

Lantmännen announces SEK 220 million support package for Swedish farmers

The heatwave and drought have created a crisis for farmers in Sweden. To help drought-stricken farming companies, Lantmännen are putting forward a support package for its members - Swedish farmers - of SEK 220 million.

Drastically reduced harvests and a shortage of feed mean a loss of income and high costs for farmers. To ameliorate the negative effects of the drought, Lantmännen is now launching a powerful support package. Via a series of extraordinary measures, amounting to a total value of some SEK 220 million, Lantmännen expects to ease the situation for its members, Sweden's farmers, at a very tough time.

“Having been hit hard by the extreme heat and drought in spring and summer, farmers are now extremely worried. We and the entire industry need to take strong action to make a difference for Sweden’s farmers. As a farming cooperative owned by Swedish farmers, Lantmännen is able to take concrete measures. This support package provides money now - for all types of production. This will give a powerful liquidity boost to our members’ agricultural enterprises,” says Per Lindahl, Chair of the Lantmännen Board.

The crisis within Swedish agriculture also affects the food industry. Sweden risks becoming a net importer instead of a net exporter of grain, a staple commodity, this year, and as a consequence of the shortage of animal feed, livestock will need to be slaughtered earlier, which can lead to a shortage of Swedish meat further down the line.

“The situation for Sweden’s farmers is having a direct impact on the food industry. It is of the utmost importance that Swedish farmers are given the support they need to enable an increase in the supply of Swedish-produced foods,” says Per Olof Nyman, CEO and Group President at Lantmännen.

Lantmännen members will be given access to SEK 220 million. This will be in the form of an additional refund and supplementary payment of two percent based on their trading with Lantmännen Lantbruk Sweden during the first eight months of the year, plus an extra discount and supplement of two percent of their trading with Lantmännen Lantbruk Sweden during the rest of the year. Trading with Lantmännen Lantbruk Sweden includes purchases of supplies and sales of grain, oilseed crops, pulses and forage seeds. Payment will be made in two stages, one in September this year and the second in early 2019. Payment for the first period requires the approval from all delegates of the annual general meeting.

In addition to the above, Lantmännen is waiving the 10 öre per kilo normally charged to farmers on redemption of grain contracts and the interest rate on Lantmännen's financing service is being cut by 1.5 percent between 1st of September 2018 and 31st of March 2019. Low protein content deductions on milling wheat will also be waived on the 2018 harvest.

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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 25,000 Swedish farmers, we have 10,000 employees, operations in over 20 countries and an annual turnover of EUR 4 billion (SEK 40 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, Kungsörmen, GoGreen, Gooch, 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: lantmannen.com/en.