Summary of key issues

- During the week ending 9 August 2017 widespread rainfall was recorded across southern Australia with totals between 5 and 50 millimetres in southern Western Australia, southern and eastern South Australia, parts of eastern Queensland, and across most of New South Wales, Victoria and Tasmania.

- For the week ending 8 August 2017 maximum temperatures were close to average for most of Australia. Minimum temperatures were above average in north-eastern Australia and below average in western and north-western Australia.

- For the five month period from March to July 2017, large areas of Western Australia recorded lowest on record rainfall. Rainfall deficiencies persist on the Eyre, Yorke and Fleurieu peninsulas in South Australia, and West Gippsland and adjacent parts of north-eastern Victoria.

- During the next eight days rainfall is expected to be restricted to southern parts of the country. Totals between 5 and 50 millimetres are forecast for south-western Western Australia, south-eastern South Australia, most of Victoria and Tasmania, and alpine regions of New South Wales. Rainfall totals are forecast to exceed 150 millimetres in western Tasmania.

- Water storage levels in the Murray–Darling Basin (MDB) increased during the week ending 10 August 2017 by 76 gigalitres (GL) to 15,783 GL and are at 70 per cent of total capacity. This is 12 percentage points or 2,655 GL more than at the same time last year.

- NSW Department of Primary Industries announced an 11 per cent starting allocation for general security entitlements in Gwydir and a 7 per cent starting allocation for general security entitlements in Lower Namoi.

- Allocation prices in the southern Murray–Darling Basin continued to increase in the week up to 10 August 2017 in most systems. Average prices across the whole southern system climbed to $143.

- The world sugar indicator price declined by 5 per cent, following an increase in world sugar supply and weak import demand from China.

- Australian exports of major crops increased substantially in 2016–17, partly as a result of increased demand for wheat and chickpeas from India.

- EU import demand drove Australian canola exports significantly higher in 2016–17.
1. Climate

1.1. Rainfall this week

During the week ending 9 August 2017 widespread rainfall was recorded across southern Australia. Totals between 5 and 50 millimetres were recorded in southern Western Australia, southern and eastern South Australia, and across most of Victoria and New South Wales. Similar totals were recorded in parts of eastern Queensland. Rainfall totals exceeded 50 millimetres in far south-western Western Australia, southern South Australia, northern Tasmania, and alpine regions of Victoria and New South Wales. The highest recorded weekly total was 156 millimetres at Falls Creek in the Victorian Alps.

These falls have been particularly timely across parts of the northern and central wheatbelt in Western Australia, northern agricultural areas in South Australia and parts of central and southern New South Wales, which had all recorded below average falls during June and July. The heavy falls have boosted soil moisture levels and are likely to provide improved prospects for moisture-stressed crops and pastures. In many areas August rainfall totals are now close to the monthly average for August, and upper soil moisture is very much above average.

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 9 August 2017

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Issued: 9/08/2017
1.2. Temperature anomalies this week

During the week ending 8 August 2017 maximum temperatures were close to average for most of Australia. Parts of south-eastern and north-western Australia recorded maximum temperatures between 2°C and 4°C below average. Maximum temperatures were between 2°C and 4°C above average in parts of eastern Queensland. Minimum temperatures were above average (2°C to 4°C) in north-eastern Australia, and below average (-4°C to -8°C) in western and north-western Australia. Minimum temperatures were close to average for the remainder of Australia.

**Maximum temperature anomalies for the week ending 8 August 2017**

**Minimum temperature anomalies for the week ending 8 August 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 the average over the 1961 to 1990 reference period. For further information go to: http://www.bom.gov.au/jsp/awap/temp/index.jsp.
1.3. **Rainfall deficiencies**

For the five month period from March to July 2017, large areas of Western Australia recorded lowest on record rainfall. Rainfall deficiencies persist on the Eyre, Yorke and Fleurieu peninsulas in South Australia. Deficiencies also remain in West Gippsland and adjacent parts of north-eastern Victoria.

In Tasmania, rainfall deficiencies for the period March to July 2017 have decreased in spatial extent but increased slightly in severity when compared to the four month period (March to June 2017). Rainfall deficiencies have decreased across the southern half of the Northern Territory and western Queensland following a wetter than normal July in these areas (Bureau of Meteorology ‘Drought Statement’, 3 August 2017).
1.4. Rainfall forecast for the next eight days

Rainfall is expected to be restricted to southern parts of the country during the next eight days. Totals between 5 and 50 millimetres are forecast for south-western Western Australia, south-eastern South Australia, most of Victoria, and alpine regions of New South Wales. Rainfall totals are forecast to exceed 150 millimetres in western Tasmania.

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 10 to 17 August 2017
2. Water

2.1. Water availability

Water storage levels in the Murray–Darling Basin (MDB) increased during the week ending 10 August 2017 by 76 gigalitres (GL) to 15,783 GL and are at 70 per cent of total capacity. This is 12 percentage points or 2,655 GL more than at the same time last year.

Information on irrigation water available in the Murray–Darling Basin from 1 January 2001 to 10 August 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, Victoria and South Australia water systems are summarised in the following table. NSW Department of Primary Industries announced an 11 per cent starting allocation for general security entitlements in Gwydir and a 7 per cent starting allocation for general security entitlements in Lower Namoi.

<table>
<thead>
<tr>
<th>Allocations at</th>
<th>10 August 2017</th>
<th>1 August 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New South Wales</strong></td>
<td>General security</td>
<td>High security</td>
</tr>
<tr>
<td>NSW Murray</td>
<td>13%</td>
<td>97%</td>
</tr>
<tr>
<td>NSW Murrumbidgee</td>
<td>20%</td>
<td>95%</td>
</tr>
<tr>
<td>NSW Lower Darling</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>NSW Macquarie and Cudgegong</td>
<td>36%</td>
<td>100%</td>
</tr>
<tr>
<td>NSW Hunter</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>NSW Lachlan</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>NSW Lower Namoi</td>
<td>7%</td>
<td>100%</td>
</tr>
<tr>
<td>NSW Upper Namoi</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>NSW Gwydir</td>
<td>11%</td>
<td>100%</td>
</tr>
<tr>
<td>NSW Border Rivers</td>
<td>100%(a)/8%(b)</td>
<td>100%</td>
</tr>
<tr>
<td>NSW Peel</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Victoria</strong></td>
<td>Low reliability</td>
<td>High reliability</td>
</tr>
<tr>
<td>Victoria Murray</td>
<td>0%</td>
<td>66%</td>
</tr>
<tr>
<td>Victoria Goulburn</td>
<td>0%</td>
<td>40%</td>
</tr>
<tr>
<td>Victoria Campaspe</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>Victoria Loddon</td>
<td>0%</td>
<td>40%</td>
</tr>
<tr>
<td>Victoria Bullaroook</td>
<td>0%</td>
<td>32%</td>
</tr>
<tr>
<td>Victoria Broken</td>
<td>0%</td>
<td>6%</td>
</tr>
<tr>
<td><strong>South Australia</strong></td>
<td>Class 3a/3b</td>
<td>Class 3a/3b</td>
</tr>
<tr>
<td>South Australia Murray</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

(a) General Security A class. (b) General Security B class
2.3. Water markets

Allocation prices in the southern Murray–Darling Basin continued to increase in the week up to 10 August 2017 in most systems. Average prices across the whole southern system climbed to $143. This is an increase of $17 or 14 per cent from the same time last week. This contrasts with an average price of $125 in July across the whole southern MDB.

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 10 August, 2017.

### Allocation trade prices, southern Murray–Darling Basin trade zones (price per ML)

<table>
<thead>
<tr>
<th></th>
<th>Southern MDB</th>
<th>Victoria Goulburn</th>
<th>SA Murray</th>
<th>NSW Murrumbidgee</th>
<th>Victoria Murray</th>
<th>NSW Murray</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current week: 04/08/17 - 10/08/17</strong></td>
<td>$143.10</td>
<td>$131.27</td>
<td>$148.06</td>
<td>$145.38</td>
<td>$146.35</td>
<td>$148.73</td>
</tr>
<tr>
<td><strong>Last week: 28/07/17 - 03/08/17</strong></td>
<td>$126.00</td>
<td>$116.88</td>
<td>$132.00</td>
<td>$121.59</td>
<td>$128.72</td>
<td>$133.24</td>
</tr>
<tr>
<td><strong>July 2017</strong></td>
<td>$124.72</td>
<td>$110.23</td>
<td>$191.30</td>
<td>$107.76</td>
<td>$118.79</td>
<td>$117.80</td>
</tr>
<tr>
<td><strong>July 2016</strong></td>
<td>$157.33</td>
<td>$229.63</td>
<td>$240.60</td>
<td>$115.56</td>
<td>$181.01</td>
<td>$208.58</td>
</tr>
</tbody>
</table>
3. Commodities

3.1. Market focus

Sugar
The world sugar indicator price (Intercontinental Exchange, nearby futures, no. 11 contract) declined by 5 per cent to average US14 cents a pound in the week ending 9 August 2017. This followed an increase in the supply of sugar available for export and weaker import demand. Sugar production in Brazil, Australia and Thailand rose by 28 per cent to 17.4 million tonnes in the fortnight to 16 July 2017. Chinese sugar imports declined by 24 per cent to 1.9 million tonnes (refined) in the first nine months of 2016–17 marketing year (October to September), compared with the same period in the previous year.

Crop exports

- 22.1 million tonnes of wheat, valued at $6.1 billion. In 2016–17 the volume and value of exports increased 40 and 19 per cent respectively, compared with 2015–16.
- 9.5 million tonnes of barley, valued at $2.4 billion. In 2016–17 the volume and value of exports increased 74 and 36 per cent respectively, compared with 2015–16.
- 3.6 million tonnes of canola, valued at $2.1 billion. In 2016–17 the volume and value of exports increased 85 and 94 per cent respectively, compared with 2015–16.
- 2.0 million tonnes of chickpeas valued at $1.9 billion. In 2016–17 the volume and value of exports increased 74 and 90 per cent respectively, compared with 2015–16.

Value of major crop exports by month, July 2015 to June 2017

Note: Merchandise trade data subject to revision by the ABS as more complete and accurate information becomes available. 2016–17 trade data may be revised until February 2018.

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

India is a large importer of Australian wheat in years when its domestic supplies of high-quality milling wheat are insufficient to meet demand. This occurred in 2016–17. As a result, the Indian Government reduced the wheat import duty from 25 per cent to 10 per cent in September 2016 before eliminating it completely in December 2016. These changes were driven by a domestic shortage of milling quality wheat following a lower-quality harvest and drawdown in stocks. Total wheat imports into India increased substantially in 2016-17, 44 per cent of which was sourced from Australia. The Indian government reinstated the wheat import duty in March 2017 following expectations of a larger and better quality domestic harvest in 2017.

India is the world’s largest chickpea producer and consumer and often supplements domestic supplies with chickpea imports, mostly from Australia. Following consecutive years of unfavourable seasonal conditions, import demand and international prices have been high. Australian chickpea exports to India increased by almost 90 per cent in 2016–17 to a record $1.1 billion. The export unit value for Australian chickpeas was $975 a tonne in 2016–17, the highest in more than 20 years.

Canola exports

In 2016–17 the value of Australian canola exports to the European Union increased by 91 per cent to $1.87 billion. EU demand increased for canola meal for livestock feed and canola oil for biodiesel production. The EU share of Australia canola exports, by value, was 88 per cent in 2016–17, steady from 89 per cent in 2015–16 but significantly higher than the 41 per cent in 2014–15.
## Selected World Indicator Prices

<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>Australian Dollar – AUD/USD Exchange Rate</td>
<td>09-Aug</td>
<td>US$/A$</td>
<td>0.79</td>
<td>0.8</td>
<td>-1%</td>
<td>0.76</td>
<td>4%</td>
</tr>
<tr>
<td>Wheat – US no. 2 hard red winter wheat, fob Gulf</td>
<td>08-Aug</td>
<td>US$/t</td>
<td>209</td>
<td>218</td>
<td>-4%</td>
<td>191</td>
<td>9%</td>
</tr>
<tr>
<td>Coarse Grains – US no. 2 yellow corn, fob Gulf</td>
<td>09-Aug</td>
<td>US$/t</td>
<td>155</td>
<td>153</td>
<td>1%</td>
<td>153</td>
<td>1%</td>
</tr>
<tr>
<td>Canola – Rapeseed, Europe, fob Hamburg</td>
<td>08-Aug</td>
<td>US$/t</td>
<td>425</td>
<td>424</td>
<td>&lt;1%</td>
<td>401</td>
<td>6%</td>
</tr>
<tr>
<td>Cotton – Cotlook 'A' Index</td>
<td>09-Aug</td>
<td>USc/lb</td>
<td>80.7</td>
<td>82.6</td>
<td>-2%</td>
<td>83.9</td>
<td>-4%</td>
</tr>
<tr>
<td>Sugar – Intercontinental Exchange, nearby futures, no.11 contract</td>
<td>09-Aug</td>
<td>USc/lb</td>
<td>14.0</td>
<td>14.7</td>
<td>-5%</td>
<td>20.1</td>
<td>-30%</td>
</tr>
<tr>
<td>Wool – Eastern Market Indicator a</td>
<td>13-Jul</td>
<td>Ac/kg clean</td>
<td>1,522</td>
<td>1,524</td>
<td>&lt;1%</td>
<td>1,311</td>
<td>16%</td>
</tr>
<tr>
<td>Wool – Western Market Indicator a</td>
<td>14-Jul</td>
<td>Ac/kg clean</td>
<td>1,570</td>
<td>1,561</td>
<td>&lt;1%</td>
<td>1,423</td>
<td>10%</td>
</tr>
</tbody>
</table>

## Selected domestic crop indicator prices

<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>Milling Wheat – ASW1, track quote, Port Adelaide, SA</td>
<td>08-Aug</td>
<td>A$/t</td>
<td>227</td>
<td>231</td>
<td>-2%</td>
<td>225</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Feed Wheat – General purpose, Sydney, NSW</td>
<td>09-Aug</td>
<td>A$/t</td>
<td>262</td>
<td>270</td>
<td>-3%</td>
<td>241</td>
<td>9%</td>
</tr>
<tr>
<td>Feed Barley – Sydney, NSW</td>
<td>09-Aug</td>
<td>A$/t</td>
<td>246</td>
<td>251</td>
<td>-2%</td>
<td>193</td>
<td>27%</td>
</tr>
<tr>
<td>Canola – Portland, Vic.</td>
<td>07-Aug</td>
<td>A$/t</td>
<td>505</td>
<td>502</td>
<td>&lt;1%</td>
<td>487</td>
<td>4%</td>
</tr>
<tr>
<td>Grain Sorghum – Sydney, NSW</td>
<td>09-Aug</td>
<td>A$/t</td>
<td>309</td>
<td>309</td>
<td>0%</td>
<td>●</td>
<td>224</td>
</tr>
</tbody>
</table>

## Selected domestic livestock indicator prices

<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>Beef – Eastern Young Cattle Indicator</td>
<td>03-Aug</td>
<td>Ac/kg cwt</td>
<td>574</td>
<td>584</td>
<td>-2%</td>
<td>674</td>
<td>-15%</td>
</tr>
<tr>
<td>Mutton – Mutton indicator (18–24 kg fat score 2–3), Vic</td>
<td>04-Aug</td>
<td>Ac/kg cwt</td>
<td>392</td>
<td>413</td>
<td>-5%</td>
<td>395</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Lamb – Eastern States Trade Lamb Indicator</td>
<td>03-Aug</td>
<td>Ac/kg cwt</td>
<td>596</td>
<td>576</td>
<td>3%</td>
<td>644</td>
<td>-7%</td>
</tr>
<tr>
<td>Pig – Eastern Seaboard (60.1–75 kg), average of buyers &amp; sellers</td>
<td>28-Jul</td>
<td>Ac/kg cwt</td>
<td>274</td>
<td>276</td>
<td>&lt;1%</td>
<td>377</td>
<td>-27%</td>
</tr>
<tr>
<td>Goat – Eastern States (12.1–16 kg)</td>
<td>31-Jul</td>
<td>Ac/kg cwt</td>
<td>647</td>
<td>647</td>
<td>0%</td>
<td>●</td>
<td>574</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 saleyard) to Middle East</td>
<td>31-Jul</td>
<td>$/head</td>
<td>127</td>
<td>115</td>
<td>10%</td>
<td>●</td>
<td>93</td>
</tr>
</tbody>
</table>

*a* The Australian Wool Exchange is on a three-week recess.
<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>Dairy – Whole milk powder</td>
<td>01-Aug</td>
<td>US$/t</td>
<td>3,343</td>
<td>3,114</td>
<td>7%</td>
<td>2,265</td>
<td>48%</td>
</tr>
<tr>
<td>Dairy – Skim milk powder</td>
<td>01-Aug</td>
<td>US$/t</td>
<td>1,966</td>
<td>2,024</td>
<td>-3%</td>
<td>1,965</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Dairy – Cheddar cheese</td>
<td>01-Aug</td>
<td>US$/t</td>
<td>3,932</td>
<td>4,112</td>
<td>-4%</td>
<td>2,889</td>
<td>36%</td>
</tr>
<tr>
<td>Dairy – Anhydrous milk fat</td>
<td>01-Aug</td>
<td>US$/t</td>
<td>6,289</td>
<td>6,577</td>
<td>-4%</td>
<td>3,797</td>
<td>66%</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 8 August 2017

- **World coarse grains indicator price**
  US corn No. 2, fob Gulf
  Week ended 9 August 2017

- **World canola indicator price**
  Europe fob Hamburg
  Week ended 8 August 2017

- **World cotton indicator price**
  Cotlook ‘A’ index
  Week ended 9 August 2017
3.3. Global Dairy Trade (GDT) weighted average prices

![Cheddar cheese price graph](image1)

![Skim milk powder price graph](image2)

![Anhydrous milk fat price graph](image3)

![Whole milk powder price graph](image4)
3.4. **Selected domestic crop indicator prices**

- **Grain sorghum indicator price**  
  Sydney, NSW  
  Week ended 9 August 2017

- **Feed barley indicator price**  
  Sydney, NSW  
  Week ended 9 August 2017

- **Feed wheat indicator price**  
  General Purpose, Sydney, NSW  
  Week ended 9 August 2017

- **Milling wheat indicator price**  
  ASW1, track quote, Port Adelaide, SA  
  Week ended 8 August 2017
3.5. Selected domestic livestock indicator prices

![Graphs showing selected domestic livestock indicator prices](image-url)
3.6. Movements in selected fruit and vegetable prices – week ended 5 August 2017
4. Data attribution

Climate
Bureau of Meteorology
• Monthly and last 3-months rainfall percentiles: www.bom.gov.au/jsp/awap/rain/index.jsp
• Seasonal outlook: www.bom.gov.au/climate/outlooks/#/overview/summary/
• Soil moisture: www.bom.gov.au/water/landscape/

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
• Meat and Livestock Australia: www.mla.com.au/Prices-and-markets