



Australian Government

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

Weekly Australian Climate, Water and Commodity Price Update

29 July 2010

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

- Rainfall received over parts of southern Queensland and northern New South Wales this week will help maintain soil moisture and prospects of favourable production conditions in spring.
- Widespread moderate to heavy rainfall is forecast over south-east Australia in the coming week. If it eventuates, the rain may help improve production conditions, particularly where rainfall deficiencies remain.
- Locusts remain a significant threat to southern agricultural regions this spring. Inter-agency meetings are continuing to plan and coordinate the response to the anticipated spring populations in New South Wales, Queensland, South Australia and Victoria.
- Fruit and vegetable prices are getting lower because of generally favourable seasonal conditions and availability, according to the June 2010 quarter Consumer Price Index released by the Australian Bureau of Statistics this week.
- The prospect of favourable seasonal conditions during spring in many areas has resulted in restocker demand remaining strong on well-bred young cattle, according to a Cattle Market Alert released by Meat and Livestock Australia this week. The strong demand also relates to restockers and feeders competing for plainer lines and processors keen to secure the limited number of finished young cattle.
- The weighted average sale yard price for beef cattle was 5 per cent higher in the six months to June 2010 compared with the six months to December 2009.
- Water storage levels in the Murray-Darling Basin increased this week by 227 gigalitres, or 1 per cent, to 33 per cent of total capacity. This is the highest level since 11 September 2006 when it was also at 33 per cent.

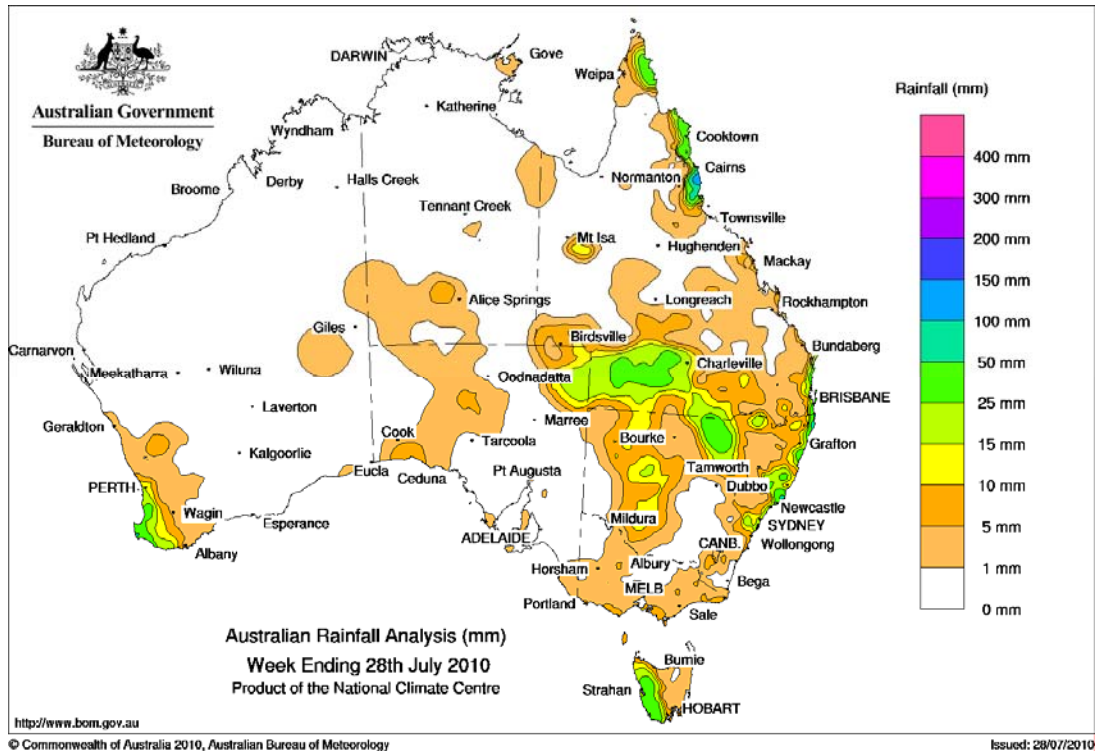
Go to <http://www.daff.gov.au/climateupdate> for the online report.

1. Climate and Water Storage

1.1 Rainfall this week

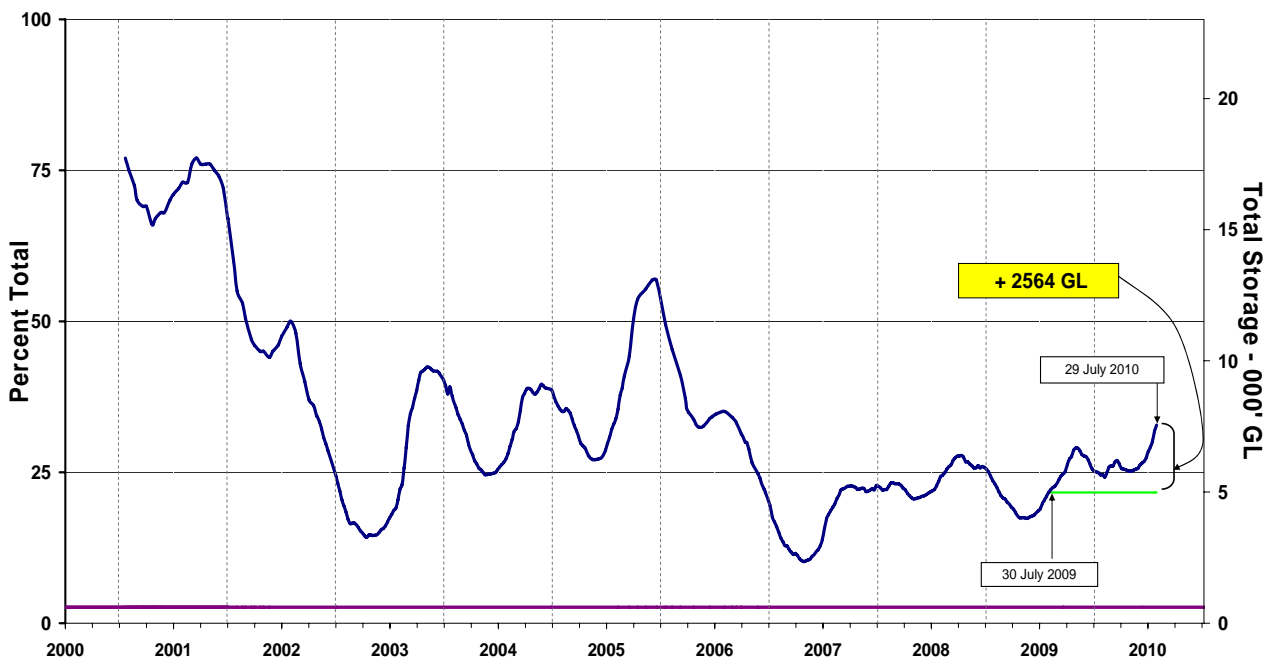
For the week ending 28 July 2010, rainfall was mainly confined to parts of southern and eastern Australia. For further information, go to <http://www.bom.gov.au/climate/current/weeklyrain.shtml>.

Rainfall for the week ending 28 July 2010



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

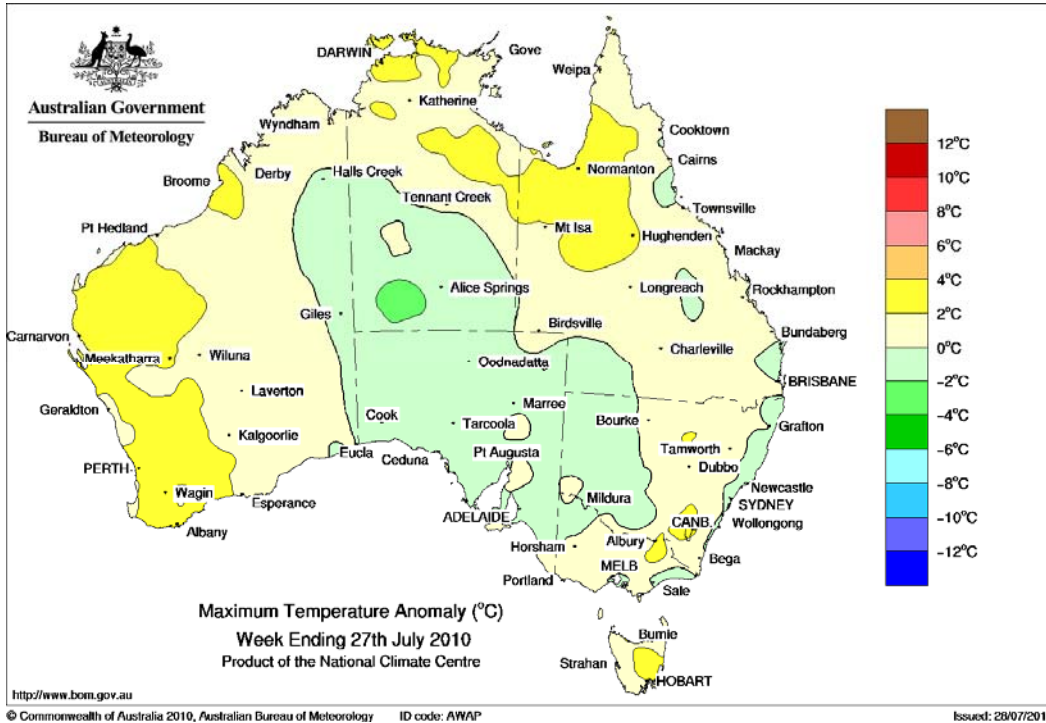
Information on irrigation water available in the Murray-Darling Basin from 1 January 2001 to 29 July 2010 is shown below. The green line indicates the storage level at the same time last year. Current storage levels are at 32.78 per cent of total capacity. The purple line indicates the amount of 'dead' or unusable storage.



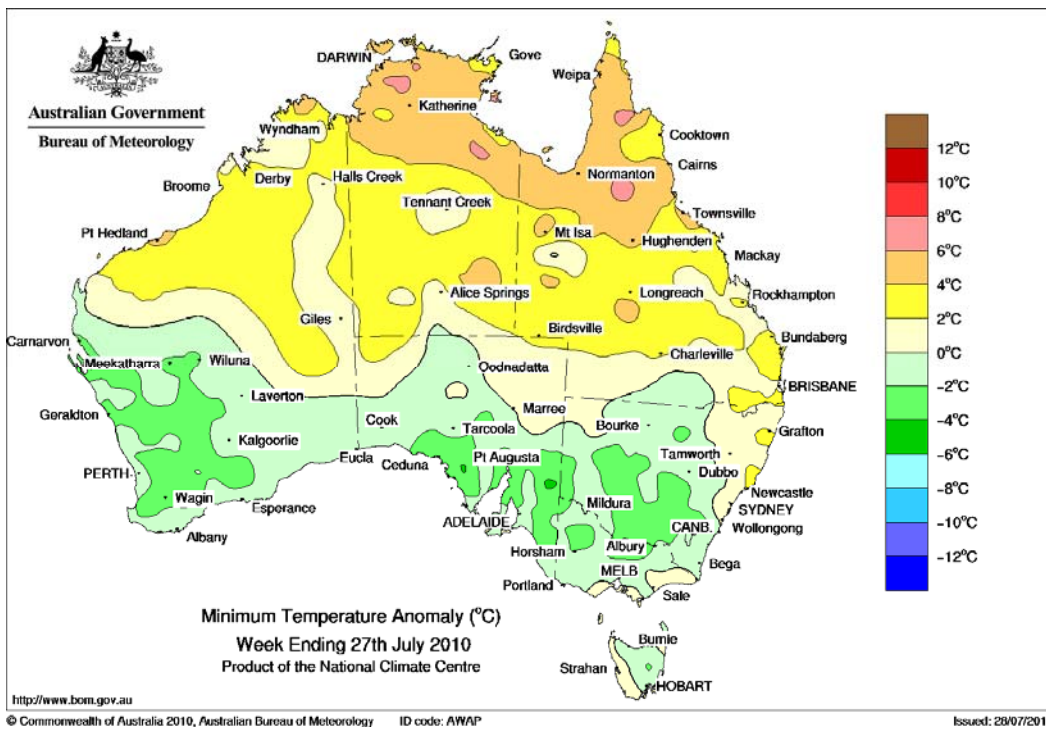
1.3 Temperature anomalies this week

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 27 July 2010



Minimum temperature anomalies for the week ending 27 July 2010



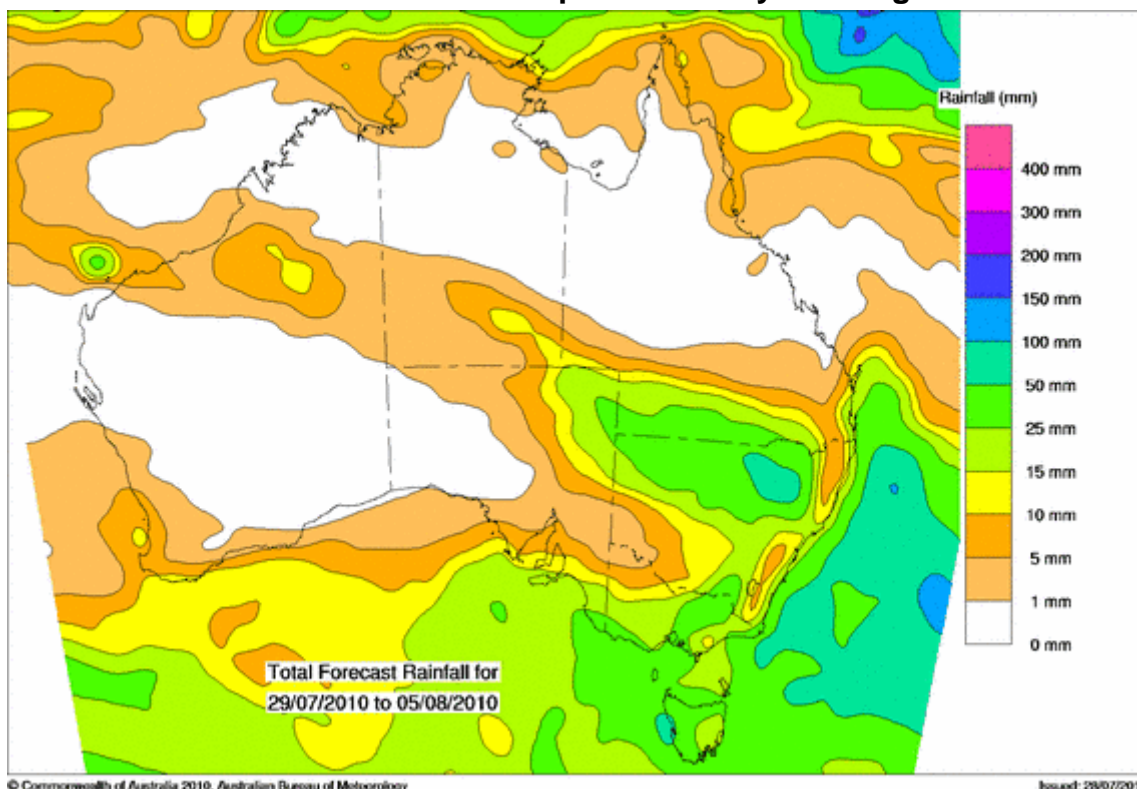
1.4 Notable events this week

- For the week ending 28 July 2010, rainfall was mostly confined to parts of southern and eastern Australia, with heavy, isolated rainfall in Queensland's tropical north. The **highest measured rainfall** for the week was **231 mm**, recorded at **Tully** in far north Queensland. Rainfall exceeded 15 mm over parts of south-west Western Australia, Tasmania, New South Wales, northern South Australia, south-west Queensland and along Queensland's far-north coast.
- Rainfall received over parts of southern Queensland and northern New South Wales this week will help maintain soil moisture and **prospects of favourable production conditions in spring**.
- **Widespread moderate to heavy rainfall is forecast over south-east Australia** in the coming week. If it eventuates, the rain may help improve production conditions, particularly where rainfall deficiencies remain.
- **Anomalously high temperatures** were recorded across **Australia's north** this week. The warmer conditions are expected to extend further south over the next few days.

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 29 July to 5 August 2010



2. Water Trading

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

Trading Zone (2009)	28 Jul	21 Jul	14 Jul	7 Jul	30 Jun	23 Jun	16 Jun	9 Jun
NSW Murrumbidgee I.A.	No trade	No trade	No trade	No trade	No trade	80	80	80
VIC 1A Goulburn	No trade	No trade	No trade	No trade	No trade	70	85	95
SA Murray	No trade	No trade	No trade	No trade	No trade	85	95	90

^a Last traded prices as at the dates shown.

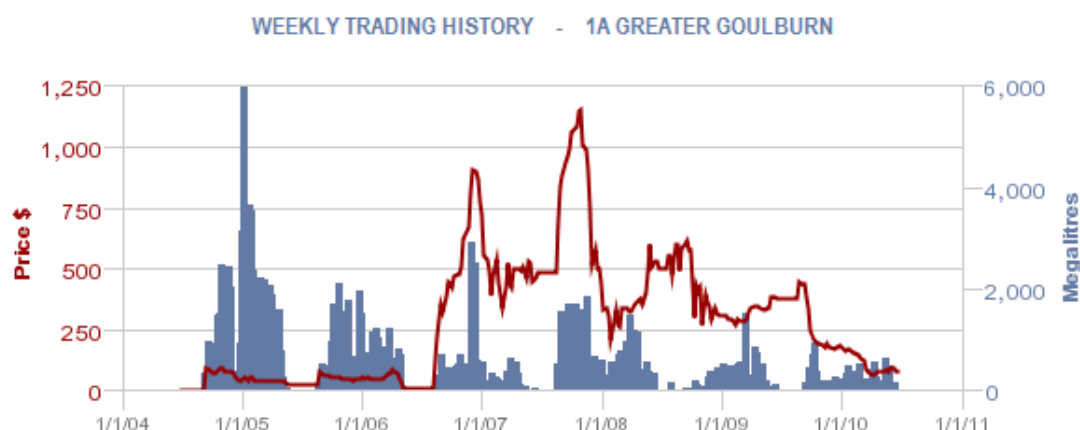
Volume (ML) of selected temporary trade in allocations, MDB^b

Trading Zone (2009)	28 Jul	21 Jul	14 Jul	7 Jul	30 Jun	23 Jun	16 Jun	9 Jun
NSW Murrumbidgee I.A.	No trade	No trade	No trade	No trade	No trade	0	0	0
VIC 1A Goulburn	No trade	No trade	No trade	No trade	No trade	489	235	307
SA Murray	No trade	No trade	No trade	No trade	No trade	140	532	909

^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:** Data 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

