



Australian Government

Australian Bureau of Agricultural and
Resource Economics and Sciences

Weekly Australian Climate, Water and Commodity Price Update 21 April 2011

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

Summary of key issues

- Heavy rain this week caused flooding in parts of south-east Queensland, with the extent of damage to agriculture still being assessed.
- The rice harvest in the Riverina region of New South Wales is reportedly almost half way complete, with just over 370 000 tonnes of paddy rice harvested. The industry is expected to produce 800 000 tonnes this season, compared with 197 000 tonnes in 2009-10.
- Wetter than normal conditions are forecast for northern New South Wales and southern Queensland during the May to July 2011 period, while drier than normal conditions are expected for parts of south-east Australia (Bureau of Meteorology May to July 2011 Seasonal Rainfall Outlook).
- Maximum temperatures are likely to be warmer than average across parts of southern Australia during the May to July 2011 period, while minimum temperatures are likely to be warmer than average across south-east Australia (Bureau of Meteorology May to July 2011 Seasonal Temperature Outlook).
- Water storage levels in the Murray–Darling Basin (MDB) increased this week by 111 gegalitres (GL) to approximately 83 per cent of total capacity. This is 56 percentage points or 12 621 GL more than this time last year.
- Prices of fruit, apart from bananas, were generally weaker in the week ending 16 April 2011. New season supplies of apples and pears have become more readily available.
- The recent trend of declining vegetable prices continued in the week ending 16 April 2011, reflecting generally favourable autumn conditions in many vegetable producing regions.
- In the latest Crop Progress released by the United States Department of Agriculture on 18 April, over 60 per cent of the US winter wheat crop was reported to be in very poor to fair condition, reflecting the impact of dry weather being experienced in US winter wheat areas.
- Wool prices have risen since the beginning of 2011, reflecting improved demand in international markets, particularly China. For the 2011 year to 15 April, the Eastern Market Indicator price averaged 41 per cent higher year on year and wool offerings at auction rose year on year by around 12 per cent.

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

www.abares.gov.au

Science and economics for decision-makers

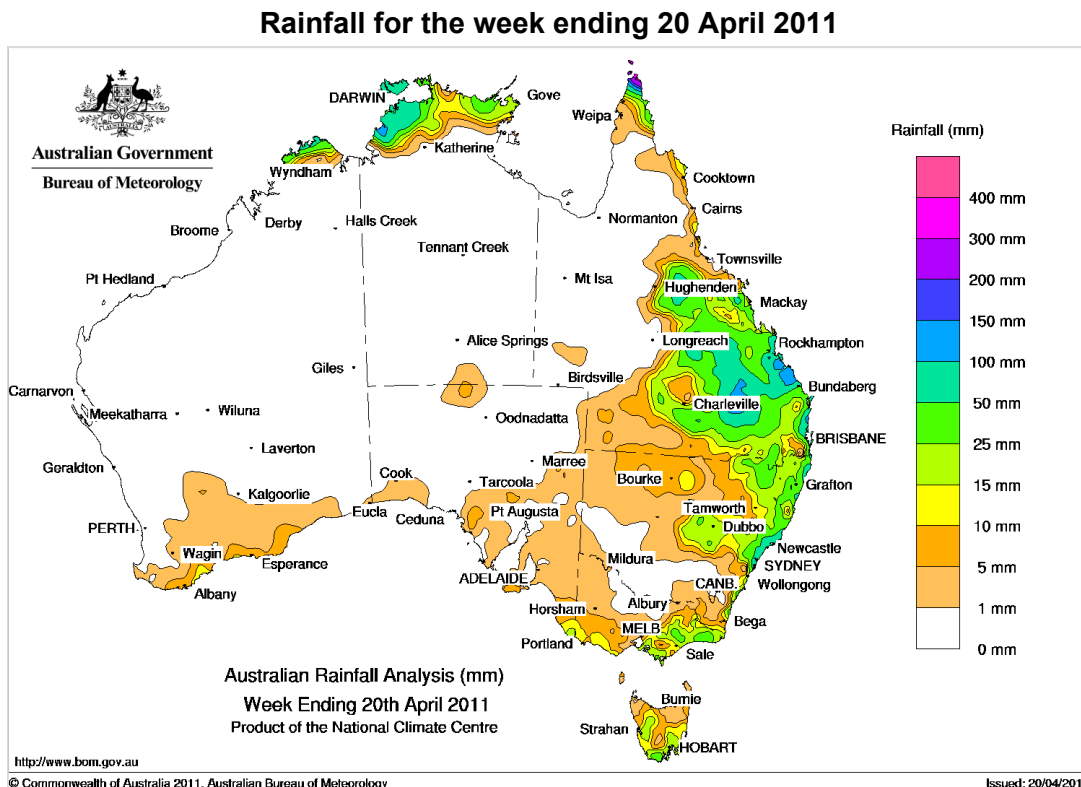
1. Climate

1.1 Notable events

- For the week ending 20 April 2011, rainfall was mostly recorded in eastern Australia and the tropical north. The highest measured total for the week was **352 millimetres** at **Coconut Island**, located off the far north coast of Queensland.
- Major **flooding** has occurred along Bungil Creek, Roma in south-east Queensland following heavy rainfall during the week, although the floodwaters have started to recede. Roma received nearly three times its monthly rainfall average.
- Significant numbers of **spur-throated locusts** have been found in the central west, central north and north-west New South Wales, and the wet summer has provided ideal conditions for mice to breed.
- Preparation for the sowing of the 2011–12 winter crop has begun in parts of southern Australia, with good soil moisture availability in most areas.
- Wet and humid conditions during summer 2010–11 and early autumn 2011 have decreased **almond** quality, yield and grower returns in the Riverland region, South Australia.
- The **rice harvest** in the Riverina region in south-west New South Wales is reportedly almost half way complete, with just over 370 000 tonnes of paddy rice harvested. The industry is expected to produce 800 000 tonnes this season, compared with 197 000 tonnes in 2009-10.
- **Wetter than normal conditions** are forecast for northern New South Wales and southern Queensland during the **May to July 2011 period**, while drier than normal conditions are expected for south-east South Australia, parts of southern Victoria and northern Tasmania. For the rest of the country, the chances of exceeding or not exceeding the median rainfall are about the same (Bureau of Meteorology May to July 2011 Seasonal Rainfall Outlook).
- **Maximum temperatures** are likely to be **warmer than average** across parts of southern Australia during the May to July 2011 period, while minimum temperatures are likely to be warmer than average across south-east Australia (Bureau of Meteorology May to July 2011 Seasonal Temperature Outlook).

1.2 Rainfall this week

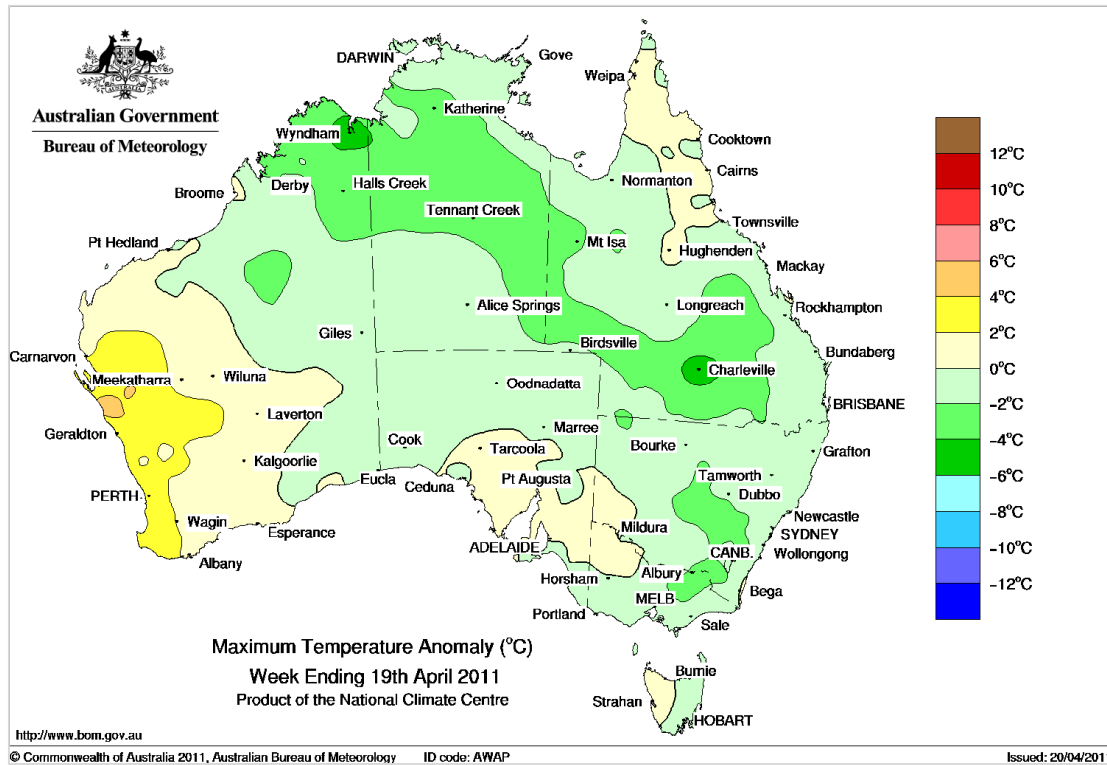
For the week ending 20 April 2011, rainfall was mostly recorded in eastern Australia and the tropical north. For further information, go to www.bom.gov.au/climate/current/weeklyrain.shtml.



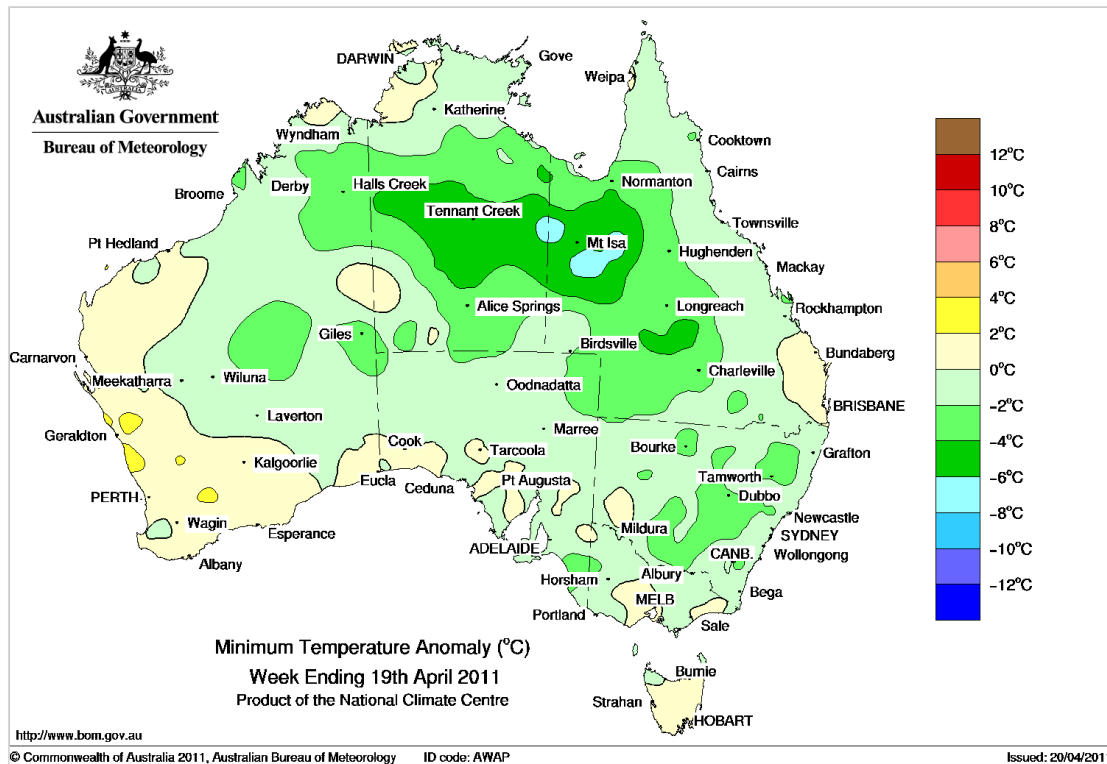
1.3 Temperature anomalies this week

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 19 April 2011



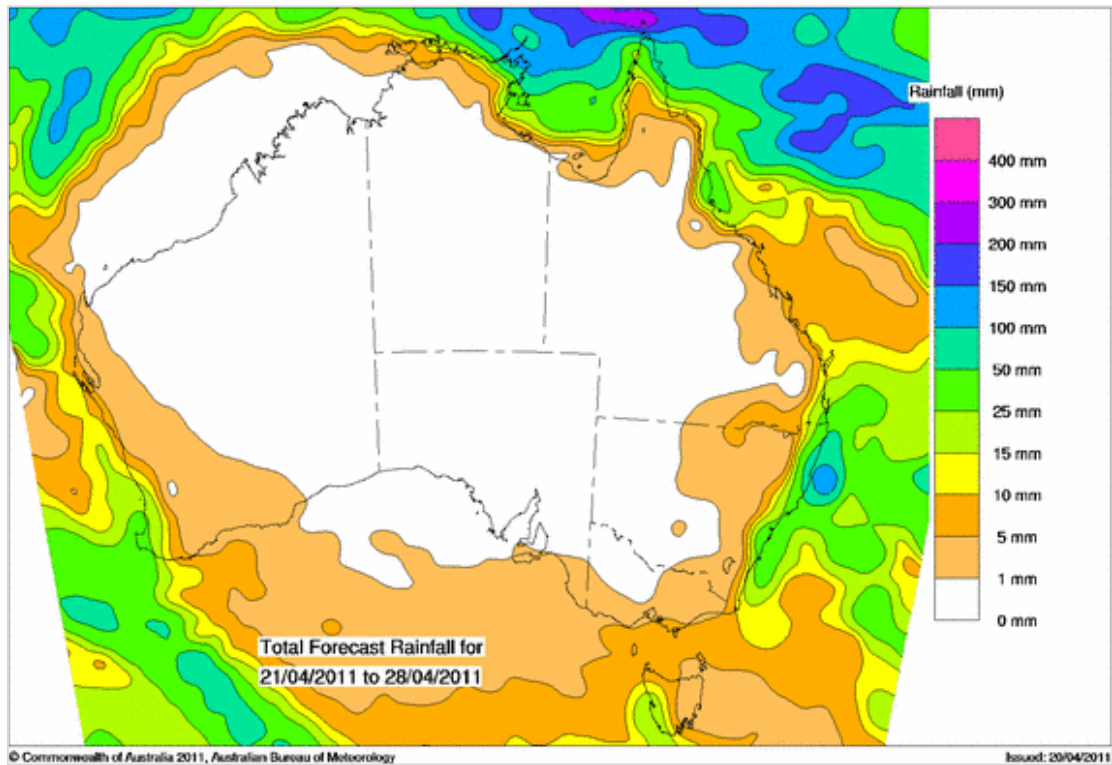
Minimum temperature anomalies for the week ending 19 April 2011



1.4 Rainfall outlook

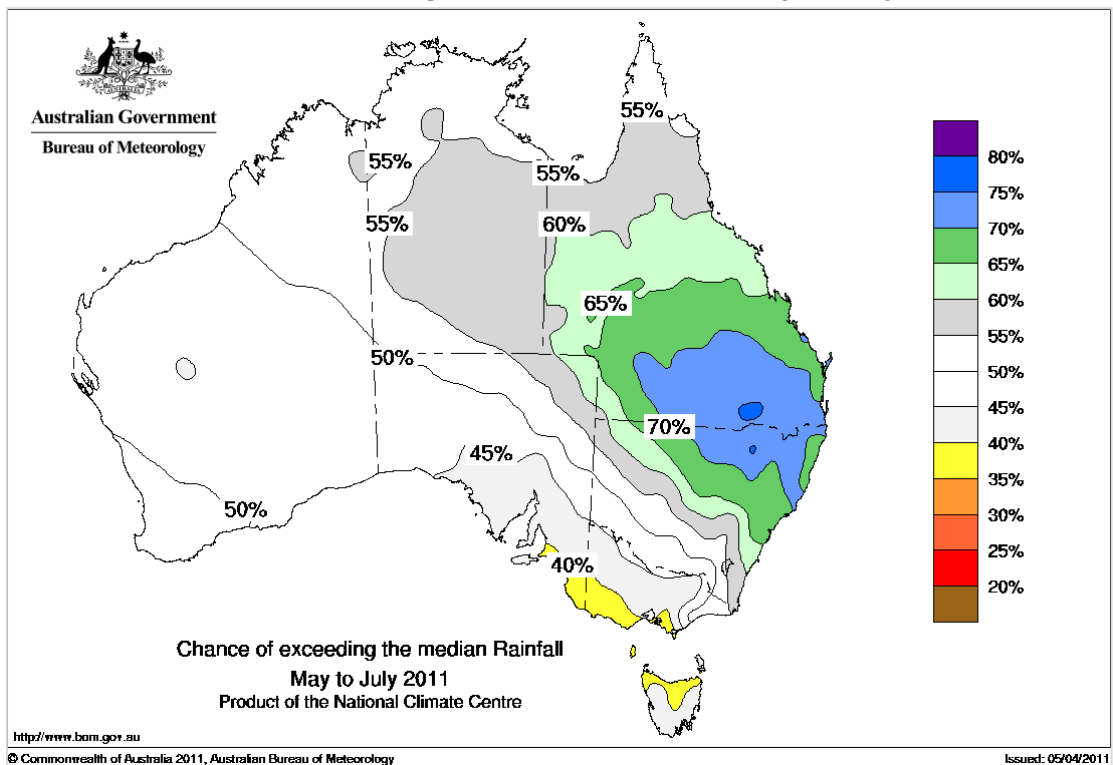
The rainfall forecast below is produced from computer models. As it contains no input from weather forecasters, it is important to also check local forecasts and warnings by the Bureau of Meteorology.

Total forecast rainfall for the period 21 – 28 April 2011

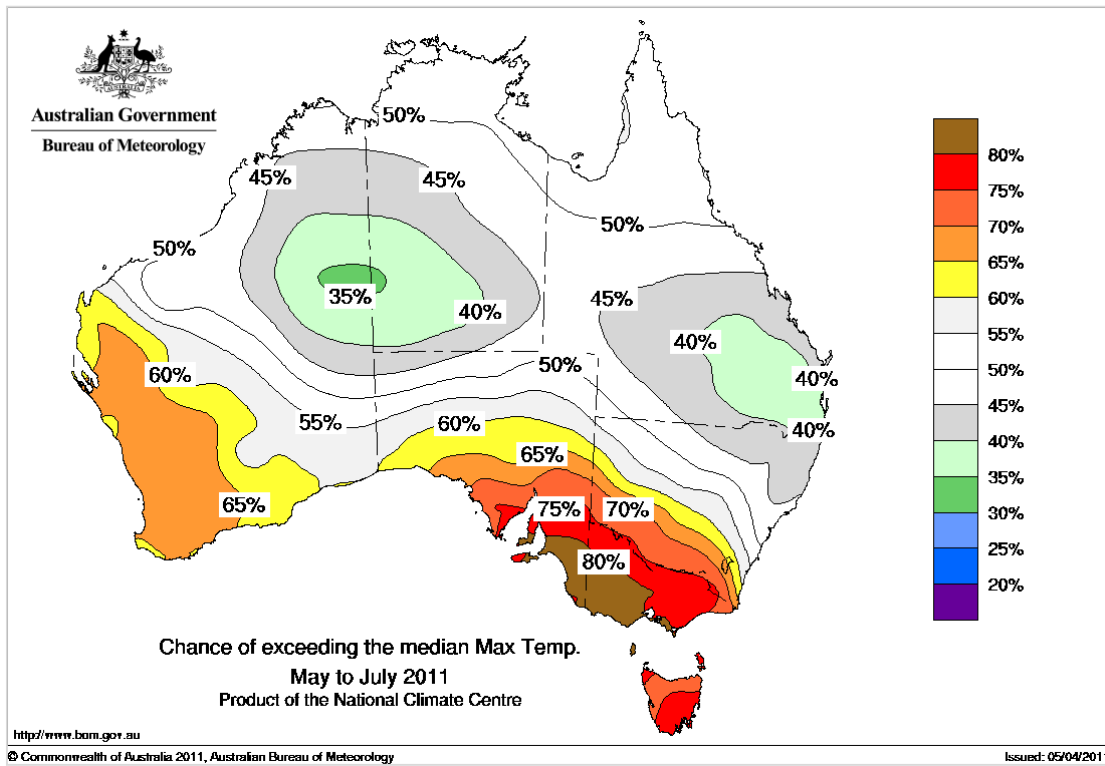


1.5 Seasonal outlook

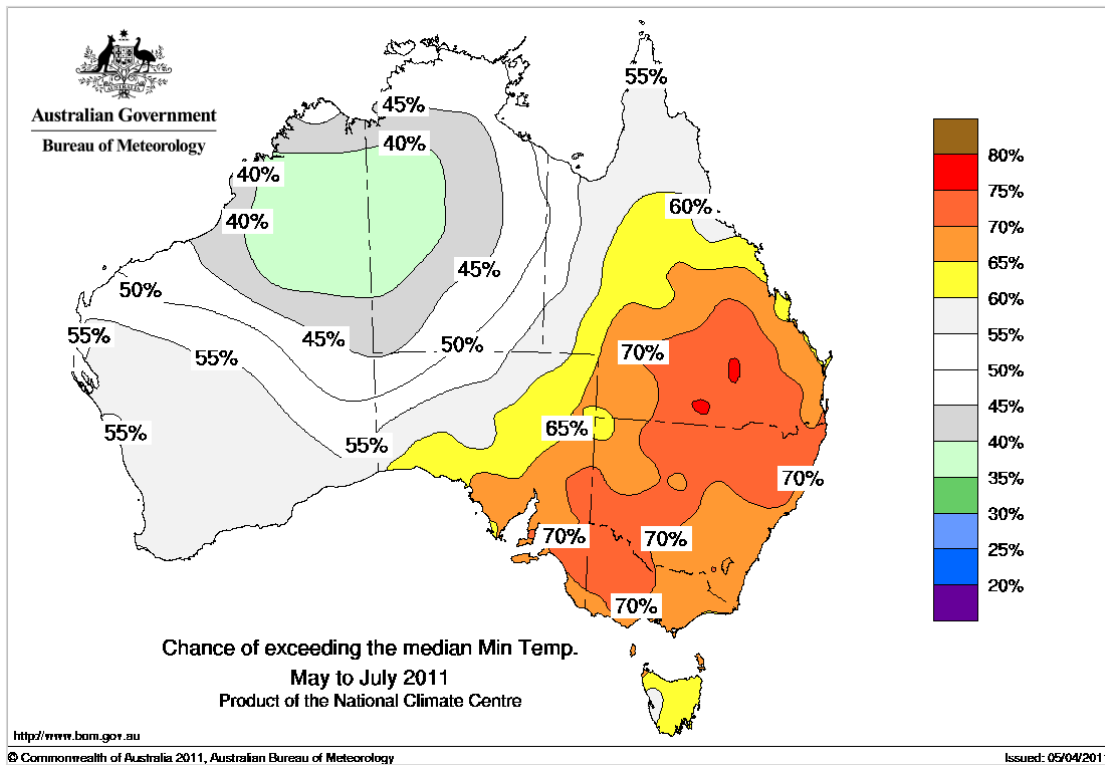
Chance of exceeding the median rainfall – May to July 2011



Chance of exceeding the median maximum temperature – May to July 2011



Chance of exceeding the median minimum temperature – May to July 2011



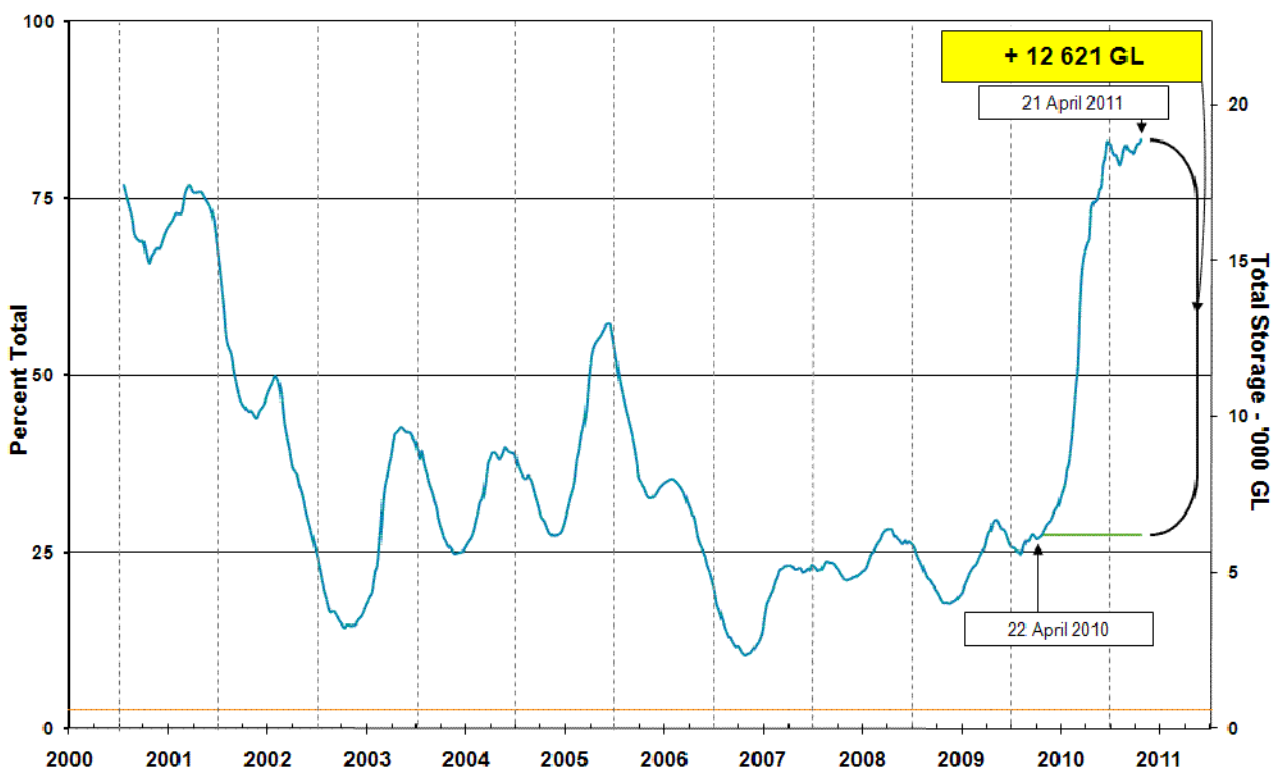
2. Water

2.1 Water availability

- Water storage levels in the Murray–Darling Basin (MDB) increased this week by 111 gigalitres (GL) to approximately 83 per cent of total capacity. This is 56 percentage points or 12 621 GL more than this time last year.
- Trade in water allocations from New South Wales to Victoria and from the Goulburn, Campaspe and Loddon systems to the Victorian Murray River system has been suspended until 1 July 2011.

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

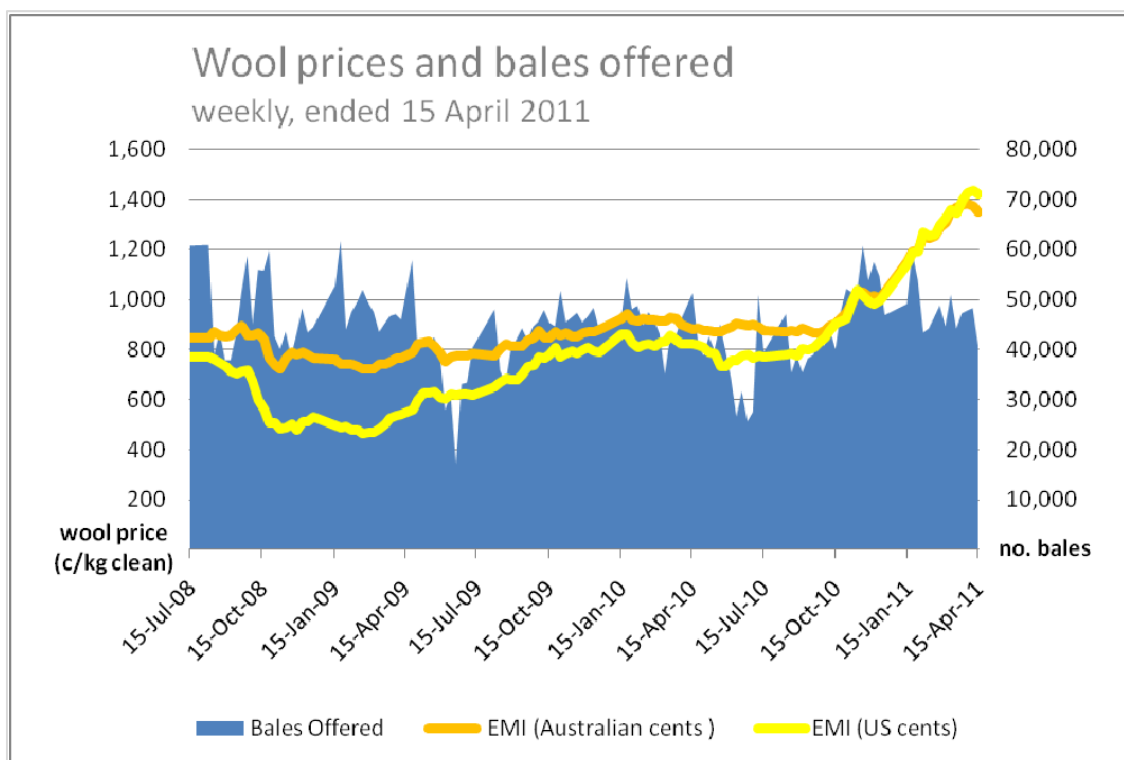
Information on irrigation water available in the Murray–Darling Basin from 1 January 2001 to 21 April 2011 is shown below. The green line indicates the storage level at the same time last year. The orange line indicates the amount of 'dead' or unusable storage.



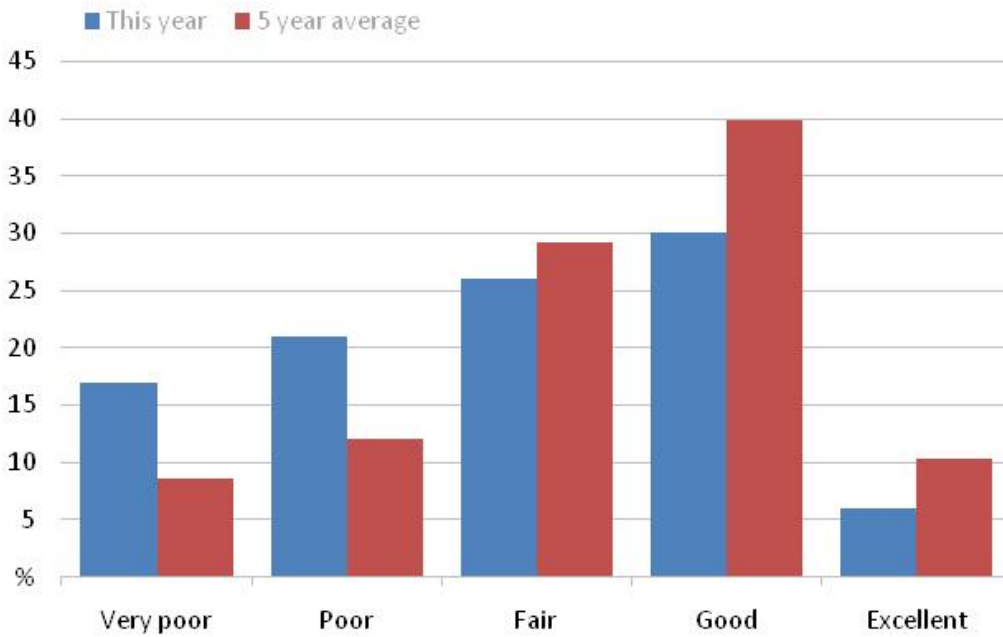
Commodities

3.1 Production and commodities

- Prices of fruit, apart from bananas, were generally weaker in the week ending 16 April 2011. New season supplies of apples and pears have become more readily available.
- The recent trend of declining vegetable prices continued in the week ending 16 April 2011, reflecting generally favourable autumn conditions in many vegetable producing regions.
- Australian milk production for the eight months ending February 2011 was largely unchanged from the corresponding period of last year. While milk production in New South Wales, Queensland and South Australia declined marginally, output in Victoria, Tasmanian and Western Australia increased year on year by 1 per cent, 4.8 per cent and 5.6 per cent, respectively.
- Wool prices have risen since the beginning of 2011, reflecting improved demand in international markets, particularly China. For the 2011 year to 15 April, the Eastern Market Indicator price averaged 41 per cent higher year on year and wool offerings at auction rose year on year by around 12 per cent.
- Average lamb prices and total yardings were largely unchanged in the eastern states for the week ending 15 April 2011. In Western Australia, lamb prices rose week on week by 3.4 per cent, reflecting a fall in throughput by around 8 per cent at reported saleyards.
- Sheep prices fluctuated across states, with prices rising by around 9 per cent in South Australia and 2 per cent in Victoria for the week ending 15 April 2011.
- Saleyard trade steer prices fell by 5 per cent in Queensland and 1 per cent in New South Wales for the week ending 15 April 2011, despite a decline of 9 per cent in total throughput in the two states.
- The world wheat indicator price (US hard red winter, 11.5 per cent protein, free on board, Gulf ports) averaged US\$347 a tonne for the week ending 19 April 2011. This was 4 per cent lower than the previous week, despite significant rises late in the week following confirmation of US winter wheat crop conditions. In the latest Crop Progress released by the United States Department of Agriculture on 18 April, over 60 per cent of the US winter wheat crop was reported to be in very poor to fair condition, reflecting the impact of dry weather being experienced in US winter wheat areas (see graph next page).

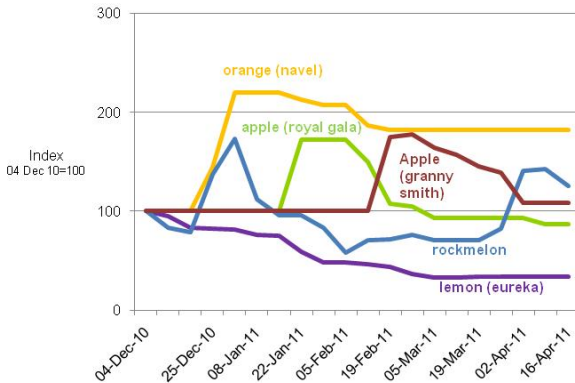
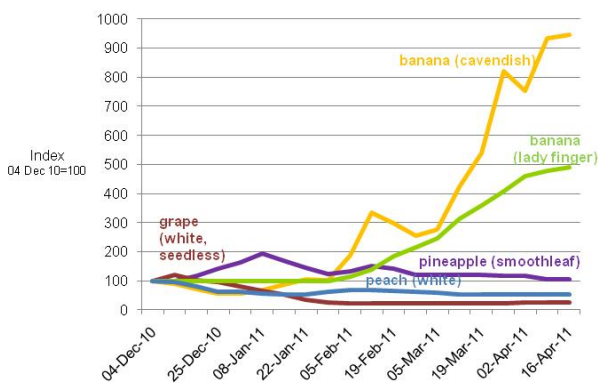


US winter wheat crop condition

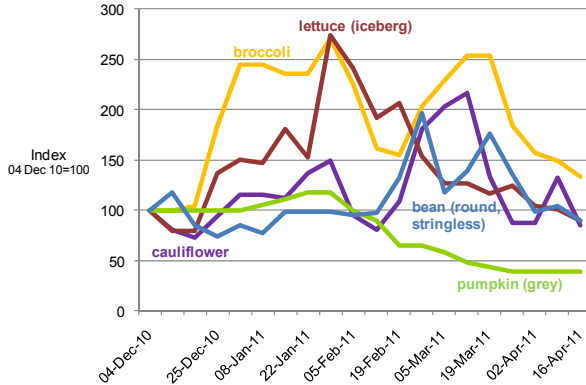
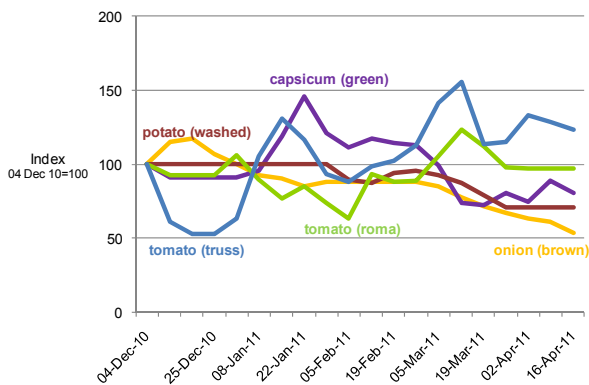


3.2 Recent movements in fruit and vegetable prices

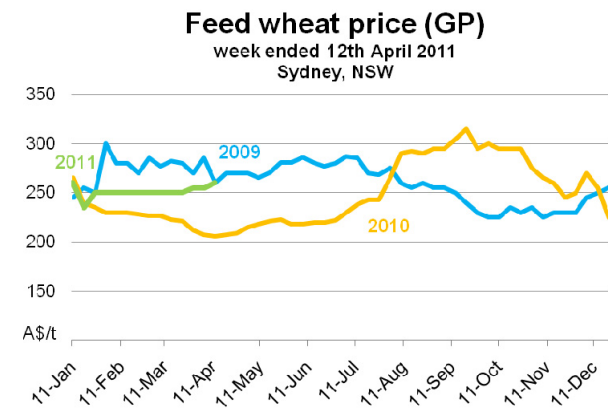
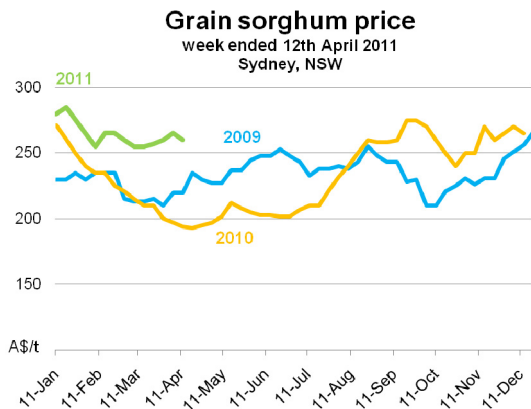
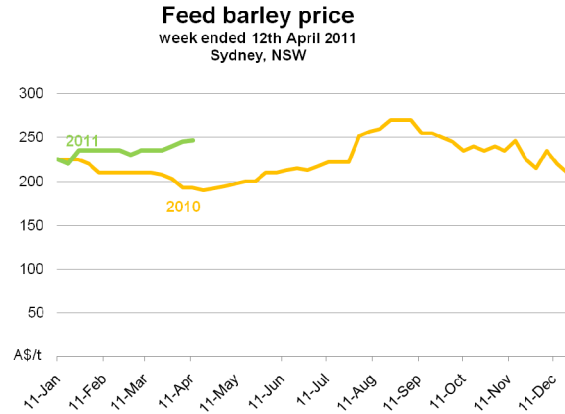
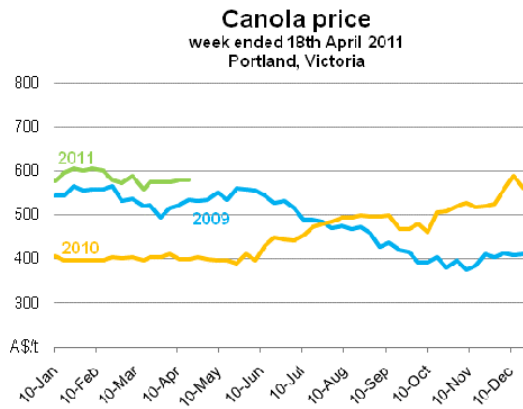
Weekly wholesale prices for selected fruit, Melbourne market



Weekly wholesale prices for selected vegetables, Melbourne market

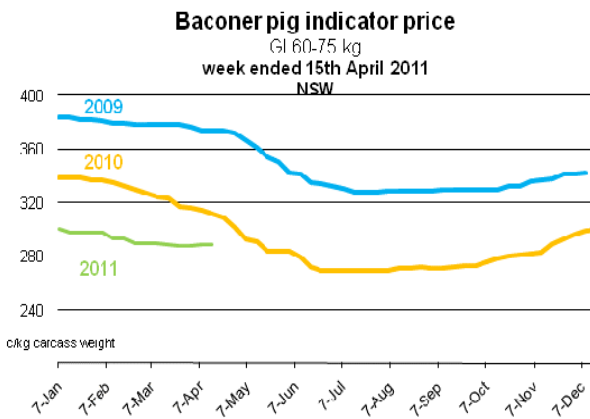
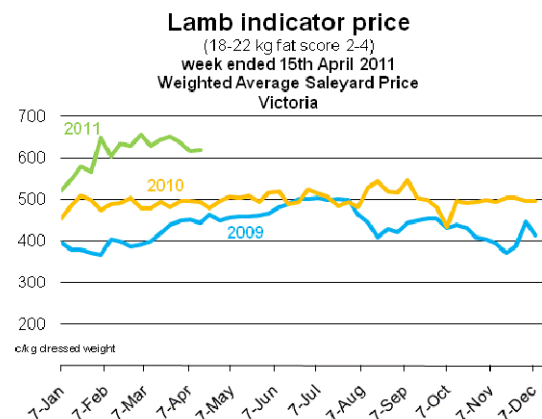
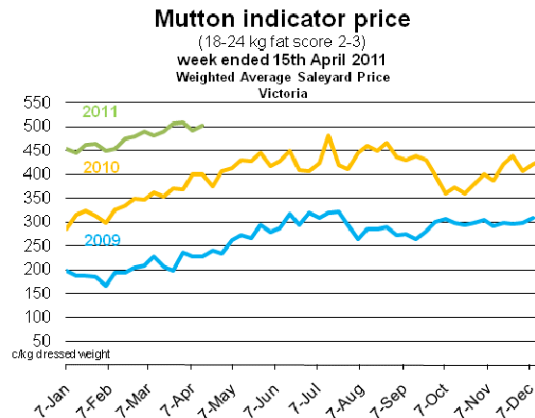
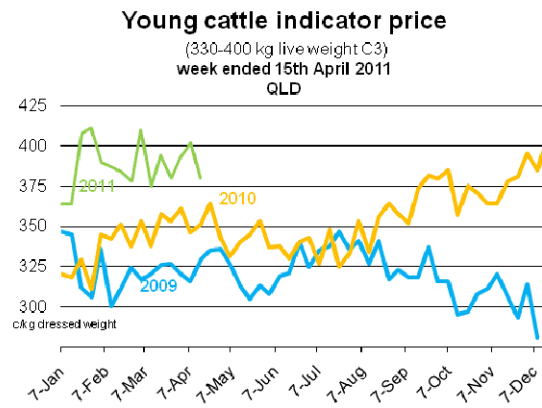


3.3 Crop indicator prices*



*Indicator prices for feed wheat, feed barley and sorghum were not available this week.

3.4 Livestock indicator prices



3. 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>

Cattle, mutton, lambs and pigs

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

Canola

- Weekly Times: hardcopy