



Weather Outlook

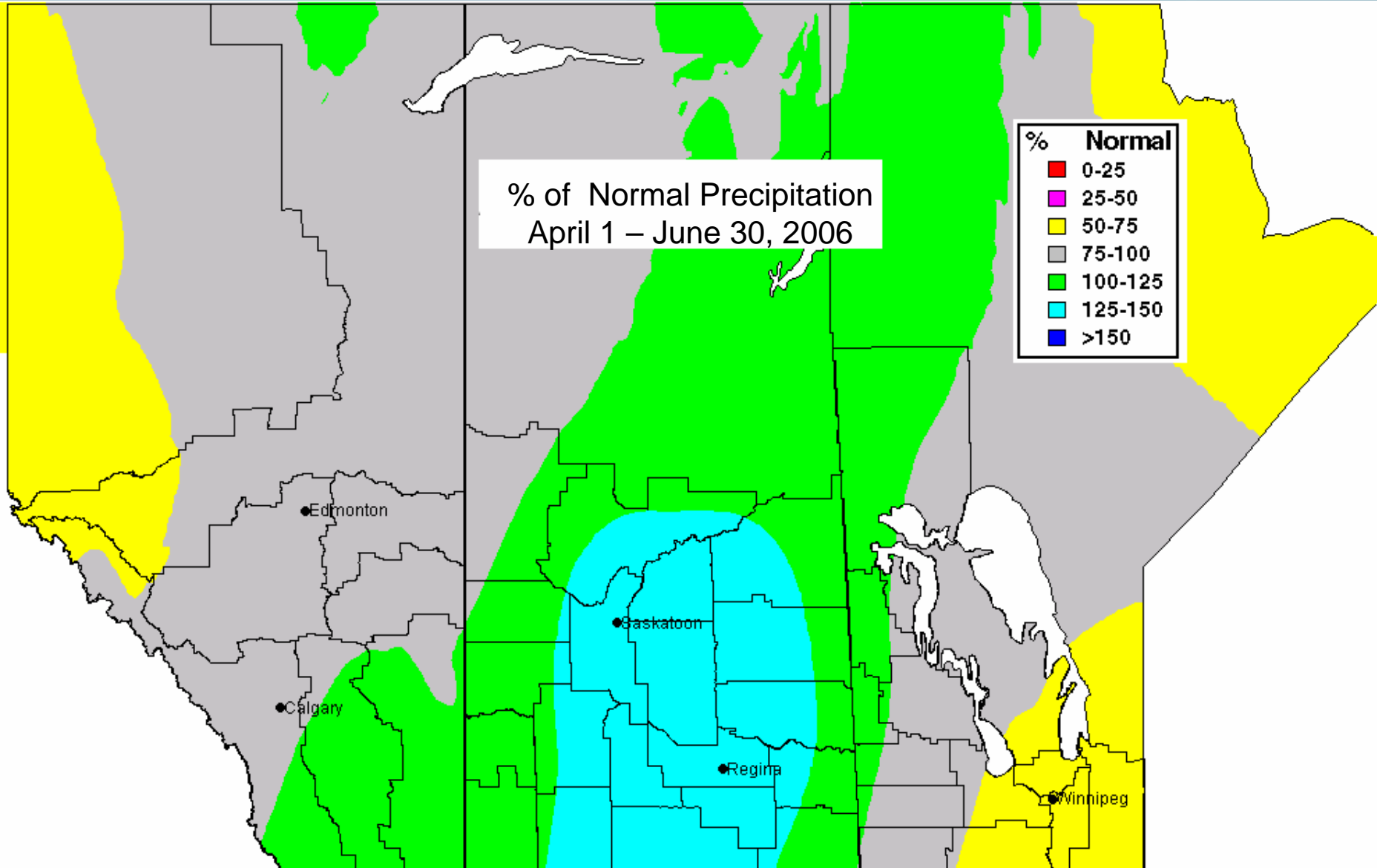
Crop Production Week

January 12, 2007

Weather in 2006

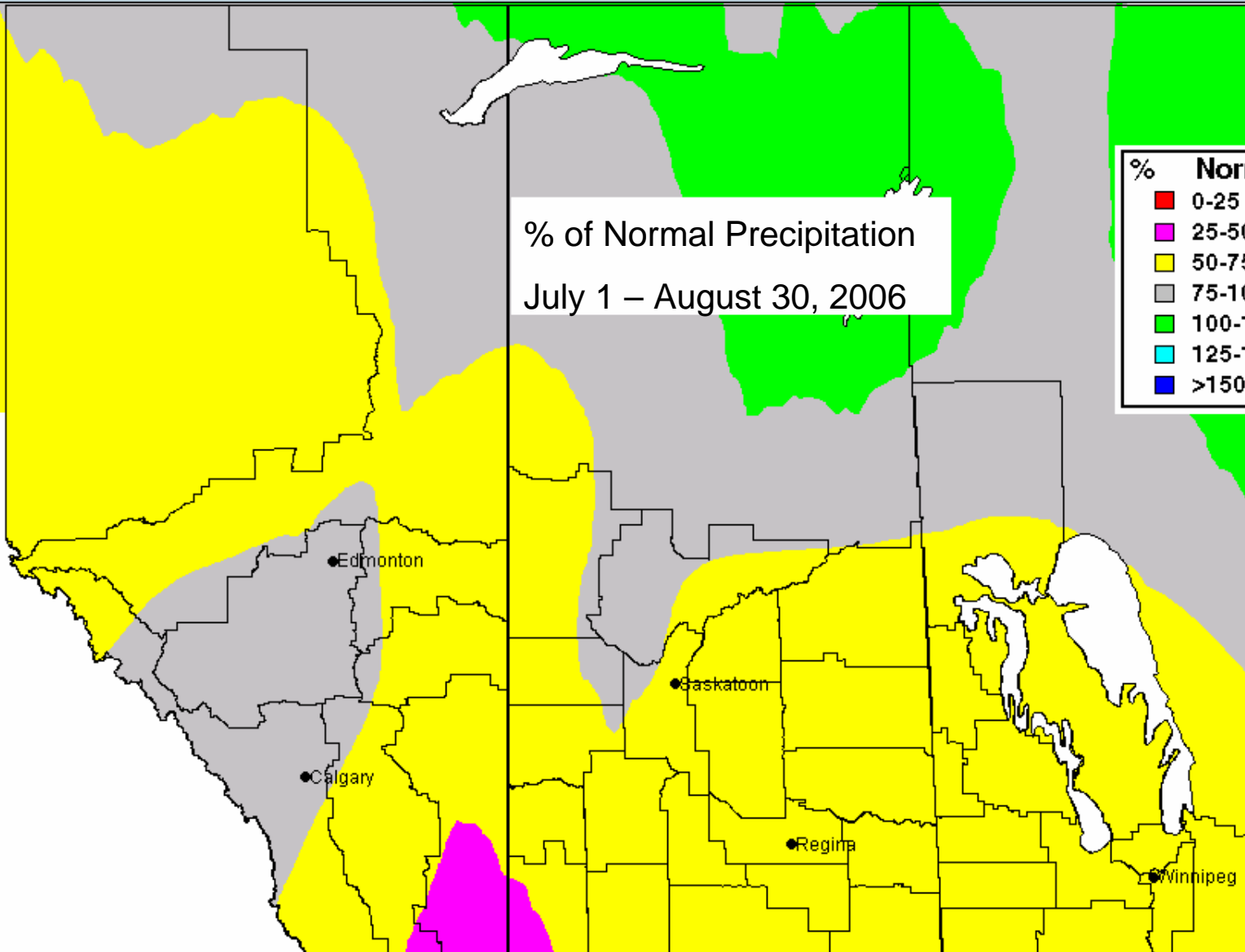
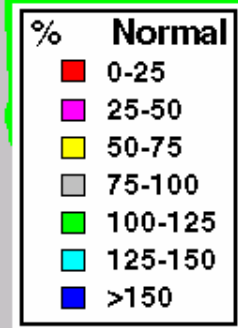
- Moisture reserves were excellent in the northern and central areas of the Prairies last spring
- Southern regions ranged from good in southeast Saskatchewan to extremely dry in southwestern areas
- Spring rains were very good in most regions, but too much of a good thing caused close to 2 million acres not to be planted in eastern Saskatchewan
- Hot, dry conditions throughout the summer lowered yield potential of the crop, but stored soil moisture helped the crops survive
- The dry conditions during harvest resulted in excellent quality

Western Canada Spring Precipitation



Western Canada Summer Precipitation

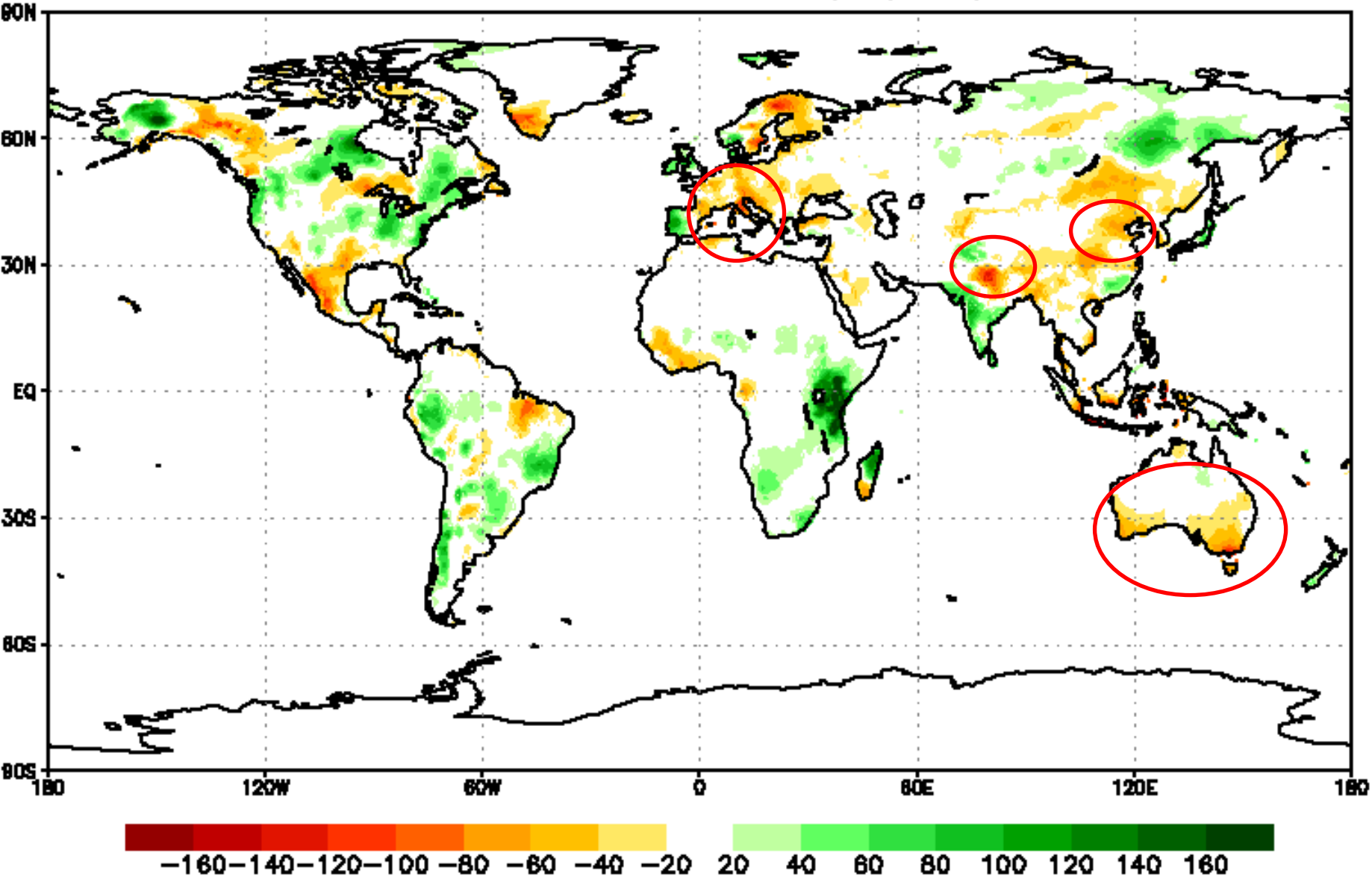
% of Normal Precipitation
July 1 – August 30, 2006





World Weather

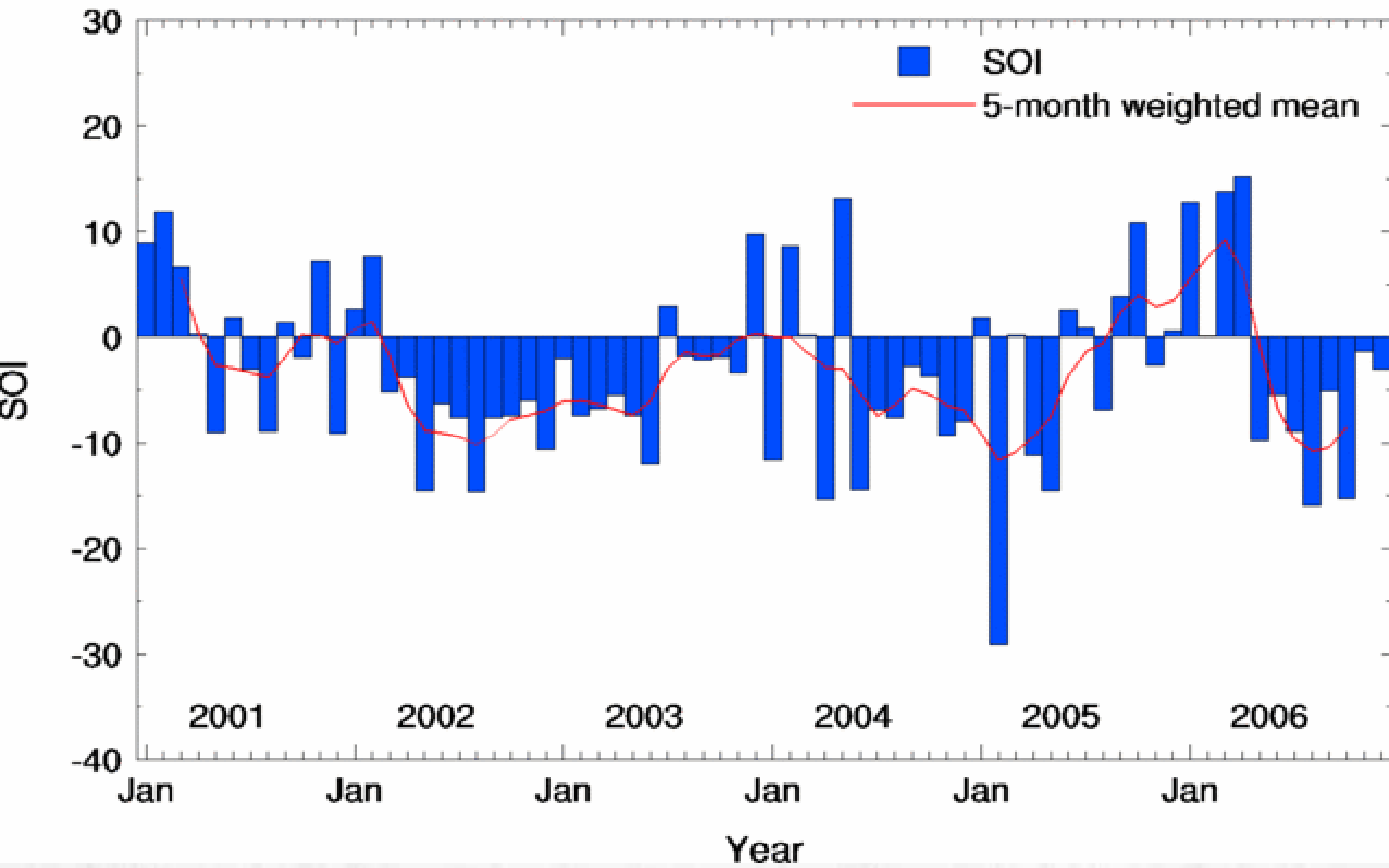
Calculated Soil Moisture Anomaly (mm) DEC, 2006





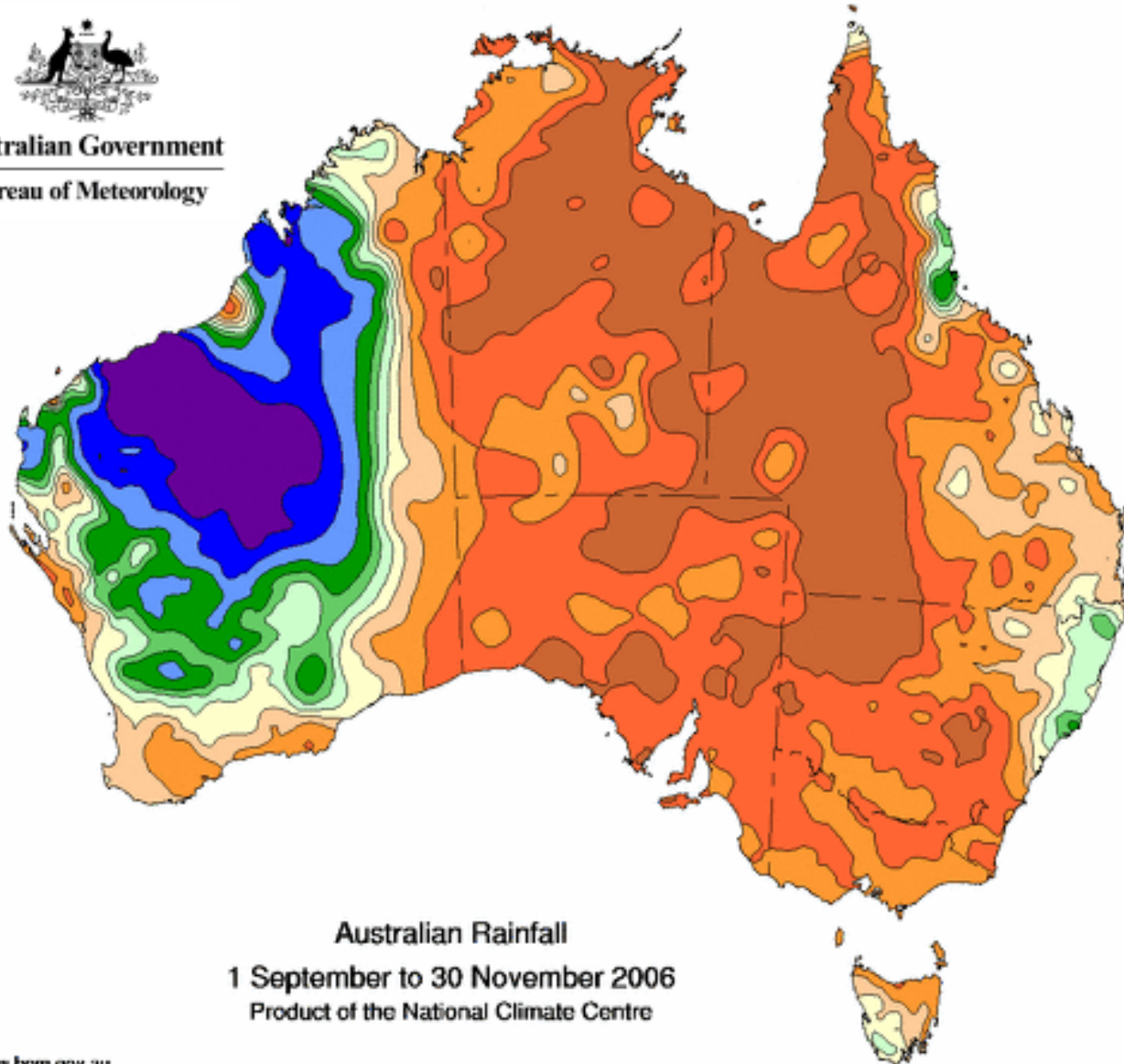
El Nino having another long siesta.

Southern Oscillation Index (SOI)

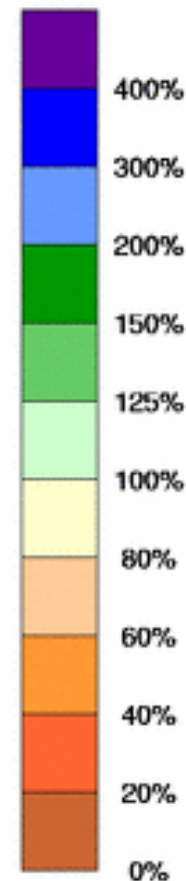




Australian Government
Bureau of Meteorology



Percentage of Mean



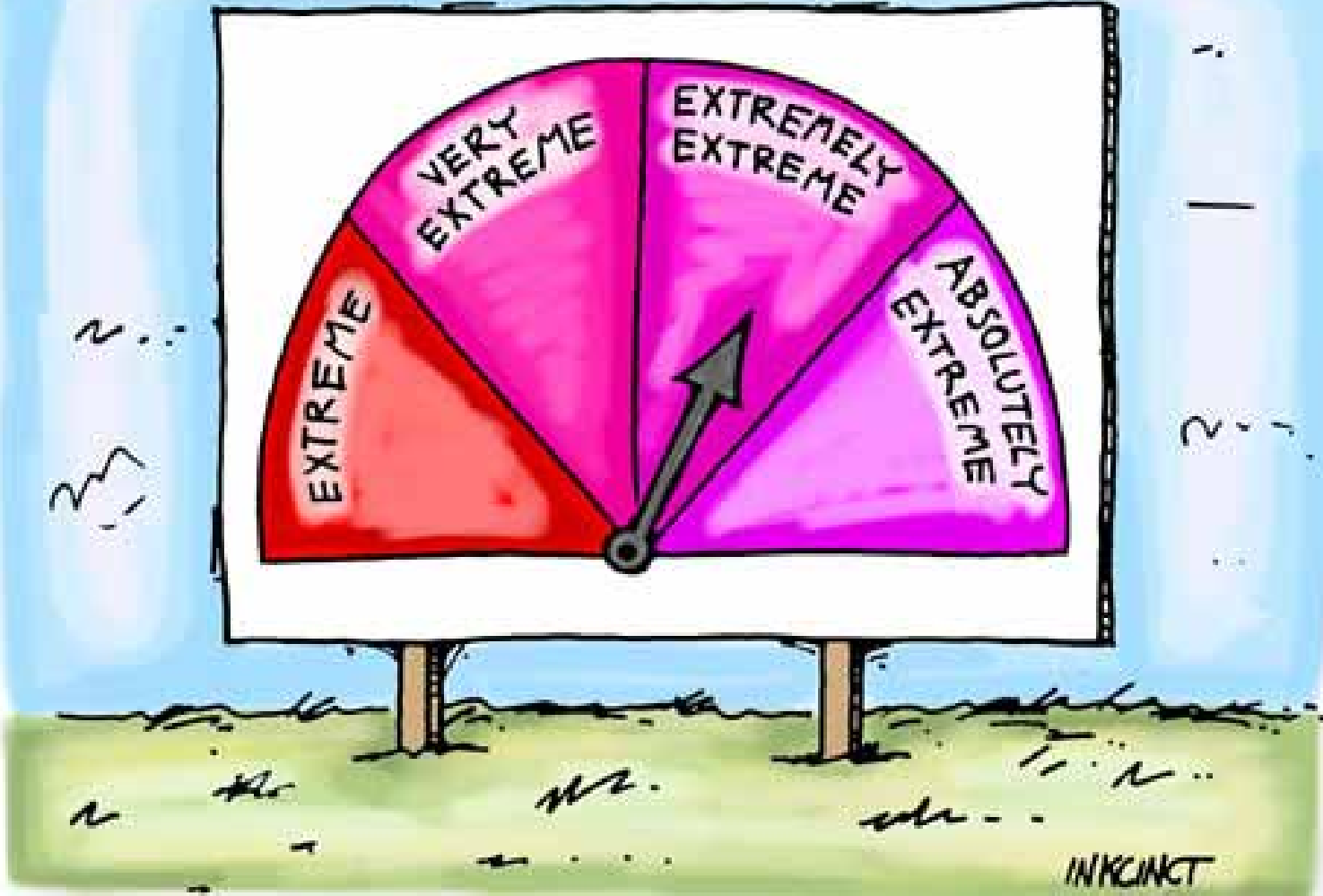
Australian Rainfall
1 September to 30 November 2006
Product of the National Climate Centre

<http://www.bom.gov.au>

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Issued: 21/12/2006





This year's fire risk sign.

5/12 2008-671 © John Ditchburn

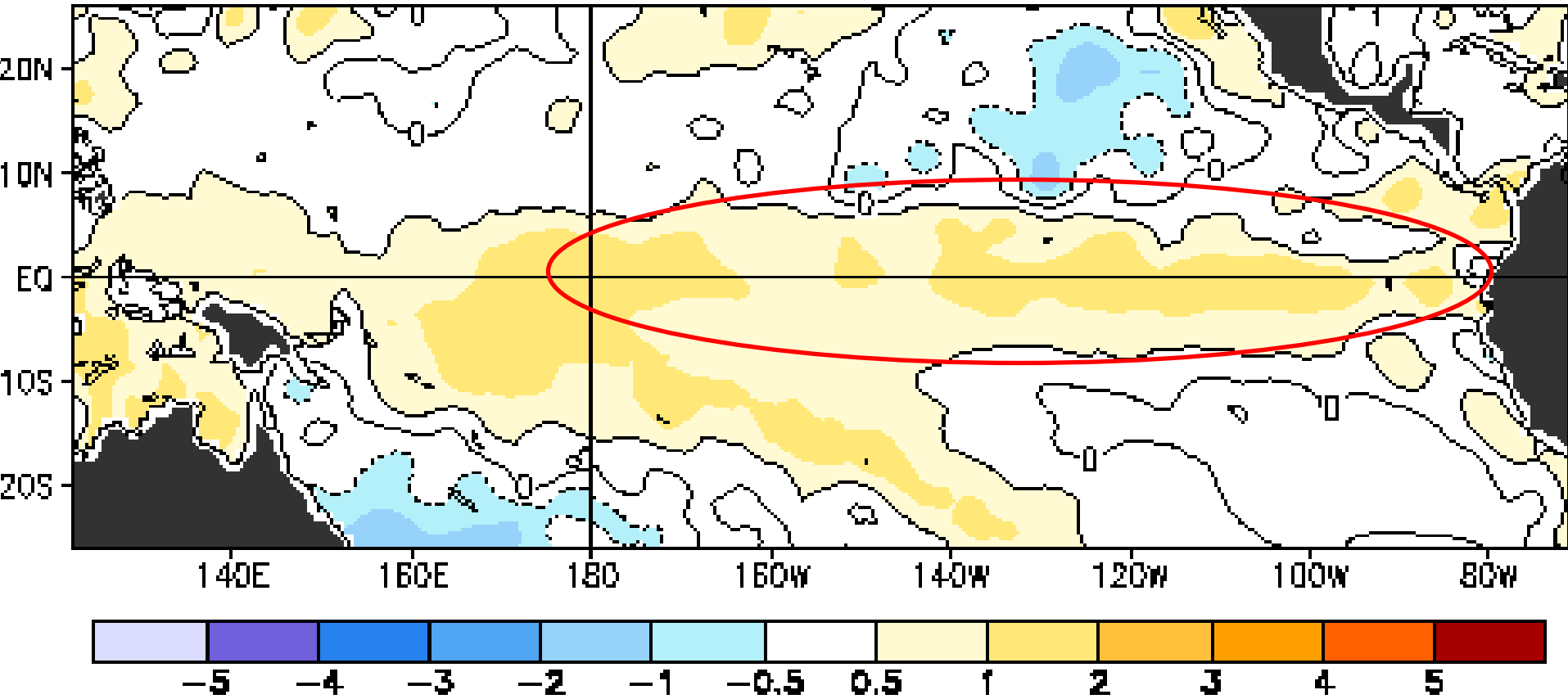


The States of Australia.



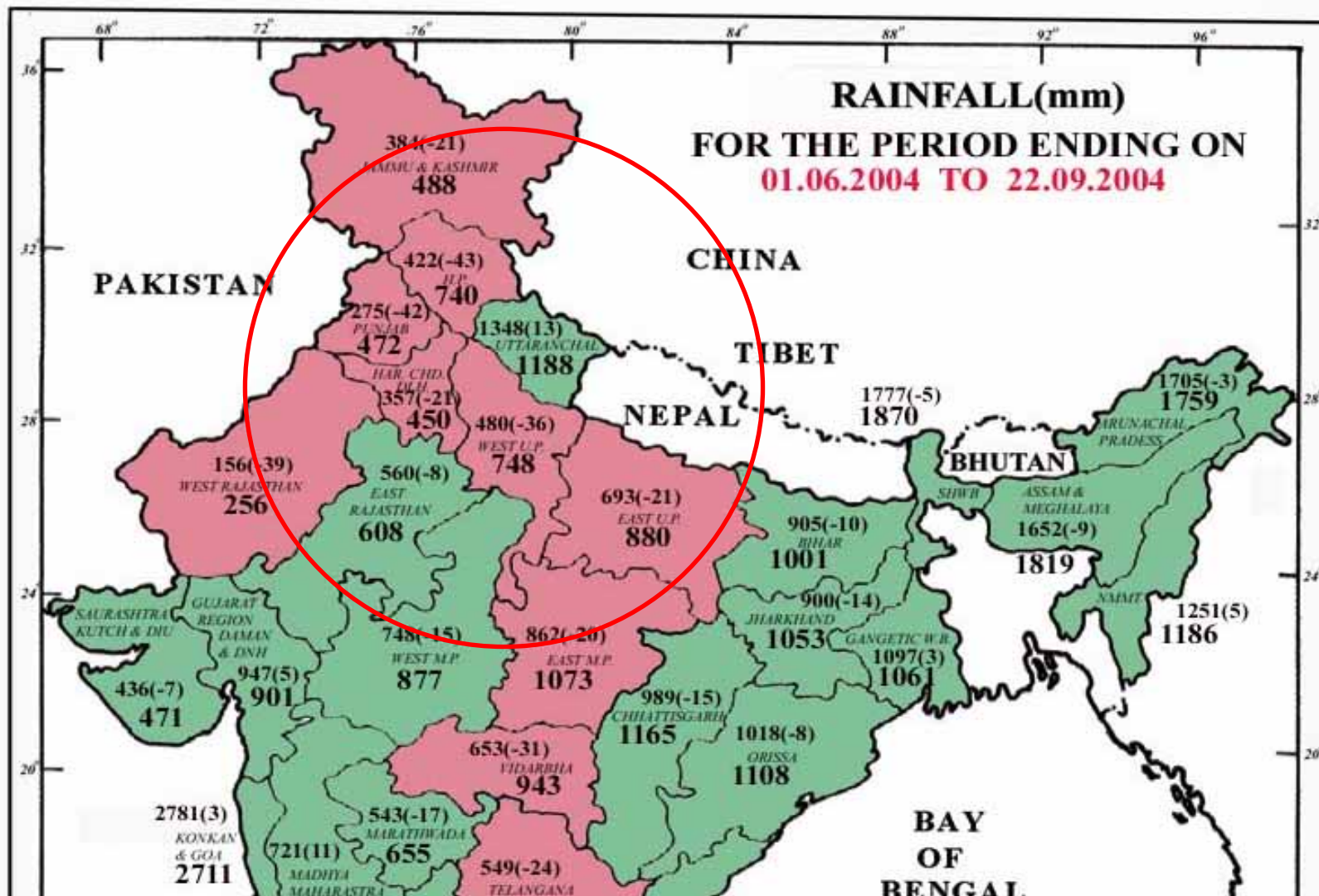
The State of Australia.

Observed Sea Surface Temperature Anomalies (°C)

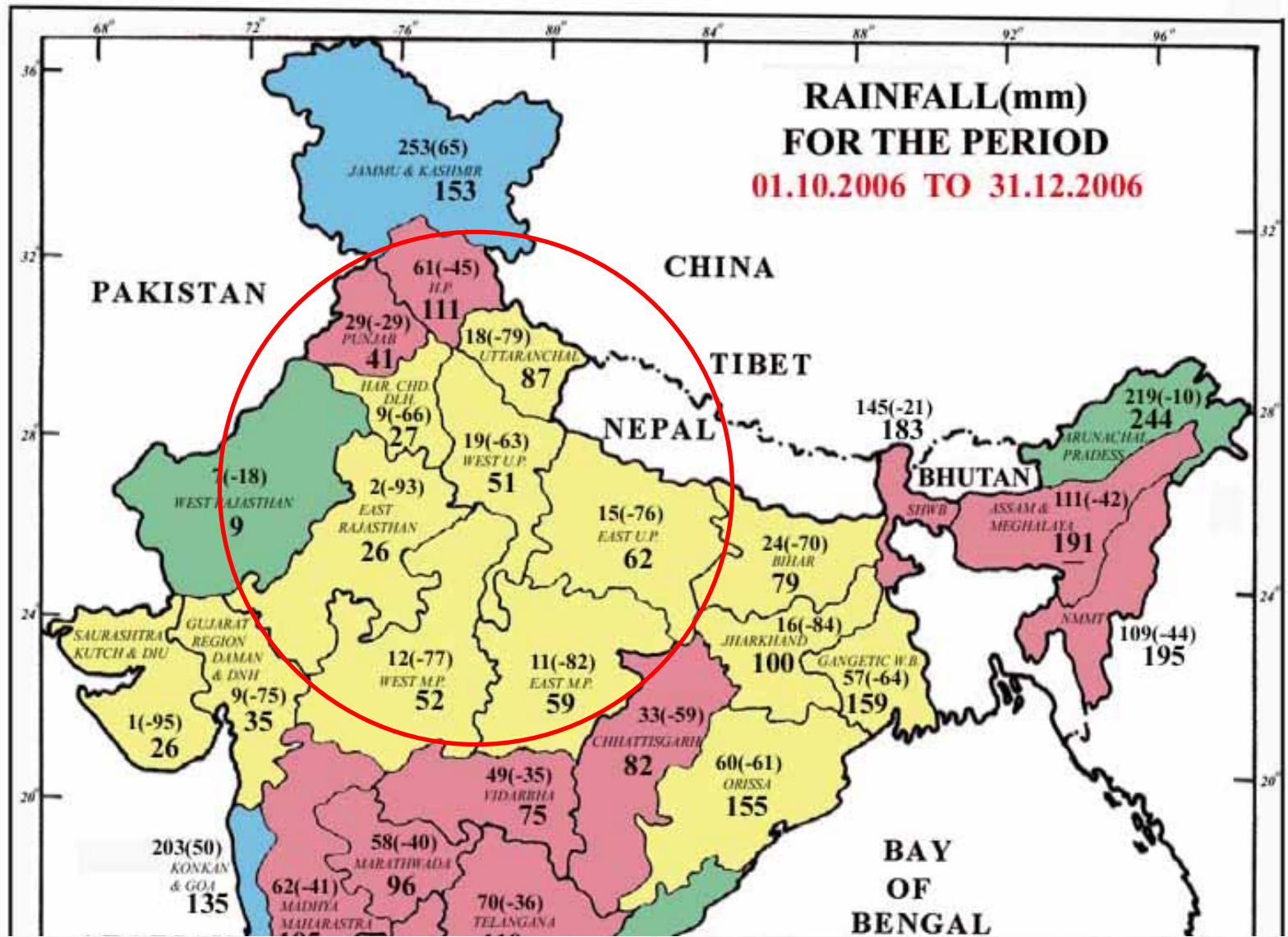


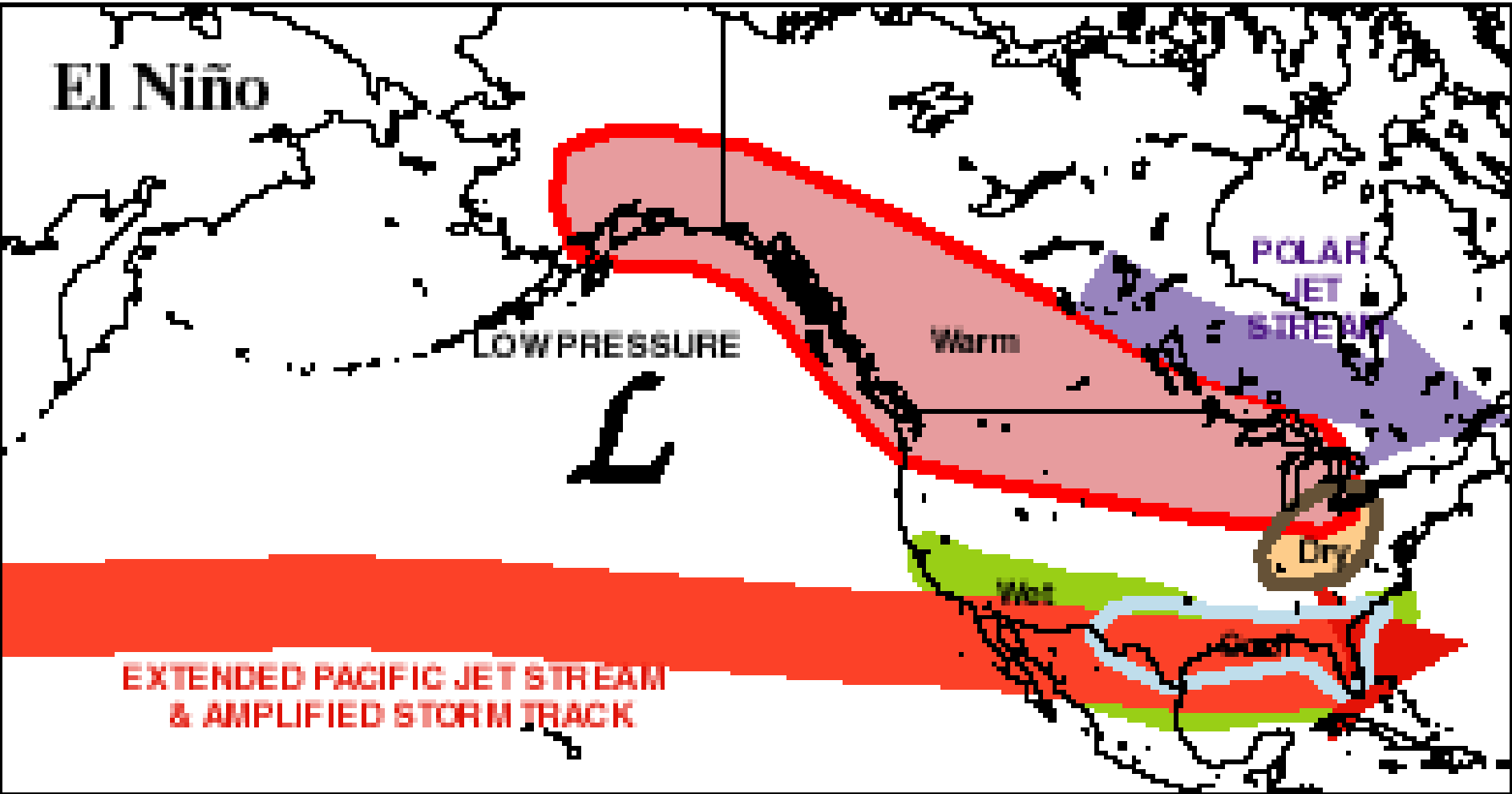
7-day Average Centered on 03 January 2007

INDIA METEOROLOGICAL DEPARTMENT

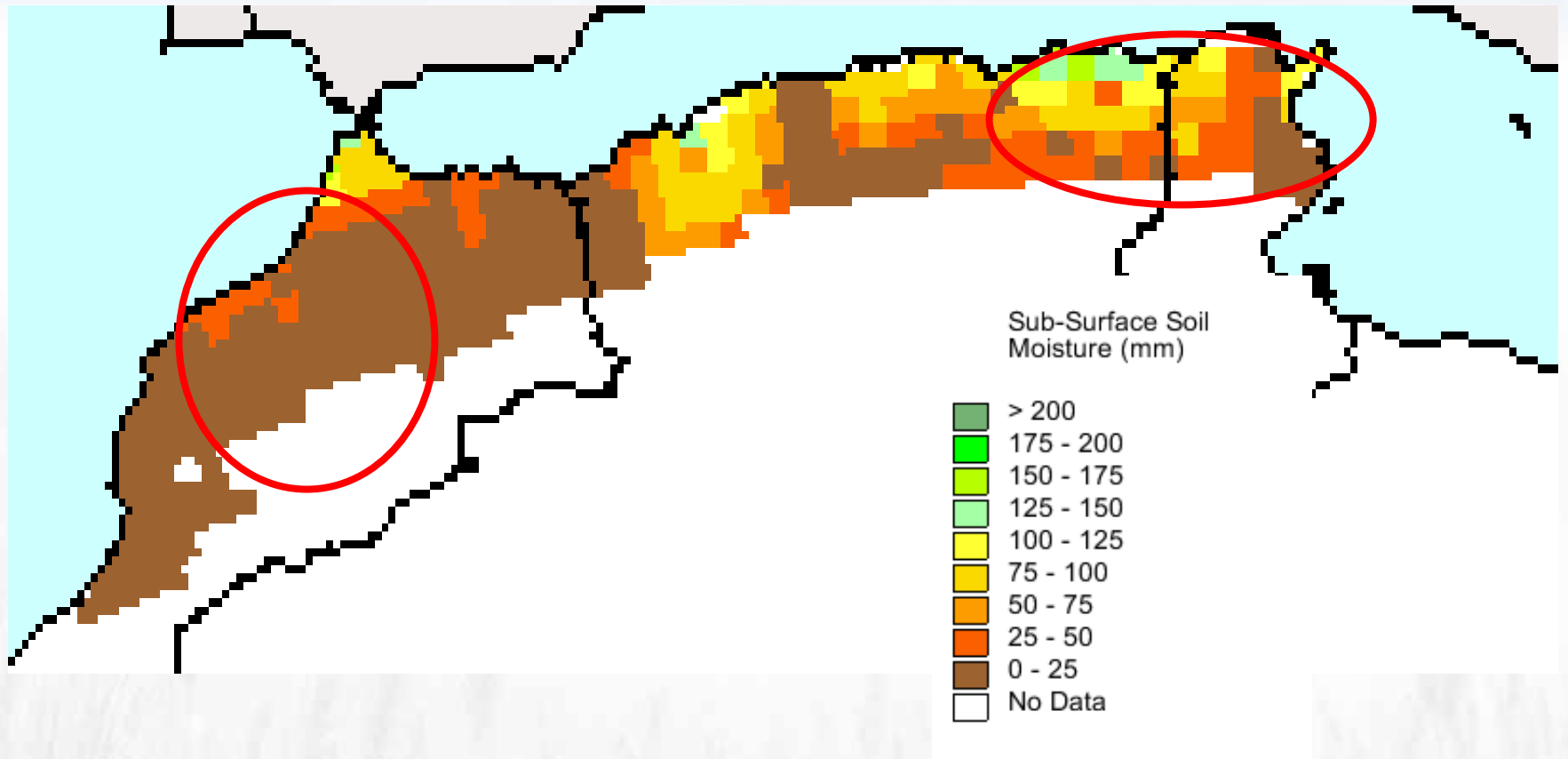


INDIA METEOROLOGICAL DEPARTMENT





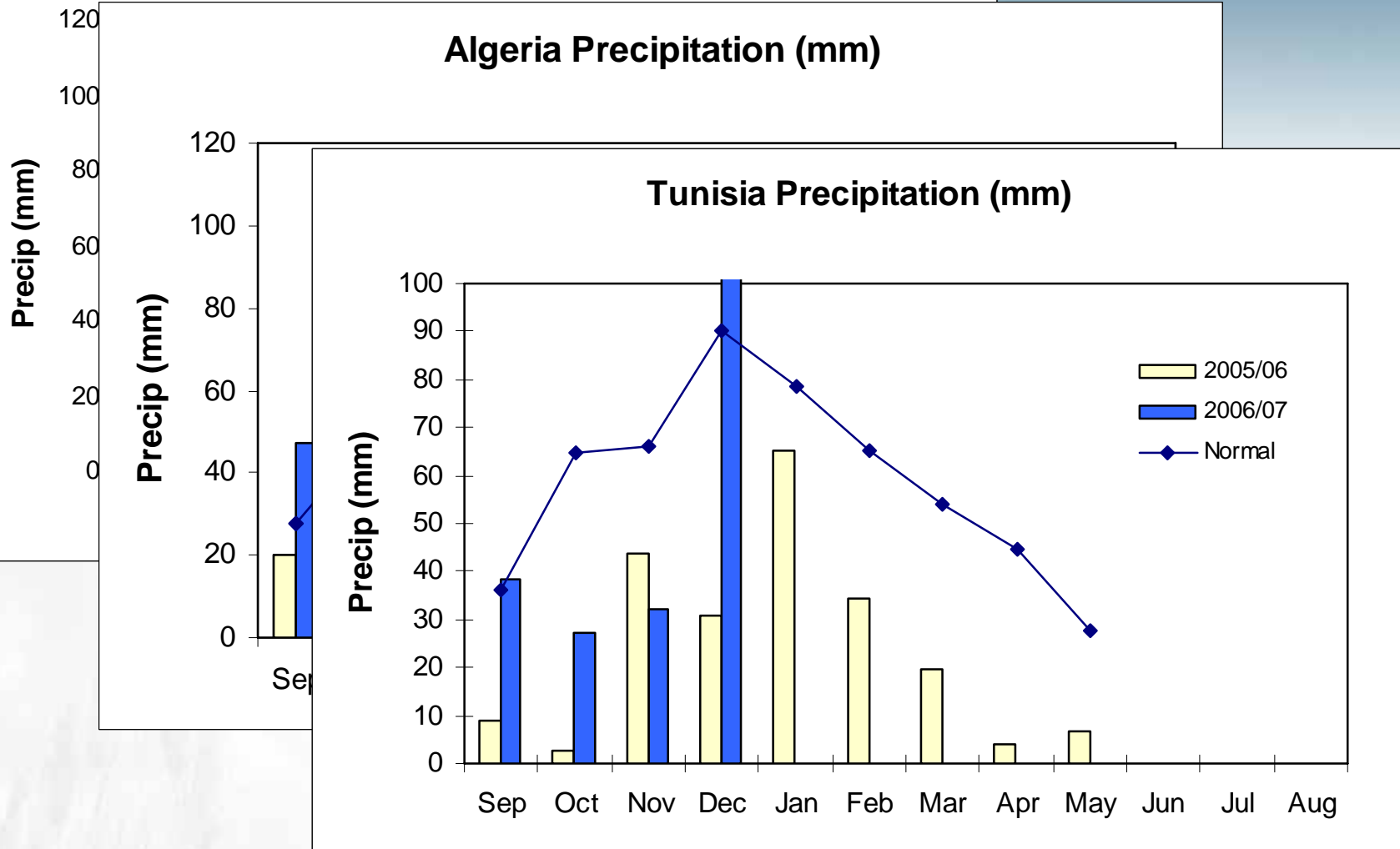
Soil Moisture Reserves



Morocco Precipitation (mm)

Algeria Precipitation (mm)

Tunisia Precipitation (mm)

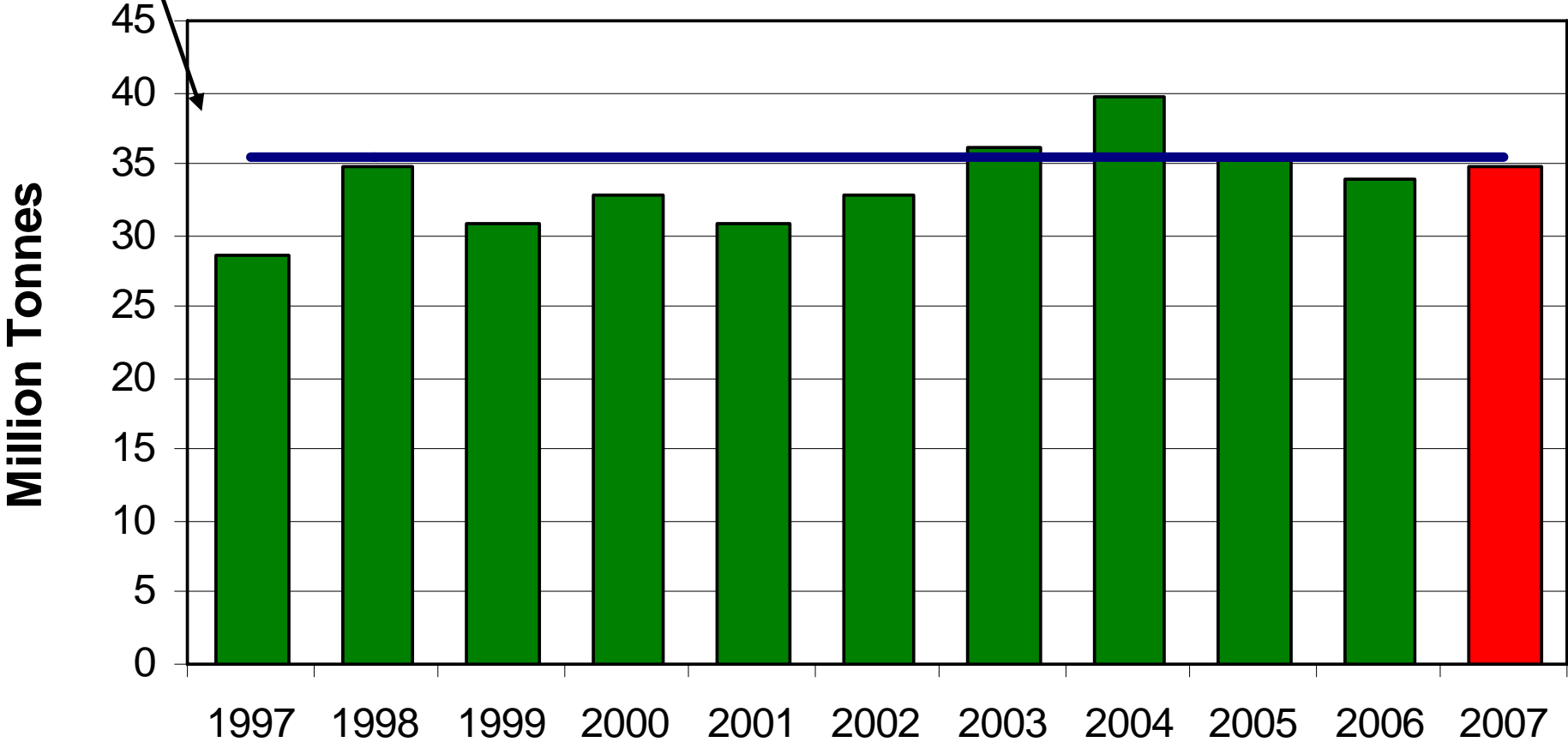


World Durum Production Trends in 2006

- Durum
 - Planting conditions in the Mediterranean basin have are the poorest in the past 3 years
 - Crops in Algeria and Tunisia have recently (end of December) received good starting rains
 - Morocco is very dry and needs rain immediately to improve moisture levels for crop growth
 - Italy is still reporting poor soil moisture levels in the main durum region, while Spain has had a good start to the growing season.

World Durum Production

5 Yr. Avg.

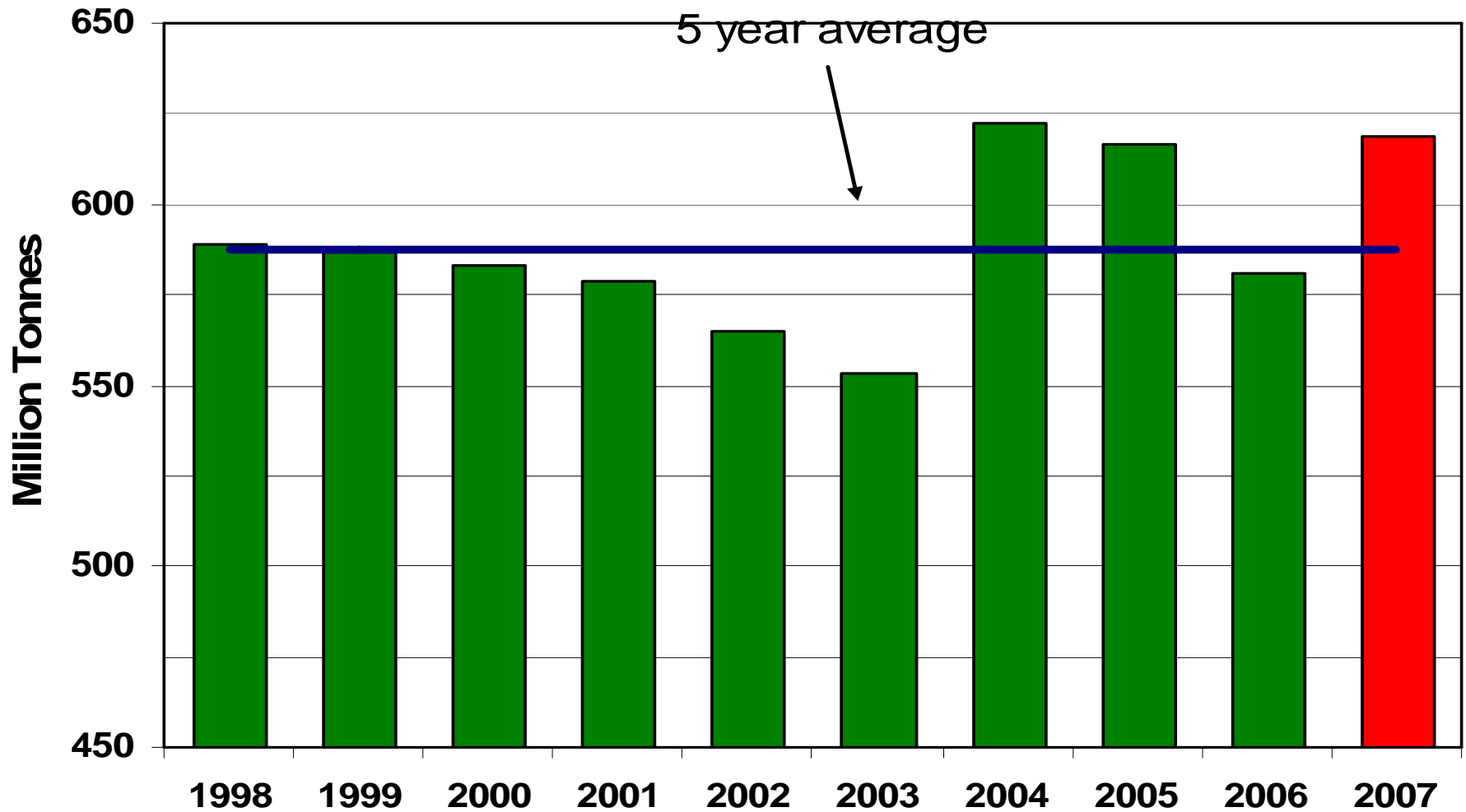


World Wheat Production Trends in 2006

- Wheat

- Expect an increase in production from last year, but how big will it be?
- Warm weather in Europe, Ukraine and Russia increases concerns about winterkill
- Australia is expected to recover, but needs moisture soon to build reserves for the start of planting
- Spring wheat area in the US and Canada is expected to be lower due to competition from other crops

World wheat production



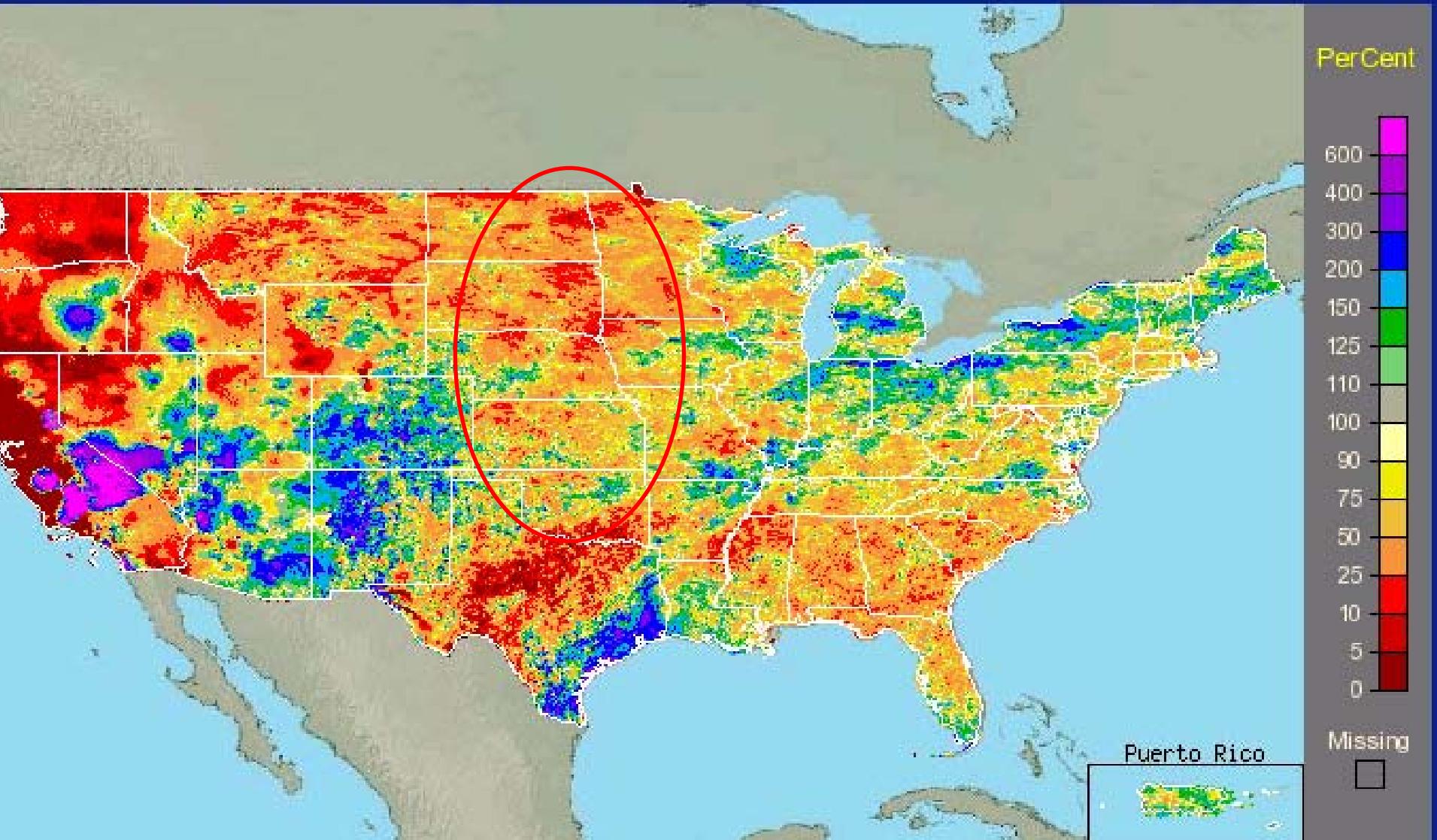
USA

- USDA report shows a 9 per cent increase in winter wheat area to 44.1 million acres from 40.6 million acres last year
- HRW plantings were held back by dry soils in parts of Kansas, Oklahoma and Texas. Increase was only up 9 per cent
- SRW acreage was up by 13 per cent, mostly due to increases in the southeastern US
- Corn production last year was cut to 10.5 billion bushels in the January report – Yield was just slightly over 149 bu/ac

July Precipitation (per cent of normal)

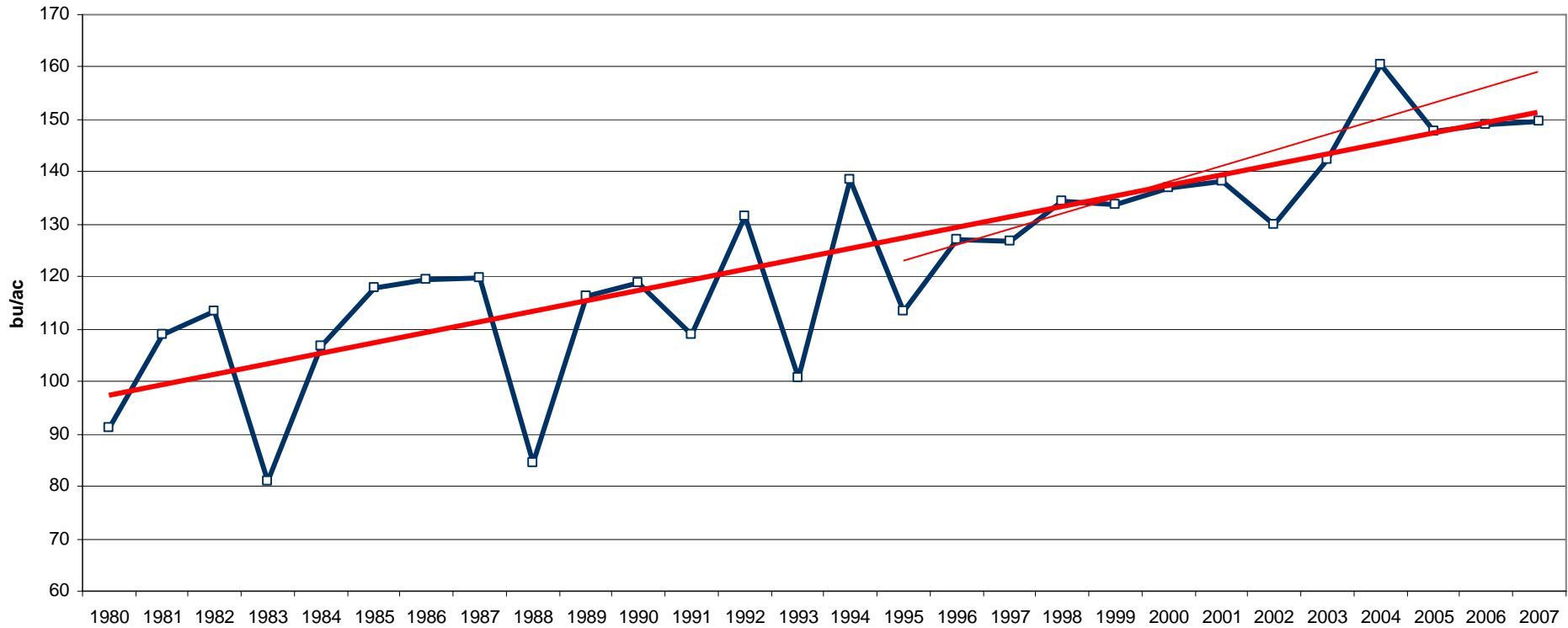
2000 Monthly Percent of Normal Precipitation

Created by: Updated: 10/20/01 08:00

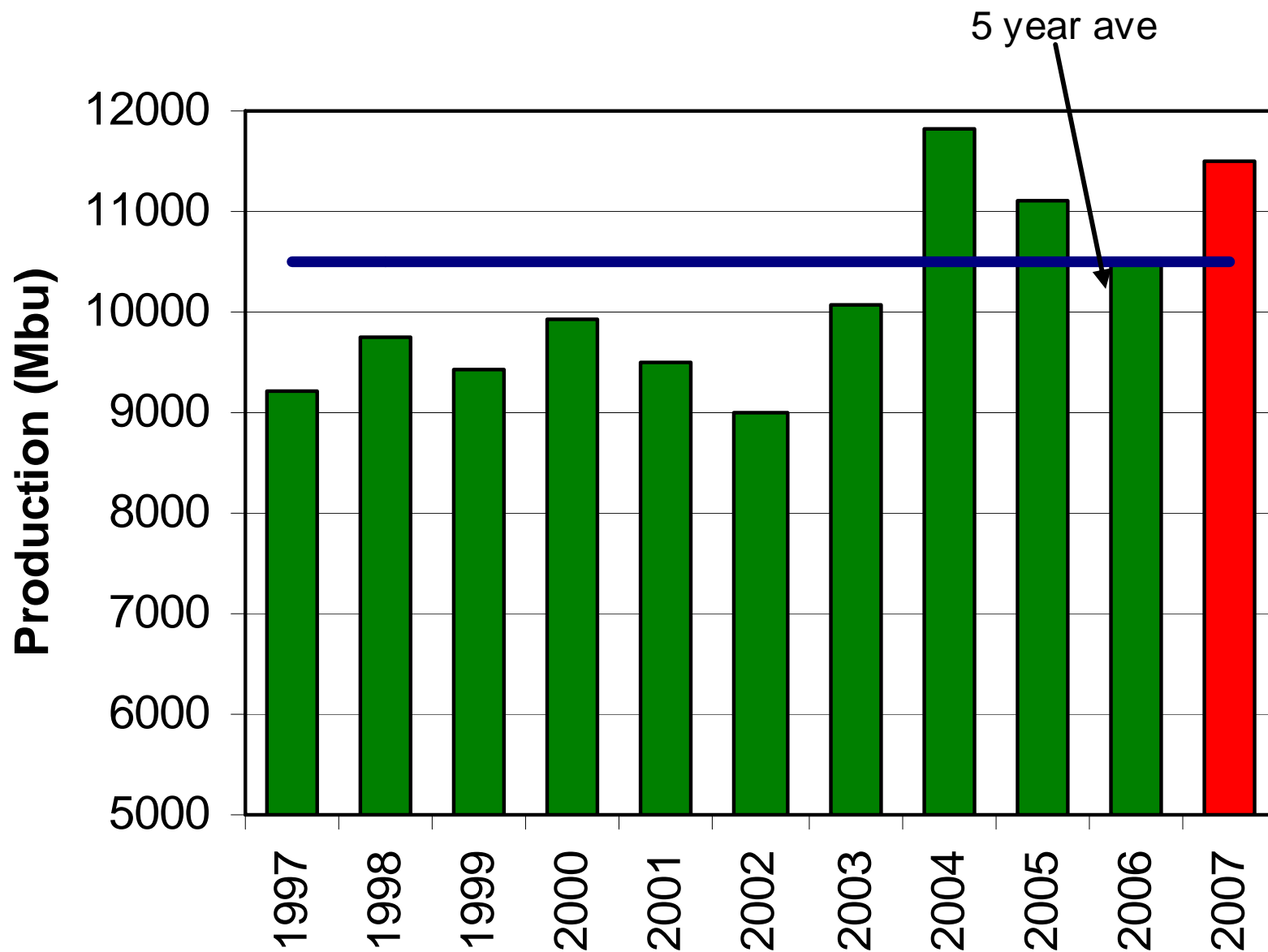


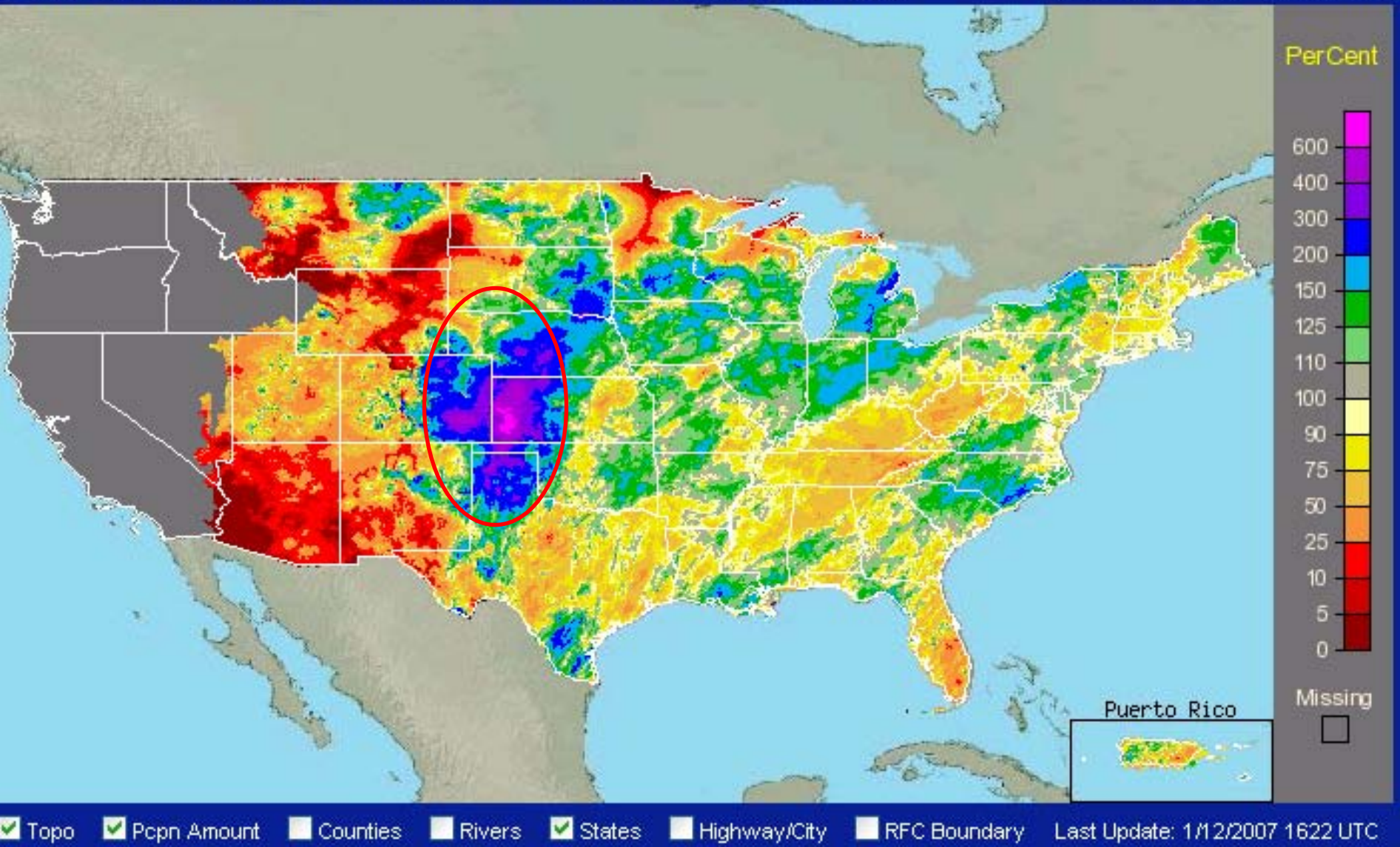
US Corn Yields

US Corn Yields

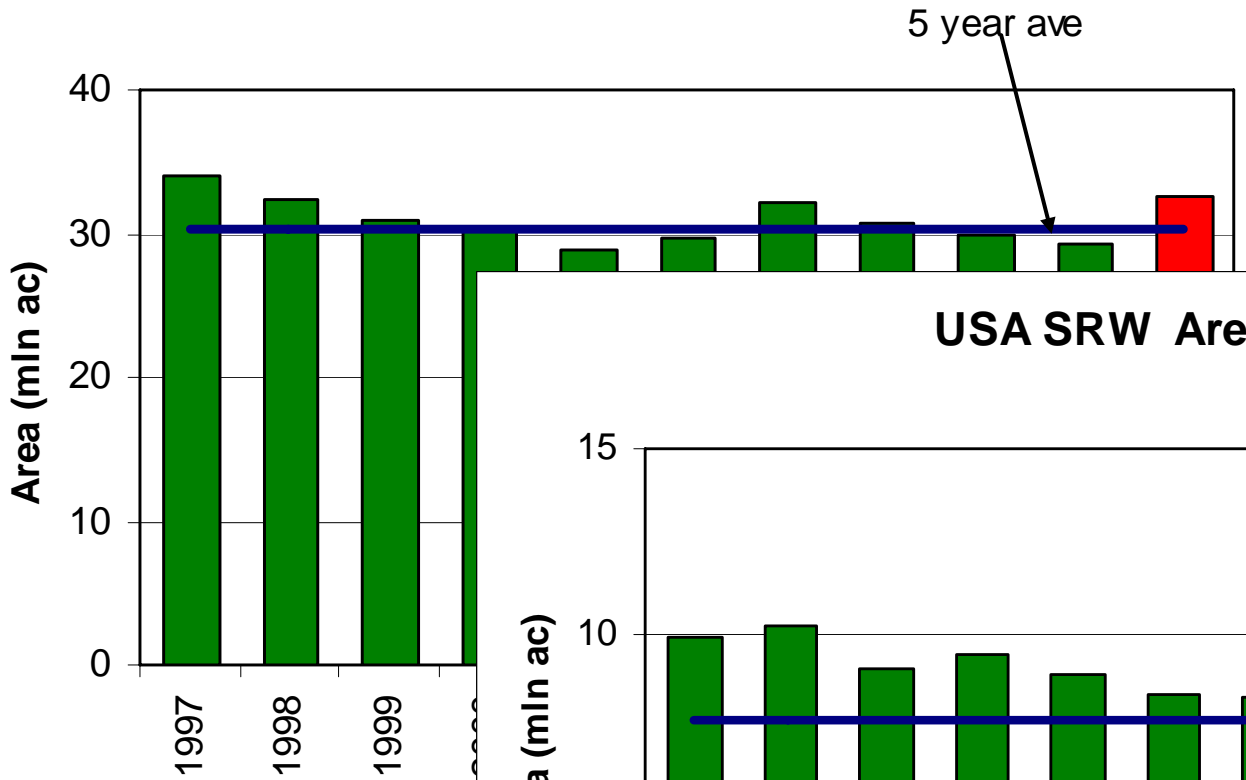


USA Corn Production

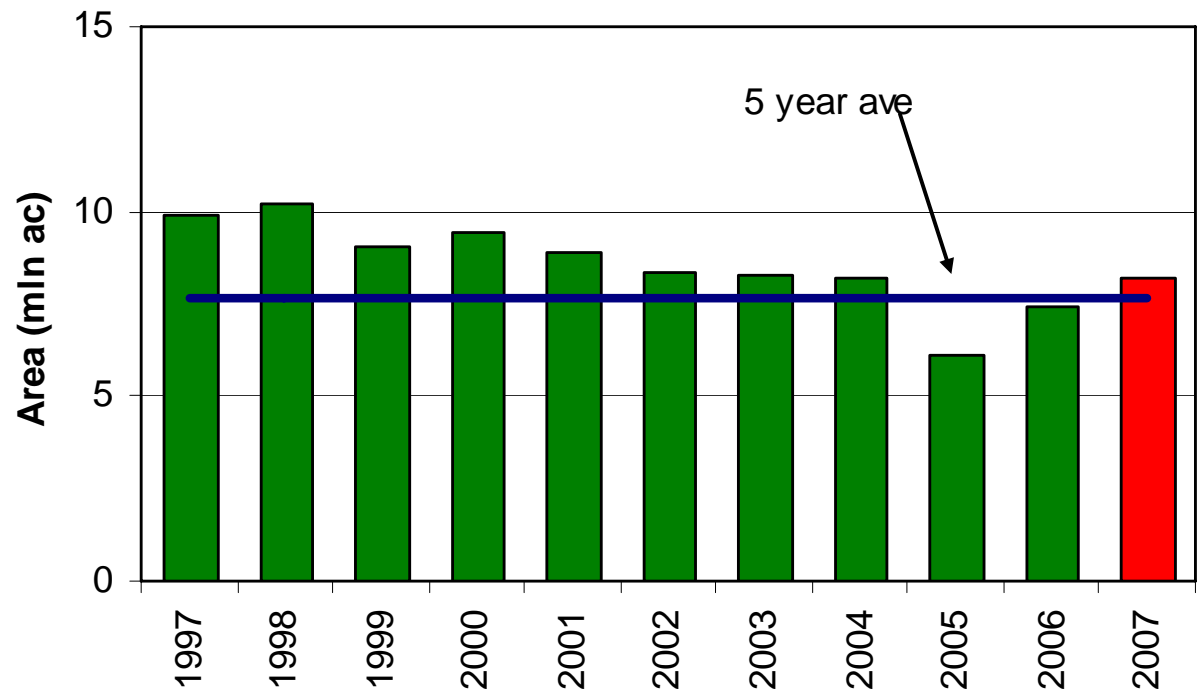




USA HRW Area



USA SRW Area

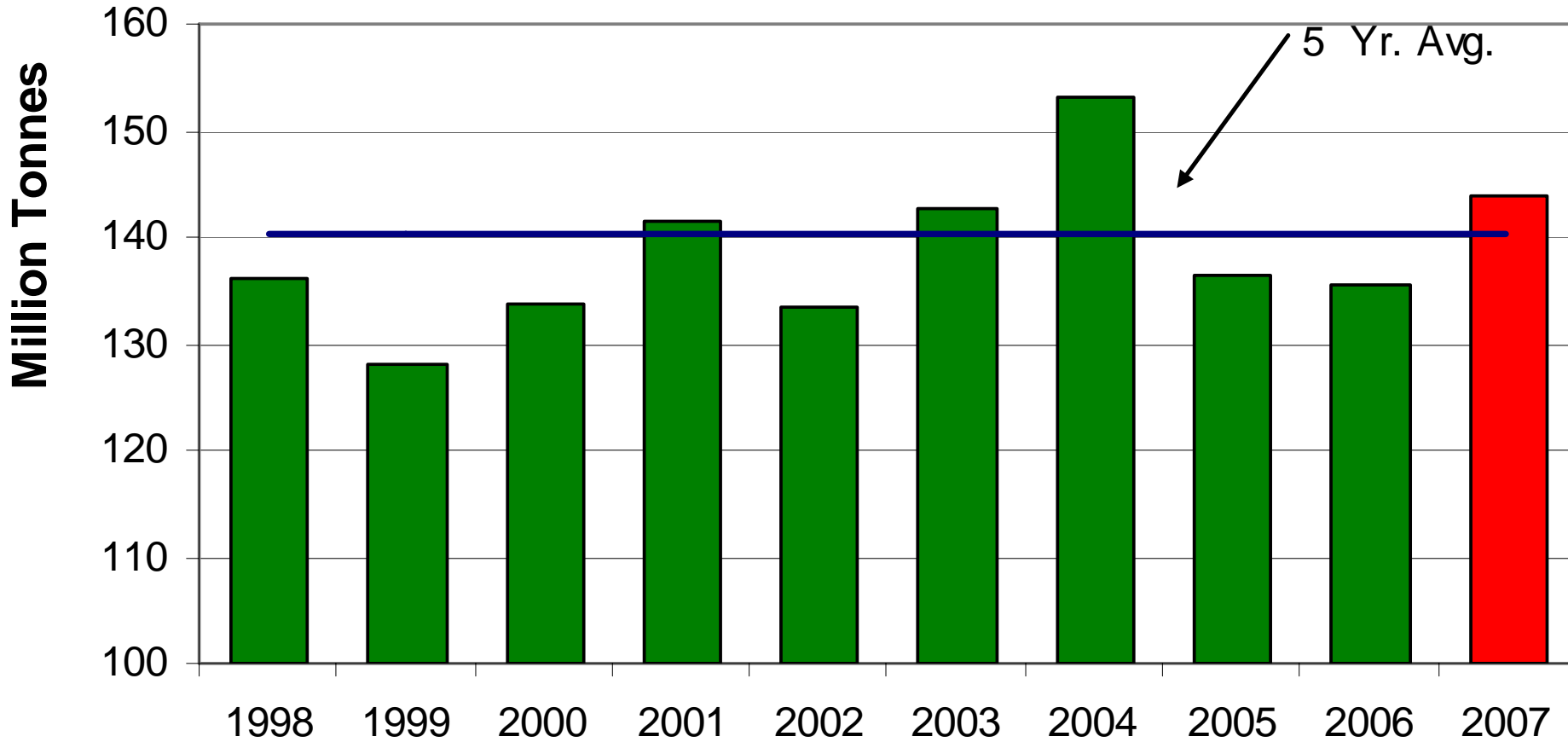


World Barley Production Trends in 2007

- Barley

- Drought in Australia had a huge impact on the market this year
- Area in Europe, Russia and Kazakhstan is expected to be lower due to higher winter wheat plantings
- Corn production needs to increase dramatically in order to meet ethanol demand. Will corn get the 7 – 10 million acres it needs to boost production.
- Soybean area will be down sharply as corn steals acreage in the cornbelt

World Barley Production

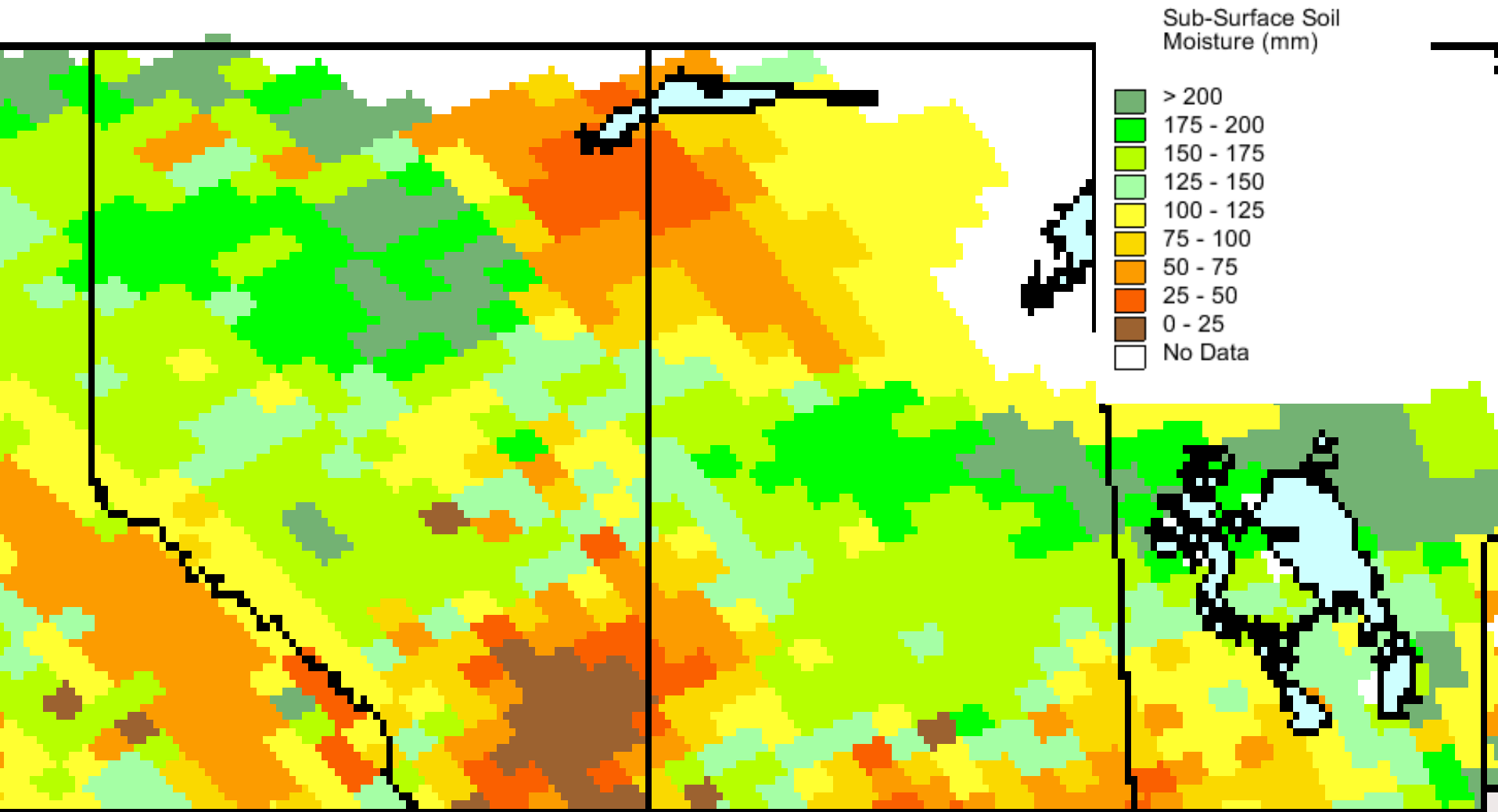




Western Canada

2006 Outlook

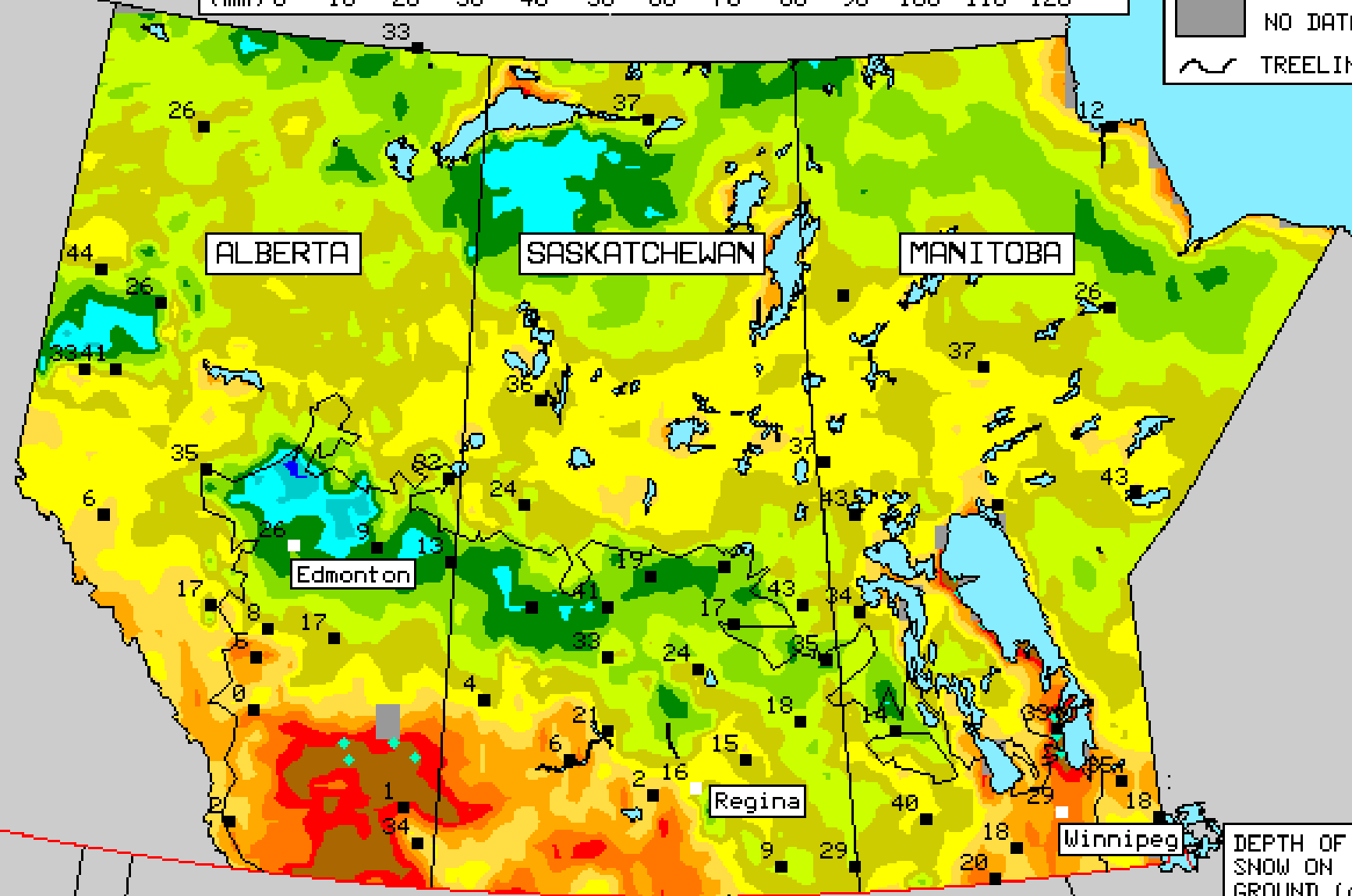
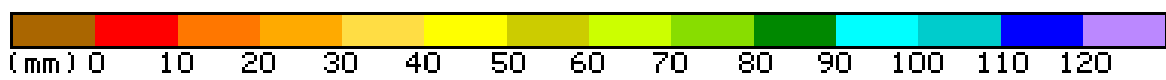
Subsoil moisture levels



Source: USDA Crop Explorer

SNOW WATER EQUIVALENT

08/01/07



DEPTH OF SNOW ON GROUND (cm)

08/01/07

1971-00 Normal



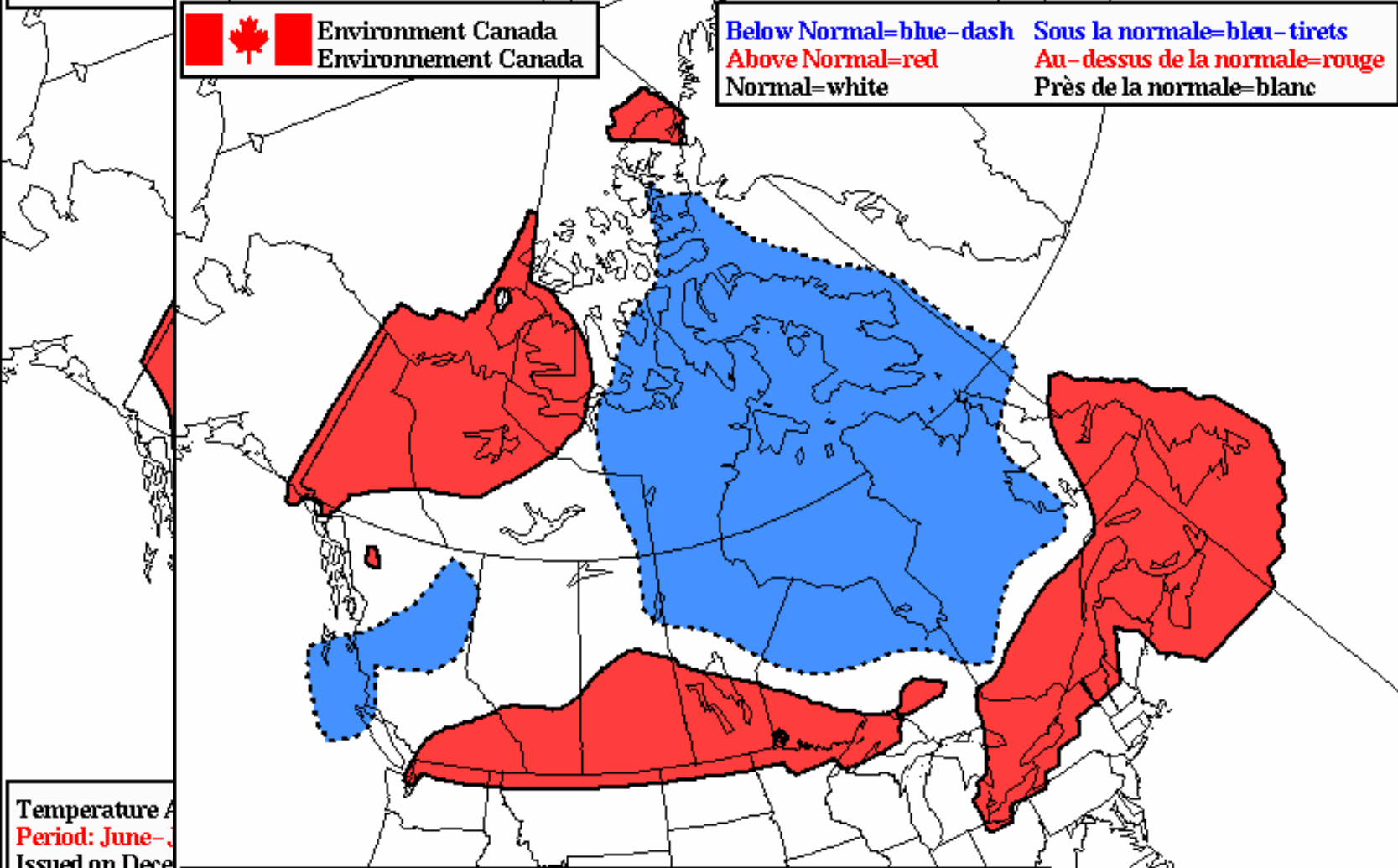
SCIENCE AND TECHNOLOGY BRANCH
Climate Research Division

Environment Canada
Environnement Canada

Below Normal=blue-dash Sous la normale=bleu-tirets
Above Normal=red Au-dessus de la normale=rouge

Environment Canada
Environnement Canada

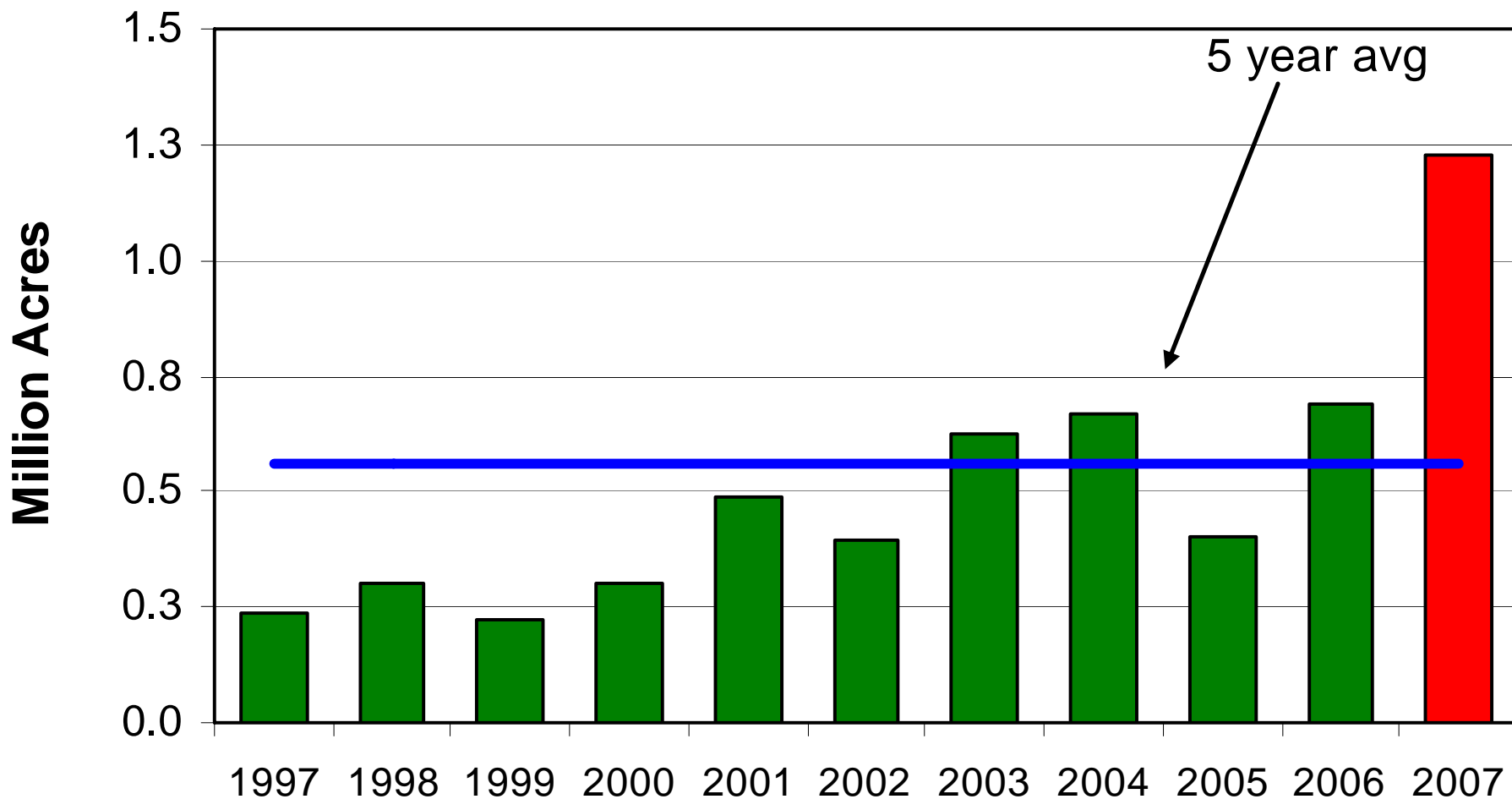
Below Normal=blue-dash Sous la normale=bleu-tirets
Above Normal=red Au-dessus de la normale=rouge
Normal=white Près de la normale=blanc



Temperature A
Period: June-
Issued on Dece
Based on 3 equ
from 1961-199

<p>Precipitation Anomaly Outlook Period: June-July-August 2007 Issued on December 1 2006 Based on 3 equiprobable categories from 1961-1990 climatology</p>	<p>Aperçu de l'anomalie des précipitations Periode: juin-juillet-août 2007 Émis le 1 décembre 2006 Basé sur 3 catégories équiprobables de la climatologie 1961-1990</p>
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Western Canada Winter Wheat Area



Acreage Expectations

- Acreage fight is just beginning as commodities respond to increased demand
- Canola acreage is expected to increase to record levels at the expense of spring wheat
- Late planting in northern Saskatchewan and strong demand should increase oats and barley
- In the south, durum acreage is expected to increase due to dry conditions and a positive market outlook
- Increase in some types of pulses due to improved prices and high fertilizer costs



The End