

Lantmännen invests SEK 125 million in heat-treated oats

Lantmännen continues to invest in oats - a strategically important crop with huge potential, by expanding its capacity to heat-treated oats at its mill in Kinstad near Norrköping. The investment will pave the way for new innovations and commercial products based on oats, an important crop for Swedish farmers.

Lantmännen is expanding its production capacity for refined oat-based products. The investment – SEK 125 million in total – includes expanding the capacity for receiving, storing and cleaning oats, plus new equipment for heat-treating dehusked oat kernels in the facility at Kinstad.

Oats are a strategically important crop for Lantmännen and the investment will strengthen the group's position on the market for oat products. Demand for oat-based food products is growing and Lantmännen members, Swedish farmers, express big interest in growing oats. Sweden has very good growing conditions for oats and Swedish oats are of very high quality. As a cereal, oats offer many health benefits as they are high in beta-glucan that helps reduce cholesterol levels and improve blood sugar management in the body. In addition to porridge oats, more concentrated products can be produced from oats, such as oat protein and beta-glucan, a soluble fibre.

“This investment is important for Swedish agriculture and for the food industry in Sweden. The investment will reinforce Lantmännen's unique position within the oats value chain– all the way from plant breeding and type development to high quality ingredients and products for both businesses and consumers on both the Nordic and international markets,” says Magnus Kagevik, Group COO and Head of the Lantmännen Energy Sector.

Dehusked and heat-treated oat kernels are used as input goods in numerous types of products, for instance food products. Oat-based products offer tremendous growth potential, not only in existing segments such as porridge oats, granola and muesli, but also in new market segments. The investment at Kinstad frees up capacity to expand production of further refined products, such as rolled oats, at Lantmännen Cerealia facilities.

“We envisage great potential in continuing to develop the market for breakfast products. There are numerous interesting new segments and product areas that are rapidly being developed, such as those linked to the greater focus on health and wellness among consumers and increasing interest in plant-based foods. This investment will enable us to expand our total capacity. The initiative will also pave the way for new innovations and commercial products within our different sales channels,” says Karolina Valdemarsson, MD Lantmännen Cerealia Sweden.

Lantmännen acquired the oats business in Kinstad, now Lantmännen Oats, in 2019, to expand the group's oats refining capacity and enable further growth. This investment, that has now been formally agreed, is in line with the plan developed ahead of the Kinstad acquisition. Production of heat-treated oats there is expected to start in March 2022.

Images are available at <https://www.lantmannen.com/newsroom/press-images/>

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About Lantmännen

Lantmännen is an agricultural cooperative and Northern Europe's leader in agriculture, machinery, bioenergy and food products. Owned by 20,000 Swedish farmers, we have 10,000 employees, operations in over 20 countries and an annual turnover of SEK 50 billion. With grain at the heart of our operations, we refine arable land resources to make farming thrive. Some of our best-known food brands are AXA, Bonjour, Kungsörnen, GoGreen, GooH, FINN CRISP, Schulstad and Vaasan. Our company is founded on the knowledge and values acquired through generations of farmers. With research, development and operations throughout the value chain, together we take responsibility from field to fork. For more information: www.lantmannen.com