Summary of key issues

- During the week ending 9 May 2018 rainfall was mainly restricted to eastern and southeastern Australia. Little to no rainfall was received across the remainder of the country.

- Temperatures continued to be warmer than average during the week ending 8 May 2018. Maximum temperatures were between 2°C to 6°C above average across most of the country, while minimum temperatures were 2°C to 6°C above average in Queensland and adjacent parts of New South Wales and the Northern Territory.

- The first quarter of 2018 has been marked by an extended period of particularly dry weather for much of mainland south-eastern Australia. It was the seventh driest January to April for south-eastern Australia as a whole.

- Rainfall deficiencies have increased across western Queensland at the 13-month timescale due to particularly dry April. Serious to severe rainfall deficiencies remain across a large area of New South Wales, central and southwestern Queensland, and scattered areas of pastoral South Australia. Serious or severe deficiencies are also present across much of Gippsland in eastern Victoria and in a broad strip along the west coast of Western Australia.

- The combination of well above average temperatures and low rainfall during April is likely to have increased moisture stress in southern pastures and early sown winter crops such as canola, barley and oats. The hot and dry conditions are also expected to increase water demand for irrigated crops and pastures.

- The Bureau of Meteorology report that the El Niño-Southern Oscillation is expected to remain neutral through winter.

- During the next eight days, rainfall is forecast to be restricted to the far southeast of mainland Australia and Tasmania. Little to no rainfall is expected across the remainder of the country.

- Water storage levels in the Murray–Darling Basin (MDB) decreased during the week ending 10 May 2018 by 64 gigalitres (GL) to 11,013 GL and are at 49 per cent of total capacity. This is 18 percentage points or 4,148 GL less than at the same time last year.

- Allocation prices in the southern Murray–Darling Basin increased in the week ending 10 May 2018 to $161 per ML. This is an increase of $5 from the same time last week.
1. Climate

1.1. Rainfall this week

During the week ending 9 May 2018 rainfall was mainly restricted to eastern and south-eastern Australia. Little to no rainfall was received across the remainder of the country. Rainfall totals up to 50 millimetres were recorded across parts of south-eastern and north-eastern New South Wales, south-western and alpine regions of Victoria, and agricultural regions of South Australia and Tasmania. Similar totals were recorded in south-eastern Queensland and scattered areas along the central and north Queensland coast. The highest recorded weekly total was 171 millimetres at Mount Read in western Tasmania.

Rainfall for the week ending 9 May 2018
1.2. Temperature anomalies this week

Temperatures continued to be warmer than average during the week ending 8 May 2018. Maximum temperatures were between 2°C to 6°C above average across most of the country. Minimum temperatures were 2°C to 6°C above average in Queensland and adjacent parts of New South Wales and the Northern Territory. They were 2°C to 4°C below average across southwest Western Australia and close to average for the remainder of the country.

**Maximum temperature anomalies for the week ending 8 May 2018**

![Temperature anomaly map](http://www.bom.gov.au/jsp/awap/temp/index.jsp)

**Minimum temperature anomalies for the week ending 8 May 2018**

![Temperature anomaly map](http://www.bom.gov.au/jsp/awap/temp/index.jsp)

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](http://www.bom.gov.au/jsp/awap/temp/index.jsp).
1.3. Rainfall deficiencies

The rainfall deficiencies presented below are sourced from the Bureau of Meteorology’s monthly ‘Drought Statement’. As short to longer-term deficiencies become evident the Bureau of Meteorology monitors these events through their lifecycle – from emergence through to their dissipation – with the time-period of analysis each month increasing from a fixed starting point to the easing of the deficiencies.

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

A particularly dry April across western and southern New South Wales and Victoria has increased rainfall deficiencies across the mainland southeast. The combination of well above average temperatures and low rainfall during April is likely to have increased moisture stress in southern pastures and early sown winter crops such as canola, barley and oats. The hot and dry conditions are also expected to increase water demand for irrigated crops and pastures.

The first quarter of 2018 has been marked by an extended period of particularly dry weather for much of mainland south-eastern Australia. It was the seventh driest January to April for south-eastern Australia as a whole. The spatial extent and severity of rainfall deficiencies affecting the southeast has increased compared to the preceding 3-month period (January 2018 to March 2018) presented in the previous Drought Statement.

Compared to the 12-month period (April 2017 to March 2018) presented in the previous Drought Statement, deficiencies have increased in all affected states.

For the 13-month period 1 April to 30 April 2018, serious to severe rainfall deficiencies remain across a large area of eastern to central New South Wales, central and southern to southwestern Queensland, and scattered areas of northern and western New South Wales, western Queensland, and pastoral district in South Australia. Serious or severe deficiencies were also present across much of Gippsland in eastern Victoria, along the east coast of Tasmania, and in a broad strip along the west coast of Western Australia (Bureau of Meteorology ‘Drought Statement’, 3 April 2018).
Rainfall deficiencies for the 13-month period 1 April 2017 to 30 April 2018
1.4. **Rainfall forecast for the next eight days**

During the next eight days, little to no rainfall is expected across most of the country. Totals between 10 and 50 millimetres are forecast for south-eastern and coastal New South Wales, southern Victoria and Tasmania. Heavier falls of between 50 and 150 millimetres are forecast for eastern Victoria and eastern 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 May to 17 May 2018**

![Rainfall forecast map](image)

©Commonwealth of Australia 2018, Australian Bureau of Meteorology

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

The Bureau of Meteorology report that the El Niño–Southern Oscillation (ENSO) remains neutral, with atmospheric and oceanic indicators of ENSO all at near average levels. Most international climate models suggest the tropical Pacific Ocean will warm slowly over the coming months, but remain ENSO-neutral for the southern hemisphere winter.

One models indicates central equatorial Pacific sea surface temperatures may approach El Niño threshold values during spring, however model outlooks produced during or spanning autumn have a lower accuracy than at other times of the year, and should be viewed with some caution.

The Indian Ocean Dipole (IOD) is currently neutral. Half of the surveyed climate models suggest the IOD will remain neutral for winter, while the other half predict a negative IOD. However, the present, above average sea surface temperatures off northwest Australia are a result of reduced cloud cover increasing solar warming. If this pattern persists, a typical negative IOD response, such as more cloud off northwest Australia, is less likely. During negative IOD events, winter–spring rainfall is typically above average over southern Australia (Bureau of Meteorology, ‘ENSO Wrap-Up’, 8 May 2018).
2. Water

2.1. Water availability

Water storage levels in the Murray–Darling Basin (MDB) decreased during the week ending 10 May 2018 by 64 gigalitres (GL) to 11,013 GL and are at 49 per cent of total capacity. This is 18 percentage points or 4,148 GL less than at the same time last year.

Information on water available in dams used for irrigation in the Murray–Darling Basin from 1 January 2001 to 10 May 2018 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 and charts.

| Water allocations in the Murray–Darling Basin (NSW, Victoria and South Australia) |
|---|---|---|---|
| **Allocations at** | **10 May 2018** | **3 May 2018** |
| **New South Wales** | General security | High security | General security | High security |
| NSW Murray | 51% | 97% | 51% | 97% |
| NSW Murrumbidgee | 41% | 95% | 41% | 95% |
| NSW Lower Darling | 100% | 100% | 100% | 100% |
| NSW Macquarie and Cudgegong | 38% | 100% | 38% | 100% |
| NSW Hunter | 100% | 100% | 100% | 100% |
| NSW Lachlan | 2% | 100% | 2% | 100% |
| NSW Lower Namoi | 7% | 100% | 7% | 100% |
| NSW Upper Namoi | 100% | 100% | 100% | 100% |
| NSW Gwydir | 18% | 100% | 18% | 100% |
| NSW Border Rivers | 100%(a)/19.62%(b) | 100% | 100%(a)/19.62%(b) | 100% |
| NSW Peel | 100% | 100% | 100% | 100% |
| **Victoria** | Low reliability | High reliability | Low reliability | High reliability |
| Victoria Murray | 0% | 100% | 0% | 100% |
| Victoria Goulburn | 0% | 100% | 0% | 100% |
| Victoria Campaspe | 59% | 100% | 59% | 100% |
| Victoria Loddon | 0% | 100% | 0% | 100% |
| Victoria Bullarook | 100% | 100% | 100% | 100% |
| Victoria Broken | 100% | 100% | 100% | 100% |
| **South Australia** | Class 3a/3b | Class 3a/3b |
| South Australia Murray | 100% | 100% |
Select water allocation percentages in the southern Murray–Darling Basin
2.3. Water markets

Allocation prices in the southern Murray–Darling Basin increased in the week ending 10 May 2018 to $161 per ML. This is an increase of $5 from the same time last week. This contrasts with an average price of $134 in May across the whole southern MDB, and $32 during the same month last year.

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 10 May 2018. Trade activity is shown as colour density.

| Allocation trade prices, southern Murray–Darling Basin trade zones (price per ML) |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                 | Southern MDB    | Victoria Goulburn | SA Murray | NSW Murrumbidgee | Victoria Murray | NSW Murray |
| Current week: 04/05/18 – 10/05/18 | $160.74         | $159.67          | $151.81    | $178.13          | $158.91         | $163.83       |
| Last week: 27/04/18 – 03/05/18  | $156.05         | $155.40          | $123.90    | $174.29          | $155.18         | $150.57       |
| April 2018                      | $133.54         | $124.65          | $131.26    | $157.66          | $136.66         | $134.20       |
| April 2017                      | $31.95          | $42.99           | $42.03     | $10.72           | $42.52          | $35.65        |
### 3. Commodities

<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>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>
<td></td>
</tr>
<tr>
<td>Australian Dollar – AUD/USD Exchange Rate</td>
<td>09-May</td>
<td>US$/A$</td>
<td>0.75</td>
<td>0.76</td>
<td>-1% ↓</td>
<td>0.74</td>
<td>1% ↑</td>
<td></td>
</tr>
<tr>
<td>Wheat – US no. 2 hard red winter wheat, fob Gulf</td>
<td>08-May</td>
<td>US$/t</td>
<td>252</td>
<td>247</td>
<td>2% ↑</td>
<td>200</td>
<td>26% ↑</td>
<td></td>
</tr>
<tr>
<td>Coarse Grains – US no. 2 yellow corn, fob Gulf</td>
<td>09-May</td>
<td>US$/t</td>
<td>179</td>
<td>181</td>
<td>-1% ↓</td>
<td>159</td>
<td>13% ↑</td>
<td></td>
</tr>
<tr>
<td>Canola – Rapeseed, Europe, fob Hamburg</td>
<td>08-May</td>
<td>US$/t</td>
<td>402</td>
<td>409</td>
<td>-2% ↓</td>
<td>430</td>
<td>-7% ↓</td>
<td></td>
</tr>
<tr>
<td>Cotton – Cotlook ‘A’ Index</td>
<td>09-May</td>
<td>USc/lb</td>
<td>93.3</td>
<td>93.2</td>
<td>&lt;1% ↑</td>
<td>87.9</td>
<td>6% ↑</td>
<td></td>
</tr>
<tr>
<td>Sugar – Intercontinental Exchange, nearby futures, no.11 contract</td>
<td>09-May</td>
<td>USc/lb</td>
<td>11.5</td>
<td>11.4</td>
<td>&lt;1% ↑</td>
<td>15.5</td>
<td>-26% ↓</td>
<td></td>
</tr>
<tr>
<td>Wool – Eastern Market Indicator</td>
<td>03-May</td>
<td>Ac/kg clean</td>
<td>1,836</td>
<td>1,846</td>
<td>&lt;1% ↓</td>
<td>1,544</td>
<td>19% ↓</td>
<td></td>
</tr>
<tr>
<td>Wool – Western Market Indicator</td>
<td>04-May</td>
<td>Ac/kg clean</td>
<td>1,952</td>
<td>1,949</td>
<td>&lt;1% ↑</td>
<td>1,560</td>
<td>25% ↑</td>
<td></td>
</tr>
<tr>
<td><strong>Selected domestic crop indicator prices</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Milling Wheat – ASW1, track quote, Port Adelaide, SA</td>
<td>08-May</td>
<td>A$/t</td>
<td>265</td>
<td>256</td>
<td>4% ↑</td>
<td>191</td>
<td>39% ↑</td>
<td></td>
</tr>
<tr>
<td>Feed Wheat – General purpose, Sydney, NSW</td>
<td>09-May</td>
<td>A$/t</td>
<td>315</td>
<td>310</td>
<td>2% ↑</td>
<td>230</td>
<td>37% ↑</td>
<td></td>
</tr>
<tr>
<td>Feed Barley – Sydney, NSW</td>
<td>09-May</td>
<td>A$/t</td>
<td>322</td>
<td>320</td>
<td>&lt;1% ↑</td>
<td>170</td>
<td>89% ↑</td>
<td></td>
</tr>
<tr>
<td>Canola – Portland, Vic.</td>
<td>07-May</td>
<td>A$/t</td>
<td>517</td>
<td>512</td>
<td>&lt;1% ↑</td>
<td>520</td>
<td>&lt;1% ↓</td>
<td></td>
</tr>
<tr>
<td>Grain Sorghum – Sydney, NSW</td>
<td>09-May</td>
<td>A$/t</td>
<td>395</td>
<td>386</td>
<td>2% ↑</td>
<td>264</td>
<td>46% ↑</td>
<td></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>
<td></td>
</tr>
<tr>
<td>Beef – Eastern Young Cattle Indicator</td>
<td>03-May</td>
<td>Ac/kg cwt</td>
<td>500</td>
<td>496</td>
<td>&lt;1% ↑</td>
<td>644</td>
<td>-22% ↓</td>
<td></td>
</tr>
<tr>
<td>Mutton – Mutton indicator (18–24 kg fat score 2–3), Vic</td>
<td>04-May</td>
<td>Ac/kg cwt</td>
<td>448</td>
<td>459</td>
<td>-2% ↓</td>
<td>505</td>
<td>-11% ↓</td>
<td></td>
</tr>
<tr>
<td>Lamb – Eastern States Trade Lamb Indicator</td>
<td>03-May</td>
<td>Ac/kg cwt</td>
<td>591</td>
<td>602</td>
<td>-2% ↓</td>
<td>634</td>
<td>-7% ↓</td>
<td></td>
</tr>
<tr>
<td>Pig – Eastern Seaboard (60.1–75 kg), average of buyers &amp; sellers</td>
<td>27-Apr</td>
<td>Ac/kg cwt</td>
<td>269</td>
<td>269</td>
<td>0% ●</td>
<td>303</td>
<td>-7% ↓</td>
<td></td>
</tr>
<tr>
<td>Goat – Eastern States (12.1–16 kg)</td>
<td>07-May</td>
<td>Ac/kg cwt</td>
<td>464</td>
<td>464</td>
<td>0% ●</td>
<td>658</td>
<td>-29% ↓</td>
<td></td>
</tr>
<tr>
<td>Live cattle – Light steers ex Darwin to Indonesia</td>
<td>05-May</td>
<td>Ac/kg lwt</td>
<td>280</td>
<td>280</td>
<td>0% ●</td>
<td>330</td>
<td>-15% ↓</td>
<td></td>
</tr>
<tr>
<td>Live sheep – Live wether (Muchea WA saleyard) to Middle East</td>
<td>16-Apr</td>
<td>$/head</td>
<td>119</td>
<td>124</td>
<td>-4% ↓</td>
<td>128</td>
<td>-7% ↓</td>
<td></td>
</tr>
<tr>
<td>Indicator</td>
<td>Week ended</td>
<td>Unit</td>
<td>Latest price</td>
<td>Price week prior</td>
<td>Weekly change</td>
<td>Price 12 months prior</td>
<td>Year on year change</td>
<td></td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>------------</td>
<td>------</td>
<td>--------------</td>
<td>------------------</td>
<td>---------------</td>
<td>-----------------------</td>
<td>---------------------</td>
<td></td>
</tr>
<tr>
<td>Dairy – Whole milk powder</td>
<td>01-May</td>
<td>US$/t</td>
<td>3,231</td>
<td>3,311</td>
<td>-2%</td>
<td>3,233</td>
<td>&lt;1%</td>
<td></td>
</tr>
<tr>
<td>Dairy – Skim milk powder</td>
<td>01-May</td>
<td>US$/t</td>
<td>1,999</td>
<td>1,913</td>
<td>4%</td>
<td>1,982</td>
<td>&lt;1%</td>
<td></td>
</tr>
<tr>
<td>Dairy – Cheddar cheese</td>
<td>01-May</td>
<td>US$/t</td>
<td>4,024</td>
<td>3,855</td>
<td>4%</td>
<td>3,666</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Dairy – Anhydrous milk fat</td>
<td>01-May</td>
<td>US$/t</td>
<td>6,032</td>
<td>6,120</td>
<td>-1%</td>
<td>6,185</td>
<td>-2%</td>
<td></td>
</tr>
</tbody>
</table>

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

World wheat indicator price
US No. 2, hard red winter wheat, fob Gulf
Week ended 8 May 2018

World coarse grains indicator price
US corn No. 2, fob Gulf
Week ended 9 May 2018

World canola indicator price
Europe fob Hamburg
Week ended 8 May 2018

World cotton indicator price
Cotlook ‘A’ index
Week ended 9 May 2018
3.2. Global Dairy Trade (GDT) weighted average prices

- Whole milk powder price
  - 1 May 2018

- Skim milk powder price
  - 1 May 2018

- Cheddar cheese price
  - 1 May 2018

- Anhydrous milk fat price
  - 1 May 2018
3.3. Selected domestic crop indicator prices

- **Grain sorghum indicator price**
  Sydney, NSW
  Week ended 9 May 2018

- **Feed barley indicator price**
  Sydney, NSW
  Week ended 9 May 2018

- **Feed wheat indicator price**
  General Purpose, Sydney, NSW
  Week ended 9 May 2018

- **Milling wheat indicator price**
  ASW1, track quote, Port Adelaide, SA
  Week ended 8 May 2018
3.4. Selected domestic livestock indicator prices

- **Eastern Young Cattle Indicator**
  - Week ended 3 May 2018

- **Eastern States Trade Lamb Indicator**
  - Week ended 3 May 2018

- **Mutton indicator price in Victoria**
  - (18–24 kg fat score 2–3)
  - Week ended 4 May 2018

- **Pig indicator price Eastern Seaboard**
  - (60.1–75 kg)
  - Week ended 27 April 2018
3.5. Selected fruit and vegetable prices – week ended 5 May 2018

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.gwmwater.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