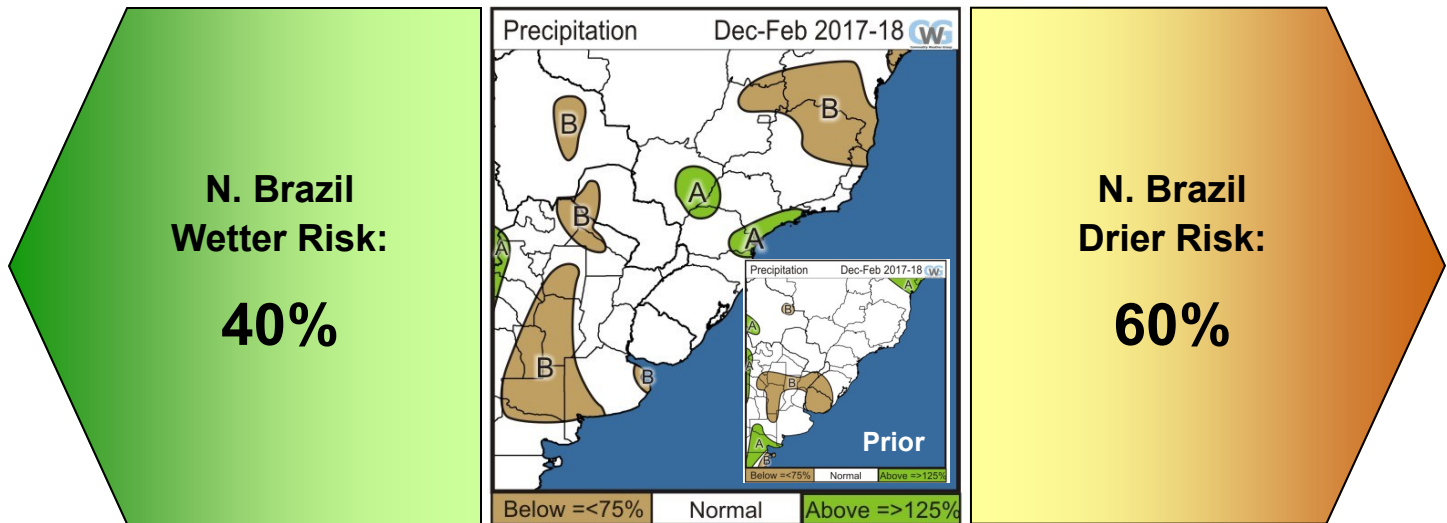


Quicksheet Summary

**Hotter/Drier Periods Threaten Stress for Arg. Corn/Soy
NE Brazil Drier, But Main Risk to Parts of Coffee Belt**



Risks refer to odds of directional changes pending an incorrect forecast.

By the Numbers

50%

Periods of Heat/Dryness Threaten Arg. Corn/Soy Yields

30%

Rain Deficits Hinder Brazil Coffee Growth

25%

Wet Dec. Threatens Australia Wheat Quality

25%

Dryness Threatens South Africa Corn Yield Potential

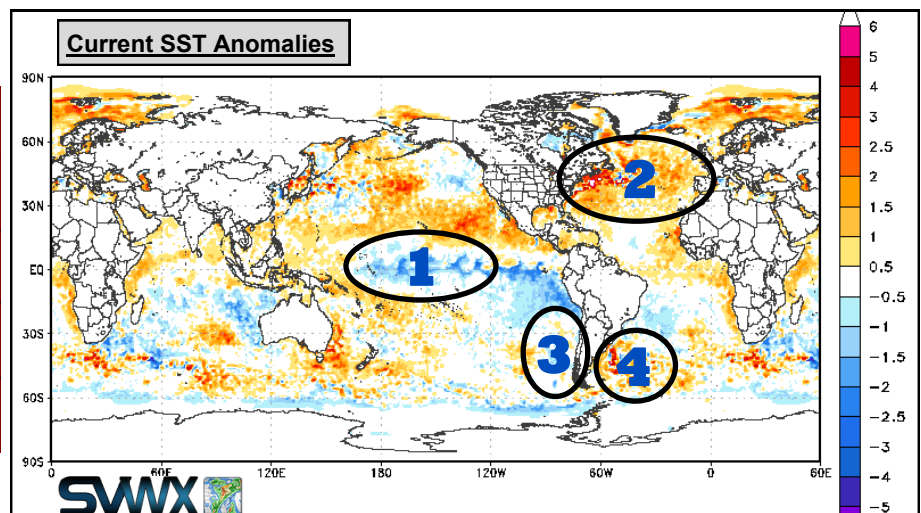
Notable Forecast Changes

Late Summer Warmer/Drier in Argentina

C. & Far S. Brazil Slightly Wetter, NE Drier

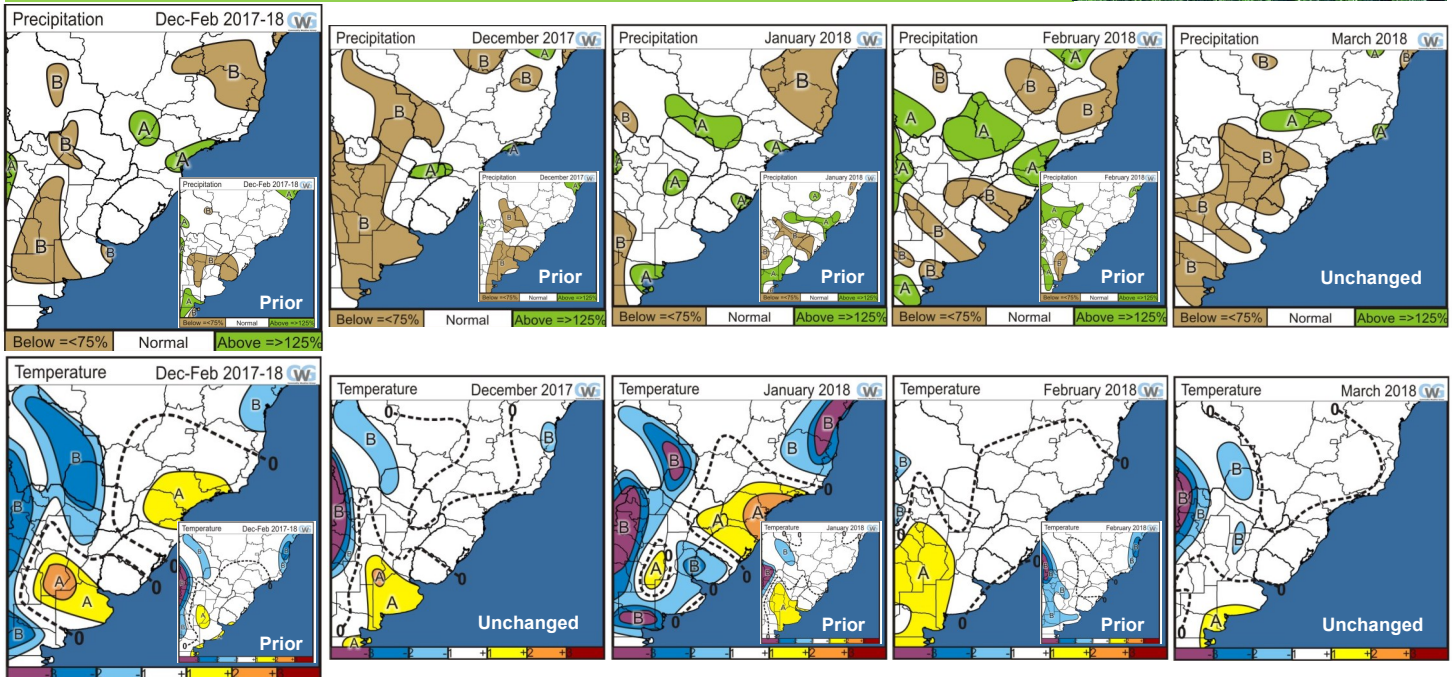
Top Forecast Risks to Watch

- 1** La Niña Weaker
Result: Drier Australia/S. Africa
- 2** Atlantic Waters Cool for Winter
Result: Drier/Colder FSU
- 3** SE Pacific Warms More Quickly
Result: Drier/Hotter Argentina
- 4** S. Atlantic Cools
Result: Drier Brazil/S. Africa



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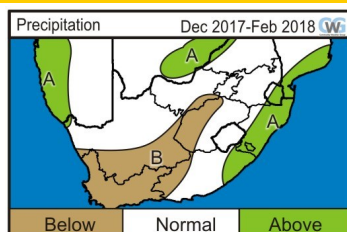
S. America Outlook



- Analogs selected based on combination of cooling in tropical Pacific (at least marginal La Niña cases), warmth in South Atlantic, and most likely upper air pattern based on SST forecasts & model projections (2010/11 weighted most heavily based on best fit across all of these measures)
- Northeast Brazil drier overall (mainly January/February), while central Brazil inched wetter; Argentina also ended up a bit less wet/less warm in January & warmer/slightly drier in February, while far southern Brazil shifted warmer/slightly wetter in January and slightly drier in February
- Main Brazil risks for crop stress focus on northeast 10-15% first-crop corn/soy/sugarcane and 30% coffee during summer as well as southern 1/3 of safrinha corn in March; warmer January in southern Brazil of limited concern given showers; rice areas in far southern Brazil/Uruguay/northern Argentina at risk for intermittent dryness but less of a concern for significant drought on this update; current forecast would support near to above trend yields for Brazil corn/soy/sugarcane & Paraguayan corn/soy, near trend for Brazil coffee/rice
- January showers scaled back in Argentina but offer brief relief for corn/soy; similar to drier trends though in balance of growing season along with risks for hotter periods in December and February could lead to below trend yields due to stress in up to 1/2 of corn/soy (most consistently west)
- CFS & Euro guidance continues to show drier risks in northern Brazil versus our outlook, odds for such an outcome highest if South Atlantic cools; drier/hotter risks in Argentina if southeast Pacific warms more quickly

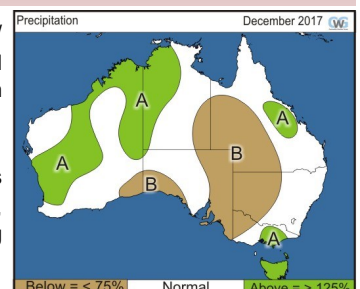
S. Africa Outlook

- Main forecast drivers weak/moderate La Niña/S. Indian Ocean cool pool
- Dryness threat in SW 1/4 corn belt
- Quite variable rain pattern during period along with mostly normal temperatures could still limit losses and allow near trend yield



Australia Outlook

- Main forecast drivers weak/moderate La Niña, cool pool in eastern Indian Ocean
- Near to above normal rains shift to W. 1/3 Australia, slowing harvest and raising risk of lowered quality

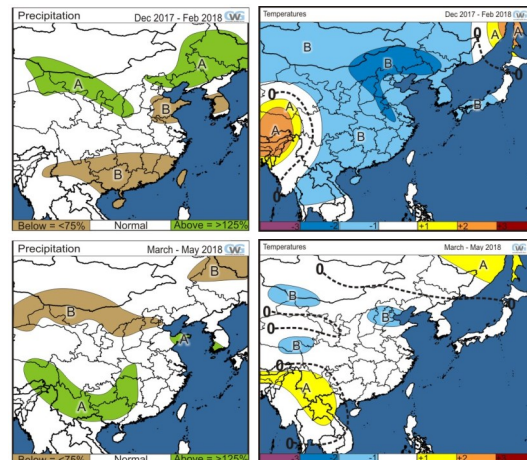


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China Outlook



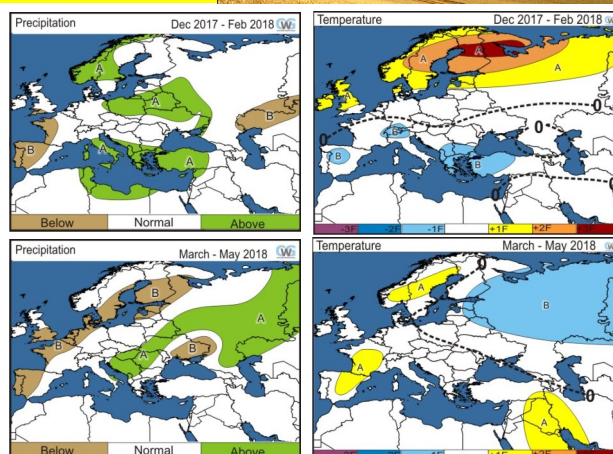
- Main forecast drivers warm pool in western Pacific Ocean and weak/moderate La Niña
- Near to below normal rains in N. China Plain during winter months not an issue since rainfall normals are extremely low
- Colder trends for winter temperatures bear watching for possible winterkill risks since wheat normally lacks snow cover
- Near to above normal winter snowfall in Northeast improves moisture for next season's corn/soy seeding
- Near normal spring rains aid wheat heading and early corn/soy seeding in N. China Plain
- Northeast spring corn/soy seeding favored by seasonable temperatures and precipitation



Europe/FSU Outlook



- Main forecast driver is extensive warmth in North Atlantic SST pattern
- Below normal rains in Spain could hamper wheat development, potentially expanding into France and U.K. in the spring
- Seasonable winter temperatures in majority of Europe/FSU limits winterkill threat, as does above normal snow potential for Eastern Europe and FSU wheat areas
- E. Ukraine spring dryness could encompass nearly half of wheat and hamper sunflower seeding but limited impact on corn; favorable spring conditions for Russian, C. & E. Europe crop areas
- Main risk is colder winter if warm SST pattern fades, which would raise winterkill risk in any areas lacking snow cover



North America Outlook



- Main forecast drivers are cool pool in NE Pacific Ocean, warmth in much of rest of N. Pacific, and weak/moderate La Niña
- Plains dryness persists this winter, but return to normal rains in spring could still avert below trend yields
- Main cold risks this winter in N. Plains/N. Midwest wheat, but precipitation pattern would favor a protective snow cover
- Near to above normal rain/near to below normal spring temperatures could slow Midwest corn/soy seeding
- Main risk to forecast is drier Plains/W. Midwest if La Niña pattern lasts longer and stronger during spring

