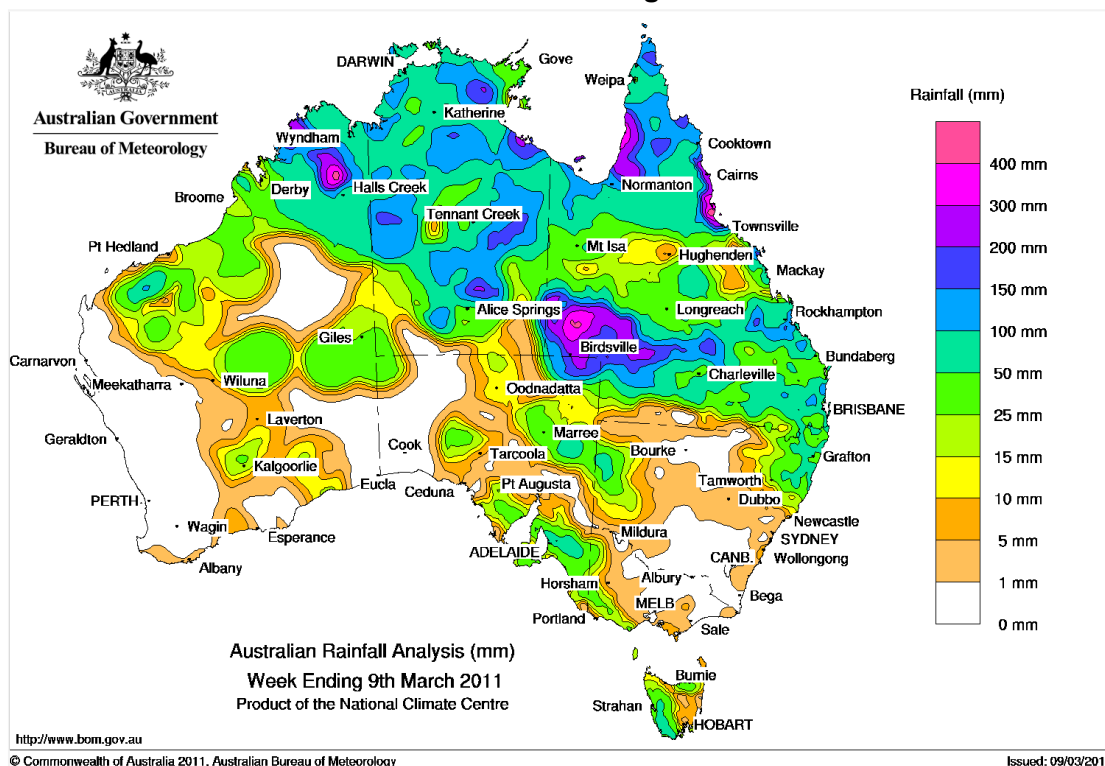
1.1 Notable events

- For the week ending 8 March 2011, rainfall was mostly recorded in the northern half of the country. The highest measured total for the week was 543 millimetres at **Bambaroo**, on the **north-east Queensland** coast.
- **Widespread flooding** following heavy rainfall in central and northern Queensland this week has reportedly damaged some rural infrastructure and stranded livestock. The extent of damage is still being assessed.
- **Heavy rain is forecast** in parts of Queensland and northern Australia over the coming week, which may further impact some recently flood affected areas in Queensland.
- Favourable production conditions in south-west Western Australia have reportedly allowed **mango growers to harvest their best crop** in four years. Harvesting in the region was completed earlier than normal to ensure hot conditions did not spoil the fruit.
- Average to below average rainfall over **south-west Western Australia** during February 2011 has **maintained areas of rainfall deficiencies** for the January 2010 to February 2011 period. It is unlikely that these deficiencies will be reduced in the coming months due to the low rainfall expected at this time of year (Bureau of Meteorology Drought Statement, 7 February 2011).

1.2 Rainfall this week

For the week ending 9 March 2011, rainfall was mostly recorded in the northern half of the country. For further information, go to www.bom.gov.au/climate/current/weeklyrain.shtml.

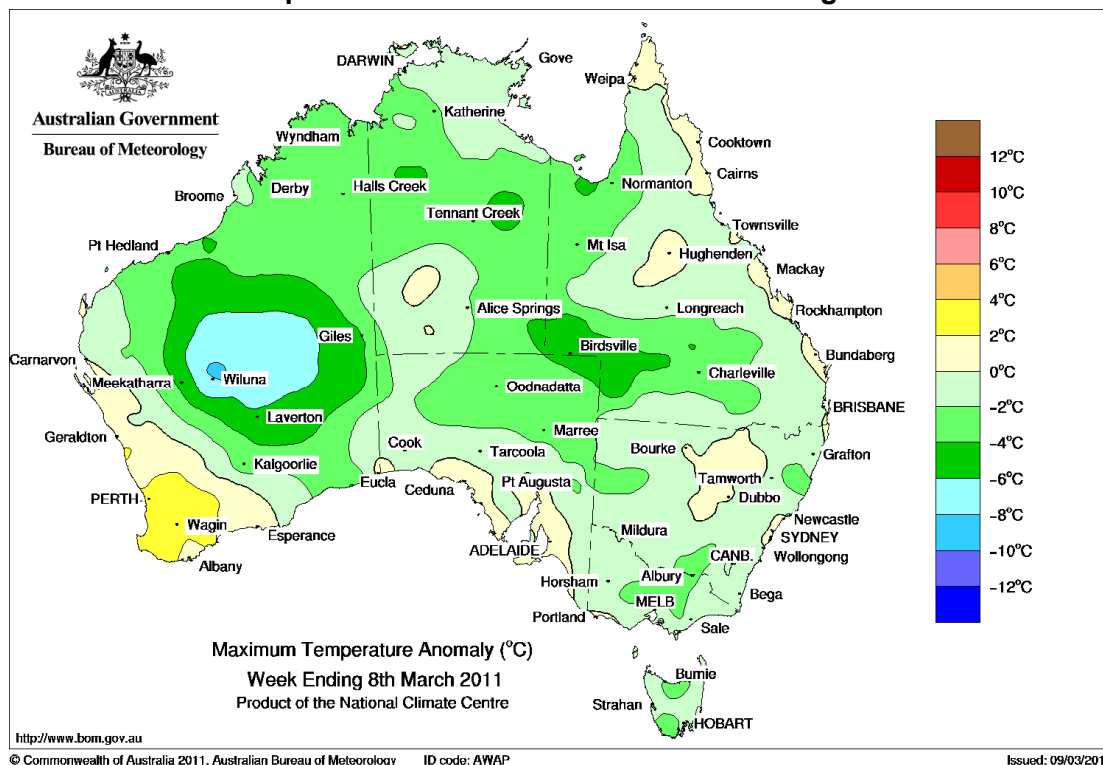
Rainfall for the week ending 9 March 2011



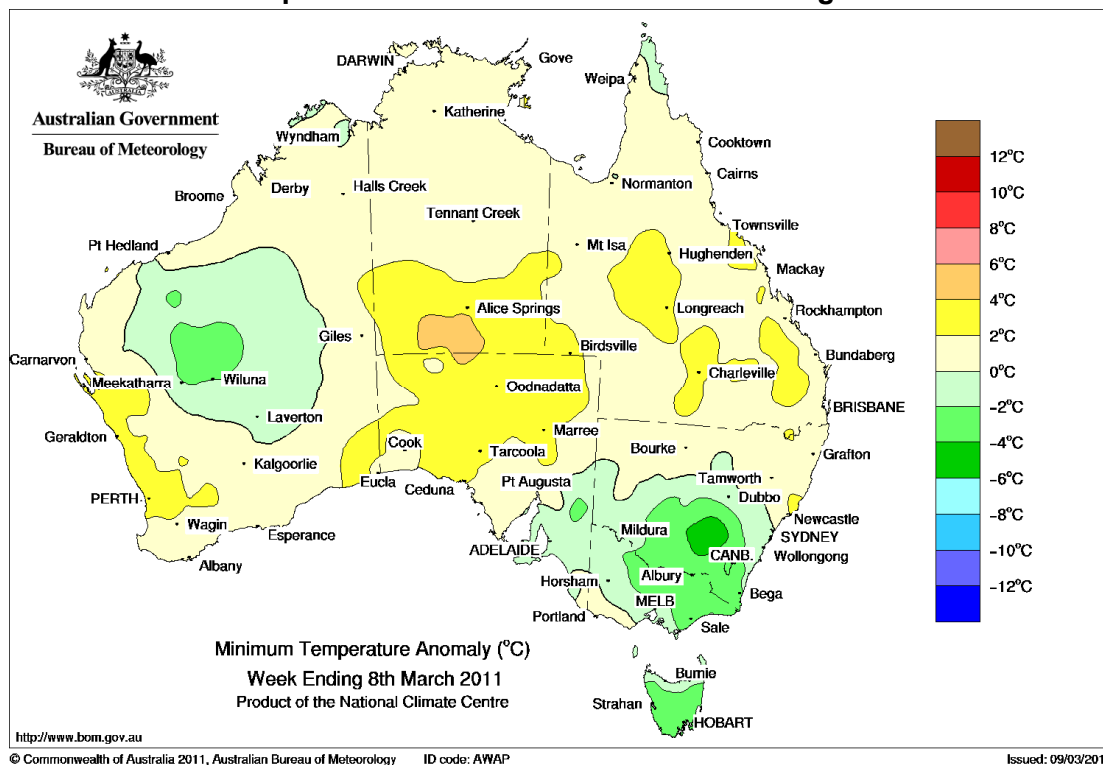
1.3 Temperature anomalies this week

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 8 March 2011



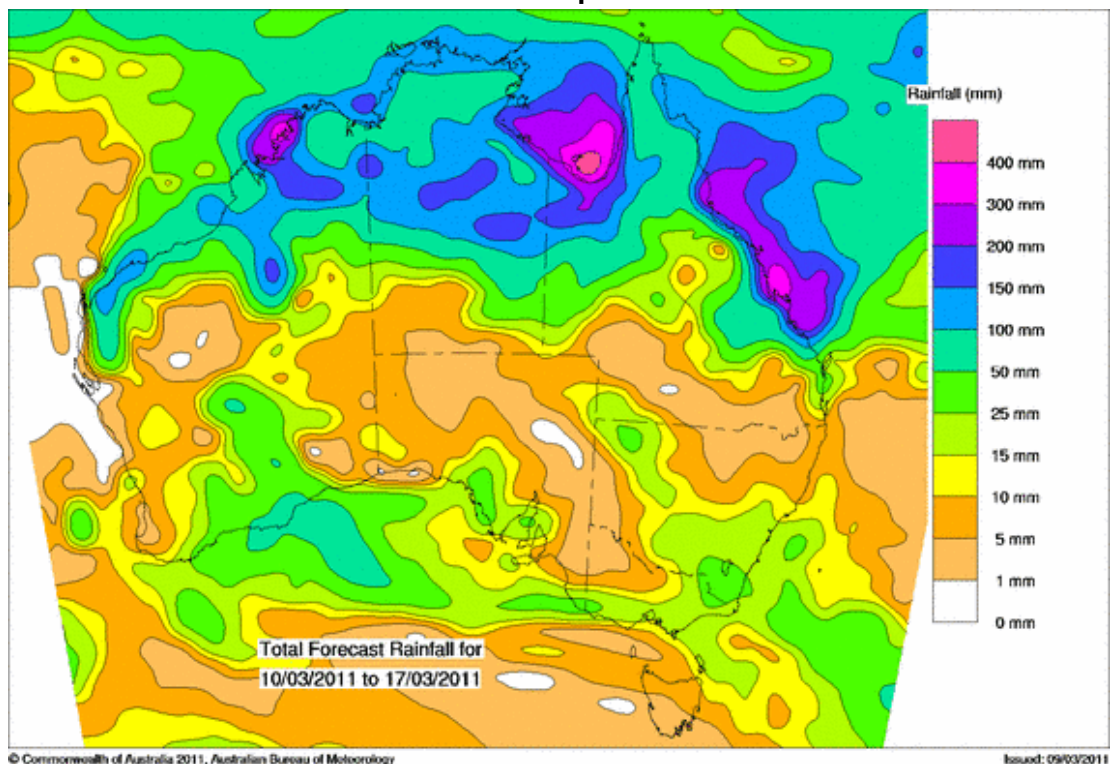
Minimum temperature anomalies for the week ending 8 March 2011



1.4 Rainfall outlook

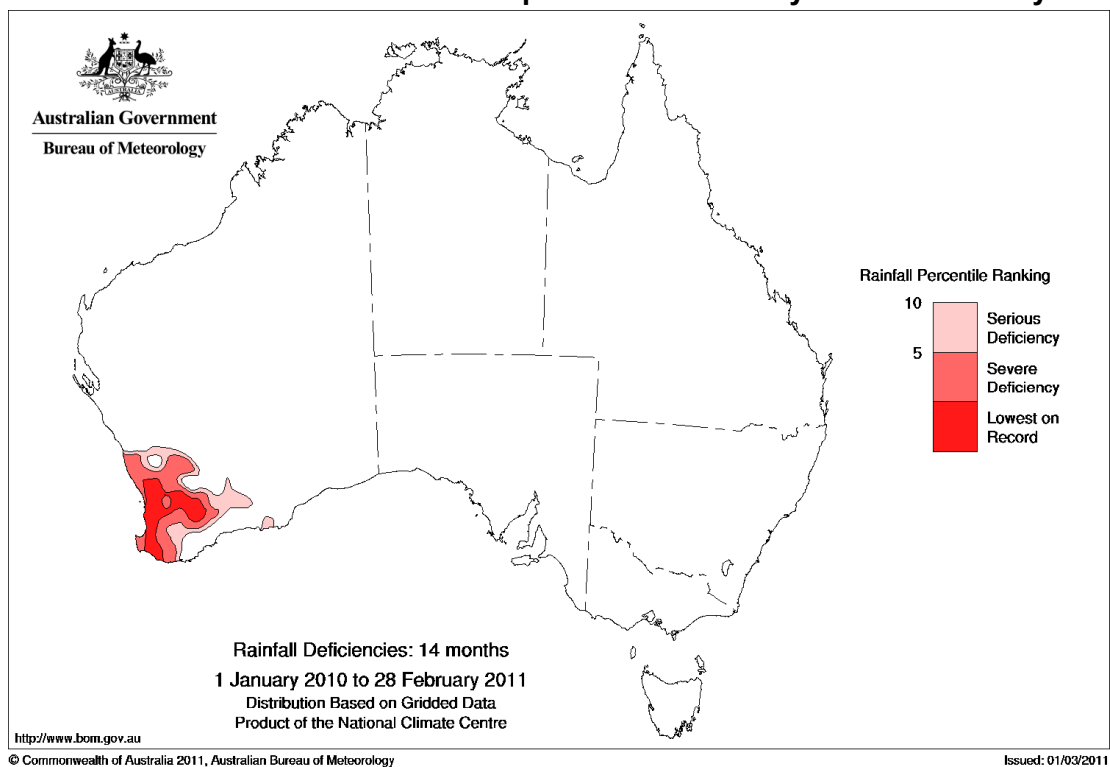
The rainfall forecast below is produced from computer models. As it contains no input from weather forecasters, it is important to also check local forecasts and warnings by the Bureau of Meteorology.

Total forecast rainfall for the period 10 – 17 March 2011



1.5 Rainfall deficiencies

Rainfall deficiencies for the 14-month period from January 2010 to February 2011



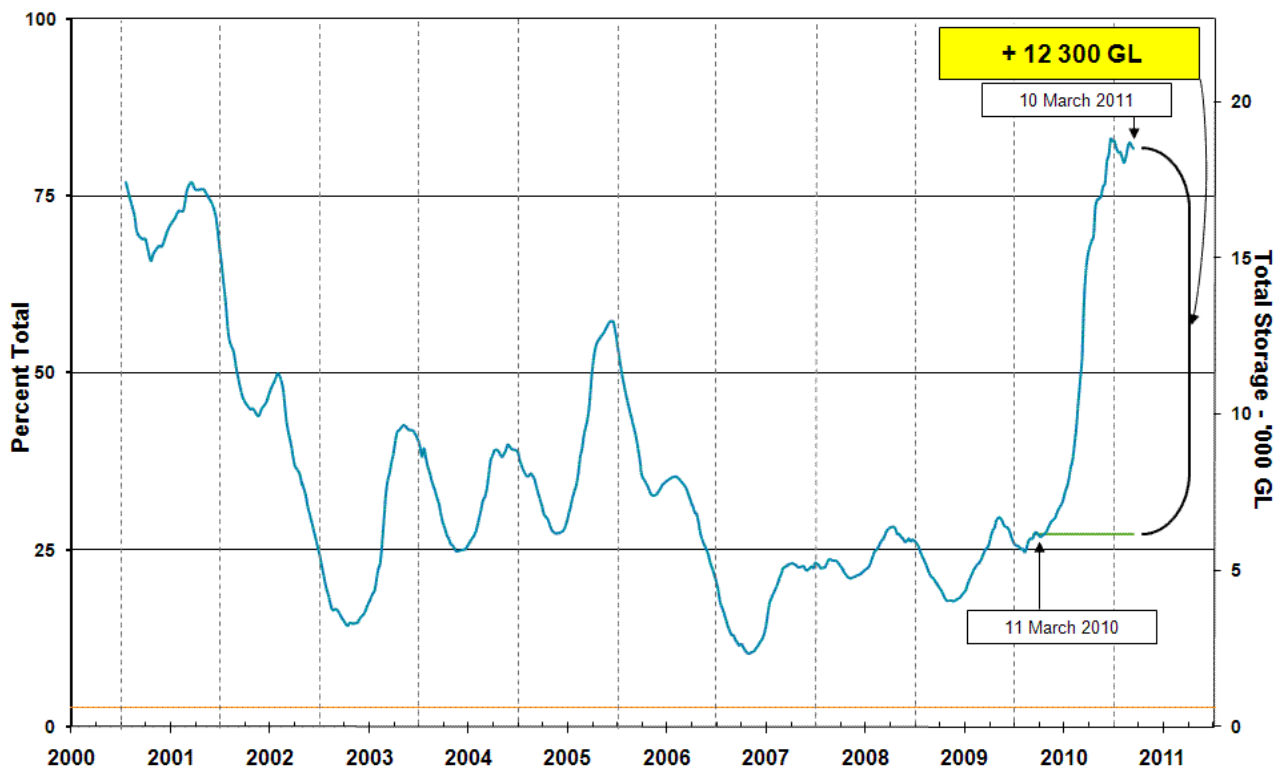
2. Water

2.1 Water availability

- Water storage levels in the Murray–Darling Basin decreased this week by 74 gigalitres to remain at approximately 82 per cent of total capacity. This is 55 percentage points or 12 300 gigalitres 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 storage in the Murray–Darling Basin (NSW, Victoria and Queensland)

Information on irrigation water available in the Murray–Darling Basin from 1 January 2001 to 10 March 2011 is shown below. 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 trading

Pricing (\$/ML) of selected temporary trade in allocations, MDB^a

Trading Zone	9 March	2 March	23 Feb	16 Feb	9 Feb	2 Feb	26 Jan
NSW Murrumbidgee I.A.	No trade	No trade	No trade	No trade	No trade	No trade	No trade
VIC 1A Goulburn	No trade	No trade	No trade	No trade	No trade	No trade	No trade
SA Murray	No trade	No trade	No trade	No trade	No trade	17	No trade

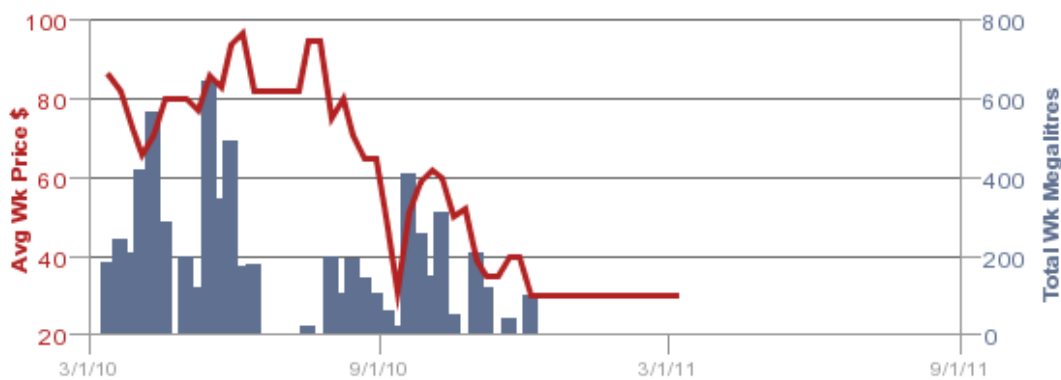
^a Last traded prices as at the dates shown.

Volume (ML) of selected temporary trade in allocation, MDB^b

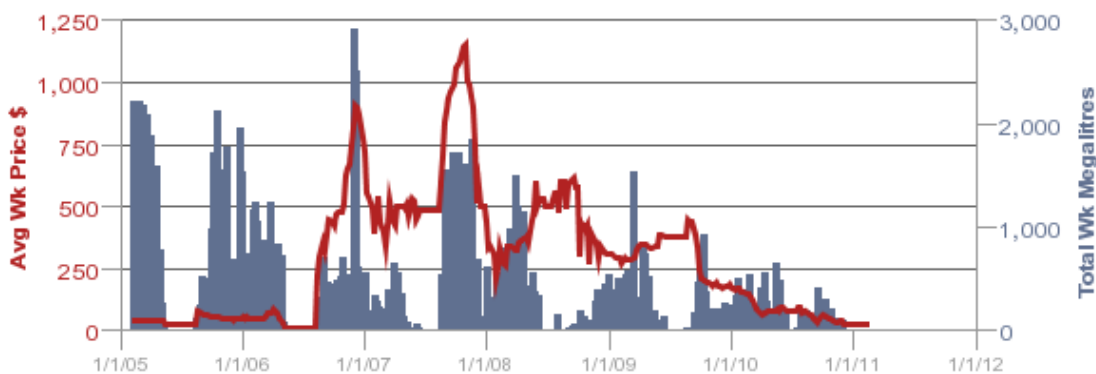
Trading Zone	9 March	2 March	23 Feb	16 Feb	9 Feb	2 Feb	26 Jan
NSW Murrumbidgee I.A.	No trade	No trade	No trade	No trade	No trade	No trade	No trade
VIC 1A Goulburn	No trade	No trade	No trade	No trade	No trade	No trade	No trade
SA Murray	No trade	No trade	No trade	No trade	No trade	95	No trade

^b Volumes of water traded as at the dates shown.

Recent trading (last 12 months)



Historical trading (last 6 years)



Source: Waterexchange

(**Note:** Data do not include trade through private brokers or other exchanges and trade over recent days; hence prices may differ from those reported above. Price series for Goulburn and South Australia Murray are very similar and have not been included).

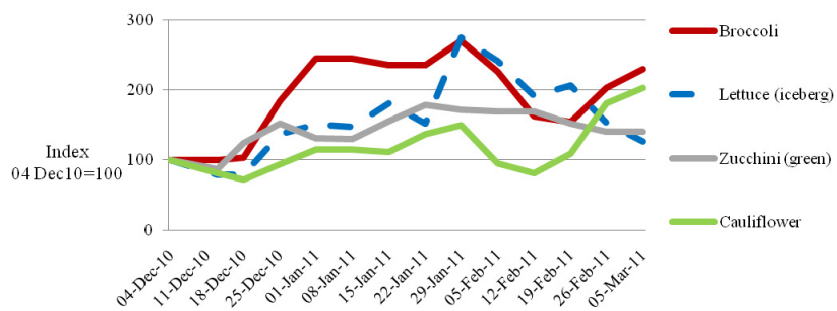
3. Commodities

3.1 Production and commodities

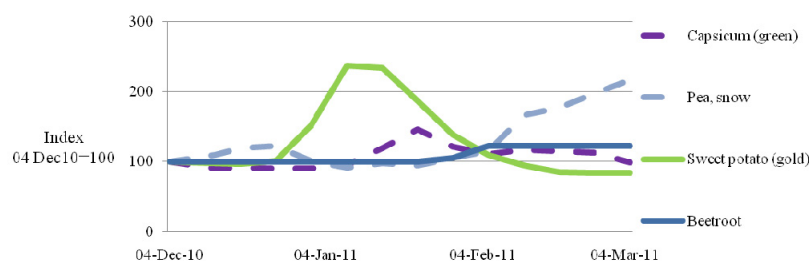
- The world wheat indicator price (US Hard Red Winter, freight on board (fob) Gulf ports) averaged US\$352 a tonne for the week ending 8 March 2011, a 1 per cent rise from the previous week.
- At GrainCorp's 2011 Annual General Meeting, the chairman announced that the company's grain handling and storage infrastructure and country sites did not suffer significant damage from rain and flooding and that losses to grain in storage were minimal.
- Australian wheat exports rose by 41 per cent in January to around 1.8 million tonnes, the highest since March 2009.
- Following an increase in world canola prices, the Australian canola indicator price increased in the week ending 7 March 2011 to A\$590 a tonne, compared with A\$572 a tonne in the previous week.
- Average lamb saleyard prices rose in all states except New South Wales for the week ending 4 March 2011, despite saleyard throughput of lambs increasing in all states compared to the previous week. The largest price increase was recorded in Victoria, where the average saleyard price rose by 4.4 per cent to 658 cents a kilogram. This reflects the ongoing low throughput of lambs, relative to the same period a year earlier, and continued restocker and processor demand.
- Changes in average saleyard prices for sheep varied across all states during the week ending 4 March 2011. The average saleyard price in Victoria increased by around 2 per cent to around 490 cents per kilogram, but the largest increase occurred in South Australia where the price increased by around 4.3 per cent, to average 462 cents a kilogram. Throughput increased week on week in New South Wales and Western Australia but decreased in South Australia and Victoria. Total saleyard throughput of sheep was slightly below the level for the same period a year earlier.
- Banana and cherry prices increased in the week ended 5 March 2011, but most other fruit prices were steady or weaker. Banana prices are likely to rise further now that stocks of bananas salvaged in North Queensland following Cyclone Yasi have diminished.
- Vegetable prices were generally stronger in the week ended 5 March 2011, particularly brassicas (broccoli, cabbage, cauliflowers) and tomatoes, but potato prices were lower.
- Prices for vegetables in the Brisbane wholesale market rose in January 2011 after the Queensland floods but have generally eased in February 2011, with the exceptions of cabbage and zucchini. Fruit prices were largely unaffected by the January floods.

3.2 Recent movements in fruit and vegetable prices

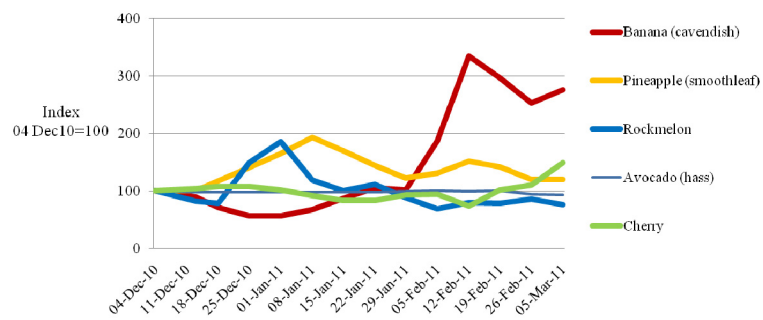
Weekly wholesale prices for selected vegetables, Melbourne market



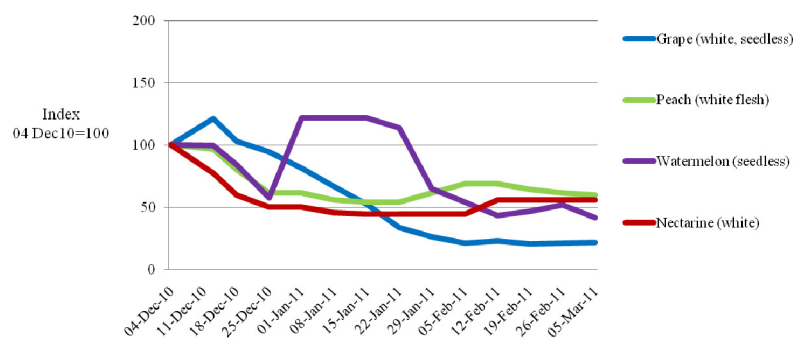
Weekly wholesale prices for selected vegetables, Melbourne market



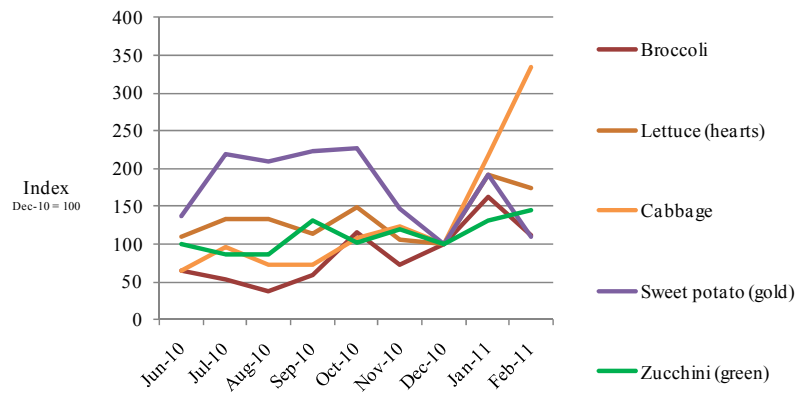
Weekly wholesale prices for selected fruit, Melbourne market



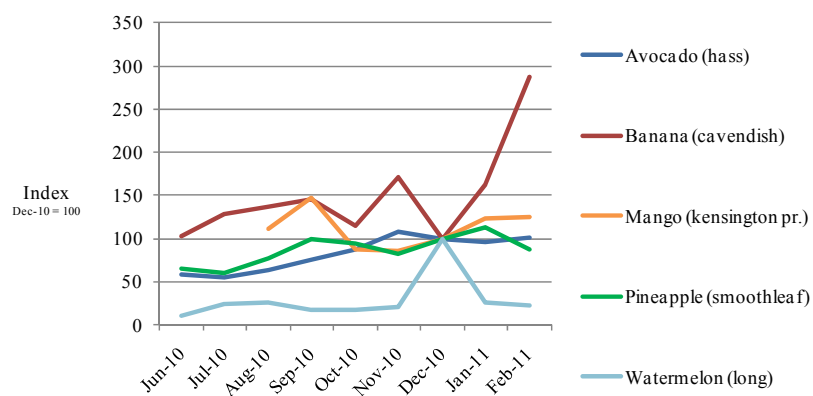
Weekly wholesale prices for selected fruit, Melbourne market



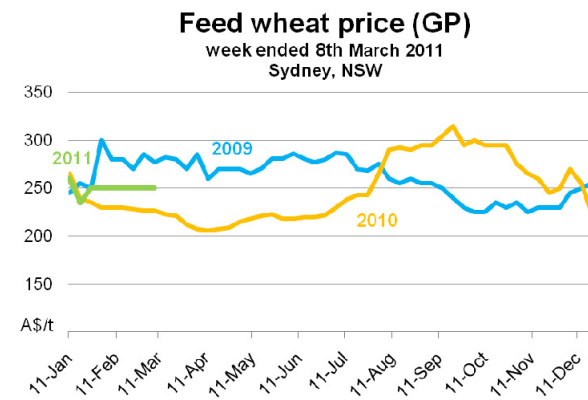
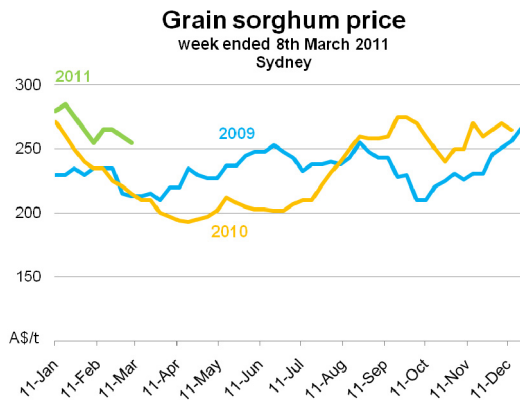
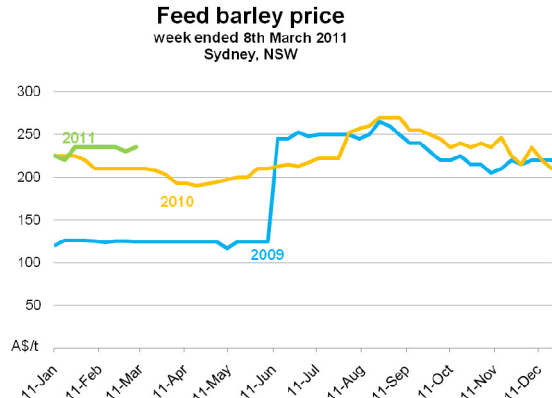
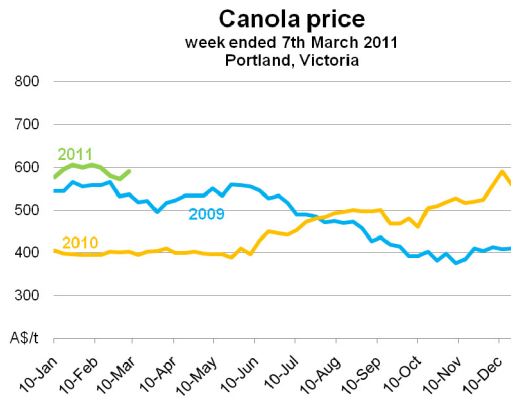
Monthly vegetable prices, Brisbane wholesale market



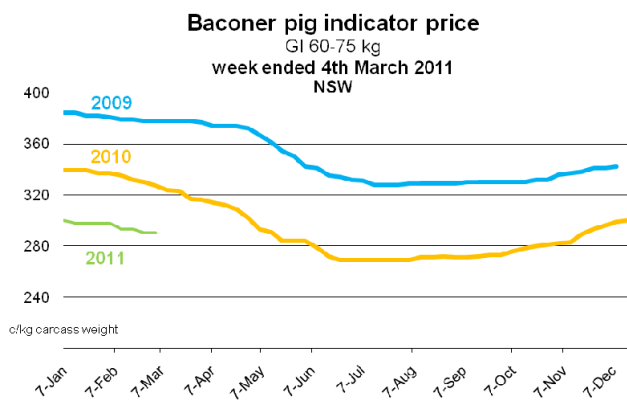
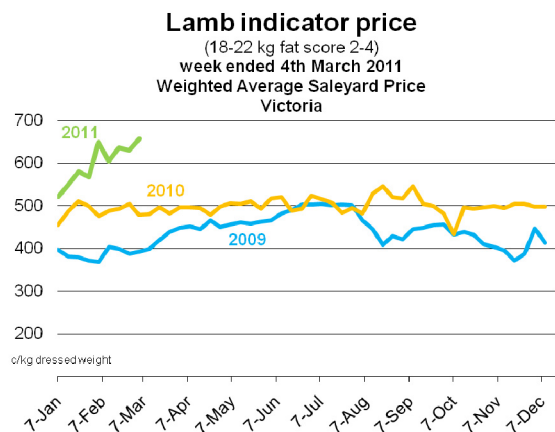
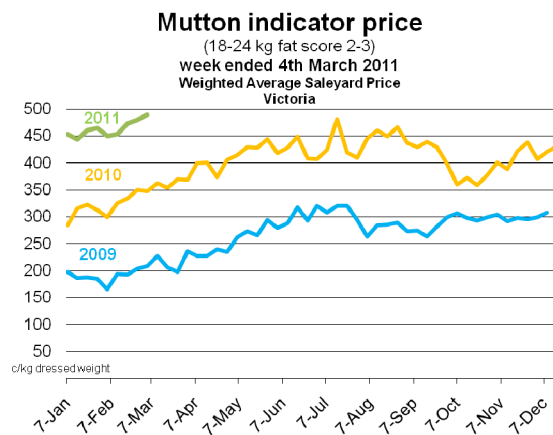
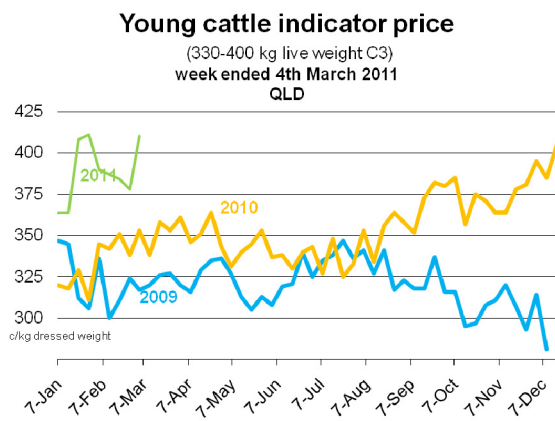
Monthly fruit prices, Brisbane wholesale market



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
- Maximum and minimum temperature anomalies: www.bom.gov.au/jsp/awap/temp/index.jsp
- 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/

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/>
- 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

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>
- GrainCorp Annual General Meeting: www.graincorp.com.au/ir/Pages/2011AGM.aspx

Cattle and pigs

- Meat and Livestock Australia: www.mla.com.au/Prices-and-markets

Canola

- Weekly Times: hardcopy