ROEMER

INDIAN MONSOON (NO CHANGE IN COMMENTS LAST 4-6 WEEKS)—ISSUES FOR COTTON GROWING, 40-50% OF SUGAR CANE REGION SLIGHTLY TO MODESTLY LOWER YIELDS

The drier weather in Brazil's sugar cane region and more active crush has offset the potentially bullish weather for a lack of the Indian
Monsoon in about 40-50% of India. The present situation is quite dismal in India for some key oilseed, cotton and sugar cane areas, but
NOT quite as bad a disaster for key sugar cane regions today, as it was back in 2009. Nevertheless, I still expect a return to drier than normal
Weather to cause some concerns for sugar cane over the next 2 weeks. Some key areas around Gujurat (cotton) that have been so
Dry may see their first real chance of rain in weeks the next few days, but still I expect some serious cotton losses in this and a few
Other regions, and again, something I warned everyone about 3-4 weeks ago "might" keep cotton prices, from falling out of bed.

BRAZIL IMPROVED WEATHER HELPS CRUSH AND KEEPS SUGAR MARKET IN CHECK. WHAT'S AHEAD?
MAYBE SOME RAIN IN 10-12 DAYS
BUT NOT A MAJOR FACTOR MOST LIKELY WITH MOST MODELS SAYING NOT A BIG DEAL

With respect to Brazil weather for sugar cane. Some of the most important teleconnections to look at (no just maps) are :

1)*El Nino*—Sometimes can result in wet August weather and especially during the October-December time frame.

2) *AAO Index (below*)—Is similar to the AO index in the northern Hemisphere and has to do what is happening over the South Pole.
a positive index (like we have now), means that the coldest of air and low pressure stays over the pole. When the index is negative
like it was in 2009, the cold air gets released further north towards Argentina resulting in cool fronts that can bring big rains to N. Brazil

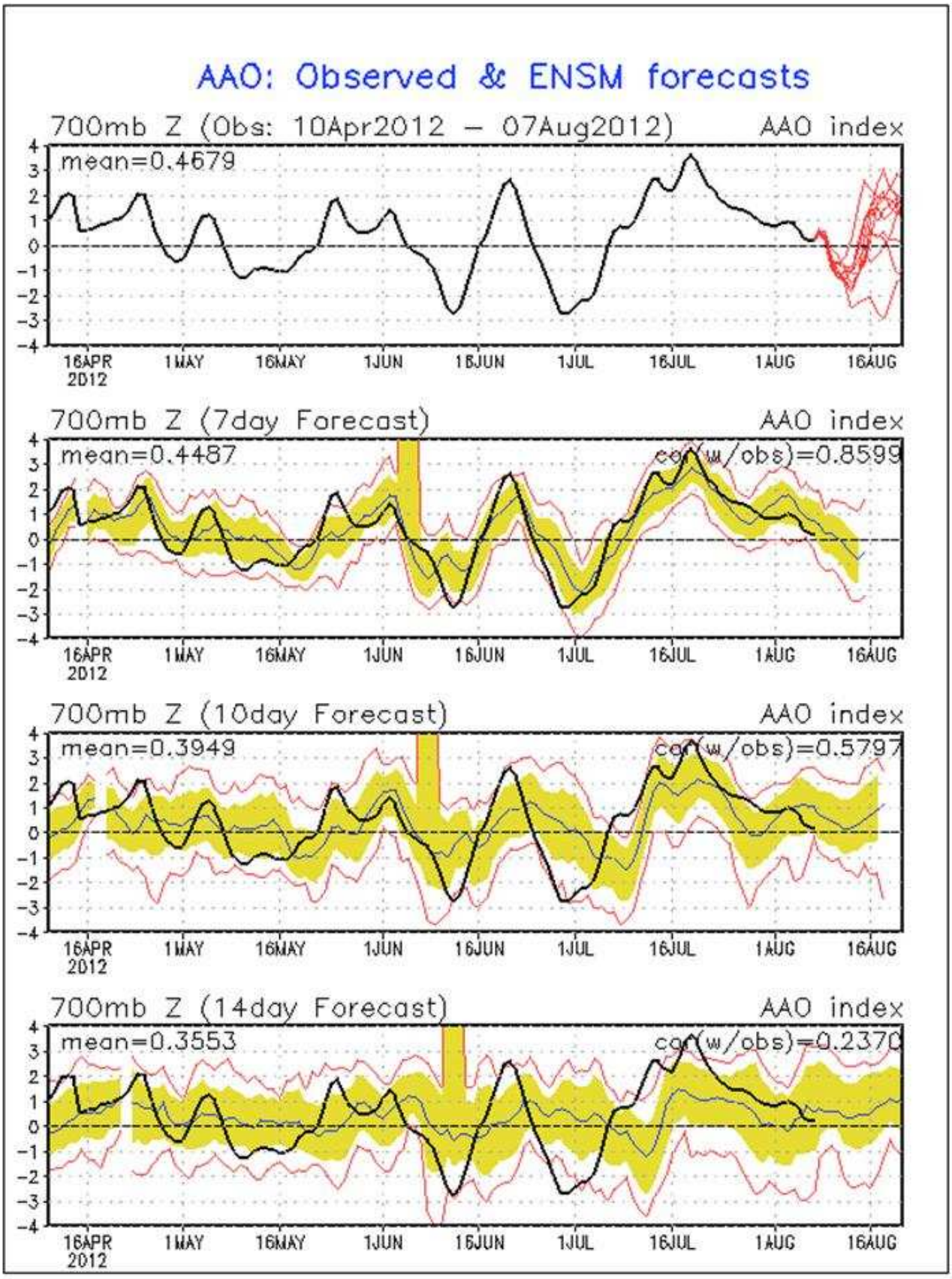
3) *QBO Index*---Stratospheric Winds above 10 miles. Then the winds blow from east to west and we have what we call a negative
QBO index, which we have now, then the sugar cane areas can get quite wet.

4) *Sea Surface Temperatures to the east of Bahia*--- The SST's are cool now, compared to a warm signal in 2009. Hence, the cooling
Could limit the amount of evaporation and hence rains in this region. **In other words, any fronts that come down (like in about**
10-12 days from now) may be short-lived and not as consistently wet as in 2009

Hence, you have 2 out of 4 critieria that might suggest with time a wetter pattern for Brazil's sugar cane area—

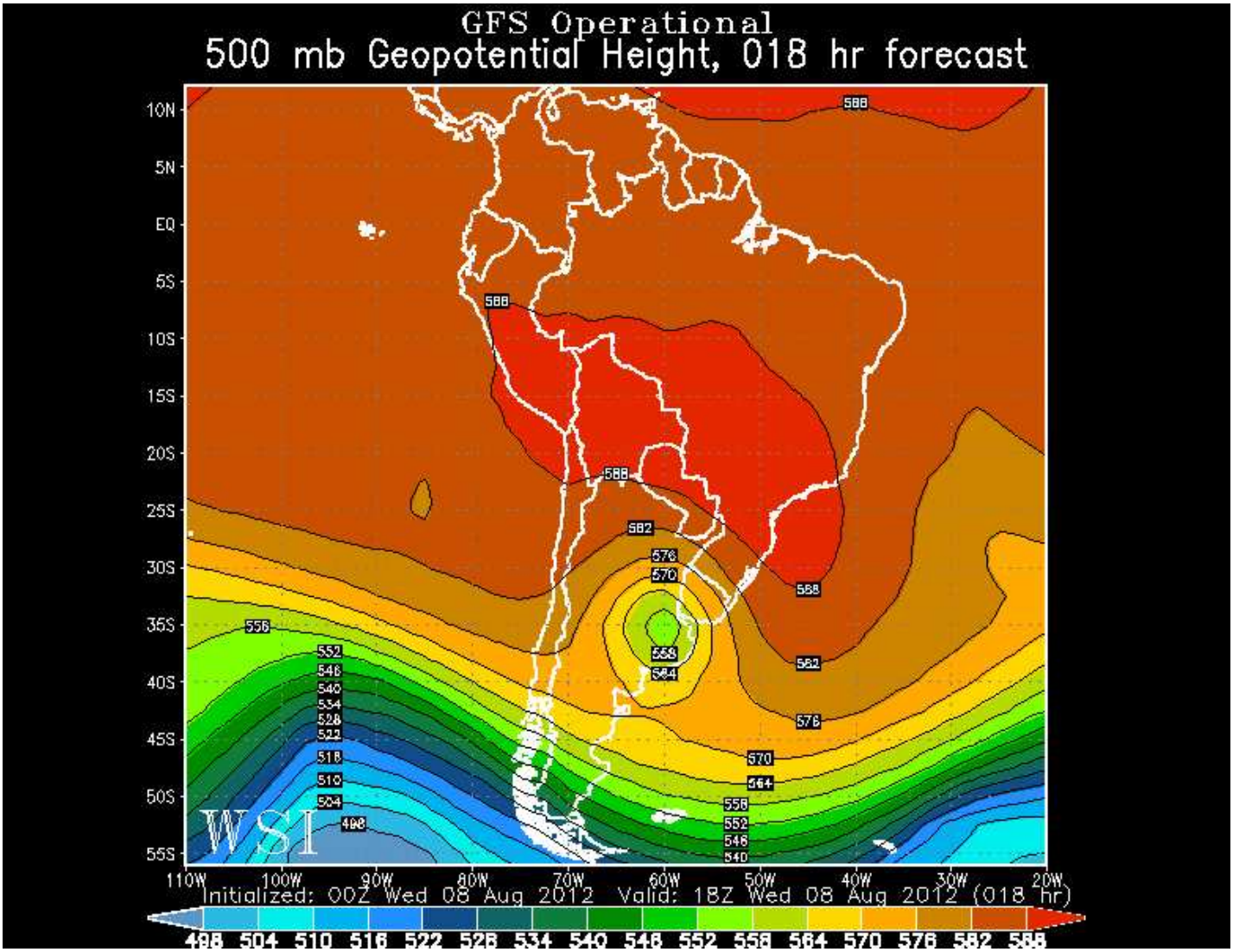
But unless the AAO index (below) turns negative, I have a hard time believing we are going into a consistent

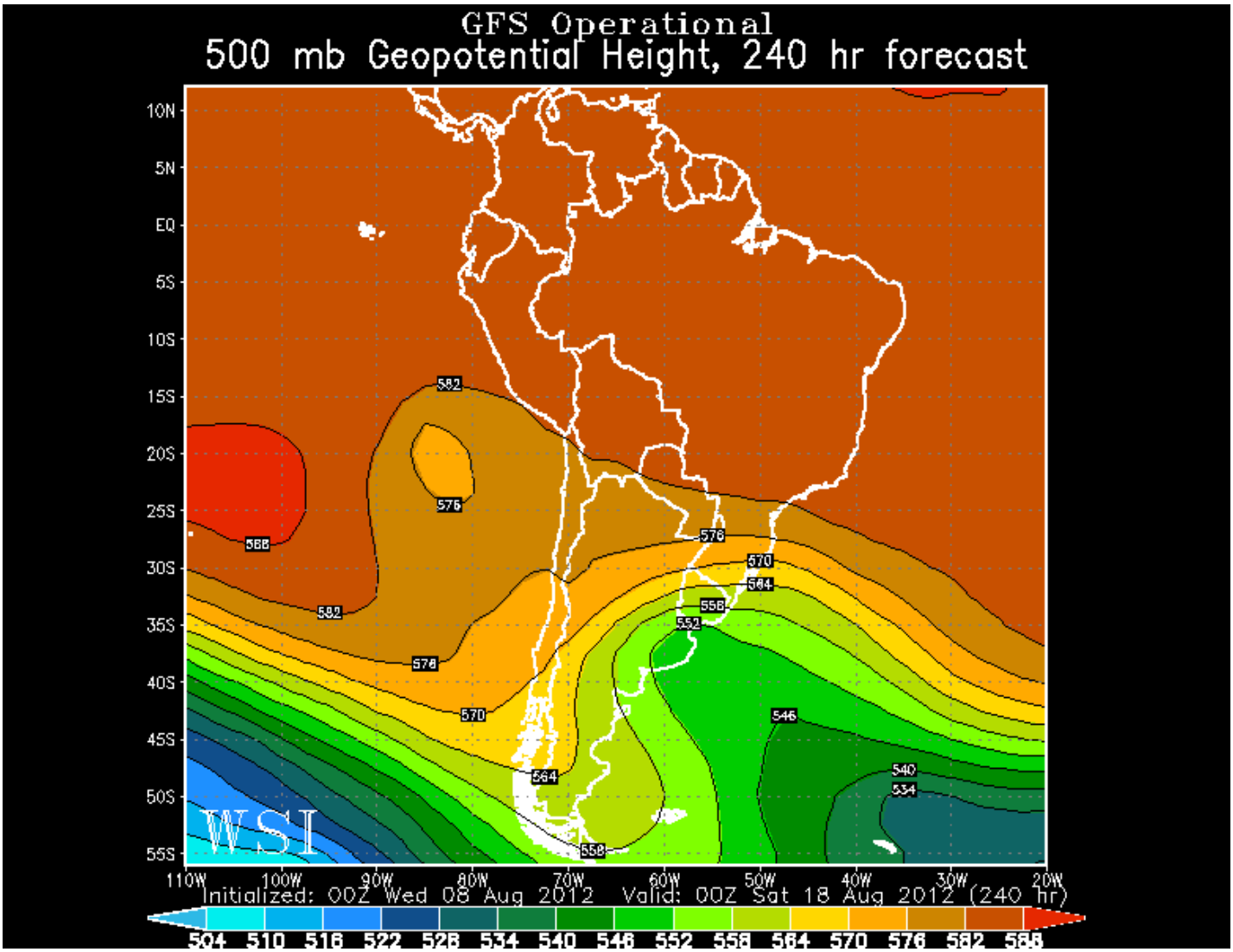
Wet pattern in this region, though some "minor" disruptions might occur for a few days after August 17th-18th



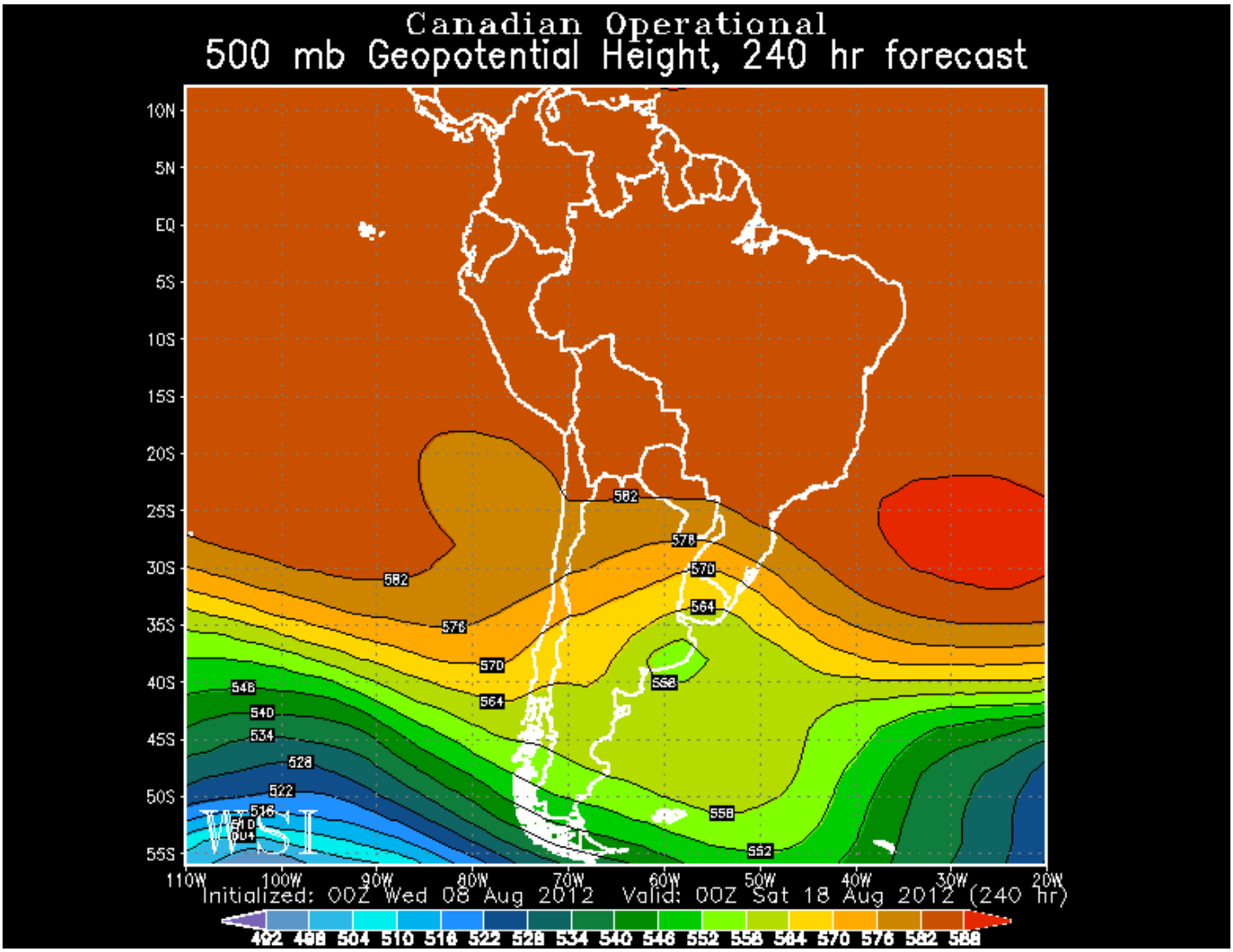
The map to the left shows the GFS model (present) and the big huge red dome you see over northern Brazil, keeping the sugar and coffee areas mostly dry.
The map to the right shows the “U” near northern Brazil and a strong cool front with heavy rains forecasted in a few key sugar cane areas
In about 10-12 days or so. However, this model seems to be the lone one out and other models below this do NOT show the rains being as much

As the GFS says with a somewhat drier solution. **Hence, given the AAO index is positive, not negative, even if the GFS is "partly correct" and we see a couple days or so of wetter weather in the sugar cane regions after August 17th-18th, I do not think it is a long lasting wet pattern like 2009.**





NOTICE THE CANADIAN AND EUROPEAN MODEL, WHICH DOES NOT HAVE AS MUCH OF A “U” AS THE GFS 240 HOUR FORECAST HAS ABOVE. HENCE, THESE MODELS ARE NOT AS EMPHATIC WITH RAINS FOR THE SUGAR CANE AREAS IN ABOUT 10-15 DAYS AS THE GFS. WHILE SOME RAINS MAY OCCUR THEN, PROBABLY NOT GOING TO BE A CONSISTENT MAJOR WET PATTERN.


Canadian Operational
500 mb Geopotential Height, 240 hr forecast
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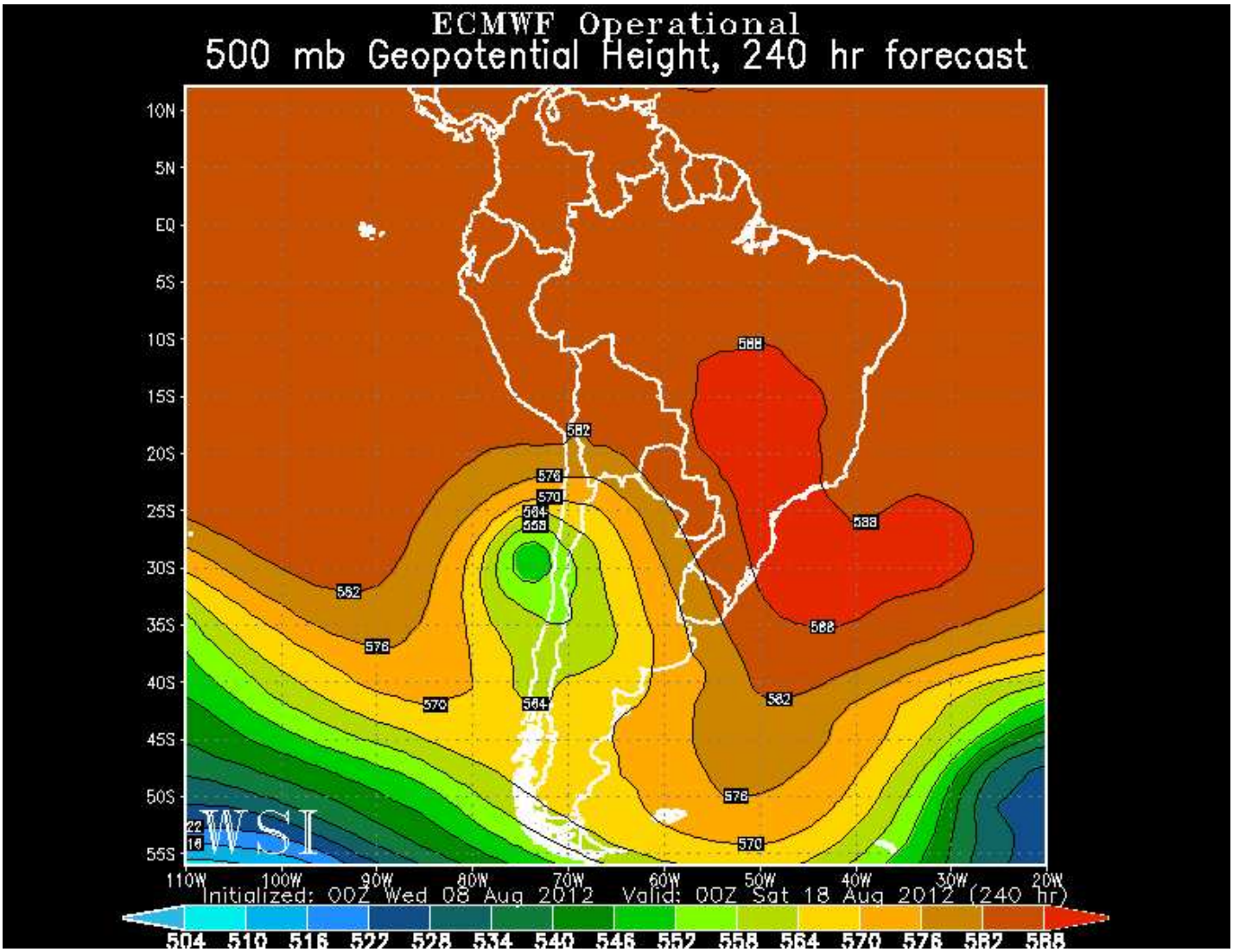
ECMWF Operational
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