



Australian Government

Australian Bureau of Agricultural and
Resource Economics – Bureau of Rural Sciences

Weekly Australian Climate, Water and Commodity Price Update

22 July 2010

Summary of Key Issues (online report available at <http://www.daff.gov.au/climateupdate>)

- Light to moderate rainfall recorded over parts of southern Australia this week will help maintain soil moisture and prospects of good crop and pasture growth in spring.
- Production conditions in northern NSW and southern Queensland may improve if forecast widespread, moderate rainfall eventuates. The rain will help ease deficiencies that remain in these areas.
- Tropical Pacific Ocean temperatures continued to cool over the past fortnight and are approaching La Niña levels, according to this week's ENSO 'Wrap-up' released by the Bureau of Meteorology. Climate models indicate continued cooling over the coming months and it is likely 2010 will be considered a La Niña year.
- For most of Australia, the chances of exceeding or not exceeding the median rainfall for the period August to October 2010 are about the same, according to the seasonal outlook released by the Bureau of Meteorology this week. The August to October 2010 period is likely to be warmer than normal for most of the continent.
- Water storage levels in the Murray-Darling Basin continued to rise this week, increasing by 390 gigalitres, or around 1.5 per cent, to 32 per cent of total capacity. This is the highest level since 11 September 2006 when it was at 33 per cent.
- The French feed barley price (Rouen) reached US \$174 per tonne this week, the highest since June 2009. The rise reflected concerns about the dry conditions over much of Europe and the Russian Federation, and wet conditions in western Canada. Reflecting this, the domestic feed barley price (delivered Sydney) has risen by around 6 per cent over the past month to AUD \$222 per tonne this week.

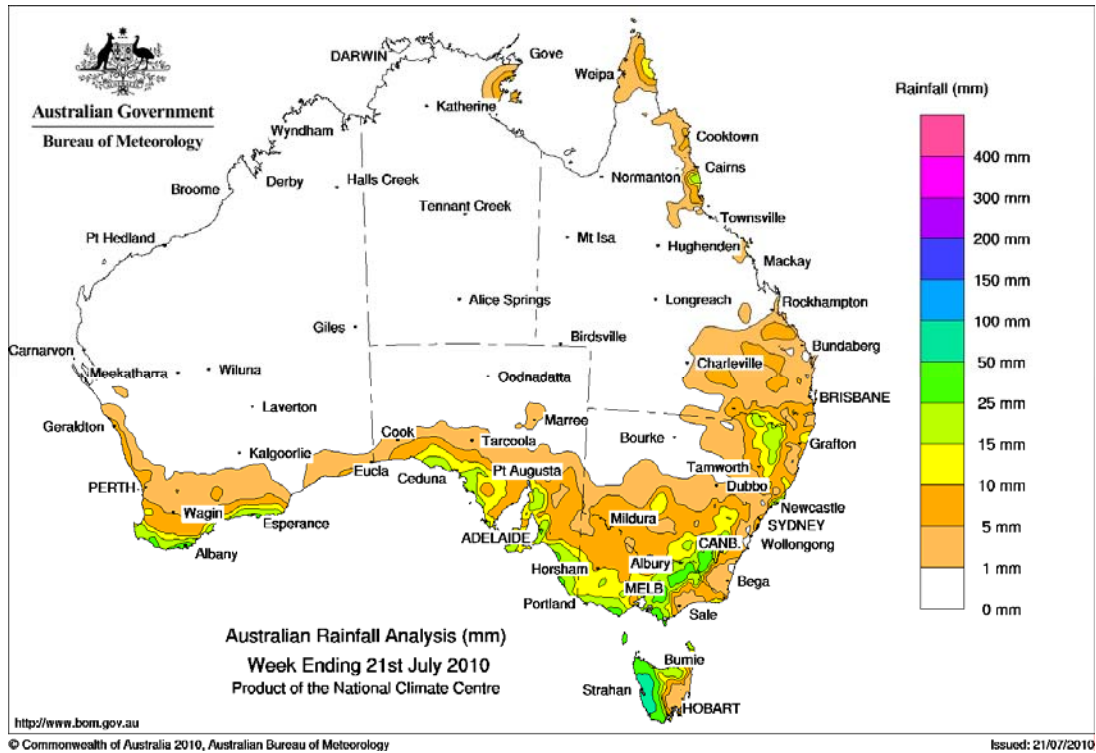
Go to <http://www.daff.gov.au/climateupdate> for the online report.

1. Climate and Water Storage

1.1 Rainfall this week

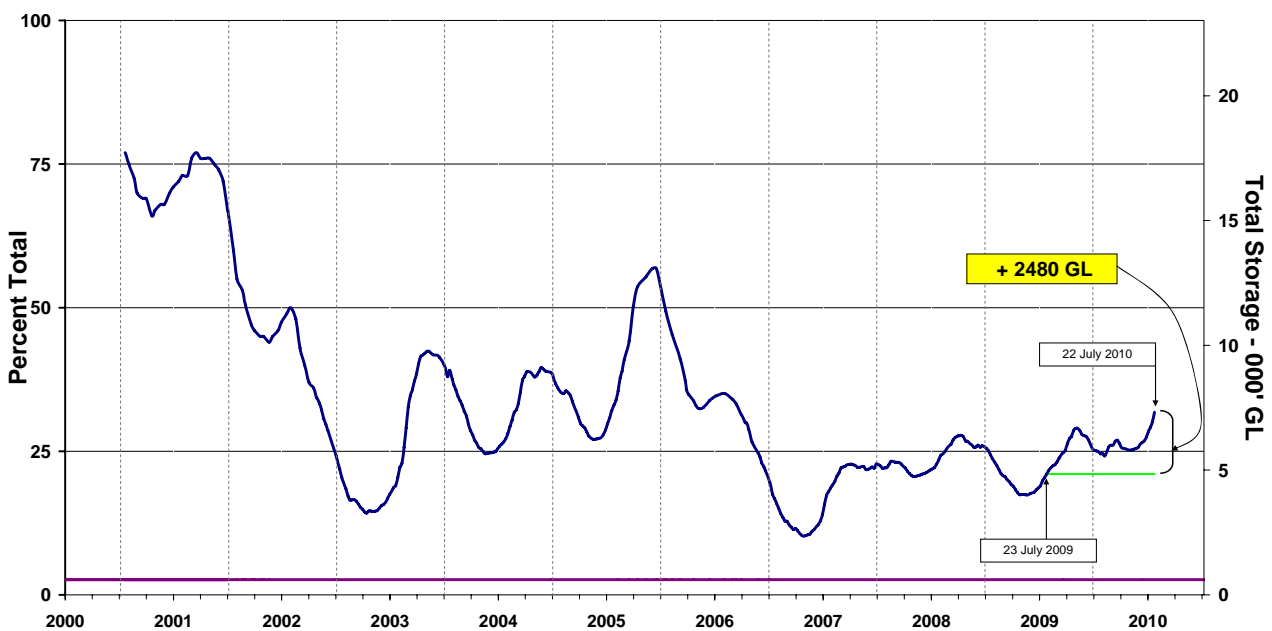
For the week ending 21 July 2010, rainfall was mainly confined to parts of southern Australia. For further information, go to <http://www.bom.gov.au/climate/current/weeklyrain.shtml>

Rainfall for the week ending 21 July 2010



1.2 Water storage in the Murray-Darling Basin (NSW, Victoria and Queensland)

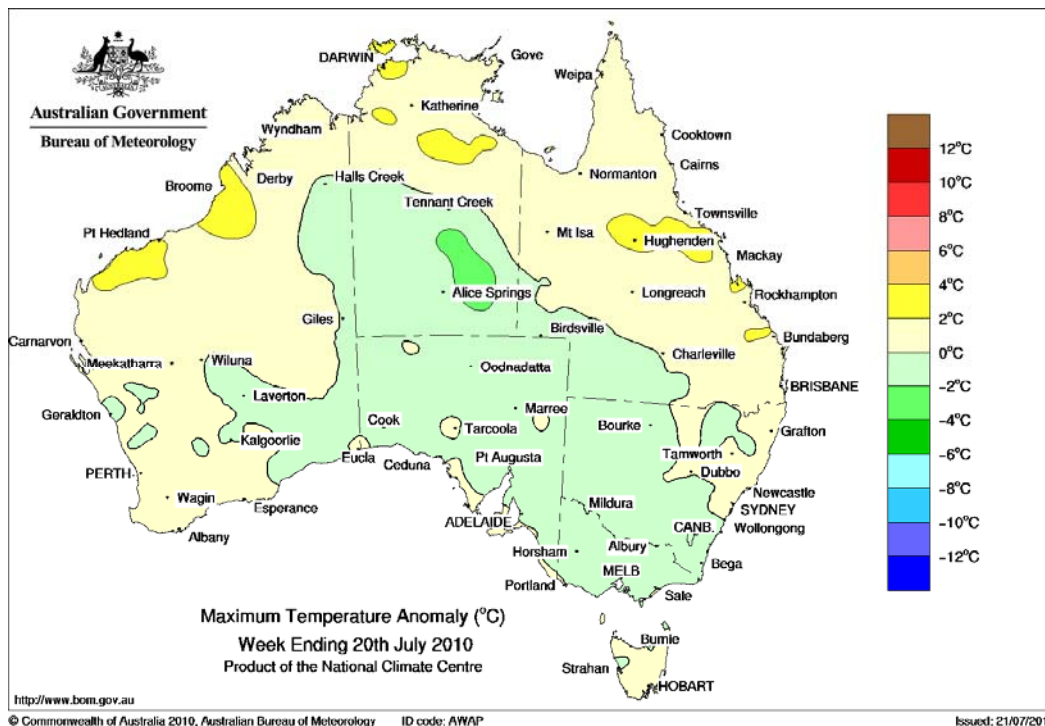
Information on irrigation water available in the Murray-Darling Basin from 1 January 2001 to 22 July 2010 is shown below. The green line indicates the storage level at the same time last year. Current storage levels are at 31.80 per cent of total capacity. The purple line indicates the amount of 'dead' or unusable storage.



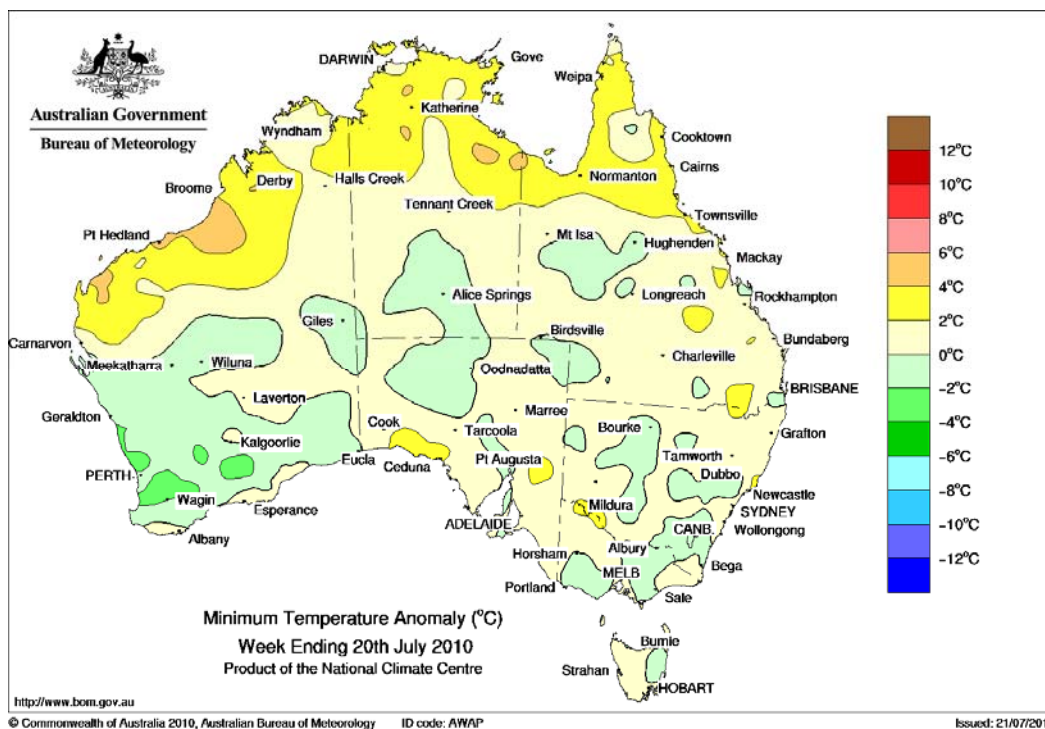
1.3 Temperature anomalies this week

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 <http://www.bom.gov.au/jsp/awap/>

Maximum temperature anomalies for the week ending 20 July 2010



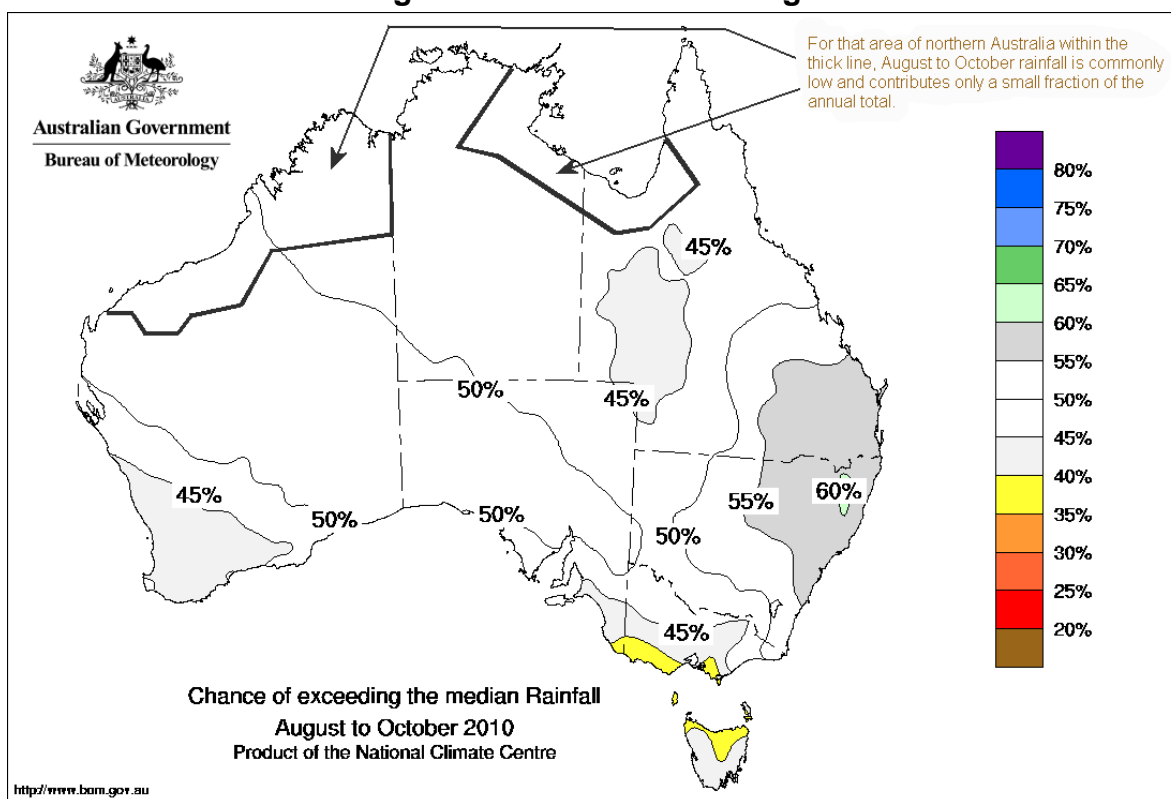
Minimum temperature anomalies for the week ending 20 July 2010



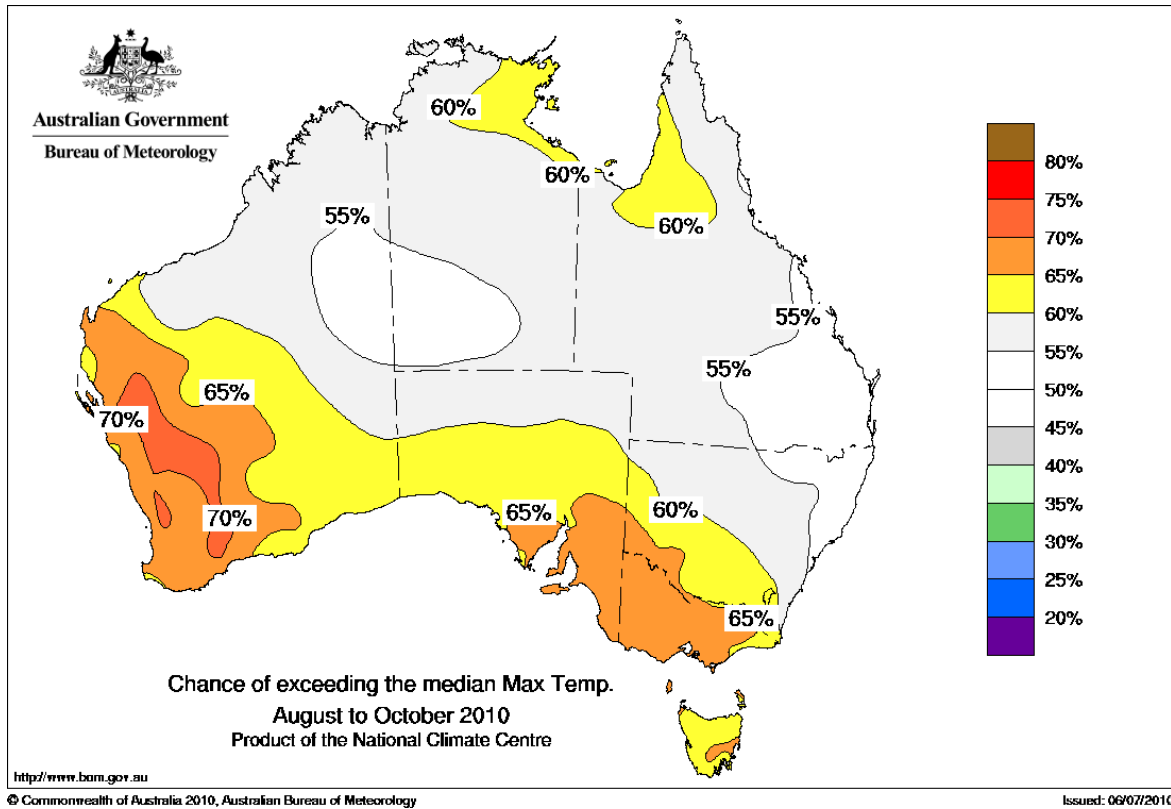
1.4 Notable events this week

- For the week ending 21 July 2010, rainfall was mostly confined to parts of southern Australia. The **highest measured rainfall** for the week was **138 mm**, recorded at **Mount Read** in Tasmania. Rainfall of 10 mm or more fell over parts south-west Western Australia, South Australia, Victoria, Tasmania and New South Wales, the Australian Capital Territory and isolated areas in Queensland.
- Light to moderate rainfall recorded over parts of the sheep-wheat belt and the southern high-rainfall zone this week will help maintain soil moisture and **prospects of good crop and pasture growth in spring**.
- Production conditions in **northern NSW and southern Queensland** will improve if **widespread, moderate rainfall forecast** for the coming week eventuates. The rain will help to ease short-term deficiencies that have emerged in south-east Queensland and medium-term deficiencies that remain in north-east NSW.
- Tropical Pacific Ocean temperatures continued to cool over the past fortnight and are now approaching levels typical of La Niña, according to this week's ENSO 'Wrap-up' released by the Bureau of Meteorology. With models predicting that the central Pacific will continue to cool over the coming months, it is now highly likely that the Pacific is in the early stages of a La Niña event and that 2010 will be considered a La Niña year.
- For most of Australia, the chances of exceeding or not exceeding the median rainfall for the period August to October 2010 are about the same, according to the seasonal outlook released by the Bureau of Meteorology this week. The August to October 2010 period is likely to be warmer than normal for most of the continent.

Chance of exceeding the median rainfall – August to October 2010



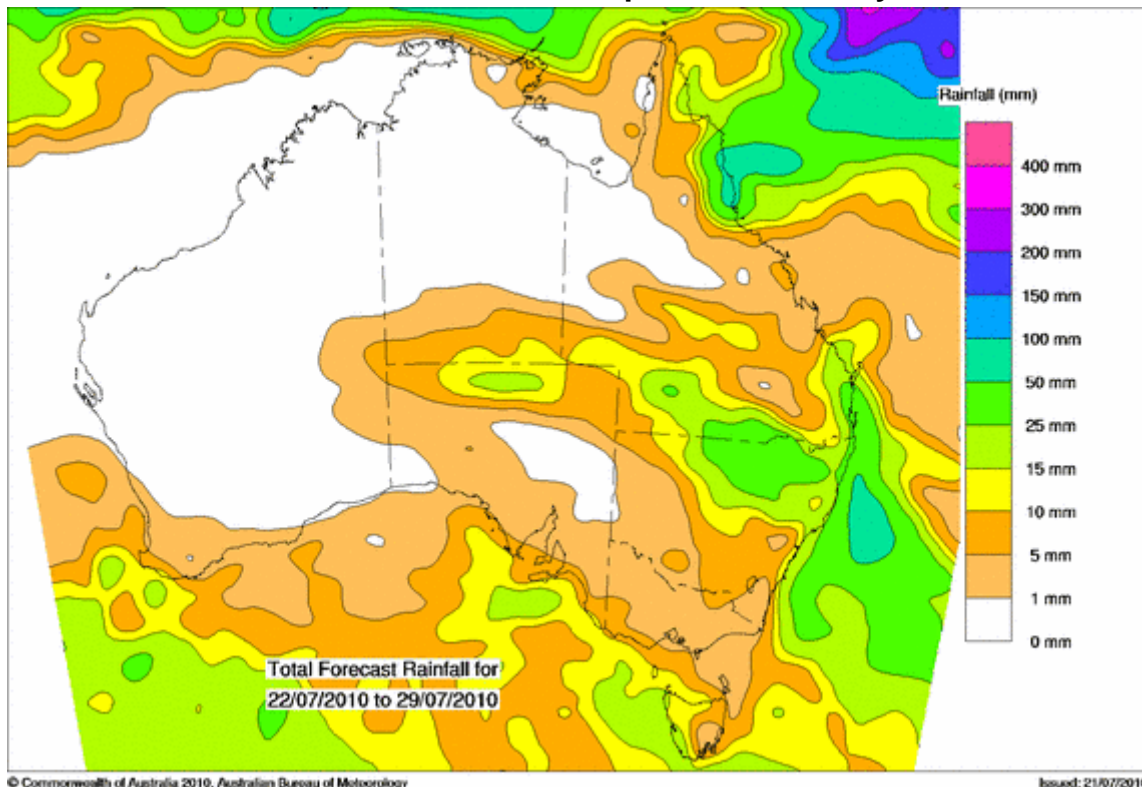
Chance of exceeding the median maximum temperature – August to October 2010



1.5 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 22–29 July 2010



2. Water Trading

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

Trading Zone (2009)	21 Jul	14 Jul	7 Jul	30 Jun	23 Jun	16 Jun	9 Jun	2 Jun
NSW Murrumbidgee I.A.	No trade	No trade	No trade	No trade	80	80	80	80
VIC 1A Goulburn	No trade	No trade	No trade	No trade	70	85	95	90
SA Murray	No trade	No trade	No trade	No trade	85	95	90	80

^a Last traded prices as at the dates shown.

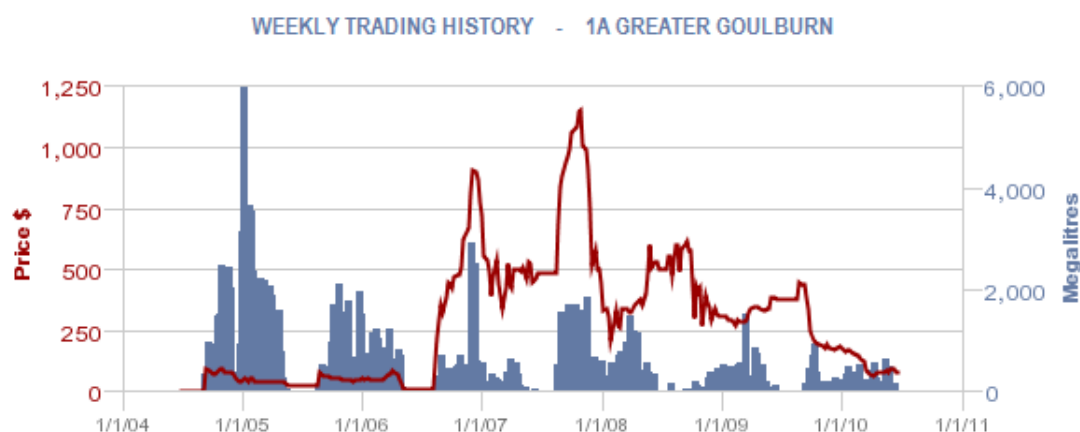
Volume (ML) of selected temporary trade in allocations, MDB^b

Trading Zone (2009)	21 Jul	14 Jul	7 Jul	30 Jun	23 Jun	16 Jun	9 Jun	2 Jun
NSW Murrumbidgee I.A.	No trade	No trade	No trade	No trade	0	0	0	557
VIC 1A Goulburn	No trade	No trade	No trade	No trade	489	235	307	1073
SA Murray	No trade	No trade	No trade	No trade	140	532	909	570

^b Water traded last week on Waterexchange.

The water trading season has closed for 2009–10. In most areas, there are no allocations to be traded for 2010–11. Trading is expected to recommence in early August.

Historical trading (last 5 years)

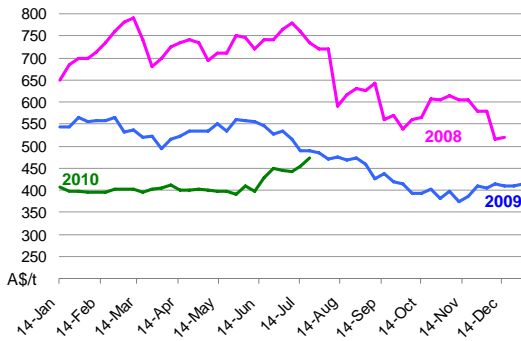


Source: Waterexchange.

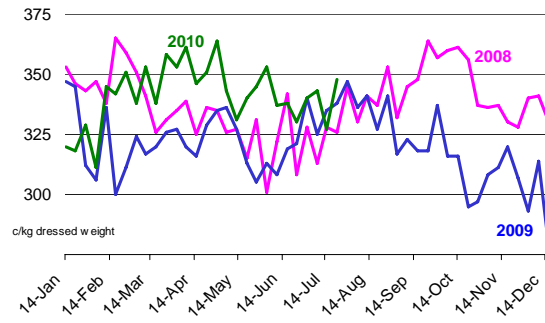
(**Note:** above graphs do not include trade through private brokers or other exchanges and trade over recent days; hence prices may differ from those reported above for this week. Price series for Goulburn and SA Murray are very similar and have not been included).

3. Crop and Livestock Prices

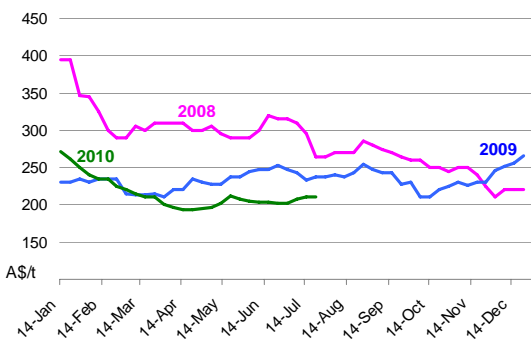
Canola price
weekly, ended 22 July



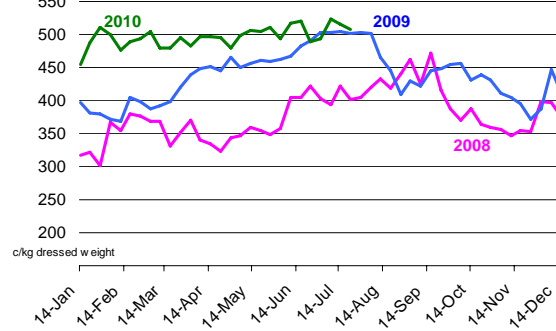
Young cattle indicator price
(330-400 kg live weight C3)
weekly, ended 22 July



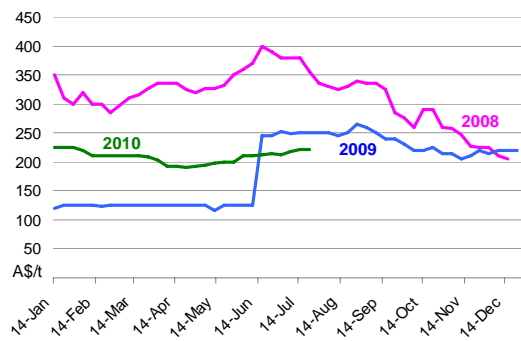
Sorghum price
weekly, ended 22 July



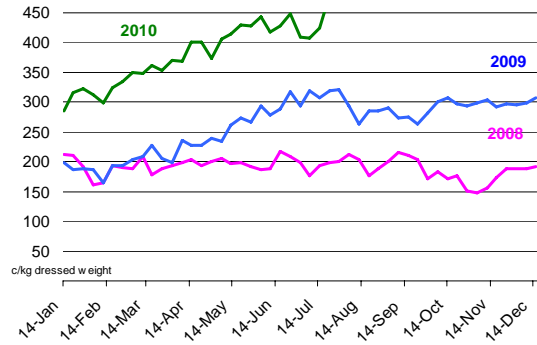
Lamb indicator price
(18-20 kg fat score 3)
weekly, ended 22 July



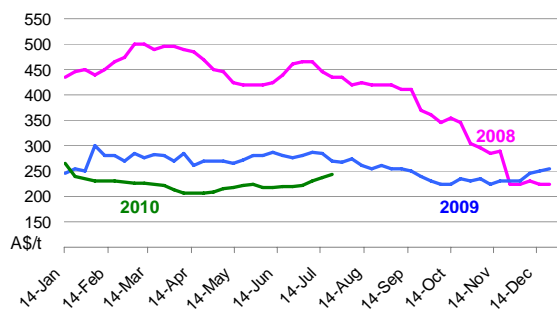
Feed barley price
weekly, ended 22 July



Mutton indicator price
(18-24 kg fat score 3)
weekly, ended 22 July



Feed wheat price
weekly, ended 22 July



Baconer pig indicator price
GI 60-75 kg
weekly, ended 22 July

