



Australian Government

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

## Weekly Australian Climate, Water and Commodity Price Update 26 August 2010

This report is available from [www.abare-brs.gov.au](http://www.abare-brs.gov.au).

### Summary of key issues

- Winter cropping regions in south-east Australia received widespread rainfall this week, which will help to improve soil moisture leading up to spring.
- In areas with good soil moisture, the rainfall received in south-east Australia is likely to result in recharge to surface water and groundwater supplies.
- Pastures in central Australia will respond to the widespread rainfall received this week, providing feed for stock.
- Light to moderate rainfall forecast across southern Australia in the coming week will improve production prospects, particularly in areas of Western Australia where rainfall deficiencies remain.
- A wetter than normal spring is currently forecast for south-west Western Australia and parts of eastern Australia, while drier than normal conditions are favoured for parts of southern and northern Australia (Bureau of Meteorology September to November 2010 Seasonal Rainfall Outlook).
- Maximum temperatures are likely to be warmer for parts of northern and southern Australia during spring, with minimum temperatures likely to be warmer across Australia (Bureau of Meteorology September to November 2010 Seasonal Temperature Outlook).
- Water storage levels in the Murray-Darling Basin (MDB) increased this week by 707 gigalitres, or approximately 3 per cent, to around 44 per cent of total capacity.
- Water prices in the major southern Murray-Darling Basin trading regions remained steady this week at around \$71 per megalitre.
- Strong demand for restocker cattle across the country has buoyed cattle prices, particularly in southern regions.

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# 1. Climate

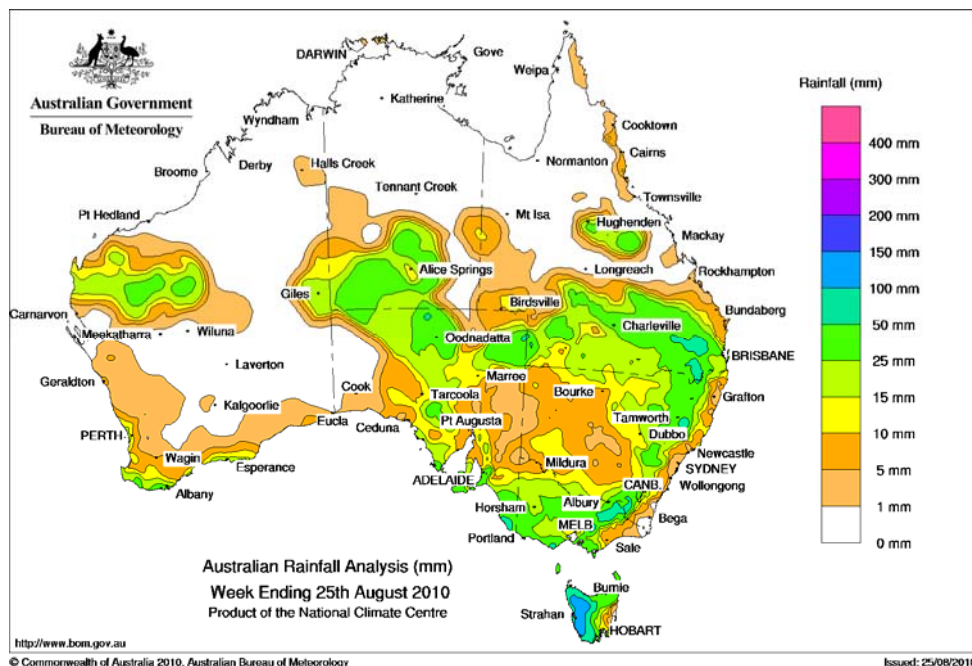
## 1.1 Notable events

- For the week ending 25 August 2010, **moderate rainfall** was recorded in **all states and territories**, with the heavier falls in south-east Australia. The highest measured total for the week was **127 mm**, recorded at **Strathgordon** in south-west **Tasmania**. Rainfall exceeded 100 mm over much of Tasmania's west. Rainfall exceeded 25 mm over areas of the south, east, west and centre of the continent.
- Winter cropping regions in south-east Australia received light to heavy rainfall this week, which will help to **maintain or improve soil moisture** leading up to spring. The rain will be particularly beneficial in areas of South Australia, Victoria and Tasmania that experienced a lack of rain in July. Where warmer temperatures allow, the rainfall will result in pasture growth.
- Opportunistic native pastures and other plants will respond to widespread rainfall received this week over parts of central Australia, providing feed for stock.
- In areas with good soil moisture, the rainfall received in south-east Australia is likely to result in **recharge to surface water and groundwater supplies**. Dam levels in north-east Victoria and south-east New South Wales are rising although dam storage levels remain low.
- **Light to moderate rainfall forecast** across parts of **southern Australia** in the coming week will improve production prospects, particularly in Western Australia where rainfall deficiencies remain.
- A **wetter than normal spring** is currently forecast for **south-west Western Australia** and parts of eastern Australia, while slightly drier than normal conditions are favoured for parts of southern and northern Australia. For the rest of the country, the chances of exceeding or not exceeding the median rainfall are about the same (Bureau of Meteorology September to November 2010 Seasonal Rainfall Outlook).
- Maximum temperatures are likely to be warmer for parts of northern and southern Australia during spring, while minimum temperatures are likely to be warmer across Australia. Cooler maximum temperatures are more likely for parts of eastern Australia (Bureau of Meteorology September to November 2010 Seasonal Temperature Outlook).

## 1.2 Rainfall this week

For the week ending 25 August 2010, moderate to heavy rainfall was recorded in all states and territories. For further information, go to [www.bom.gov.au/climate/current/weeklyrain.shtml](http://www.bom.gov.au/climate/current/weeklyrain.shtml)

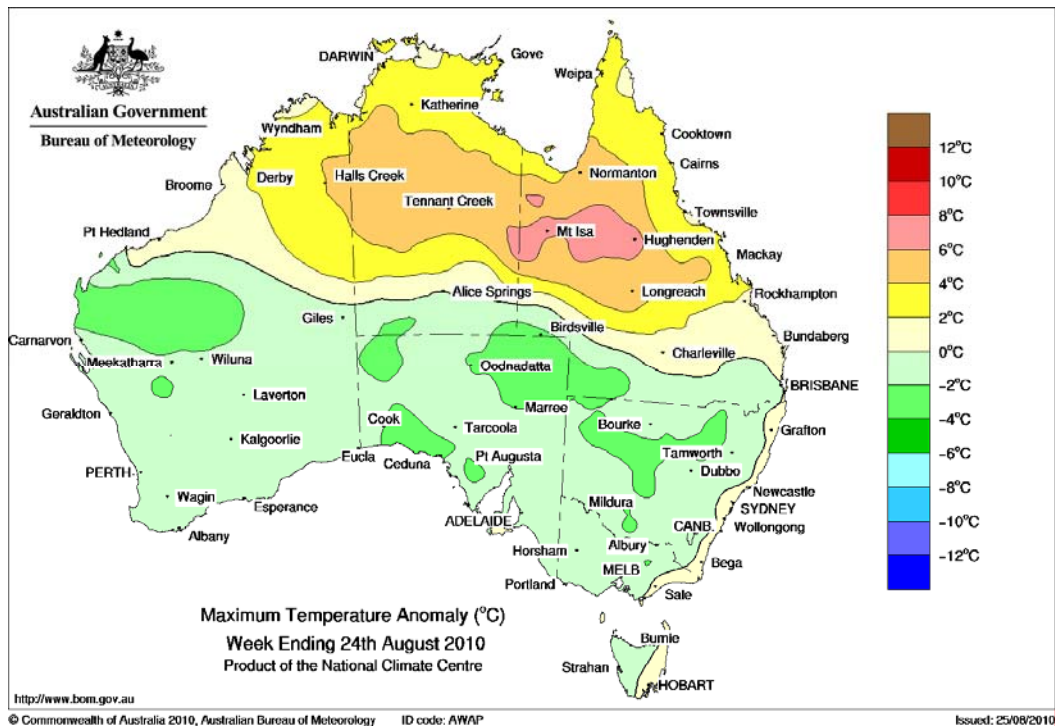
### Rainfall for the week ending 25 August 2010



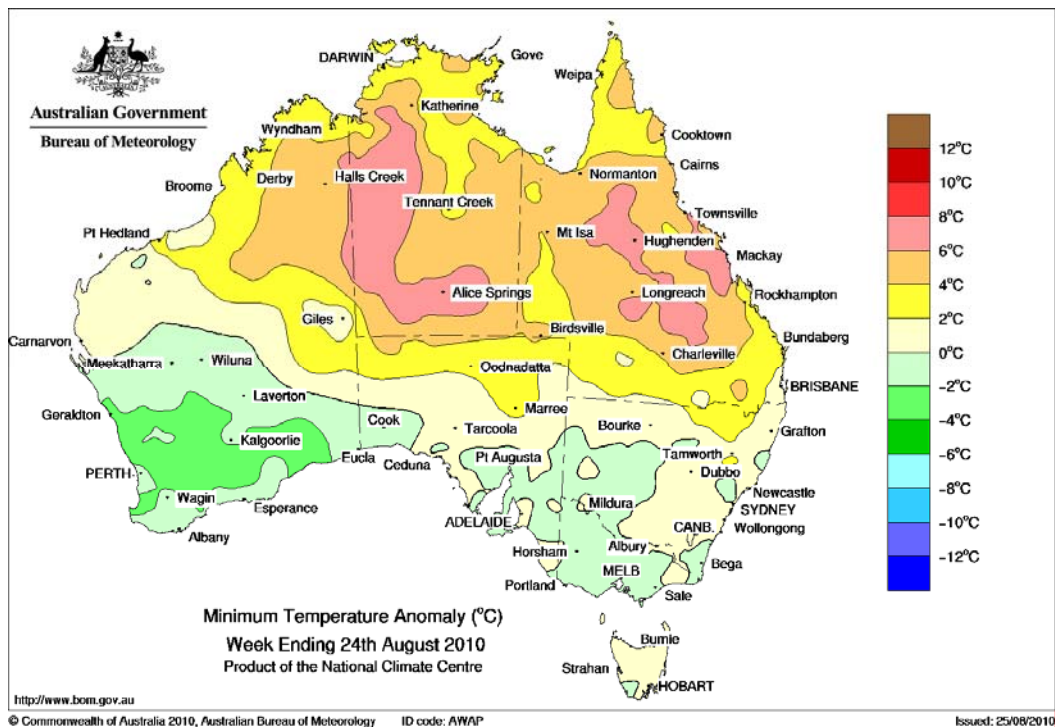
### 1.3 Temperature anomalies this week

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/](http://www.bom.gov.au/jsp/awap/)

#### Maximum temperature anomalies for the week ending 24 August 2010



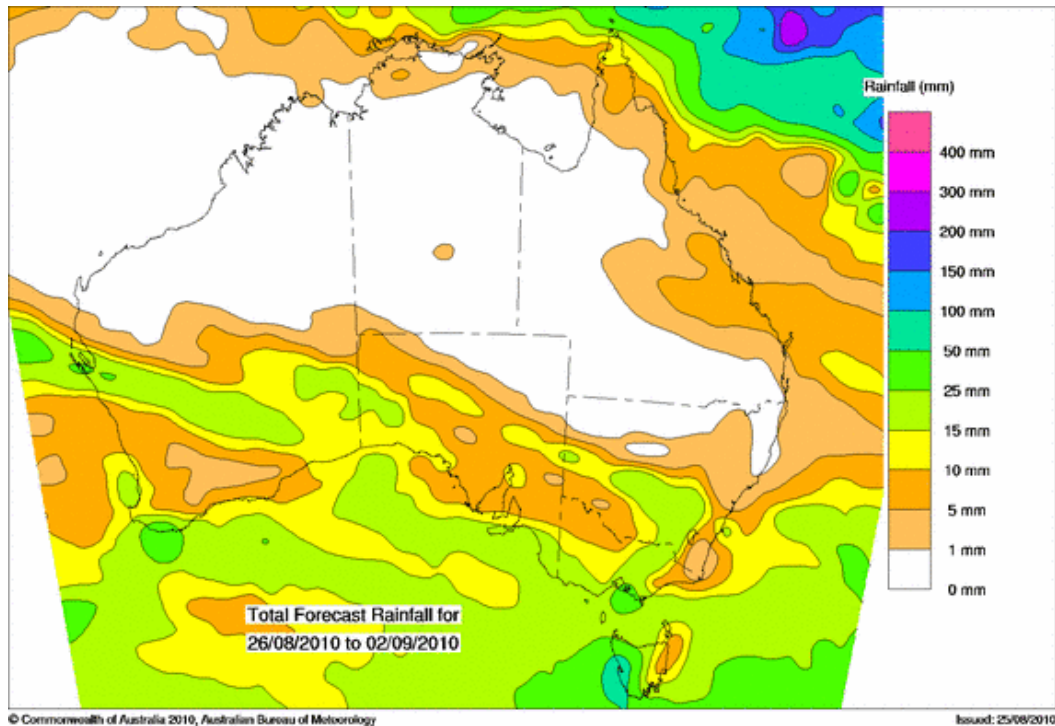
#### Minimum temperature anomalies for the week ending 24 August 2010



## 1.4 Rainfall outlook

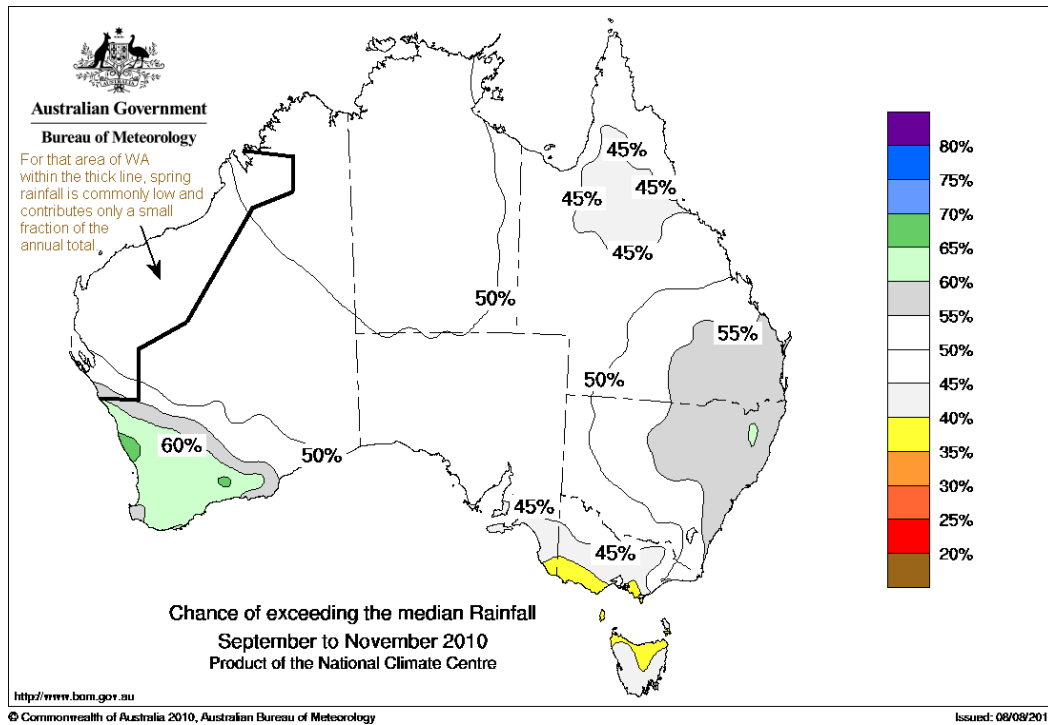
The rainfall forecast below is produced from computer models. As it contains no input from weather forecasters, it is important to also check local forecasts and warnings by the Bureau of Meteorology.

### Total forecast rainfall for the period 26 August to 2 September 2010

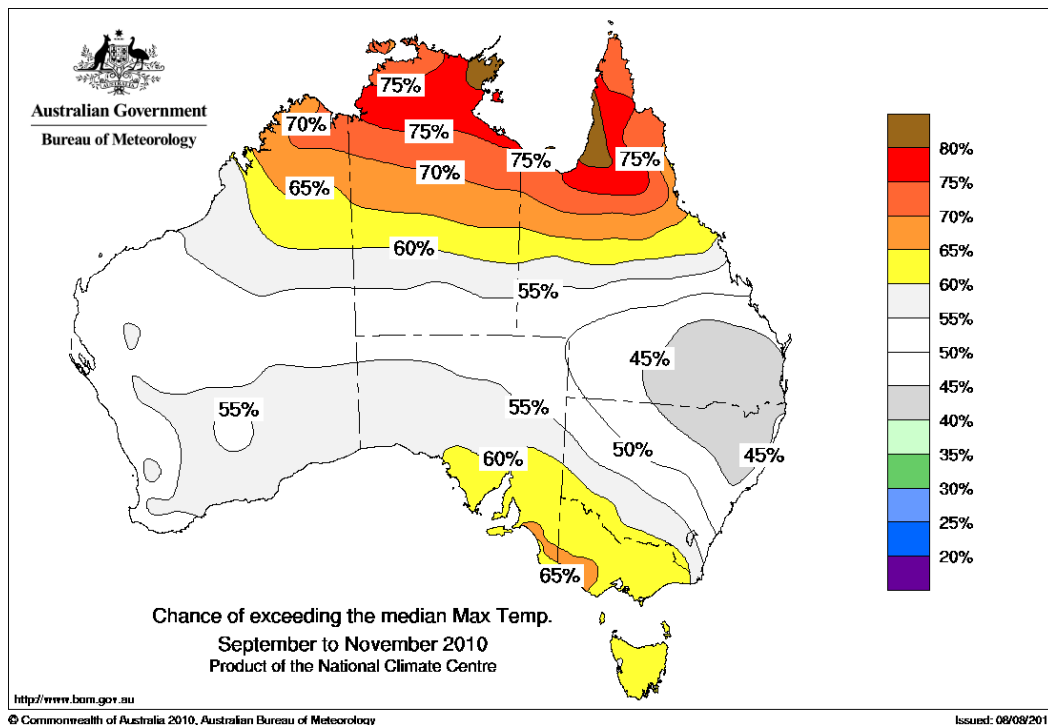


# 1.5 Seasonal outlook

## Chance of exceeding the median rainfall – September to November 2010



## Chance of exceeding the median maximum temperature – September to November 2010



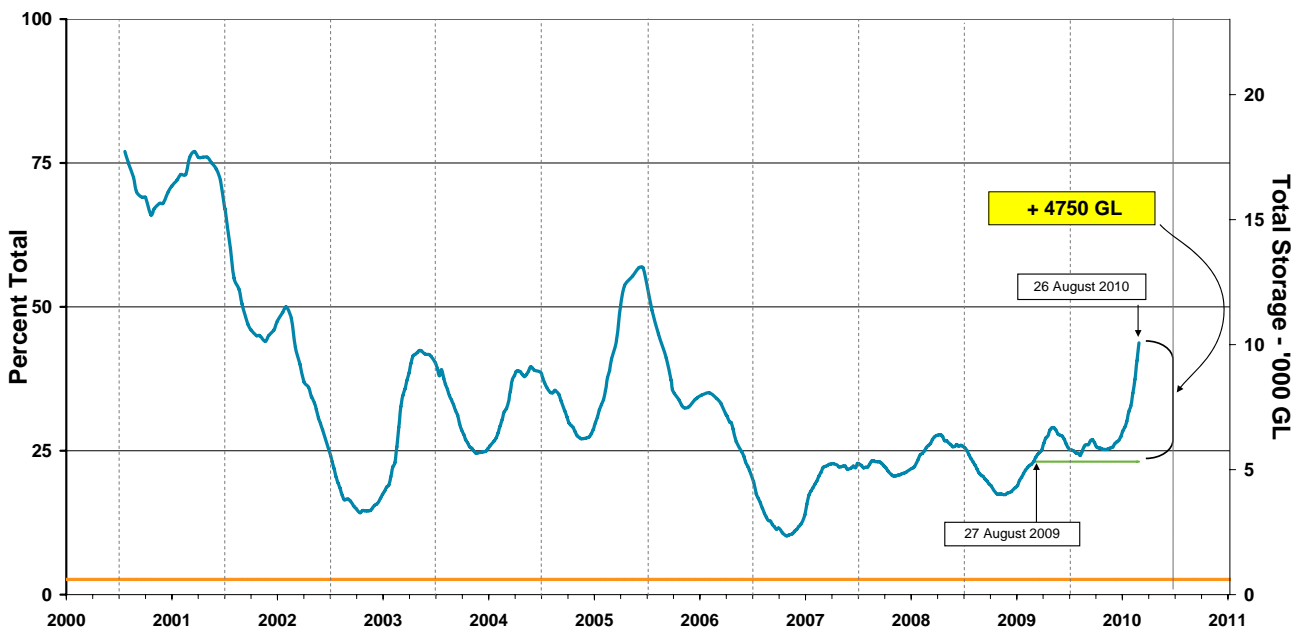
## 2. Water

### 2.1 Water availability

- Water storage levels in the Murray-Darling Basin (MDB) increased this week by 707 gigalitres, or approximately 3 per cent, to around 44 per cent of total capacity.
- The storage capacity in the MDB is at its highest since 7 February 2006 when it was just below 45 per cent of total capacity.
- Despite recent increases in overall storage levels, inflows into the River Murray system remain well-below the long-term average.
- At this time of year, irrigation allocation drawdown is commencing and these will affect the response between rainfall and storage levels.
- There have been small volumes of trade this week in some temporary water markets.
- Water prices in the major southern Murray-Darling Basin trading regions remained steady this week at around \$71 per megalitre.

### 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 26 August 2010 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<sup>a</sup>

Trading Zone (2009)	25 Aug	18 Aug	11 Aug	4 Aug	28 Jul	21 Jul	14 Jul	7 Jul
NSW Murrumbidgee I.A.	No trade	No trade	No trade	No trade	No trade	No trade	No trade	No trade
VIC 1A Goulburn	70	70	80	70	95	No trade	No trade	No trade
SA Murray	72	72	72	80	90	No trade	No trade	No trade

<sup>a</sup> Last traded prices as at the dates shown.

### Volume (ML) of selected temporary trade in allocations, MDB<sup>b</sup>

Trading Zone (2009)	25 Aug	18 Aug	11 Aug	4 Aug	28 Jul	21 Jul	14 Jul	7 Jul
NSW Murrumbidgee I.A.	No trade	No trade	No trade	No trade	No trade	No trade	No trade	No trade
VIC 1A Goulburn	57	256	107	129	20	No trade	No trade	No trade
SA Murray	No trade	No trade	100	25	10	No trade	No trade	No trade

<sup>b</sup> Water traded last week on Waterexchange.

The water-trading season has commenced for 2010–11. Updated trading graphs are not available this week.

### Historical trading (last 5 years)



Source: Waterexchange.

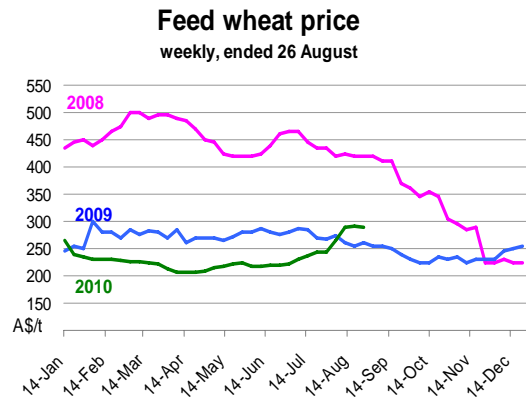
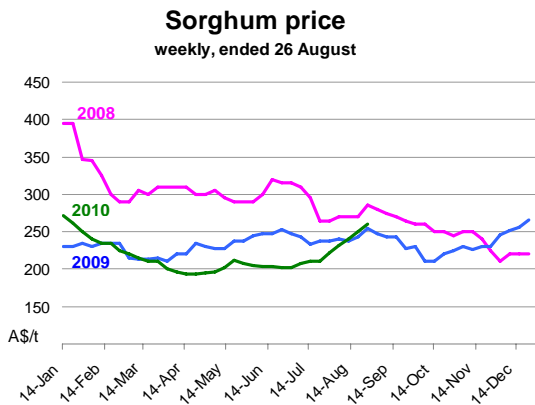
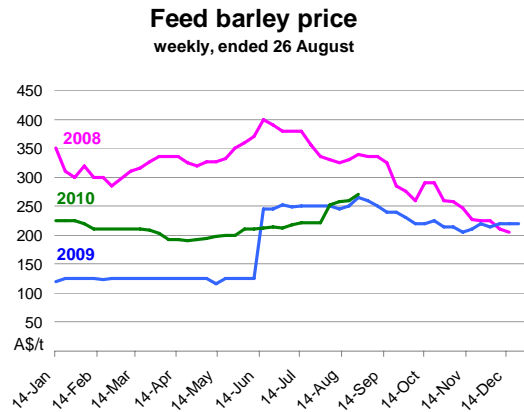
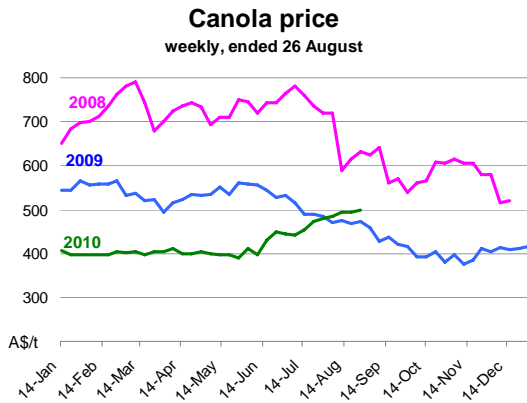
(**Note:** Data do not include trade through private brokers or other exchanges and trade over recent days; hence prices may differ from those reported above. Price series for Goulburn and SA Murray are very similar and have not been included).

# 3. Commodity prices

## 3.1 Commodities

- Strong demand for restocker cattle across the country has buoyed cattle prices. This is particularly the case for southern regions where favourable seasonal conditions have boosted confidence and driven herd rebuilding.

## 3.2 Crop indicator prices





### 3.3 Livestock indicator prices

