Grain Industry Briefing

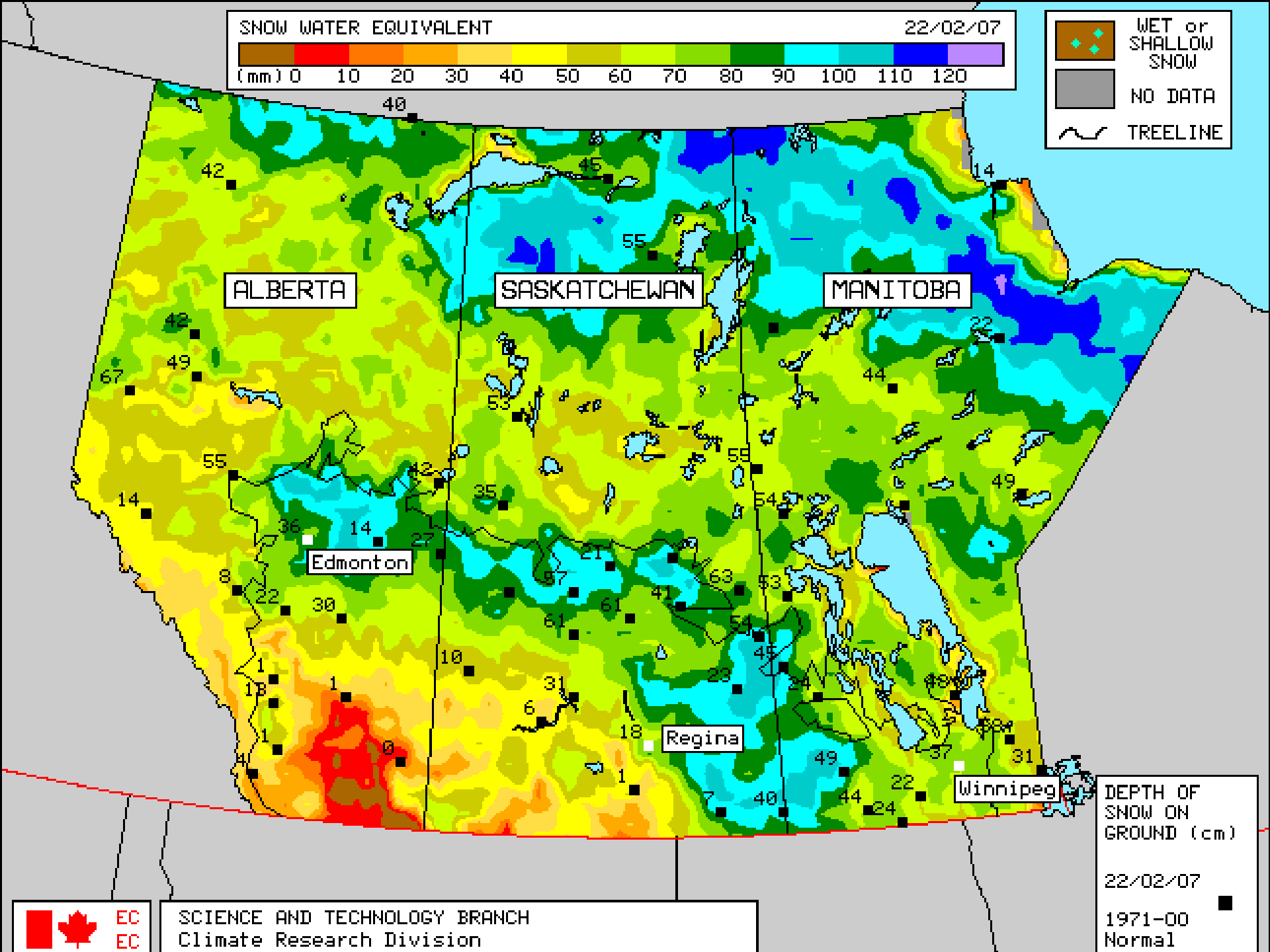
June 14, 2007

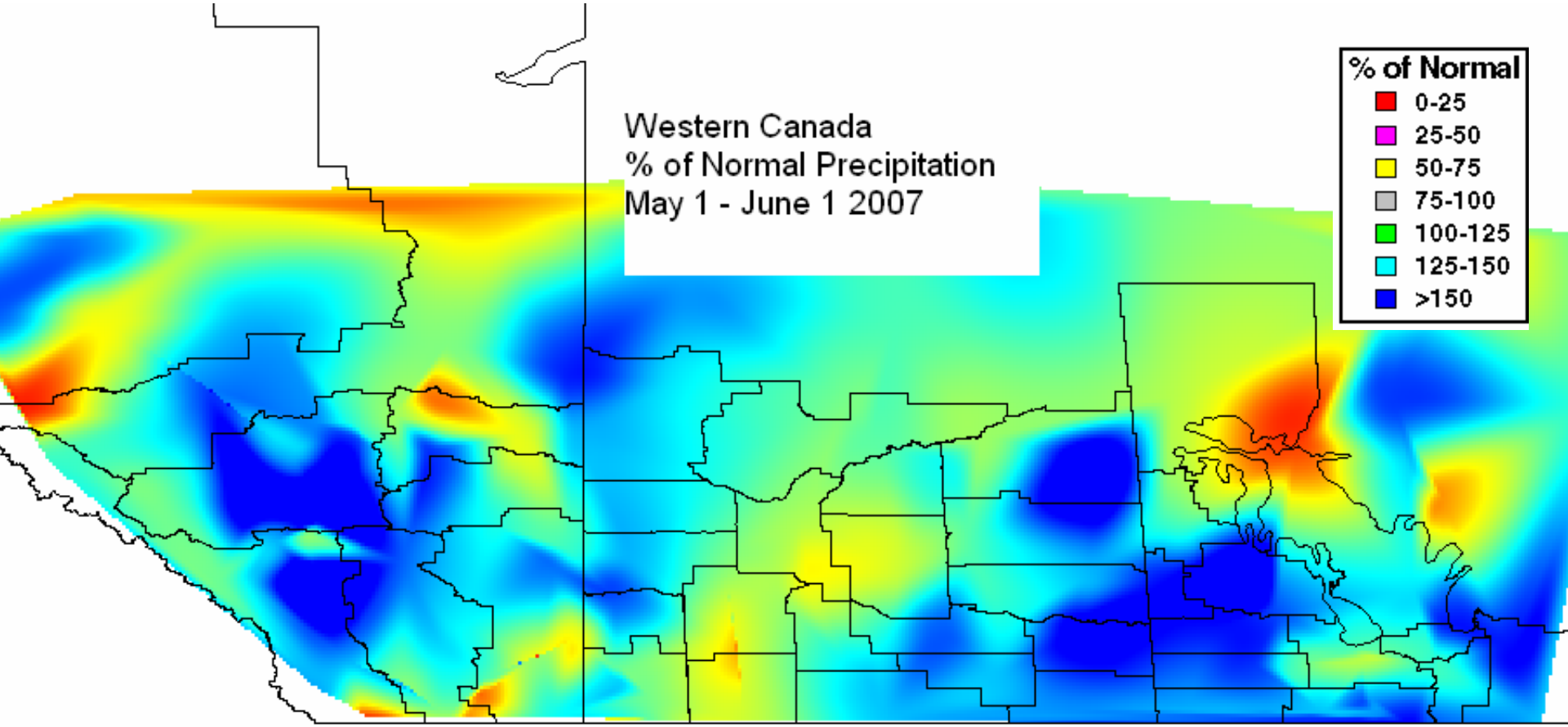
CWB

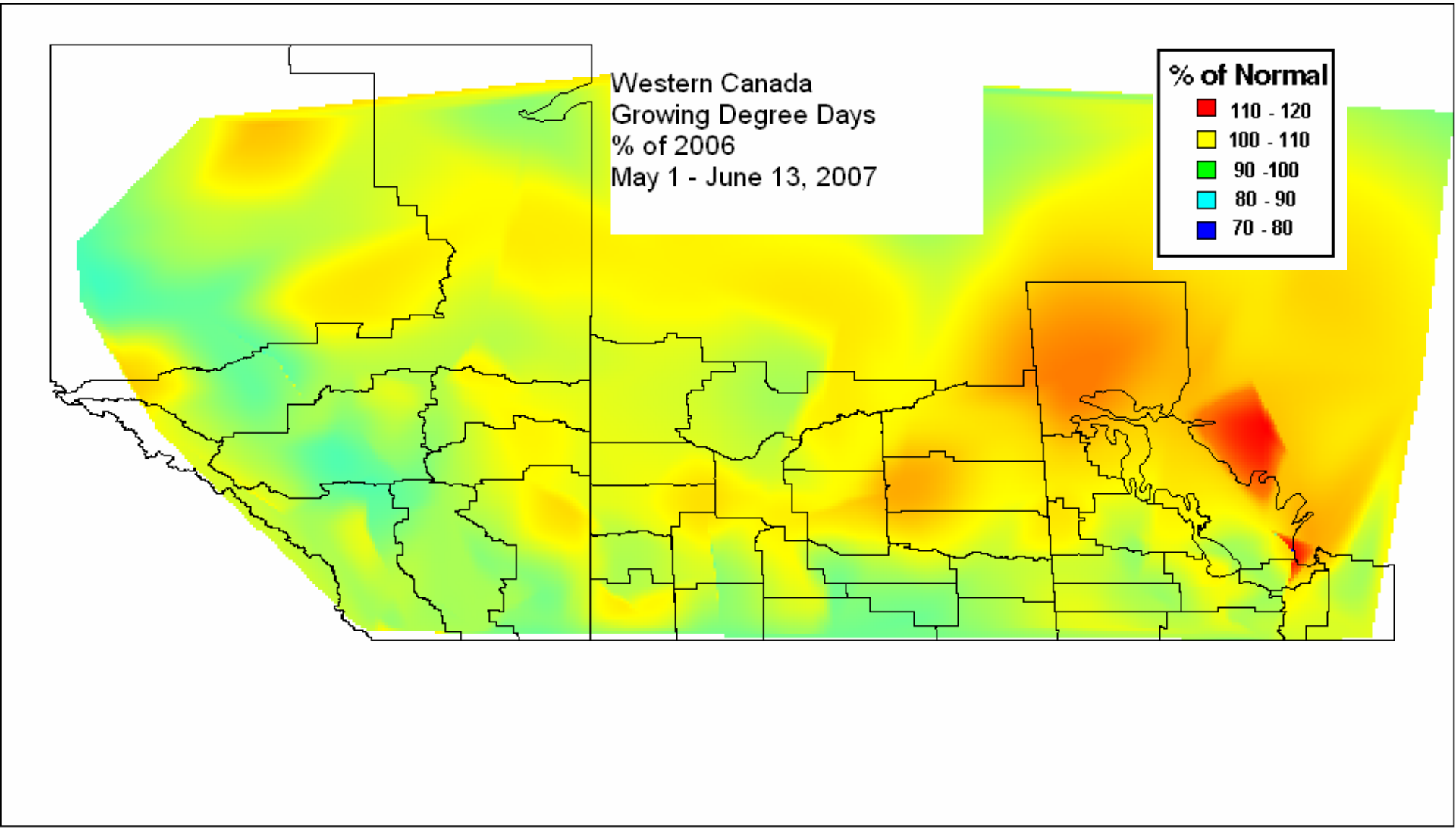
Prairie strong, worldwide

Western Canada

- Third consecutive year of delayed plantings and acreage abandonment from wet weather
- Expected acreage abandonment: 650,000 to 750,000 acres
- Soil moisture conditions excellent across the Prairies, but timely rains still needed to achieve the forecast yields
- Prairie crops are mostly in good to excellent condition


SNOW WATER EQUIVALENT
22/02/07
(mm) 0 10 20 30 40 50 60 70 80 90 100 110 120
WET or SHALLOW SNOW
NO DATA
TREELINE
ALBERTA
SASKATCHEWAN
MANITOBA
Edmonton
Regina
Winnipeg
DEPTH OF SNOW ON GROUND (cm)
22/02/07
1971-00 Normal
EC
EC
SCIENCE AND TECHNOLOGY BRANCH
Climate Research Division


Western Canada
% of Normal Precipitation
May 1 - June 1 2007
% of Normal
0-25
25-50
50-75
75-100
100-125
125-150
>150


Western Canada
Growing Degree Days
% of 2006
May 1 - June 13, 2007
% of Normal
110 - 120
100 - 110
90 -100
80 - 90
70 - 80

Western Canada sown area

Western Canada Sown Area (million acres)				
	Intentions 2007	2006	**2007**	% Change
All Wheat	22.81	24.97	**22.17**	-11.2%
Durum	4.95	4.35	**5.10**	17.2%
Oats	5.30	4.30	**5.35**	24.6%
Barley	10.26	8.92	**11.35**	27.3%
Rye	0.25	0.29	**0.29**	0.0%
Flax	1.43	2.08	**1.50**	-27.9%
Canola	14.78	13.25	**13.91**	5.0%
Six Grains and Oilseeds	54.82	53.79	**54.57**	1.4%

Yield estimates

Western Canada CWB weather model yields*			
	10th Percentile (bu/ac)	**50th Percentile (bu/ac)**	90th Percentile (bu/ac)
All Wheat	31.9	**35.9**	38.3
Durum	29.0	**33.2**	36.0
Oats	62.3	**65.5**	67.7
Barley	53.1	**57.5**	60.2
Rye	30.3	**34.0**	36.1
Flax	17.1	**19.6**	21.0
Canola	28.2	**30.7**	32.8

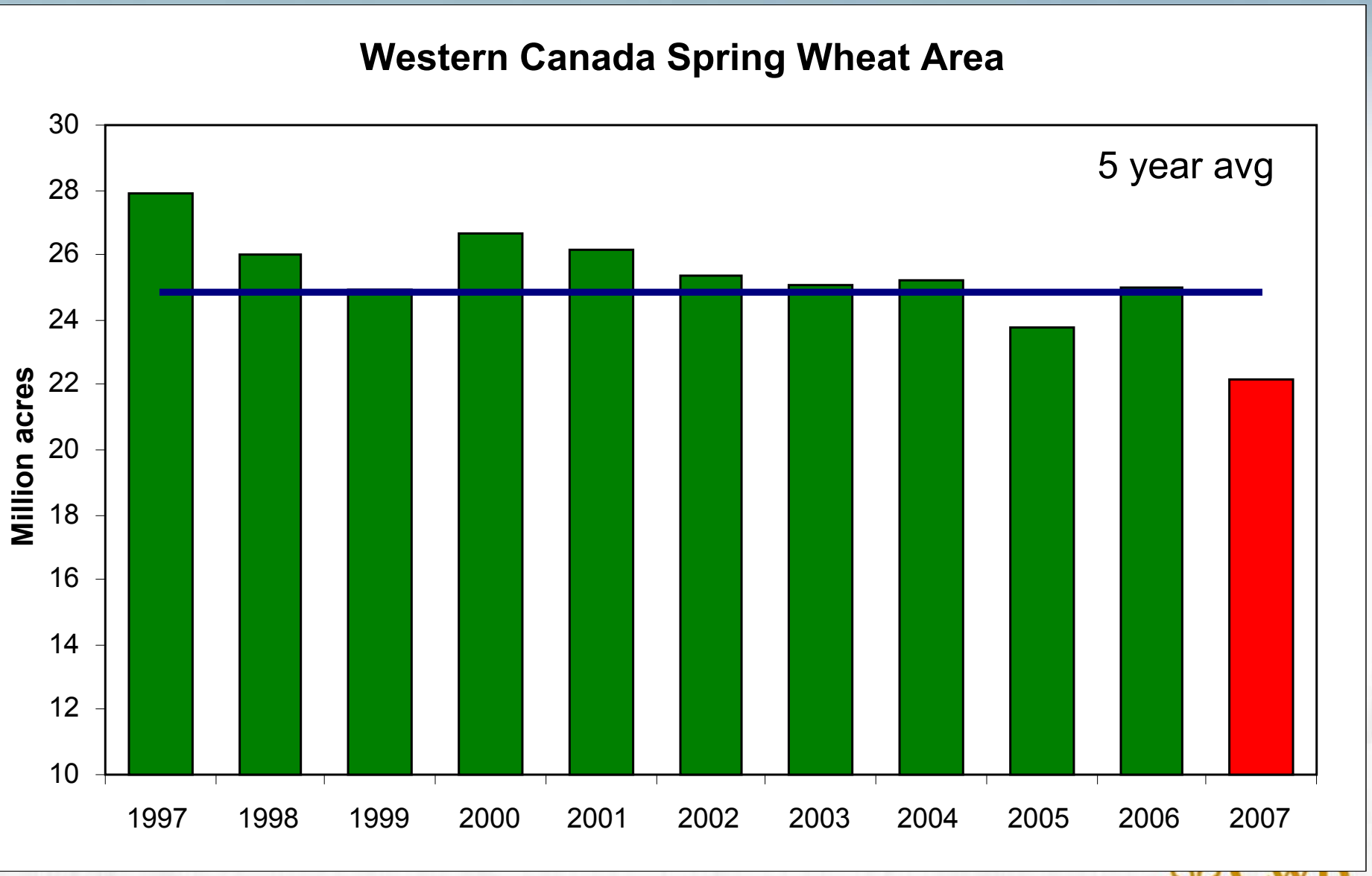
*Estimates based on weather model of Western Canada

Western Canada Production

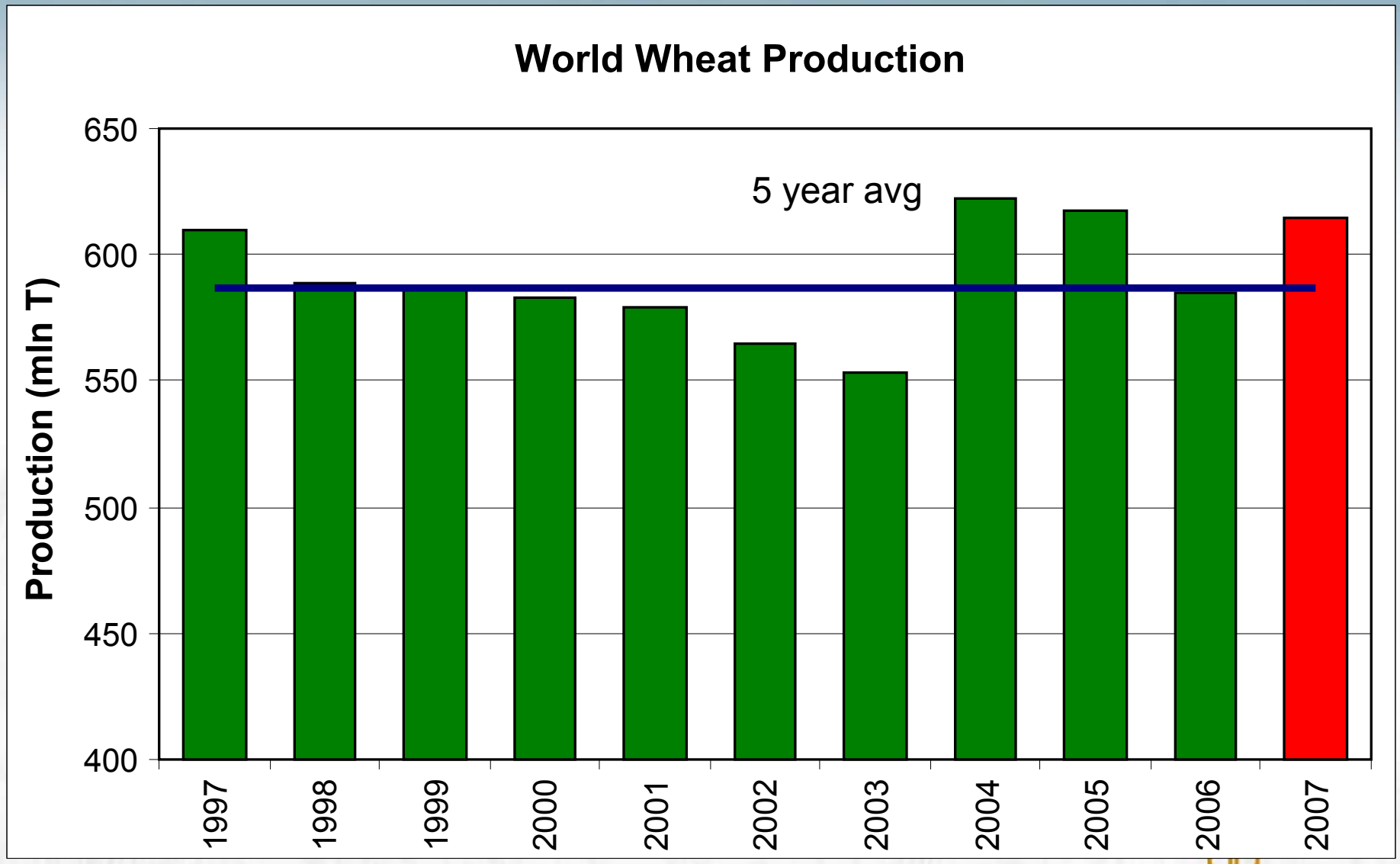
Western Canada production* (million tonnes)					
	Statistics Canada		CWB		
	5 Year Average	2006	2007 10th Percentile	**2007 50th Percentile**	2007 90th Percentile
All Wheat	21.7	24.4	18.8	**21.2**	22.6
Durum	4.6	3.8	3.9	**4.5**	4.9
Oats	3.1	3.2	3.6	**3.7**	3.9
Barley	10.2	9.3	11.6	**12.5**	13.1
Rye	0.3	0.3	0.2	**0.2**	0.2
Flax	0.8	0.8	0.6	**0.7**	0.8
Canola	7.4	9.1	8.8	**9.6**	10.2

*These estimates based on weather model yields and CWB area forecasts

Western Canada spring wheat area

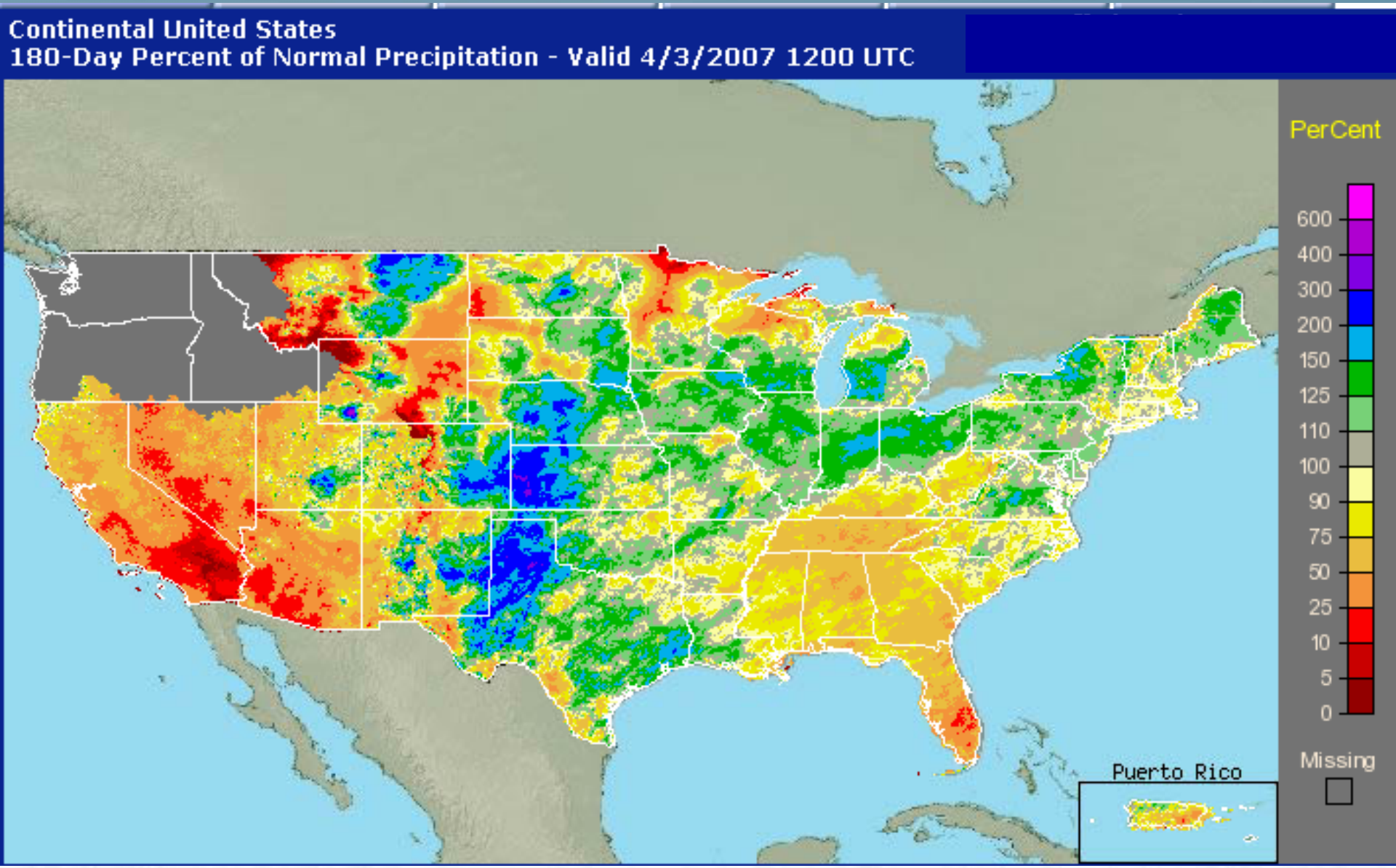


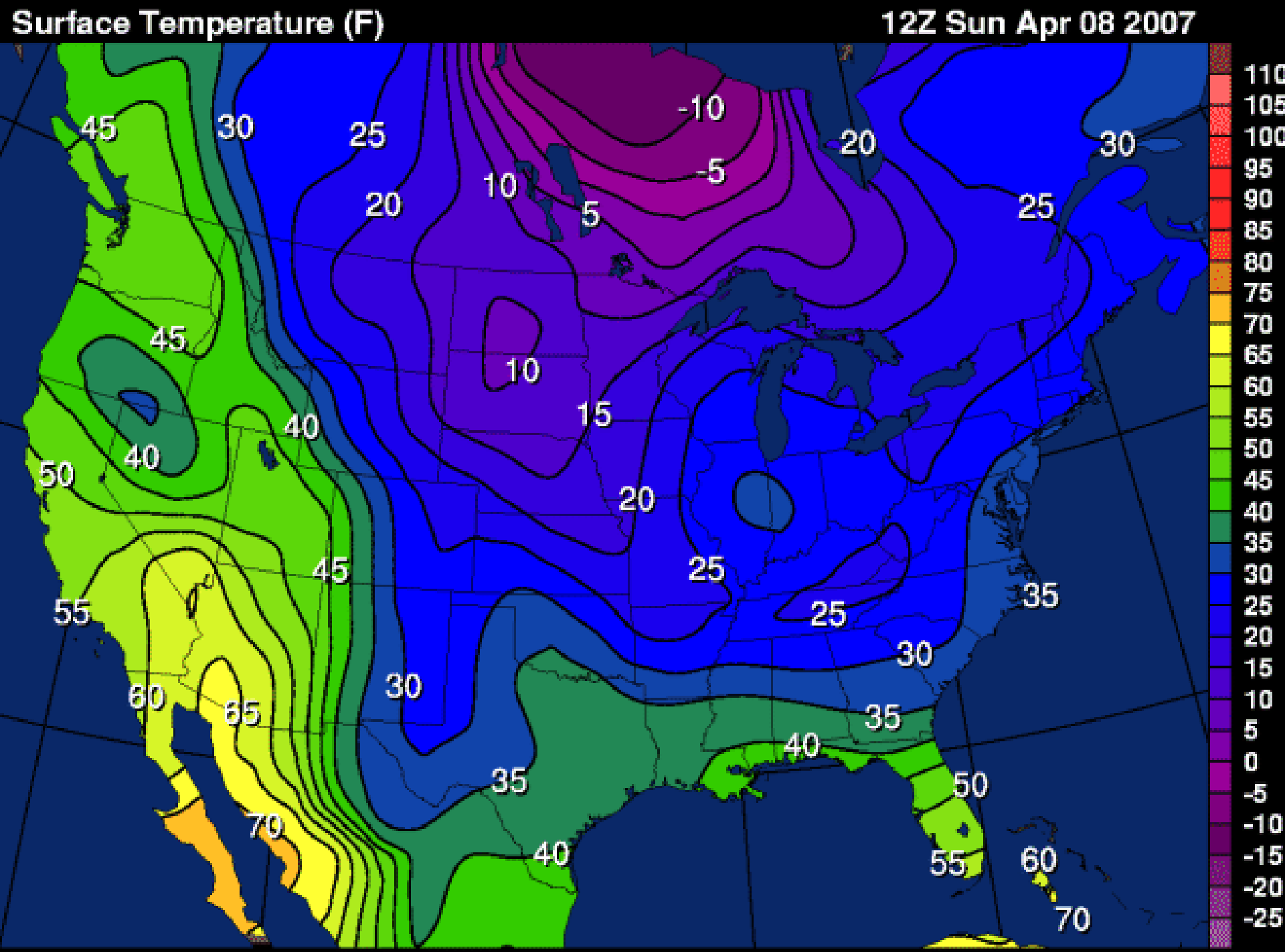
World wheat estimates



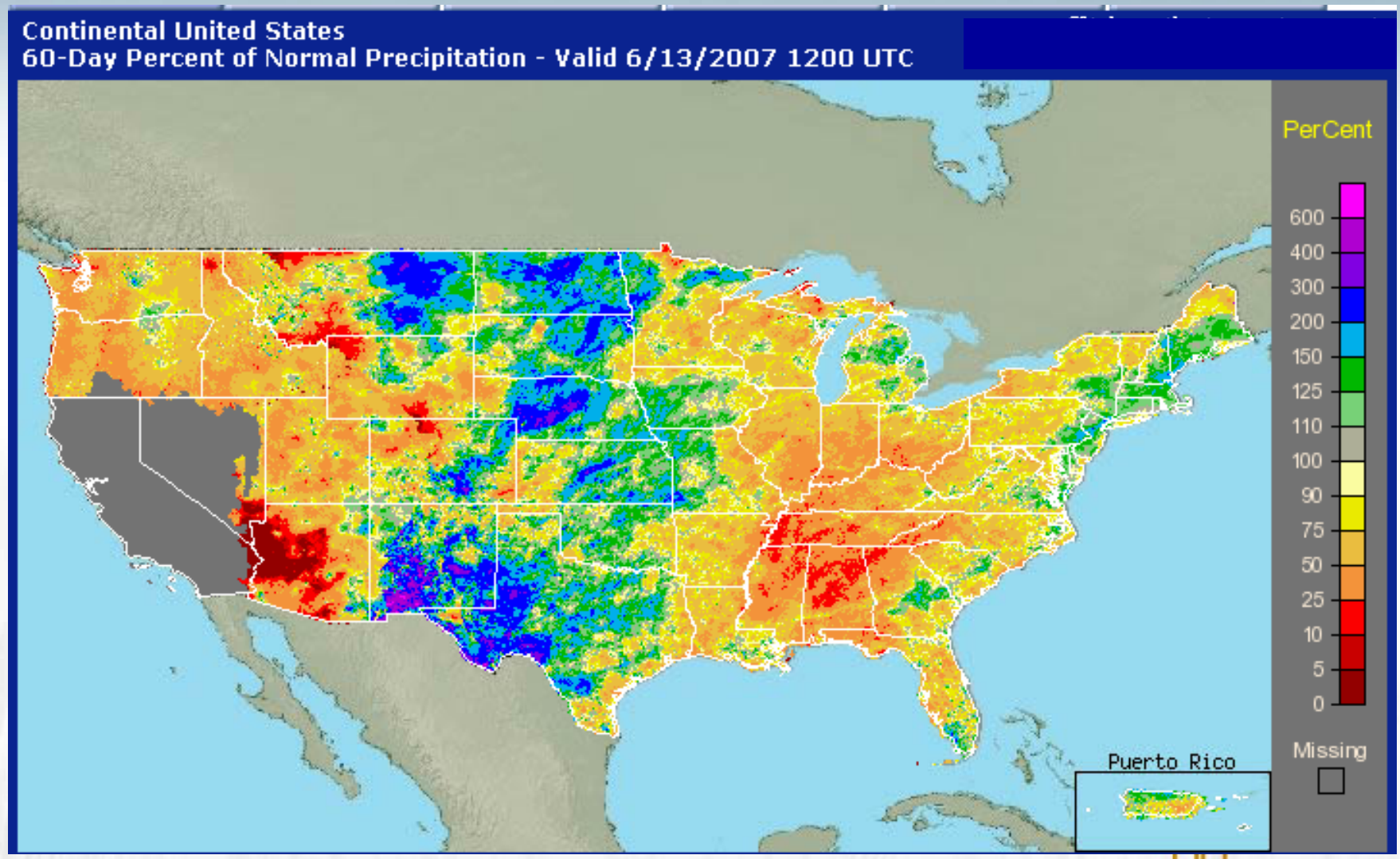
United States

- Hard Red Winter (HRW) wheat production increased over last year
- Smaller Soft Red Winter (SRW) wheat production due to freeze damage
- Spring cereals too wet in Minnesota and eastern Dakotas
- Dryness in eastern cornbelt and southeastern U.S. causing concerns for row crops

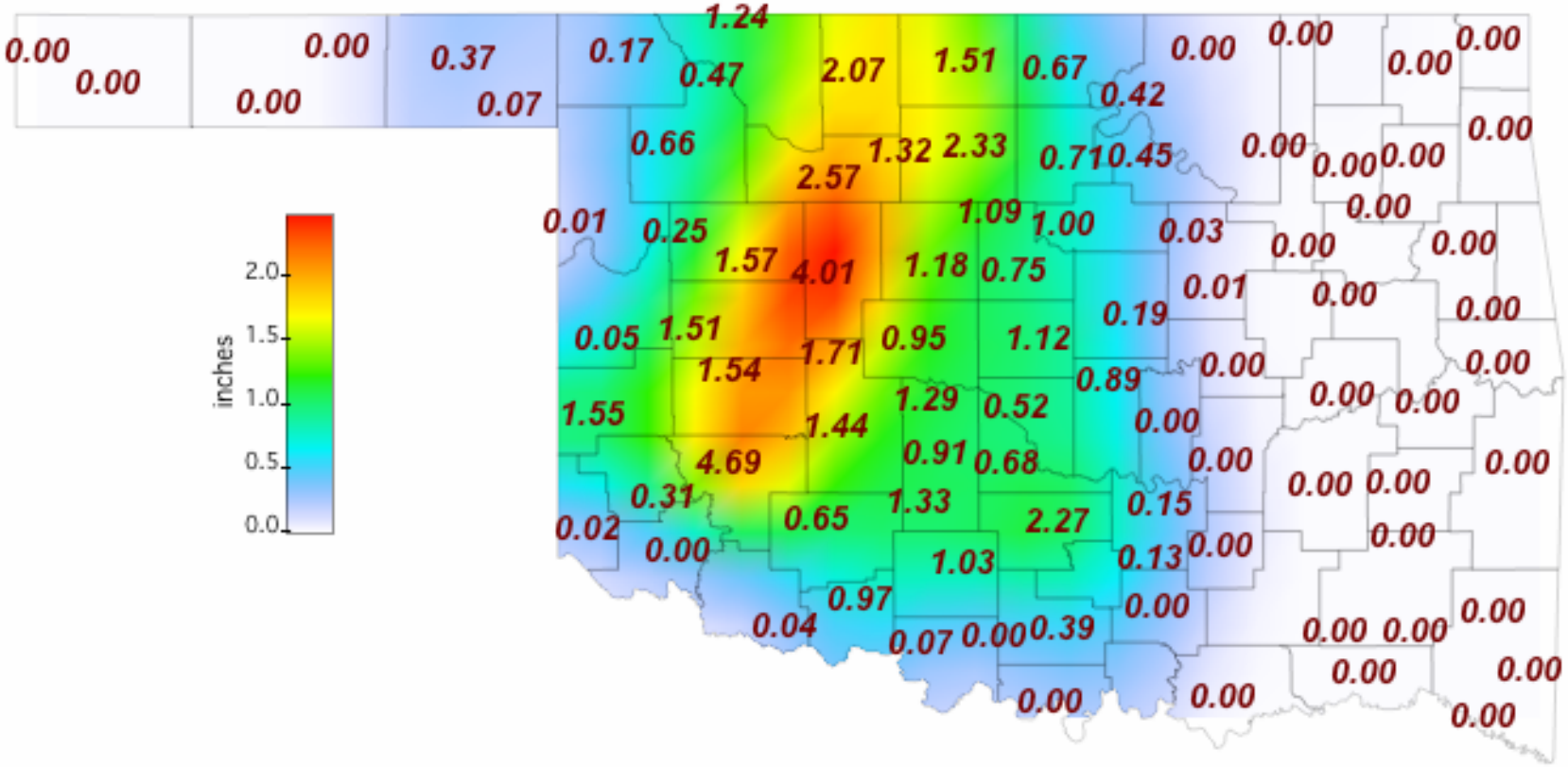

Continental United States
180-Day Percent of Normal Precipitation - Valid 4/3/2007 1200 UTC
PerCent
600
400
300
200
150
125
110
100
90
75
50
25
10
5
0
Missing
Puerto Rico


Surface Temperature (F)
12Z Sun Apr 08 2007
110
105
100
95
90
85
80
75
70
65
60
55
50
45
40
35
30
25
20
15
10
5
0
-5
-10
-15
-20
-25

US % of Normal


Continental United States
60-Day Percent of Normal Precipitation - Valid 6/13/2007 1200 UTC
PerCent
600
400
300
200
150
125
110
100
90
75
50
25
10
5
0
Missing
Puerto Rico

Oklahoma 24 Hour Precipitation



U.S. Production Projections

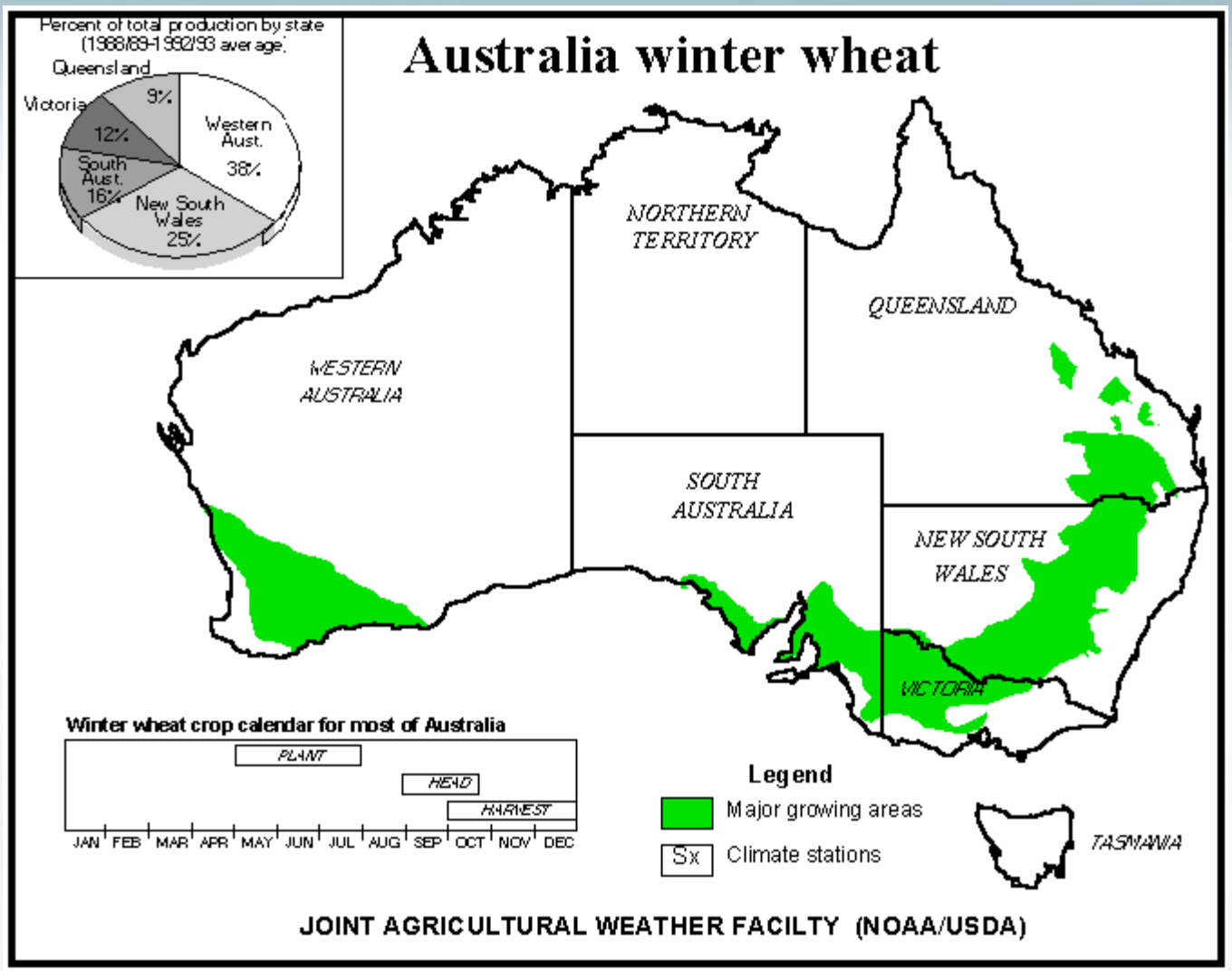
(mln bu)

	2005	2006	2007
Total Wheat	2,104	**1,812**	**2,168**
HRW	930	**682**	**1,028**
SRW	309	**390**	**347**
White Winter	235	**227**	**222**
Spring and Durum	601	**507**	**571**
Barley	212	**180**	**210**
Sorghum	384	**277**	**380**
Soybeans	3,090	**3,186**	**2,745**
Corn	11,101	**10,534**	**12,460**

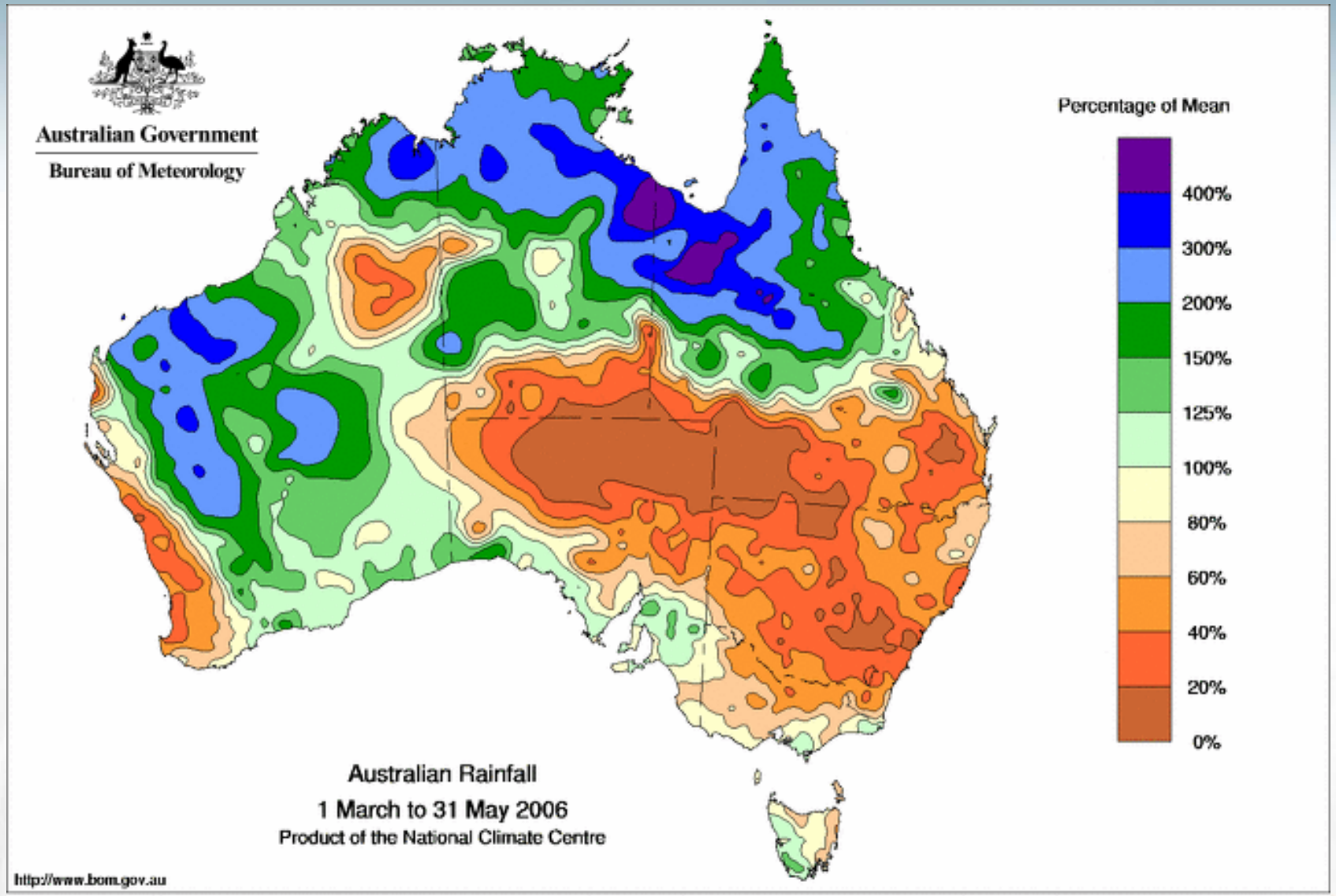
Australia

- Poor pre-planting soil moisture in West Australia
- Early planting in eastern parts of Australia due to good rains
- Recent rainfall in the eastern parts of Australia will allow farmers to plant more of the intended wheat area

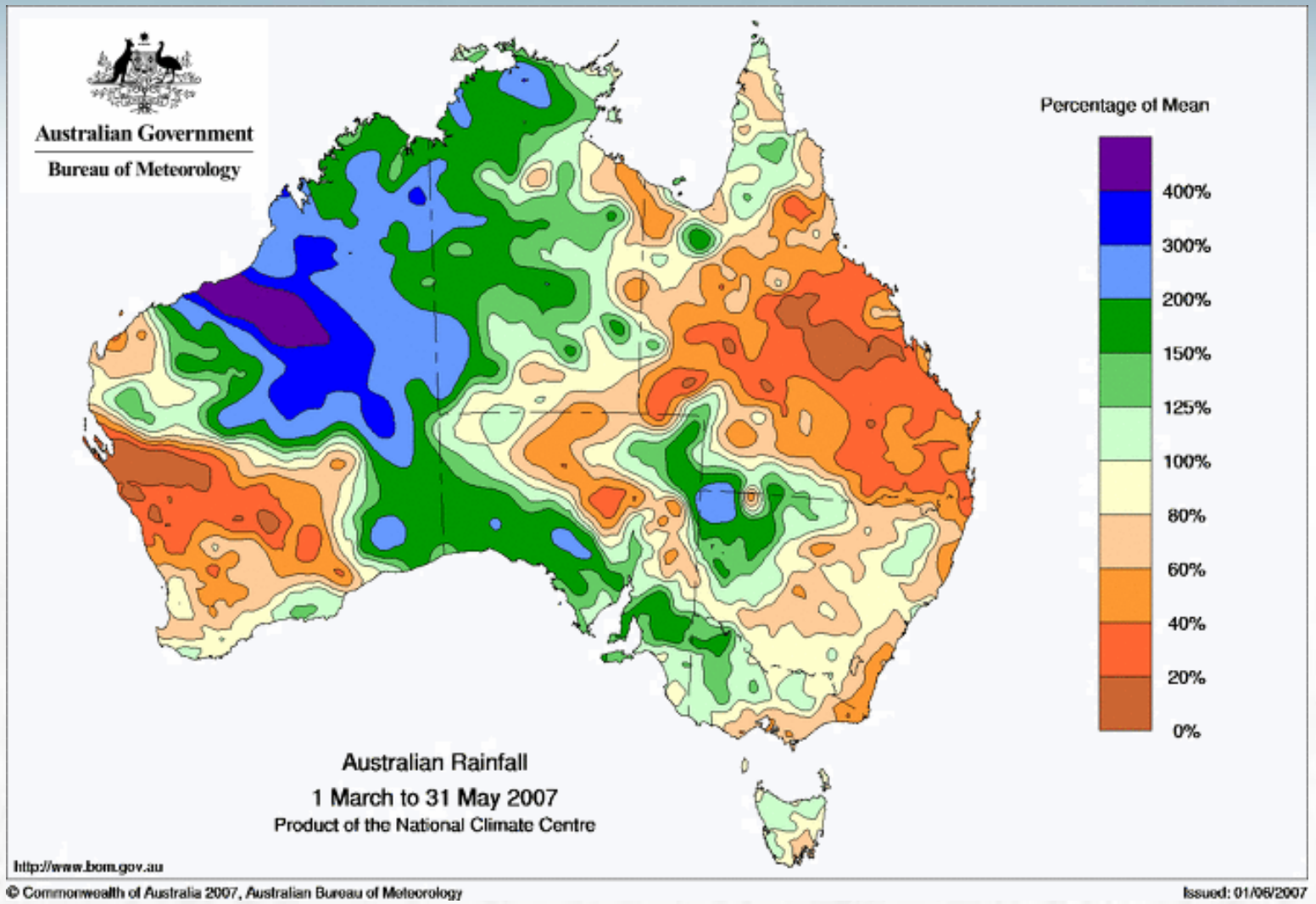
Australia

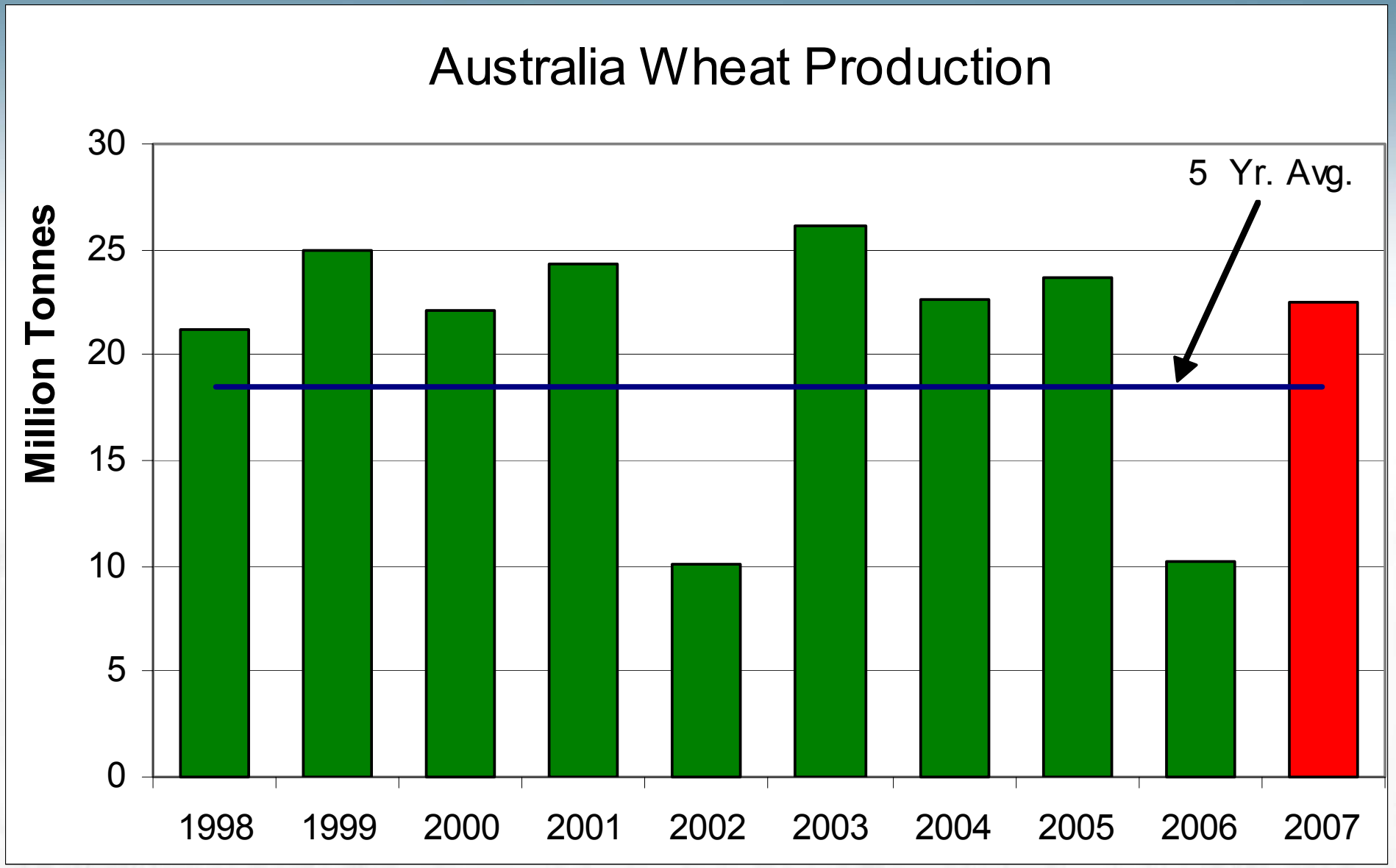

Percent of total production by state
(1988/89-1992/93 average)
Queensland
9%
Victoria
12%
Western Aust.
38%
South Aust.
16%
New South Wales
25%
Australia winter wheat
NORTHERN TERRITORY
QUEENSLAND
WESTERN AUSTRALIA
SOUTH AUSTRALIA
NEW SOUTH WALES
VICTORIA
TASMANIA
Winter wheat crop calendar for most of Australia
PLANT
HEAD
HARVEST
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC
Legend
Major growing areas
Sx
Climate stations
JOINT AGRICULTURAL WEATHER FACILTY (NOAA/USDA)

Australia


Australian Government
Bureau of Meteorology
Percentage of Mean
400%
300%
200%
150%
125%
100%
80%
60%
40%
20%
0%
Australian Rainfall
1 March to 31 May 2006
Product of the National Climate Centre
http://www.bom.gov.au

Australia

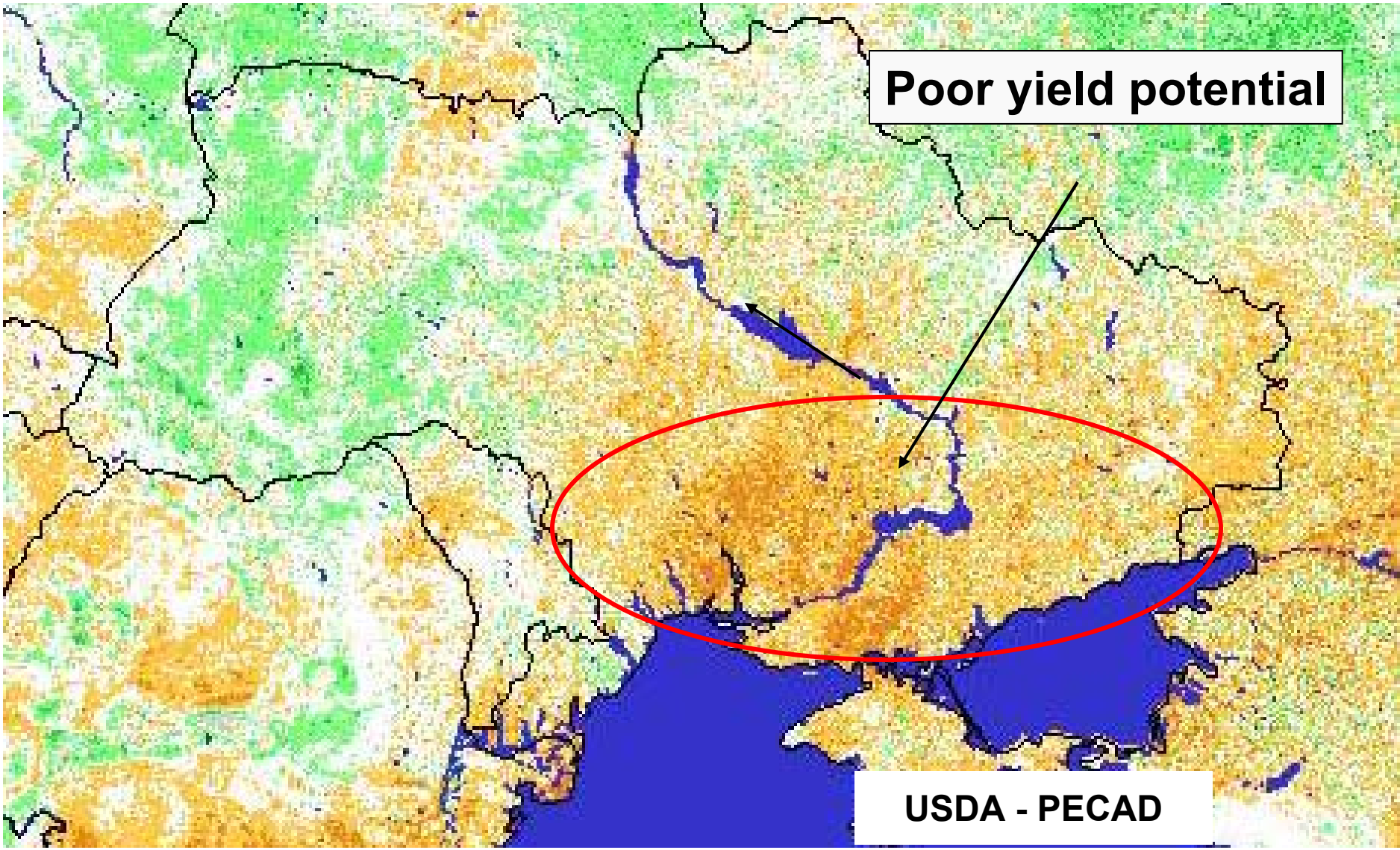

Australian Government
Bureau of Meteorology
Percentage of Mean
400%
300%
200%
150%
125%
100%
80%
60%
40%
20%
0%
Australian Rainfall
1 March to 31 May 2007
Product of the National Climate Centre
http://www.bom.gov.au
© Commonwealth of Australia 2007, Australian Bureau of Meteorology
Issued: 01/06/2007

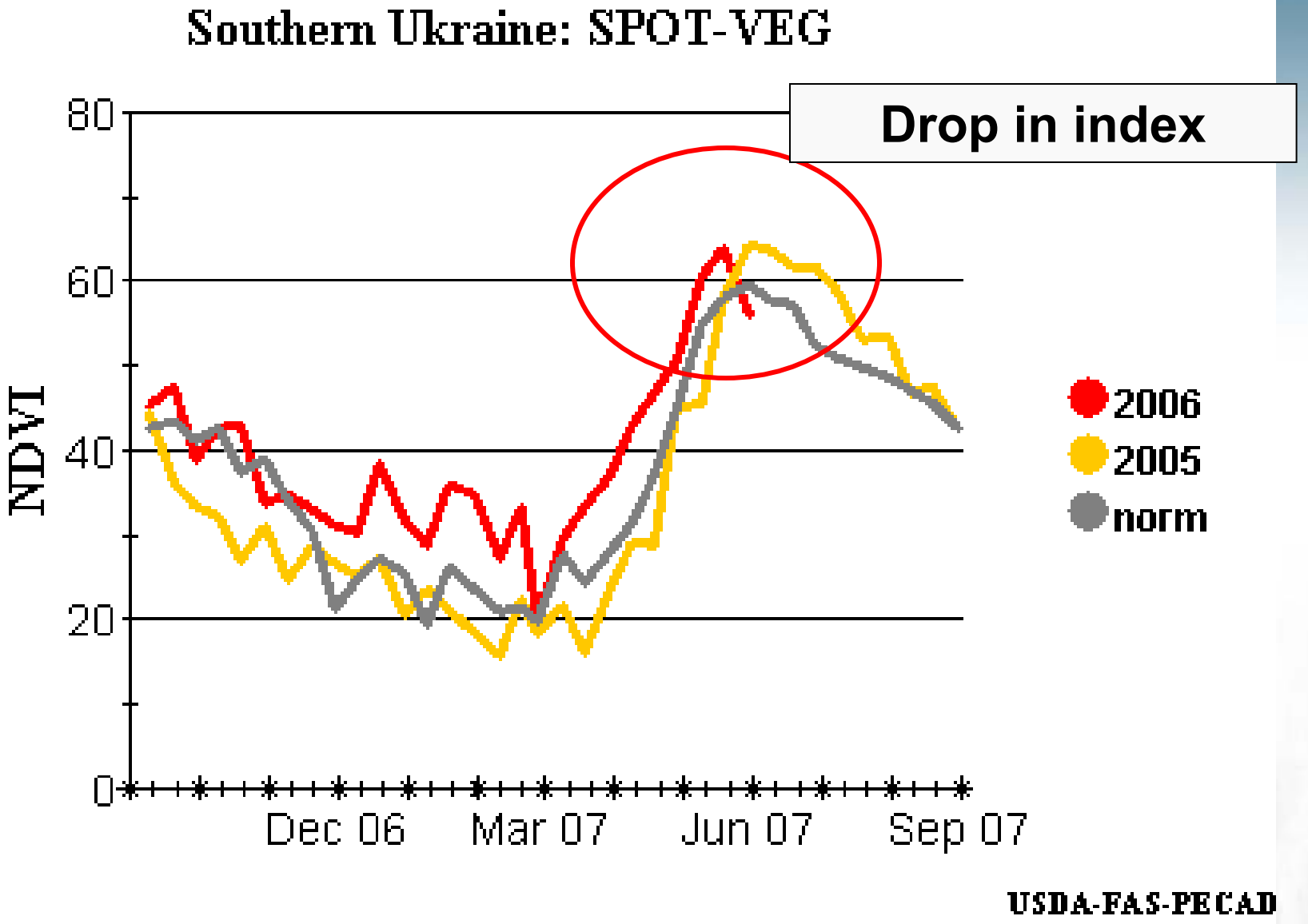

Australia Wheat Production
Million Tonnes
30
25
20
15
10
5
0
5 Yr. Avg.
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007

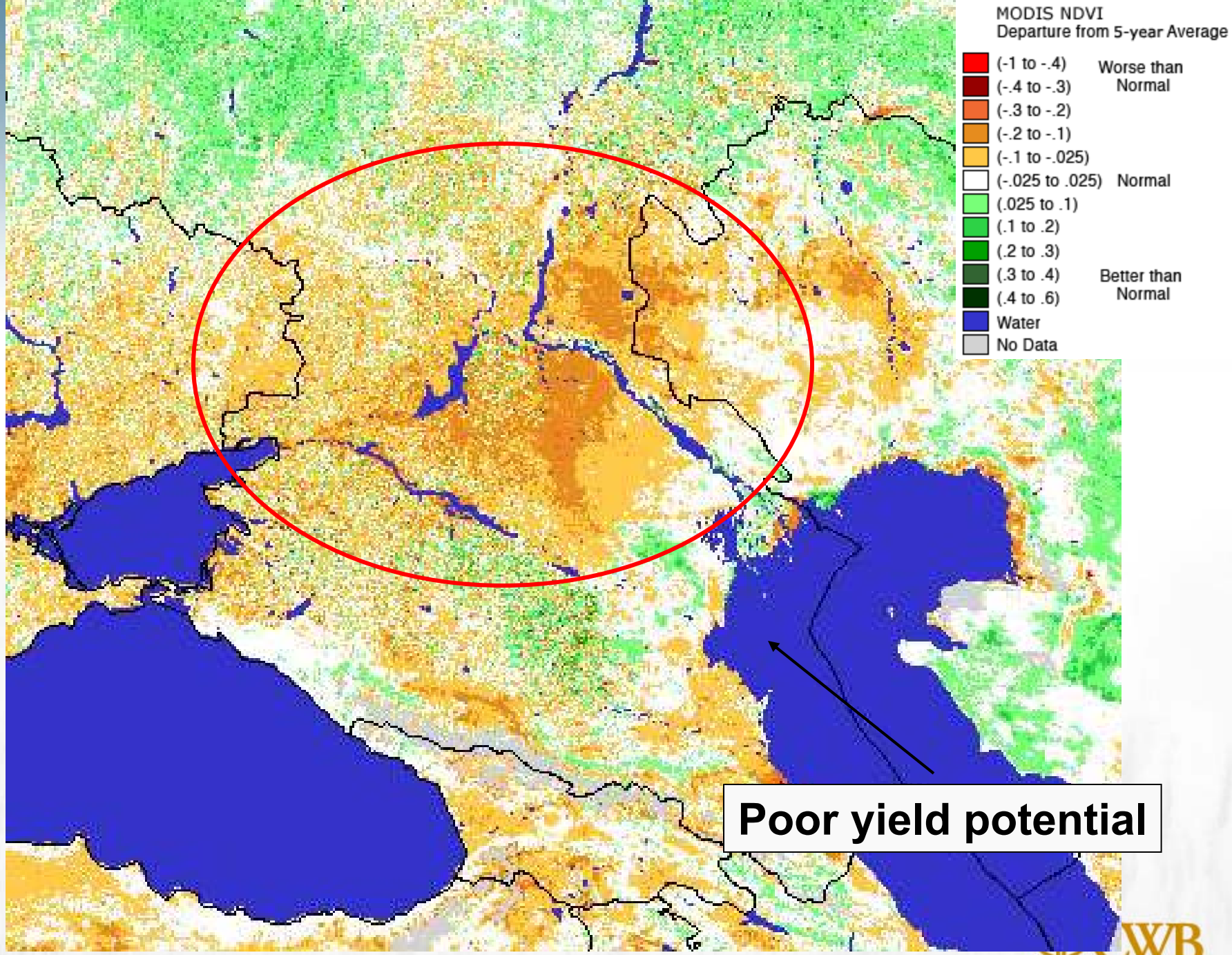
FSU-12

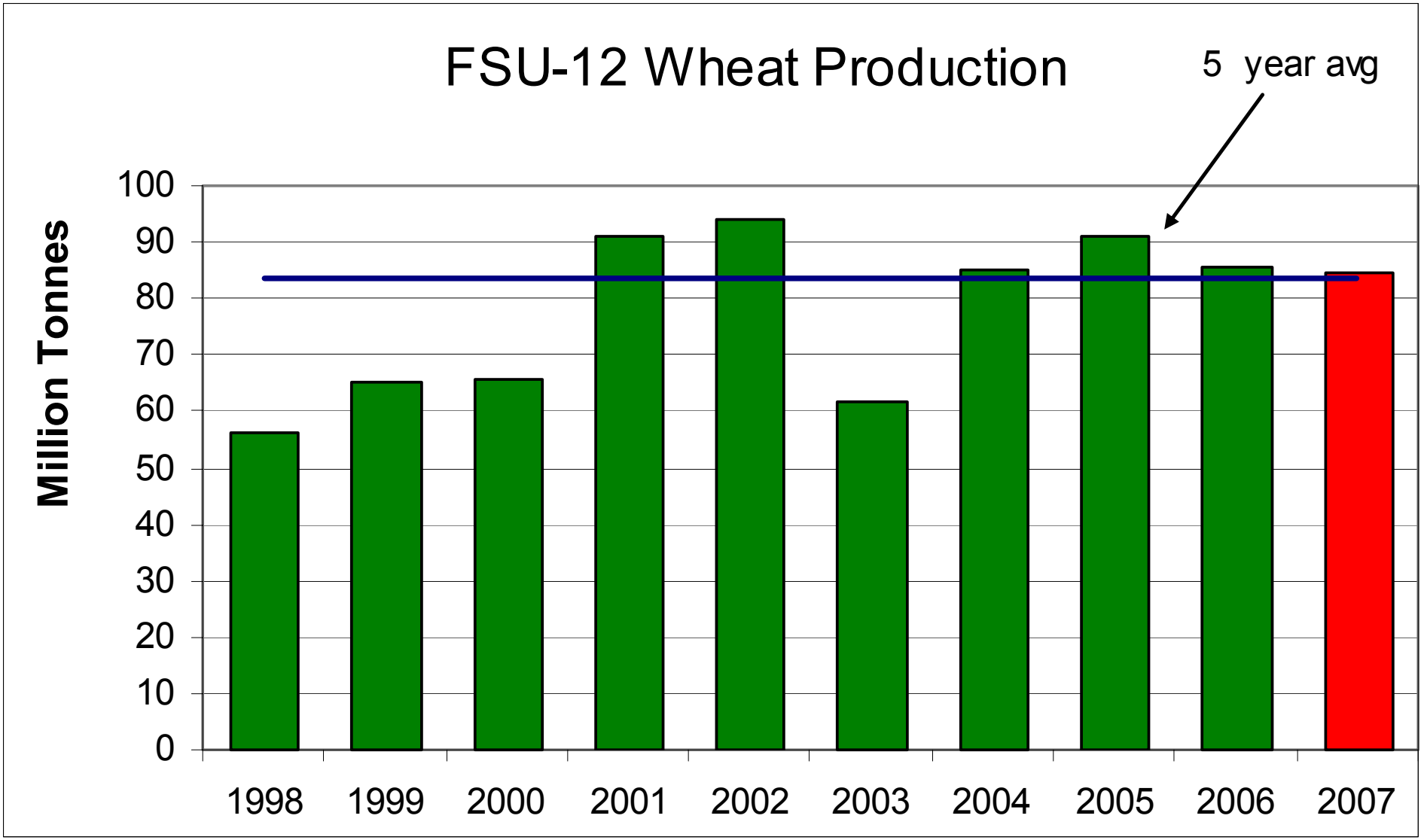
- Good establishment conditions in the fall of 2006 resulted in higher sown area than in 2005
- Mild winter conditions resulted in excellent survival rates, but increased water demand
- Dry conditions with hot daytime (30 to 40 °C) temperatures in May and early June have stressed spring cereals in Southern Russia and Ukraine
- Wet conditions in the Urals and Volga region have resulted in late planting of spring cereal crops

SPOT 1Km - vegetation health 2007 versus average




Southern Ukraine: SPOT-VEG
Drop in index
NDVI
80
60
40
20
0
Dec 06
Mar 07
Jun 07
Sep 07
2006
2005
norm
USDA-FAS-PECAD


MODIS NDVI
Departure from 5-year Average
(-1 to -.4)
(-.4 to -.3)
(-.3 to -.2)
(-.2 to -.1)
(-.1 to -.025)
(-.025 to .025)
(.025 to .1)
(.1 to .2)
(.2 to .3)
(.3 to .4)
(.4 to .6)
Water
No Data
Worse than Normal
Normal
Better than Normal
Poor yield potential


FSU-12 Wheat Production
5 year avg
Million Tonnes
100
90
80
70
60
50
40
30
20
10
0
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007

Source: USDA

The End

CWB

Prairie strong, worldwide