

A photograph of a field of green oat plants in the foreground, with a field of purple flowers in the background under a clear blue sky. The text is overlaid on a semi-transparent green rectangular area.

The Lantmännen 2020 Harvest Forecast:
**A normal harvest
– an abnormal year**



“ Ensuring a good food supply is of the utmost importance, especially in times of crisis. As such, this year’s harvest is more significant than ever and we as a business, and our members – Swedish farmers – have an important social responsibility. Together we take responsibility from field to fork, and to secure the entire food supply chain, from farms to store shelves and consumers.

– Per Lindahl
Chairman of the Board, Lantmännen

Sweden needs to become more self-sufficient

The coronavirus pandemic has increased insights into the importance of Swedish agriculture and a functioning food chain. In the spring, the Swedish government classed the food sector as an essential business for society and there is a growing understanding that we need to increase Swedish food production. The harvest in Sweden is crucial for Sweden’s access to food and our capacity to be self-sufficient. We ought to increase the proportion of Swedish-produced food in Sweden. The harvest will start in south Sweden in late July and Swedish farmers all around the country are getting ready for an intensive period of hard work on this year’s harvest, to secure the food supply in Sweden.

This year’s harvest forecast:

6,1 million tons

Lantmännen’s forecast for the annual harvest of grain, oilseed crops and pulses amounts to 6.1 million tons, which is lower than last year’s bumper harvest but slightly above the five-year average.

Lantmännen has plenty of capacity to receive grain and other crops and ensure that this year’s harvest from Swedish farmers is in safe hands.



“ We are expecting a good harvest in Sweden this year, in terms of both volume and quality, although there will be regional differences. Lantmännen has plenty of capacity to receive, dry and store grain and is well-prepared to take charge of this year’s harvest in a safe and secure way, despite the ongoing coronavirus pandemic.

– Mikael Jeppsson
Head of the Grain Unit at Lantmännen

How Lantmännen calculates its harvest forecast

In July each year, Lantmännen publishes its harvest forecast that estimates how big the harvest for the year will be. The forecast aims to give Lantmännen data on the amount of grain that will be delivered by Swedish farmers during the year. The forecast also means the general public are given information on the coming harvest, news that usually attracts big interest.

The harvest forecast is based on a yield assessment, using weather data, rainfall, temperatures and areas sown for each county, that farmers in Sweden submit to the Swedish Board of Agriculture. Historic data, such as yields for similar years, are also factored in. The forecast is then reconciled by Lantmännen sales persons in each respective county and updated with any new facts before publication.

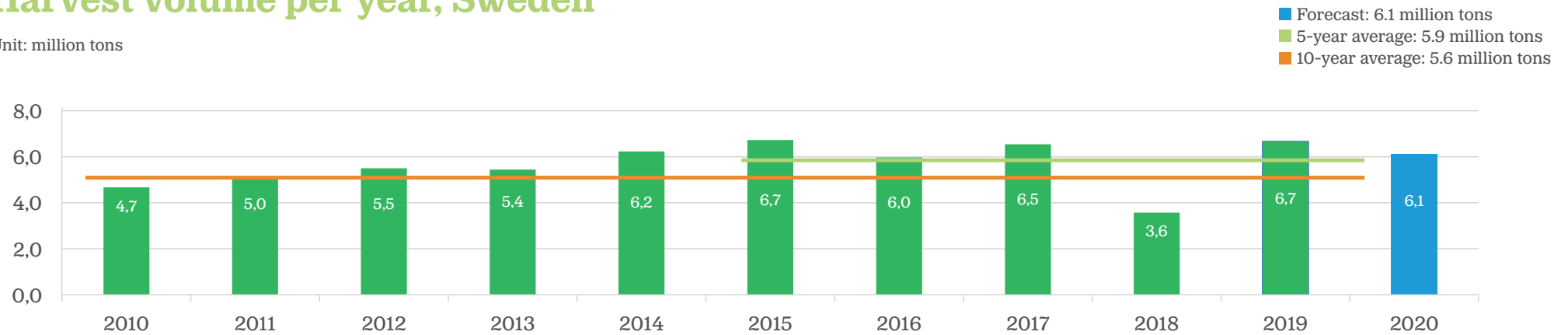
Making an assessment of the forecast in advance is difficult, which is why it is important to remember that the harvest forecast is just that, a forecast. We will only know for sure what this year’s harvest will look like once the farmers have brought in their crops and the results have been compiled.



Lantmännen is an agricultural cooperative and Northern Europe’s leader in agriculture, machinery, bioenergy and food products. Owned by 20,000 Swedish farmers, and with research, development and operations throughout the value chain, together we take responsibility from field to fork.

Harvest volume per year, Sweden

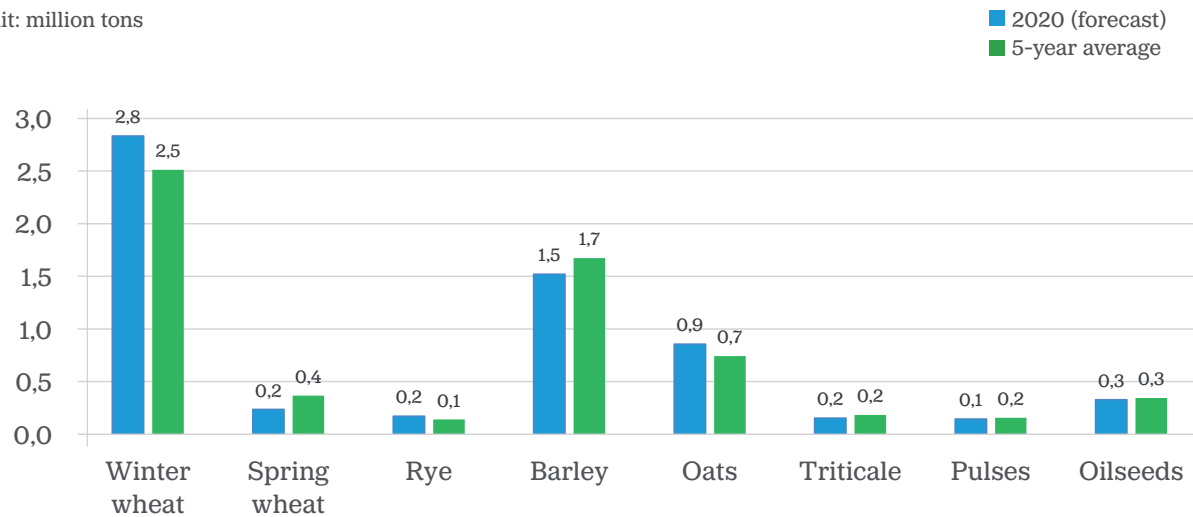
Unit: million tons



The harvest last year was a bumper 6.7 million tons, which was higher than the five-year average. The 2018 harvest was a record low 3.6 million tons, caused by the very dry and hot spring and summer, and a wet autumn in 2017.

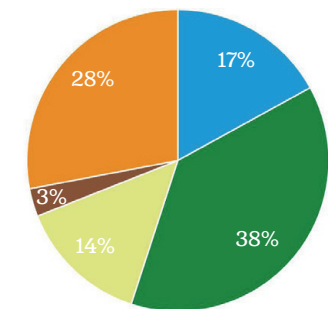
Harvest forecast for 2020, by crop

Unit: million tons



How grain crops are used

- Food
- Feed
- Industry*
- Seed
- Export



*Industry: production of ethanol and spirits.

Oats boom this year – Swedish farmers are growing for more porridge and less beer

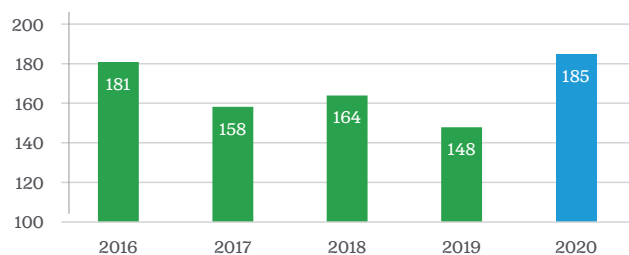
Ahead of the 2020 harvest, Swedish farmers have chosen to sow more oats and less barley. The farmers' choice of cultivation strategy is linked to price movements, trend and changes in demand - partly as a consequence of the coronavirus pandemic.

Consumption of oats, rye and wheat-based products (such as porridge oats, flour and pasta) is growing and they are in big demand at food stores. Demand for barley has fallen on the other hand, as cancelled events and closed restaurants in the wake of the pandemic has resulted in lower beer consumption the world over.

Oats, that are used in products such as porridge oats, muesli, granola, bread and oat-based drinks, are a crop with big development potential, very largely thanks to their important health benefits. Oat protein and beta-glucan are also extracted from oats and have positive effects on cholesterol and blood sugar levels. Oats are a key crop for Swedish agriculture and Sweden has very good conditions for growing oats.

There is big global interest in Swedish oats and demand for Swedish and Finnish oats on export markets is ever increasing thanks to their world-leading quality. High bulk density, pale color and the fact that oats are easy to dehusk, make them unrivalled, quality-wise.

Unit: thousand hectares ■ Forecast: 185 thousand hectares



Towards the farming of the future with our cultivation program Climate & Nature



Klimat & Natur (Climate & Nature) is the name of the Lantmännen program for Farming of the Future and it includes specific climate smart measures. The program is an important step towards Lantmännen's long-term climate goals and more sustainable food production. By implementing measures that benefit both farmers and the environment, we are reducing our climate impact from the cultivation of wheat, rye and oats. What's more, the program also helps boost biological diversity.

60
thousand
tons

In 2020, a total of more than 60,000 tons of wheat, rye and oats will be harvested within Climate & Nature. Already this year, the program has enabled us to shrink our carbon footprint from farming by up to 30 percent, compared to the average for agriculture in 2015.

Criteria

Farmers who have adopted the program employ our most advanced cultivation methods. By using mineral fertilizers with lower climate impact (Best Available Technology or BAT fertilizer), applying precision agriculture and taking courses in eco-driving, the climate impact of agriculture is reduced. One new Climate & Nature measure this year is the use of fossil fuel free alternative fuels, which has reduced climate impact by 30 percent instead of the previous 20 percent. The program also includes measures that promote biological diversity, such as the creation of lark plots. One new criterion this year is flowering zones in fields, that encourage pollinators and beneficial insects. Audits are performed on farms to ensure that all criteria are implemented.

The farmers are better remunerated

Via contract cultivation, Lantmännen guarantees payment for both the crops and compensation for the measures implemented. The measures to boost biological diversity and reduce climate impact that are being implemented out in fields are contractually agreed in accordance with the so-called mass balance principle.

We help customers make sustainable choices

In the case of all food products bearing the Climate & Nature label, a corresponding volume has been grown in accordance with the program. This means our customers and consumers can feel safe in the knowledge that they are investing in genuine benefits for the environment when they choose Lantmännen products. Grain grown in accordance with Climate & Nature is guaranteed to be Swedish.



Climate neutral by 2050

Climate & Nature is an important part of the work Lantmännen is doing to drive the reset to the Farming of the Future and to create the right conditions for sustainable primary production while halving climate impact every ten years, to become climate-neutral by 2050.

The road to the 2020 harvest

September: Advantageous weather conditions in large parts of the country meant that Sweden's farmers could sow autumn crops as planned. This resulted in large autumn sowing, especially of wheat and rye. However, the autumn sowing did not reach the record level of 2018.

December-February: A mild winter with plenty of rain was beneficial for the crops that emerged from the winter in good shape.

March-April: The fields dried quickly after winter. Spring sowing began at the usual time in the south and relatively early in central Sweden and was also able to be done as planned. A change in demand on the Swedish and European markets persuaded Swedish farmers to sow large areas with oats.

May: Following spring sowing, central Sweden experienced extensive rainfall, and in particular around the Mälaren area, while it has been dry in the west and south of the country. May saw a bout of frost that damaged rapeseed crops in certain parts of the country.

May-June: The crops showed good harvest potential in spring. The early summer was dry in large parts of the country, which reduced the potential harvest.

July: Today (mid-July) the fields look generally splendid. Were we to have 25-30 degree temperatures and brilliant sunshine from now to harvest time, this would adversely affect prospects for a good harvest.

July: Lantmännen forecasts that the harvest in the east and central parts of the country will be bigger than normal, while the harvest in the west and south is expected to be lower than normal.

August: The harvest will start in late July/early August, with south Sweden leading the way: The harvest will be delivered to Lantmännen reception sites all round Sweden, or stored on farms. Lantmännen plays a leading role in grain processing and takes delivery of grain at some fifty locations around Sweden.

August-October: The harvest will be completed in the period from August to October and the final results compiled.

