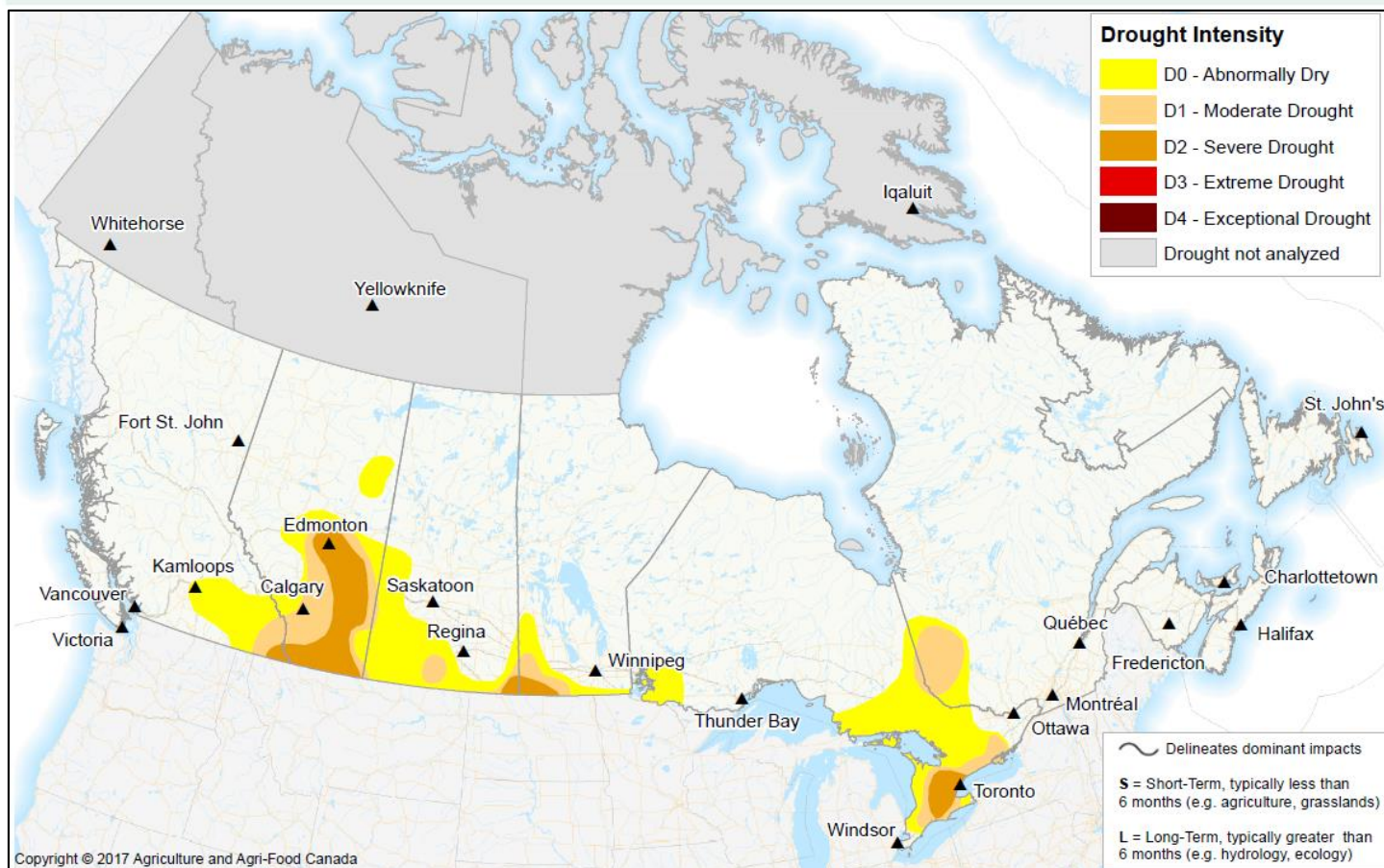


Canadian Drought Monitor

Conditions as of December 31, 2007



Drought conditions throughout most of Canada continue to improve with the exception of Alberta. Alberta continues to receive far below normal precipitation and limited snow cover over southern and central regions. Largest precipitation amounts were recorded on the East and west coasts with some regions receiving up to 250 mm (10 inches). Temperatures were near normal throughout Canada with the exception of Atlantic Canada, and parts of north central Alberta and northern British Columbia, where temperatures were slightly below normal.

There was slight improvement in drought conditions across the southern Prairies and British Columbia. The drought extent was reduced significantly in British Columbia due to above normal precipitation in the central interior.



The prairies remained relatively consistent with some degradation in southern Alberta, Western Manitoba and a small region of Southern Saskatchewan. Below normal fall and winter precipitation in western Manitoba has resulted in an expansion of the drought extent. Lack of water in southern regions of Saskatchewan has resulted in cattle producers hauling and pumping water to meet their operational demands and thus has been classified as a D1.

In Alberta, the northern region improved as much of the region saw 30-40 mm (1.18-1.57 inches) in December. The spring topsoil conditions remain a concern for north central and southern regions due to low precipitation (less than 11mm (0.43 inches) over the last two months) and extremely low snow cover in much of the southern region. Although the region doesn't experience the majority of its winter precipitation until February, above average precipitation will be needed throughout the rest of the winter in order to avoid a large deficit heading into the spring.

Ontario continues to see significant improvements in the drought regions due to average to above average precipitation over the last few months. Although some regions have received upwards of 300 mm (11.8 inches) over the last 3 months, they still are classified as a D0-D2 drought due to the long term water deficits, low lake levels and low stream flows which the area experienced throughout much of this past growing season. Levels of Lake Superior, Michigan and Huron fell by 5-6cm. This represents a slight improvement for Lake Superior and a significant decline for Lake Michigan and Huron from this time last year. These three Great Lakes are below normal lake levels and continue to be a concern. The region bordering Ontario and Quebec has been upgraded to a D1 condition due to upwards of 70mm (2.76 inches) received in the last month.