Summary of key issues

- During the week ending 18 January 2017, rainfall was recorded across all states and territories, with the heaviest falls recorded across north-eastern New South Wales, Queensland, most of northern Western Australia, western Tasmania, the Northern Territory, as well as southern and northern areas of South Australia.

- Maximum and minimum temperatures were between 2°C and 8°C above average across much of south-eastern Australia for the week ending 17 January 2017.

- According to the CSIRO, the combination of wet conditions during last year’s spring and record crop production have created ideal conditions for mouse populations to reach plague proportions across parts of southern Australia this coming winter growing season.

- The forecast for the next eight days indicates that rainfall is expected across most of Australia, with the exception of south-western Western Australia.

- Water storage levels in the Murray–Darling Basin (MDB) decreased by 372 gigalitres (GL) during the week ending 19 January 2017 to 18,251 GL, and are at 81 per cent of total capacity.

- The wool Eastern Market Indicator increased by 67 cents to 1422 cents a kilogram (clean), its highest in 5 ½ years and 3 cents below its all-time high achieved in 2011.

- Local grain and oilseed prices declined against a backdrop of expected record winter crop production. The feed wheat indicator price (General purpose, Sydney) and feed barley indicator price (Sydney) both fell 4 per cent from the previous week, and the canola indicator price (Portland, Vic.) fell 2 per cent.

- The world wheat indicator price (US No. 2 hard red winter, free on board Gulf ports) was 3 per cent higher than the previous week following an announcement by the USDA that US winter wheat plantings were estimated to be at their lowest level in more than 100 years.

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1. Climate

1.1. Rainfall this week

For the week ending 18 January 2017, rainfall was recorded across all states and territories, with the heaviest falls recorded across north-eastern New South Wales, Queensland, most of northern Western Australia, western Tasmania, the Northern Territory, as well as southern and northern areas of South Australia (see map below). The highest recorded weekly total was 302 millimetres at Kareeya, near Innisfail in Queensland.

According to the CSIRO, the combination of wet conditions during last year’s spring and record crop production have created ideal conditions for mouse populations to reach plague proportions across parts of southern Australia this coming winter growing season. Victoria and South Australia were said to be already experiencing higher than normal numbers of mice in a number of areas. Mouse plague outbreaks cause the most damage during sowing of winter cereals. This can lead to significant additional costs for producers in the form of baiting programs or the requirement to re-sow crops. The CSIRO considers mice to be in plague proportions at more than 1,000 mice per hectare, compared with normal conditions at around five mice per hectare.

The rainfall analyses and associated maps utilise data contained in the Bureau of Meteorology climate database, the Australian Data Archive for Meteorology (ADAM). The analyses are initially produced automatically from real-time data with limited quality control. They are intended to provide a general overview of rainfall across Australia as quickly as possible after the observations are received.

For further information go to http://www.bom.gov.au/climate/rainfall/

Rainfall for the week ending 18 January 2017
1.2. Temperature anomalies this week

For the week ending 17 January 2017, maximum temperatures were between 2°C and 8°C above average across much of south-eastern Australia, and up to 10°C above average in parts of south-eastern New South Wales. Maximum temperatures were between 2°C and 6°C below average in the Northern Territory and most of Western Australia. Minimum temperatures were between 2°C and 8°C above average for parts of south-eastern Australia, and close to average for the rest of the country (see maps below).

Maximum temperature anomalies for the week ending 17 January 2017

Note: 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 temperatures from their long-term averages. Temperature anomalies are calculated using high-resolution gridded datasets from 1911 onwards. For further information go to http://www.bom.gov.au/ssp/awap/Statement/index.jsp.
1.3. Australian plague locust

The Australian Plague Locust Commission (APLC) produces a monthly Locust Bulletin during the periods of locust activity (spring, summer and autumn). The bulletin gives regional summaries of the locust situation and weather events of potential significance for locust development. It also provides a forecast of likely developments for the next two months for the Australian plague locust (*Chortoicetes terminifera*), spur-throated locust (*Austracris guttulosa*) and the migratory locust (*Locusta migratoria*).

According to the APLC, Australian plague locust activity increased in several regions during December as a result of spring breeding and continued migratory activity and redistributions. Widespread rainfall in South Australia, Far West and Central West New South Wales, and parts of Southwest Queensland produced favourable habitat conditions for locust breeding. Medium density adults were identified in Far West and Far Southwest New South Wales and in parts of the Central Highlands and Southwest Queensland. Several small bands developed in the Trangie–Dubbo area after mid December, but swarm formation is unlikely to result in January.

The summer outlook is for a nymph generation developing in areas of western New South Wales, northern South Australia and Southwest Queensland—areas that received heavy rainfall in December. There is a moderate risk of significant increases in adult population levels during February, with localised swarm formation and some migrations possible. The potential for swarm migrations to agricultural areas in autumn, will depend on the distribution of rainfall in February and early March. There is currently a low risk of widespread swarm infestations affecting agricultural areas in several regions during autumn.

1.4. Rainfall forecast

The forecast for the next eight days indicates that rainfall is expected across most of Australia, with the exception of south-western Western Australia. The highest weekly rainfall totals are forecast for northern and central Australia, with totals forecast to exceed 50 millimetres in these areas (see map below).

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

Total forecast rainfall (mm) for the period 19 to 26 January 2017
2. Water

2.1. Water availability

Water storage levels in the Murray–Darling Basin (MDB) decreased by 372 gigalitres (GL) during the week ending 19 January 2017 to 18,251 GL, and are at 81 per cent of total capacity. This water storage level is 44 percentage points or 9,885 GL more than at the same time last year.

Information on irrigation water available in the Murray–Darling Basin from 1 January 2001 to 19 January 2017 is shown above. The top horizontal (short dash) line indicates the storage level during a similar time last year. The bottom horizontal (long dash) line indicates the amount of ‘dead’ or unusable storage.
2.2. Water allocations

The current water allocations for the 2016–17 water trading season for licence holders in the New South Wales, Victoria and South Australia water systems are summarised in the following table.

- In New South Wales, there was an increase in general security allocation in the Lower Namoi system.

<table>
<thead>
<tr>
<th>New South Wales</th>
<th>19 January 2017 (%)</th>
<th>8 December 2016 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>General security</td>
<td>High security</td>
</tr>
<tr>
<td>NSW Murray Valley *</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>NSW Murrumbidgee Valley *</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>NSW Lower Darling *</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>NSW Macquarie and Cudgegong Valley *</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>NSW Hunter Valley</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>NSW Lachlan Valley *</td>
<td>124</td>
<td>100</td>
</tr>
<tr>
<td>NSW Lower Namoi *</td>
<td>124.11</td>
<td>100</td>
</tr>
<tr>
<td>NSW Upper Namoi *</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>NSW Gwydir Valley *</td>
<td>72.43</td>
<td>100</td>
</tr>
<tr>
<td>NSW Border Rivers *</td>
<td>100^ / 79.5^b</td>
<td>100</td>
</tr>
<tr>
<td>NSW Peel Valley</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Victoria</th>
<th>Low reliability *</th>
<th>High reliability *</th>
<th>Low reliability *</th>
<th>High reliability *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victoria Murray Valley</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>100</td>
</tr>
<tr>
<td>Victoria Goulburn</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>100</td>
</tr>
<tr>
<td>Victoria Campaspe</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Victoria Loddon</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>100</td>
</tr>
<tr>
<td>Victoria Bullarook</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Victoria Broken</td>
<td>100</td>
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<td>100</td>
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</table>

<table>
<thead>
<tr>
<th>South Australia</th>
<th>High security</th>
<th>High security</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Australia Murray Valley</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

*Carryover water may also be available

a General security A class. b General security B class
3. Commodities

3.1. Market focus

Wool
The Eastern Market Indicator price of wool increased by 67 cents to 1422 cents a kilogram (clean), its highest in 5½ years. This is 3 cents below the all-time high of 1425 cents a kilogram achieved in 2011. The strong rise, in both Australian and US dollar terms, reflects concerns over wool supply and some depletion of stocks in the apparel wool pipeline.

Domestic grain harvest
Local grain and oilseed prices declined against a backdrop of expected record winter crop production. The feed wheat indicator price (General purpose, Sydney) and feed barley indicator price (Sydney) both fell 4 per cent from the previous week, and the canola indicator price (Portland, Vic.) fell 2 per cent. Harvesting of winter crops continued in southern Victoria, harvest in much of the rest of the country completed. In New South Wales, Victoria and Queensland, Graincorp reported receivals for the season at 12.1 million tonnes (as at 16 January). In South Australia, Viterra reported receivals at 8.6 million tonnes (as at 15 January), a record high.

International wheat
The world wheat indicator price (US No. 2 hard red winter, free on board Gulf ports) averaged US$202 in the week ending 18 January 2017, 3 per cent higher than in the previous week. The price increased after an announcement by the United States Department of Agriculture (USDA) that US plantings of winter wheat for the 2017–18 harvest were estimated to have fallen by 10 per cent to their lowest in more than 100 years. Most of the decline in area is in hard red winter plantings in the Great Plains. While production is likely to fall in 2017–18, hard red winter supply is supported by sizeable stocks that are estimated by the USDA to be more than half of what was produced in the favourable 2016–17 crop year.
<table>
<thead>
<tr>
<th>Indicator</th>
<th>Week ended</th>
<th>Unit</th>
<th>Latest price</th>
<th>Price week prior</th>
<th>Weekly change</th>
<th>Price 12 months prior</th>
<th>Year on year change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Selected World Indicator Prices</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australian Dollar - AUD/USD Exchange Rate</td>
<td>11-Jan</td>
<td>US$/A$</td>
<td>0.73</td>
<td>0.72</td>
<td>1% ↑</td>
<td>0.7</td>
<td>4% ↑</td>
</tr>
<tr>
<td>Wheat - US no. 2 hard red winter wheat, fob Gulf</td>
<td>17-Jan</td>
<td>US$/t</td>
<td>202</td>
<td>196</td>
<td>3% ↑</td>
<td>214</td>
<td>-6% ↓</td>
</tr>
<tr>
<td>Coarse Grains - US no. 2 yellow corn, fob Gulf</td>
<td>18-Jan</td>
<td>US$/t</td>
<td>161</td>
<td>159</td>
<td>1% ↑</td>
<td>162</td>
<td>&lt;1% ↓</td>
</tr>
<tr>
<td>Canola - Rapeseed, Europe, fob Hamburg</td>
<td>17-Jan</td>
<td>US$/t</td>
<td>453</td>
<td>452</td>
<td>&lt;1% ↑</td>
<td>395</td>
<td>15% ↑</td>
</tr>
<tr>
<td>Cotton - Cotlook 'A' Index</td>
<td>18-Jan</td>
<td>USc/lb</td>
<td>81.8</td>
<td>82.5</td>
<td>&lt;1% ↓</td>
<td>68.9</td>
<td>19% ↑</td>
</tr>
<tr>
<td>Sugar - Intercontinental Exchange, nearby futures, no.11 contract</td>
<td>18-Jan</td>
<td>USc/lb</td>
<td>20.7</td>
<td>20.6</td>
<td>&lt;1% ↑</td>
<td>14.7</td>
<td>41% ↑</td>
</tr>
<tr>
<td>Wool - Eastern Market Indicator</td>
<td>12-Jan</td>
<td>Ac/kg clean</td>
<td>1422</td>
<td>1349</td>
<td>5% ↑</td>
<td>1282</td>
<td>11% ↑</td>
</tr>
<tr>
<td><strong>Global Dairy Trade (GDT) weighted average prices</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dairy - Whole milk powder</td>
<td>17-Jan</td>
<td>US$/t</td>
<td>3 283</td>
<td>3 294</td>
<td>&lt;1% ↓</td>
<td>2 188</td>
<td>50% ↑</td>
</tr>
<tr>
<td>Dairy - Skim milk powder</td>
<td>17-Jan</td>
<td>US$/t</td>
<td>2 612</td>
<td>2 660</td>
<td>-2% ↓</td>
<td>1 835</td>
<td>42% ↑</td>
</tr>
<tr>
<td>Dairy - Cheddar cheese</td>
<td>17-Jan</td>
<td>US$/t</td>
<td>3 940</td>
<td>3 894</td>
<td>1% ↑</td>
<td>2 867</td>
<td>37% ↑</td>
</tr>
<tr>
<td>Dairy - Anhydrous milk fat</td>
<td>17-Jan</td>
<td>US$/t</td>
<td>5 528</td>
<td>5 352</td>
<td>3% ↑</td>
<td>3 724</td>
<td>48% ↑</td>
</tr>
<tr>
<td><strong>Selected domestic crop indicator prices</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grain Sorghum - Sydney, NSW</td>
<td>18-Jan</td>
<td>A$/t</td>
<td>248</td>
<td>253</td>
<td>-2% ↓</td>
<td>271</td>
<td>-8% ↓</td>
</tr>
<tr>
<td>Feed Wheat - General purpose, Sydney, NSW</td>
<td>18-Jan</td>
<td>A$/t</td>
<td>214</td>
<td>219</td>
<td>-2% ↓</td>
<td>279</td>
<td>-23% ↓</td>
</tr>
<tr>
<td>Feed Barley - Sydney, NSW</td>
<td>18-Jan</td>
<td>A$/t</td>
<td>175</td>
<td>180</td>
<td>-3% ↓</td>
<td>245</td>
<td>-29% ↓</td>
</tr>
<tr>
<td>Canola - Portland, Vic.</td>
<td>16-Jan</td>
<td>A$/t</td>
<td>515</td>
<td>522</td>
<td>-1% ↓</td>
<td>537</td>
<td>-4% ↓</td>
</tr>
<tr>
<td><strong>Selected domestic livestock indicator prices</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beef - Young cattle (300-400 kg live weight C3), Qld</td>
<td>14-Jan</td>
<td>Ac/kg cwt</td>
<td>582</td>
<td>617</td>
<td>-6% ↓</td>
<td>603</td>
<td>-3% ↓</td>
</tr>
<tr>
<td>Mutton - Mutton indicator (18-24 kg fat score 2-3), Vic</td>
<td>13-Jan</td>
<td>Ac/kg cwt</td>
<td>422</td>
<td>415</td>
<td>2% ↑</td>
<td>300</td>
<td>41% ↑</td>
</tr>
<tr>
<td>Lamb - Lamb indicator (18-22 kg fat score 2-4), Vic</td>
<td>13-Jan</td>
<td>Ac/kg cwt</td>
<td>608</td>
<td>549</td>
<td>11% ↑</td>
<td>515</td>
<td>18% ↑</td>
</tr>
<tr>
<td>Pig - Pig indicator (Buyers 60.1-75 kg), NSW</td>
<td>07-Jan</td>
<td>Ac/kg cwt</td>
<td>375</td>
<td>375</td>
<td>0% ●</td>
<td>387</td>
<td>-3% ↓</td>
</tr>
</tbody>
</table>

*a Global Dairy Trade prices are updated twice monthly on the first and third Tuesday of each month.*
### 3.2. Selected world indicator prices

**World wheat indicator price**  
US No. 2, hard red winter wheat, fob Gulf  
Week ended 17 January 2017

**World coarse grains indicator price**  
US corn No. 2, fob Gulf  
Week ended 18 January 2017

**World canola indicator price**  
Europe fob Hamburg  
Week ended 17 January 2017

**World cotton indicator price**  
Cotlook ‘A’ index  
Week ended 18 January 2017
3.3. Global Dairy Trade (GDT) weighted average prices

**Whole milk powder price**
17 January 2017

**Skim milk powder price**
17 January 2017

**Cheddar cheese price**
17 January 2017

**Anhydrous milk fat price**
17 January 2017
3.4. Selected domestic crop indicator prices

Grain sorghum indicator price
Sydney, NSW
Week ended 18 January 2017

Feed wheat indicator price
General Purpose, Sydney, NSW
Week ended 18 January 2017

Feed barley indicator price
Sydney, NSW
Week ended 18 January 2017

Canola indicator price
Portland, Victoria
Week ended 16 January 2017
3.5. Selected domestic livestock indicator prices

- Young cattle indicator price in Qld (330–400 kg live weight C3)
  Week ended 14 January 2017

- Lamb indicator price in Victoria (18–22 kg fat score 2–4)
  Week ended 13 January 2017

- Mutton indicator price in Victoria (18–24 kg fat score 2–3)
  Week ended 13 January 2017

- Pig indicator price in NSW
  Buyers 60.1–75 kg,
  Week ended 7 January 2017
3.6. Movements in selected fruit and vegetable prices – week ended 14 January 2017
4. Data attribution

Climate
Bureau of Meteorology

Water
New South Wales

Queensland
- Sunwater: www.sunwater.com.au
- Seqwater: http://seqwater.com.au

South Australia
- South Australian Department of Environment, Water and Natural Resources: http://www.environment.sa.gov.au

Victoria
- Goulburn–Murray Water: www.g-mwater.com.au

Commodities
Fruit and vegetables
- Datafresh: http://www.freshstate.com.au
Mutton, lambs, wheat, barley and grain sorghum
- The Land: hardcopy or online at http://theland.farmonline.com.au/markets

Cattle, mutton and lambs

Pigs
- Australian Pork Limited: www.australianpork.com.au

Canola
- Weekly Times: hardcopy

Dairy