



## Water market wrap

11 OCT 2017

### Hume Dam and Bidgee storages emptying

There were no surprises about last Tuesday's poor allocation announcement. MDBA's weekly report from 29 September noted that:

"The Hume Reservoir storage level peaked at 2,744 GL on Sunday before starting a downward trend. ... Without further rain, the storage level is expected to continue gradually falling."

In the Bidgee, the last five weeks have seen Blowering decrease from 83 to 76 per cent. Burrinjuck was at 59 per cent and crept up gradually before falling back to 59 per cent. The last week has seen significant draw downs in both storages.

### Temp prices

Murray NSW above choke water is trading at \$135-140, with Bidgee and below choke water around the \$145-150 mark.

With NSW Murray GS at 29 per cent, the Barmah-Millewa payback is about to be triggered, and the mid-month allocation will be limited to a one per cent increase there. If there are buyers unaware of this, it could cause a price spike following the

next couple of announcements. However, with prices right on the edge of break even for rice growers, likely rice crop demand is still unclear. Sellers hanging out until summer to maximise price might just be dealing with an oversupply situation if current temp prices keep rice out of the ground in the first place.

### Entitlement prices keep going up

Entitlement prices continue to hit historical highs, with the Aither Southern MDB Entitlement Index increasing by 5.76% since the start of the water year (to 30 September).

Aither thinks this trend will continue, despite poor investment yields:

"We are currently seeing no immediate signs of easing as prices continue to reach new highs. Across entitlement markets entitlements are being held tightly by current owners in the face of strong continued demand. This demand is currently coming from investors and agribusinesses in line with the wave of investment in irrigated agriculture in Australia that is increasing asset prices more broadly. However ... prevailing allocation prices mean the returns on these capital values are currently fairly low and some new irrigation developments are preferring to ride their luck on the allocation market, at least in the short term."



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## Farm business information

### Ryegrass resistance

GRDC have put out a release indicating that ryegrass resistance is increasing across NSW. The information is available here.

[Check It Out Here](#)

