

Sharpening that Competitive Edge

JUST THE FLAX!



Weber Commodities
Saskatoon Inn
January 11th, 2009

Agenda

- Look Back at 2008
- What is in store for 2009
- Marketing Your Flax
- The Flax Advantage
- World Economy
- Weather
- 2009: SASKFLAX's **Just the Flax !**



2008 – A Look Back

- What an amazing ride!
- \$20.00 Flax!
- Naysayers fall silent.
- Good yields – Good prices – How often does that happen?
- High quality crop – 46% oil vs. 10 year average of 44.7%



Flax – 2008/09 Crop Year

- Acres up 50,000 to 1.988 million
- Carryout to 200,000 MT versus 172,000 last year
- Low Carryout was in 1997/98 at 41,000 MT
- High Carryout was in 1982/83 at 465,000 MT

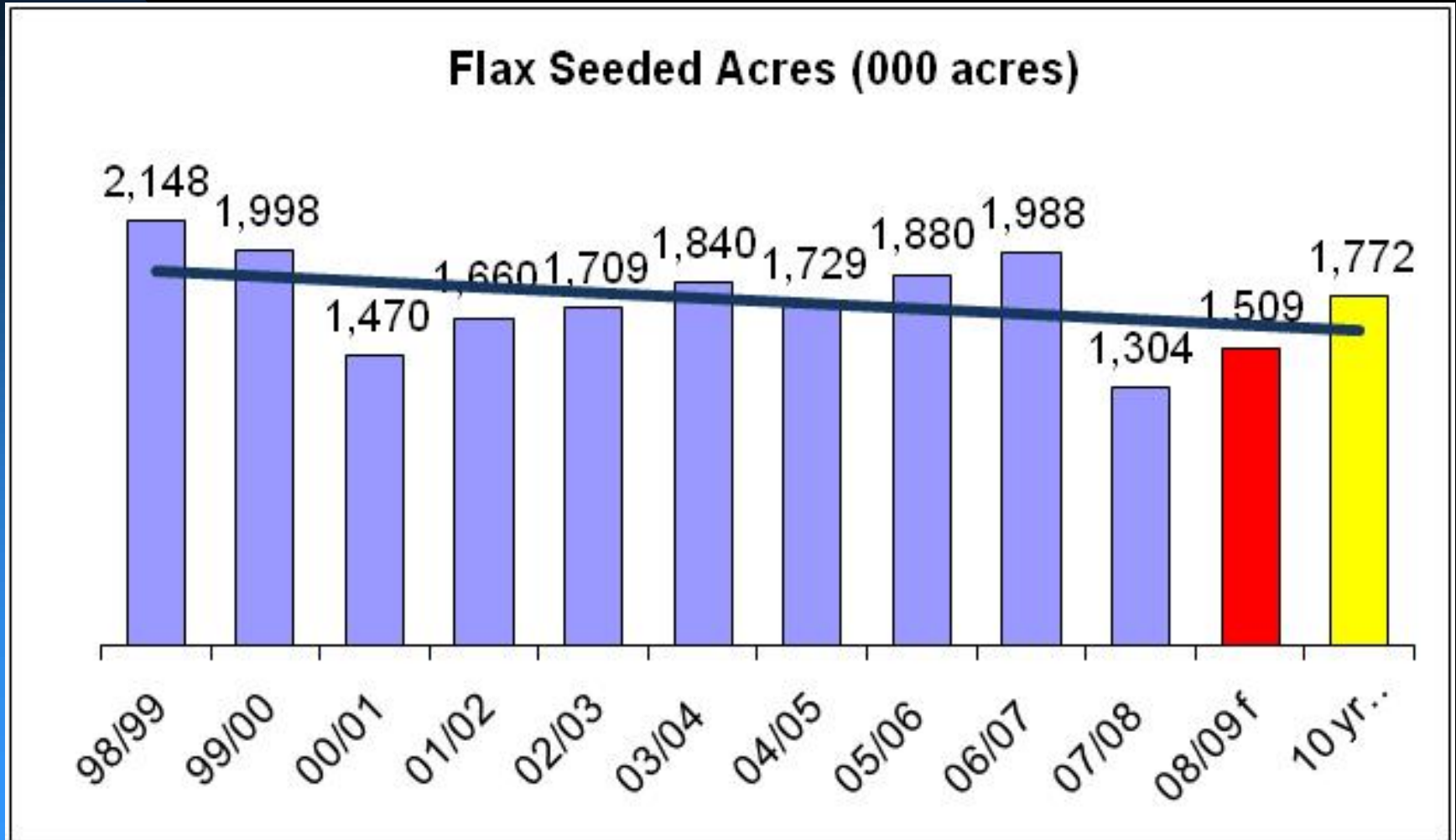


Flax – 08/09 Crop Year

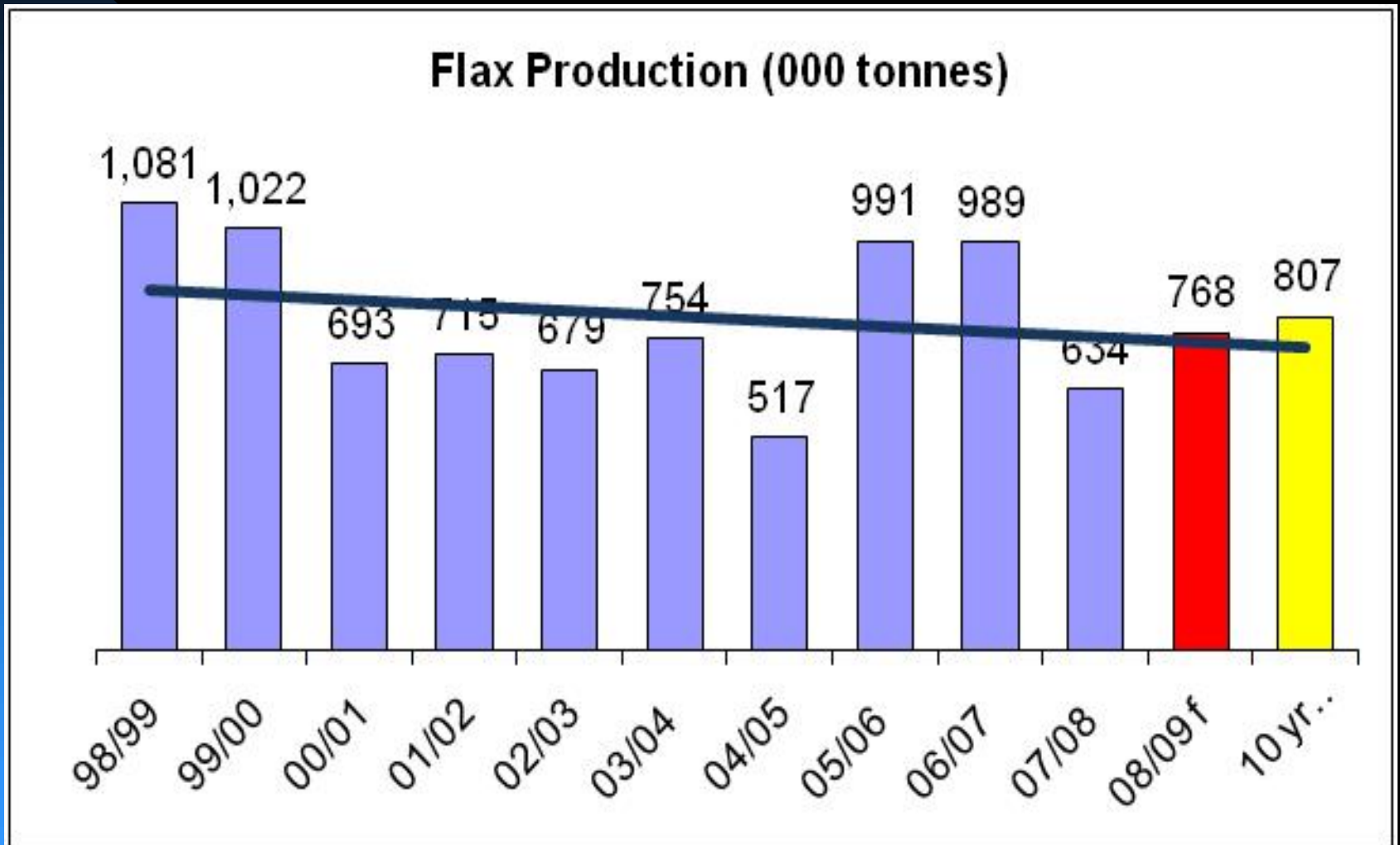
- Production increase of 35% from last year to 861,000 MT
- Supplies to increase 31,000 MT
- Exports to decrease 29,000 to 650,000 MT
- Avg. price to decrease from \$611.00 last year to \$500.00 - \$600.00 this year



Flax – 10 Year Seeded Acres

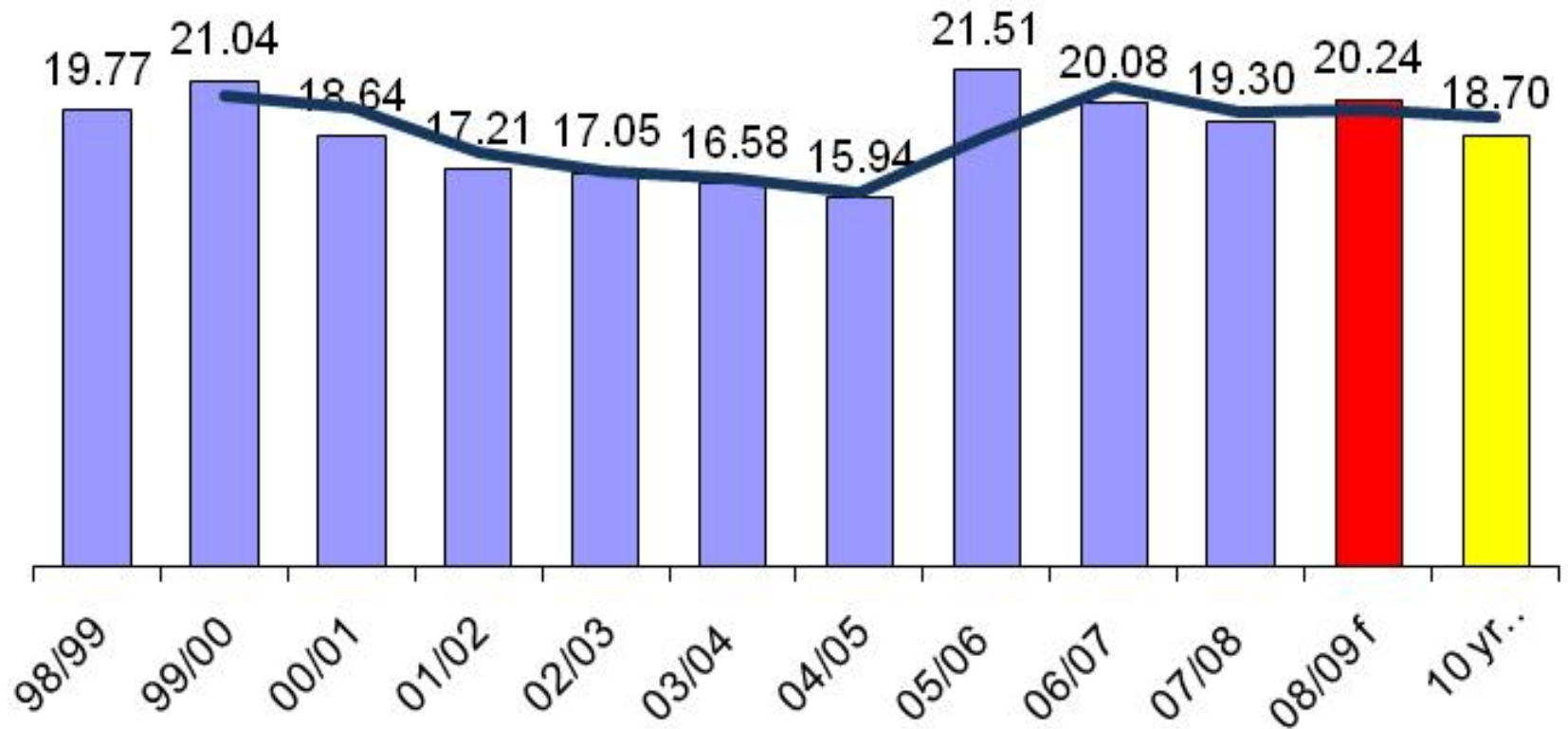


Flax – 10 Year Production

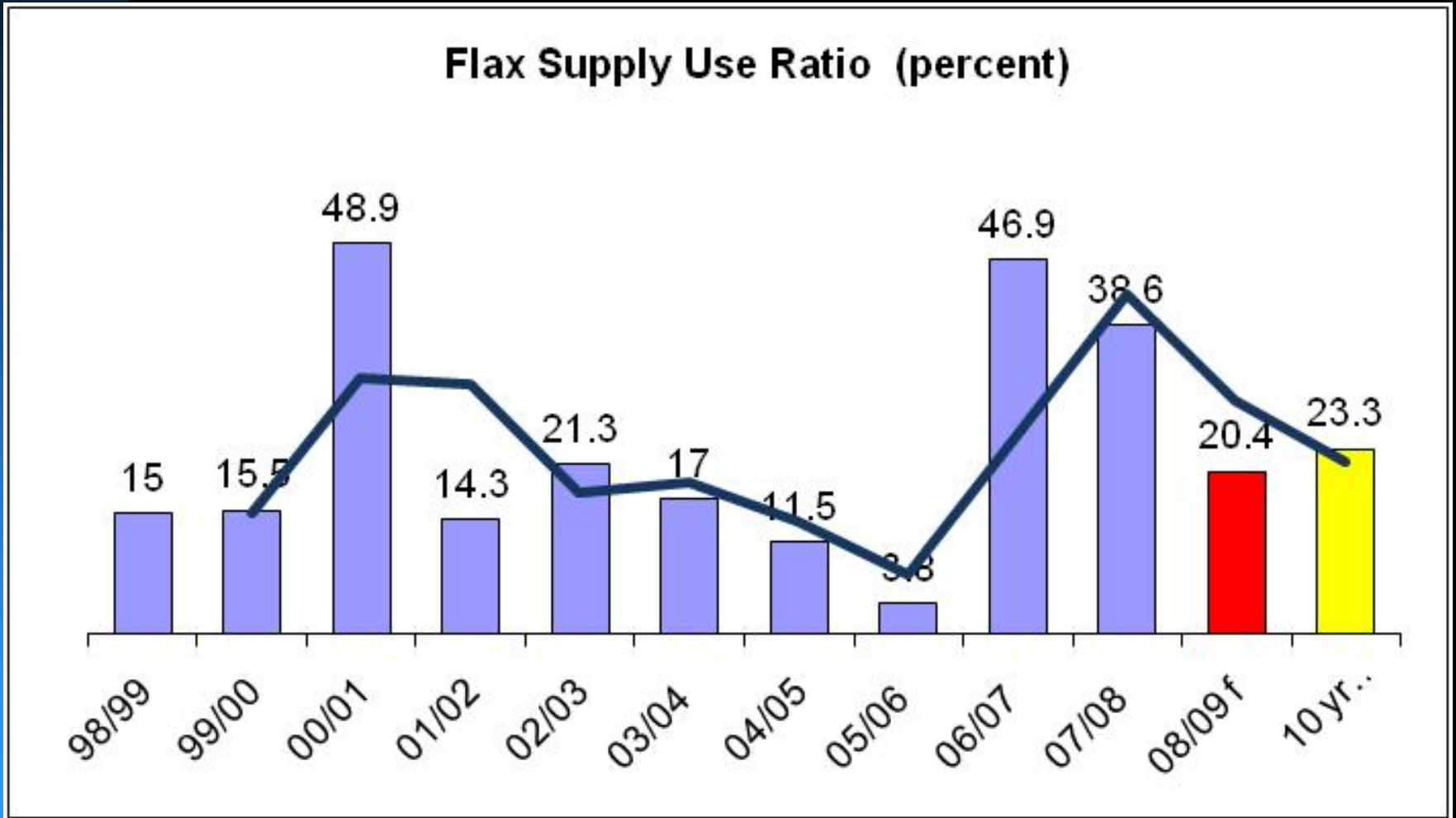


Flax – 10 Year Yields

Flax Yield (bushels per acre)



Flax – 10 Year S/U



Marketing Your Flax

- Flax is one of the few grains we can affect as a country
- Will never divorce too far from the oilseed complex – yet
- Better chance affecting the flaxseed market than we will the canola market against 85 MMT of South American beans



Flax – 2008/09

- Flax has better potential than Canola for price in 2009
- Elevator cash bids have little reflection of Nutraceutical value

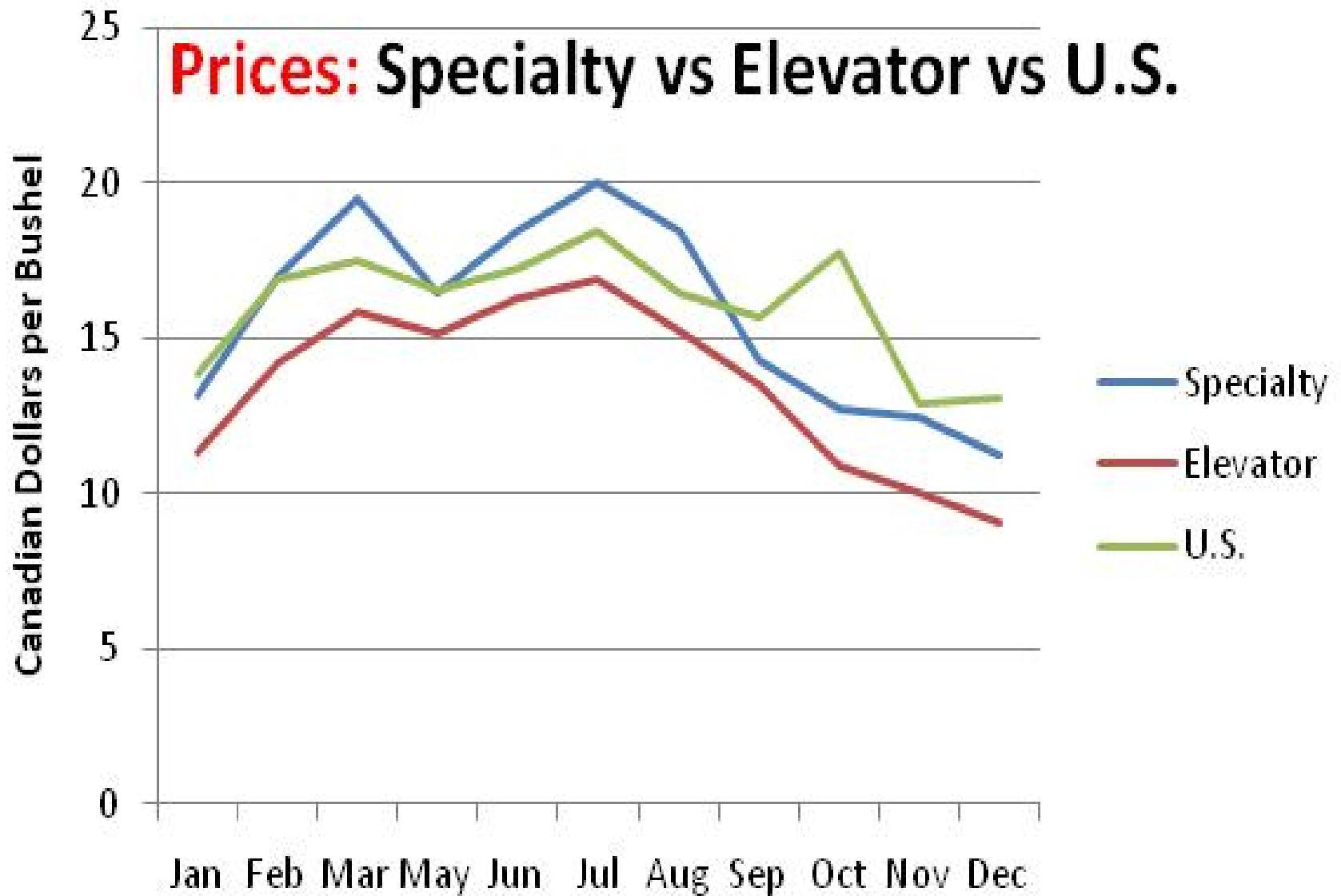


Flax – Bottom Line



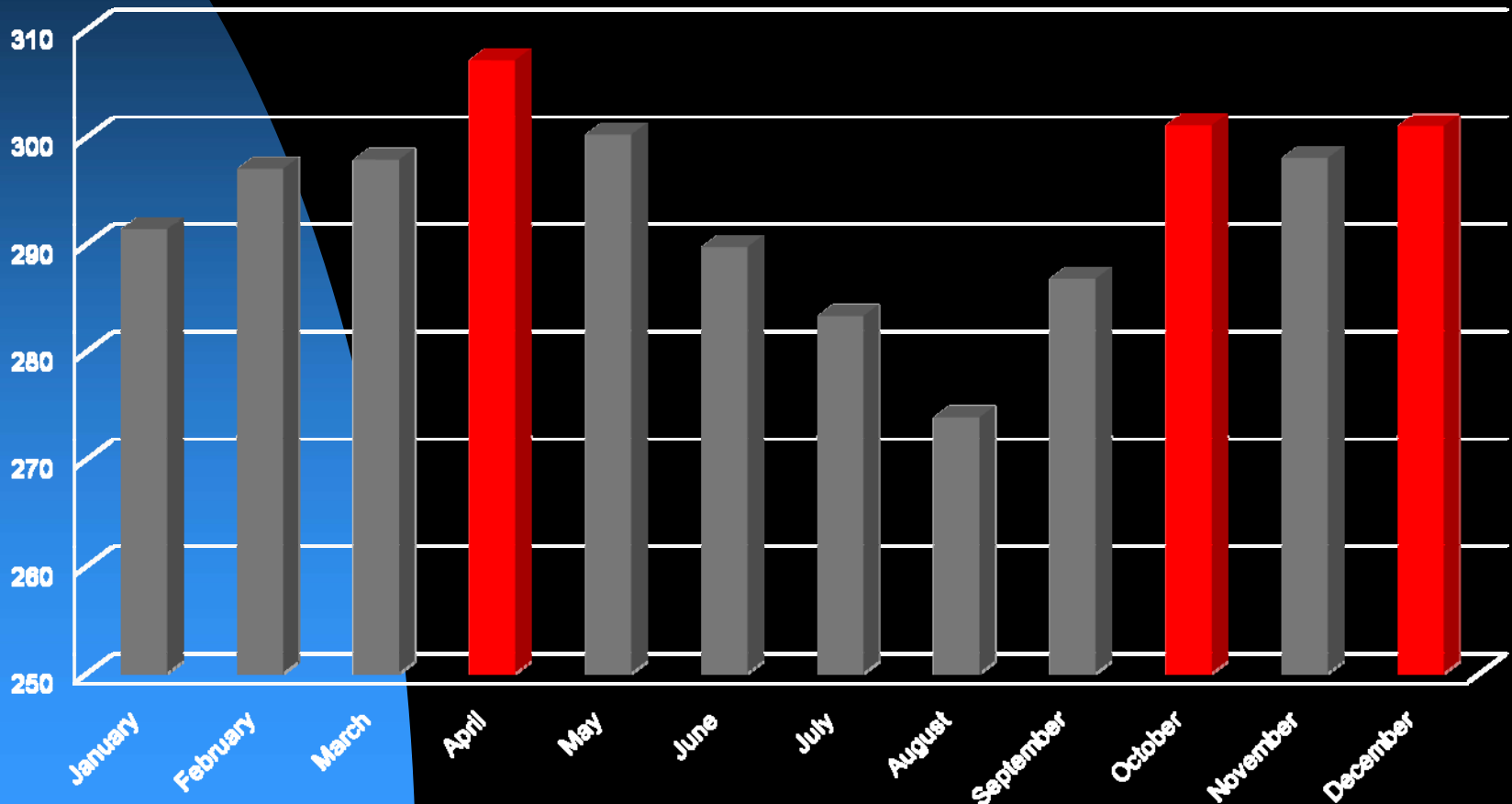
- It is not how much you grow – it is how much you make!!
- Monthly average variances between bids in SK were as low as 73 cents in September to as wide as \$3.23 in August.
- At 18 bu per acre and \$3.23 difference = \$58.14 an acre
- Fertilizer at \$5.00/acre - SHTF

Prices: Specialty vs Elevator vs U.S.



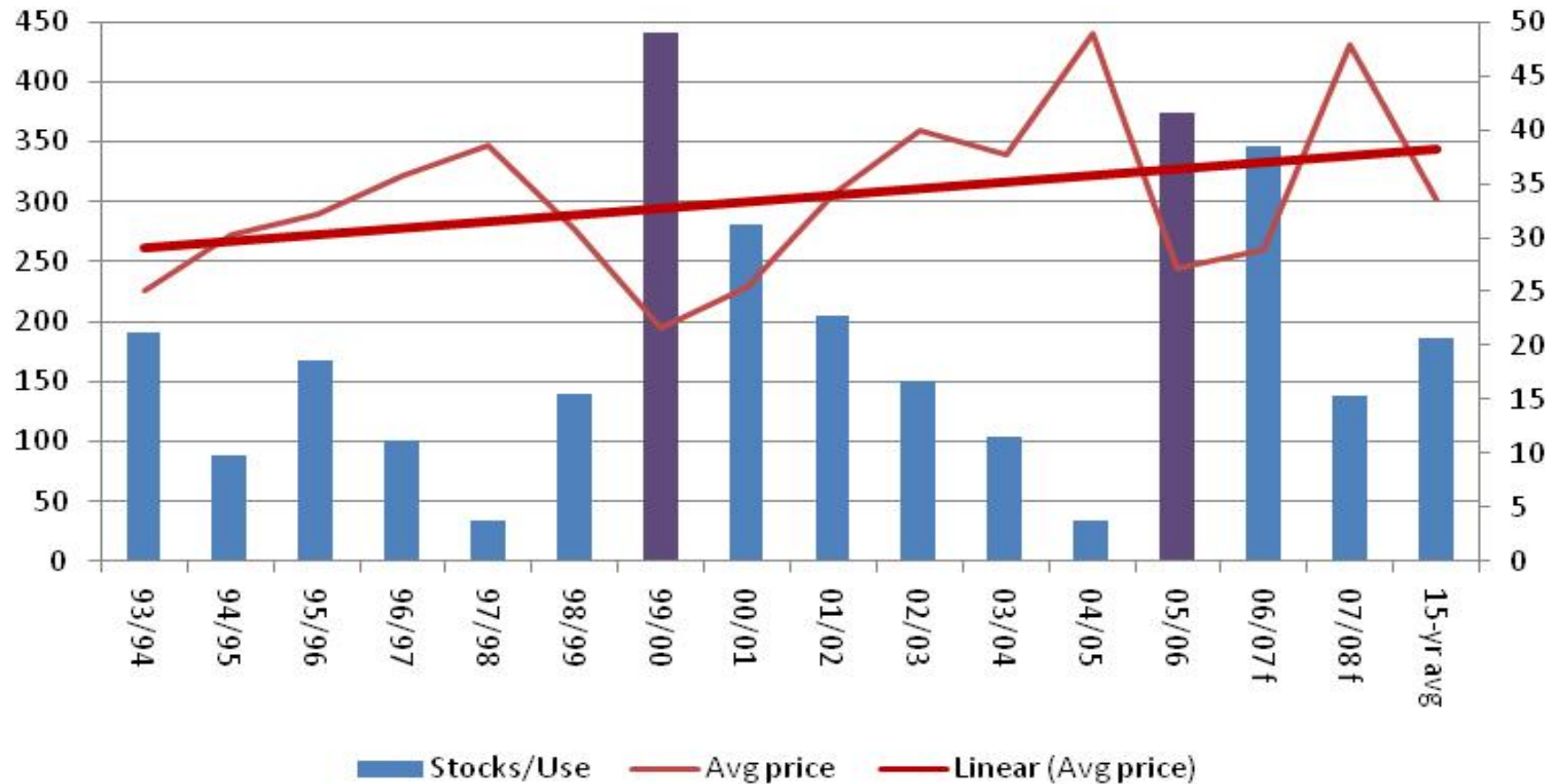
Flax – Timing Sales

Flax 15-yr Monthly Avg prices - Sktn



Flax – Prices vs. S/U

Flax prices Sktn vs S/U's



Flax Exports

- World production: 2 and 3 MMT since the 1930's
- Canada has a 40% share of world production
- 80% share of exports
- China, United States, India and the FSU largest production areas after Canada



The Flax Advantage



Flax is **THE** next crop



Flax Fiber



Linseed Oil



Flax Fiber

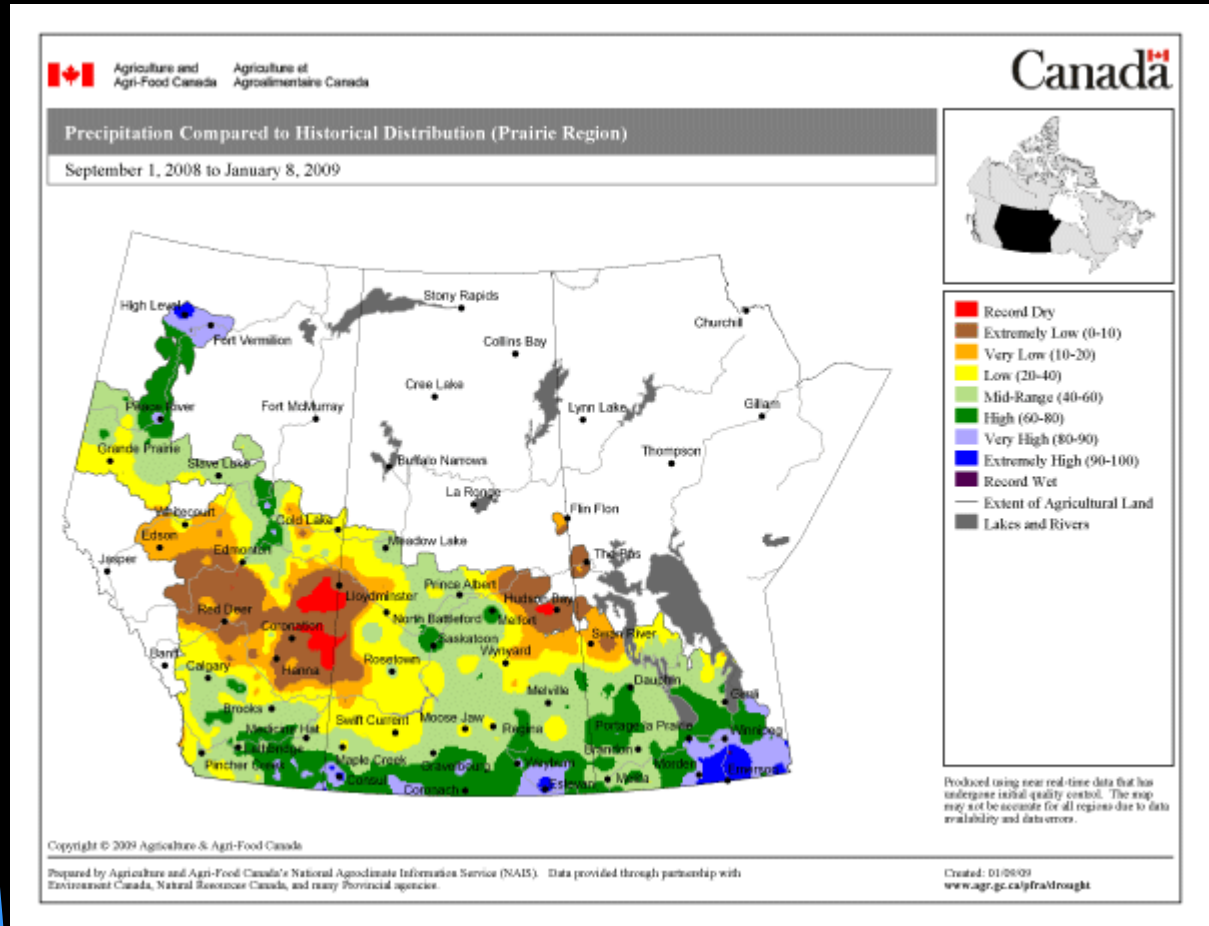


External Issues 2008/09

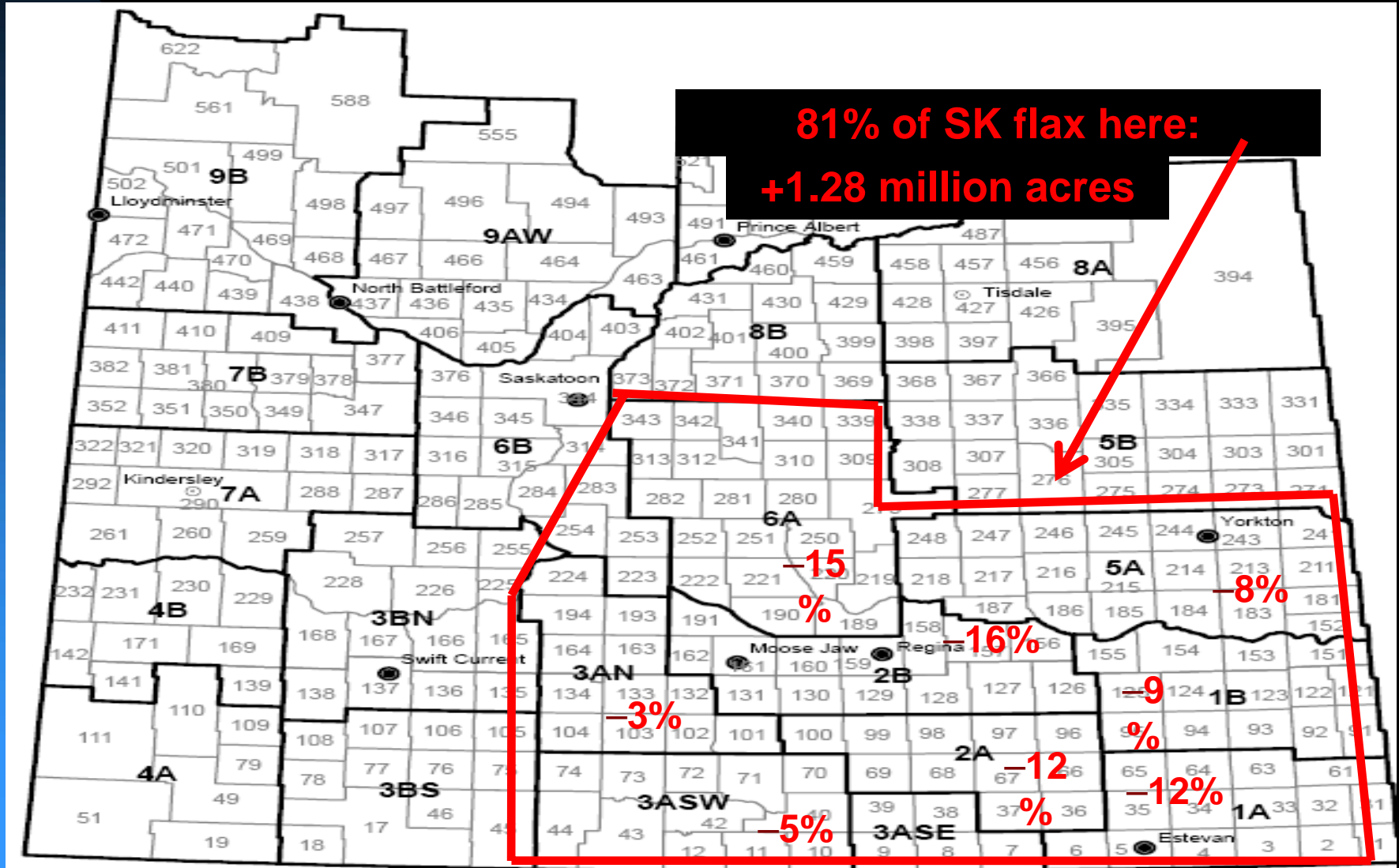
- 1) Trade Credit
- 2) Transportation
- 3) World Economy



Weather

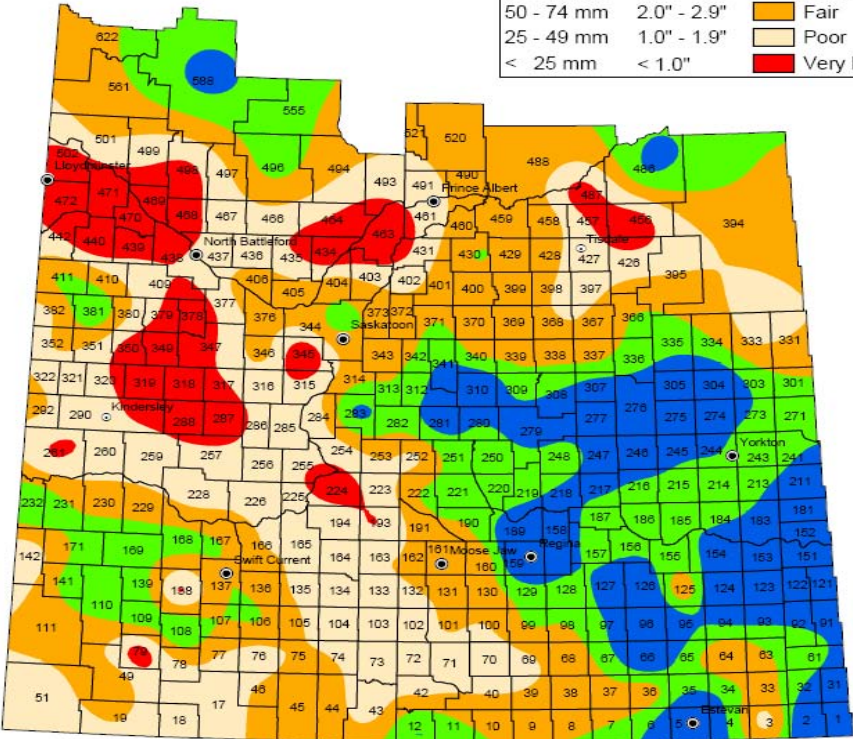


Flax Acres



Subsoil- 2008

Millimeters/Inches of Available Soil Water		
> 100 mm	> 4.0"	Very Good
75 - 99 mm	3.0" - 3.9"	Good
50 - 74 mm	2.0" - 2.9"	Fair
25 - 49 mm	1.0" - 1.9"	Poor
< 25 mm	< 1.0"	Very Poor



NOTE: Since techniques used to smooth the transition between zones can affect the values in localized areas, this map should be used for regional analysis only.



Information

- Only 5% of you here will hit the peak of the market – 95% will not
- Supply/Demand
- I'm not right all the time – never have – never will be
- Read – Read – Read



Just the Flax!

- One year Flax marketing program to help farmers
- Supply/Demand = Price
- Price comparisons
- Imports/Exports
- Stocks to Use ratios
- Weather
- Better marketing decisions



Questions

