

Crop Production Days CWB Outlook

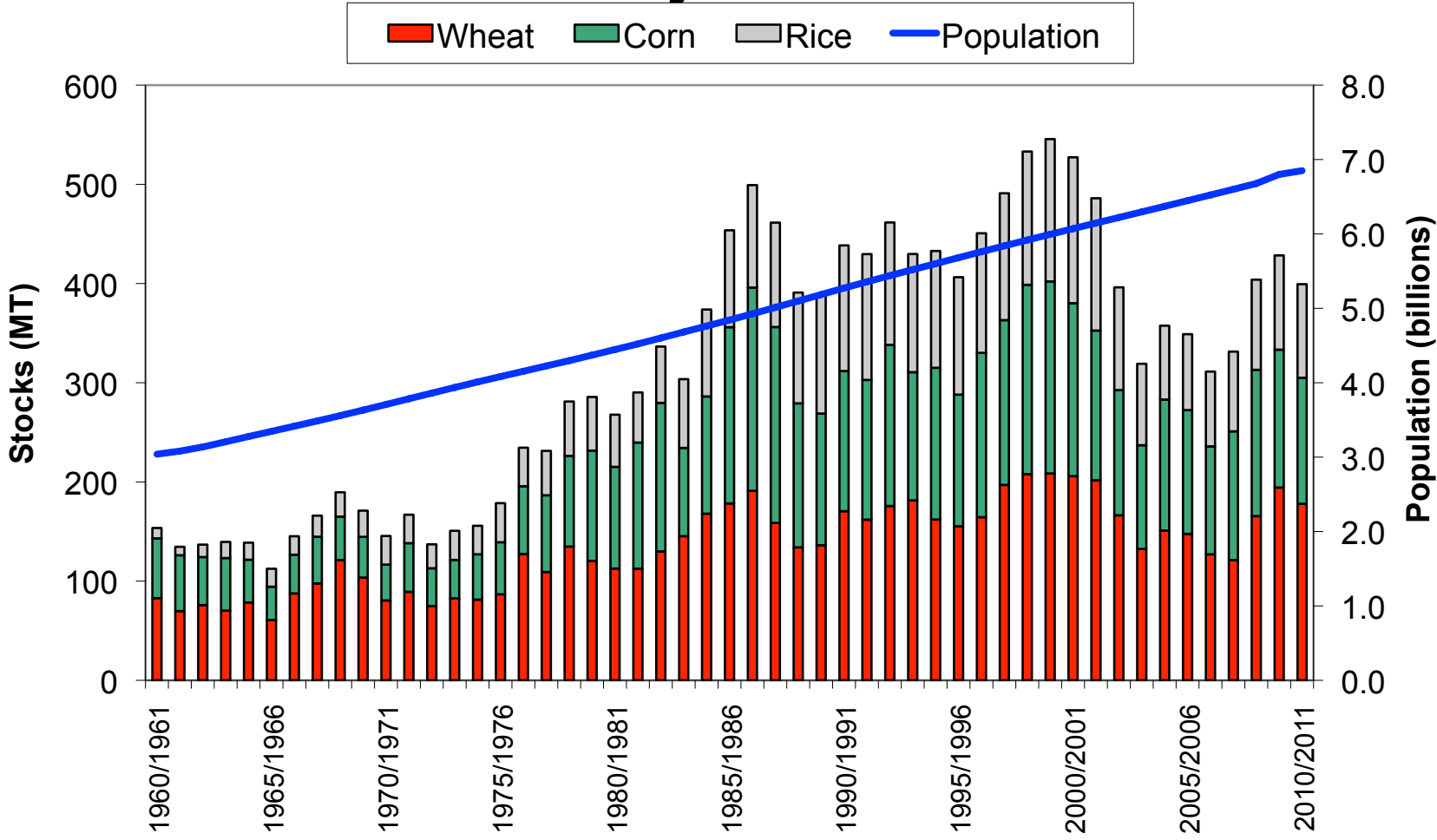
January 14, 2010



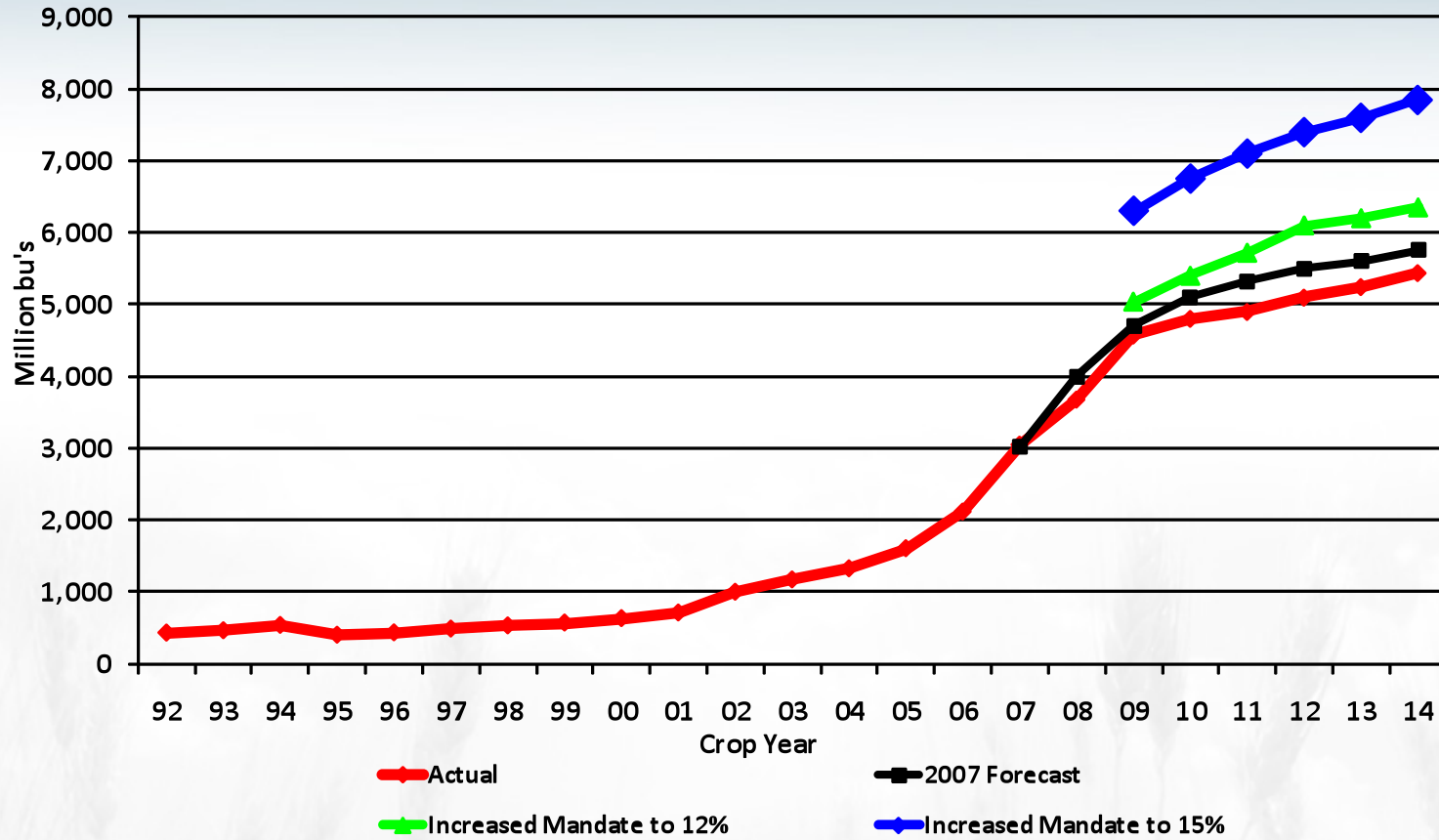
Outlook

- Supply outlook of corn, soybeans and wheat for 2011 will be critical for driving prices in the next 12- 18 months
- Wheat has the most comfortable stocks of the three commodities
- Corn supplies are extremely tight and will form a very strong base for the markets in the coming year.
- Strong demand and competition from corn will keep oilseed prices strong

World Ending Stocks Major Grains



U.S. corn for ethanol



U.S. Corn Carry Out Grid (2010/11)

Carry in	1708	USDA Carry-in, demand				yield (bushels/acre)/Acres (millions of acres)						
Demand	13430											
Acres\Yld	150	151	152	153	154	155	156	157	158	159	160	
84	-110	-33	45	122	199	276	354	431	508	586	663	
85	28	106	184	263	341	419	497	575	654	732	810	
86	166	245	324	403	482	562	641	720	799	878	957	
87	304	384	464	544	624	704	784	864	944	1,024	1,104	
88	442	523	604	685	766	847	928	1,009	1,090	1,171	1,252	
89	580	662	744	826	908	989	1,071	1,153	1,235	1,317	1,399	
90	718	801	884	966	1,049	1,132	1,215	1,298	1,380	1,463	1,546	
91	856	940	1,023	1,107	1,191	1,275	1,358	1,442	1,526	1,609	1,693	
92	994	1,079	1,163	1,248	1,333	1,417	1,502	1,586	1,671	1,756	1,840	
93	1,132	1,218	1,303	1,389	1,474	1,560	1,645	1,731	1,816	1,902	1,988	
94	1,270	1,356	1,443	1,529	1,616	1,702	1,789	1,875	1,962	2,048	2,135	

5 Source: USDA



U.S. corn carryout and days of use

U.S. Corn supply/disposition

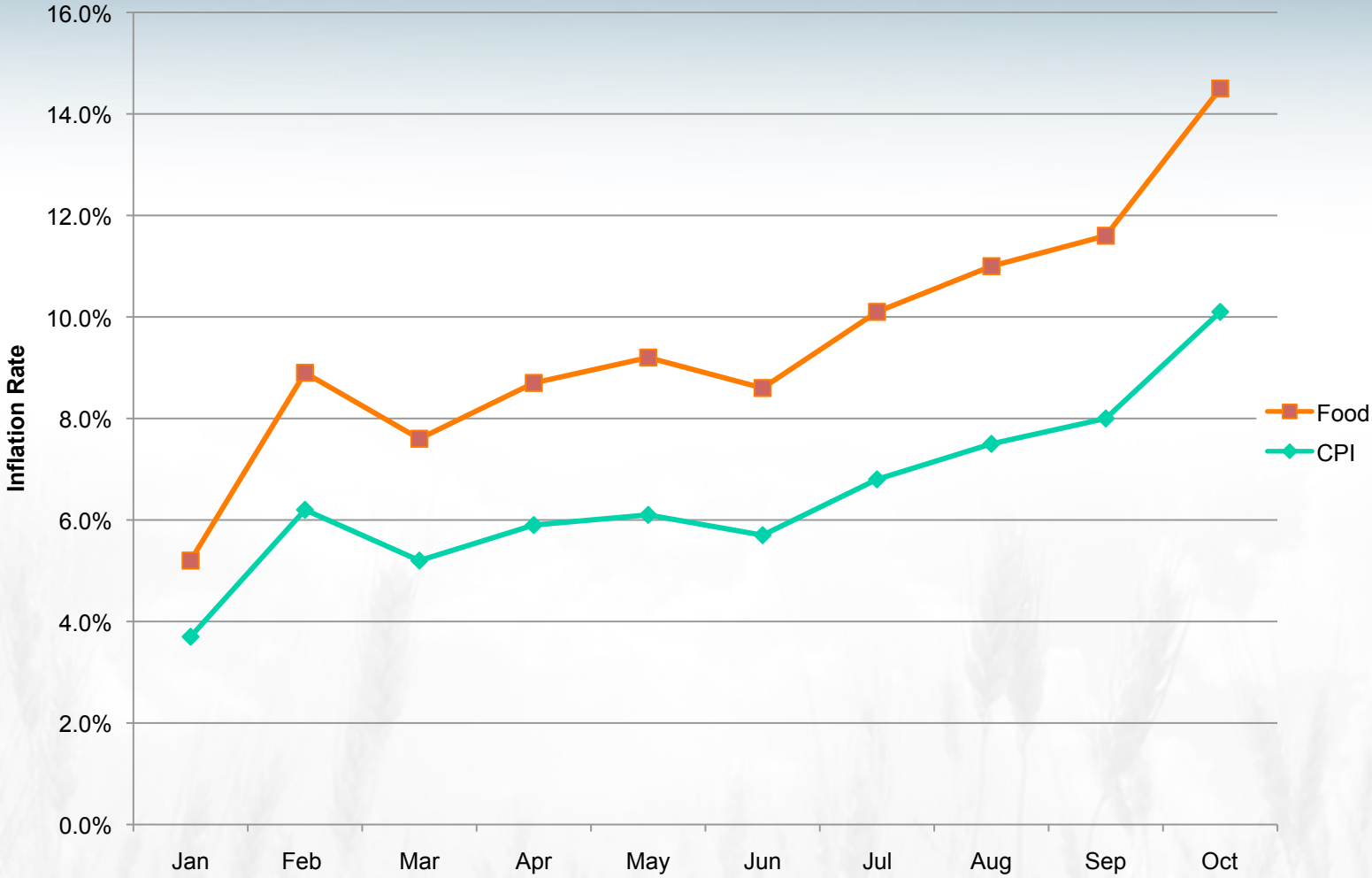
(Sept/August) in Million Bushels

	2007-08	2008-09	2009-10	2010-11	2011-12F
Area Mac (harvested)	86.5	78.6	79.6	81.4	83.0
Carry-in	1,304	1,624	1,680	1,711	745
Production	13,038	12,092	13,110	12,447	13,570
Total Supply	14,361	13,729	14,798	14,175	14,323
Domestic Use	10,300	10,198	11,102	11,505	11,682
Exports	2,437	1,850	1,985	1,925	1,850
Carry-out	1,624	1,680	1,711	745	791

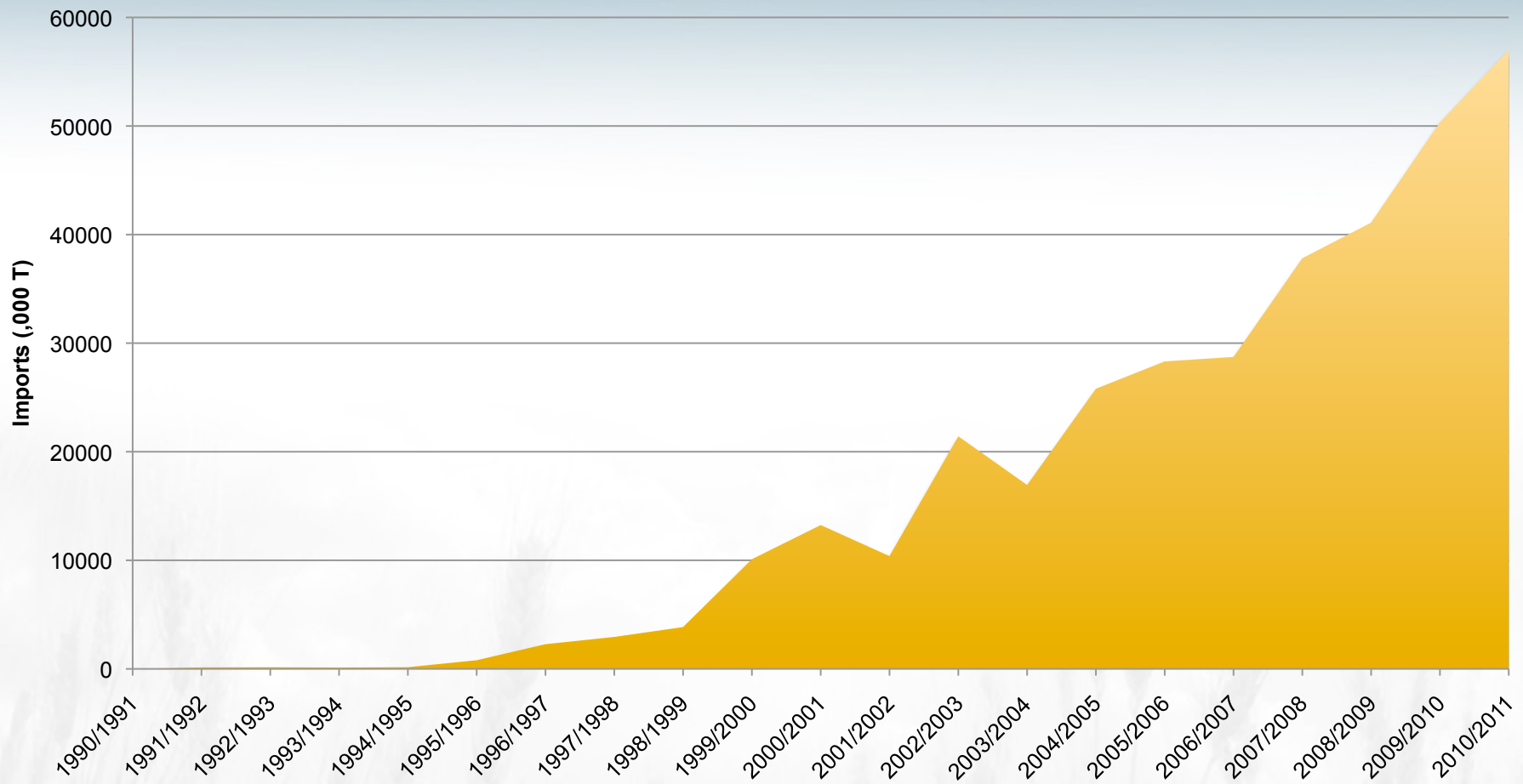
Source: USDA/CWB



Chinese Inflation Rate



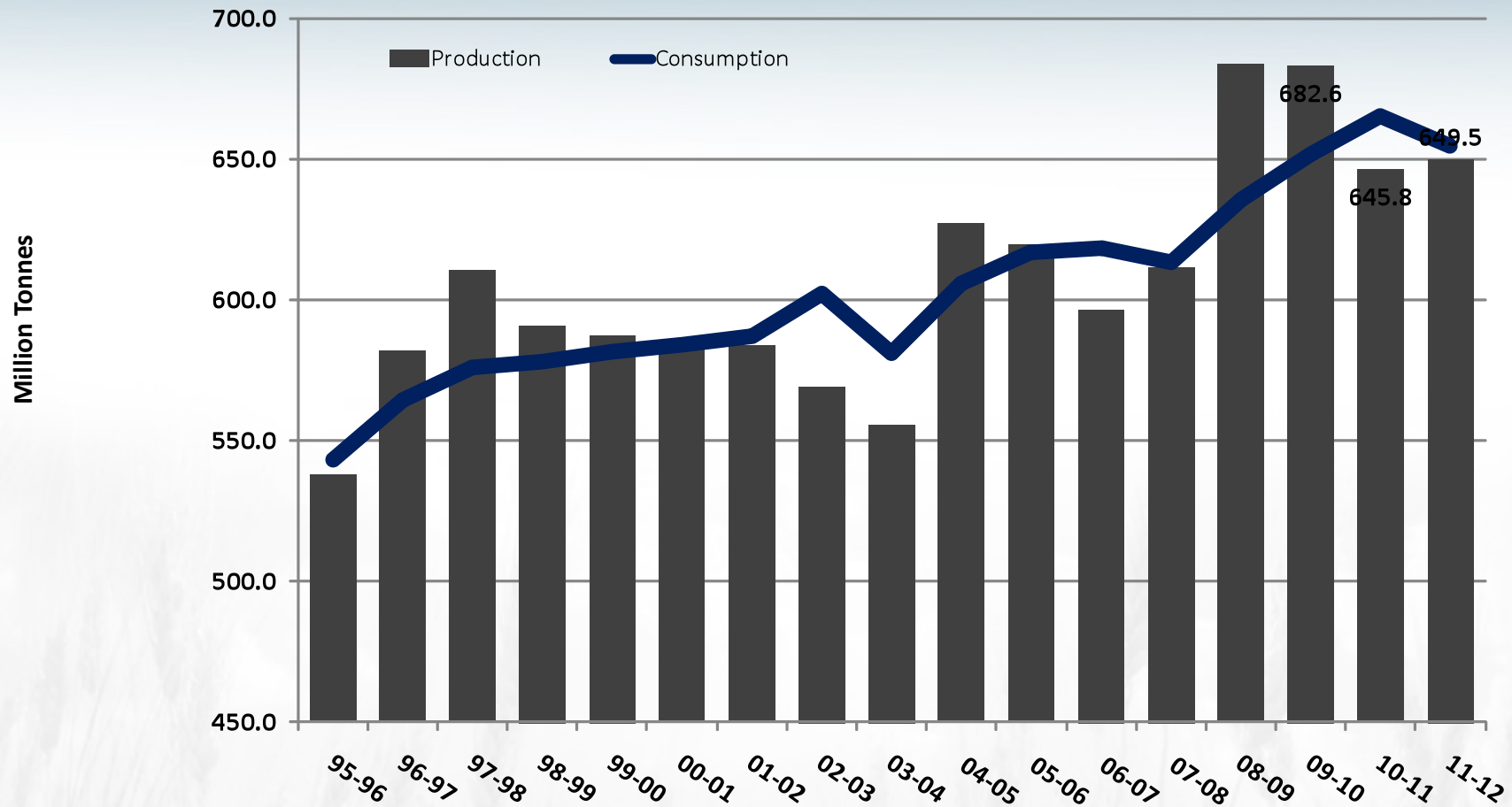
Chinese Soybean Imports



Wheat Outlook

- Prices are expected to strengthen over the next 2-3 months as market adjusts to tightening fundamentals
- Global production expected to be only slightly higher than in 2010
- Stocks are expected to tighten but will remain above levels that occurred three years ago levels

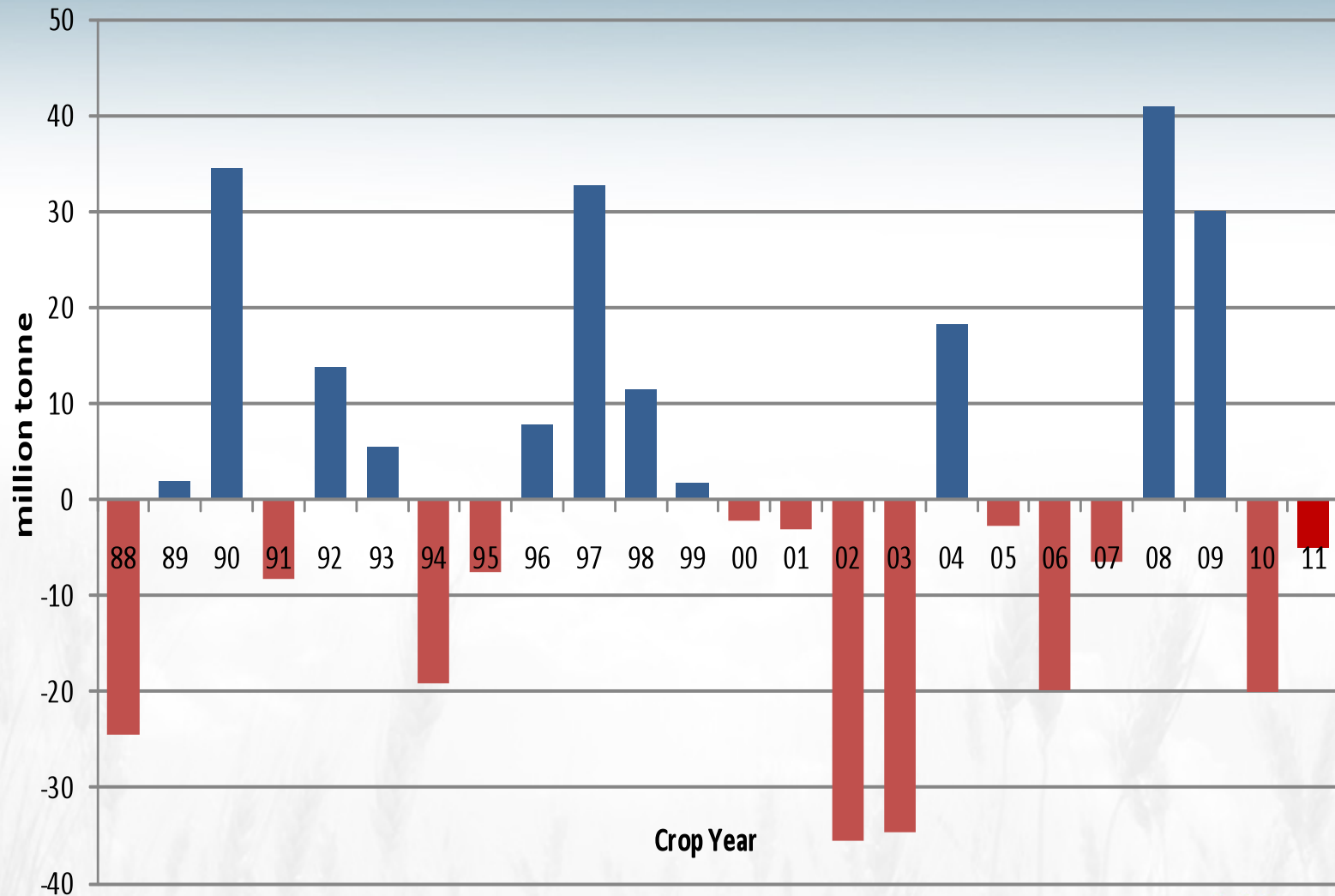
World Wheat Production + Consumption



Source: USDA, 2010 CWB



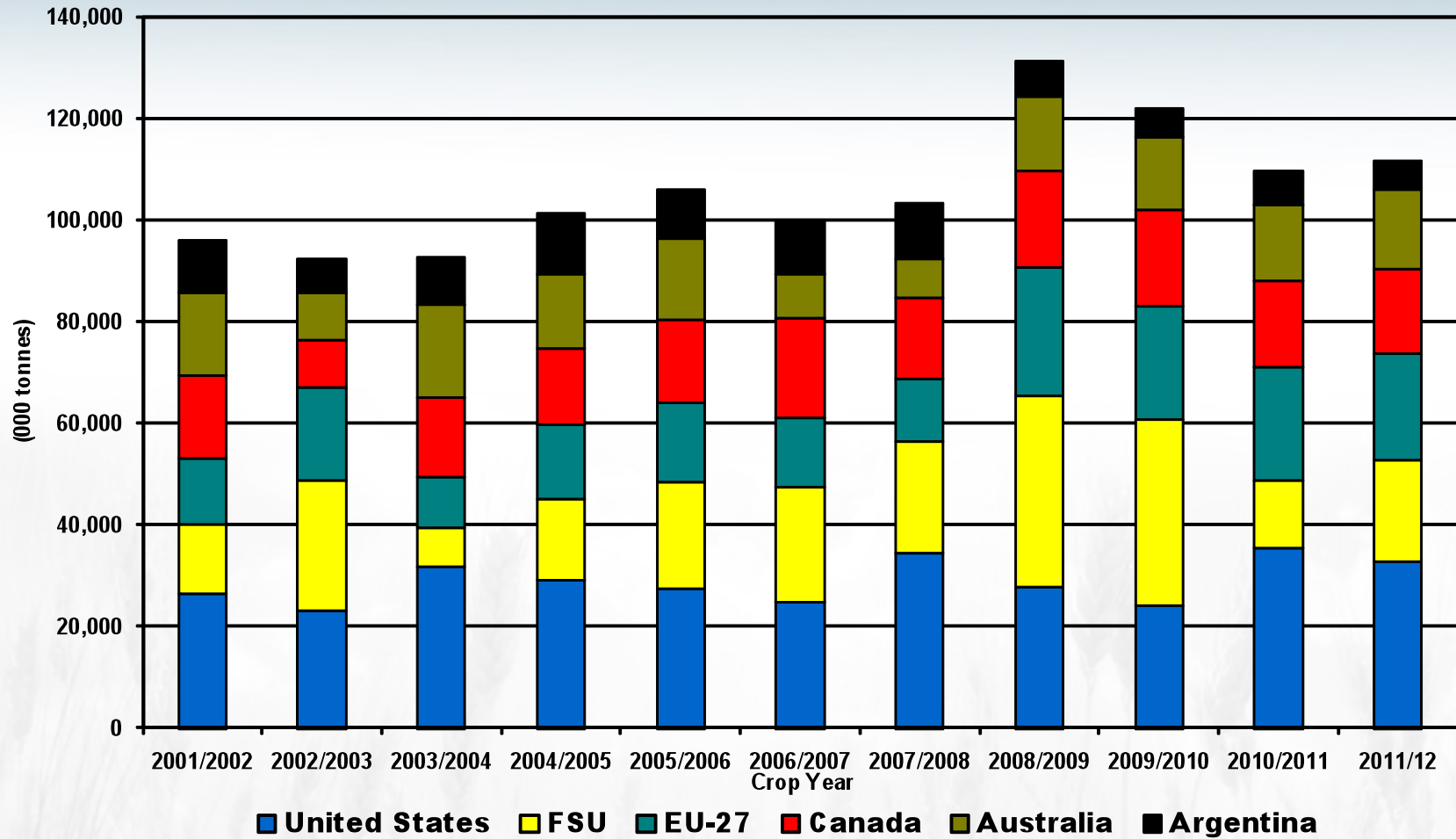
World Wheat Stocks– Year on year change



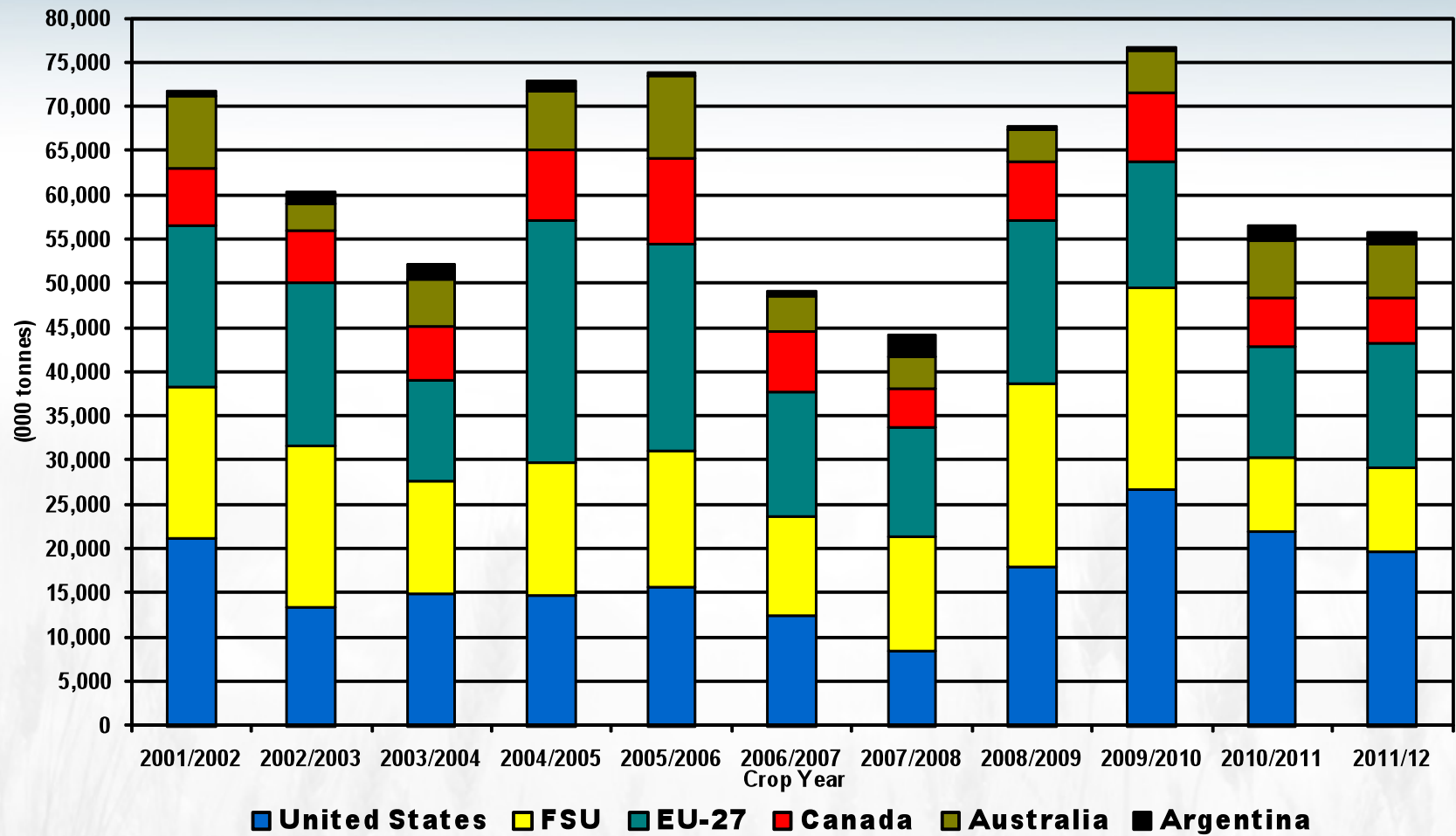
Source: USDA



World Wheat Exports By Country: FSU Ebb and Flow



World Wheat Ending Stocks By Country: Major Exporters



U.S. Wheat supply/disposition

(Jun-May) in Million Bushels

	2007-08	2008-09	2009-10	2010-11	2011-12F
<i>Area Mac</i>	51.0	55.7	49.9	47.7	55.2
Carry-in	456	306	657	976	803
Production	2,051	2,499	2,218	2,220	2,166
Total Supply	2,620	2,932	2,993	3,291	3,075
Domestic Use	1,050	1,260	1,137	1,181	1,271
Exports	1,264	1,016	881	1,307	1,144
Carry-out	306	657	976	803	660

Source: USDA/CWB



Canada Wheat supply/disposition

(Jun-May) in Million Tonnes

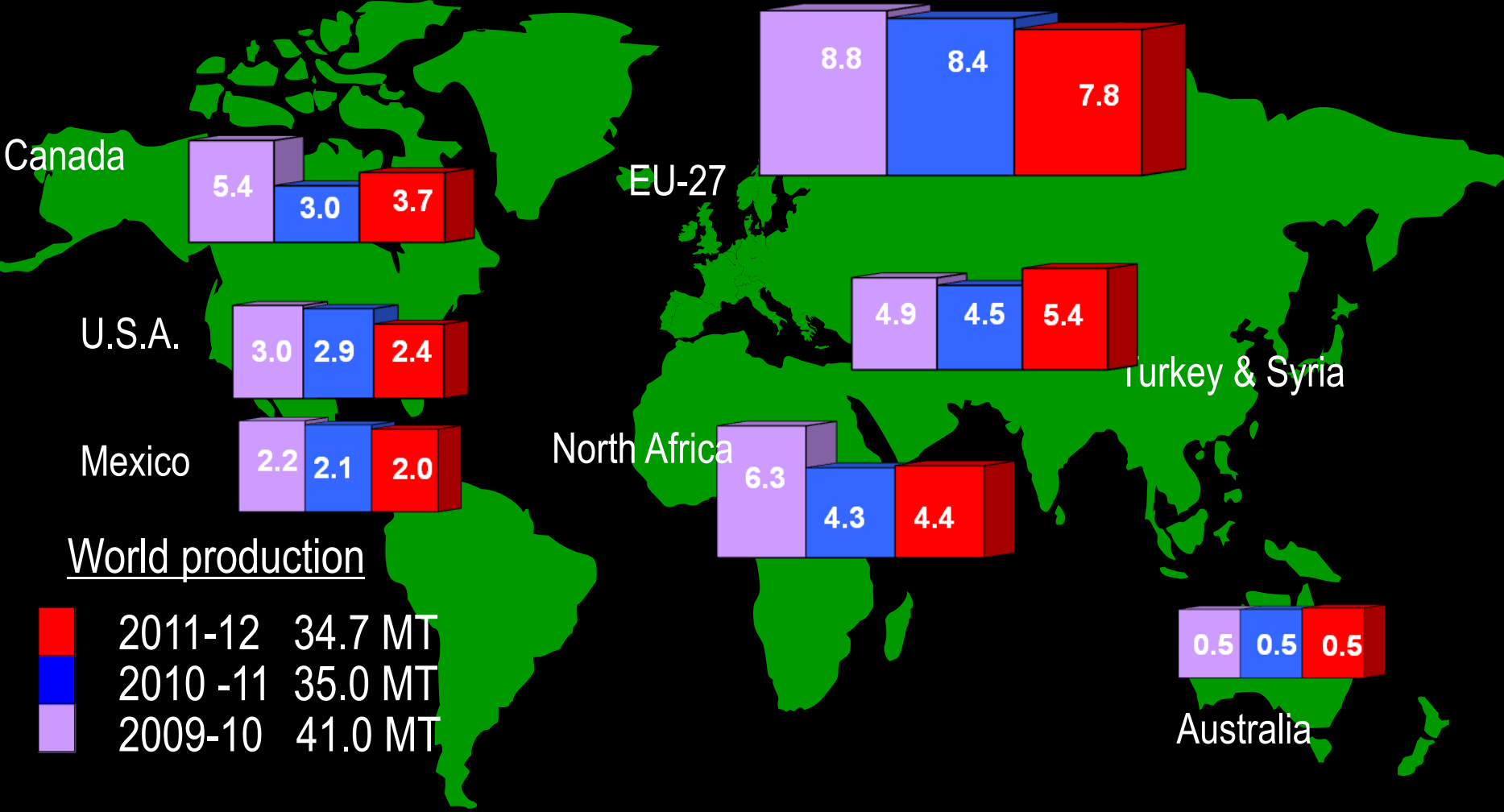
	2007-08	2008-09	2009-10	2010-11	2011-12F
Area Mac	8,636	10,032	9,769	7,932	8,628
Carry-in	6,865	4,406	6,547	6,792	5,548
Production	20,054	28,611	26,570	23,306	23,837
Total Supply	26,943	33,043	33,142	31,123	29,410
Domestic Use	6,680	7,889	8,000	7,600	7,350
Exports	15,857	18,607	18,350	16,975	16,800
Carry-out	4,406	6,547	6,792	5,548	5,260

Source: USDA/CWB



Durum

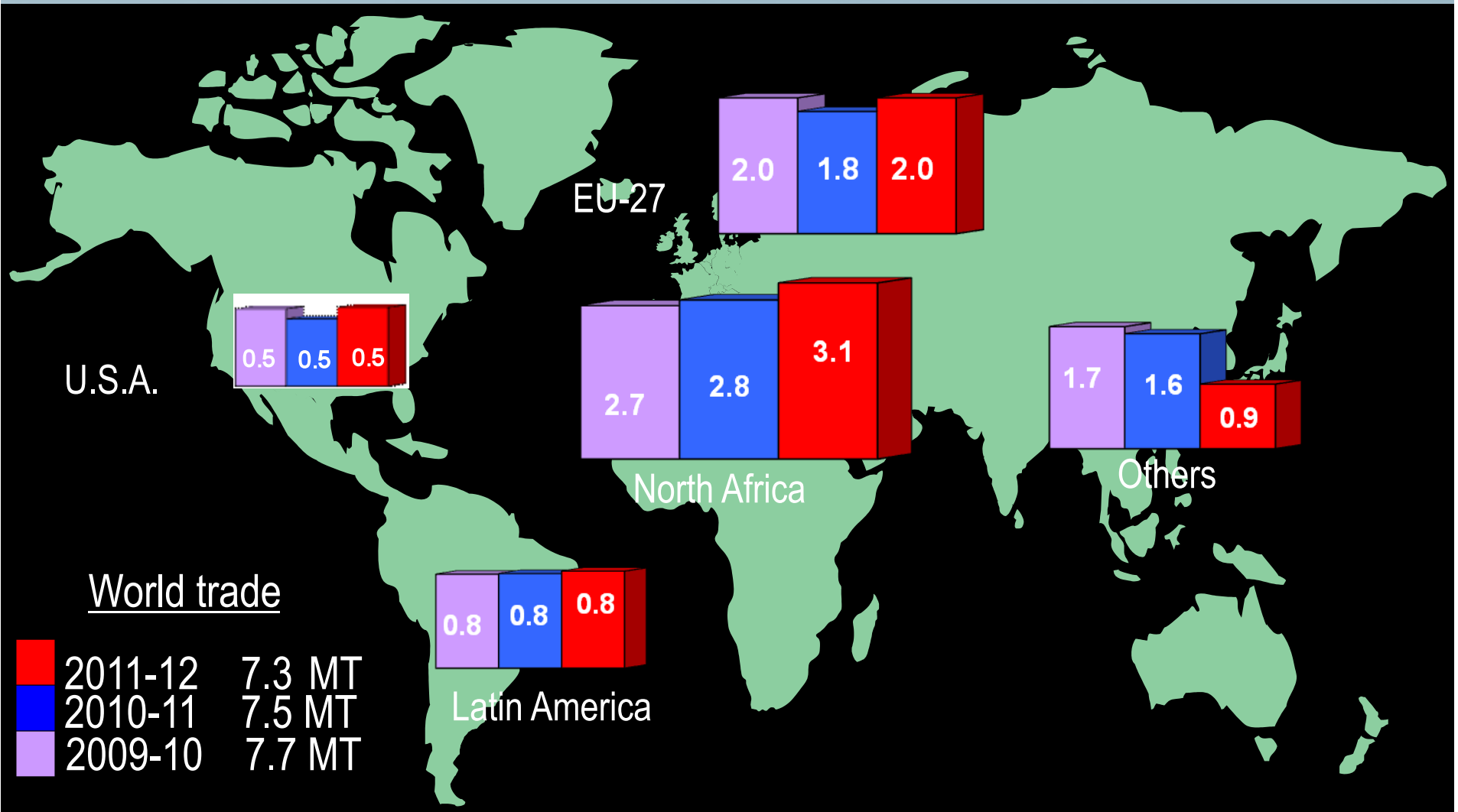
Major Durum Producers (million tonnes)



Source : CWB (excluding semolina)



Regional Durum Import Demand (million tonnes, excludes semolina)



Source :IGC/CWB

Durum Scenarios -2009

		Yield					
		25	27.5	30	32.5	35	
Sown Area min ac	Production	4.0	2.69	2.96	3.23	3.50	3.77
		4.5	3.03	3.33	3.64	3.94	4.24
		5.0	3.37	3.70	4.04	4.38	4.72
		5.5	3.70	4.08	4.45	4.82	5.19
		6.0	4.04	4.45	4.85	5.25	5.66
		bu/ac					
	Stocks	4.0	25	27.5	30	32.5	35
		4.5	0.13	0.40	0.67	0.94	1.21
		5.0	0.47	0.77	1.08	1.38	1.68
		5.5	0.81	1.14	1.48	1.82	2.16
		6.0	1.14	1.52	1.89	2.26	2.63
6.0		1.48	1.89	2.29	2.69	3.10	

Durum Scenarios -2010

Sown Area

min ac

Production

Stocks

Yield

bu/ac

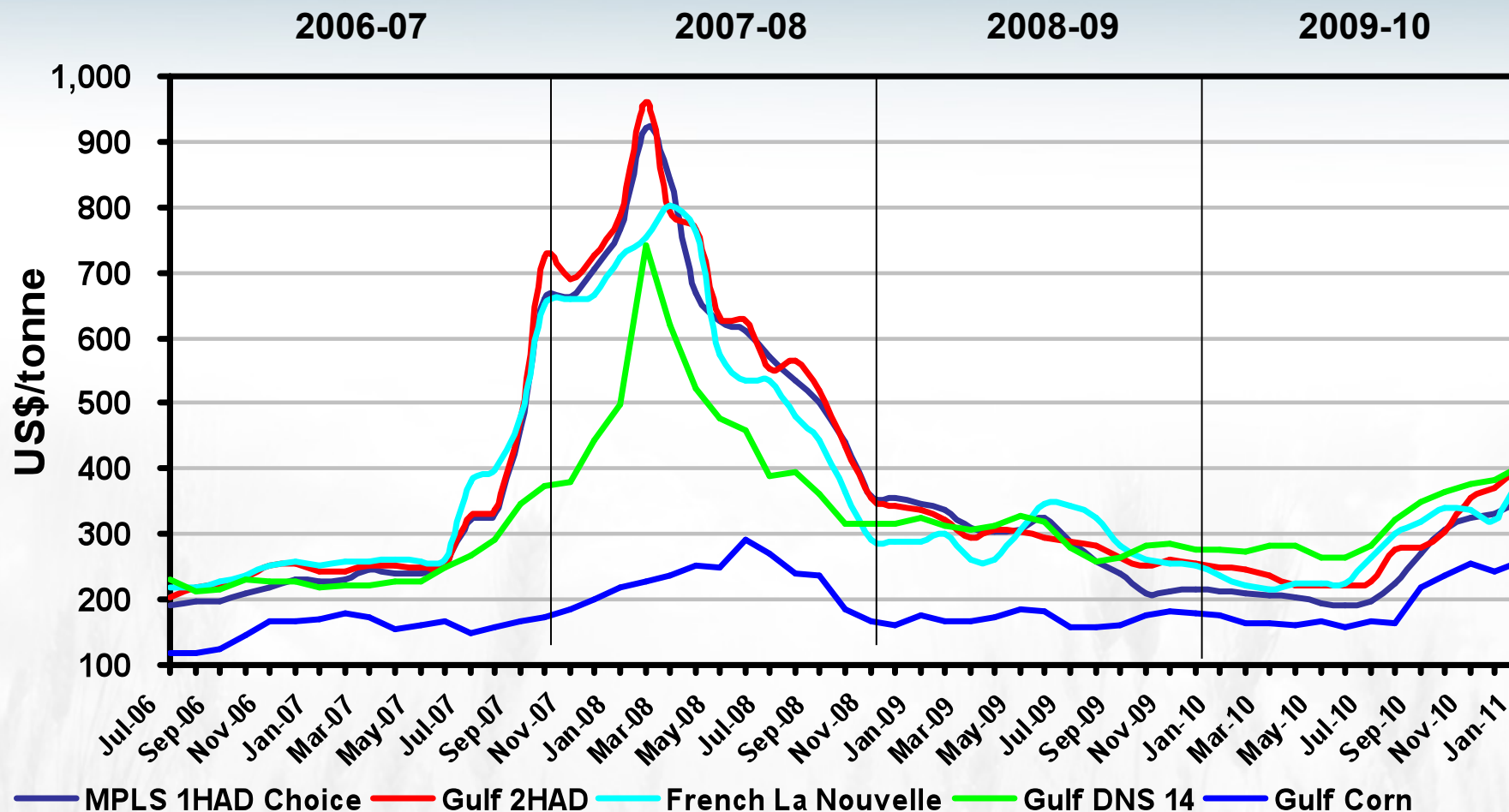
		25	27.5	30	32.5↑	35
Production	4.0	2.69	2.96	3.23	3.50	3.77
	4.5	3.03	3.33	3.64	3.94	4.24
	5.0	3.37	3.70	4.04	4.38	4.72
	5.5	3.70	4.08	4.45	4.82	5.19
	6.0	4.04	4.45	4.85	5.25	5.66
Stocks	4.0	0.95	1.22	1.49	1.76	2.03
	4.5	1.29	1.59	1.90	2.20	2.50
	5.0	1.63	1.96	2.30	2.64	2.98
	5.5	1.96	2.34	2.71	3.08	3.45
	6.0	2.30	2.71	3.11	3.51	3.92



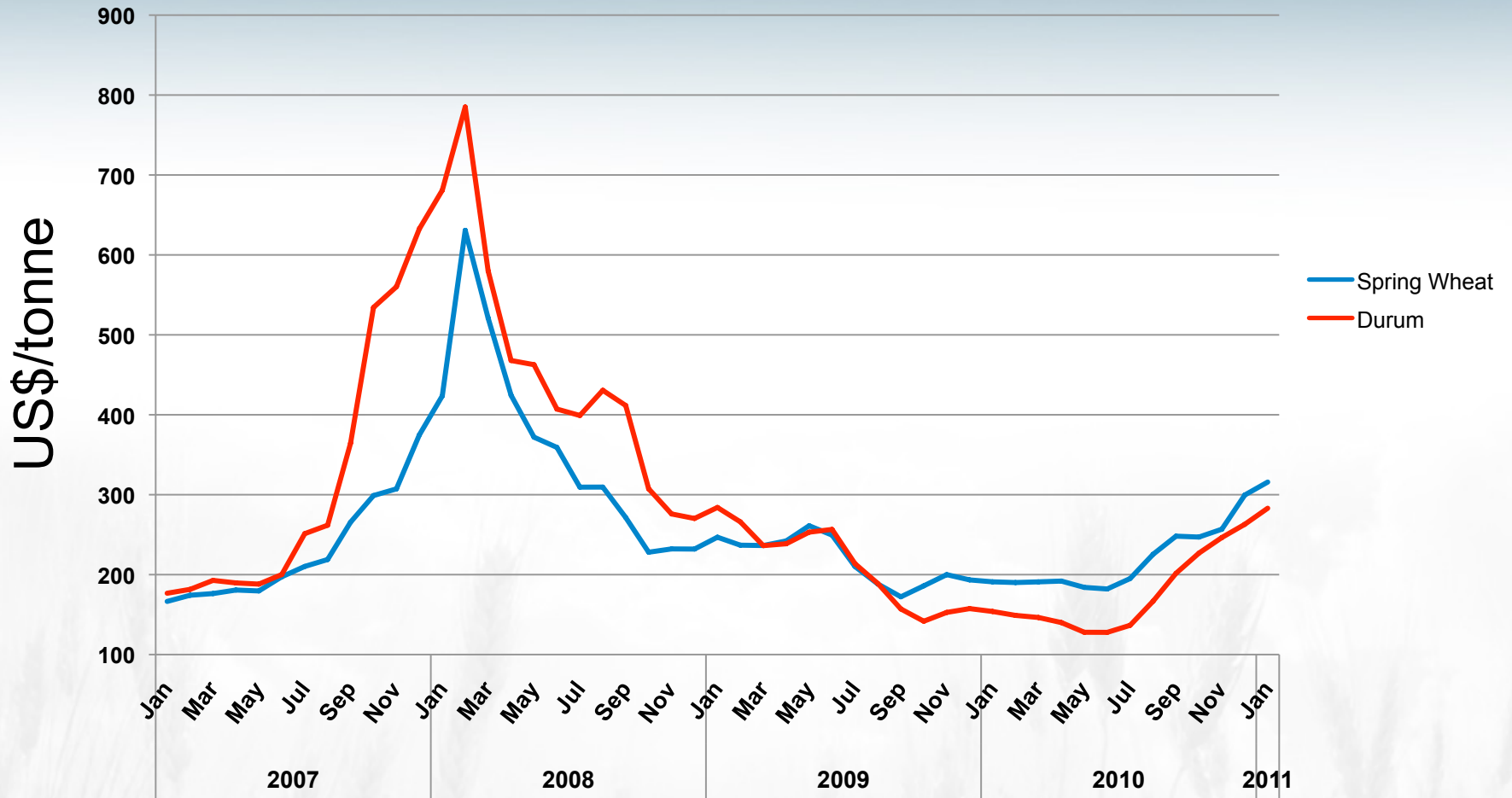
Durum Scenarios -2011

2011	25	27.5	30	32.5	35
4.0	2.69	2.96	3.23	3.50	3.77
4.5	3.03	3.33	3.64	3.94	4.24
5.0	3.37	3.70	4.04	4.38	4.72
5.5	3.70	4.08	4.45	4.82	5.19
6.0	4.04	4.45	4.85	5.25	5.66
	25	27.5	30	32.5	35
4.0	-0.41	-0.14	0.13	0.40	0.67
4.5	-0.08	0.23	0.53	0.83	1.14
5.0	0.26	0.60	0.93	1.27	1.61
5.5	0.60	0.97	1.34	1.71	2.08
6.0	0.93	1.34	1.74	2.15	2.55




World Durum Indicator Prices (USD)



US Elevator Prices



Canadian Durum S&D

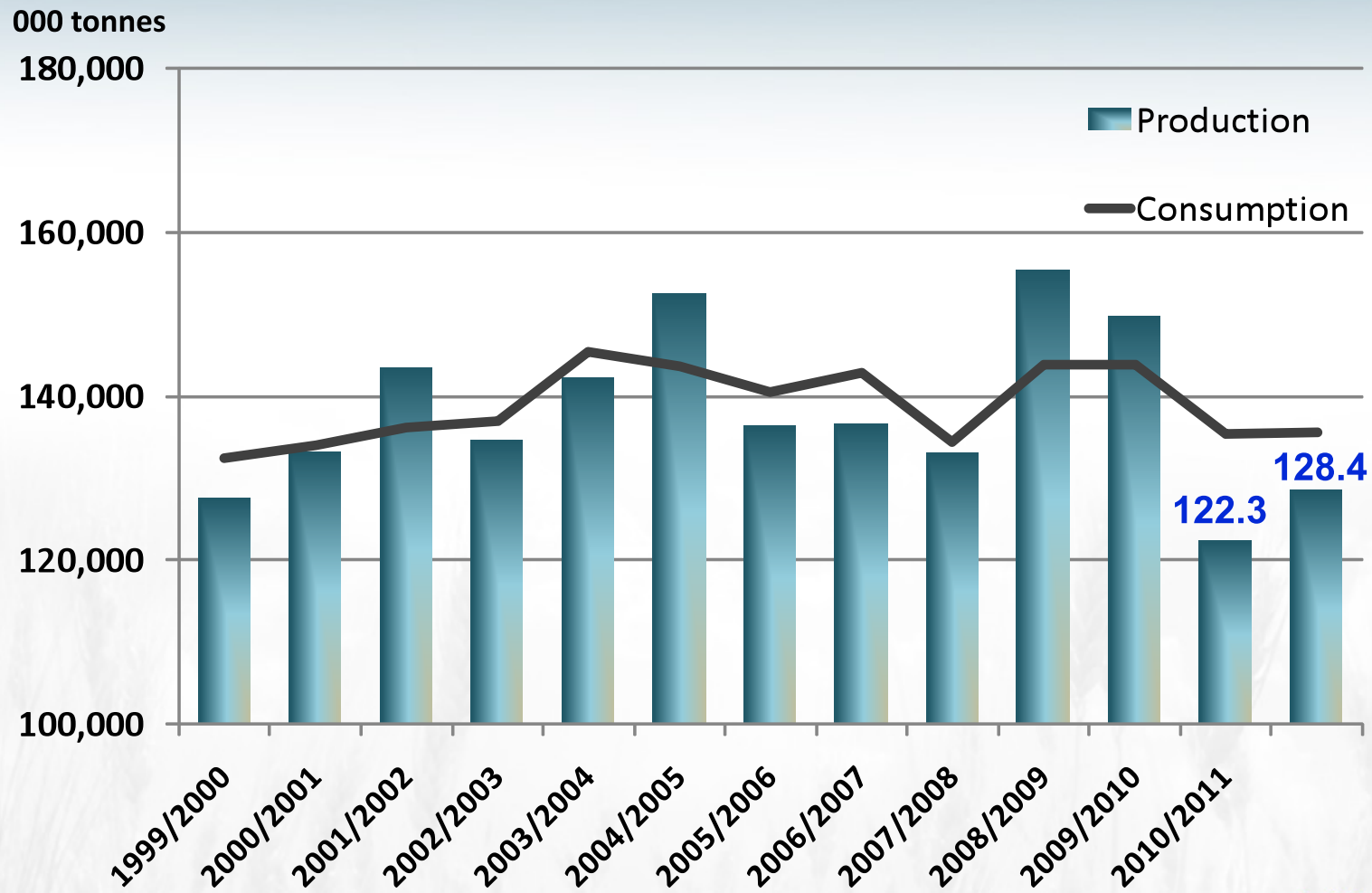
	2007-08	2008-09	2009-10	2010-11	2011-12F
Area ,000 ac	4759	5968	5508	3025	3900
Carry-in	1257	819	1903	2708	963
Production	3681	5519	5400	3025	3770 
Total Supply	4941	6340	7305	5734	4735
Domestic Use	948	797	778	870	870
Exports	3175	3640	3820	3900	3200 
Carry-out	819	1903	2708	963	664 

Not Possible 

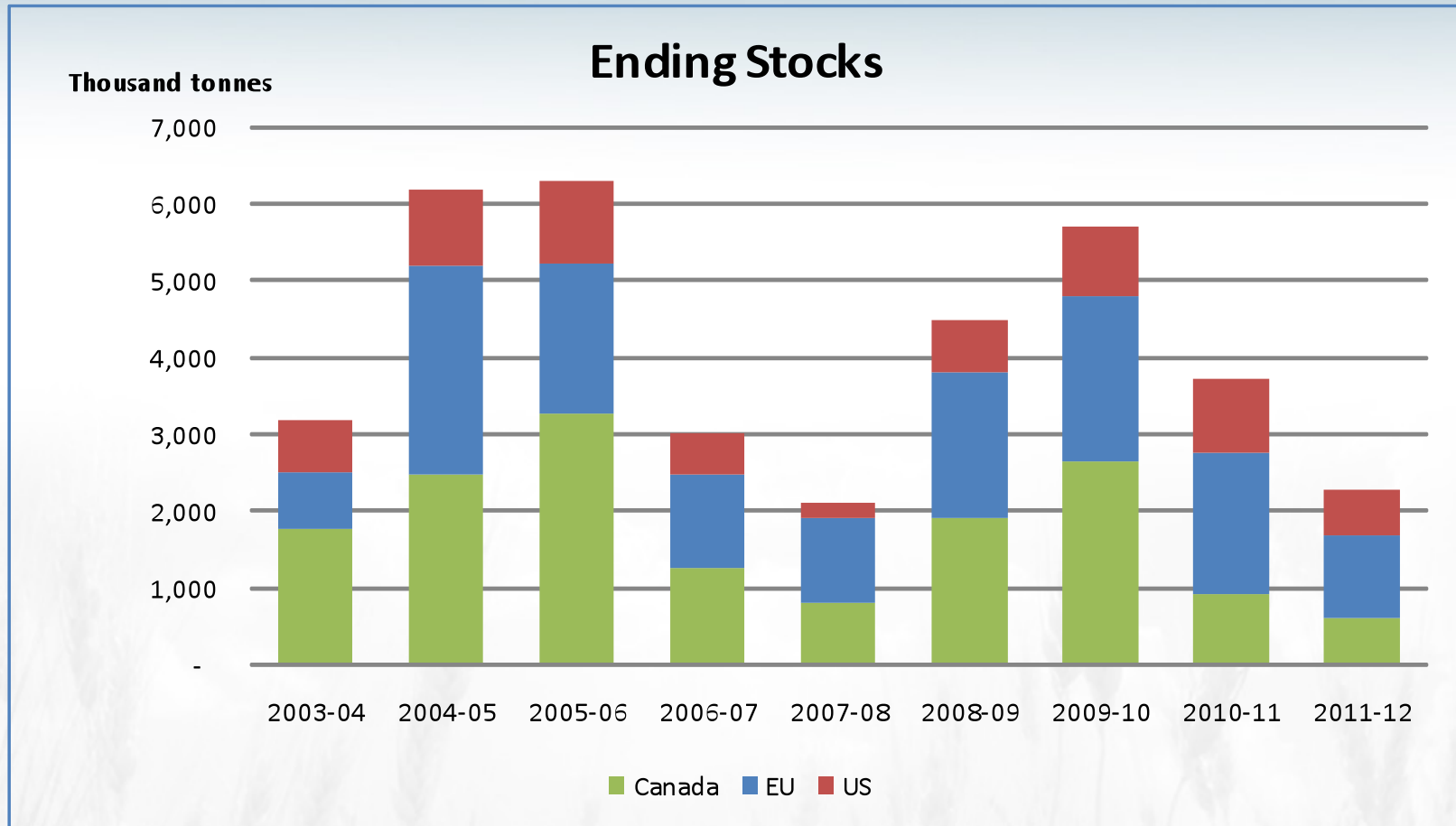


Barley

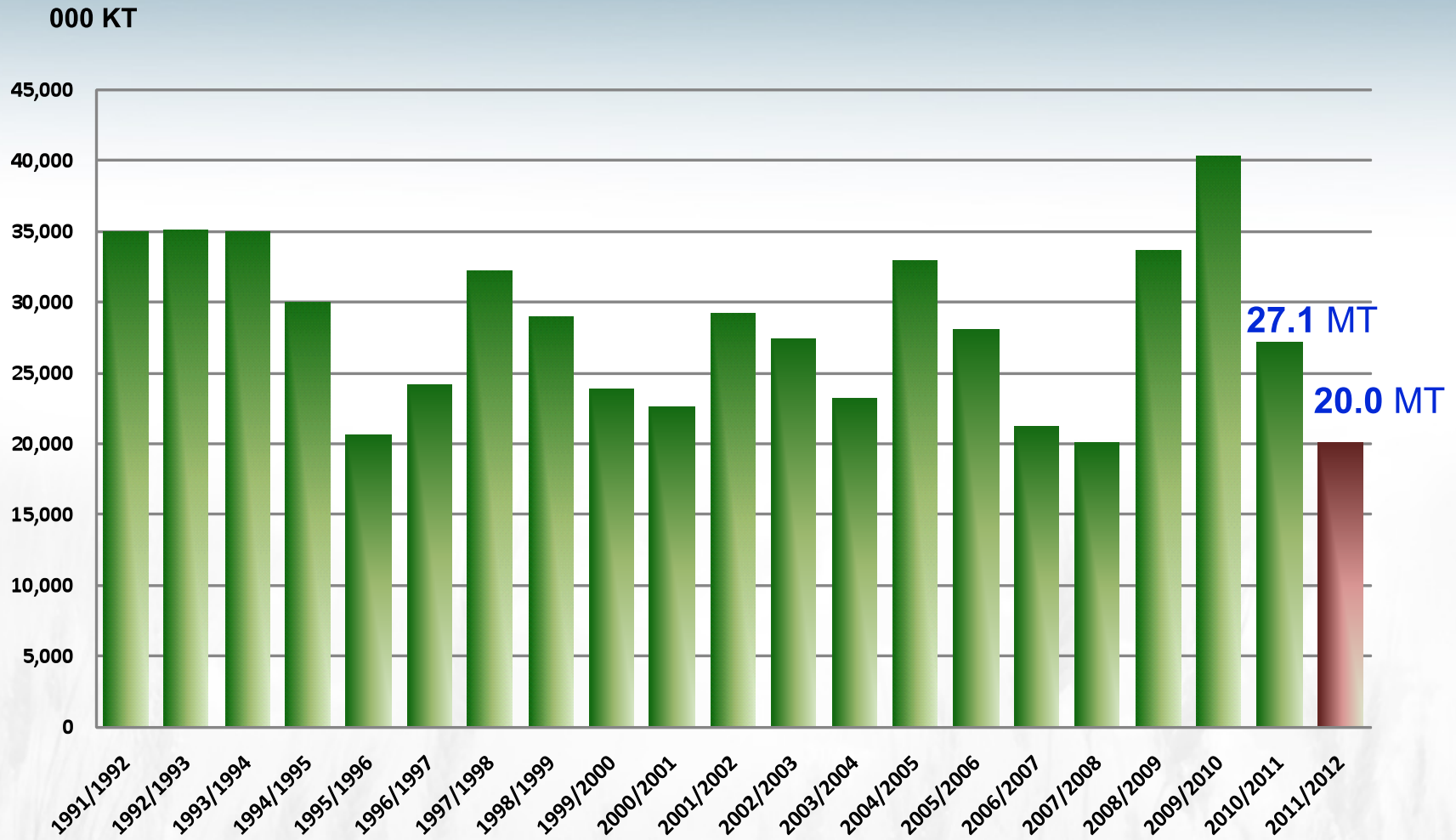
World Barley Production and Consumption



Ending Stocks in Canada, the US and the EU



Barley Ending Stocks



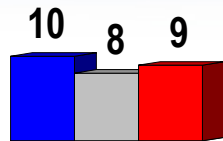
*USDA historical, CWB forecast for 2009-10 and 2010-11



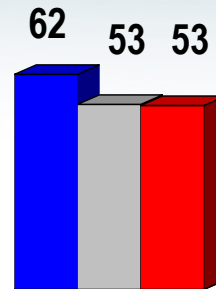
Major Barley Producers

(million tonnes)

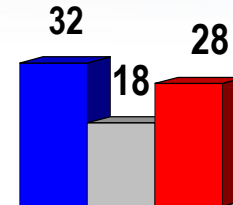
Canada



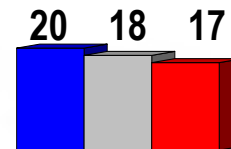
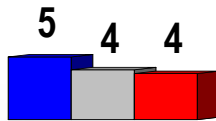
EU - 27



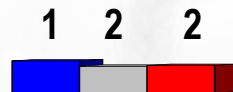
RUK



U.S.A.

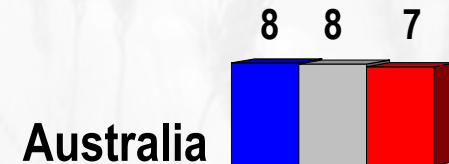


Africa & Middle East



Argentina

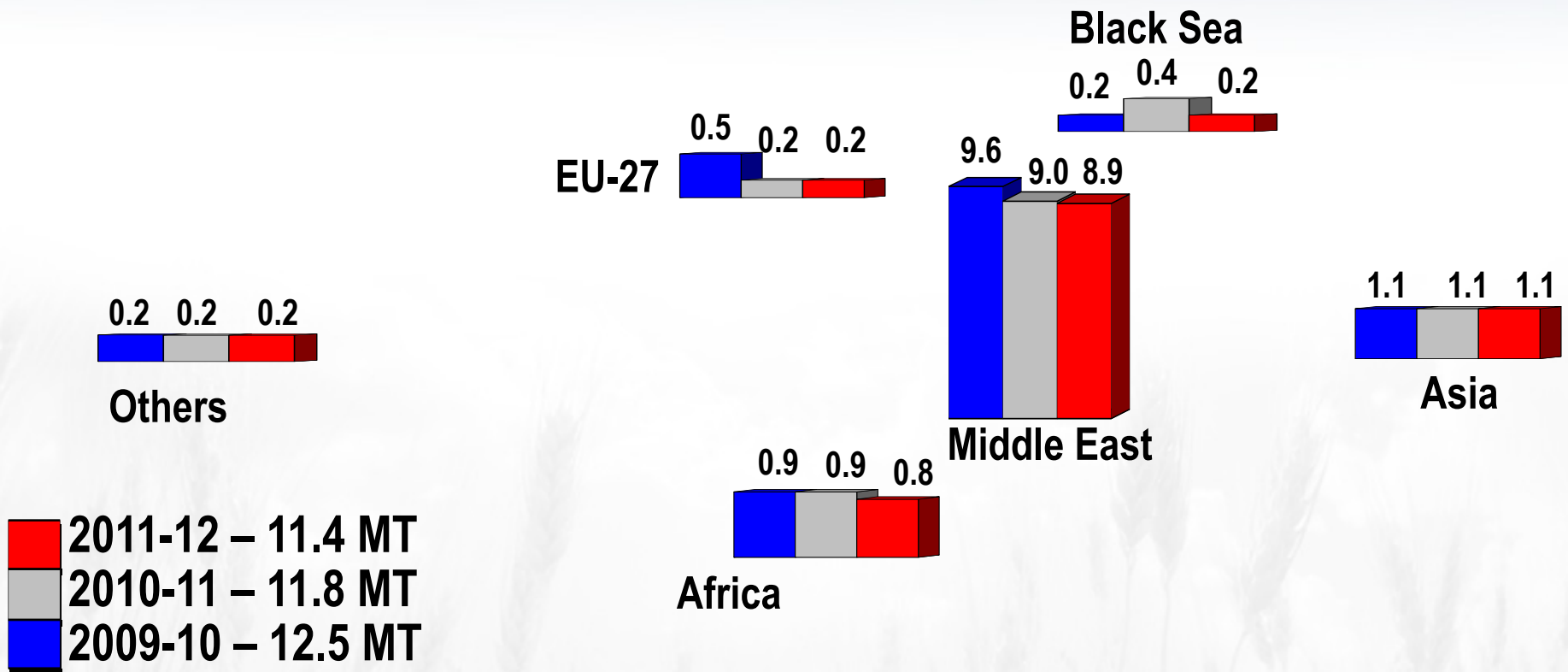
■ 2011-12 128 MT
■ 2010-11 121 MT
■ 2009-10 150 MT



Australia

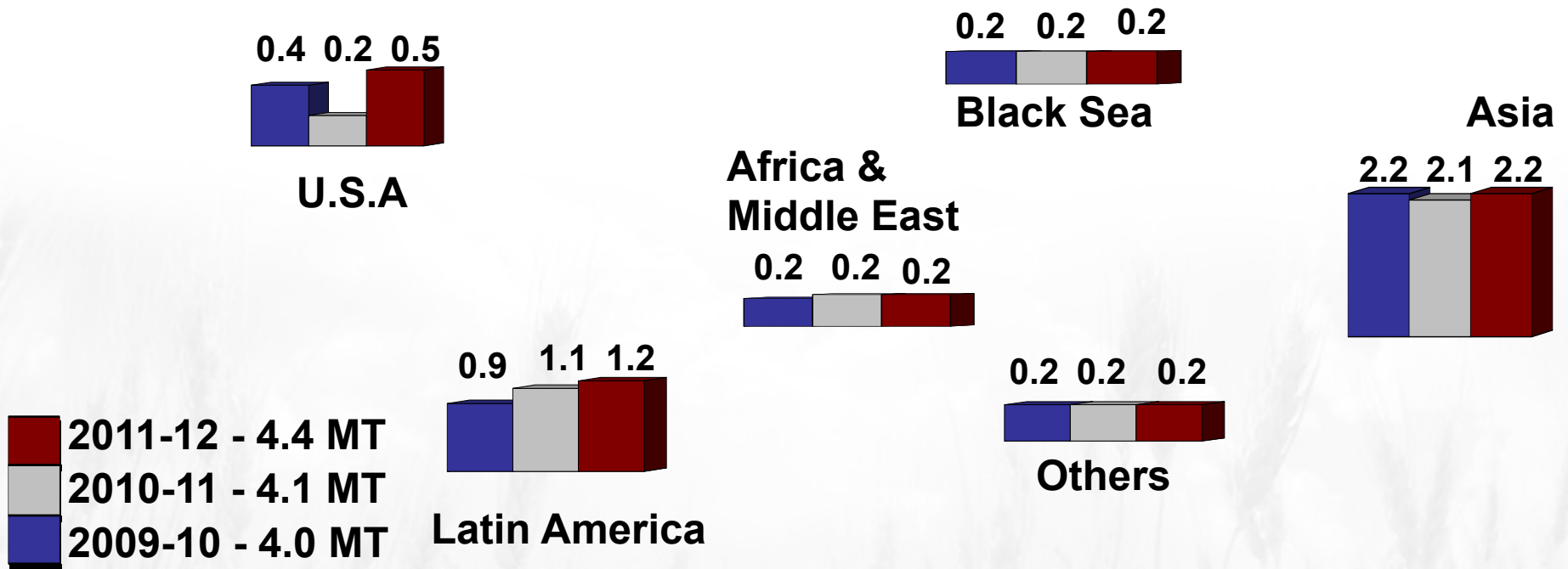
Source: USDA- 2009 + 2010, 2011 CWB

Regional Feed Barley Import Demand (million tonnes)



Source: CWB

Regional Malting Barley Import Demand (million tonnes)



Source: IGC; CWB estimates



Source: CWB

Canadian Barley S&D

	2007-08	2008-09	2009-10	2010-11	2011-12F
Area ,000 ac	9875	8650	7508	6578	6688
Carry-in	1490	1568	2843	2582	1217
Production	10984	11782	9517	7600	8540
Total Supply	12532	13392	12402	10217	9792
Domestic Use	7053	8150	7671	6600	6500
Exports	3911	2399	2149	2400	2410
Carry-out	1568	2843	2582	1217	882

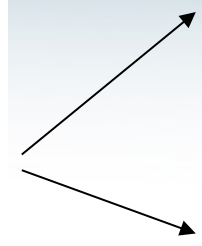
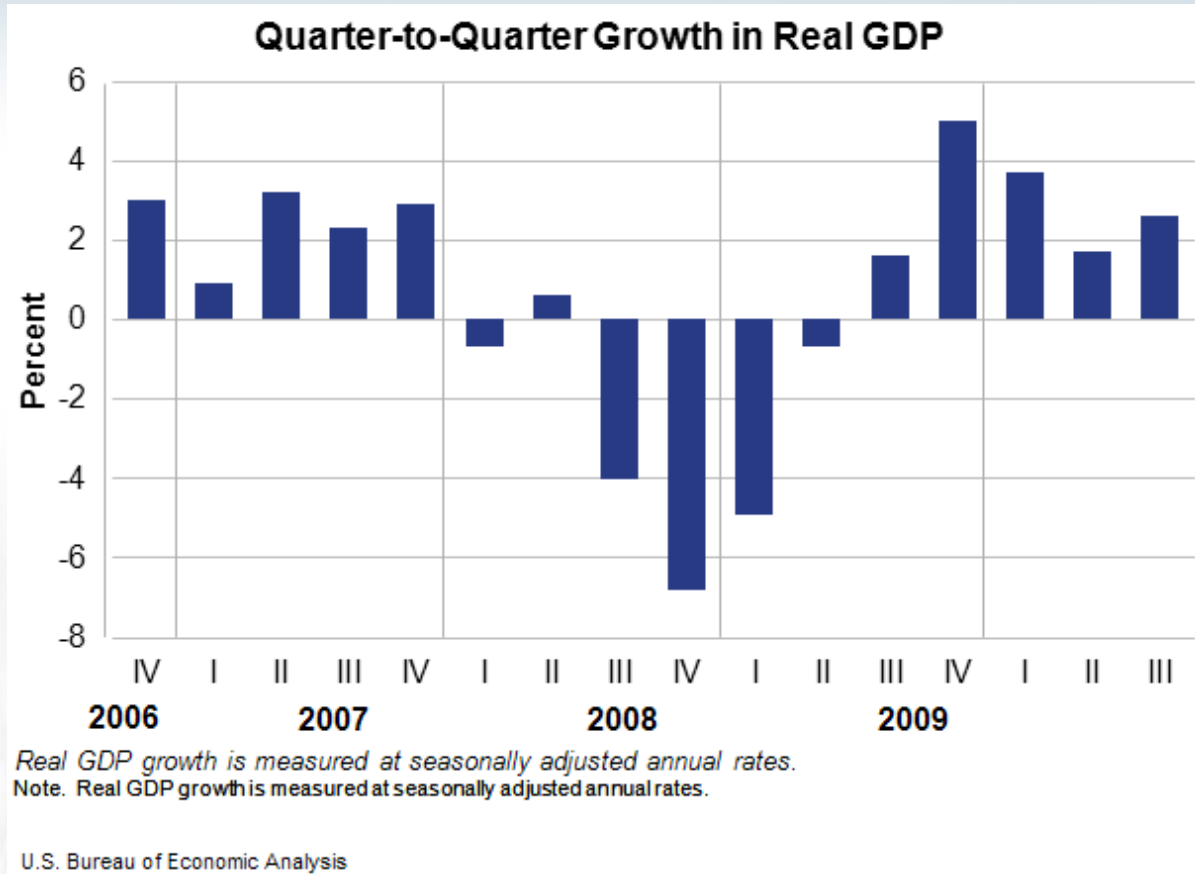
Not Possible



Spoilers

- World Economy
- Currencies
- Weather

US GDP Growth



US Dollar Index

Weekly Q=USD

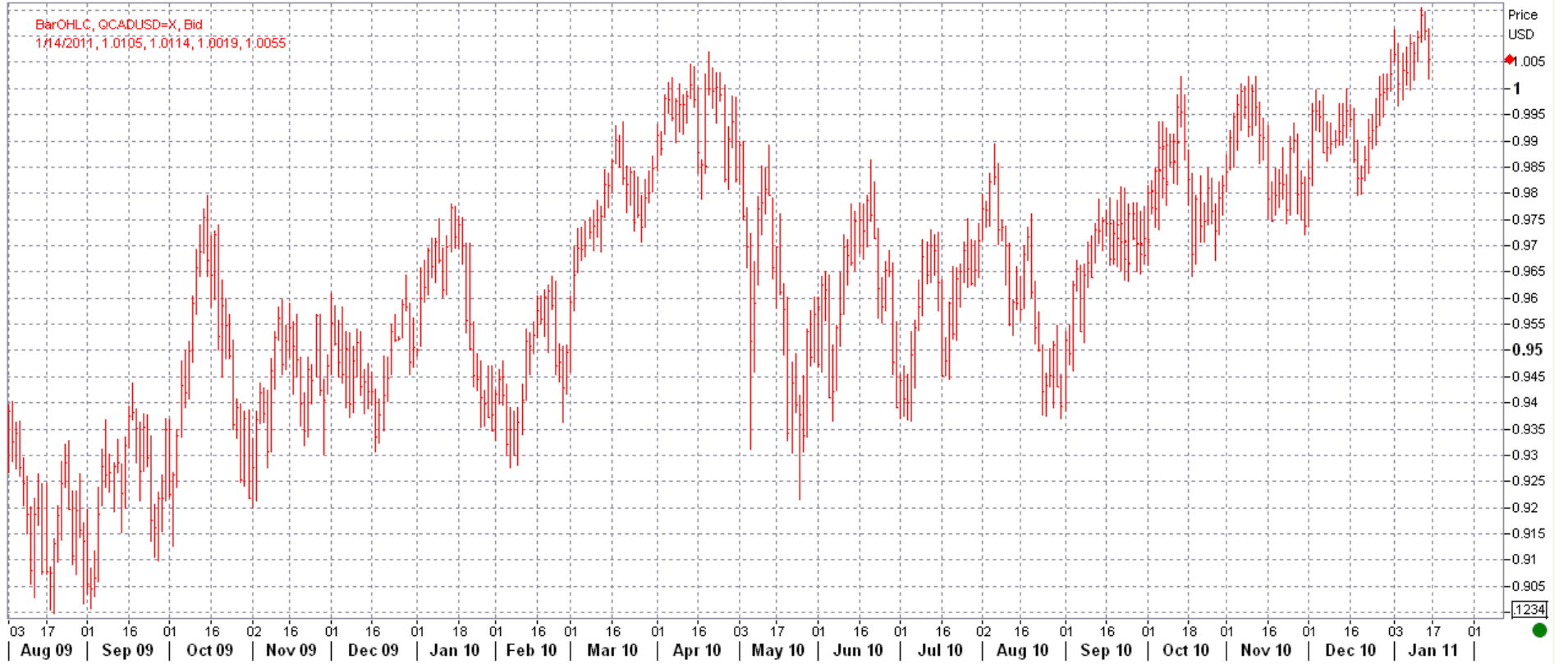
4/6/2008 - 3/6/2011 (NYC)



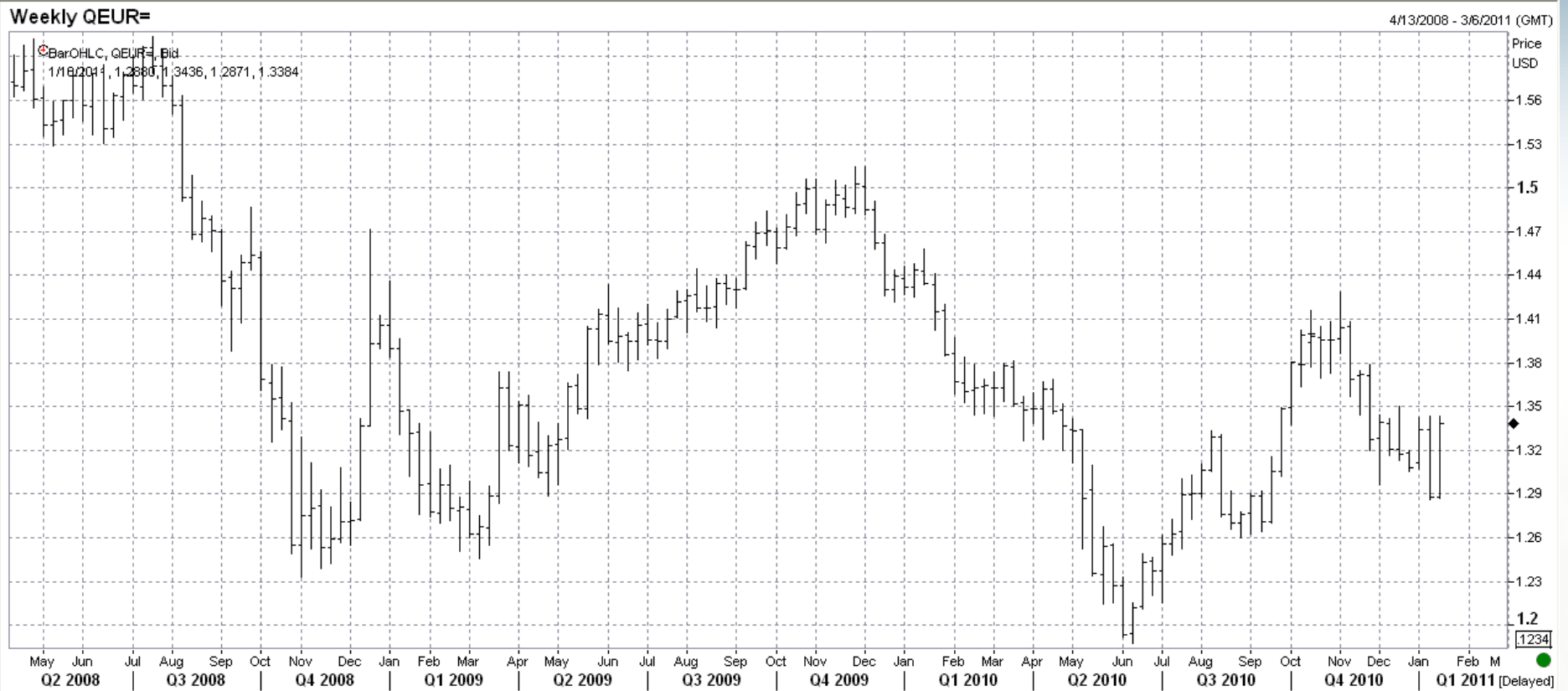
Canadian Dollar

Daily QCADUSD=X

8/3/2009 - 2/11/2011 (GMT)

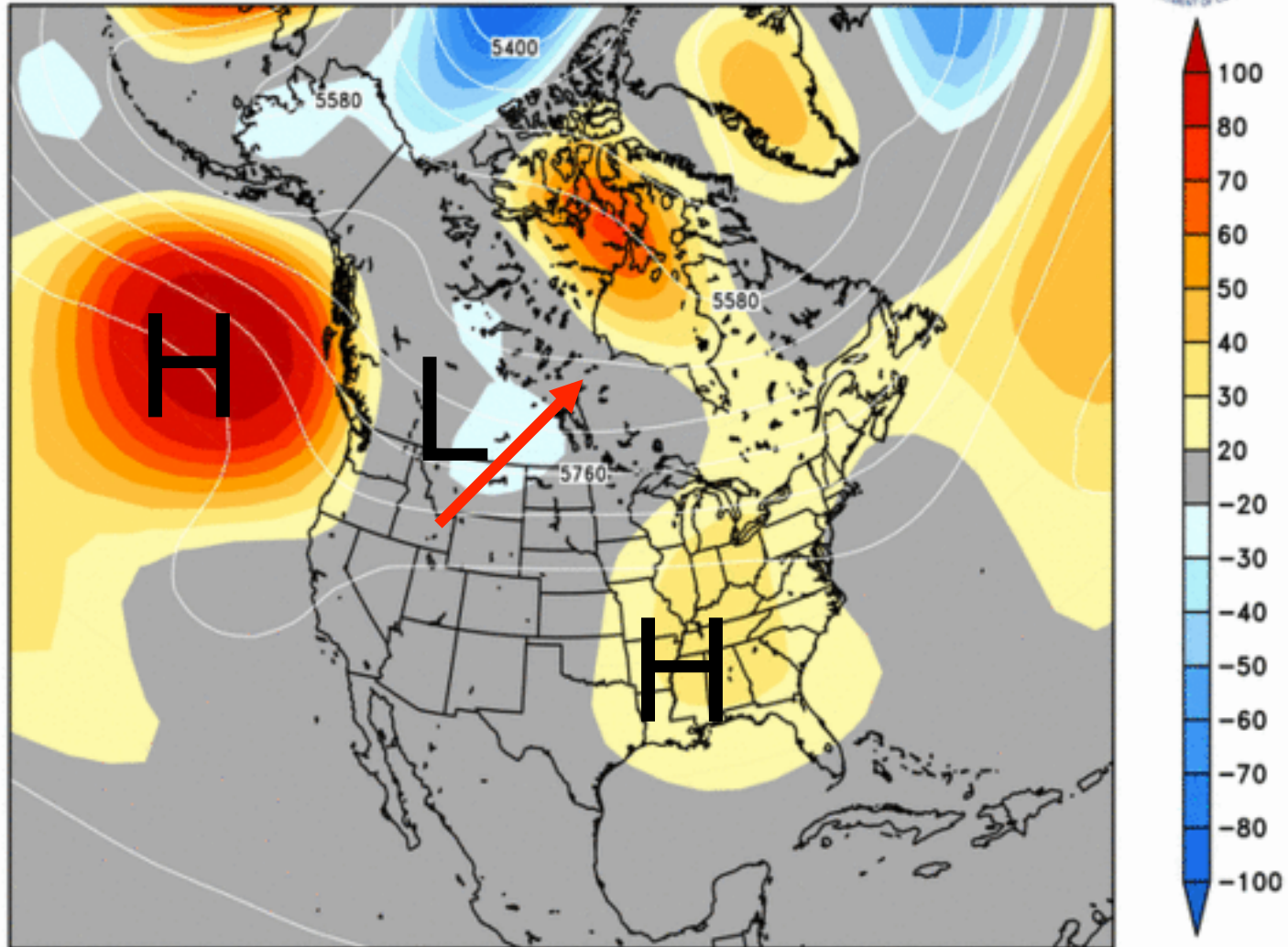


Euro



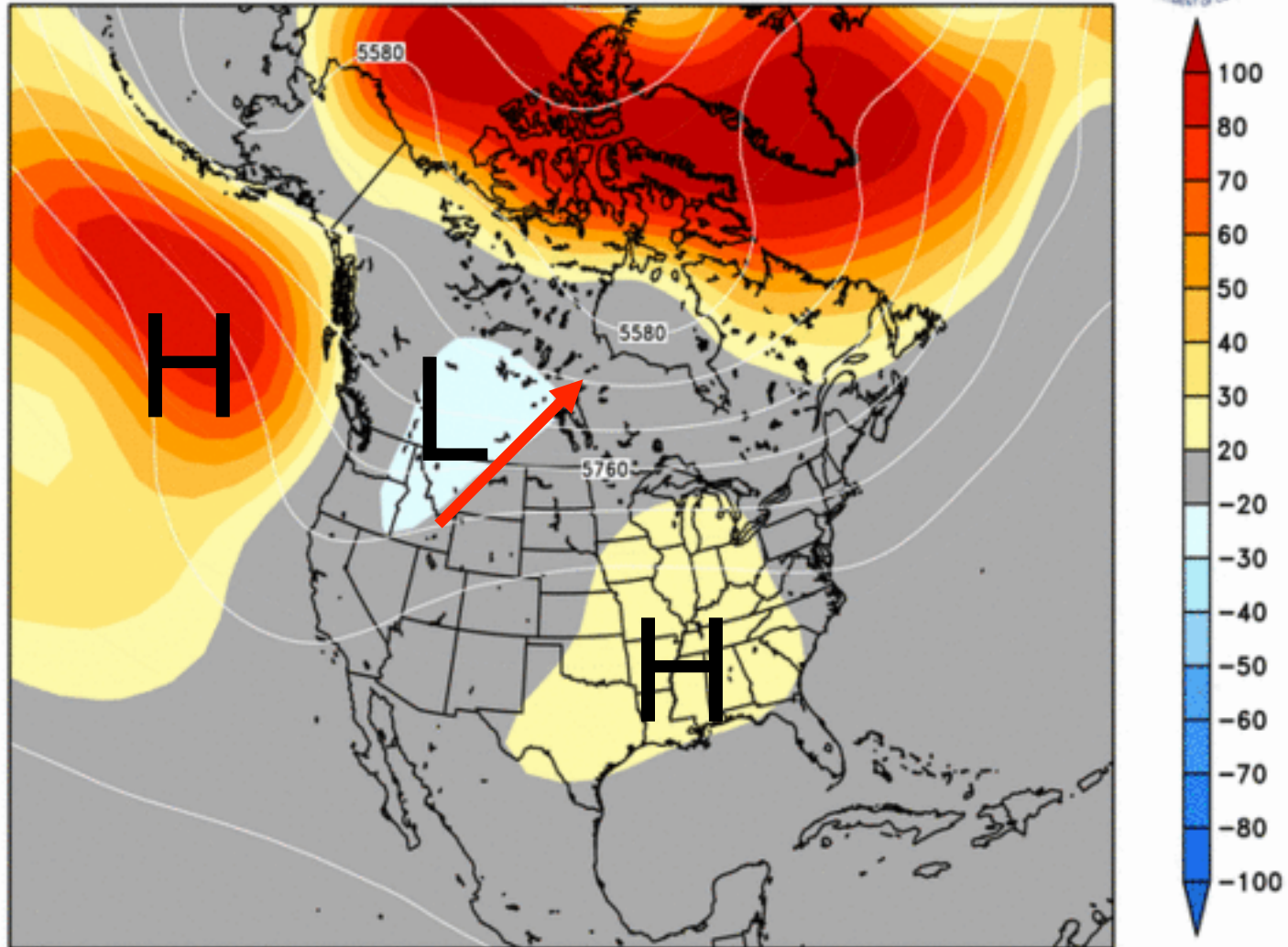


500 Millibar Heights and Anomalies (in meters)
(From NCEP Reanalysis)



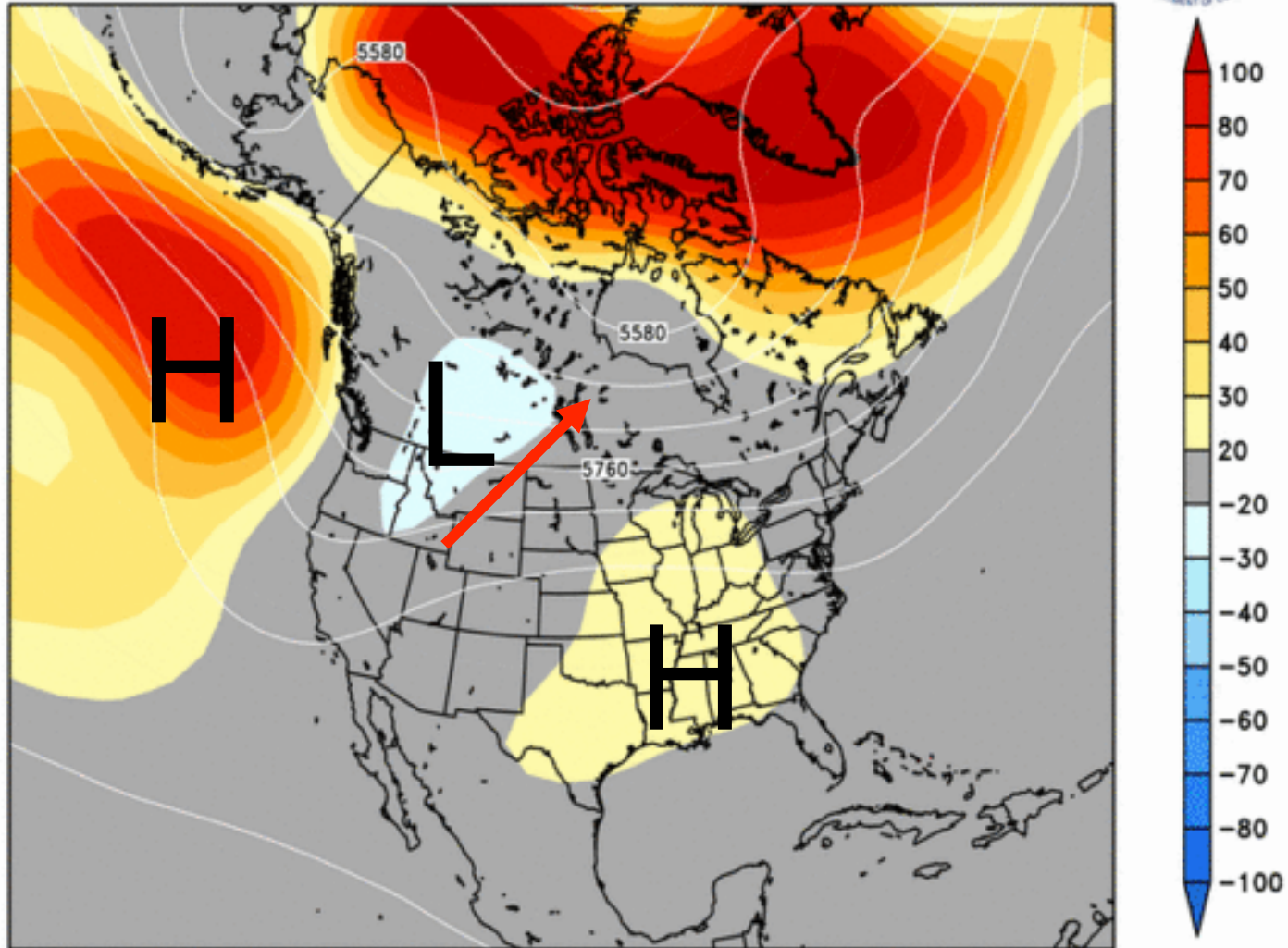
July 2010

500 Millibar Heights and Anomalies (in meters)
(From NCEP Reanalysis)



August 2010

500 Millibar Heights and Anomalies (in meters) (From NCEP Reanalysis)

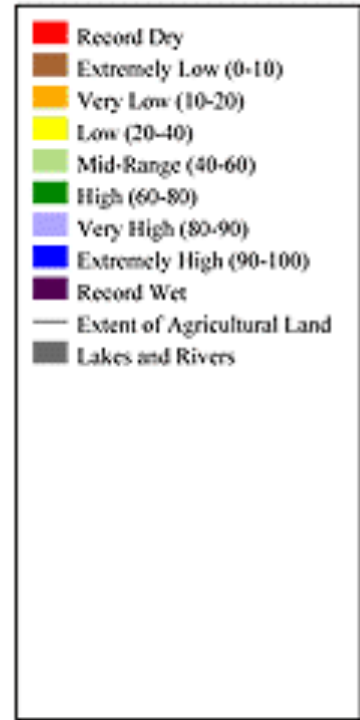
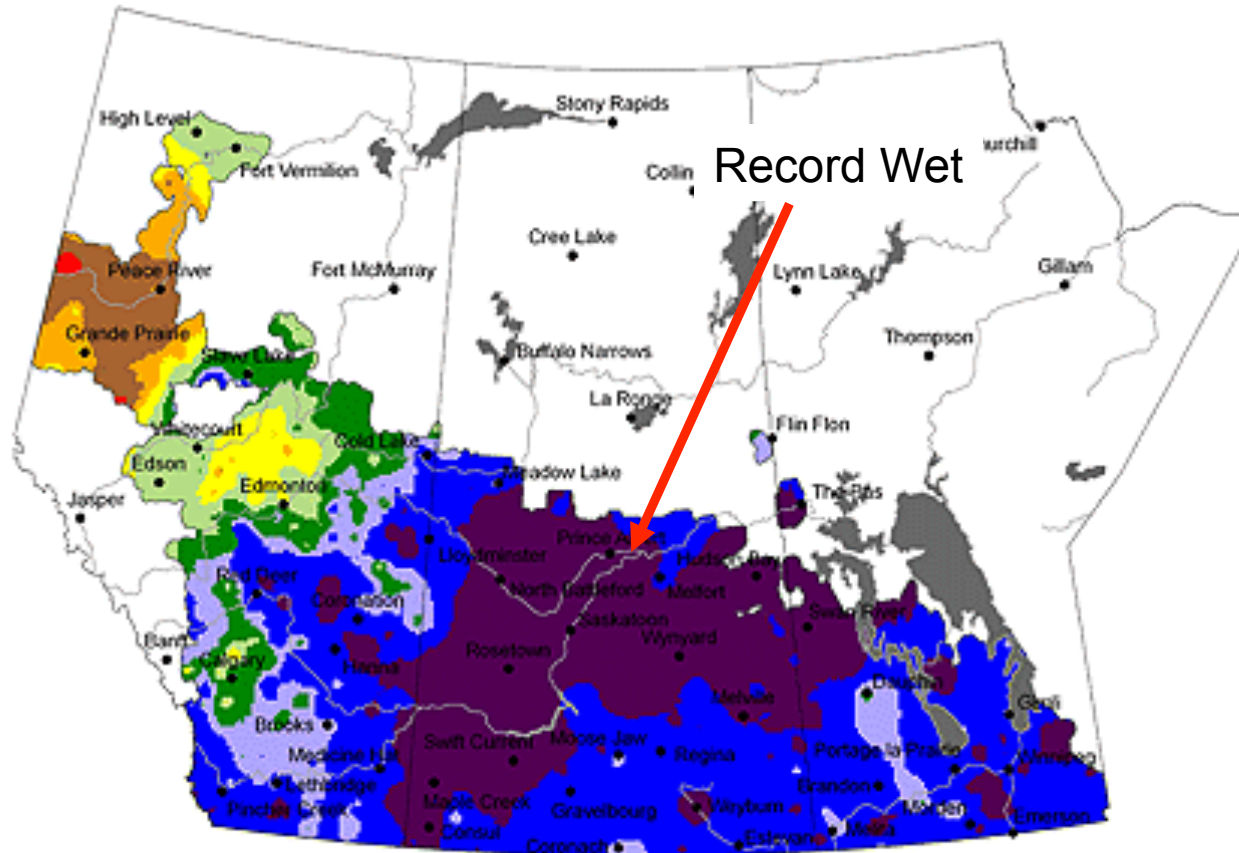


September 2010



Precipitation Compared to Historical Distribution (Prairie Region)

April 1, 2010 to October 7, 2010



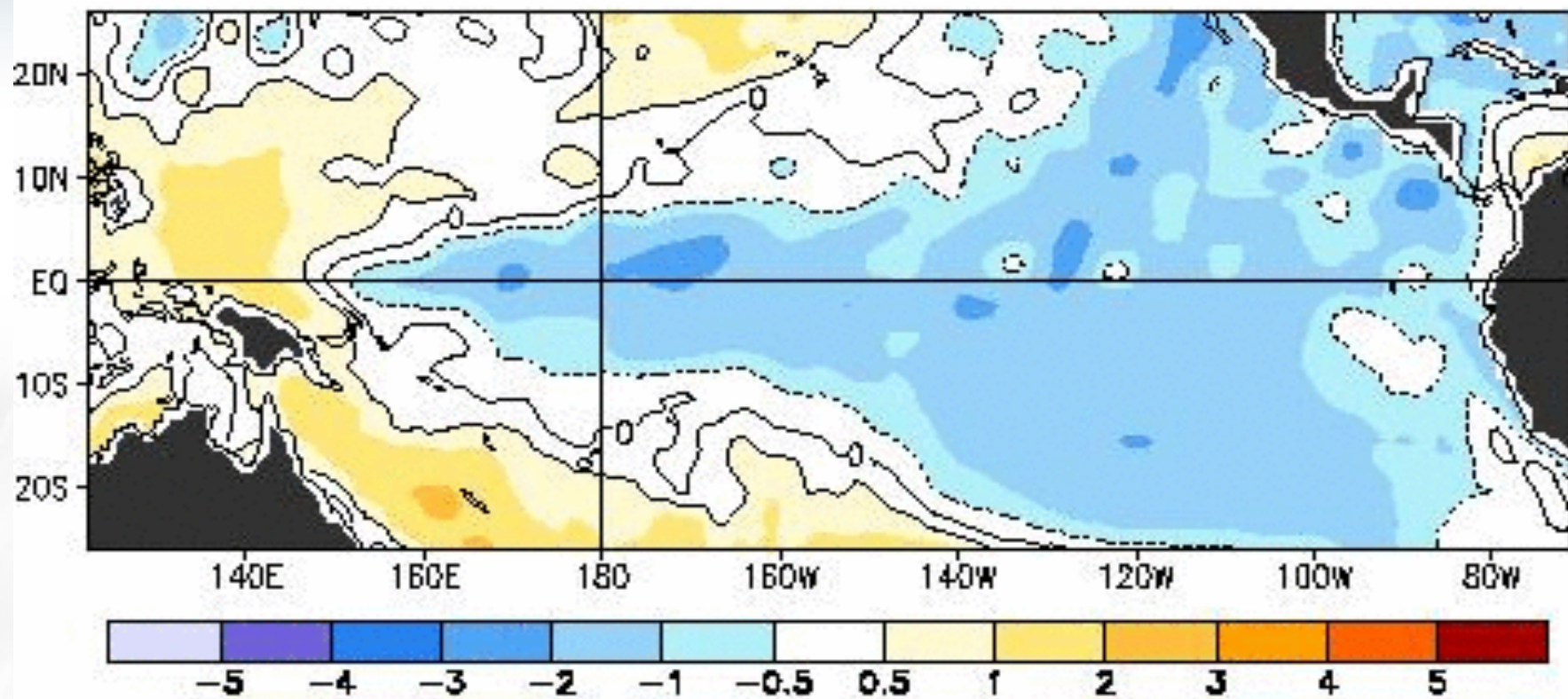
Produced using near real-time data that has undergone initial quality control. The map may not be accurate for all regions due to data availability and data errors.

Copyright © 2010 Agriculture & Agri-Food Canada

Prepared by Agriculture and Agri-Food Canada's National Agroclimate Information Service (NAIS). Data provided through partnership with Environment Canada, Natural Resources Canada, and many Provincial agencies.

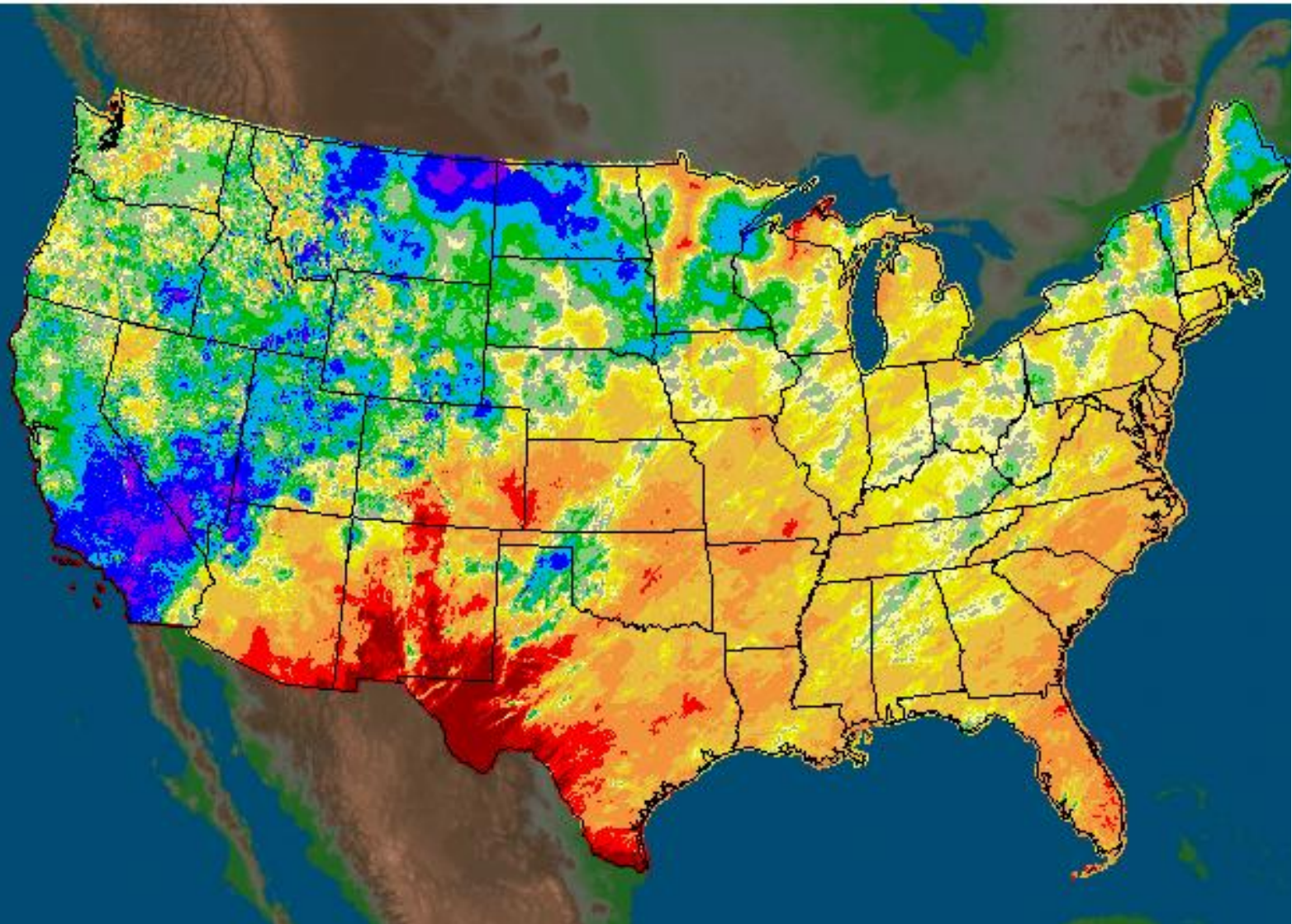
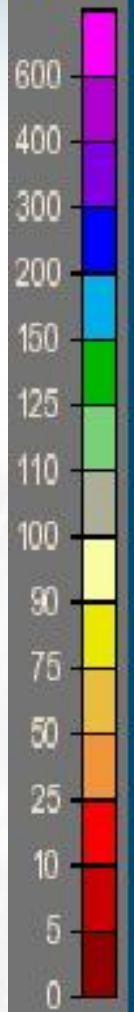
Created: 10/08/10
www.agr.gc.ca/drought

Observed Sea Surface Temperature Anomalies (°C)



7-day Average Centered on 05 January 2011

Percent



Cross section of fields in Kansas



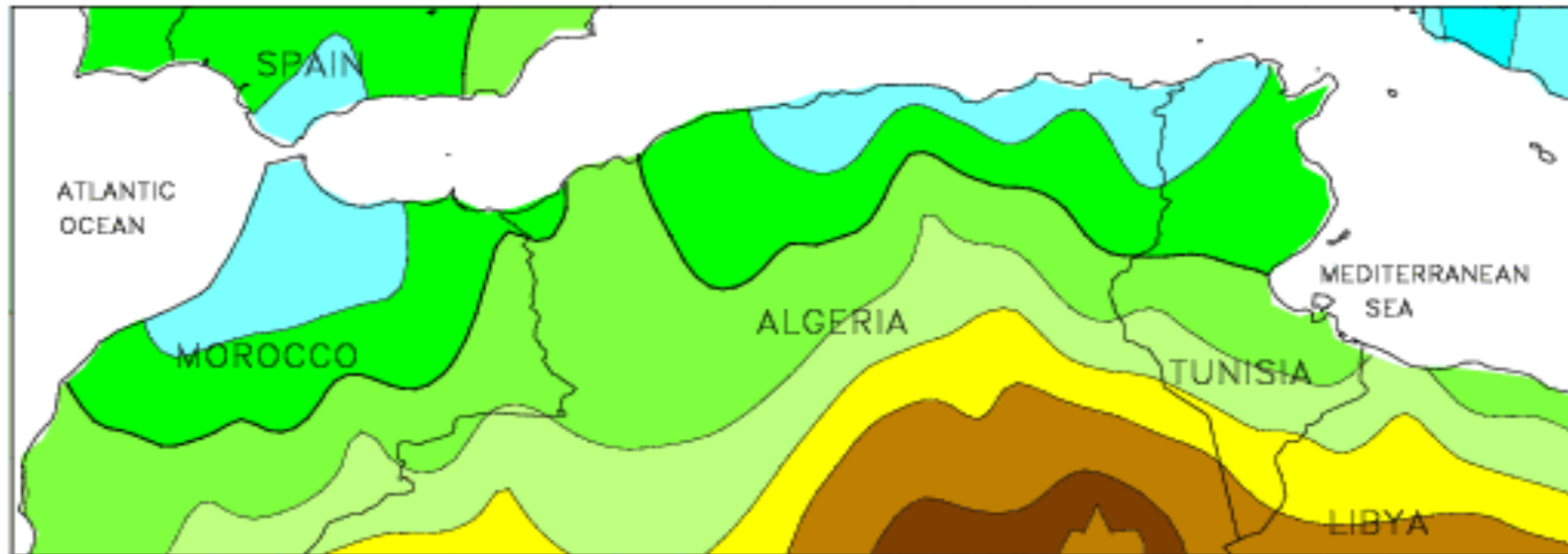
Poor root development in Western KS



Still dry in western KS



NORTHWESTERN AFRICA
Total Precipitation (mm)
SEP 1 - NOV 30, 2010

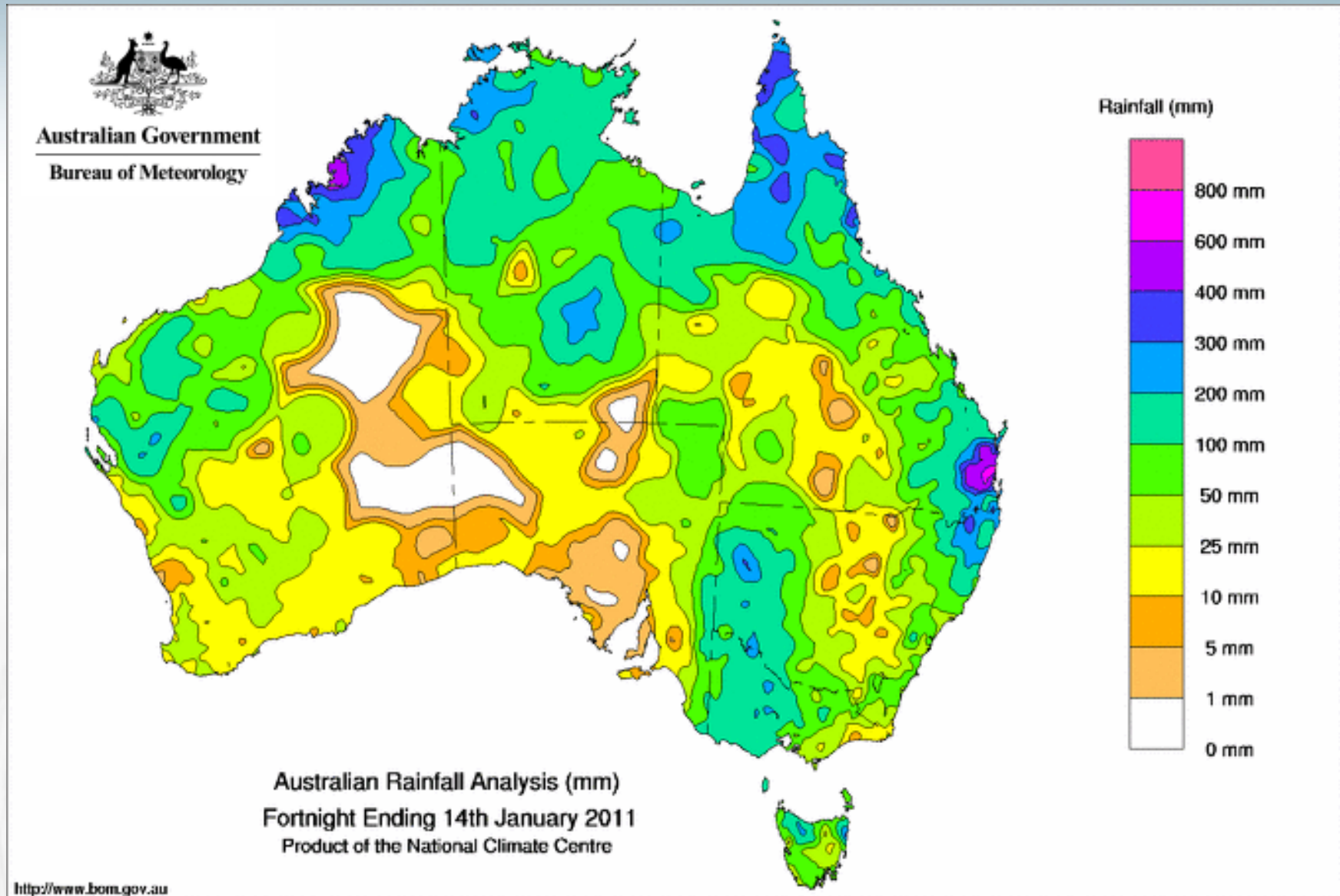


CLIMATE PREDICTION CENTER, NOAA
Computer generated contours
Based on preliminary data

Australia

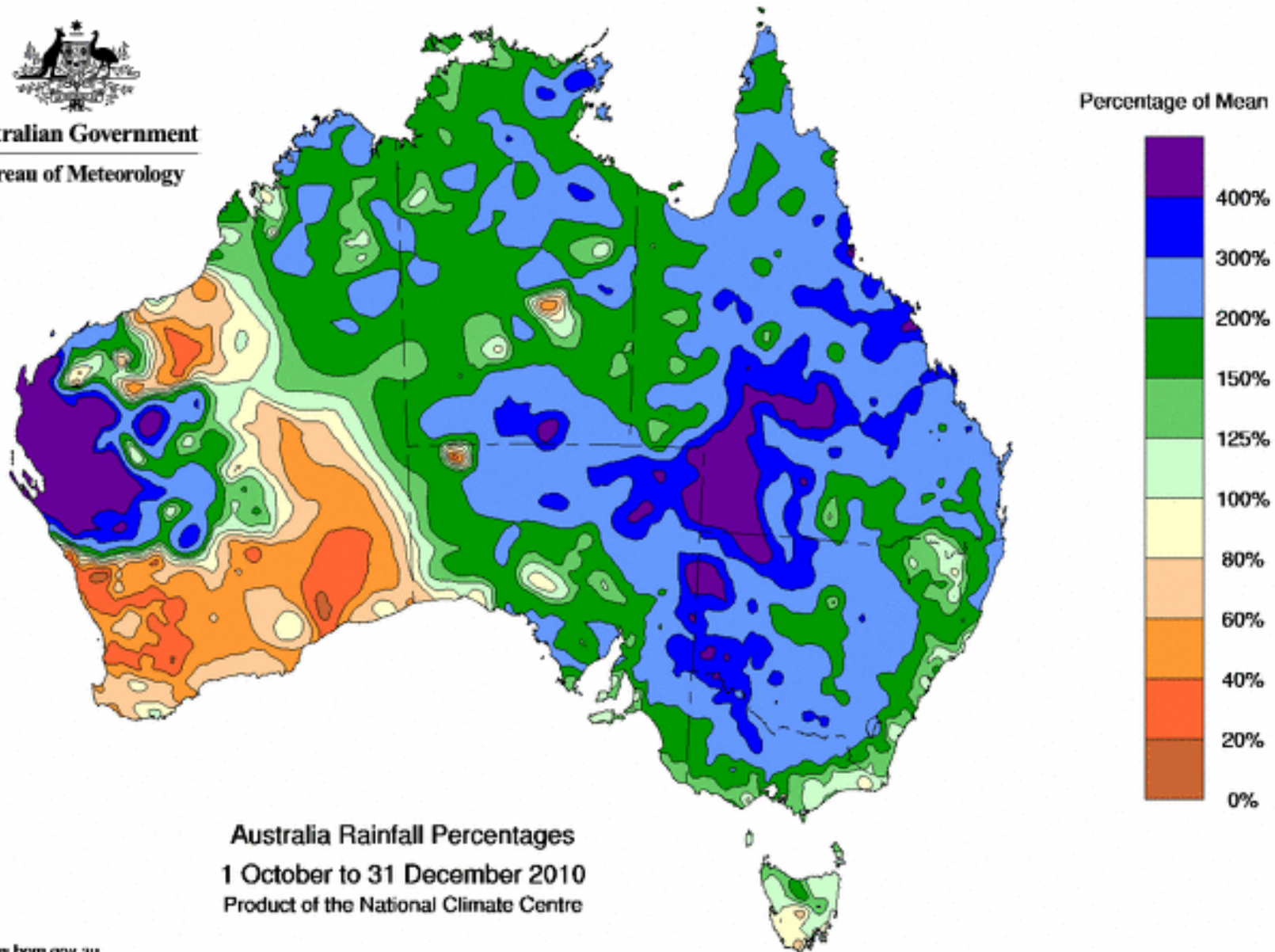


Rainfall Jan 1-14, 2011





Australian Government
Bureau of Meteorology



Australia Rainfall Percentages
1 October to 31 December 2010
Product of the National Climate Centre

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

Model Predictions of ENSO from Dec 2010

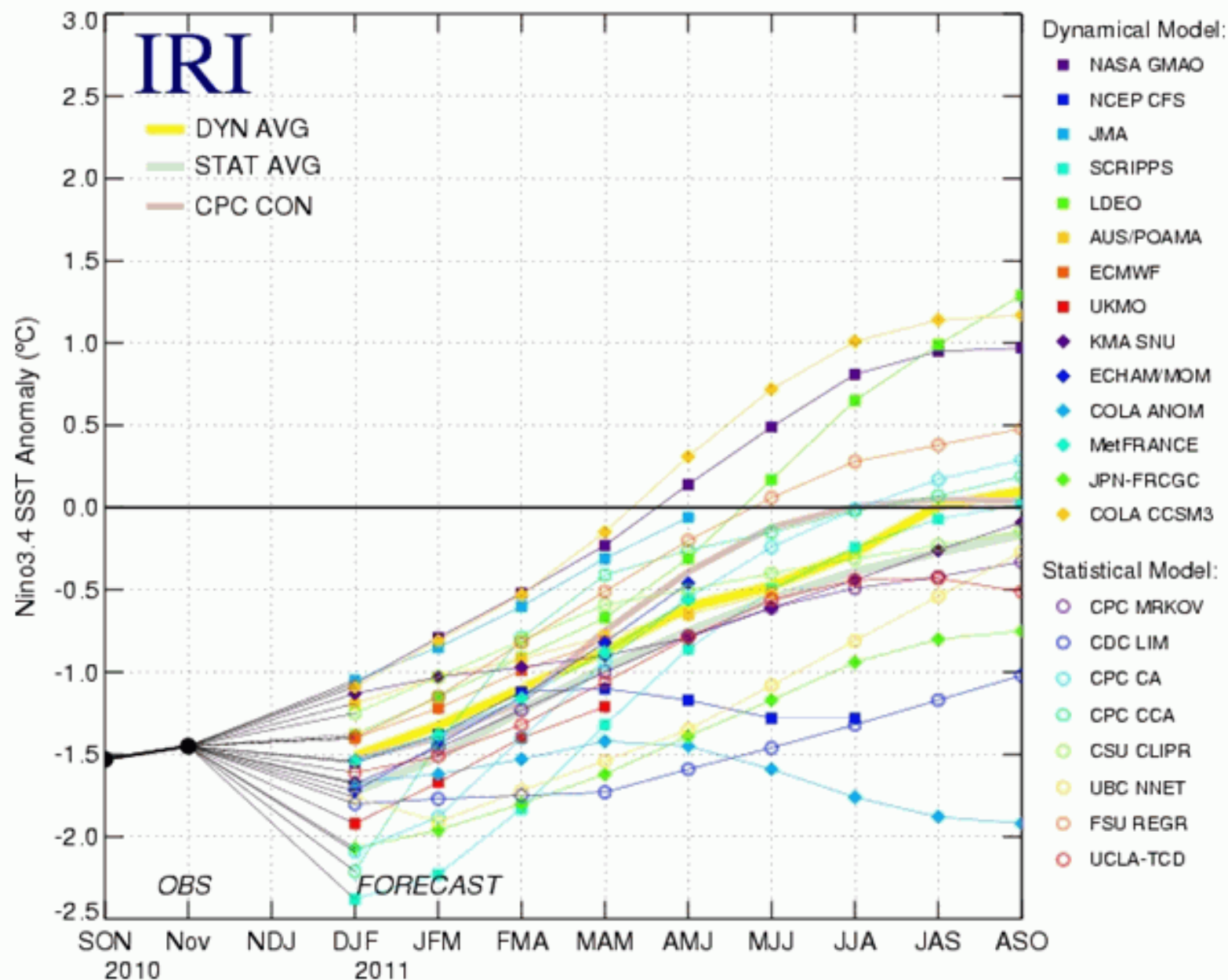
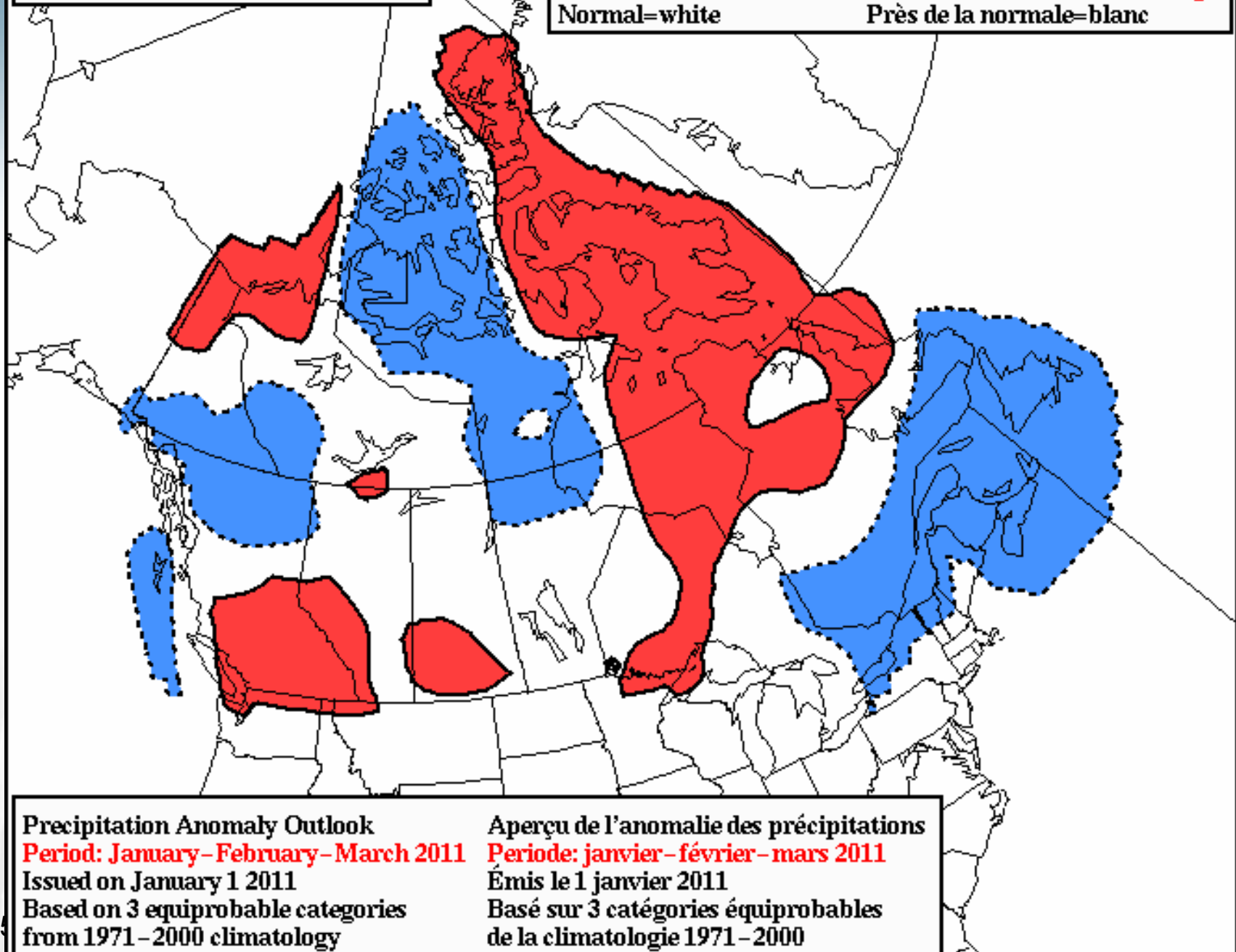


Figure 6. Forecasts of sea surface temperature (SST) anomalies for the Niño 3.4 region (5°N-5°S, 120°W-170°W). Figure courtesy of the International Research Institute (IRI) for Climate and Society. Figure updated 14 December 2010.

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



Good Luck Next Year