Summary of key issues

- During the week ending 12 July 2017 rainfall totals between 5 and 50 millimetres were recorded in parts of southern New South Wales, Victoria, southern South Australia, western Tasmania, south-western Western Australia, and south-eastern and central Queensland. Totals up to 100 millimetres were recorded in southern parts of the Northern Territory.

- For the week ending 11 July 2017 maximum temperatures were generally close to average over much of the country, except across much of northern Australia (2°C to 6°C above average) and central Western Australia (2°C to 4°C below average).

- For the four month period from March to June 2017, large areas of Western Australia and parts of central and southern Australia recorded lowest on record rainfall. Severe and serious rainfall deficiencies are present along the west coast of Western Australia, southern parts of South Australia and south-eastern parts of the Northern Territory. Areas of severe to serious rainfall deficiencies are also present in far eastern Victoria, western Queensland and south-western Tasmania.

- The forecast for the next eight days indicates that rainfall is mainly expected across eastern and southern Australia. Rainfall totals exceeding 25 millimetres are expected in coastal parts of south-western Western Australia, south-eastern South Australia, Tasmania, southern and alpine regions of New South Wales and Victoria, north-eastern New South Wales, and isolated parts of coastal north-eastern Queensland. Little to no rainfall is forecast for the remainder of Australia.

- Water storage levels in the Murray–Darling Basin (MDB) increased during the week ending 13 July 2017 by 30 gigalitres (GL) to 15,688 GL and are at 69 per cent of total capacity. This is 5,791 GL or around 59 per cent more than the same time last year.

- Allocation prices in the southern Murray–Darling Basin have nearly doubled since the start of the new water year 2017–18, from around $50/ML last week to $95/ML in the week ending 13 July 2017.

- The eastern states trade lamb indicator price has fallen for the fifth consecutive week, reflecting weaker demand from processors and increased turn-off following a dry June.

- The May 2017 Australian export data released by the Australian Bureau of Statistics on 6 July 2017, indicates that year-to-date exports of major crops have increased substantially compared with the same period in 2015–16.

- Strong demand in Asia markets for Valencia oranges has resulted in continued high exports volumes and an increase in unit values in 2016–17.
1. Climate

1.1. Rainfall this week

During the week ending 12 July 2017 widespread rainfall was recorded across central, eastern, and southern Australia. A low pressure system brought rainfall totals between 5 and 50 millimetres to parts of southern New South Wales, Victoria, southern South Australia and western Tasmania. Similar totals were recorded in south-western Western Australia, and south-eastern and central Queensland. Rainfall totals up to 100 millimetres were recorded in southern parts of the Northern Territory. The highest recorded weekly total was 115 millimetres at Mount Read on Tasmania’s west coast.

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 12 July 2017
1.2. Temperature anomalies this week

During the week ending 11 July 2017 maximum temperatures were generally close to average over much of the country, except across much of northern Australia (2°C to 6°C above average) and central Western Australia (2°C to 4°C below average). Minimum temperatures were between 2°C and 8°C above average across most of Queensland, northern parts of the Northern Territory and parts of northern Western Australia, with some areas between 8°C and 10°C above average for this time of year. Minimum temperatures ranged between 2°C and 6°C below average across much of Western Australia, South Australia and northern New South Wales. For the remainder of Australia, minimum temperatures were close to average.

Maximum temperature anomalies for the week ending 11 July 2017

Minimum temperature anomalies for the week ending 11 July 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/jsp/awap/temp/index.jsp.
1.3. **Rainfall deficiencies**

For the four month period from March to June 2017, large areas of Western Australia and parts of central and southern Australia recorded lowest on record rainfall. Rainfall deficiencies have increased in both extent and severity along the west coast of Western Australia compared to the three month period (March to May 2017) presented in the previous Bureau of Meteorology ‘Drought Statement’. Rainfall deficiencies have also increased in southern parts of South Australia, expanded in western and southern Tasmania and western Queensland and adjacent areas of southern Northern Territory, and have emerged in West Gippsland and adjacent parts of north-eastern Victoria (Bureau of Meteorology ‘Drought Statement’, 3 July 2017).

**Rainfall deficiencies for the period 1 March to 30 June 2017**
1.4. Rainfall forecast for the next eight days

For the next eight days indicates that rainfall is mainly expected across eastern and southern Australia. Rainfall totals between 10 and 50 millimetres are expected in coastal parts of south-western Western Australia, south-eastern South Australia, and southern and alpine regions of New South Wales and Victoria. Rainfall totals between 10 and 25 millimetres are forecast for north-eastern New South Wales and isolated parts of coastal north-eastern Queensland. Little to no rainfall is forecast for the remainder of mainland Australia. For Tasmania, a trough and cold front are expected to bring rain to most of the state, with totals of up to 100 millimetres forecast in the north-west.

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 13 to 20 July 2017
2. Water

2.1. Water availability

Water storage levels in the Murray–Darling Basin (MDB) increased during the week ending 13 July 2017 by 30 gigalitres (GL) to 15,688 GL and are at 69 per cent of total capacity. This is 5,791 GL or around 59 per cent more than the same time last year.

Information on irrigation water available in the Murray–Darling Basin from 1 January 2001 to 13 July 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 markets

Allocation prices in the southern Murray–Darling Basin have nearly doubled since the start of the new water year 2017–18, from around $50/ML last week to $95/ML in the week ending 13 July 2017. This jump is observed in the Murrumbidgee and New South Wales and Victorian Murray areas. The increase in allocation price may be a response to reports of dry conditions in water determination outlooks for Victorian and New South Wales catchments.

Allocation price in the Victoria Goulburn area remained stable at around $45/ML compared to the same time last week.

Victorian trade resumed this week, opening on 10 July 2017.

| Allocation trade prices, southern Murray–Darling Basin trade zones (price per ML) |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                                  | Southern MDB | Goulburn    | South Australia | Murrumbidgee | Victoria Murray | NSW Murray |
| Current week: 07/07 - 13/07      | $94.74       | $45.35      | NA            | $102.99      | $100.00      | $93.41      |
| Last week: 30/06 - 06/07         | $50.31       | $44.77      | $49.48        | $98.89       | $44.78       | $33.85      |
| June 2017                        | $32.29       | $40.85      | $38.40        | $4.82        | $41.25       | $15.03      |
3. Commodities

3.1. Market focus

Lamb prices
The eastern states trade lamb indicator price averaged 578 cents a kilogram in the week ending 7 July 2017, 7 per cent below the average of the previous week. This is the fifth consecutive week in which the lamb indicator price has fallen, leaving it 14 per cent below the average for the first week in June. This contraction has been driven by both an increase in the supply of lambs for slaughter and reduced demand from processors. Dry seasonal conditions have led to an increased turn off of lambs and sheep. While, processor demand is seasonally lower, with processors reportedly shutting down for maintenance ahead of an expected surge in slaughter in spring.

![Eastern States Trade Lamb Indicator price, 2015 to 2017](source: Meat & Livestock Australia)
Crop exports

The May 2017 Australian export data released by the Australian Bureau of Statistics on 6 July 2017, indicates that year-to-date exports of major crops have increased substantially compared with the same period in 2015–16. Between July 2016 and May 2017, Australia exported:

- 20 million tonnes of wheat valued at $5.5 billion. The largest markets in value terms were Indonesia (21 per cent), India (13 per cent) and China (8 per cent). The volume and value of exports increased by 35 and 14 per cent, respectively, compared with the same period in 2015–16.
- 8.8 million tonnes of barley valued at $2.2 billion. The volume and value of exports increased by 78 per cent and 36 per cent, respectively, compared with the same period in 2015–16.
- 3.6 million tonnes of canola valued at $2.1 billion. The largest markets in value terms were Germany (42 per cent), Belgium (24 per cent) and France (12 per cent). The volume and value of exports increased by 85 per cent and 93 per cent, respectively, when compared with the same period in 2015–16.
- 1.9 million tonnes of chickpeas valued at $1.8 billion. The largest markets in value terms were India (59 per cent), Pakistan (22 per cent) and Bangladesh (9 per cent). The volume and value of exports increased by 69 per cent and 87 per cent, respectively, compared with the same period in 2015–16.

Monthly major crop exports, July 2015 to May 2017

Source: Australian Bureau of Statistics, International Trade in Goods and Services, Australia, May 2017 (cat. no. 5368.0)
Orange exports

Strong demand in Asia markets, primarily Japan, China, Hong Kong and the Philippines, for Valencia oranges has resulted in continued high export volumes and an increase in unit values in 2016–17. Australian exports of Valencia oranges between July 2016 and May 2017 totalled 21,300 tonnes, comparable to the volume shipped in 2015–16 and around 30 per cent above the average of 16,000 tonnes shipped between 2012–13 and 2014–15. Between July 2016 and May 2017, average Australian export prices (FOB) for Valencia oranges have averaged $1.20 a kilogram, up 20 per cent on the $0.99 a kilogram averaged in 2015–16.

Valencia orange exports and average export unit values, 2012–13 to 2016–17

Source: Australian Bureau of Statistics, International Trade in Goods and Services, Australia, May 2017 (cat. no. 5368.0)
<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>12-Jul</td>
<td>US$/A$</td>
<td>0.76</td>
<td>0.77</td>
<td>-1%</td>
<td>0.76</td>
<td>0%</td>
</tr>
<tr>
<td>Wheat – US no. 2 hard red winter wheat, fob Gulf</td>
<td>11-Jul</td>
<td>US$/t</td>
<td>253</td>
<td>245</td>
<td>3%</td>
<td>188</td>
<td>35%</td>
</tr>
<tr>
<td>Coarse Grains – US no. 2 yellow corn, fob Gulf</td>
<td>12-Jul</td>
<td>US$/t</td>
<td>163</td>
<td>160</td>
<td>2%</td>
<td>165</td>
<td>-1%</td>
</tr>
<tr>
<td>Canola – Rapeseed, Europe, fob Hamburg</td>
<td>11-Jul</td>
<td>US$/t</td>
<td>421</td>
<td>409</td>
<td>3%</td>
<td>387</td>
<td>9%</td>
</tr>
<tr>
<td>Cotton – Cotlook 'A' Index</td>
<td>12-Jul</td>
<td>USc/lb</td>
<td>84.1</td>
<td>83.8</td>
<td>&lt;1%</td>
<td>77.7</td>
<td>8%</td>
</tr>
<tr>
<td>Sugar – Intercontinental Exchange, nearby futures, no.11 contract</td>
<td>12-Jul</td>
<td>USc/lb</td>
<td>13.7</td>
<td>13.6</td>
<td>&lt;1%</td>
<td>19.8</td>
<td>-31%</td>
</tr>
<tr>
<td>Wool – Eastern Market Indicator</td>
<td>06-Jul</td>
<td>Ac/kg clean</td>
<td>1,524</td>
<td>1,507</td>
<td>1%</td>
<td>1,320</td>
<td>15%</td>
</tr>
<tr>
<td>Wool – Western Market Indicator</td>
<td>07-Jul</td>
<td>Ac/kg clean</td>
<td>1,561</td>
<td>1,552</td>
<td>&lt;1%</td>
<td>1,393</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Selected domestic crop indicator prices</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Milling Wheat – ASW1, track quote, Port Adelaide, SA</td>
<td>11-Jul</td>
<td>A$/t</td>
<td>263</td>
<td>247</td>
<td>6%</td>
<td>239</td>
<td>10%</td>
</tr>
<tr>
<td>Feed Wheat – General purpose, Sydney, NSW</td>
<td>12-Jul</td>
<td>A$/t</td>
<td>283</td>
<td>258</td>
<td>10%</td>
<td>261</td>
<td>8%</td>
</tr>
<tr>
<td>Feed Barley – Sydney, NSW</td>
<td>12-Jul</td>
<td>A$/t</td>
<td>256</td>
<td>241</td>
<td>6%</td>
<td>213</td>
<td>20%</td>
</tr>
<tr>
<td>Canola – Portland, Vic.</td>
<td>10-Jul</td>
<td>A$/t</td>
<td>518</td>
<td>505</td>
<td>3%</td>
<td>482</td>
<td>7%</td>
</tr>
<tr>
<td>Grain Sorghum – Sydney, NSW</td>
<td>12-Jul</td>
<td>A$/t</td>
<td>284</td>
<td>284</td>
<td>0%</td>
<td>●</td>
<td>229</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>06-Jul</td>
<td>Ac/kg cwt</td>
<td>611</td>
<td>621</td>
<td>-2%</td>
<td>659</td>
<td>-7%</td>
</tr>
<tr>
<td>Mutton – Mutton indicator (18–24 kg fat score 2–3), Vic</td>
<td>07-Jul</td>
<td>Ac/kg cwt</td>
<td>444</td>
<td>482</td>
<td>-8%</td>
<td>413</td>
<td>8%</td>
</tr>
<tr>
<td>Lamb – Eastern States Trade Lamb Indicator</td>
<td>06-Jul</td>
<td>Ac/kg cwt</td>
<td>578</td>
<td>625</td>
<td>-8%</td>
<td>618</td>
<td>-6%</td>
</tr>
<tr>
<td>Pig – Eastern Seaboard (60.1–75 kg), average of buyers &amp; sellers</td>
<td>23-Jun</td>
<td>Ac/kg cwt</td>
<td>285</td>
<td>288</td>
<td>-1%</td>
<td>379</td>
<td>-25%</td>
</tr>
<tr>
<td>Goat – Eastern States (12.1–16 kg)</td>
<td>10-Jul</td>
<td>Ac/kg cwt</td>
<td>683</td>
<td>682</td>
<td>&lt;1%</td>
<td>574</td>
<td>19%</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>●</td>
<td>280</td>
</tr>
<tr>
<td>Live sheep – Live wether (Muchea WA saleryard) to Middle East</td>
<td>03-Jul</td>
<td>$/head</td>
<td>106</td>
<td>106</td>
<td>0%</td>
<td>●</td>
<td>93.3</td>
</tr>
<tr>
<td>Indicator</td>
<td>Week ended</td>
<td>Unit</td>
<td>Latest price</td>
<td>Price week prior</td>
<td>Weekly change</td>
<td>Price 12 months prior</td>
<td>Year on year change</td>
</tr>
<tr>
<td>---------------------------------------</td>
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<td>---------------------</td>
</tr>
<tr>
<td>Dairy – Whole milk powder</td>
<td>04-Jul</td>
<td>US$/t</td>
<td>3,111</td>
<td>3,022</td>
<td>3% ↑</td>
<td>2,062</td>
<td>51% ↑</td>
</tr>
<tr>
<td>Dairy – Skim milk powder</td>
<td>04-Jul</td>
<td>US$/t</td>
<td>2,090</td>
<td>2,218</td>
<td>-6% ↓</td>
<td>1,938</td>
<td>8% ↑</td>
</tr>
<tr>
<td>Dairy – Cheddar cheese</td>
<td>04-Jul</td>
<td>US$/t</td>
<td>4,051</td>
<td>4,121</td>
<td>-2% ↓</td>
<td>2,902</td>
<td>40% ↑</td>
</tr>
<tr>
<td>Dairy – Anhydrous milk fat</td>
<td>04-Jul</td>
<td>US$/t</td>
<td>6,596</td>
<td>6,885</td>
<td>-4% ↓</td>
<td>3,621</td>
<td>82% ↑</td>
</tr>
</tbody>
</table>

*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 11 July 2017

- **World coarse grains indicator price**
  US corn No. 2, fob Gulf
  Week ended 12 July 2017

- **World canola indicator price**
  Europe fob Hamburg
  Week ended 11 July 2017

- **World cotton indicator price**
  Cotlook ‘A’ index
  Week ended 12 July 2017
3.3. Global Dairy Trade (GDT) weighted average prices

[Charts showing the price trends of whole milk powder, skim milk powder, Cheddar cheese, and anhydrous milk fat from January to December, with data points from 2015, 2016, and 2017.]

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3.4. Selected domestic crop indicator prices

Grain sorghum indicator price
Sydney, NSW
Week ended 12 July 2017

Feed barley indicator price
Sydney, NSW
Week ended 12 July 2017

Feed wheat indicator price
General Purpose, Sydney, NSW
Week ended 12 July 2017

Milling wheat indicator price
ASW1, track quote, Port Adelaide, SA
Week ended 11 July 2017
3.5. Selected domestic livestock indicator prices

Eastern Young Cattle Indicator
Week ended 6 July 2017

Mutton indicator price in Victoria
(18–24 kg fat score 2–3)
Week ended 7 July 2017

Eastern States Trade Lamb Indicator
Week ended 6 July 2017

Pig indicator price Eastern Seaboard
(60.1–75 kg)
Week ended 23 June 2017
3.6. Movements in selected fruit and vegetable prices – week ended 8 July 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