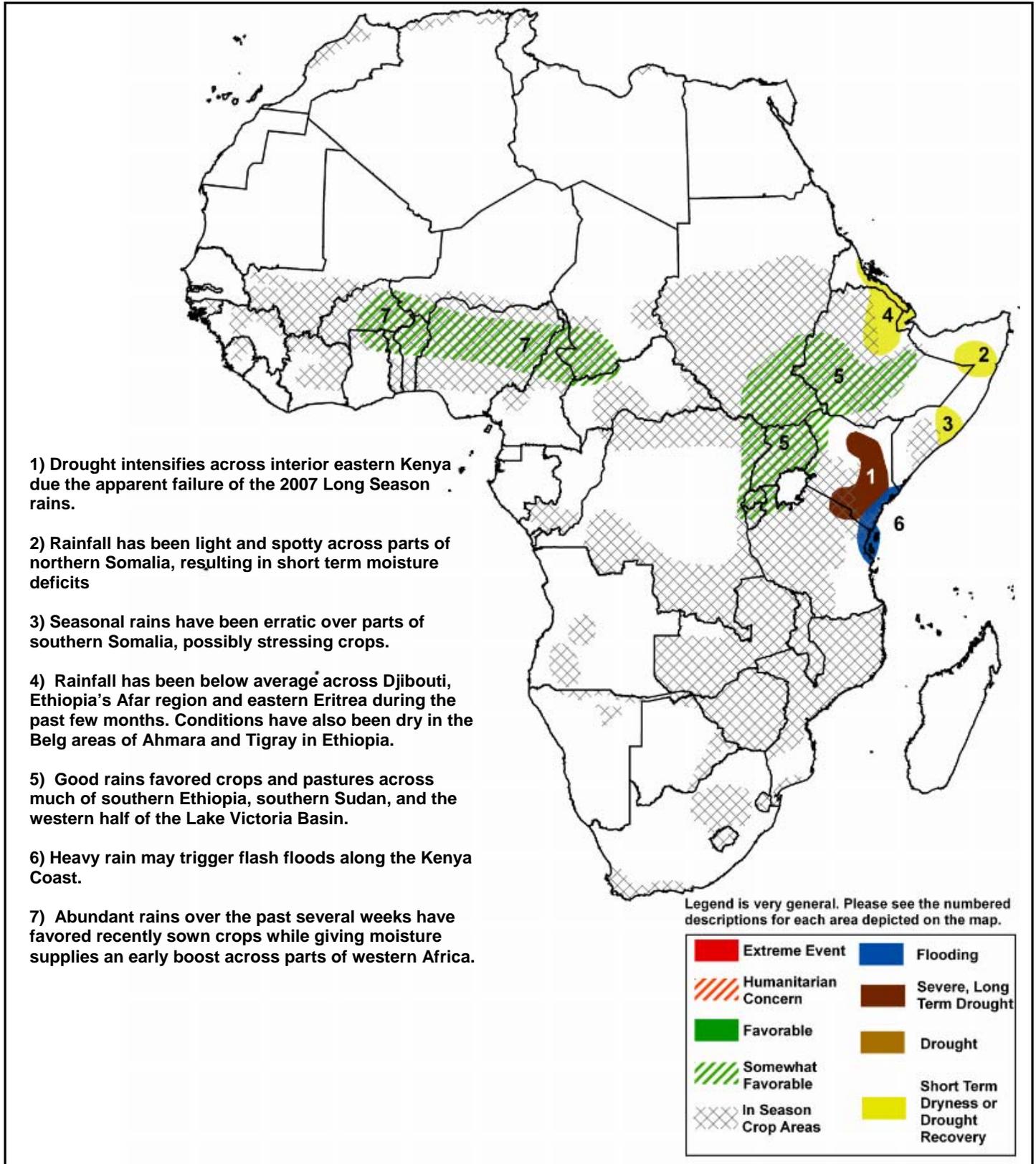


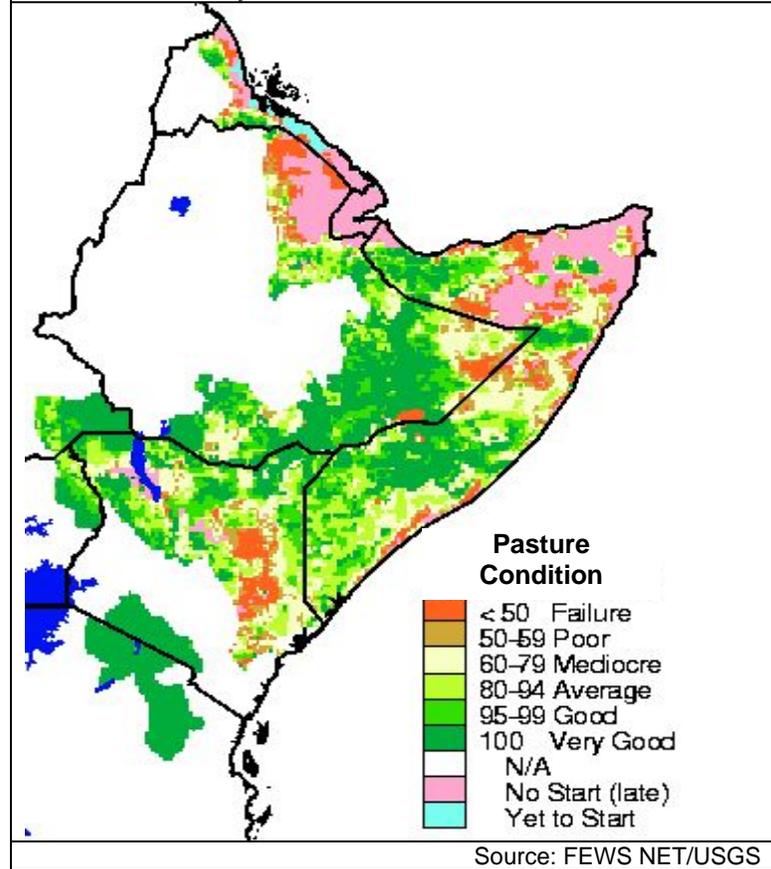
- Abundant, well distributed rains have resulted in good conditions across southern Ethiopia, southern Sudan and western portions of the Lake Victoria Basin. In West Africa, recent rains benefited recently sown crops by giving an early boost to moisture supplies in some areas.
- Drought is worsening across interior eastern Kenya due to apparent failure of seasonal rains. Dry conditions have also had a negative impact on pastures in Djibouti, eastern Eritrea and adjacent parts of Ethiopia.



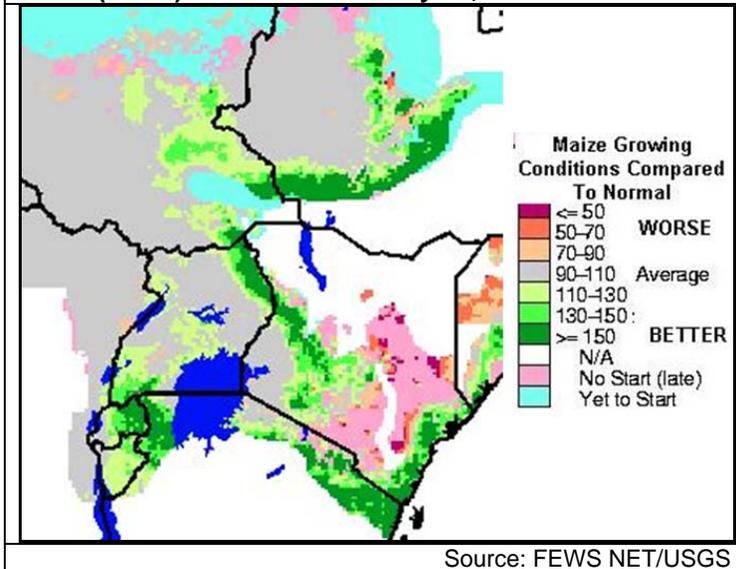
Favorable rains so far this season have resulted in good conditions over large portions of the Horn. However, drought continues to worsen across inland portions of eastern Kenya. Seasonal rains have been abundant and well distributed this season thus far across southern Ethiopia and southern Sudan. This has resulted in favorable conditions for crops and pastures across the region. To the south, adequate, well distributed rains have benefited crops and pastures across northwestern Tanzania, Rwanda, Burundi, Uganda, and adjacent parts of eastern DRC and western Kenya. Conditions have been dry in recent weeks across parts of southern Uganda. However, in these areas there are indications that main season crops are near maturity. Therefore, the drier weather has favored maturation, dry-down and early harvesting of main season crops. In interior portions of eastern Kenya, the 2007 Long Season Rains have apparently failed. This has resulted in the development of severe drought across inland portions of eastern Kenya, as well as adjacent parts of Tanzania. Crop failure, water shortages and rangeland degradation are all probable impacts. Along the Kenya coast, locally heavy rains are possible during the assessment period, which may result in flash floods. Excellent rains last season followed by adequate rains thus far this season have resulted in favorable conditions for pastures over much of southeastern Ethiopia and southern Somalia. However, seasonal rains have been erratic during April and May in southern Somalia. While the erratic nature of the rain has not had a significant affect on pastures, it may have stressed crops in the marginal agricultural areas of southern Somalia. Rainfall has been spotty across portions of northern Somalia, resulting in short term dryness and rainfall deficits of 30 to 60 mm for the season thus far. Some improvement is possible during the period due to an expected increase in seasonal showers. As a final note, the good rains in the southern and eastern highlands of Ethiopia have resulted in elevated river levels on the Shabelle River downstream in Somalia. Therefore, minor to moderate flooding is possible along the river during the period.

and pastures from eastern Burkina Faso and northern Ghana eastward across Nigeria into southern Chad. The latest decadal analysis indicates that the ITCZ was near its climatological position during mid May, and is progressing northward at a normal rate. Over the next week, beneficial showers are expected across Burkina Faso, southern Niger, Nigeria and southern Chad.

Water Requirements Satisfaction Index (WRSI) for Pasture as of May 20, 2007



Percent of Median Water Requirements Satisfaction Index (WRSI) for Maize as of May 20, 2007

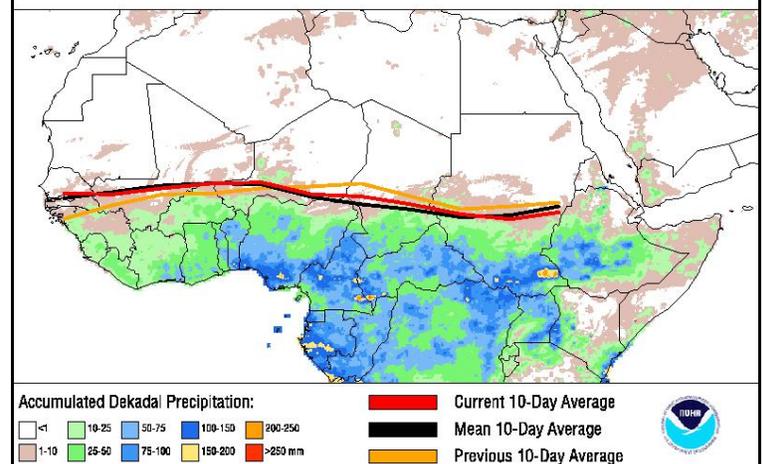


Conditions have been dry across Djibouti, northern portions of Ethiopia's Afar region, and Eritrea's Red Sea Zone. Less than half of the average rainfall has occurred during the past few months over this region. While this is not uncommon in this arid region, the dry conditions may have stressed pastures and reduced water supplies in this marginal pastoral region. Rainfall is usually light during May and June, but typically picks up during July as the Meher Rains set in.

Current vs Mean Position of the Africa ITCZ

As analyzed by the NOAA Climate Prediction Center

May 2007 Dekad 2



May rains give an early boost to moisture supplies over parts of West Africa. Early rains boosted soil moisture for main season crops