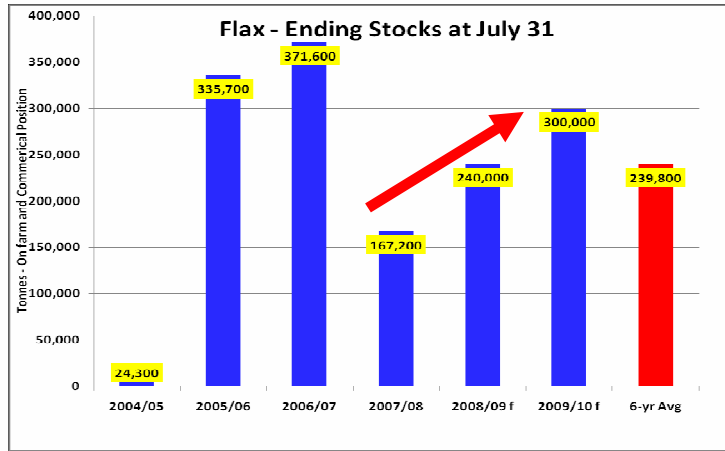


# Flax ending stocks for 2009-10

Supply/use ratios tend to give farmers a snapshot of the larger picture. Another important fundamental statistic is ending stocks as of July 31 that is carried forward as an opening balance for the coming crop year on August 1. While ending stocks are estimated every month, the closer the end of the crop year gets, the more accurate the estimate is and when estimating ending stocks for July 31, 2010 - a full 15 months away - it is called a WAG (wild @ssed guess).

While the above graph shows only six years of data, the highest ending stocks going back 27 years in the larger graph below occurred in 1982-83 when carryout was 465,000 MT. The lowest carry in that same time frame was 24,300 MT in the 2004-05 crop year.

If you believe in statistics as I do, the probability of ending stocks going up three years in a row is remote, as witnessed in the larger graph.



Just like a big league pitcher who knows that a batter will get a hit 3.1 times out of 10, you should also plan your marketing using the same analysis.

The probability of 300,000 MT carry in 2009-2010 is remote. It is even more remote when you consider the weather patterns that have enveloped western Canada this spring. ☁

