



Water market wrap

1 AUG 2017

Prices

Temporary prices have strengthened to around \$140-155 across NSW markets. Victorian prices were about \$20 lower at the time of writing. There is plenty of restlessness about water budgets should allocations fail to reach average or above average levels this season. With horticulture and cotton growers in the market, pressure on prices should continue if this week's rainfall doesn't deliver meaningful relief, though it may only be a gentle price rise with plenty of NSW Murray sellers above \$150.

Permanent prices continue to strengthen across the board. Murrumbidgee GS is fetching around \$1700, and high security water everywhere remains buoyant, despite low investment yield. Aither's recent market report stated that entitlement prices had reached record high levels on their entitlement index.

[Check It Out Here](#)

Bidgee trade open

Intervalley trade from the Bidgee has opened but there is unlikely to be much move in that direction. Unless the Commonwealth gets too involved, NSW Murray water should continue to trade into the Bidgee, easing the IVT balance into neutral territory. Prices are still only a bit softer in the Murray, so it will be interesting to see whether trade closes the other way. If allocations stall, I'd expect demand differences to become more pronounced, fostering strong trade flows into the Bidgee.

Allocations

With extremely low inflows, there have been no allocation improvements to speak of this time around (some minor improvement in Goulburn). However, the middle of the month generally delivers some accounting dividend as reconciliations are factored in to announcements. Fingers crossed recent and predicted rain sees some improvement.



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Farm business information

Food export to China

I'm doing a couple of things with a Chinese language media company Australian Insider. It's run by the only Chinese language journalist in the parliamentary press gallery, Jethro Lyu. Recently, Jethro did a video interview with low-key ACT Liberal Senator Zed Seselja that attracted 20,000 views. Yes, 20,000 Chinese people watched an interview with an inconsequential Australian politician. These aren't your reality tv fans either; they're 20,000 Chinese businesspeople who are obviously getting limited information about our business and political environment. There are promote their products to a (very large) niche audience. If anyone is interested in attending Australian Insider's premium food forum at Parliament House in Canberra on 8 August, please let me know.

