

World Softs Weather

Brazil Dryness To Persist; Central America Too Wet

By Drew Lerner

Kansas City, September 9 (World Weather, Inc.) – La Nina continues to contribute heavily to weather patterns around the world and many of the coffee, citrus and cocoa production areas have seen a mixed influence so far. The most significant anomalies noted to date include delayed seasonal rains in Brazil that will hurt sugar production “may” be an issue for coffee. Indonesia, Central America and southern Mexico are much too wet with fungus posing a threat. India’s monsoon will prevail longer than usual and Pakistan is still getting too much moisture. Great weather for sugar beets has been reported in the northern U.S. Plains and favorable weather continues in Central Africa and Vietnam. La Nina will not be going anywhere for a while and it will continue dominating world weather. However, that does not mean that all anomalous weather will be attributed to the phenomenon.

LA NINA UPDATE

La Nina continues to strengthen in the central and eastern Pacific Ocean where sea surface temperatures are notably below average. Under these conditions there is normally a shift in weather patterns around the world resulting in shifting weather throughout the tropics. Many of the anomalous weather trends impacting the tropics right now can be attributed to the event. There is also a tendency for La Nina to delay the natural shift in seasonal rainfall across the tropics and subtropics resulting in longer than usual wet periods in some areas and delayed seasonal rainfall in others. Despite the natural tendency to blame all anomalous weather in the world on “climate change” it would be best to take a more realistic approach and note that most of the world’s adverse weather can easily be attributed to the shift from El Nino to La Nina during the past year and some of the anomalies will prevail well into 2011 because of persisting La Nina.

The most traditional anomalies associated with La Nina that will impact coffee, cocoa, citrus and sugar producing areas will include, but is not limited to, delayed seasonal rainfall in Brazil, prolonged seasonal rain in southern Mexico, Central America, Indonesia and many south Asian nations. Eastern Australia will be wetter than usual over the next few months and South Africa will trend wetter than usual later in the year. Central Africa rainfall has been favorable in recent weeks, but December through February 2011 will trend drier than usual for Tanzania, Uganda and Kenya. North America weather will include a drier bias in Louisiana, South Texas and Florida this winter while colder than usual conditions occur in the northern Plains beet country.

La Nina will become a moderately strong event by the end of the fourth calendar quarter this year. It does not necessarily correlate with more anomalous weather, but it does suggest many of the regions of traditional anomalous weather noted above will see those traditions held up. The next two weeks will likely perpetuate current trends in weather for most areas around the world and then some changes should be anticipated.

BRAZIL

Some of the first rain of the season occurred in citrus, sugarcane and coffee production areas from Parana through Sao Paulo to southern Minas Gerais during the past

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week. Official rain totals for the week ranged from 4 to 10 millimeters. However, unofficial rainfall from a few areas suggested between 10 and 30 millimeters may have fallen. These greater amounts were not representative of the entire region, but that much rain would certainly have benefited the crops involved. Southern Zona de Mata coffee areas and a few eastern Sao Paulo citrus and sugarcane locations were most noted for the greater rainfall – as far as satellite interpretation is concerned. Eastern Bahia coffee and cocoa areas also reported rain with coastal areas wettest.

Despite what sounds like fine weather, many areas in Brazil are still running much too dry. This week's rain was not enough to counter evaporation and dryness since last April still has most crops stressed. Dryness during the late autumn and winter is quite normal, but there is much nervousness in the market place because of this being a La Nina year. Most of those years delay annual rainfall hurting sugarcane most significantly and immediately while the threat to coffee and citrus is usually a little more tenuous.

The key for successful coffee and citrus production will not be so much when it rains, as much as it will likely be how well the rain will be distributed once it begins. A significant rain event of 30 millimeters or more can stimulate coffee flowering and once that takes place the flowers have about ten days to two weeks to get follow up rain or they may be aborted resulting in lower production. Aborted flowers may be replaced later in the year, but the first flowering is always most important and the best production years occur when the first flowering is profuse and well timed with periodic rainfall. Second flowerings are usually much less significant resulting in lower production.

The forecast is not offering much rain over the next few weeks. Any rain like that of earlier this week – only greater – that occurs to induce coffee flowering will set the clock ticking for follow up rain routinely to support pollination and cherry setting. The problem is that rain will be erratic over the next few weeks suggesting the odds will be against well distributed rain. If a fluke rain event comes along and produces flowering whether it is coffee or citrus there will be a risk of aborted flowers because the odds will not favor good follow up rain.

World Weather, Inc. anticipates slowly improving rainfall in October. However, it could be late in the month or even in November before rainfall becomes well distributed to support reproduction. Once seasonal rains begin and flowers start opening it will be essential that rainfall continues routinely.

Citrus crops are a little smarter than coffee. They do not usually begin flowering quite as easily as coffee, but they face a similar requirement of routine rainfall once the precipitation begins significantly.

Sugarcane in Brazil has already lost some production potential. The crop must get rain early in the season to stimulate new growth and the longer the plant development is stalled by dryness the shorter the final cane height is likely to be. The shorter the cane is the lower yields will be. Sugarcane will likely see stressful weather through the next two weeks with only erratic rainfall expected in the final days of September and early October. The situation is sure to lead to additional production cuts, but rainfall will improve later in the year.

Improving rainfall will come to all of Brazil's soft commodity producing regions later in the year and into early 2011, but the next few weeks will be very important in

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determining yield. Sugar production will be down, but coffee and citrus could still have a successful year. A close monitoring of the situation is certainly required.

INDONESIA/MALAYSIA

Rain has been above average for a very long period of time in Indonesia and Malaysia. Last year's El Nino failed to produce drought and the wetter biased environment that developed late in the year has perpetuated month after month after month this year. The wet conditions has assured no drought issues, but too much of a good thing can be problematic, as well. Coffee harvesting has been sluggish at times because of the wetter weather. Cocoa, citrus and sugarcane in these countries are also dealing with a wet bias that is problematic for some areas. Coffee continues in development over Sumatra where the crop is performing well.

A wet weather bias will remain in place over the next few weeks with only small breaks in the pattern anticipated from time to time. Drying would be better for many areas.

PHILIPPINES

Favorable soil moisture is present across most of the archipelago. The environment will change little in the next couple of weeks. Rainfall most recently has been locally heavy in western Luzon Island, but more reasonably elsewhere across the archipelago. Some local flooding may have occurred, but sugarcane was probably the only crop impacted and it should have handled the situation favorably.

VIETNAM

Weather in the past week trended a little lighter in parts of the nation after heavy rain fell in the week before as a tropical cyclone moved into northern parts of the nation. Most coffee and sugarcane conditions were rated favorably. The industry is predicting a large coffee crop this year because of better distributed rainfall and there is little reason to think otherwise.

Sugarcane production may vary a little more widely due to low water supply and dryness for a part of the year. Dryness earlier this year was significant enough to negatively impact sugarcane, especially in the Mekong River Delta. The Red River Delta crops have likely performed favorably.

A sufficient amount of rain will fall over the coming week to maintain soft commodity crop integrity.

THAILAND/LAOS/CAMBODIA/TAIWAN/MYANMAR

Weather conditions over the past week were abundantly moist across most of Thailand, Cambodia and Laos. Flooding from the previous week in Laos subsided, although rain continued to fall abundantly in southern parts of the nation. Cambodia was wettest this week, according to satellite interpretation, while southern Myanmar and northern Taiwan were driest. Most sugarcane, citrus and coffee produced in these nations

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likely experienced enough moisture to support normal development with little change likely over the next couple of weeks.

A Madden Julian Oscillation (MJO) event over southern Asia today will prevail into next week resulting in additional rainfall of significance for many areas, but most of the greater than usual rainfall anomalies will be in the Indonesia, India and Sri Lanka.

CHINA

Drought reported earlier this year hurt sugarcane production. Since then there have not been many serious bouts of dryness. In fact, most of China has seen moisture abundance with flooding rain noted in the middle part of this year across the region near and south of the Yangtze River. That flooding likely damaged a little more sugarcane, but its impact was low compared to the dry start to the production year.

Since then weather conditions have been more favorable for citrus and sugarcane in southern China while some of the sugar beet production areas in the north have been impacted with heavy rain. Temperatures were also a little cooler than usual this summer in some of the northern beet areas. The combination of wet and cool conditions may have beets a little more immature than usual. Late maturation this year could lead to some damage when early season frost and freezes occur. Some forecast models are predicting frost and freezes as soon as the Sep 18-23 period and that time period will be closely monitored. An early freeze might not have a huge impact, but it will vary from one location to another.

INDIA/PAKISTAN/BANGLADESH

Pakistan continued to receive rain during the past week. The nation's sugarcane was adversely impacted by flooding earlier this summer, although damage to that crop was probably not as severe as some of the other commodities. *This is the start of the dry season, but rain continues to fall and it will prevail for a little while longer.* Sugarcane is irrigated because the summer rainy season is normally of short duration during mid-summer. Weather and crop conditions should improve with the onset of seasonal drying in the next few weeks. Most producers will look forward to the changing weather and some improvement in crop conditions will eventually result.

India's sugarcane has had huge variance in weather this summer. Fine crop development has occurred in Maharashtra and in parts of Karnataka, but Tamil Nadu, southern Karnataka and southern Andhra Pradesh have received below-average amounts of rain. Sugarcane in drier region has likely been stunted and production will be down slightly from that region. Coffee, produced in southern India is largely irrigated and the crop was suspected of being average condition, despite drier than usual conditions. Irrigation water is in short supply and it needs to increase for crop demand in 2011.

Another area of notable dryness this season has occurred from Bangladesh, West Bengal and easternmost Orissa to Bihar, Jharkhand, far eastern Madhya Pradesh and southern Uttar Pradesh. Rain in these areas has been notably below average. Lower sugar yields are quite likely from this region. The situation has not been critically bad because of

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timely rainfall even though amounts have been below average. Some loss in yield will occur in this region, although sucrose levels will likely be above average.

Favorable sugarcane production from most of India outside of the above two drier areas will help counter some of production declines in the drier locations. However, overall, it may not be the best production year.

JAPAN

Unusually dry and warm weather dominated late summer across the main islands. This may have impacted some of the sugarcane and citrus. However, irrigated crops likely performed favorably and losses were not expected to be dramatic because of good yielding crops in the Ryukyu Islands. Production will vary widely across the nation, but it would not be surprising to see production down slightly. Higher sucrose values in response to the drier and warmer bias may help make up for shortcomings in cane heights.

Tropical Storm Malou moved across the heart of Honshu this week providing a welcome boost in soil moisture. Weather over the next week to ten days will likely produce near to below average rainfall.

CENTRAL AFRICA

Well timed rainfall has been reported in coffee, cocoa and sugarcane production areas in central Africa during the past week. Some dryness occurred at times earlier this season in Ivory Coast and Ghana, but abundant rain and favorable soil moisture leading into the drier weeks likely perpetuated favorable production. The outlook is calling for continued well-timed rainfall that should maintain production potentials. Harvesting of coffee will begin in many areas in October and continue into February.

Uganda production estimates for this year were lowered because of dryness early in the year, but weather in recent weeks has been favorable. Tanzania is anticipating a drier than usual period later this year and that will be due to La Nina induced delayed rainfall. The precipitation is usually delayed first and then is followed up by below-average amounts of rain. The same may end up occurring in parts of Uganda and Kenya later in the year. Ethiopia is wrapping up a highly successful coffee production year.

EUROPE

Too much rain in Germany, Czech Republic and Poland over the past few weeks likely slowed sugar beet maturation and may have reduced crop development. The region became too wet for a while. The environment is starting to improve, but some periodic rain and mild temperatures will prevail to keep that process slow. Beet harvesting occurs in the Baltic Plain in late September and October while that in France and the United Kingdom occurs in September and October. Early harvesting in France and the U.K. has likely advance favorably around periods of rain and sugar levels are suspected of being favorable.

Plenty of rain will fall over the next couple of weeks maintaining a slow early harvest pace and crop maturation rates may be slow, as well.

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COMMONWEALTH OF INDEPENDENT STATES

Sugar beet production has been seriously impacted by drought in Russia this year. Beet sizes will be small, but sugar levels will be high because of the stress. Recent cooler weather has helped to increase sugar levels.

Rain has been falling frequently across the Baltic States, Belarus, northwestern Ukraine and northwestern Russia. Each of these areas is seeing favorable moisture return after summer dryness. Beet harvesting is well under way, but is having to dodge periods of rain.

The most concentrated sugar beet production area is just to the west of the drought region and that may help to curb production losses this year, but there were still sufficient losses in Russia that will lead to lower sugar production this year.

Weather in the coming week will continue to generate periods of rain and periods of sunshine. Farming will advance swiftly in the drought stricken areas where the harvest will conclude quickly.

MEXICO/CENTRAL AMERICA

La Nina has generated frequent rain over the past week. Sufficient amounts of moisture have occurred leave coffee production areas running excessively wet at a time when cherries are maturing. Sugarcane, citrus and other soft commodity producing areas from southern Mexico into Panama have been impacted by frequent rain recently and some of the amounts have been excessive. *Coffee production cuts because of wet weather disease have been speculated over in Guatemala and Costa Rica, although only pockets of problems have been reported thus far.* Seasonal rains will continue abundant for another few weeks as La Nina perpetuates the wet pattern longer than usual. Some lower sugar levels will be possible in the wettest sugarcane production areas. Citrus will likely perform well and coffee will likely yield better than anticipated under recent market speculation.

UNITED STATES

Louisiana sugarcane harvesting will begin in a few weeks. Dryness in a part of the production region at times this summer may have stunted the crop height somewhat, but higher sucrose values will likely make up for some of the lost bulk. Florida citrus and sugarcane were rated favorably with little change likely.

Tropical Storm Hermine moved through south Texas this past week producing some very heavy rain. However, most of the citrus and sugarcane in the region was not adversely impacted.

Meanwhile, sugar beet harvesting in the northern Plains was slowed by rain and more delay will occur in the coming week. Some early season frost will occur in the coming week in the Red River Valley where some crop damage may result, but this year's beet crop is of large size and should perform favorably. The wet weather bias in the northern Plains will continue over the coming week, but rain intensity will decrease greatly

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giving the region a chance to dry down. Frost will help defoliate crops and expedite the harvest.

Other sugar beet producing areas in western United States and Michigan were rated favorably. Some frost and freezes may have impacted a few Wyoming production areas this past week. Michigan has had a little drier than usual bias at times this summer and beet sizes may be below average with high sugar content.

COLOMBIA/VENEZUELA

Rain continues to fall frequent and abundantly across northern portions of South America. The environment is mostly favorable. However, *some areas in Colombia have reported some wet weather disease in coffee production areas and that may reduce yield and quality.* Citrus and sugarcane have likely performed relatively well. There has been some below-average rainfall in southwestern Colombia at times in recent weeks, but the impact has not likely been tremendous.

Weather conditions over the next few weeks will continue the wetter biased environment. *The incidence of fungus and other wet weather disease will likely continue to slowly expand until the dry season arrives in a few weeks.*

CARIBBEAN AND ANTILLES ISLANDS

Most coffee, sugarcane and cocoa production areas across the Caribbean Sea and into the Antilles Islands have experienced favorable weather this season. The lack of tropical cyclones in the region will likely keep a few crop areas in Cuba and some other islands running a little short on moisture relative to most summers. However, production from most areas is expected to proceed favorably.

ARGENTINA

Dryness remains locked into citrus and sugarcane areas of the northwest. Rain is needed in unirrigated production areas. Some rain will fall in the coming week, but amounts will likely fall short of that needed to improve flowering conditions. Northeast citrus areas have done better with rain and will continue doing so over the next few weeks. A boost in rain is needed in far northwestern areas, but after Friday and early next week the region may not have much chance for rain again for a while.

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