Summary of key issues

- During the week ending 18 July 2018 rainfall was restricted to the far south of the country. Rainfall totals of between 10 and 50 millimetres were recorded across eastern and south-western Victoria, far south-eastern South Australia, south-western Western Australia and much of Tasmania.

- In cropping regions, weekly rainfall totals of between 1 and 5 millimetres were common in southern New South Wales and South Australia. For cropping regions in Victoria, weekly rainfall totals were variable, ranging from 1 to 5 millimetres in the north to 15 to 25 millimetres in the south. In Western Australia, rainfall totals of between 5 and 15 millimetres were recorded across most cropping regions.

- For the week ending 17 July 2018, maximum temperatures were average for much of the country. In contrast, minimum temperatures were generally below average for this time of year.

- The El Niño–Southern Oscillation (ENSO) remains in a neutral state—neither El Niño nor La Niña. However, the latest climate model outlooks and recent warming in the tropical Pacific Ocean indicate that there is an increased chance of El Niño forming in late spring. The Bureau of Meteorology ENSO Outlook status remains at El Niño WATCH.

- The Indian Ocean Dipole (IOD) is currently neutral. However, three of the six models surveyed by the Bureau of Meteorology suggest a positive IOD event may develop during late winter to early spring. A positive IOD event typically reduces winter–spring rainfall in central and southern Australia.

- During the next eight days, rainfall is expected to be limited to the south-west and far south-east of mainland Australia, and most of Tasmania. Little to no rainfall is forecast across the remainder of the country.

- Rainfall totals of between 1 and 10 millimetres are forecast for southern New South Wales. Higher totals of between 5 and 25 millimetres are expected for cropping regions in Victoria and South Australia. In Western Australia, falls of between 5 and 50 millimetres are expected during the next eight days.

- Water storage levels in the Murray–Darling Basin (MDB) increased during the week ending 19 July 2018 by 17 gigalitres (GL) to 11,810 GL and are at 52 per cent of total capacity. This is 17 percentage points or 3,892 GL less than at the same time last year.

- Allocation prices in the southern Murray–Darling Basin increased in the week ending 19 July 2018 to $235 per ML. This is an increase of $20 from the same time last week.
1. Climate

1.1. Rainfall this week

During the week ending 18 July 2018 little to no rainfall was recorded across much of mainland Australia, with falls restricted to the far south of the country. Rainfall totals of between 10 and 50 millimetres were recorded across areas of eastern and south-western Victoria, far south-eastern South Australia, south-western Western Australia and much of Tasmania. The highest recorded weekly total was 91 millimetres at Mount Read, in western Tasmania.

In cropping regions, rainfall totals of between 1 and 5 millimetres were recorded in southern New South Wales and South Australia. For cropping regions in Victoria, weekly rainfall totals were variable, ranging from 1 to 5 millimetres in the north to 15 to 25 millimetres in the south. In Western Australia, rainfall totals of between 5 and 15 millimetres were recorded across most cropping regions. Little to no rainfall was recorded across cropping regions in Queensland, and central and northern New South Wales.

Rainfall analysis for the week ending 18 July 2018

Note: 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/
1.2. Temperature anomalies this week

For the week ending 17 July 2018, maximum temperatures were average across much of the country. Maximum temperatures were slightly above average (2°C to 4°C) across much of eastern and central Western Australia and western South Australia. In contrast, minimum temperatures were below average across much of Australia, with much of eastern, central and northern Australia recording night-time temperatures of between 2°C and 8°C below average for this time of year.

Maximum temperature anomalies for the week ending 17 July 2018

Minimum temperature anomalies for the week ending 17 July 2018
1.3. Rainfall forecast for the next eight days

During the next eight days, rainfall is expected to be limited to the south-west and far south-east of mainland Australia, and most of Tasmania. Little to no rainfall is forecast across the remainder of the country. Rainfall totals of between 10 and 50 millimetres are forecast for the far south-west of Western Australia, alpine areas of New South Wales, southern and alpine areas of Victoria, parts of southern South Australia, and western and northern Tasmania. Heavier falls of between 50 and 150 millimetres are forecast for western Tasmania.

In cropping regions, rainfall totals of between 1 and 10 millimetres are forecast for southern New South Wales. Higher totals of between 5 and 25 millimetres are expected for cropping regions in Victoria and South Australia. In Western Australia, falls of between 5 and 50 millimetres are expected during the next eight days. Little to no rainfall is forecast for cropping regions in northern New South Wales and Queensland.

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 July 2018
1.4.  El Niño–Southern Oscillation Update

The El Niño–Southern Oscillation (ENSO) remains in a neutral state—neither El Niño nor La Niña. However, the latest climate model outlooks and recent warming in the tropical Pacific Ocean indicate that there is an increased chance of El Niño forming in late spring. The Bureau of Meteorology ENSO Outlook status remains at El Niño WATCH.

Oceanic indicators are currently neutral but are showing some signs of potential El Niño development. Sea surface temperatures in the eastern Pacific Ocean are about 0.5 degrees warmer than average. Likewise, sub-surface waters in the eastern tropical Pacific are warmer than average, although these have eased slightly in the past fortnight. Atmospheric indicators remain neutral, but the 30-day Southern Oscillation Index has been negative since the middle of June.

The majority of international climate models surveyed by the Bureau of Meteorology indicate that the tropical Pacific Ocean will continue to warm but stay in the neutral range during July and August. However, four of eight climate models indicate that ocean temperatures are likely to reach El Niño thresholds by October 2018, with six of eight models exceeding the El Niño threshold value during December 2018. El Niño is often, but not always, associated with below average rainfall across eastern and northern Australia during winter and spring. Daytime temperatures also tend to be above average over southern Australia.

The Indian Ocean Dipole (IOD) is currently neutral. The most recent weekly IOD index value (to 15 July) is −0.1 °C. Three of the six models surveyed by the Bureau of Meteorology suggest a positive IOD event may develop during late winter to early spring, with a fourth model close to meeting threshold values for a positive IOD. A positive IOD event typically reduces winter–spring rainfall in central and southern Australia, and can therefore exacerbate any potential El Niño driven rainfall deficiencies. (Bureau of Meteorology, ‘ENSO Wrap-Up’, 17 July 2018).

If El Niño were to form in 2018 it would likely be late in the year, at which point it could have little impact on rainfall patterns in Australia. The impact of an El Niño event on agricultural production is not uniform and is difficult to predict. While reduced rainfall is often associated with El Niño, the timing of the rainfall can have a significant effect on crop and pasture production. The effect of El Niño on Australia’s agricultural production depends on the intensity of the event and the timing of rainfall.
2. Water

2.1. Water storages, water markets and water allocations - current week

Water storage levels in the Murray–Darling Basin (MDB) increased during the week ending 19 July 2018 by 17 gigalitres (GL) to 11,810 GL and are at 52 per cent of total capacity. This is 17 percentage points or 3,892 GL less than at the same time last year.

![Water storages in the Murray-Darling Basin, 2001–2018](image)

Allocation prices in the southern Murray-Darling Basin increased in the week ending 19 July 2018 to $235 per ML. This is an increase of $20 from the same time last week. This contrasts with an average price of $176 in June across the whole southern MDB.

![Allocation trade activity, All](image)

Note: The trades shown reflect estimated 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 19 July 2018. Trade activity is shown as colour density.

### 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>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>18-Jul</td>
<td>US$/A$</td>
<td>0.74</td>
<td>0.74</td>
<td>0% ●</td>
<td>0.78</td>
<td>-5% ▼</td>
</tr>
<tr>
<td>Wheat – US no. 2 hard red winter wheat, fob Gulf</td>
<td>17-Jul</td>
<td>US$/t</td>
<td>228</td>
<td>234</td>
<td>-3% ▼</td>
<td>237</td>
<td>-4% ▼</td>
</tr>
<tr>
<td>Coarse Grains – US no. 2 yellow corn, fob Gulf</td>
<td>18-Jul</td>
<td>US$/t</td>
<td>153</td>
<td>155</td>
<td>-1% ▼</td>
<td>157</td>
<td>-3% ▼</td>
</tr>
<tr>
<td>Canola – Rapeseed, Europe, fob Hamburg</td>
<td>17-Jul</td>
<td>US$/t</td>
<td>426</td>
<td>422</td>
<td>&lt;1% ▲</td>
<td>419</td>
<td>2% ▲</td>
</tr>
<tr>
<td>Cotton – Cotlook ‘A’ Index</td>
<td>18-Jul</td>
<td>USc/lb</td>
<td>97.3</td>
<td>94.3</td>
<td>3% ▲</td>
<td>83.2</td>
<td>17% ▲</td>
</tr>
<tr>
<td>Sugar – Intercontinental Exchange, nearby futures, no.11 contract</td>
<td>12-Jul</td>
<td>Ac/kg clean</td>
<td>1,981</td>
<td>1,994</td>
<td>&lt;1% ▼</td>
<td>1,522</td>
<td>30% ▼</td>
</tr>
<tr>
<td>Wool – Eastern Market Indicator</td>
<td>13-Jul</td>
<td>Ac/kg clean</td>
<td>2,129</td>
<td>2,154</td>
<td>-1% ▼</td>
<td>1,570</td>
<td>36% ▲</td>
</tr>
<tr>
<td>Wool – Western Market Indicator</td>
<td></td>
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<tr>
<td><strong>Selected domestic crop indicator prices</strong></td>
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</tr>
<tr>
<td>Milling Wheat – ASW1, track quote, Port Adelaide, SA</td>
<td>17-Jul</td>
<td>A$/t</td>
<td>288</td>
<td>287</td>
<td>&lt;1% ▲</td>
<td>256</td>
<td>13% ▲</td>
</tr>
<tr>
<td>Feed Wheat – General purpose, Sydney, NSW</td>
<td>18-Jul</td>
<td>A$/t</td>
<td>375</td>
<td>365</td>
<td>3% ▲</td>
<td>275</td>
<td>36% ▲</td>
</tr>
<tr>
<td>Feed Barley – Sydney, NSW</td>
<td>18-Jul</td>
<td>A$/t</td>
<td>385</td>
<td>360</td>
<td>7% ▲</td>
<td>200</td>
<td>93% ▲</td>
</tr>
<tr>
<td>Canola – Portland, Vic.</td>
<td>16-Jul</td>
<td>A$/t</td>
<td>523</td>
<td>521</td>
<td>&lt;1% ▲</td>
<td>510</td>
<td>3% ▲</td>
</tr>
<tr>
<td>Grain Sorghum – Sydney, NSW</td>
<td>18-Jul</td>
<td>A$/t</td>
<td>360</td>
<td>350</td>
<td>3% ▲</td>
<td>309</td>
<td>17% ▲</td>
</tr>
<tr>
<td><strong>Selected domestic livestock indicator prices</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Beef – Eastern Young Cattle Indicator</td>
<td>12-Jul</td>
<td>Ac/kg cwt</td>
<td>503</td>
<td>512</td>
<td>-2% ▼</td>
<td>598</td>
<td>-16% ▼</td>
</tr>
<tr>
<td>Mutton – Mutton indicator (18–24 kg fat score 2–3), Vic</td>
<td>13-Jul</td>
<td>Ac/kg cwt</td>
<td>517</td>
<td>538</td>
<td>-4% ▼</td>
<td>432</td>
<td>20% ▲</td>
</tr>
<tr>
<td>Lamb – Eastern States Trade Lamb Indicator</td>
<td>12-Jul</td>
<td>Ac/kg cwt</td>
<td>724</td>
<td>715</td>
<td>1% ▲</td>
<td>605</td>
<td>20% ▲</td>
</tr>
<tr>
<td>Pig – Eastern Seaboard (60.1–75 kg), average of buyers &amp; sellers</td>
<td>06-Jul</td>
<td>Ac/kg cwt</td>
<td>251</td>
<td>251</td>
<td>0% ●</td>
<td>279</td>
<td>-10% ▼</td>
</tr>
<tr>
<td>Goat – Eastern States (12.1–16 kg)</td>
<td>16-Jul</td>
<td>Ac/kg cwt</td>
<td>536</td>
<td>536</td>
<td>0% ●</td>
<td>683</td>
<td>-22% ▼</td>
</tr>
<tr>
<td>Live cattle – Light steers ex Darwin to Indonesia</td>
<td>14-Jul</td>
<td>Ac/kg lwt</td>
<td>290</td>
<td>285</td>
<td>2% ▲</td>
<td>116</td>
<td>-18% ▼</td>
</tr>
<tr>
<td>Live sheep – Live wether (Muchea WA saleyard) to Middle East</td>
<td>14-May</td>
<td>$/head</td>
<td>95</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indicator</td>
<td>Week ended</td>
<td>Unit</td>
<td>Latest price</td>
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</tr>
<tr>
<td>Global Dairy Trade (GDT) weighted average prices $^a$</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Dairy – Whole milk powder</td>
<td>17-Jul</td>
<td>US$/t</td>
<td>2,973</td>
<td>2,905</td>
<td>2% $\uparrow$</td>
<td>3,114</td>
<td>-5% $\downarrow$</td>
</tr>
<tr>
<td>Dairy – Skim milk powder</td>
<td>17-Jul</td>
<td>US$/t</td>
<td>1,959</td>
<td>1,913</td>
<td>2% $\uparrow$</td>
<td>2,024</td>
<td>-3% $\downarrow$</td>
</tr>
<tr>
<td>Dairy – Cheddar cheese</td>
<td>17-Jul</td>
<td>US$/t</td>
<td>3,596</td>
<td>3,713</td>
<td>-3% $\downarrow$</td>
<td>4,112</td>
<td>-13% $\downarrow$</td>
</tr>
<tr>
<td>Dairy – Anhydrous milk fat</td>
<td>17-Jul</td>
<td>US$/t</td>
<td>5,629</td>
<td>5,937</td>
<td>-5% $\downarrow$</td>
<td>6,577</td>
<td>-14% $\downarrow$</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 17 July 2018

US$/t
Jan  Feb  Mar  Apr  May  Jun  Jul  Aug  Sep  Oct  Nov  Dec
2016 2017 2018

World coarse grains indicator price
US corn No. 2, fob Gulf
Week ended 18 July 2018

US$/t
Jan  Feb  Mar  Apr  May  Jun  Jul  Aug  Sep  Oct  Nov  Dec
2016 2017 2018

World canola indicator price
Europe fob Hamburg
Week ended 17 July 2018

US$/t
Jan  Feb  Mar  Apr  May  Jun  Jul  Aug  Sep  Oct  Nov  Dec
2016 2017 2018

World cotton indicator price
Cotlook ‘A’ index
Week ended 18 July 2018

US¢/lb
Jan  Feb  Mar  Apr  May  Jun  Jul  Aug  Sep  Oct  Nov  Dec
2016 2017 2018
3.2. **Global Dairy Trade (GDT) weighted average prices**

- **Whole milk powder price**
  - 17 July 2018

- **Skim milk powder price**
  - 17 July 2018

- **Cheddar cheese price**
  - 17 July 2018

- **Anhydrous milk fat price**
  - 17 July 2018
3.3. Selected domestic crop indicator prices

Grain sorghum indicator price
Sydney, NSW
Week ended 18 July 2018

Feed barley indicator price
Sydney, NSW
Week ended 18 July 2018

Feed wheat indicator price
General Purpose, Sydney, NSW
Week ended 18 July 2018

Milling wheat indicator price
ASW1, track quote, Port Adelaide, SA
Week ended 17 July 2018
3.4. Selected domestic livestock indicator prices

![Graphs showing livestock indicator prices for different periods and locations.](image-url)
3.5. Selected fruit and vegetable prices – week ended 19 July 2018
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