



Australian Government

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

Weekly Australian Climate, Water and Commodity Price Update 30 September 2010

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

Summary of key issues

- Recent rainfall is reported to have reduced the quality of the 2010 winter crop in parts of Queensland, but will improve conditions for summer crop and pasture production.
- Winter crop yields in Western Australia may be affected by the warmer than normal temperatures during the week, following the lack of rainfall in recent months.
- Dry conditions in Western Australia has reportedly resulted in a lack of pasture availability and supplementary feeding is being carried out.
- All indicators in the Pacific Ocean are predicting the current La Niña event to persist until at least early 2011. (BoM ENSO 'Wrap-up', 29 September 2010)
- Aerial spraying of locusts is occurring in parts of southern Australia before the insects develop wings.
- Water storage levels in the Murray-Darling Basin (MDB) increased this week by 276 gigalitres, or approximately 1 per cent, to around 68 per cent of total capacity. This is the highest level since January 2002 when it was at 67 per cent.
- The price of water allocations in the main trading regions rose slightly to around \$50 per megalitre this week.
- The world wheat indicator price fell to US\$287 per tonne this week after averaging over US\$300 per tonne over much of September.

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1. Climate

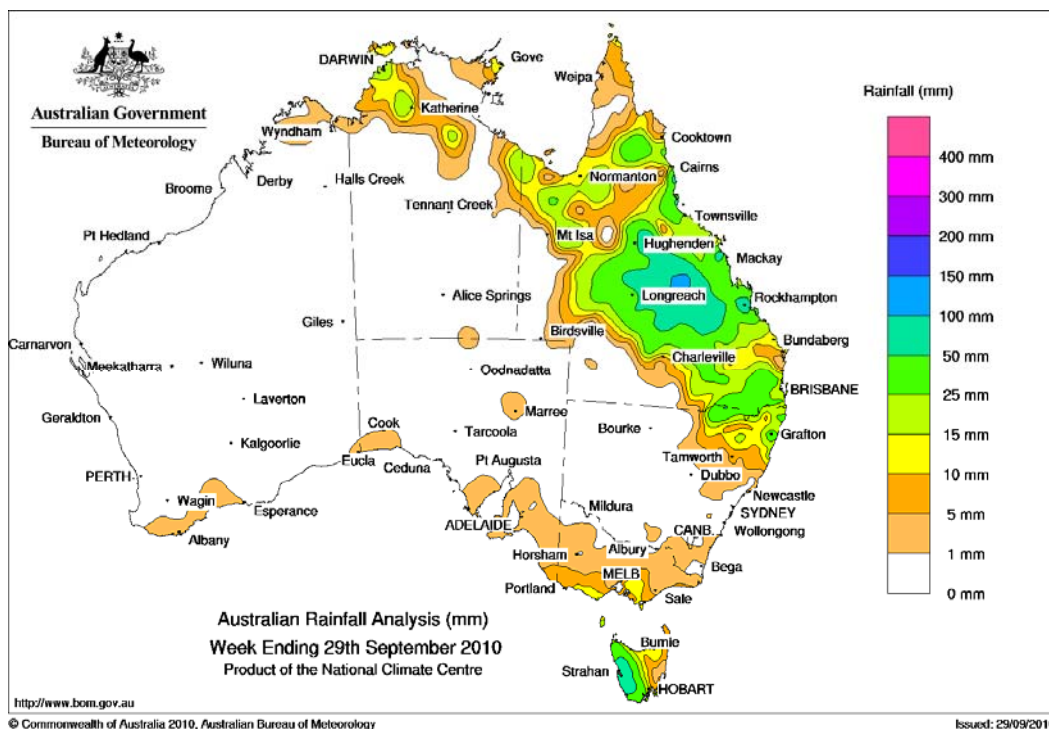
1.1 Notable events

- For the week ending 29 September 2010, the heaviest rainfall was generally confined to parts of Tasmania and north-eastern Australia. The **highest measured rainfall** total for the week was **159 mm**, recorded at **Innisfail** in north-eastern Queensland. Rainfall exceeded 25 mm over large areas of Queensland, parts of north-eastern New South Wales and western Tasmania.
- This week's rainfall will provide **improved conditions for summer crops and pasture production**. The rainfall received will benefit soil moisture levels available to the Queensland summer crop. In parts of northern Australia, it is reported that the recent wet weather has produced high pasture availability for this time of year. Reports indicate that the recent high rainfall has **reduced winter crop quality** in parts of **Queensland**.
- **Winter crop yields** in Western Australia may be affected by warmer than normal temperatures recorded this week. The general lack of rainfall received in Western Australia in recent months in combination with warmer temperatures is likely to stress crops. Producers have been reportedly cutting **water stressed crops** for feed.
- **Dry conditions in Western Australia** have reportedly resulted in a **lack of pasture** availability and **supplementary feeding** of livestock occurring. The seasonal conditions are evident in the higher numbers of light weight cattle arriving at market.
- **Aerial spraying of locusts** is being undertaken in parts of southern Australia before the insects develop wings. Spraying will continue in the coming weeks as locust hatchings continue.
- **All indicators in the Pacific Ocean predict a continuation of the current La Niña event**, according to the ENSO 'Wrap-up' released by the Bureau of Meteorology this week. The majority of computer models predict that the La Niña event will persist into at least early 2011. La Niña is normally associated with higher than average winter, spring and early summer rainfall over much of Australia. Wetter conditions would benefit pasture and winter crop growth.

1.2 Rainfall this week

For the week ending 29 September 2010, the heaviest rainfall was generally confined to parts of eastern Australia. For further information, go to www.bom.gov.au/climate/current/weeklyrain.shtml

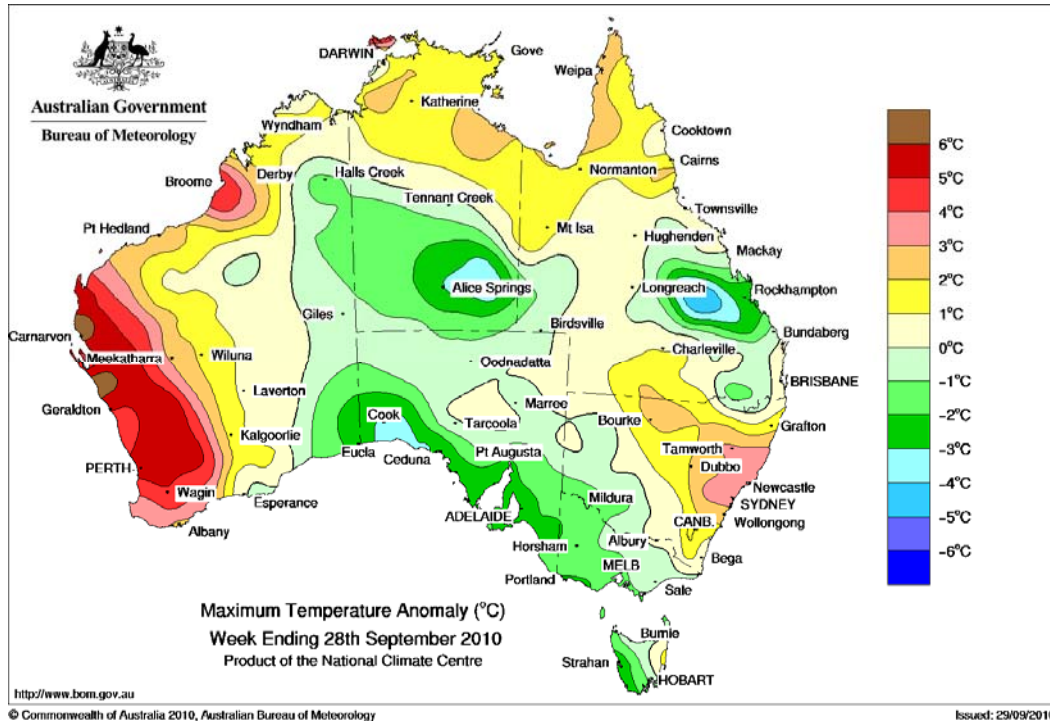
Rainfall for the week ending 29 September 2010



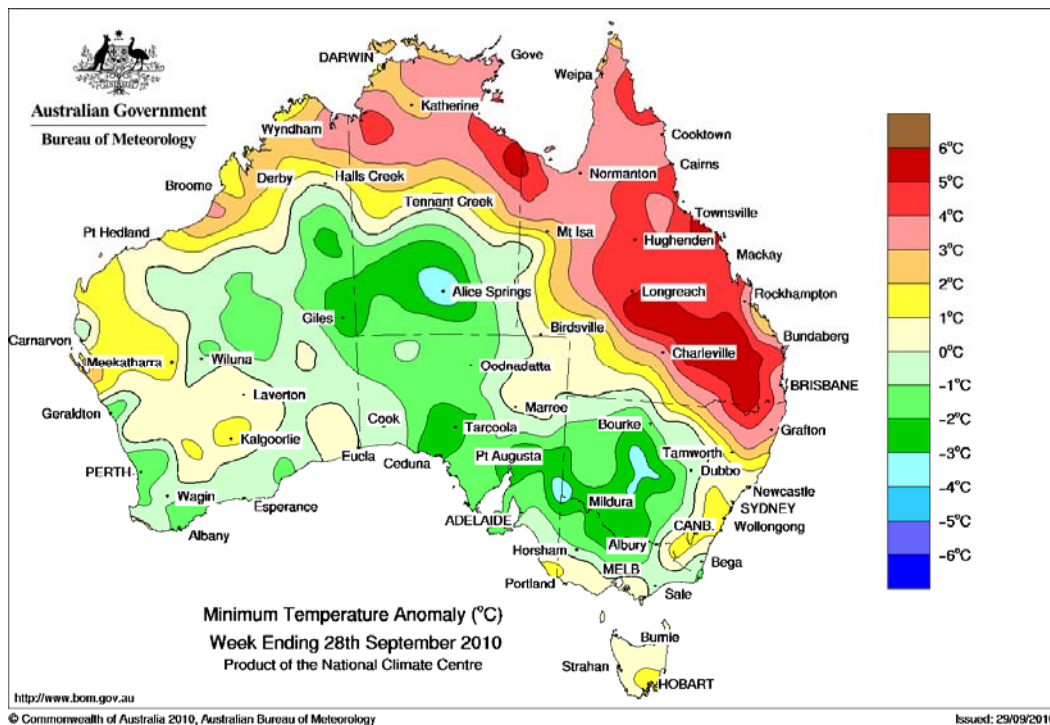
1.3 Temperature anomalies this week

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 28 September 2010



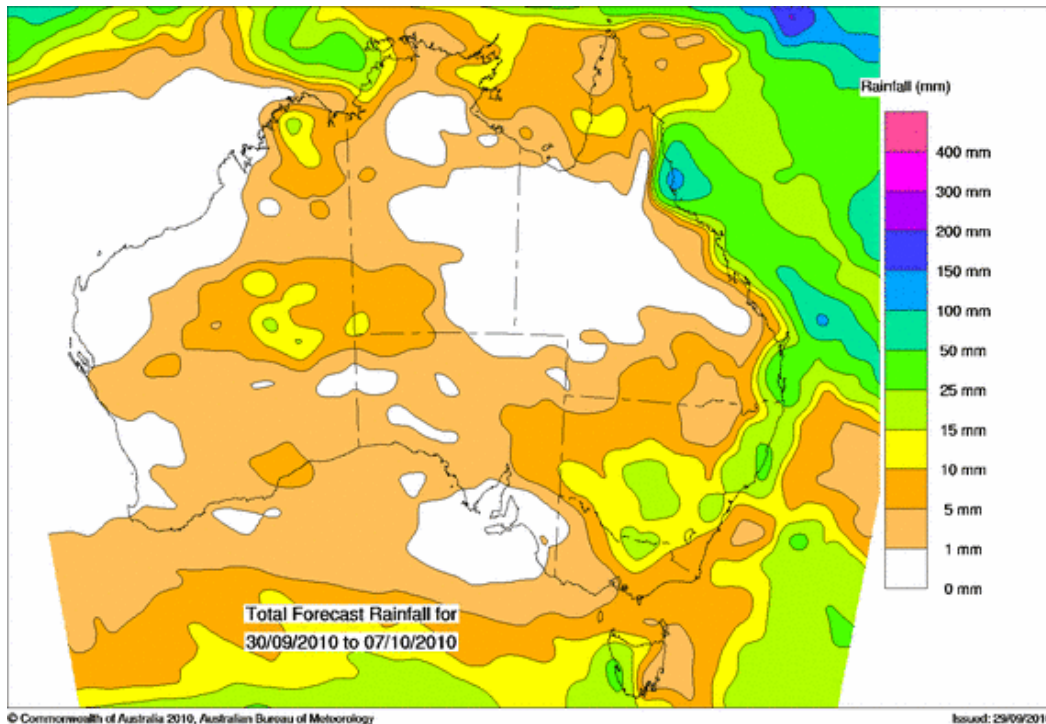
Minimum temperature anomalies for the week ending 28 September 2010



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 30 September – 7 October 2010



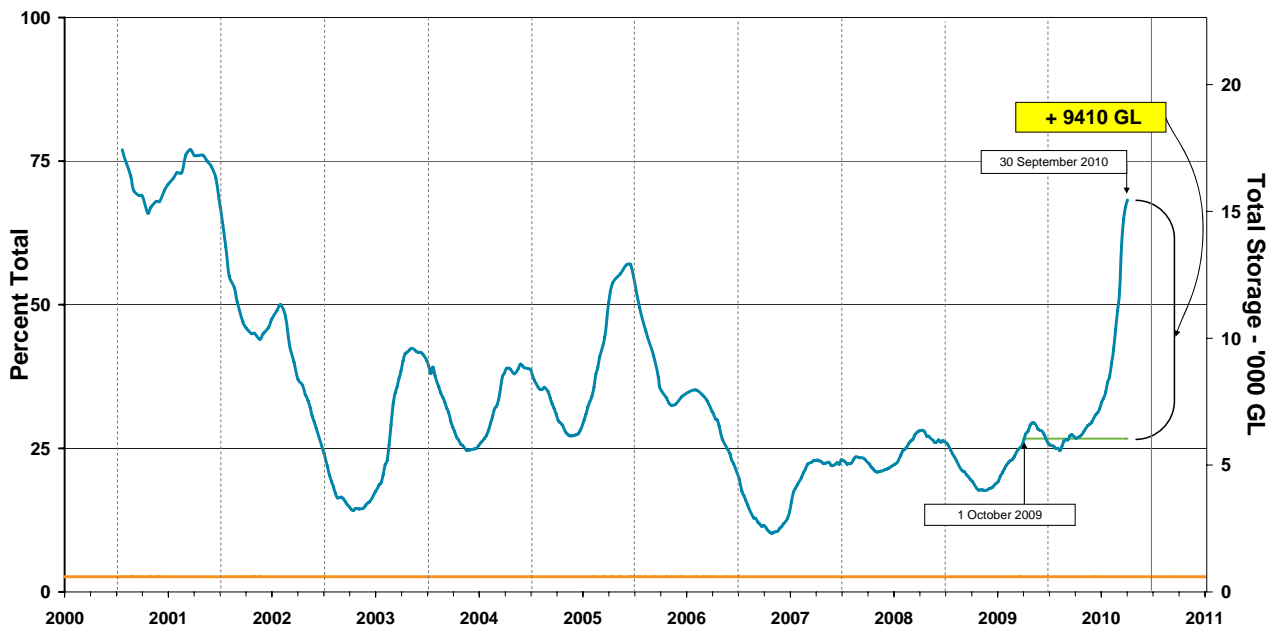
2. Water

2.1 Water availability

- Water storage levels in the Murray-Darling Basin (MDB) increased this week by 276 gigalitres (GL), or approximately 1 per cent, to 68 per cent of total capacity. This is 42 per cent or 9410 GL more than this time last year.
- The water storage level in the MDB is at the highest level since January 2002 when it was at 67 per cent of total capacity.
- Murray system daily inflows during the last week were about 70 000 megalitres per day (ML/day), which is still above long term average daily inflows for this time of year of about 50 000 ML/day.
- The price of water allocations in the main trading regions rose slightly to around \$50 per megalitre this 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 30 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)	29 Sep	22 Sep	15 Sep	8 Sep	1 Sep	25 Aug	18 Aug	11 Aug
NSW Murrumbidgee I.A.	No trade	No trade	No trade	No trade	No trade	No trade	No trade	No trade
VIC 1A Goulburn	55	45	31	45	65	70	70	80
SA Murray	40	40	No trade	72	72	72	72	72

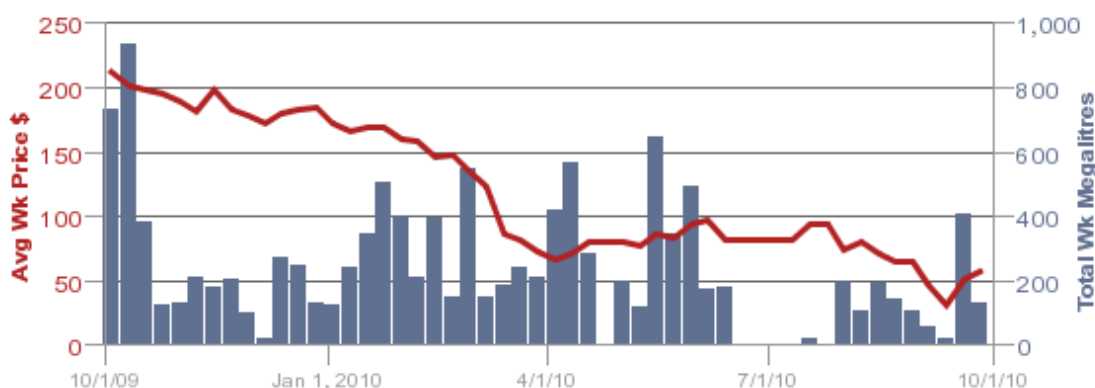
^a Last traded prices as at the dates shown.

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

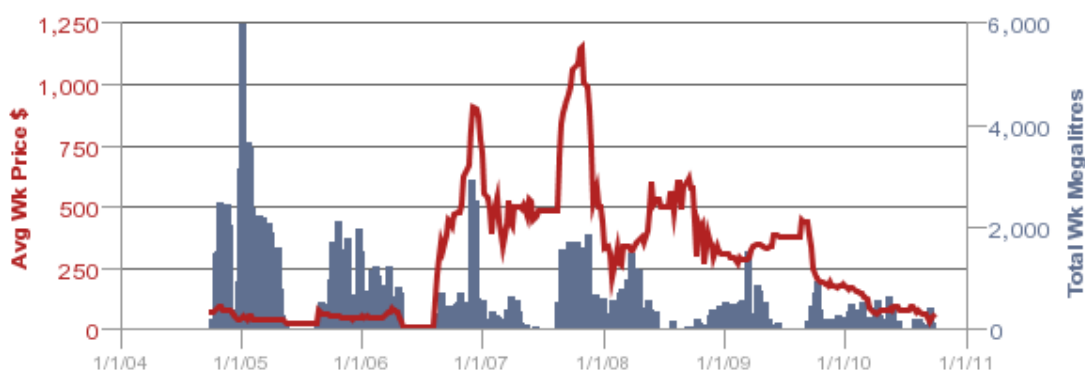
Trading Zone (2010)	29 Sep	22 Sep	15 Sep	8 Sep	1 Sep	25 Aug	18 Aug	11 Aug
NSW Murrumbidgee I.A.	No trade	No trade	No trade	No trade	No trade	No trade	No trade	No trade
VIC 1A Goulburn	676	891	66	178	143	57	256	107
SA Murray	No trade	1000	No trade	No trade	No trade	No trade	No trade	100

^b Water traded last week on Waterexchange.

Recent trading (last 12 months)



Historical trading (last 5 years)



Source: Waterexchange.

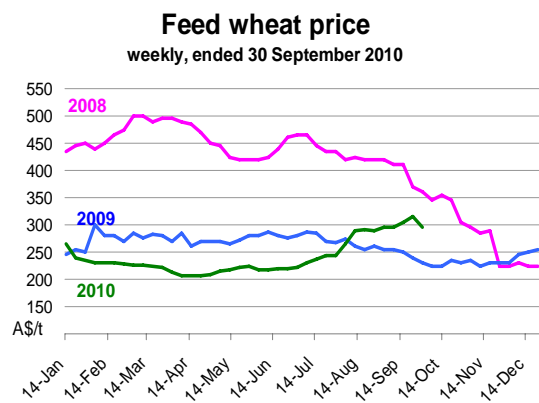
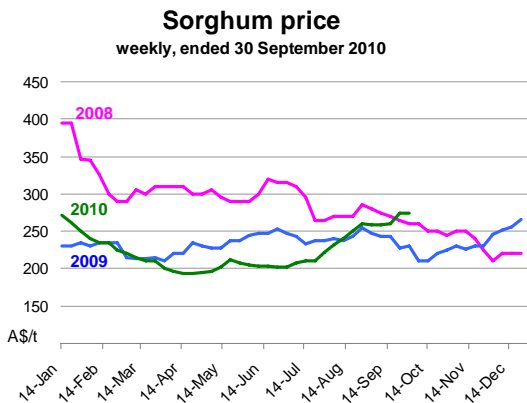
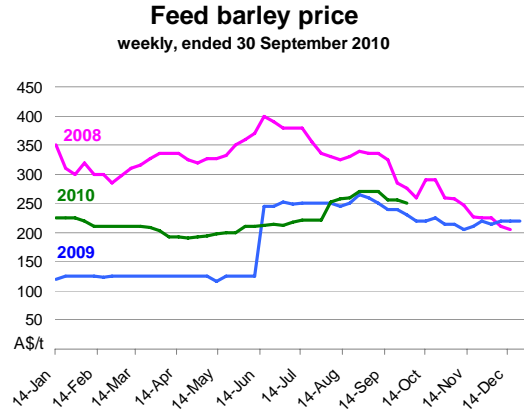
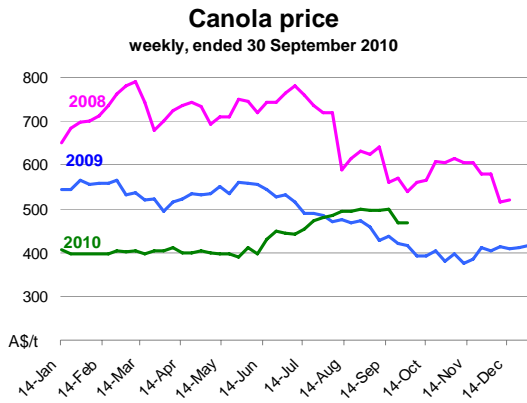
(**Note:** Data do not include trade through private brokers or other exchanges and trade over recent days; hence prices may differ from those reported above. Price series for Goulburn and SA Murray are very similar and have not been included).

3. Commodity prices

3.1 Commodities

- The world wheat indicator price fell to US\$287 a tonne this week after averaging over US\$300 a tonne for most of September.

3.2 Crop indicator prices



3.3 Livestock indicator prices

