

## MESSAGE FROM SASKFLAX

**I**t's been quite a ride this year. The discovery of Triffid, late fall harvest, low prices, no bids, high prices, testing at all levels of the value chain, planting protocols and a wet, wet spring have certainly created uncertainty for us as producers. Tracking the markets has continued and we now offer this report for your information.

Over the past year, the Market Support Program has been a regular part of our programming thanks in part to ACAAFS. We are now investigating other revenue sources to be able to bring you more.



Linda Braun  
Executive Director

**SaskFlax**



## Debate over flax acres continues

by Larry Weber, Weber Commodities

**My karma ran  
over your  
dogma.**

- Author unknown



market from \$8.50 a bushel in May 2010 to \$13.50 in July.

Whether you believe in karma or not, you cannot dispute the supply and demand scenario unfolding in the flax market. Statistics Canada indicated the March seeding intentions for flax based on phone calls to farmers

during the last week in March and first week in April at 1,435,000 acres, 16.1% less than 2009. That was before continual rainfall across some of the best growing areas for flax started. When the rain finally stopped (if it has stopped), most flax acres that were intended to be planted in the southeast portion of Saskatchewan did not make it into the ground.

While the debate over acres will continue well into this fall, no one is debating that acres will be under 1,000,000. Now the point of controversy is just how much less than one million acres. Agriculture Canada estimated 988,000 harvestable acres on July 8.

I believe the correct number for seeded acres

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This quote best describes the marketing year that is about to unfold in the flax market. Karma is simply the process of cause and effect. If you do A, B will happen. If you plant flax seeds and nurture them, the flax will grow and reproduce. Dogma is derived from the Greek dogma, meaning "opinion." Dogma is essentially a system of beliefs, whether religious or not, that a person or group adheres to and considers authoritative. Greenpeace would fall into this the dogmatic category.

In the past ten months, the flax market has witnessed dogma turn the market from \$12.00 a bushel in August 2009 to \$6.00 a bushel in September 2009. Karma has turned the flax

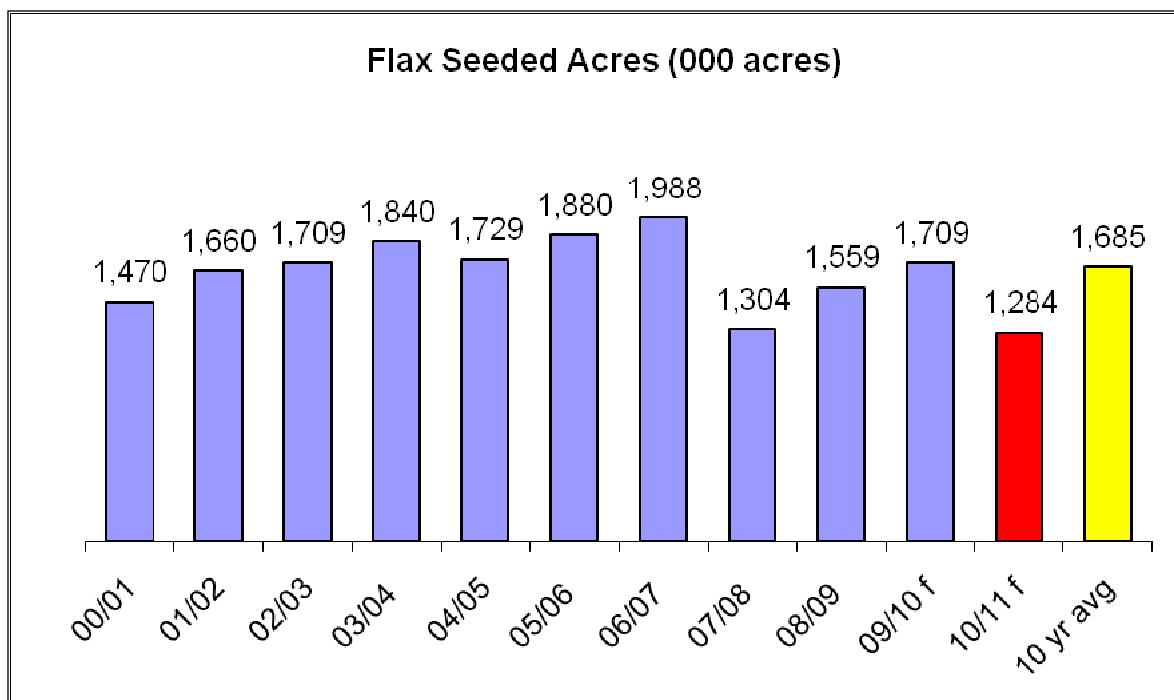
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Larry Weber's career in the grain industry began with Pioneer Grain Company (now James Richardson International). Later, as Director of Operations at the Winnipeg Commodity Exchange, he was responsible for the trading floor staff and the orderly conduct of trading on all futures. From Winnipeg, Larry moved to Central America to establish trading houses in Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador as part of the CARCEP team.

Upon his return, Larry established Weber Commodities in 2000 here in Saskatoon. He is in daily contact with the grain industry from producers to importers and exporters to processors and academia, compiling and interpreting information for Canadian farmers. In 2009, Larry teamed up with the Saskatchewan Flax Development Commission to deliver a series of analyses and reports to help flax producers with their marketing decisions.

## 2010 flax crop will be among smallest ever



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is somewhere between 750,000 and 1,017,000 acres and harvested acres will fall in a range from 650,000 to 815,000 acres. This will position flax production and carryover to be the second smallest since 1994-1995, second only to the 2004-2005 season, when a frost on August 19, 2004 reduced 26% of the planted flax acres.

That sets up a fairly bullish scenario from the supply side of the equation. \$14.00 flax is now a given. Where it reaches to after that plateau - is again up for debate. I've had my \$20.00 per bushel prediction already in my career and I'd like to keep it one for one.

