

WORLD SOIL MOISTURE SITUATION

October 12, 2007

The larger “dryness problem” areas of the world include northern Brazil and Australia where the lack of moisture is continuing to pose problems. Brazil needs rain to plant spring crops and to support coffee flowering. Sugarcane must also have greater rain to begin developing more normally.

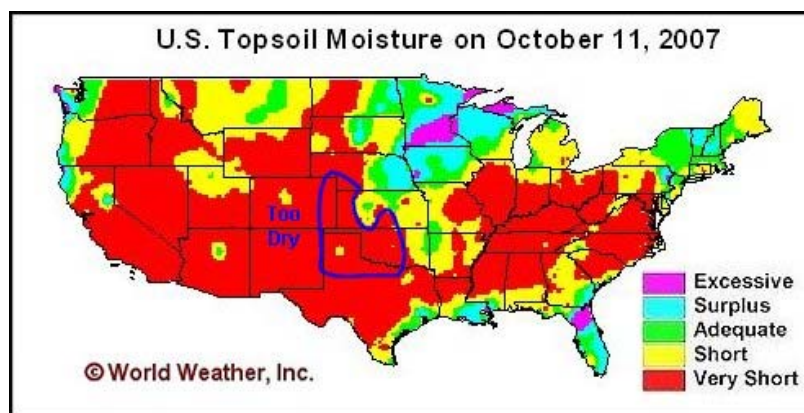
Australia’s dryness is more widespread than in other nation’s of the world with significant losses in winter grain and oilseed production resulting for the second year in a row. Dryness could threaten sorghum and cotton planting if it is not relieved soon.

Other areas in the world being closely monitored because of dryness include; Turkey, Krasnodar and the Northeast Caucasus region of Russia where autumn rainfall has been a little too limited for winter crop planting. West-central and southern U.S. hard red wheat areas are also being closely monitored for dryness as are western parts of South Africa and a few central China wheat production areas.

Moisture surpluses are a problem in Southeast Asia, the northwestern U.S. Corn Belt, a few locations in China and far southern Brazil.

The following pages will show these weather anomalies along with others in greater detail.

UNITED STATES SOIL MOISTURE



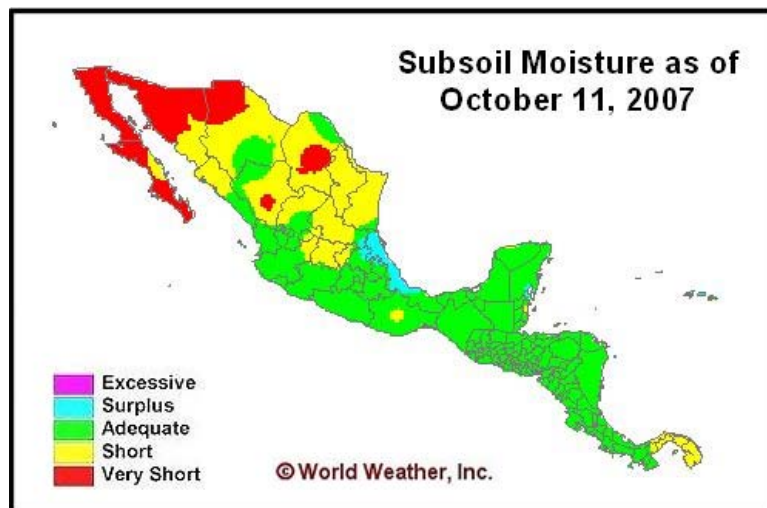
Dryness has been an increasing concern for western and southern parts of hard red wheat country in the U.S. Plains. The driest areas are in eastern Colorado, far western Kansas, south-central Kansas, central and western Oklahoma, and parts of the Texas Panhandle. Limited rainfall and unusually warm temperatures over the past several weeks has left the topsoil rated very short of moisture. These areas need rain to improve plant establishment before winter dormancy sets in. Some

rain fell in the Texas Panhandle Wednesday and Thursday of this week and additional rain will fall across some of these drier areas this weekend and early next week.

Meanwhile, wet weather in the northwestern U.S. Corn Belt has created some delay in summer crop harvest progress and the area needs to dry out. Eastern Corn Belt harvesting is advancing more favorably. More rain is likely to fall next week throughout the Corn Belt extending harvest delays.

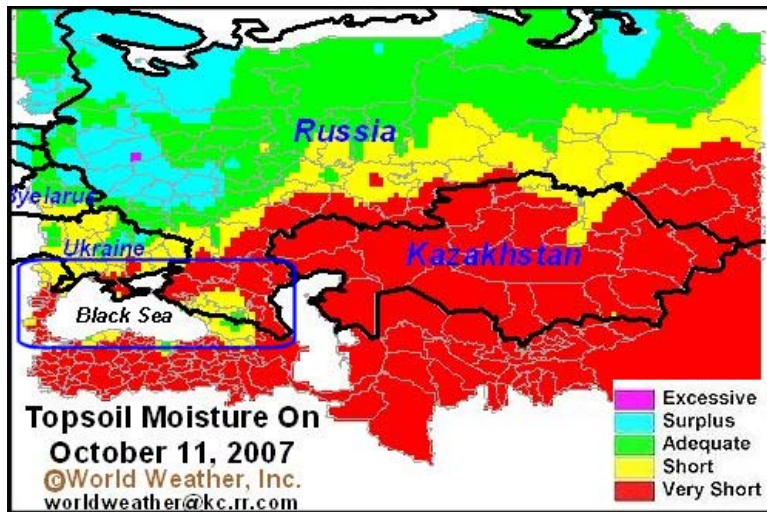
West Texas cotton production areas need to see warm and dry conditions continue in order to support the best environment for maturation. Development is two to three weeks behind normal due to a cool, wet, summer. Mostly dry and warm conditions are expected to dominate the next two weeks.

MEXICO SOIL MOISTURE



No major concerns are present at this time in Mexico. Corn and sorghum crops are filling and maturing in southwestern regions but have adequate subsoil moisture to support favorable crop development. Northwestern Mexico needs to see warm and dry weather continue to support cotton harvesting. No precipitation is expected to impact cotton harvesting for the next two weeks, but showers will continue in sorghum and corn country.

CIS SOIL MOISTURE

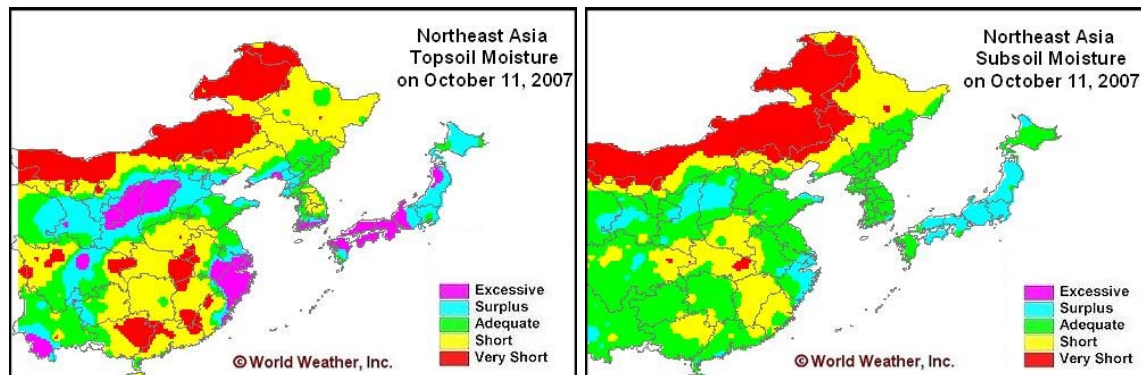


Rain is needed between the Black and Caspian Seas to induce better wheat and rye establishment before colder weather sets in. Southern Ukraine and Moldova have seen some rain in recent weeks which has led to improved winter crop establishment, but additional rain is needed and “some” should occur over the coming week. Turkey also needs a big boost in precipitation for wheat planting.

Winter crops in northwestern Russia, northern Ukraine and Baltic States were planted in a timely manner and are in favorable condition.

Areas immediately surrounding the Black Sea will see some dryness relief over the next two weeks as periods of rain evolve.

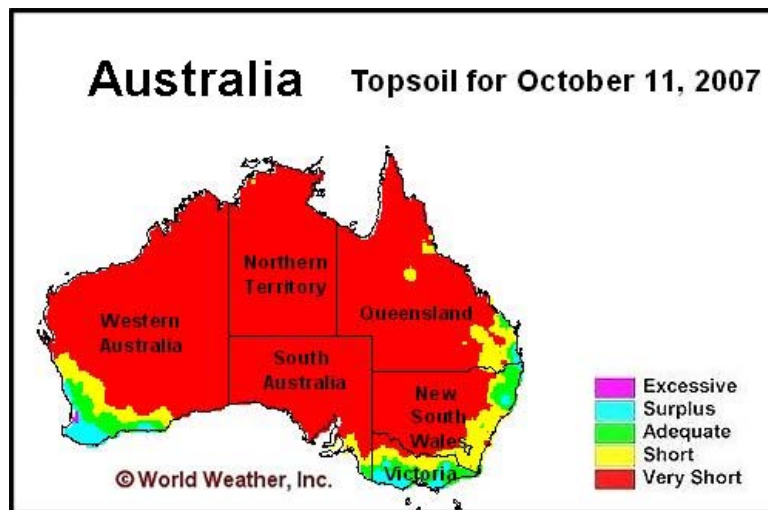
CHINA SOIL MOISTURE



The Yellow River Basin and Zhejiang are too wet and need to dry out so that planting of winter wheat and harvesting of rice and cotton can resume. Drier weather is expected in both of these areas during the next seven days. Hubei and Henan (in the Yangtze River Basin) have trended drier and need to see more rain for a better planting environment for winter wheat. These areas along with the rest of the Yangtze River Basin will likely see rain over the next two weeks. Overall, the

winter crop has good soil moisture for future crop development. Harvest conditions have been excellent in soybean and sugarbeet crop areas of Northeast China, and will continue for the most part over the next two weeks outside of a few light showers.

AUSTRALIA SOIL MOISTURE

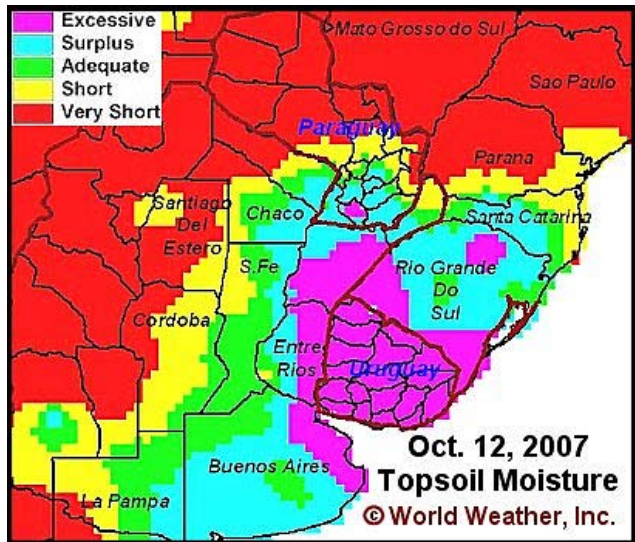


Dryness has been an ongoing concern for northern wheat, barley and canola production areas in Australia the past few weeks. These crops are now maturing with some harvesting under way making the need for rain minimal. Southern winter crops are not nearly as far advanced and would still benefit greatly from rainfall.

Victoria and southern parts of Western Australia have adequate to surplus topsoil moisture while areas of South Australia are still running very short of the necessary moisture to sustain crop development. No relief from dryness is expected in South Australia over the next seven days.

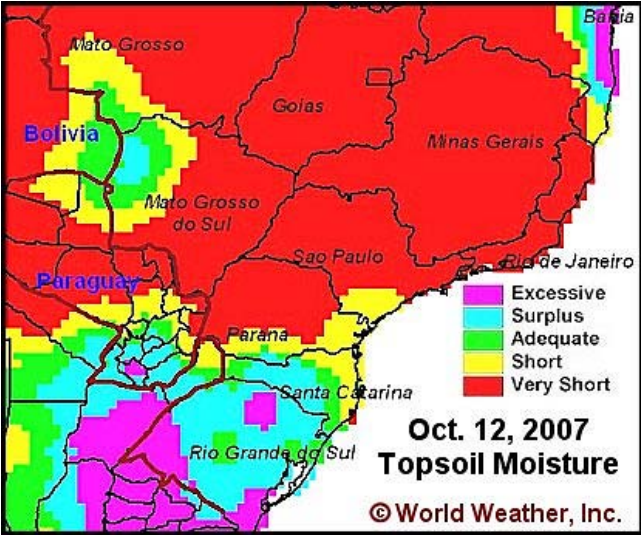
Recent rainfall has slightly improved topsoil conditions for the planting of sorghum and cotton in southeastern Queensland. Additional rain must fall to meet crop planting and establishment needs.

ARGENTINA SOIL MOISTURE



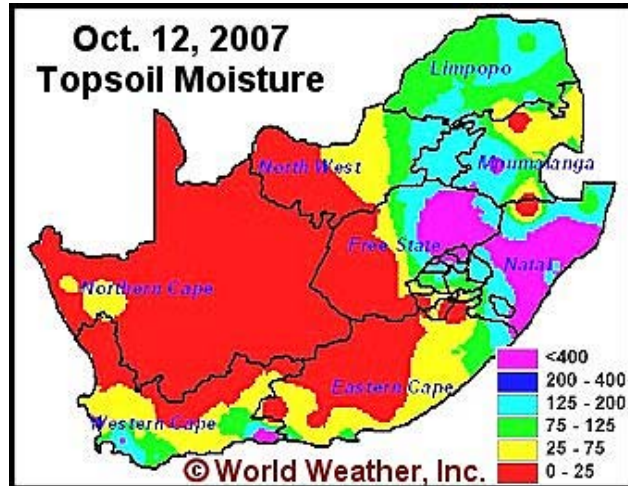
Winter wheat is produced in many areas in the nation, but it is most concentrated on Buenos Aires. The latest soil assessment has conditions nearly ideal for new crop development. Moisture elsewhere in the nation is good for corn and sunseed planting, although soil temperatures are little cool for quick seed germination and emergence in southern parts of the nation. A boost in rainfall in northwestern crop areas and warmer temperatures for the entire nation would be welcome.

BRAZIL SOIL MOISTURE



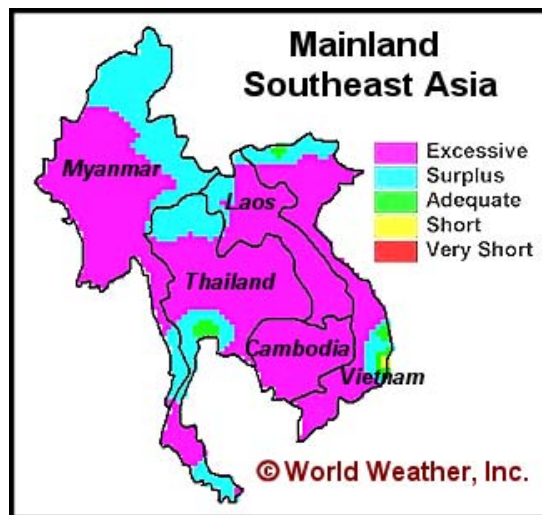
Northern Brazil remains too dry. Corn and soybean planting delays will continue until significant rain falls. Recent thunderstorms in northwestern Mato Grosso do Sul increased topsoil moisture and were foreshadowing changes in soil moisture that will occur this weekend and early next week as rain develops in center west crop areas. Goias, Minas Gerais and Bahia will remain dry. Far southern Brazil may experience some flooding as additional rain falls over saturated soil.

SOUTH AFRICA SOIL MOISTURE



Western portions of South Africa are too dry for winter wheat which should be reproducing and filling. The crop has not had adequate soil moisture this season and yields may move lower. Eastern parts of the nation have seen much better rainfall this month favoring winter wheat development and supporting early corn planting. The outlook remains favorable for fieldwork with restricted rainfall in the coming week and greater rain in eastern areas next week. Dryness in western parts of the nation may not go away for a while.

SOUTHEAST ASIA SOIL MOISTURE



Torrential rain has fallen in the past two weeks from Vietnam into Thailand. Rice may be threatened by flooding. Confirmation of some damage has already been made in Vietnam and the same may come from Laos and at least northeastern Thailand. Rain will continue in the coming week, but should decrease After Oct. 20.