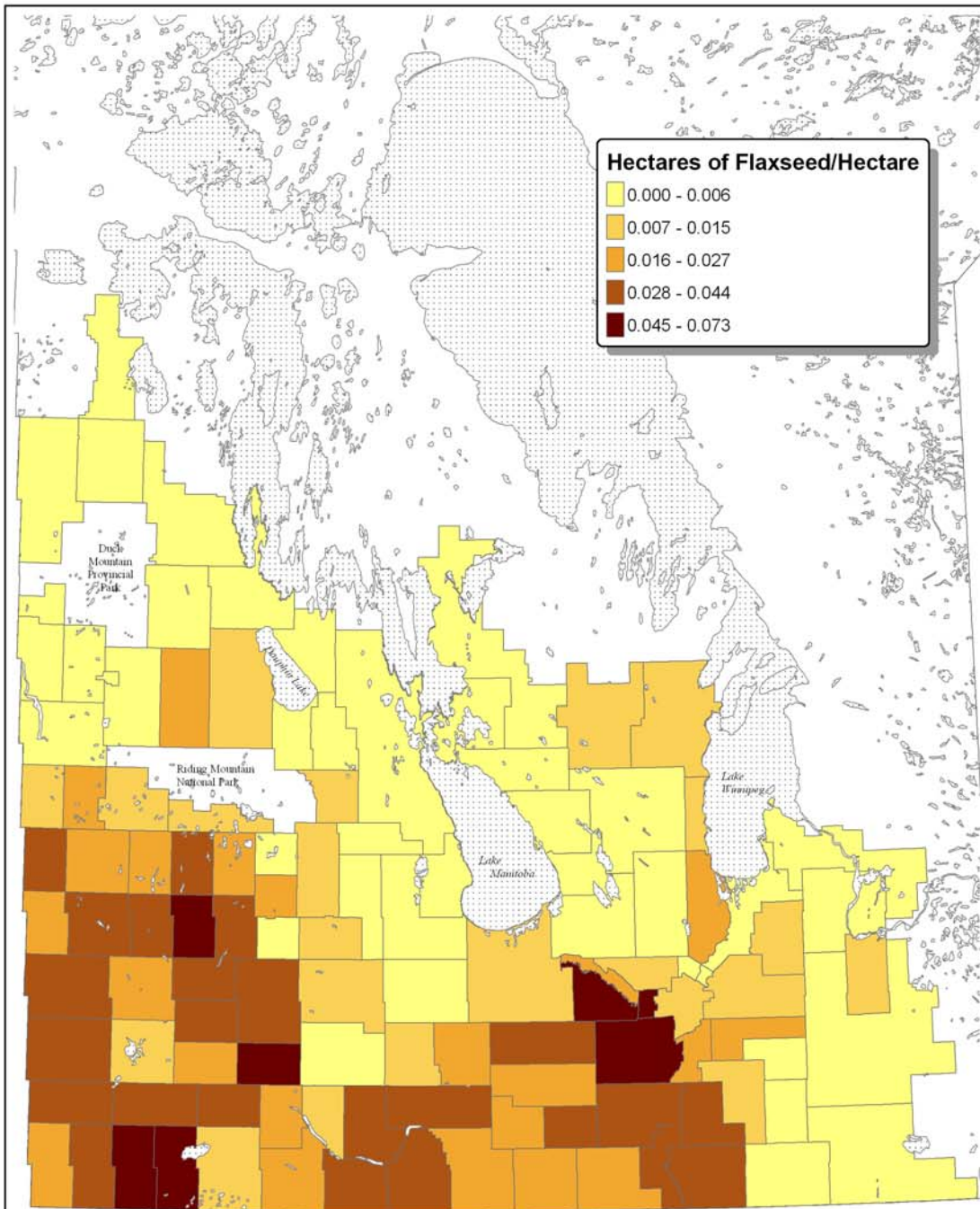


# FLAX SECTOR



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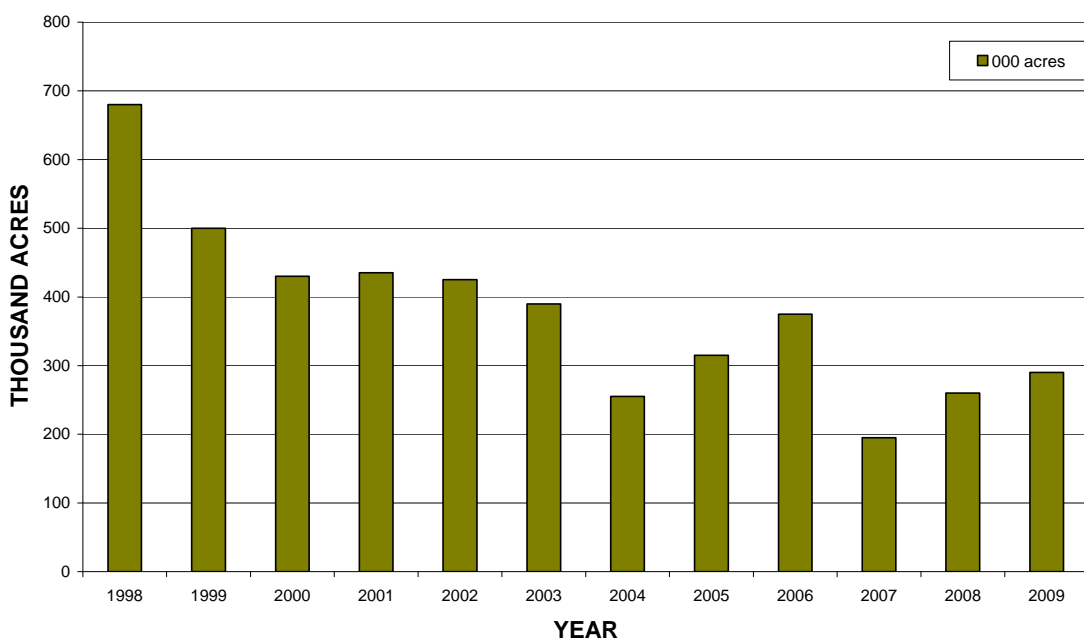
Source: Statistics Canada - 2006 Census of Agriculture



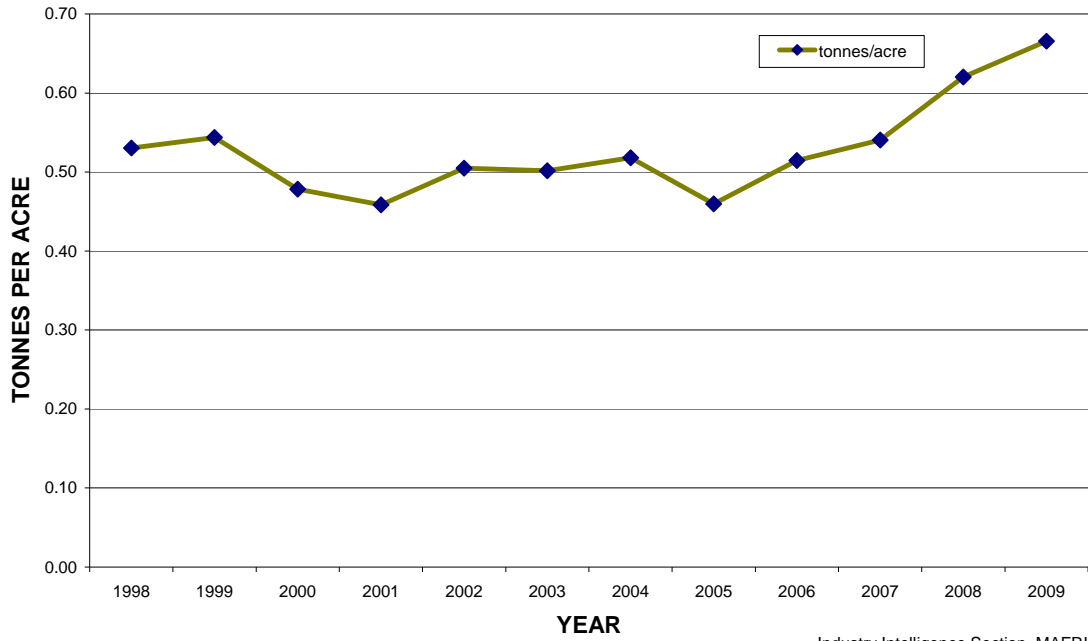
## OVERVIEW OF THE FLAX SECTOR IN MANITOBA

- Manitoba has been growing flax since the late 1800s but it was not until World War II that it emerged as an alternative cash crop to wheat and other cereals.
- Today, Canada is the top flax producer in the world, accounting for approximately 40 percent of the world's flax production.
- Manitoba plays a large part in Canada's flax production, producing approximately 30 percent of Canada's flax, which translates into an average harvest of 350 to 500 thousand acres.
- The Canadian flax industry has a strong visual grading system designed to ensure uniform quality.
- The flaxseed is graded based on damage (broken seeds) and admixture at several different locations including both the country elevators and terminal elevators.
- This allows for lower quality seed to be removed, providing more uniform export product. Contracts and options for flax can be traded on the Winnipeg Commodity Exchange.
- The primary reason for Manitoba's high quality flaxseed is the active involvement of producers and researchers in maintaining and increasing quality standards of new varieties developed and produced.
- Manitoba flaxseed is characterized by a strong combination of oil content, iodine value, and low moisture content. The superior quality of the Manitoba flaxseed crop is strongly influenced by the moderate growing temperatures and longer photoperiod (hours of sunlight) distinctive to Manitoba.
- Additionally, Manitoba flaxseed is harvested in the fall. The traditional dryness of this period means the seed usually requires no drying and is therefore harvested at a moisture level adequate for export.

### Area of Flax in Manitoba, 1998 - 2009

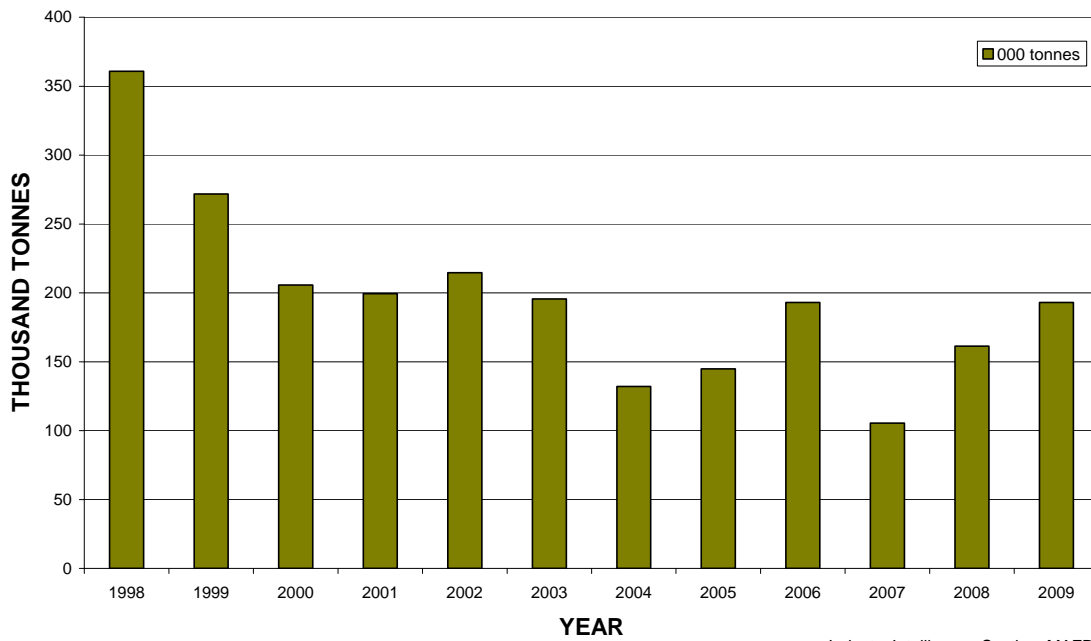


## Yield of Flax in Manitoba, 1998 – 2009



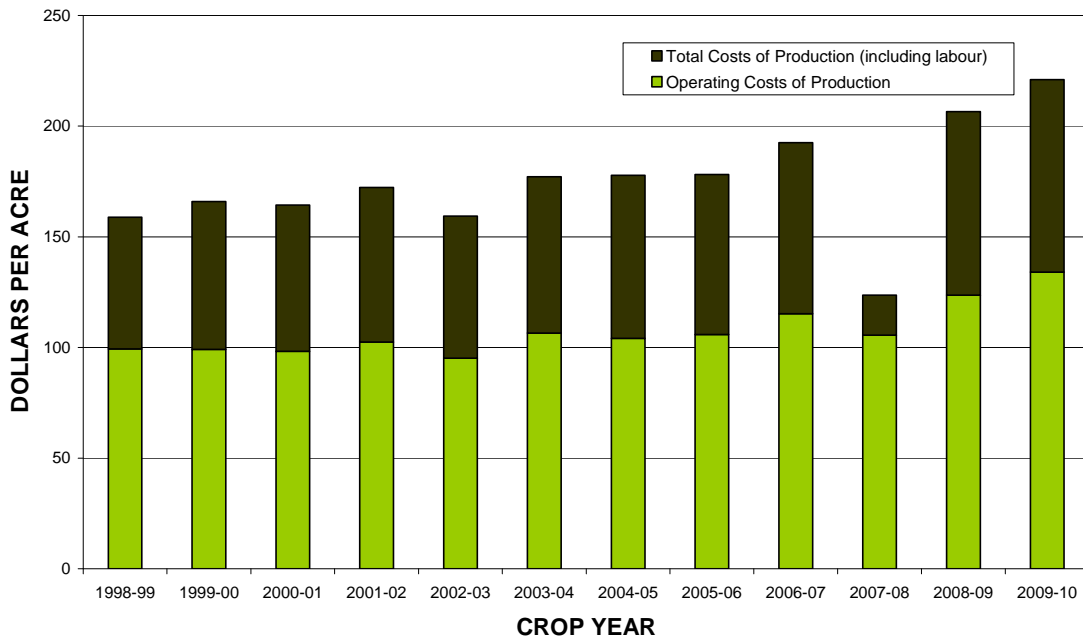
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## Production of Flax in Manitoba, 1998 – 2009



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## Cost of Flax Production in Manitoba, 1998 – 2009



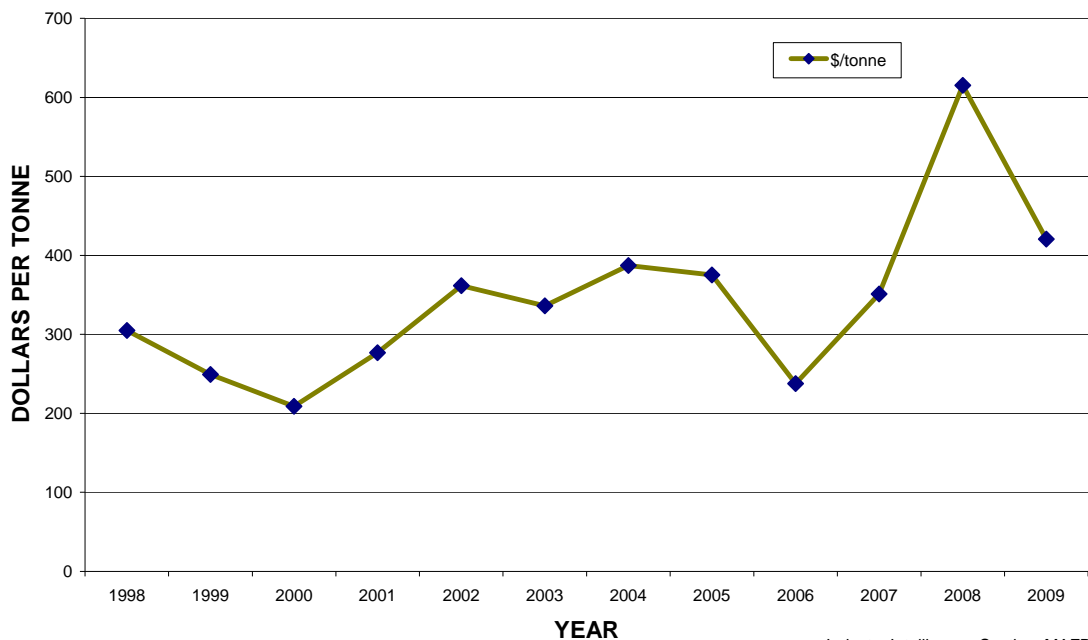
## Farm Supply and Disposition of Manitoba Flax Crop, 1998/99 to 2009/10

<i>000 tonnes</i>	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Opening Stocks Aug1	0	25	55	35	20	15	5	0	30	35	0	30
Production	361	272	206	199	215	196	132	145	193	105	161	193
<b>Total Supply</b>	<b>361</b>	<b>297</b>	<b>261</b>	<b>234</b>	<b>235</b>	<b>211</b>	<b>137</b>	<b>145</b>	<b>223</b>	<b>140</b>	<b>161</b>	<b>223</b>
Marketings	301	211	194	200	187	172	117	87	155	121	109	131
Seed	6	5	5	5	4	4	4	4	2	3	4	2
Carryover	25	55	35	20	15	5	0	30	35	0	30	60
Feed/ Waste/ Dockage	29	26	26	10	29	30	16	24	31	16	18	30
<b>Total Disposition</b>	<b>361</b>	<b>297</b>	<b>261</b>	<b>234</b>	<b>235</b>	<b>211</b>	<b>137</b>	<b>145</b>	<b>223</b>	<b>140</b>	<b>161</b>	<b>223</b>

## PROCESSING FLAX IN MANITOBA

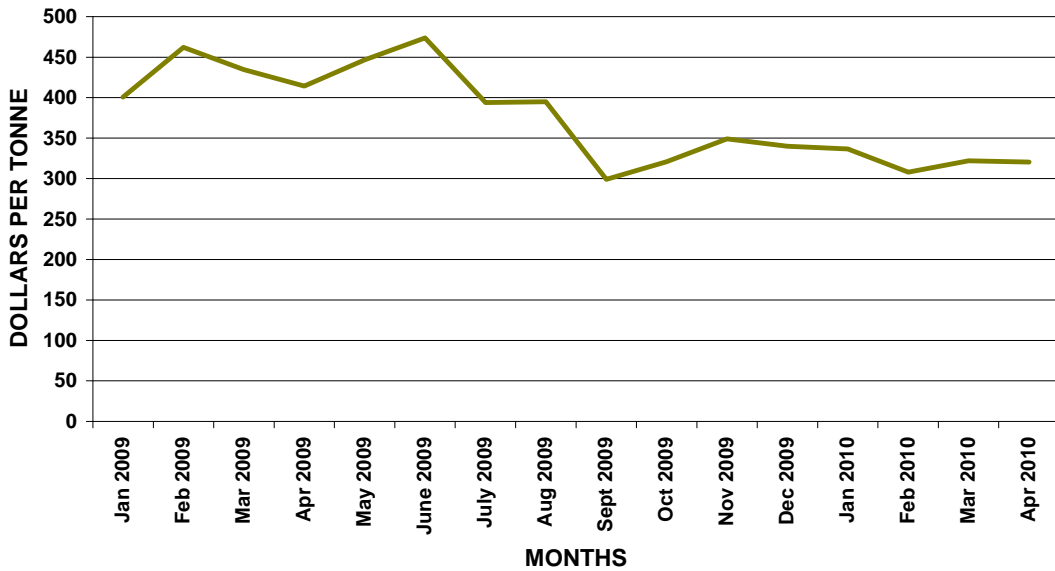
- Flaxseed is processed into a variety of diverse products from bakery products and nutritional supplements to linseed oil for paints and linoleum.
- Pizzey's Nutritionals in Angusville produces processed flax ingredients such as ground flax products, whole flaxseed, pancake and muffin flaxseed mixes for manufacturer and retail sale. Products are sold under the MeadowPure™ label.
- Shape Foods in Brandon produces cold pressed culinary quality flax oil products, such as combination of cold pressed flax/sunflower oil and flax/sunflower/olive oil for human consumption. Products are sold under the Heart Shape™ label.
- Flax straw fibre is processed in Manitoba by Ecusta Fibres Ltd and Schweitzer Mauduit Canada Inc at various locations across Manitoba.
- The process involves removing the flax fibre from the straw and using that fibre for industrial purposes as well as fine papers for cigarettes and currency.

**Flax Prices in Manitoba, 1998 – 2009**



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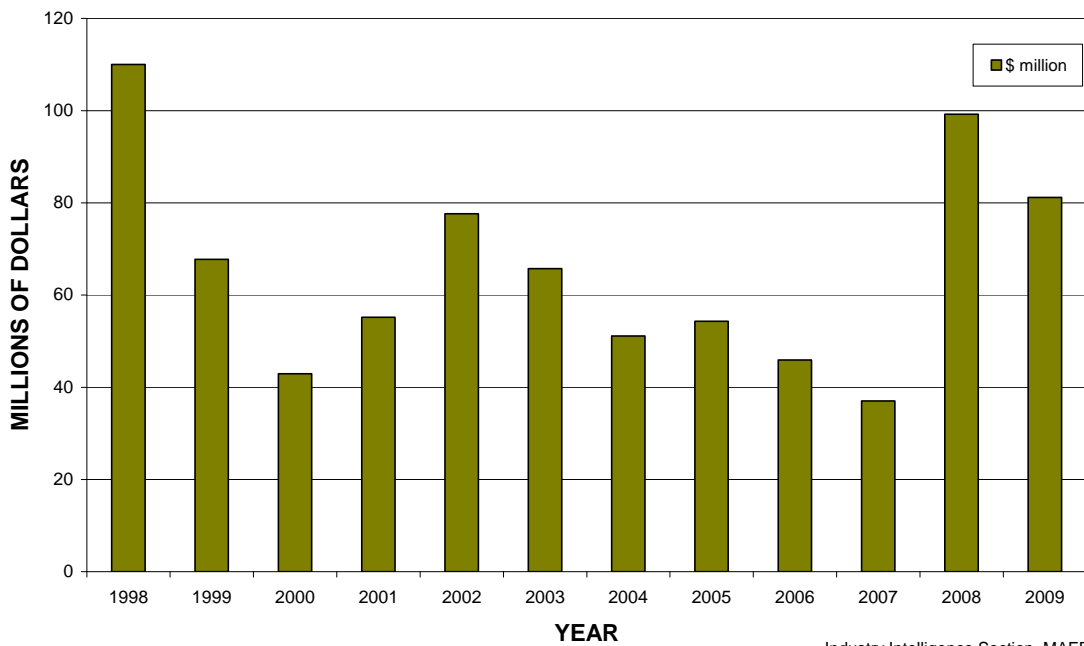
## Monthly Flax Prices, Manitoba 2009 - 2010



Prices are farmers net cash return at the Winnipeg Elevator

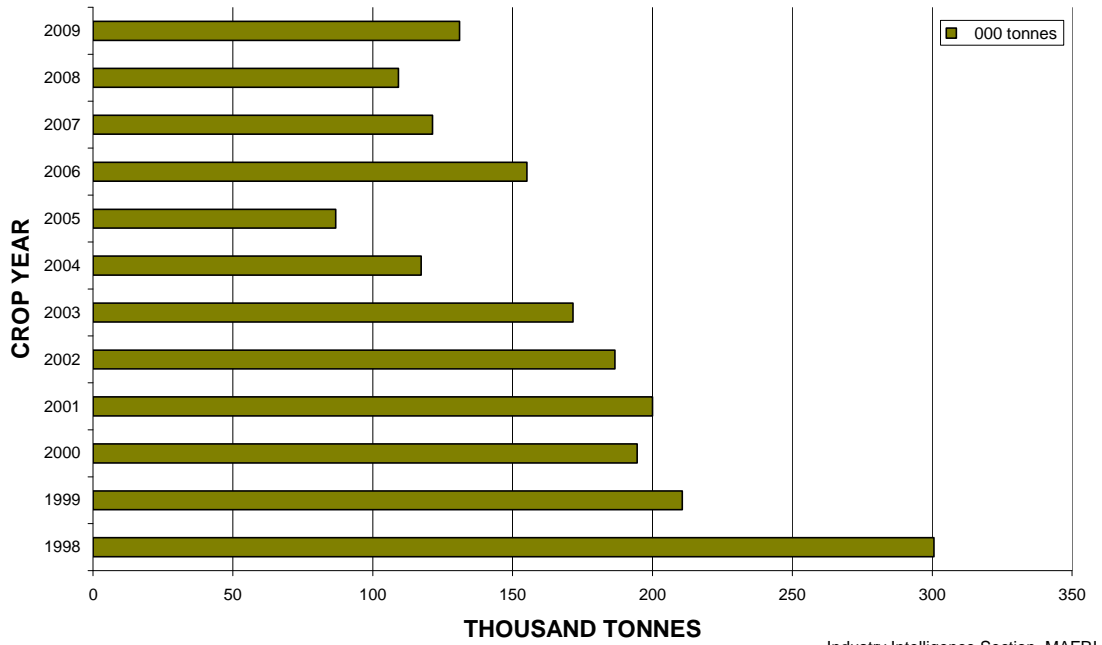
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## Value of Flax Production in Manitoba, 1998 - 2009

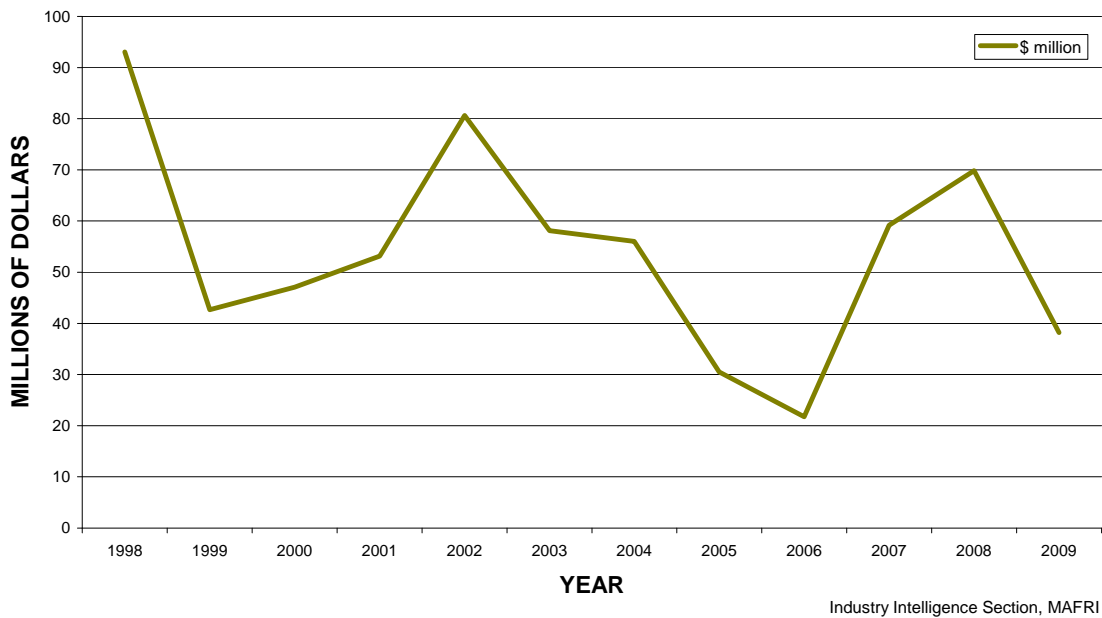


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## Marketings of Manitoba Flax, 1998 - 2009



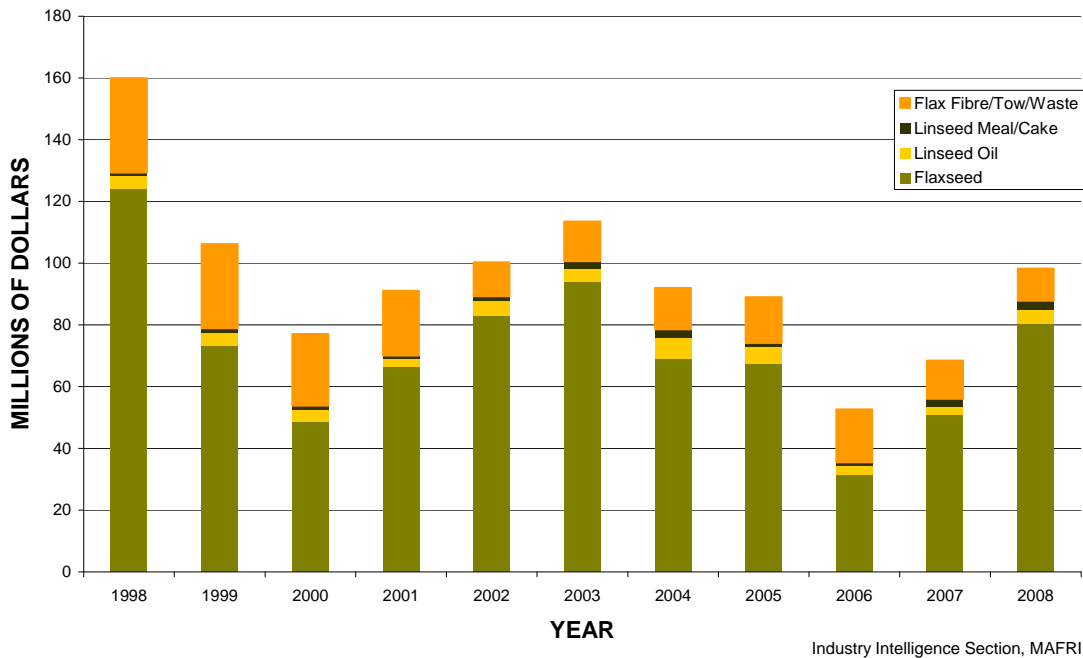
## Farm Cash Receipts for Flax in Manitoba 1998 – 2009



## TRADE

- Manitoba currently exports flaxseed to countries such as Belgium, Japan, The Netherlands and the United States.
- Processed flax exports to these countries include linseed oil, oil-cake, flax fibre, tow and waste.
- Manitoba producers have a long tradition of growing flax and are recognized for the production of a top quality product and a commitment to meet customer demand domestically and internationally

**Manitoba Flax Exports, 1998 - 2008**



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