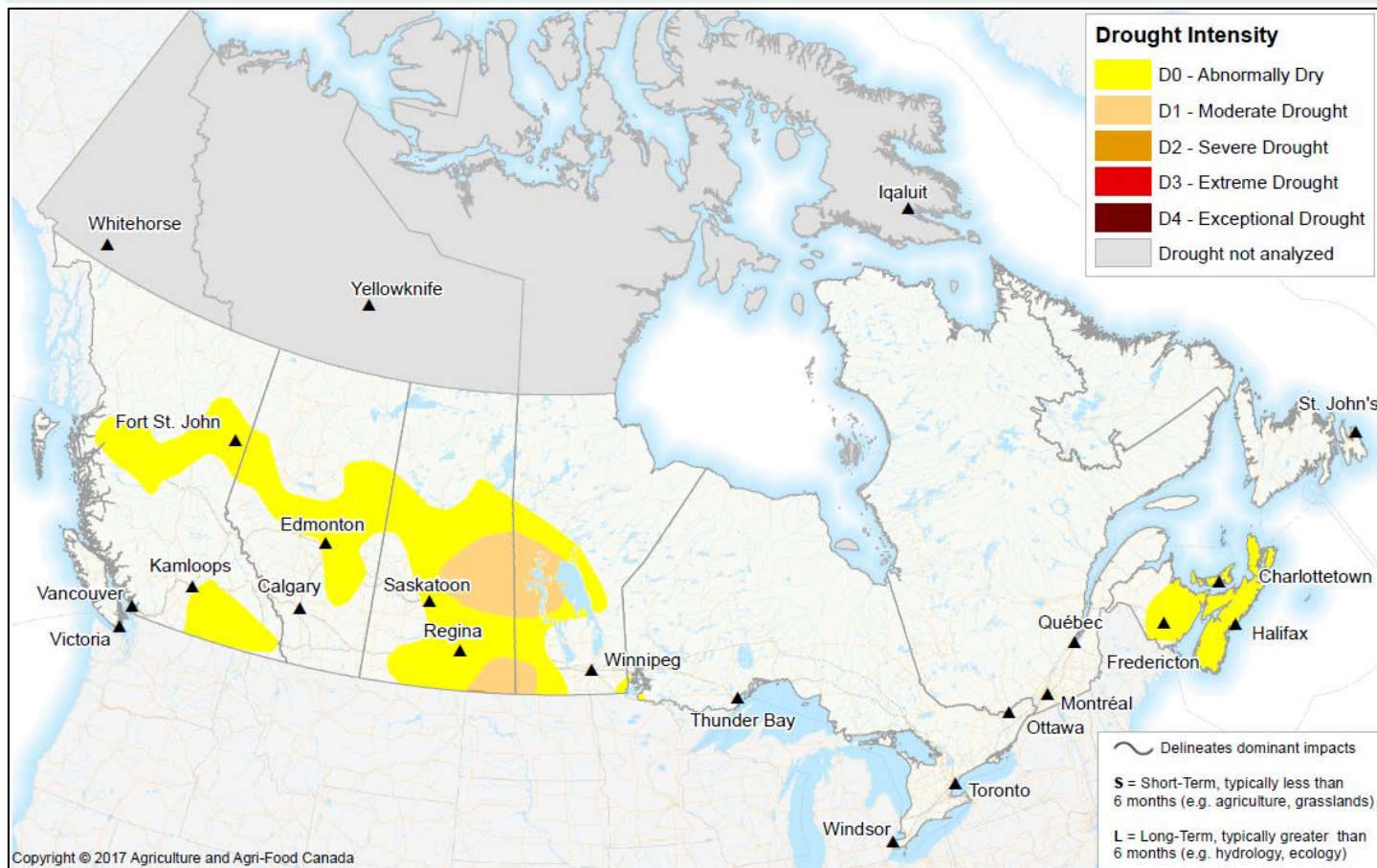


Canadian Drought Monitor

Conditions as of June 30, 2008



While timely rains in June alleviated dry conditions across the Prairies, water supply, crop and forage growth may still be affected as the growing season progresses. Precipitation monitoring indicates several areas with lower than average precipitation amounts including the northern Prairie's agricultural zone, particularly around the Alberta Peace District and northeast of Saskatoon, Southeast Saskatchewan and Atlantic Canada. As conditions continue to improve, there are no major concerns for drought; however, some regions are being closely monitored.

Pacific Region (BC)

Mountain snowpack melt throughout British Columbia is proceeding with most basins reporting above normal levels for the date and no water supply concerns at this time. Recent warmer



temperatures will help mature crops but may also eventually create a higher water demand for irrigated crops. Southern portions of the interior and north central regions have seen very low precipitation this spring resulting in abnormally dry conditions. Northern regions are less of a concern due to well above normal winter precipitation and abundant water supplies, however the southern interior had near normal or below normal winter precipitation and below normal spring and early summer precipitation. This area will need to be closely monitored over the coming months.

Prairie Region (AB, SK, MB)

While timely rains in June alleviated dry conditions across the Prairies, water supply, crop and forage growth may still be affected due to large moisture deficits from previous long term drought conditions. Timely precipitation in June has greatly improved soil moisture levels across much of Alberta. However additional precipitation is still needed in the northwest, the Peace District, and east of Edmonton where levels since April 1 are between 60 and 85 percent of average. Timely precipitation in June alleviated dry conditions in most of the southern part of Saskatchewan as well. Soil moisture levels have improved and crop development and growth is proceeding well. Water supplies, due to long term dry conditions, are still a concern over much of this region however conditions have improved considerably in the past few months. Dry conditions remain a concern northeast of Saskatoon, where precipitation is 40 to 60 percent of average with some areas reporting less than 40 percent of average. Above normal forest fires have resulted from extremely dry conditions in the eastern portion of the province. Similar to Alberta and Saskatchewan, precipitation in Manitoba during June alleviated dry conditions, especially in the southwest part of the province where well above normal precipitation was recorded for the month of June. As conditions throughout this region improve the drought classification continues to be lowered. If conditions continue to improve the remaining area under a Moderate Drought (D1) classification will be removed for the next reporting period. The west central portion of Manitoba remains dry with three month precipitation being between 40-60 percent of normal in some regions.

Central Region (ON, QC)

Near normal to above normal precipitation continues throughout Ontario and Quebec with no concerns for drought at this time. Areas that had gone through drought during the 2007 growing season have fully recovered. The Great Lakes basin precipitation for June was 142% of average. Lake Superior, Michigan-Huron, Erie, and Ontario basins received an estimated 155%, 142%, 130%, and 123% of average precipitation in June, respectively. Levels of the Great Lakes have risen and are now significantly above the level of a year ago.

Atlantic Region (NS, NB, PE, NL)

Dry, cool conditions have prevailed across much of Atlantic Canada. The area around Fredericton, New Brunswick continues to be dry and is being closely monitored. The area designated as Abnormally Dry (D0) has expanded to now include all of Nova Scotia, and Prince Edward Island as well as much of New Brunswick. Precipitation since April 1 is 40 to 60 percent of average with some parts receiving 120 mm below their average values for this time of year. At this time there are no major concerns for this region, however conditions are being closely monitored.