

## June Report 2010

# SECTOR ALERT

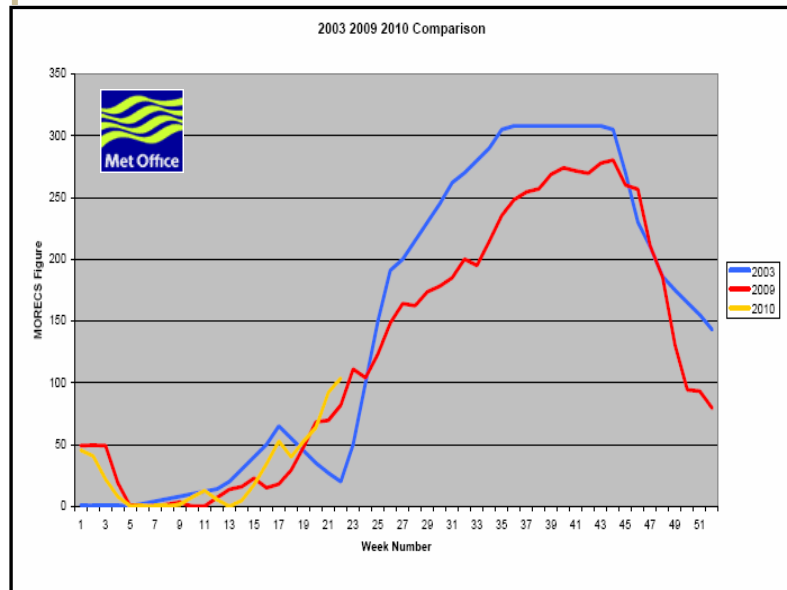
This month we start with our alert forecast.

1. MORECS data at our key target site has passed 100mm earlier than in any of the modern comparable years. The journey from very low MORECS to very high occurring rapidly is a known key claims trigger.
2. The anomalous rainfall statistics for the UK remain for spring in general and for May 2010 in particular, drier than average.
3. The majority of forecasters are focussed on a more likely drier than wetter Summer pattern.
4. Comparative analysis of MORECS data suggests that as we approach the end of June the global synoptic pattern is far closer to 2003 / 2006 than to either 2007 or 2008

**None of the above means that a surge is imminent or inevitable in its own right. As example, 2009 followed a very similar pattern to the first half of 2010 and was followed by a wet July and dull August.**

However the precautionary principle suggests that surge planning teams should now be very focussed on the detail of their own and their supply chains surge planning programmes.

We have therefore decided to escalate our warning to amplify the work already underway across the sector.



**Page 2** looks at the weather year to date and looks for any developing trends.

On **page 3** we give our latest Summer forecast of most likely assumptions for capacity planning.

Our intention is to produce a monthly report, which will build a record of the forecast assumptions against the gathered actual data, such as to build confidence in the most reliable forecasting techniques available.

If you have any comments on this newsletter, on any of the content, assumptions or modelling techniques, then contact us as indicated below:

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### Additional resources:

For more information on our research visit:

[http://www.oca-arb.co.uk/research\\_unit.htm](http://www.oca-arb.co.uk/research_unit.htm)

## May 2010 - Year to date

The late winter and early Spring 2010 produced an interesting set of UK meteorological figures:

### Rainfall anomalies

There were modest anomalies through January, February and March with the period being ordinary. However in April, some striking anomalies existed relative to rainfall.

Parts of the south east had exceptionally low levels with East Anglia having only a quarter of normal rainfall, for the midlands and south east it was a month in which only 40% of normal rainfall fell. This anomalous position continued strongly into May 2010 which saw a very dry month across the English lowlands..

| Regions<br>1st-30th | Temp<br>Anom | Rain<br>%age | Sun<br>%age |
|---------------------|--------------|--------------|-------------|
| N Scot              | -0.4         | 94           | 119         |
| E Scot              | 0.0          | 95           | 113         |
| W Scot              | -0.2         | 57           | 115         |
| CentScot            | +0.2         | 84           | 122         |
| NE Eng              | -0.1         | 48           | 113         |
| EAnglia             | -0.2         | 62           | 112         |
| Midlands            | -0.3         | 62           | 108         |
| SE Eng              | -0.4         | 74           | 108         |
| NW Eng              | -0.2         | 51           | 114         |
| Wales               | -0.1         | 81           | 118         |
| SW Eng              | +0.1         | 82           | 109         |
| N Ireland           | -0.1         | 82           | 118         |
| Irish Rep           | +0.3         | 76           | 110         |

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## 2010 - Looking Forward

We already have a dry Spring and rapidly rising MORECS count at key locations. The pressure on water resources is increasing. The Environment Agency and local water utility in the north west have already instituted drought planning measures, the risk of this extending is considered high. Although long range weather forecasts are incredibly difficult the established Long Range Weather Forecasters seem increasingly aligned to a drier than wetter summer period:

### Netweather LR forecast:

#### July and August

*As we move further into the forecast confidence drops away, but the current expectation is that a good deal of dry weather can be expected, particularly in southern areas where below average rainfall is forecast across both July and August. As per June, temperatures are anticipated to be very close to normal levels.*

### Accuweather

#### JUST A NOTE ON SUMMER...

*Again I have a warm summer for you this year, with precip near or a bit below normal... much more the kind of summer where you can barbecue.*

### Positive Weather Solutions

*With regard to Summer, PWS is sticking by its original prediction for a 'favourable Summer', with some decent stretches of dry weather, which will not always be accompanied by sunshine, but when it is, we can expect some significantly high temperatures.*

## Forecasting assumption 2010

### Factor 1

#### The previous year

The year 2009 was dominated by a significant **April, May** and to end of **June** low rainfall anomaly and with an extraordinarily wet July followed by an ordinary August, then followed by a late dry September / October and second extraordinarily wet month in November. The MORECS data for the main site rose steadily to figures not seen since 2006 / 2003. Soils did come under drying pressure from plants with the July anomaly breaking the pressure on soils which picked up as a second spike through the months August, Sept and October.

### Factor 2

The current model MORECS has jumped forward in response to the dry May and earlier modest anomalies. MORECS is now at more than 100mm at our key data location.

### Factor 3

#### The current plant health status

Since the last significant plant stress event during 2003, there has been a succession of warm and wet summers and a mix of ordinary and wet winters.

Plant health as a macro vegetation factor is driven by water availability and ease of access to water in the soil. With few stress periods of intense heat and prolonged dryness for the last four years and particularly after 2007-2008, plant health as a broad indicator is high and the plant community will respond quickly to any dry period in good health.

### Factor 4

#### Societal issues

There is a high appreciation of subsidence as a factor of modern property ownership. Given the credit crunch of 2007—2009 and the low level of sales, of first time buyers and of mobility generally, there may be a dampening in identified subsidence cases from this source. However, with property owners concerned about equity values in their homes and with concerns associated with falling average sale prices, pressure from suspected building subsidence may cause greater sensitivity to cracking in buildings. It is noted that the property market is recovering through Spring 2010.



## CURRENT FORECAST

Based on all of the data available and the current forecast for the remainder of 2010 the risk of a full blown event year is rated as high **amber**.

The impact of an elevated claims experience in 2009, the partial pressure on plants with dry spells in early and late 2009, the very dry Spring during 2010, the current El Nino phase in the tropical Pacific Ocean, as well as the statistical likelihood of a return event year all indicate caution that an event during 2010 is an increasing possibility. This forecast position will now remain until July 2010.

