A POSTIVE START TO THE YEAR



We hope the momentum from the past couple months carries forward into 2019!



Over the past few months we have seen some major progress for research and market development in the flax industry.

A significant piece of research has officially been put in place, through the Diverse Field Crop Cluster (DFCC), which ultimately aims to develop future flax varieties for the farm and industry.

There are three main components to the DFCC, including variety development for Western Canada, using genomic markers to make breeding progress, and evaluating flax germplasm for low cadmium uptake.

The DFCC is funded partially by Agriculture and Agri-Food Canada through the Canadian Agricultural Program (CAP). For more information on this program, visit www.dfcc.ca.

In addition to this five-year investment, SaskFlax has also come to an agreement with the University of Saskatchewan to fund the flax breeding program

at the Crop Development Centre. This agreement will be funded by producer check-off dollars, CAP funding and also by the Western Grains Research Foundation and will be in place for the next five years as well.

Between both these major investments, we are collectively investing \$3.1 million into flax research until 2023.

We have also remained focused on market development over the past several months. China remains our largest market for flax (followed by the United States) and so we have continued to carry out development work there, most recently presenting at two conferences this past April. The goal of this type of work is to promote Canadian flax to Chinese consumers and companies and further build our strong reputation in the country, in the face of growing competition from Russia and Kazakhstan. Beyond China, we have also been promoting Canadian flax in the growing market of Mexico. In March, SaskFlax carried out a flaxspecific trade mission to the country. See further information about this mission on page 7.

Looking ahead for 2019, Statistics
Canada has estimated an increase in
Canadian flax production, to 615,000
tonnes. However, our industry
still faces pressure. For example,
soil moisture is a concern across
much of Saskatchewan where flax
is grown. We will also be closely
watching the production of some of
our bigger competitors, such as the
United States (U.S.) and the Black
Sea region for this year.

We will also be looking to partner with AmeriFlax in North Dakota this year, to collaborate on market opportunities in the U.S.

Hopefully your growing season will be successful in 2019. As always please reach out any time to discuss flax agronomy, research and market opportunities.

Wayne Thompson, Executive Director

SR&ED CREDIT FOR FLAX

Each year, Saskatchewan flax producers contribute check-off dollars to research and development and over the past year they have again earned an eligible tax credit on their investment.

The Scientific Research and Experimental Development (SR&ED) is a federal tax incentive program to encourage Canadians to conduct research and development in Canada that will lead to new, improved, or technologically advanced products or processes.

- For the crop year ending July 31, 2018 the federal SR&ED tax credit for levy-paying flax producers is 38.4%.
- For the crop year ending July 31, 2018 the Saskatchewan Provincial SR&ED tax credit for levypaying flax producers is 36.8%.

As producers know, our research projects use producers' check-off dollars to leverage additional funding from industry sponsors and other agencies.

This tax credit may be used to offset federal tax carried back up to three years or, if no taxes are owing, may be refunded.

For more information on this tax credit, consult your accountant or go to the Canada Revenue Agency website at: www.cra-arc.gc.ca/sred/

2019 FIELD DAY LISTINGS

July 10 – **WARC Field Day**Western Applied Research Corp., Scott

July 11 - CSIDC Field Day

Canada-Saskatchewan Irrigation Diversification Centre, Outlook

July 16 – **Crop Management Field Day** Indian Head Agricultural Research Foundation, Indian Head

July 17 – **SERF Intercropping Field Day** South East Research Farm, Redvers

July 18 – **WCA Field Day**Wheatland Conservation Area Research Farm, Swift Current

July 18 – **SERF Plot Tour**South East Research Farm, Redvers

July 18 – **CLC Field Day**Conservation Learning Centre, Prince Albert

July 23 – **ECRF Field Day**East Central Research Farm. Yorkton

July 24 – NARF and Agriculture & Agri-Food Canada Joint Field Day

Northeast Agriculture Research Foundation, Melfort

To learn more about these events, please visit www.agriarm.ca/ events



INVESTING IN THE FUTURE OF FLAX

SaskFlax and partners to invest \$3.4 million in flax research in Canada over the next five years

In January of this year, we announced a \$3.4 million investment into flax research in Canada over the next five years.

This investment is a joint effort between SaskFlax, Agriculture and Agri-Food Canada's (AAFC) Canadian Agricultural Partnership Agri-Science Program and the Western Grains Research Foundation.

The overall goal of the research is to make the Canadian flax industry more competitive and sustainable long-term, says Shane Stokke, SaskFlax Board Chair.

"This funding for research is important to continue the improvement of flax varieties that the producers need and continue to have another viable crop option in the crop rotation."

More specifically, the research projects will aim to develop new flax varieties, identify genetic markers for more efficient germplasm selection, and explore ways to develop flax varieties with a reduced amount of cadmium in the seed. It will be carried out by the Crop Development Centre at the University of Saskatchewan and Agriculture and Agri-Food Canada and will be a

continuation of the previous flax research that has taken place as part of the AAFC's Growing Forward programs.

"The investment with our research partners is an important piece to developing new flax varieties that keep flax competitive and build upon the research that has taken place," says SaskFlax Executive Director Wayne Thompson.

For more information about this flax research, please visit www.dfcc.ca

SEED TREATMENTS AND FOLIAR FUNGICIDES: WHAT ARE YOUR BEST OPTIONS FOR FLAX?

Ongoing research aims to answer this question

While most flax growers have not traditionally used seed-applied fungicides, the registration of a new seed treatment for flax has renewed interest in the practice.

Previous research has shown potential for seed treatments to help improve establishment in flax (higher plant populations) but in most cases, has not shown a significant impact on yield.

As for in-season applications of fungicides, many flax growers, particularly in wetter areas of the province, have seen good results with registered products and will consider applying a foliar fungicide at full bloom. Field trial data generally supports this practice. At Indian Head, flax response to fungicide was assessed over a seven-year period (2010-2016) and showed an overall average yield increase of 10% with a foliar fungicide application.

We are currently leading further research on this topic, aiming to demonstrate the response of flax to a selection of registered seed-applied and foliar fungicide options in order to help growers and agronomists quantify the potential agronomic gains (or lack thereof) of using these technologies.

Field trials with flax were initiated in the spring of 2018 at Indian Head, Redvers, Swift Current, Scott and Prince Albert. The treatments were a factorial combination of three seedapplied fungicide treatments (untreated, Vitaflo-280, and Insure Pulse) and three foliar-applied fungicide treatments (untreated, Headline EC, and Priaxor). All products were used as per label recommendations and the foliar fungicide applications were targeted for 7-10 days after the first flowers were observed.

Flax seed treatment & foliar fungicide treatments at multiple locations in Saskatchewan, 2018

TRT	SEED TREATMENT	FOLIAR FUNGICIDE
1	None	None
2	None	0.395 L Headline EC/ha (0.16 L/ac)
3	None	0.445 L Priaxor/ha (0.18 L/ac)
4	525 ml Vitaflo-280/100 kg seed	None
5	525 ml Vitaflo-280/100 kg seed	0.395 L Headline EC/ha (0.16 L/ac)
6	525 ml Vitaflo-280/100 kg seed	0.445 L Priaxor/ha (0.18 L/ac)
7	600 ml Insure Pulse/100 kg seed	None
8	600 ml Insure Pulse/100 kg seed	0.395 L Headline EC/ha (0.16 L/ac)
9	600 ml Insure Pulse/100 kg seed	0.445 L Priaxor/ha (0.18 L/ac)

Yield results of seed treatment and foliar fungicides on flax in Saskatchewan, 2018

MAIN EFFECT	INDIAN HEAD	REDVERS	SWIFT CURRENT	SCOTT	PRINCE ALBERT		
Seed Treatment (Seed Yield (kg/ha))							
Control	2056	1481	1097	1449	1830		
Vitaflo-280	2075	1608	1054	1434	1848		
Insure Pulse	2027	1629	1156	1453	2063		
Fungicide (Seed Yield (kg/ha))							
Control	2047	1480	1063	1452	1834		
Headline EC	2081	1496	1156	1438	1936		
Priaxor	2031	1741	1033	1445	1973		

"We are currently leading further research on this topic, aiming to demonstrate the response of flax to a selection of registered seed-applied and foliar fungicide."

Early spring seeding conditions were generally drier in the southern locations and wetter in the north. However, the growing season overall was much drier than normal at all locations. Conditions were generally good for emergence but with increasingly dry conditions as the season progressed, disease pressure was low and yield potential was generally below average.

There were no treatment effects on days to emergence, lodging or maturity at any location. At Prince Albert, plant populations were increased with both Insure Pulse and, to a lesser extent Vitaflo-280. Also at Prince Albert, Insure Pulse increased yield by 13%, but had

little effect at all other locations. Very little pasmo was observed, with no symptoms whatsoever recorded at three out of five sites.

Although the dry conditions were not conducive for demonstrating the relative performance and potential benefits of seed-applied and foliar fungicide options, these results reinforce the importance of crop scouting and illustrate that benefits to crop protection products are unlikely in the absence of the pests that they are registered to control.

Previous field trials with seed treatments have produced results ranging from no benefit to higher plant populations with a

tendency for higher yields.

The current results reinforce the recommendation that benefits of seed treatments under field conditions are variable and presumably less likely when using high quality seed and good seeding practices. While past field trials have shown potentially strong yield responses and effects on maturity with foliar fungicide applications under higher disease pressure, the current results are consistent with other previous cases where disease pressure was low. For more information, visit https://iharf.ca/full-reports/

This project was primarily supported by the Agricultural Demonstration of Practices and Technologies (ADOPT) initiative under the Canada-Saskatchewan Growing Forward 2 agreement, with additional locations funded by the Saskatchewan Flax Development Commission (SaskFlax). Crop protection products used for both plot maintenance and treatments were provided in-kind by BASF, Bayer CropScience, Arysta LifeScience and FMC.

A SUCCESSFUL TRIP TO CHINA

Strengthening relationships with the country's flax industry is increasingly important

Wayne Thompson

In April I spent several days in China. The purpose of the mission was to present at two conferences and meet with companies that are importing Canadian flax.

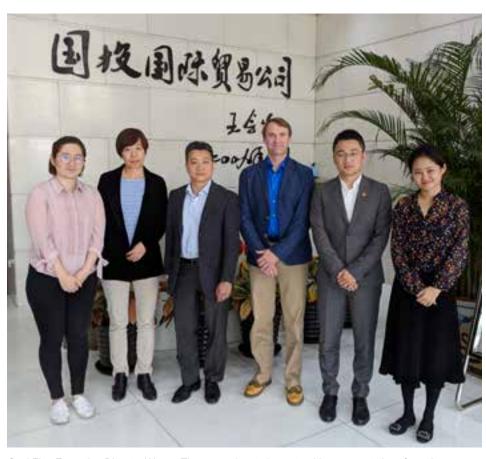
Both the presentations – which took place in major centres Kunming and Qingdao – were well received and followed by good discussions during the breaks at the conference. In them I outlined Canadian flax production practices, current and projected statistics for production, and the benefits of using flax for food and feed.

One thing was clear to me on this trip: demand for flax as a food product and ingredient continues to grow in China.My meetings with importing companies also went well. The topics of conversation in these meetings included flax production in Canada, potential uses of flax for food in China, and how to promote flax to the Chinese consumer. Some of the companies that I met with are developing food products with flax and are looking for additional ideas based on Canadian food products. These conversations were very encouraging, as the companies are innovative in both the products and the marketing channels they have access to

"One thing was clear to me on this trip: demand for flax as a food product and ingredient continues to grow in China."

in China. SaskFlax will be meeting with these companies and their partners in Canada to see if there are ways to help with their plans.

There is also a growing awareness in the country of flax as a food or food ingredient with health benefits but there is room for us to do more in



SaskFlax Executive Director Wayne Thompson (centre) meets with representatives from the Government of Canada and the China SDIC International Trade Co., as part of a mission to promote the use of Canadian flax in the country.

this area. To this end, I had several good discussions about how we might reach and connect with the Chinese consumer, which is not an easy task. It will take time and creativity to provide them with information about Canadian flax.

Another major takeaway for me from this trip was that Chinese companies are very supportive of working with Canadian flax suppliers. Many of the trade issues being experienced in Canada are impacting the Chinese companies and they would like to see a resolution to delays and a return to regular trade activities as soon as possible.

Overall, all the meetings I had during

my trip had positive outcomes. There was also a positive response to SaskFlax visiting the country to help them learn more about our product and continue to build strong relationships with our Chinese partners in the flax industry.

The trip once again reinforced for me the need for personal contact in China in order to keep an open dialogue between China and Canada to maintain and grow Canadian flax trade with China. It will be important for the flax industry to have a strong relationship in China to keep trade open and to continue to push the message that Canadian flax should be the supply of choice as we compete with increasing flax production in other countries.

DEMAND IS HEATING UP!

Mission to Mexico helped us promote increased demand for Saskatchewan flax south of the border

Wayne Thompson

In late March, I travelled to Mexico along with SaskFlax Directors Shane Stokke and Nancy Johns, as part of a trade mission to promote Saskatchewan flax in the country and grow demand for our crops.

The Mexican market imported less than 10,000 tonnes of Canadian flax in 2018. With a population of more than 130 million, and with growing interest in foods with health benefits, there is room to grow that number.

The Mexican population has a high rate of obesity and diabetes which means more opportunities to market flax. In the livestock industry there is a growing interest in flax as a feed ingredient.

This mission had us travelling to two cities, Monterrey and Guadalajara. In each city, SaskFlax held seminars on flax as a food ingredient and feed ingredient. The seminars were well attended by

Some of the companies we met with on this mission

MONTERREY

- Trouw nutrition www.trouwnutrition.mx
- Forrajera Elizondo www.forrageraelizondo.com.mx
- MNA www.mnademexico.com
- El Cuernito
- Grupo DPD
- Putz
- · Ja Jari International
- ARCA Continental/Bokados www.arcacontal.com

GUADALAJARA

- Oleofinos
- Markher www.markherglobal.com
- Saira
- Pederito
- Belenes



SaskFlax staff and Directors meet with representatives from a food manufacturing company in Monterrey, Mexico, as part of a mission to promote Saskatchewan flax.

students and academics, as well as business representatives in Monterrey as the presentations were held on the campus of the Universidad de Nuevo Leon. In Guadalajara, the seminars were hosted by the CIAJ and ANFACA, a livestock association. I presented information about the Canadian flax supply and flax as a food ingredient, while Dr. Rex Newkirk from the University of Saskatchewan spoke about flax as a livestock feed ingredient. Steven Battle from Prairie Flax also participated on the mission.

In addition to the seminars we had several meetings with companies in the food and feed markets. Food manufacturers in Mexico are interested in flax because of the health benefits. The food manufacturers are looking for assistance in developing food products and promoting flax to consumers. The Mexican consumer is price sensitive and is looking for information about eating healthier food, so it will be important to explain the benefits of flax.

Throughout the mission we also learned that the Mexican livestock industry is interested flax as a feed ingredient to promote animal health.

Feed suppliers in the beef and dairy industries are looking at using flax in feed because of its health and reproductive benefits.

While meeting with local feed companies we learned that many of them are either already including flax in their feed, including pet food, or are very close to adopting it. We heard that feed companies want more information to promote the benefits of flax to the livestock producers using their product.

We expect there will be an increase in sales of flax to Mexico, in particular the feed market, as a result of this mission. We expect that an increase in flax in the food market will happen at a slower rate, as food manufacturers need to develop new products for the Mexican market and educate the consumer about the health benefits of flax. This mission helped us identify several opportunities to help support and increase the demand for Canadian flax in Mexico.

SaskFlax thanks the Saskatchewan Ministry of Agriculture for its financial support of this mission, facilitated through the Product 2 Market program.



SaskFlax was established in 1996 and represents registered flax producers in Saskatchewan. Directed by flax producers, SaskFlax operates via a mandatory but refundable producer levy on flaxseed and straw. These dollars are leveraged whenever possible to execute programs ultimately geared to increase net returns to its producers members and advance Saskatchewan's flax industry.

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