IT'S BEEN A BUSY YEAR







"There are no secrets to success. It is the result of preparation, hard work, and learning from failure." – Colin Powell

Thanks to Mother Nature, it has been another stressful growing season.

Most of the prairies started off with good subsoil moisture but that quickly changed as most of the flax growing area did not start to receive rain until mid-June. The result was that a lot of crop emerged right after planting and then there was a second growth up to a month later when the first good rains came. There were very few days the temperatures climbed above 30°C, which was good when the crops were flowering but the cool summer resulted in slow maturity for many crops including flax.

The 2019 harvest had a late start and will go well into October for many growers. Flax yields are potentially going to benefit from the cool weather and good moisture when it was needed to fill the flax bolls.

In terms of markets, flax prices were relatively strong this spring and although they softened going into the 2019/20 new crop year, they now remain steady. Flax demand continues to be strong in Canada and overseas and exports to China and the United States (U.S.) are on track for the year. The 2019/20 U.S. flax crop is significantly larger than the previous year, with the expectation of a reduced demand for Canadian flax for the coming year. Chinese demand for Canadian flax remains strong and continues to grow, however increased production in Kazakhstan and Russia is putting pressure on Canadian flax sales because of the region's cheaper transportation costs and growing relationship with China. Looking ahead to 2019/20, the Chinese market will continue to be important for Canadian flax.

This summer Western Canadian flax buyers were impacted when ILTA Grain Inc., a significant flax buyer for the export market, declared bankruptcy. The ILTA bankruptcy did not seem to impact flax prices – the flax market was quiet over the summer – but now there will be opportunities for other grain companies to fill a piece of the market not supplied by ILTA.

This spring also kicked off the second year of research for the Diverse Field Crop Cluster, which is leading research to develop new flax varieties, genomic markers and low cadmium germplasm. Funding by SaskFlax, the Western Grains Research Foundation and Agriculture and Agri-Food Canada under the Canadian Agricultural Partnership program has made this five-year research endeavor possible. SaskFlax funded over \$600,000 of the research in the 2018/19 year.

In the last few months SaskFlax has carried out international market efforts to maintain and grow demand. In March we went to Mexico to provide companies, universities and industry associations with information about Canadian flax. The Mexican market has softened for flax, mostly due to food trends, but interest remains high. SaskFlax has been to China twice in 2019 to present at three conferences and provide information about Canadian flax production. The larger goal in China is to develop relationships that support the industry to see continued trade between Canada and China, especially in the face of a growing supply in Kazakhstan and Russia.

Looking ahead to the next few months I hope you will attend the SaskFlax Annual General Meeting in Saskatoon on January 13, 2020 (see details on Pg. 2). I also encourage you to go to our website and sign up for the SaskFlax newsletters and agronomy information sent out by email.

Hope to see you all in the new year. Shane Stokke, Chair

CROPSPHERE 2020

January 14&15, 2020

TCU Place, Saskatoon

CropSphere 2020 will be held in Saskatoon January 14&15, 2020, with host group AGMs taking place Monday January 13.

This year's event will again be held at TCU Place, in downtown Saskatoon

Registration opens November 1, 2019. For more information on registration, agenda and more, visit www.cropsphere.com

SASKFLAX AGM

January 13, 2019

TCU Place, Saskatoon

SaskFlax's 2020 annual general meeting (AGM) will take place Monday, January 13, 2020 at 3:30PM at TCU Place, Saskatoon.

Please note, if you are attending the AGM and are NOT registered for CropSphere, please stop at the Conference Registration Desk on your way in to pick up your "AGM ONLY" attendance pass

SIGN UP FOR SASKFLAX NEWSLETTERS

Did you know that SaskFlax has an agronomy newsletter? There is a new copy of "Flax on the Farm" each month that provides information during the growing season. And during the winter months we feature information about storage, marketing, preparing for the next growing season and more.

When you sign up for our mailing list you will receive monthly "Flax on the Farm" updates, as well as copies of our newsletter. We are also hoping to launch a flax market newsletter in the new year, to help you with your marketing plans.

Stay up to date by signing up now! You can find the signup box at the bottom of any page of our website: www.saskflax.com



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BOARD DIRECTOR

SaskFlax Director Nancy Johns believes flax has a strong future

Nancy Johns' tenure on the SaskFlax board may be coming to an end soon, but her belief in the crop is as strong as ever.

"I know flax is an ancient grain but I still see it as an upcoming crop, especially for human health," she says.

"It has so much potential, not only to keep the rotations diversified but also in terms of end-use products."

During her seven years on the board, Nancy has had a couple main focuses.

One has been ensuring Saskatchewan is in a position to sustainably produce flax.

"We need to continue to support breeding programs and support the growers."

Supporting Saskatchewan flax producers on the agronomy side of production has been another of Nancy's major interests during her tenure on the board.

Beyond farming, she runs her own agronomy business, so she has been specifically interested in funding research that will help Saskatchewan producers deal with the flax issues that are most relevant in our province.

One of the top priorities in this area is finding sustainable solutions to the straw issue flax producers face.

"This is a huge hurdle for the industry," she says.

"As farms increase in size they're not willing to take fall time to process straw. If we really want the crop to take off we need to make the straw more manageable, to find a way to get flax to stand but still make straw choppable."

Another topic that is of particular interest to her is fertility in flax.

"The current research on

fertility is so old," she says. "Now we have so many new varieties and different ways of fertilizing fields, so we need to make sure our research is up to date to match that."

She has also been interested in determining how to increase flax yields using methods such as better management of fertilizer, fungicide and breeding stronger varieties.

On the flip side of production issues however, another one of Nancy's priorities while on the Board has been prioritizing research investments that explore the health benefits of flax for human consumption.

"It's a balancing act," she says. "We need to have markets for our flax and we're on the cusp of a lot of great things for flax. I wanted to see if I could help push that side of it."

And as a result of some of the recent research in this area, there have been some exciting developments, she says.

For example, one study examined the role flax might play in treating and reversing symptoms of multiple sclerosis (MS) and yielded promising early results. Other ongoing research being done in the United States is exploring the role flax can play in preventing and treating prostate and lung cancer. SaskFlax has also funded research in recent years that has found that flaxseed could potentially treat heart high blood pressure in lieu of prescription medication.

Nancy says she would love to see SaskFlax fund more of this type of research, and also communicate the health benefits of flax to large audiences, but she is also keenly aware of the limits of the organization's budget.

The good news is that Nancy has seen good progress made overall over the past seven years, in many areas including both agronomy and market development.

She also believes the SaskFlax Board has done a great job in directly communicating the benefits of growing flax to Saskatchewan producers, and positioned it as a viable alternative to canola.

"I think previously people knew about flax but canola had really taken over," she says. "We reminded them that flax is still a great option, especially for producers dealing with clubroot and pushing for longer rotations."

She also believes that the Board has done a good job of getting information about flax to the next generation of producers.

"Those are the ones we are trying to reach," she says. "When we see flax starting to grow again in one area, it triggers others to start thinking about it again."

BUILDING A CASE FOR FEED

One U of S student is determined to showcase the value of flax to the dairy industry



There is great opportunity for Saskatchewan flax within the feed market.

Estimates show that Western Canadian flax processing capacity has recently expanded by 50,000 tonnes, which could translate to approximately \$18 million annually in value for the flax industry.

However, that depends on the industry finding use for the product and unfortunately there are still major barriers to the increased use of flax as feed, particularly in the dairy industry.

One of these barriers is a general lack of information about the composition and characteristics of protein and carbohydrate use needed for current methods of dairy ration formulation. There have been very few dairy production trials conducted with ground flax in the past 25 years.

This is why University of Saskatchewan undergraduate student Maddy Lazurko decided to focus her research on building a case for the increased use of flaxseed as dairy feed.

Specifically, her research aimed to determine the detailed composition and characteristics of flaxseed and ground flax and develop suitable example rations for dairy feed. She also aimed to come away from the research with proposals for further

University of Saskatchewan student Maddy Lazursko did her undergraduate research on demonstrating the ration use and value of flax as feed for the dairy industry. Her studies resulted in many positive conclusions and results that can be put into practice right away.



research needed to demonstrate the ration use and value of flax meal and seed.

To achieve these goals, Maddy and her research team analyzed samples of ground and whole flax from well-known Western Canadian varieties, to determine ideal ration formulations including appropriate portions of major nutrients such as amino and fatty acids and major minerals. Additional samples were also included to compare brown and yellow seed.

The research yielded the following results:

- The composition of major nutrients that are used in ration formulation were very similar across varieties, but differences were found in lignan content.
- Samples of flax varieties and ground flaxseed were similar in

essential amino content, with the exception of tryptophan.

- Varieties differed in alpha-linolenic acid (ALA) content of fat, the highest being 62.6% and lowest 56.3% of fatty acids. Solvent extracted meal contained 30% less ALA in lipid than cold press meal.
- The nutritional features of whole and ground flax are suitable for increased use in dairy and other ruminant rations. Cold-press ground flax may be an attractive alternative to canola meal. It has



higher available energy, ALA and Lignan content that provide benefits to reproduction, immune status and omega-3 fatty acids not provided by canola meal. However, ground flax supplies lower levels of key essential rumen bypass amino acids.

- Flaxseed with or without heat processing may be an attractive alternative to whole roasted soy, with metabolic benefits and limitations similar to flax meal.
- Solvent extracted ground flax has similar benefits and limitations as cold press meal but supplies 20% less available energy, a low level of ALA and slightly more lignan than seed.

These overall conclusions are positive, says Maddy.

"From this research and a review of the literature we can see that flaxseed is an acceptable and beneficial source of many nutrients for both livestock and humans."

She also says that the detailed results the study yielded – including how nutrients and energy vary between form, varieties and seed coat colour – can be put into practice immediately.

"These differences can be considered when balancing rations for livestock," she says.

Overall, Maddy believes this research is a large step for flax growers and the industry.

"It confirms the desirable nutritional contents of flaxseed and reiterates the positive effects of including flaxseed or flaxseed meal in livestock diets."

"Flaxseed is an acceptable and beneficial source of many nutrients for both livestock and humans."

GROWING COMPETITION FOR CANADIAN FLAX IN CHINA

A recent trip to the country has helped highlight areas in which we can be more competitive

Wayne Thompson

Early in September, I attended the 33rd International Conference on Oilseeds Pulses and Special Crops (ICOPS) in Yantai, China, where I gave an update on the current state of Canadian flax production and talked about the growing consumer and livestock markets for flax.

This experience was valuable in that it provided good insight into the current and upcoming factors that will impact the Chinese market for flax.

We know that the Chinese market for flax will expand as Chinese consumers become more aware of the health benefits of flax.

What we don't know is where they will source that flax from. This will depend on several factors.

In August, the independent market publication Oil World reported that Kazakhstan would produce 770,000 tonnes of flaxseed for the 2019/20 crop year, while Russia would produce 650,000 tonnes. The latest estimate for Canadian flaxseed production for 2019/20 was 577,000 tonnes.

Production within China for the same period is estimated to be 350,000 tonnes,

which is up from 2018, likely due to better weather in the 2019 growing season.

The increased production in Kazakhstan and Russia will continue to pressure Canadian sales of flax to China.

While the Chinese flax buyers value the quality of Canadian flax and our shared business relationships, the proximity of Russia and Kazakhstan are critical factors for Chinese buyers. The construction of the Belt Road across Asia will help China access commodities such as flax from these areas, while lower costs of production, transportation and devaluation





Last month, Wayne Thompson from SaskFlax visited China to give a presentation on Saskatchewan flax, part of a greater effort to promote the crop to the growing market.

of the Chinese RMB benefit Russian and Kazakhstan flax.

And if the Kazakhstan and Chinese governments agree to trade more agricultural commodities including flax, it will certainly be easier for Kazakhstan to export flax into China.

Another strike against us this year is timing. Due to our later harvest in Canada, shipments of our flax to China will likely start in November. Russian flax is on the Chinese market now, as their harvest was earlier this year than in recent years. Based on normal transportation logistics this means it is very likely that Canadian flax and Russian flax will both be flowing into the Chinese market at similar times in January. There is a chance this will put pressure on flax prices in both China and the supplying countries.

My recent time spent in China was a great opportunity for me, as always, to get up to date on these and other market conditions that will affect our industry this year and into the future. It's also important that we continue to cultivate relationships in China, and seek out opportunities to work together, especially given the growing market competitiveness in the region.

Canada

Russian and Kazakhstan are increasingly supplying China with more and more flax, posing a growing threat to the demand for Canadian flax in the country.



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.

SASKATCHEWAN FLAX DEVELOPMENT COMMISSION

8-3815 Thatcher Avenue Saskatoon, SK S7R 1A3	
Phone:	1.306.664.1901
Email:	saskflax@saskflax.com
Web:	www.saskflax.com
Twitter:	@SaskFlax



HEALTHY FLAX

Web:HealthyFlax.orgTwitter:@HealthyFlaxFacebook:www.facebook.com/healthyflaxInstagram:HealthyFlax.org



FLAX COUNCIL OF CANADA

400 -167 Lombard Avenue, Winnipeg, MB R3B 0T6 Phone: 1-204-982-2115 Email: flax@flaxcouncil.ca Web: www.flaxcouncil.ca



MANITOBA FLAX GROWERS ASSOCIATION

Box 1760 38 - 4th Ave NE Carman MB R0G 0J0

Phone: 1-204-982-3990

Email: mfga@mymts.net

Web: www.mfga.ca



Return Undeliverable Canadian Addresses to; Saskatchewan Flax Newsletter 8-3815 Thatcher Avenue Saskatoon, SK S7R 1A3