Summary of key issues

- During the week ending 21 June 2017 rainfall was mainly restricted to parts of western and eastern Australia, with totals exceeding 25 millimetres in north-eastern New South Wales, south-eastern Queensland, western Tasmania and isolated parts of Western Australia.

- Following a dry May across much of western and central Australia, rainfall for June-to-date has been much lower than average. Rainfall totals recorded since the start of the month are currently tracking at below 20 per cent of the monthly June average across most of the country. This coupled with warmer than average temperatures is leading to some moisture stress, particularly in later sown crops.

- For the week ending 20 June 2017 maximum temperatures were between 2°C and 4°C above average across much of the country, while minimum temperatures were generally close to average.

- The forecast for the next eight days indicates rainfall totals exceeding 25 millimetres are mainly expected in south-western and eastern Western Australia and north-western South Australia. Little to no rainfall is expected across much of northern and eastern Australia due to a series of stable high pressure systems blocking the movement of low pressure systems across the country.

- All international climate models surveyed by the Bureau of Meteorology now suggest neutral El Niño–Southern Oscillation conditions are likely for the remainder of 2017.

- Water storage levels in the Murray–Darling Basin (MDB) increased by 46 gigalitres (GL) during the week ending 22 June 2017 to 15,565 GL and are at 69 per cent of total capacity.

- Allocation prices in the southern Murray–Darling Basin rose in the week to 22 June 2017 in all systems aside from the Victorian Murray. Average prices across the whole southern system increased by 28.4 per cent to $40.06.

- General security water allocations in Lachlan Valley (NSW) have changed, increasing from 129 per cent to 131 per cent in the week to 22 June 2017.

- The world wheat indicator price increased 9 per cent, reflecting concerns of tight supplies of high protein wheat.

- The world sugar price fell by around 4 per cent, following announcements by the Chinese government.

- ABARES released the June edition of Agricultural commodities on Tuesday 20 June.
1. Climate

1.1. Rainfall this week

During the week ending 21 June 2017 rainfall was mainly restricted to parts of western and eastern Australia. Totals exceeding 25 millimetres were recorded in north-eastern New South Wales, south-eastern Queensland, western Tasmania and isolated parts of Western Australia. The highest recorded weekly total was 122 millimetres at Ballina airport, near Lismore in New South Wales. Little to no rainfall was recorded across the rest of mainland Australia.

Following a dry May across much of western and central Australia, rainfall for June to date has been lower than average. Rainfall totals recorded since the start of the month are currently tracking at below 20 per cent of the monthly June average across most of the country. This coupled with warmer than average temperatures is leading to some moisture stress, particularly in later sown crops.

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 21 June 2017
1.2. Temperature anomalies this week

During the week ending 20 June 2017 maximum temperatures were between 2°C and 4°C above average across much of the country, with areas between 4°C and 6°C above average in central Queensland and parts of Western Australia. Minimum temperatures were above average (2°C to 6°C) in parts of eastern New South Wales, Queensland, Western Australia and the Northern Territory. Minimum temperatures were below average (2°C to 6°C) in northern parts of Western Australia.

Maximum temperature anomalies for the week ending 20 June 2017

Minimum temperature anomalies for the week ending 20 June 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/isp/awap/temp/index.jsp.
1.3. **Rainfall forecast for the next 8 days**

The forecast for the next eight days indicates that rainfall totals exceeding 25 millimetres are expected in south-western and eastern Western Australia and north-western South Australia. Similar totals are forecast for western Tasmania and parts of northern coastal Queensland. Little to no rainfall is expected across much of northern and eastern Australia due to a series of stable high pressure systems blocking the movement of low pressure systems across the country.

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 22 to 29 June 2017**

1.4. **El Niño–Southern Oscillation Update**

The Bureau of Meteorology’s [ENSO Outlook](https://www.bom.gov.au) has been downgraded from El Niño WATCH to INACTIVE due to cooling that has taken place in the eastern tropical Pacific Ocean and changes in climate model outlooks.

El Niño–Southern Oscillation indicators in the oceans and atmosphere are within neutral bounds. All eight climate models now suggest tropical Pacific Ocean temperatures are likely to remain at neutral levels for the remainder of 2017. This is in contrast to model outlooks earlier in the year that suggested an increased chance of El Niño development during 2017.

While models have reduced the likelihood of El Niño, most still indicate an increased chance of warmer and drier than average conditions for Australia over winter.

The Indian Ocean Dipole (IOD) remains neutral. Three out of six climate models suggest a positive IOD may develop by the end of winter. The remaining climate models are neutral. A positive IOD is typically associated with a drier than average winter and spring for southern and central Australia (Bureau of Meteorology ‘[ENSO Wrap-Up](https://www.bom.gov.au)’, 20 June 2017).
2. Water

2.1. Water availability

Water storage levels in the Murray–Darling Basin (MDB) increased during the week ending 22 June 2017 by 46 gigalitres (GL) to 15,565 GL and are at 69 per cent of total capacity. This is 33 percentage points or 7,460 GL more than at the same time last year.

Information on irrigation water available in the Murray–Darling Basin from 1 January 2001 to 22 June 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 2017–18 water trading season for licence holders in New South Wales, Victorian and South Australian water systems are summarised in the following table. The only change is general security allocations in the Lachlan Valley (NSW) which increased to 131 per cent.

<table>
<thead>
<tr>
<th>New South Wales</th>
<th>22 June 2017</th>
<th>8 May 2017</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>131%</td>
<td>100%</td>
</tr>
<tr>
<td>NSW Lower Namoi</td>
<td>125%</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>78.6%</td>
<td>100%</td>
</tr>
<tr>
<td>NSW Border Rivers</td>
<td>100%(a) / 113%(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>5%</td>
<td>100%</td>
<td>5%</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>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</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
2.3. Water markets

Allocation prices in the southern Murray-Darling Basin increased in the week up to 22 June 2017 in all systems aside from the Victorian Murray. Average prices across the whole southern system increased to $40.06. This is an increase of $8.96 or 28.4 per cent from the same time last week. This contrasts with an average price of $22.71 in May across the whole southern MDB and $31.93 in April.

Allocation trade activity in the southern Murray-Darling Basin

The trades shown reflect market activity and do not encompass all register trades. The price line reflects locally fitted price values for the entire southern Murray—Darling Basin. Data shown is current until Thursday 22 June 2017.

<table>
<thead>
<tr>
<th>Area</th>
<th>Southern MDB</th>
<th>Goulburn</th>
<th>South Australia</th>
<th>Murrumbidgee</th>
<th>Victoria Murray</th>
<th>NSW Murray</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current week:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16/06/17 - 22/06/17</td>
<td>$40.06</td>
<td>$42.95</td>
<td>$37.92</td>
<td>NA</td>
<td>$38.93</td>
<td>NA</td>
</tr>
<tr>
<td>Last week:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>09/06/17 - 15/06/17</td>
<td>$31.11</td>
<td>$32.05</td>
<td>$28.32</td>
<td>NA</td>
<td>$32.82</td>
<td>NA</td>
</tr>
<tr>
<td>May 2017</td>
<td>$22.71</td>
<td>$27.55</td>
<td>$29.92</td>
<td>$5.51</td>
<td>$27.71</td>
<td>$24.13</td>
</tr>
<tr>
<td>May 2016</td>
<td>$233.65</td>
<td>$251.07</td>
<td>$253.98</td>
<td>$190.14</td>
<td>$249.59</td>
<td>$220.62</td>
</tr>
</tbody>
</table>
3. Commodities

3.1. Market focus

June Agricultural Commodities report


Major crops

Year-to-date exports of major crops have increased substantially compared with the same period in 2015–16. The Australian Bureau of Statistics released April 2017 Australian export data on 8 June 2017. Between July 2016 and April 2017 Australia exported:

- 17 million tonnes of wheat valued at $4.8 billion. The volume and value of exports increased by 30 per cent and 11 per cent, respectively, compared with the same period in 2015–16.
- 7.7 million tonnes of barley valued at $1.9 billion. The volume and value of exports increased by 73 per cent and 30 per cent, respectively, compared with the same period in 2015–16.
- 3.4 million tonnes of canola valued at $2.0 billion. The volume and value of exports increased by 79 per cent and 88 per cent, respectively, compared with the same period in 2015–16.
- 1.8 million tonnes of chickpeas valued at $1.7 billion. The volume and value of exports increased by 63 per cent and 80 per cent, respectively, compared with the same period in 2015–16.

Monthly major crop exports, July 2015 to April 2017

Source: Australian Bureau of Statistics, International Trade in Goods and Services, Australia, April 2017 (cat. no. 5368.0)
**World wheat**

International wheat prices have increased in the past week, reflecting concerns about availability of high protein wheat. The world wheat indicator price (US no.2 hard red winter, fob Gulf) rose 9 per cent to average of $236 a tonne in the week ending 20 June 2017. Early harvest reports indicate protein content of US hard red winter wheat is below average (see Weekly Australian, Climate, Water and Agricultural Update from 15 June 2017 for more details). Severe rainfall deficiencies in key US spring wheat growing regions caused further declines in crop quality. Only 41 per cent of spring wheat (excluding durum) is considered to be in good or excellent condition as at 18 June 2017—the lowest proportion in more than 10 years.

**US spring wheat (excluding durum) crop condition (percentage good to excellent condition), weekly**

Source: USDA – National Agricultural Statistics Service

**Sugar**

Import restrictions announced by China and a forecast return to sugar surplus in the 2017–18 (October to September) year have resulted in a 4 per cent fall in the world sugar price to US13.4 cents a pound in the week ending 21 June 2017—the lowest in almost 16 months.
<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>21-Jun</td>
<td>US$/A$</td>
<td>0.76</td>
<td>0.75</td>
<td>1%⇧</td>
<td>0.74</td>
<td>3%⇩</td>
</tr>
<tr>
<td>Wheat – US no. 2 hard red winter wheat, fob Gulf</td>
<td>20-Jun</td>
<td>US$/t</td>
<td>236</td>
<td>217</td>
<td>9%⇧</td>
<td>199</td>
<td>19% tranny</td>
</tr>
<tr>
<td>Coarse Grains – US no. 2 yellow corn, fob Gulf</td>
<td>21-Jun</td>
<td>US$/t</td>
<td>161</td>
<td>163</td>
<td>-1%⇩</td>
<td>182</td>
<td>-12%⇩</td>
</tr>
<tr>
<td>Canola – Rapeseed, Europe, fob Hamburg</td>
<td>20-Jun</td>
<td>US$/t</td>
<td>403</td>
<td>412</td>
<td>-2%⇩</td>
<td>408</td>
<td>-1%⇩</td>
</tr>
<tr>
<td>Cotton – Cotlook 'A' Index</td>
<td>21-Jun</td>
<td>USc/lb</td>
<td>83.5</td>
<td>86.2</td>
<td>-3%⇩</td>
<td>74.2</td>
<td>13%⇧</td>
</tr>
<tr>
<td>Sugar – Intercontinental Exchange, nearby futures, no.11 contract</td>
<td>21-Jun</td>
<td>USc/lb</td>
<td>13.4</td>
<td>14.0</td>
<td>-4%⇩</td>
<td>19.5</td>
<td>-31%⇩</td>
</tr>
<tr>
<td>Wool – Eastern Market Indicator</td>
<td>15-Jun</td>
<td>Ac/kg clean</td>
<td>1,506</td>
<td>1,478</td>
<td>2%⇧</td>
<td>1,279</td>
<td>18%⇧</td>
</tr>
<tr>
<td>Wool – Western Market Indicator</td>
<td>16-Jun</td>
<td>Ac/kg clean</td>
<td>1,567</td>
<td>na</td>
<td>na</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td><strong>Selected domestic crop indicator prices</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Milling Wheat – ASW1, track quote, Port Adelaide, SA</td>
<td>20-Jun</td>
<td>A$/t</td>
<td>225</td>
<td>213</td>
<td>6%⇧</td>
<td>258</td>
<td>-13%⇩</td>
</tr>
<tr>
<td>Feed Wheat – General purpose, Sydney, NSW</td>
<td>21-Jun</td>
<td>A$/t</td>
<td>250</td>
<td>240</td>
<td>4%⇧</td>
<td>275</td>
<td>-9%⇩</td>
</tr>
<tr>
<td>Feed Barley – Sydney, NSW</td>
<td>21-Jun</td>
<td>A$/t</td>
<td>231</td>
<td>226</td>
<td>2%⇧</td>
<td>231</td>
<td>0% ●</td>
</tr>
<tr>
<td>Canola – Portland, Vic.</td>
<td>19-Jun</td>
<td>A$/t</td>
<td>507</td>
<td>na</td>
<td>na</td>
<td>520</td>
<td>-3%⇩</td>
</tr>
<tr>
<td>Grain Sorghum – Sydney, NSW</td>
<td>21-Jun</td>
<td>A$/t</td>
<td>279</td>
<td>279</td>
<td>0% ●</td>
<td>256</td>
<td>9%⇧</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 – Eastern Young Cattle Indicator</td>
<td>15-Jun</td>
<td>Ac/kg cwt</td>
<td>643</td>
<td>643</td>
<td>0% ●</td>
<td>596</td>
<td>8%⇧</td>
</tr>
<tr>
<td>Mutton – Mutton indicator (18–24 kg fat score 2–3), Vic</td>
<td>16-Jun</td>
<td>Ac/kg cwt</td>
<td>533</td>
<td>534</td>
<td>&lt;1% ↓</td>
<td>388</td>
<td>37%⇧</td>
</tr>
<tr>
<td>Lamb – Eastern States Trade Lamb Indicator</td>
<td>15-Jun</td>
<td>Ac/kg cwt</td>
<td>666</td>
<td>670</td>
<td>&lt;1% ↓</td>
<td>610</td>
<td>9%⇧</td>
</tr>
<tr>
<td>Pig – Eastern Seaboard (60.1–75 kg), average of buyers &amp; sellers</td>
<td>09-Jun</td>
<td>Ac/kg cwt</td>
<td>289</td>
<td>290</td>
<td>&lt;1% ↓</td>
<td>380</td>
<td>-24%⇩</td>
</tr>
<tr>
<td>Goat – Eastern States (12.1–16 kg)</td>
<td>19-Jun</td>
<td>Ac/kg cwt</td>
<td>660</td>
<td>660</td>
<td>0% ●</td>
<td>560</td>
<td>18%⇧</td>
</tr>
<tr>
<td>Live cattle – Light steers ex Darwin to Indonesia</td>
<td>20-May</td>
<td>Ac/kg lwt</td>
<td>320</td>
<td>320</td>
<td>0% ●</td>
<td>280</td>
<td>14%⇧</td>
</tr>
<tr>
<td>Live sheep – Live wether (Muchea WA saleyard) to Middle East</td>
<td>05-Jun</td>
<td>$/head</td>
<td>123</td>
<td>136</td>
<td>-10%⇩</td>
<td>na</td>
<td>na</td>
</tr>
<tr>
<td>Indicator</td>
<td>Week ended</td>
<td>Unit</td>
<td>Latest price</td>
<td>Price week prior</td>
<td>Weekly change</td>
<td>Price 12 months prior</td>
<td>Year on year change</td>
</tr>
<tr>
<td>-----------</td>
<td>------------</td>
<td>------</td>
<td>---------------</td>
<td>------------------</td>
<td>---------------</td>
<td>----------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>Dairy – Whole milk powder</td>
<td>20-Jun</td>
<td>US$/t</td>
<td>3,022</td>
<td>3,143</td>
<td>-4%</td>
<td>2,118</td>
<td>43%</td>
</tr>
<tr>
<td>Dairy – Skim milk powder</td>
<td>20-Jun</td>
<td>US$/t</td>
<td>2,218</td>
<td>2,156</td>
<td>3%</td>
<td>1,901</td>
<td>17%</td>
</tr>
<tr>
<td>Dairy – Cheddar cheese</td>
<td>20-Jun</td>
<td>US$/t</td>
<td>4,121</td>
<td>4,285</td>
<td>-4%</td>
<td>2,882</td>
<td>43%</td>
</tr>
<tr>
<td>Dairy – Anhydrous milk fat</td>
<td>20-Jun</td>
<td>US$/t</td>
<td>6,885</td>
<td>6,631</td>
<td>4%</td>
<td>3,619</td>
<td>90%</td>
</tr>
</tbody>
</table>

Global Dairy Trade (GDT) weighted average prices

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 20 June 2017

- **World coarse grains indicator price**
  - US corn No. 2, fob Gulf
  - Week ended 20 June 2017

- **World canola indicator price**
  - Europe fob Hamburg
  - Week ended 20 June 2017

- **World cotton indicator price**
  - Cotlook ‘A’ index
  - Week ended 21 June 2017
3.3. **Global Dairy Trade (GDT) weighted average prices**

- **Whole milk powder price**
  - 20 June 2017

- **Skim milk powder price**
  - 20 June 2017

- **Cheddar cheese price**
  - 20 June 2017

- **Anhydrous milk fat price**
  - 20 June 2017
3.4. Selected domestic crop indicator prices

- Grain sorghum indicator price
  Sydney, NSW
  Week ended 21 June 2017

- Feed barley indicator price
  Sydney, NSW
  Week ended 21 June 2017

- Feed wheat indicator price
  General Purpose, Sydney, NSW
  Week ended 21 June 2017

- Milling wheat indicator price
  ASW1, track quote, Port Adelaide, SA
  Week ended 20 June 2017
3.5. Selected domestic livestock indicator prices

Eastern Young Cattle Indicator
Week ended 15 June 2017

Mutton indicator price in Victoria
(18–24 kg fat score 2–3)
Week ended 16 June 2017

Eastern States Trade Lamb Indicator
Week ended 15 June 2017

Pig indicator price Eastern Seaboard
(60.1–75 kg)
Week ended 9 June 2017
3.6. Movements in selected fruit and vegetable prices – week ended 17 June 2017

Weekly wholesale prices for blueberry, pineapple (smoothleaf), watermelon (seedless) & banana (cavendish)

Weekly wholesale prices for kiwifruit (hayward), strawberry, apple (royal gala) & avocado (hass)

Weekly wholesale prices for onion (brown), cauliflower, potato (white, brushed) & tomato (field gourmet)

Weekly wholesale prices for broccoli, lettuce (iceberg), pumpkin (grey bulk) & bean (round stringless)
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: www.environment.sa.gov.au
Victoria
- Goulburn-Murray Water: www.g-mwater.com.au

Commodities
Fruit and vegetables
- Datafresh: www.freshstate.com.au

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

Canola
- Weekly Times: hardcopy

Dairy
- World wheat, canola
- International Grains Council
- World coarse grains
- United States Department of Agriculture

World cotton
- Cotlook: www.cotlook.com/

World sugar
- New York Stock Exchange - Intercontinental Exchange

Wool

Milling wheat
- ProFarmer

Domestic wheat, barley, sorghum
- The Land: hardcopy or online at www.theland.farmonline.com.au/markets

Domestic canola
- The Weekly Times: hardcopy

Cattle, beef, mutton, lamb, goat and live export