



Australian Government

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

Weekly Australian Climate, Water and Commodity Price Update 9 September 2010

This report is available from www.abare-brs.gov.au.

Summary of key issues

- Widespread rainfall received across large parts of the continent this week will improve soil moisture and result in crop and pasture growth.
- Heavy rainfall in Victoria has led to widespread flooding. Despite some damage, most producers will benefit.
- The rain will result in further recharge to surface water and groundwater resources.
- Locust hatchings have reportedly begun in parts of central west New South Wales, with more hatchings predicted over the coming weeks as temperatures increase.
- Although much of the country recorded above average rainfall during August, rainfall deficiencies persist over large areas of Western Australia and parts of Tasmania, according to a Drought Statement released by the Bureau of Meteorology this week.
- Water storage levels in the Murray-Darling Basin (MDB) increased this week by 1766 gigalitres, or approximately 8 per cent, to around 57 per cent of total capacity.
- Water prices in the major southern Murray-Darling Basin trading regions decreased this week to around \$45 per megalitre.
- Following significant rises in recent months, feed grain prices in Australia were relatively stable in the past week.

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1. Climate

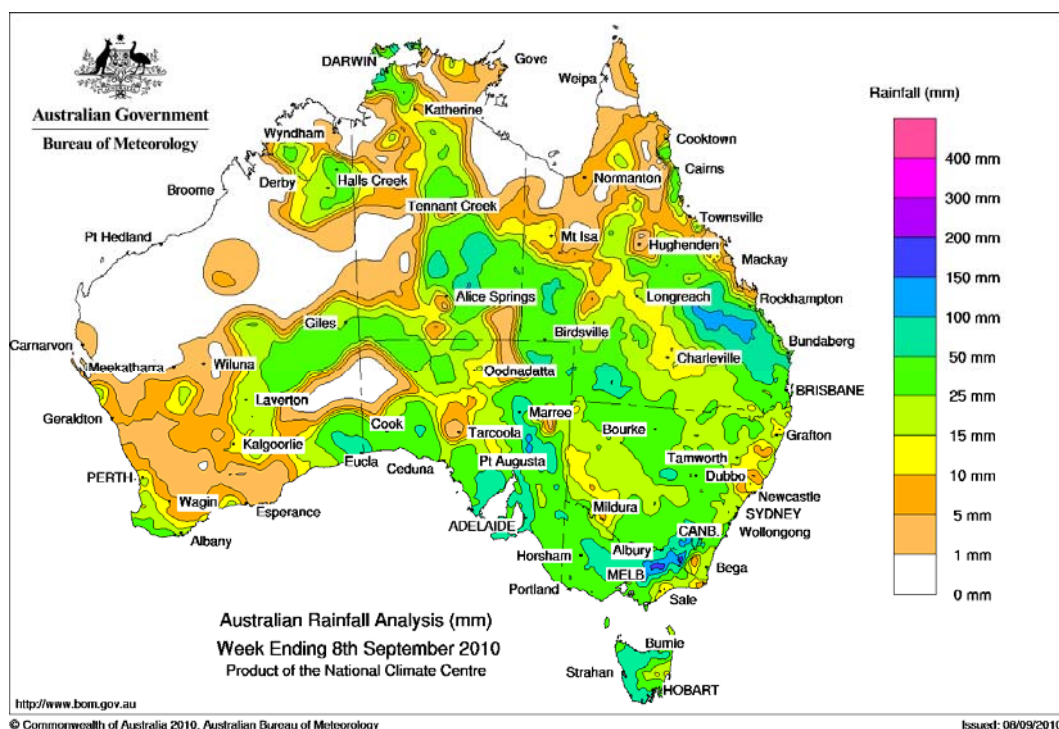
1.1 Notable events

- For the week ending 8 September 2010, rainfall was recorded in all states and territories. Much of the rain was caused by a complex low pressure system and resulted in widespread flooding in large areas of Victoria and parts of northern and central Australia. The **highest measured total** for the week was **278 mm**, recorded at **Falls Creek** in Victoria. Rainfall exceeded 25 mm over large areas of the continent.
- **This week's rainfall** will improve soil moisture and result in **crop and pasture growth**. Areas of south-west Western Australia where rainfall deficiencies persist have largely missed the heavier falls.
- **Heavy rainfall in Victoria has led to widespread flooding**, particularly in northern areas. Despite some damage to crops, minor stock losses and concerns about mould-damage to stock feed, most producers will benefit.
- The rain will result in further **recharge to surface water and groundwater resources**. Volumes in dams and storages continue to increase.
- **Locust hatchings have reportedly begun** in parts of central west New South Wales. Locusts are expected to hatch in greater numbers over the coming weeks as temperatures increase.
- The flooding in Victoria is unlikely to affect the threat of locusts, although some egg-beds have reportedly been exposed to light and warmer temperatures, leading to predictions of earlier hatchings in some areas.
- Although much of the country recorded above average rainfall during August, rainfall deficiencies persist over large areas of Western Australia and parts of Tasmania, according to a Drought Statement released by the Bureau of Meteorology this week. For the south-west region of Western Australia it has been the second driest start to the year since records began in 1900.

1.2 Rainfall this week

For the week ending 8 September 2010, rainfall was recorded in all states and territories. For further information, go to www.bom.gov.au/climate/current/weeklyrain.shtml

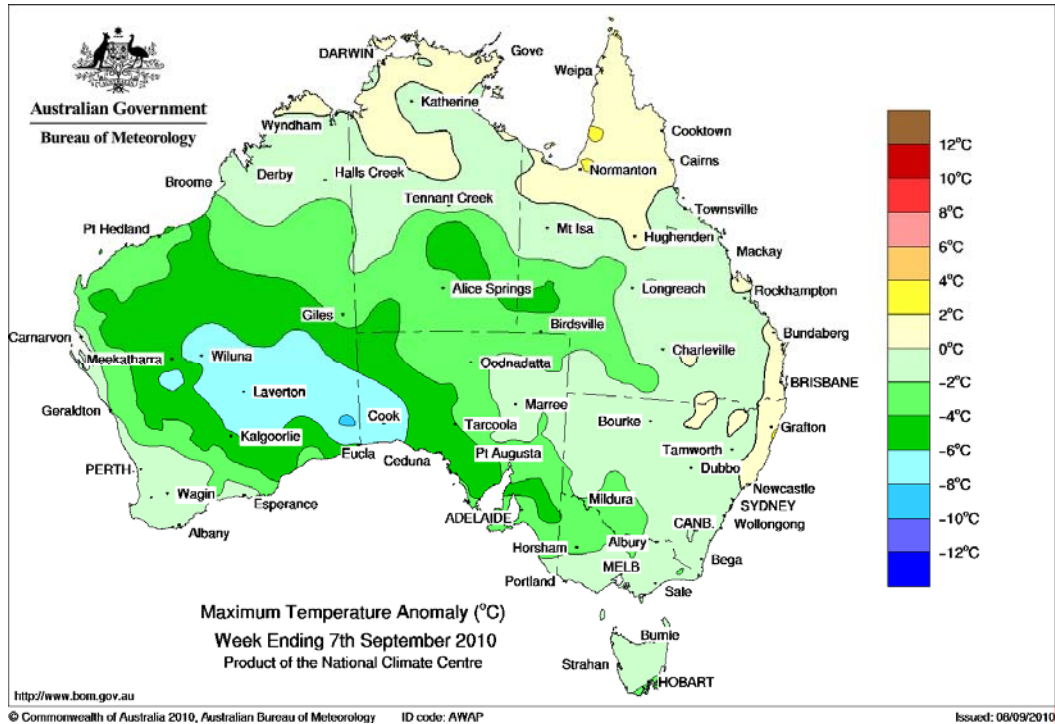
Rainfall for the week ending 8 September 2010



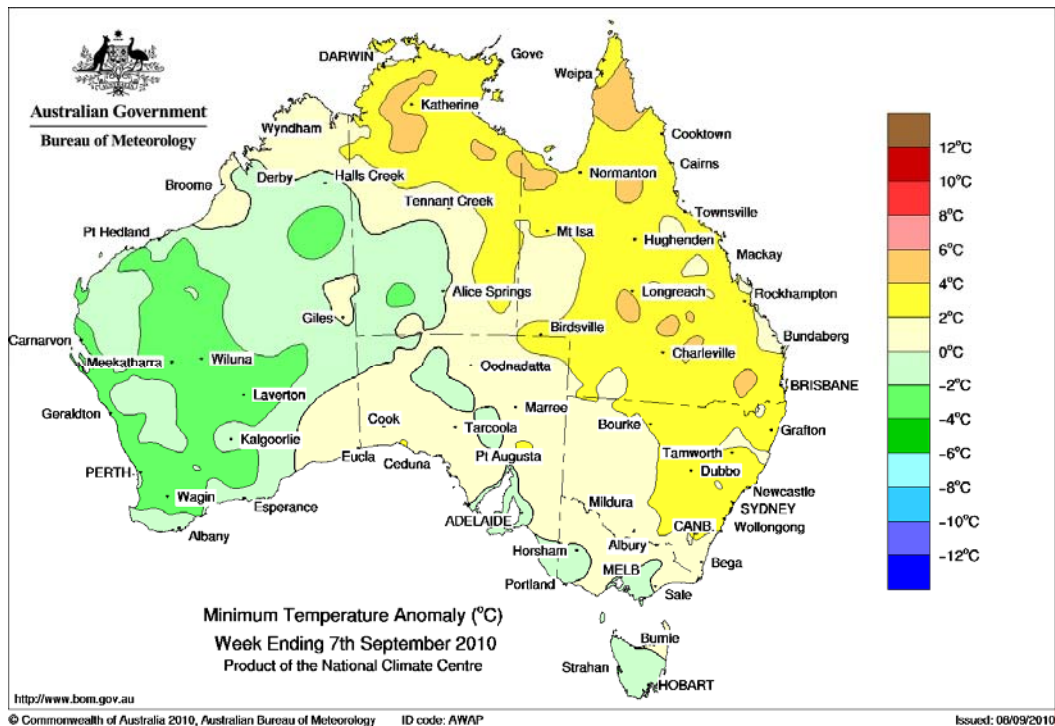
1.3 Temperature anomalies this week

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/

Maximum temperature anomalies for the week ending 7 September 2010



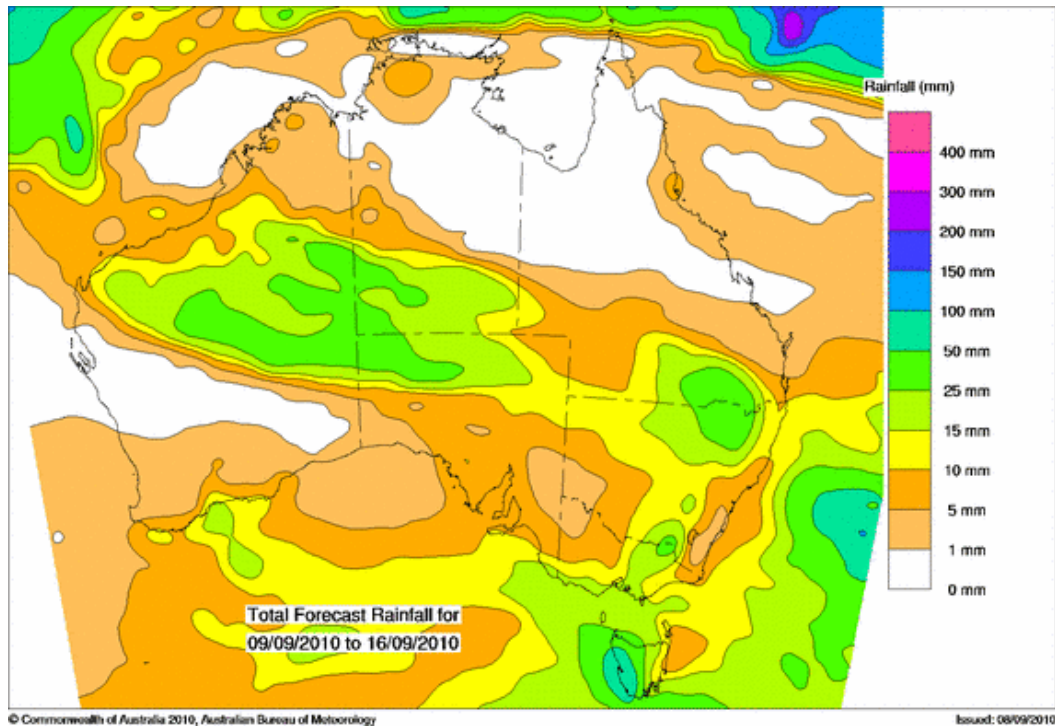
Minimum temperature anomalies for the week ending 7 September 2010



1.4 Rainfall outlook

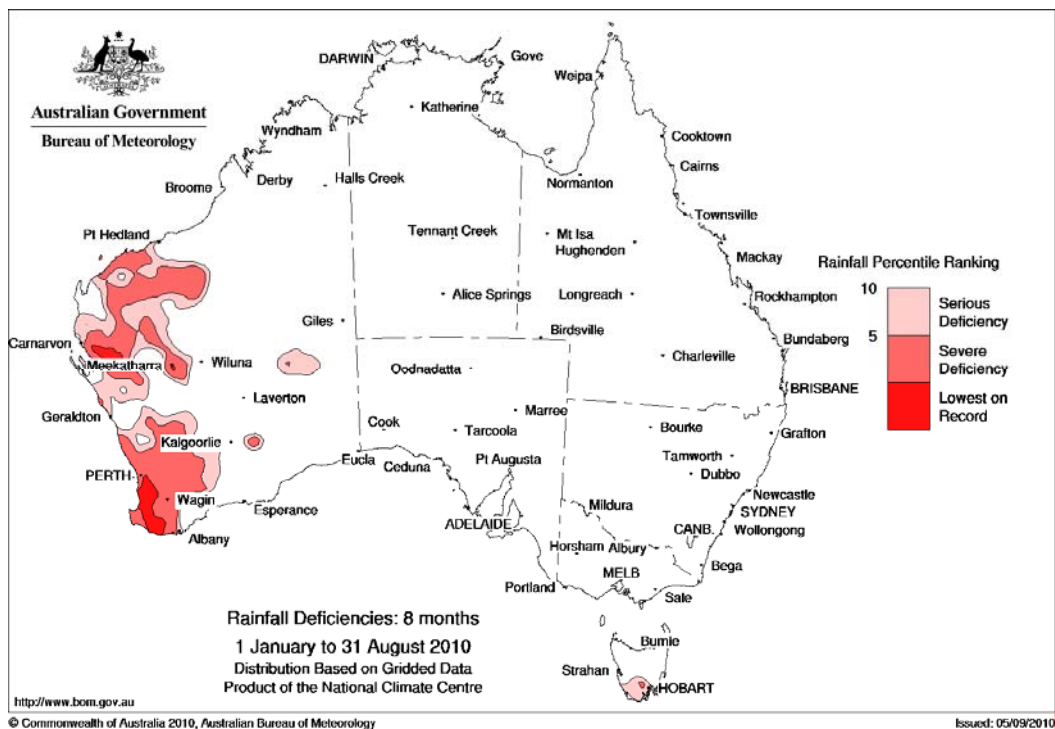
The rainfall forecast below is produced from computer models. As it contains no input from weather forecasters, it is important to also check local forecasts and warnings by the Bureau of Meteorology.

Total forecast rainfall for the period 9–16 September 2010



1.5 Rainfall deficiencies

Rainfall deficiencies for the 8-month period ending 31 August 2010



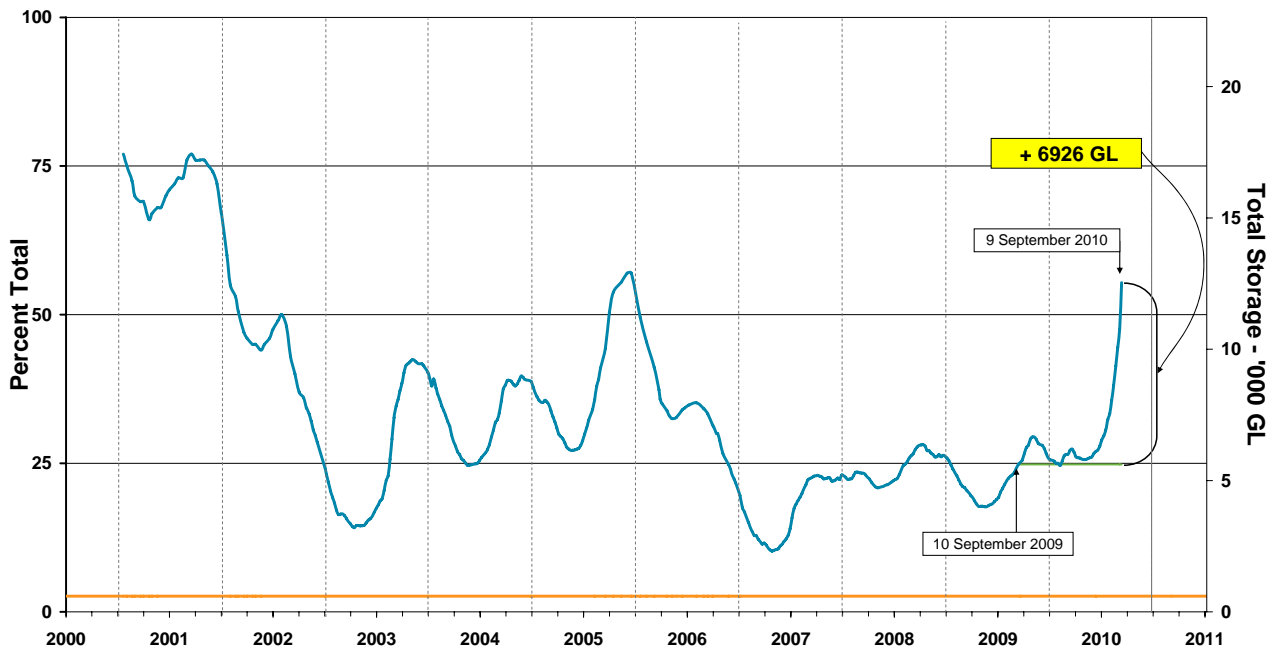
2. Water

2.1 Water availability

- Water storage levels in the Murray-Darling Basin (MDB) increased this week by 1766 gigalitres, or approximately 8 per cent, to around 57 per cent of total capacity.
- This is the highest level since December 2005 when it was also at 57 per cent.
- There have been limited volumes of trade this week in some temporary water markets.
- Water prices in the major southern Murray-Darling Basin trading regions decreased this week to around \$45 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 9 September 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^a

Trading Zone (2010)	8 Sep	1 Sep	25 Aug	18 Aug	11 Aug	4 Aug	28 Jul	21 Jul
NSW Murrumbidgee I.A.	No trade	No trade	No trade	No trade	No trade	No trade	No trade	No trade
VIC 1A Goulburn	45	65	70	70	80	70	95	No trade
SA Murray	72	72	72	72	72	80	90	No trade

^a Last traded prices as at the dates shown.

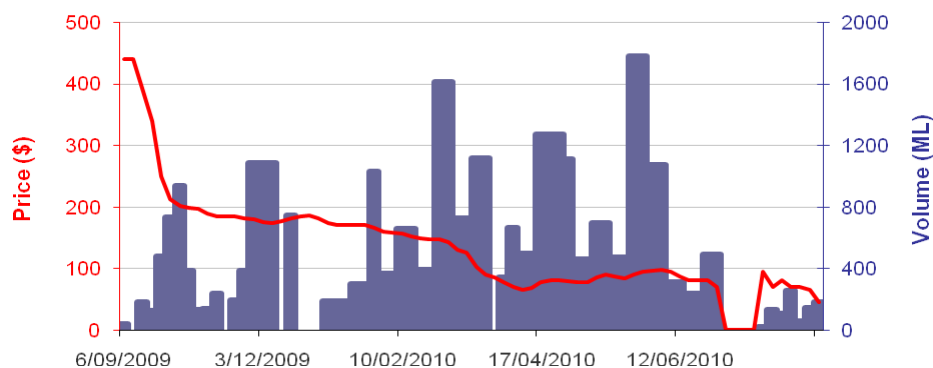
Volume (ML) of selected temporary trade in allocations, MDB^b

Trading Zone (2010)	8 Sep	1 Sep	25 Aug	18 Aug	11 Aug	4 Aug	28 Jul	21 Jul
NSW Murrumbidgee I.A.	No trade	No trade	No trade	No trade	No trade	No trade	No trade	No trade
VIC 1A Goulburn	178	143	57	256	107	129	20	No trade
SA Murray	No trade	No trade	No trade	No trade	100	25	10	No trade

^b Water traded last week on Waterexchange.

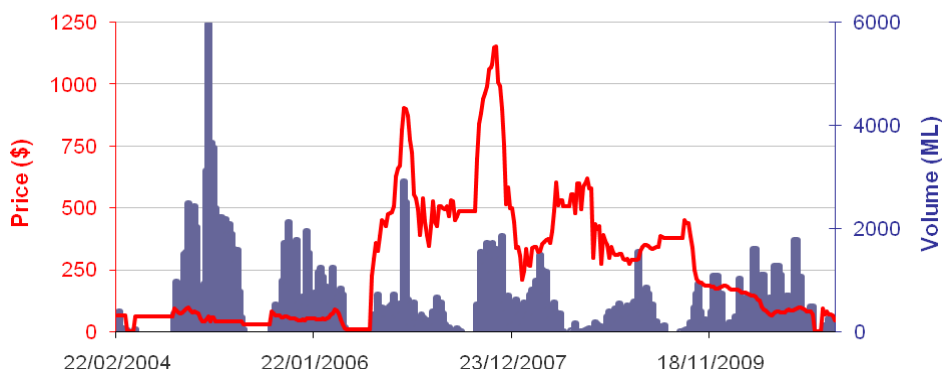
Recent trading (last 12 months)

WEEKLY TRADING HISTORY - 1A GREATER GOULBURN



Historical trading (last 5 years)

WEEKLY TRADING HISTORY - 1A GREATER GOULBURN



Source: Waterexchange.

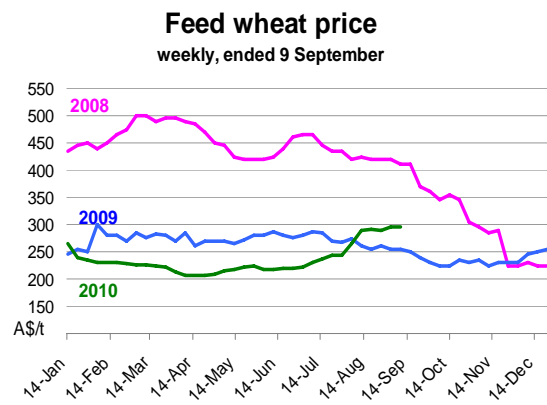
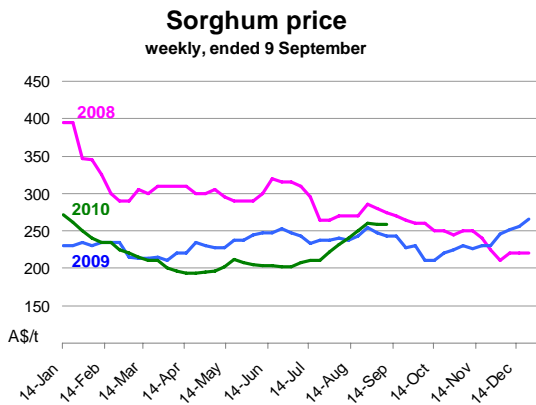
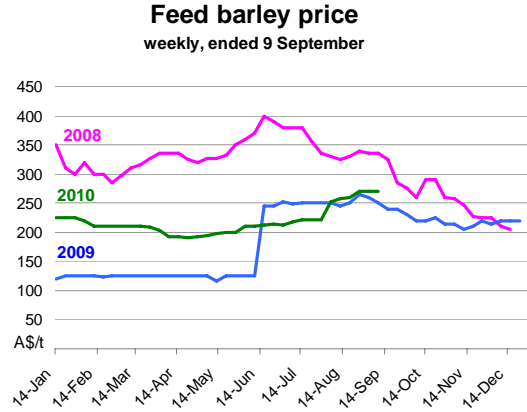
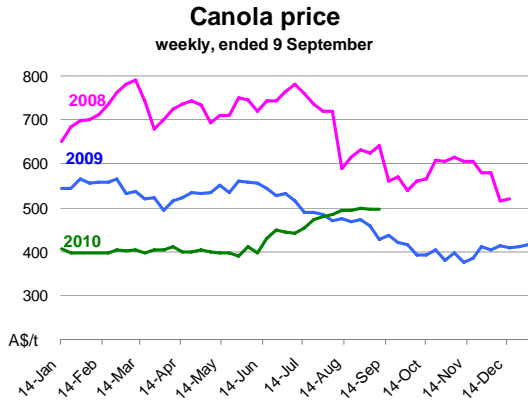
(**Note:** Data do not include trade through private brokers or other exchanges and trade over recent days; hence prices may differ from those reported above. Price series for Goulburn and SA Murray are very similar and have not been included).

3. Commodity prices

3.1 Commodities

- Following significant rises in recent months, feed grain prices in Australia were relatively stable in the past week.

3.2 Crop indicator prices



3.3 Livestock indicator prices

