



The Lantmännen Harvest Forecast for 2021:

Rain and drought reduce the Swedish harvest



This year's harvest forecast:

5,6
million tons

Lantmännen's annual forecast for Sweden's grain harvest amounts to 5.6 million tons, which is lower than the two past year large harvests. Including other crops, such as oilseed and pulses, the total forecast is 6.1 million tons.

"A wet and late spring in Central Sweden, together with dry and at times high temperatures in June in the south of Sweden, makes us conclude that we are heading towards a harvest that is smaller than the most recent two years"



– Mikael Jeppsson
Head of Grain Unit, Lantmännen

Swedish farmers invests heavily in wheat

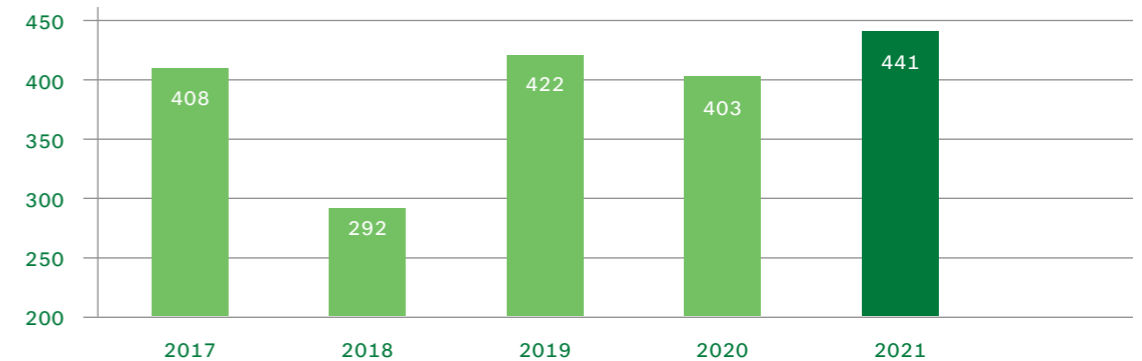
During autumn 2020, over 457,000 hectares of wheat were sown, the largest winter wheat acreage ever sown in Sweden. Following a tough winter in parts of the country, around 441,000 hectares are still standing. Winter wheat is a robust crop that is more resistant to unfavourable weather. Accordingly, it is better equipped to withstand external stress compared with spring sown crops, for example from droughts and heavy rains. Also, winter wheat is generally higher yielding than spring sown crops and are typically a more profitable crop for the farmers. Wheat can also be sown in the spring as spring wheat. Spring wheat often contains a higher protein content than winter wheat, but with a lower yield.

Each year Lantmännen buys about 1.5 million tons of wheat from Swedish farmers.. Autumn sown wheat mainly becomes milling wheat that is grounded into flour and used in Lantmännen's own products, such as Kungsörnens' pasta and Korvbrödsbagarns' bread. Winter wheat can also be used as livestock fodder, for ethanol fuel, and alcoholic spirits.

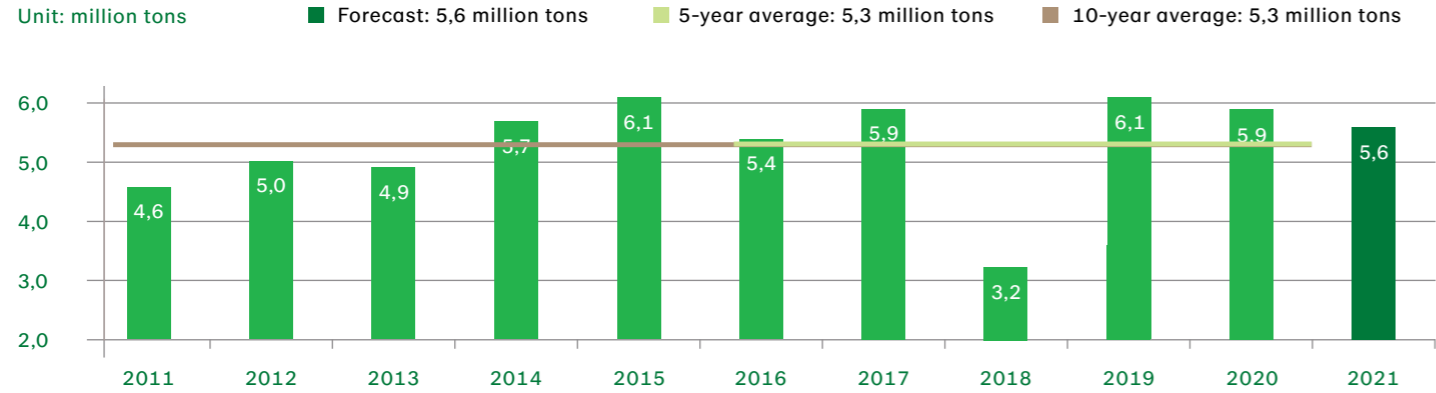
Lantmännen exports over 500,000 tons of wheat annually, both within and beyond Europe. Milling wheat is exported to Spain and North Africa, primarily to Algeria. North Africa is also one of the biggest deficit areas in the world for wheat and is a permanent importer, unlike the Baltic Sea area that has a surplus of wheat.



Winter wheat acreage 2017-2021. Units: '000 hectares ■ Forecast: 441,000 hectares



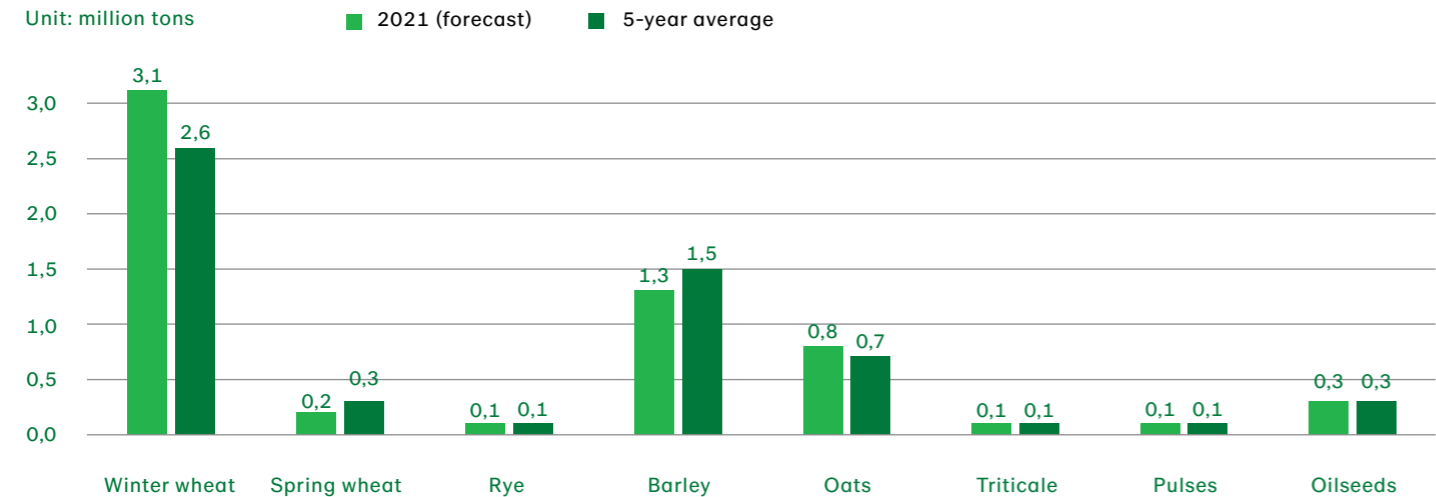
Harvest volume per year, Sweden



Last year, the harvest was 5.9 million tonnes, which was above the five-year average but not as high as the record year of 2019. This year's harvest of 5.6 million tonnes is in parity with the annual harvests in recent years, with the exception of the very dry 2018.

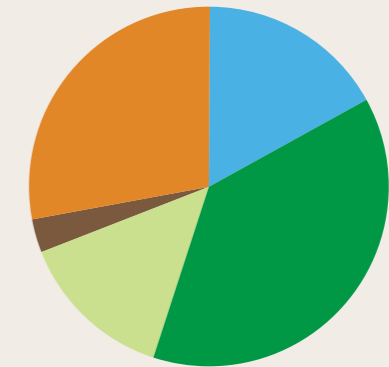


Harvest forecast for 2021, by crop



How grain crops are used

Food	16 %
Feed	38 %
Industry*	13 %
Seed	3 %
Export	30 %



*Industry: production of ethanol and spirits.

Agriculture's key role in national emergency planning

Swedish agriculture has stood firm in the face of the crises in the last few years, through both a drought and a pandemic. As a result, there is now a greater understanding of the important function Swedish agriculture has in society, and given the crucial role Lantmännen plays in a well-functioning Swedish food sector greater prominence.

With these insights, in combination with the ongoing build-up of the Swedish Total Defen-

ce and determination to strengthen the national crisis resilience, continued investments in Swedish farming will be vital.

Initiating with this year's harvest, Swedish farmers are now gearing up for intensive work to secure the national food supply. The annual harvest will begin in south Sweden in late July and finish in the north in October.

“Ensuring a viable Swedish agriculture and a good and stable food supply is of the utmost importance. With the harvest as our starting point, we at Lantmännen, together with our members, Swedish farmers, take responsibility from field to fork and, by intelligent use of resources and through innovation, we are creating a sustainable agriculture that is of absolute top class.”



– Per Lindahl
Chair of the Board, Lantmännen



The Farming of the Future in practice at Bjertorp - our Farm of the Future

We can reduce the climate impact from cultivation by 2050 while at the same time increasing harvests and promoting biodiversity. In the fields at the Farm of the Future Bjertorp on Västgötaslätten in southwest Sweden, we show you how.

Measures and cultivation methods for the future are tested

Lantmännen have been running the farm in Bjertorp for many years, and in 2020, launched Bjertorp as The Farm of the Future, 890 hectares of seed production and various crop trials. At the farm, we strive to optimise cultivation systems and soil properties.

We are working to reduce the climate impact with help from the latest technologies for machinery in the field and by increasing carbon sequestration and the humus level in the soil, for example by growing a second crop and always having a crop in the field. We are measuring the development, such as taking sample tests of organic matter in the soil, and monitoring what effects different measures have, to provide data for calculations of climate and environmental impact. New criteria for our Climate & Nature program are also tested and further developed here. The cultivation program aims to reduce the impact of agriculture and promote biodiversity within grain farming.

Increased harvests and lower fuel consumption

Our efforts on the farm have already delivered good results. Thanks to our trials within precision farming and optimal management, we were able to produce a harvest of winter wheat that was 12 percent above average for farms in a comparable region over the last 15 years. We have also been able to cut fuel consumption by 15 percent by using GPS driving. We continue to test and develop the Farming of the Future measures and methods, building knowledge and experience that will benefit the entire value chain.

Climate neutral by 2050

The Farm of the Future Bjertorp plays a key role in Lantmännen's efforts to drive the transition to Farming of the Future. Our aim is to create conditions for a more sustainable primary production while halving climate impact every ten years to achieve climate neutrality by 2050.



Farming of the Future is self-driving

Lantmännen in partnership with RISE and Agrobot, has been testing Robotti, a self-driving robot, in Swedish fields in 2021. The project will extend over two years.



Towards the 2021 harvest

Autumn planting

September-November: An early and compressed harvest in large parts of the country has meant that Sweden's farmers could sow a large autumn sow, in which the wheat acreage was larger than ever. Favourable conditions in the autumn enabled the crops to established well and the fields looked promising before the winter.

Winter sleep

December-February: A hard winter in many parts resulted in local winter-kill. Where the ground had a blanket of snow, the crops were better protected from the cold and the winter wheat came through the winter unscathed.

Spring planting

March-April: A cold and very rainy spring made the spring sowing both late and drawn out, especially in the areas around Mälaren. In some parts it could not be completed at all, while in other parts of the country, the spring sowing could finish according to plan.

May: Cold temperatures in May gave the spring crops a chance to establish and the crop showed big harvest potential.

Growth season

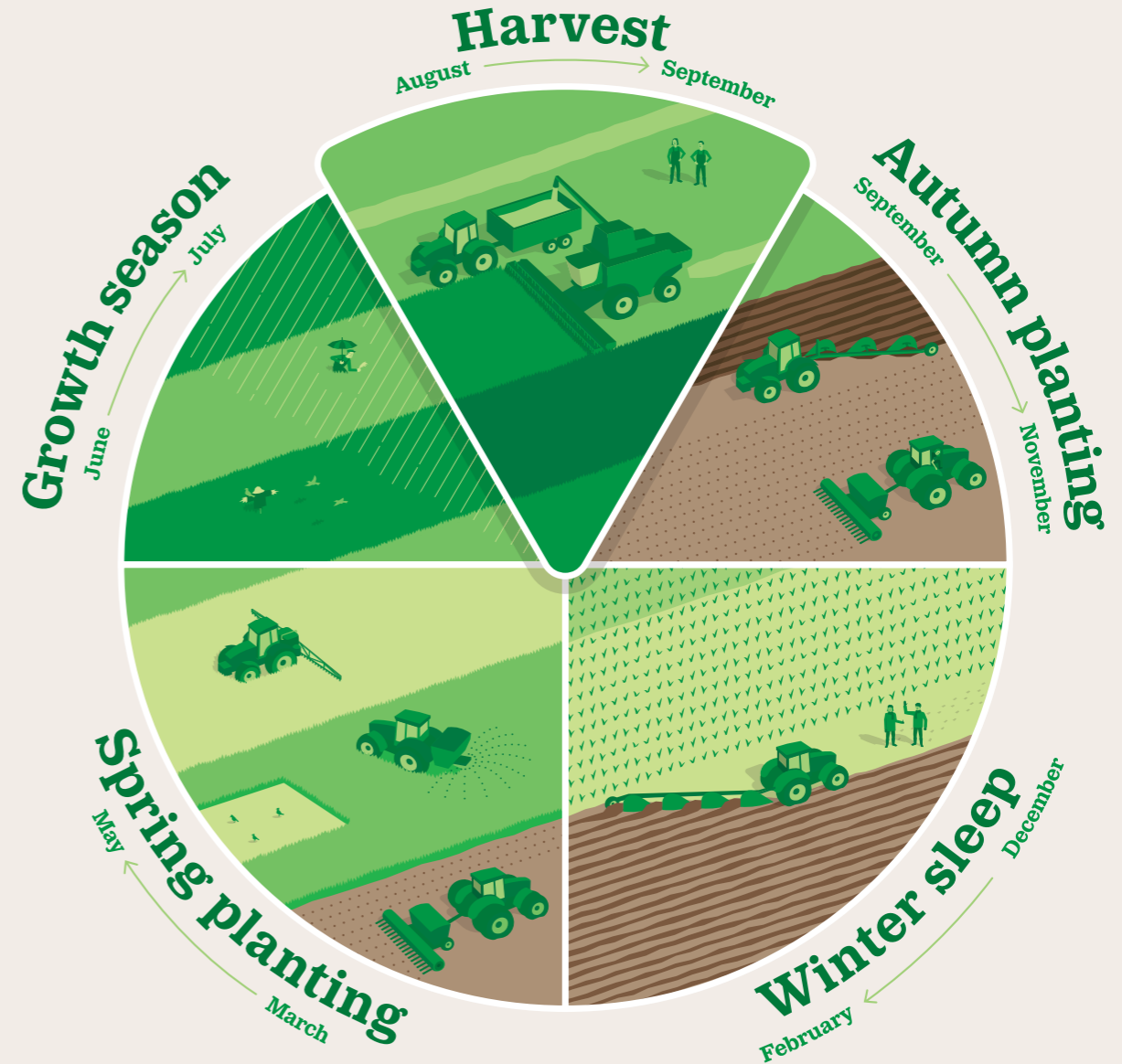
June: It was dry in much of the county in June, which reduced the potential of the harvest.

July: Today (mid-July) the fields look fine in general. Were we to have 25-30 degree heat and brilliant sunshine from now to harvest time, this would have a negative affect on the yield. Optimal conditions for good crop growth are temperatures a bit higher or about 20-degrees and reasonable amounts of rain.

Harvest

August: Harvesting will start in late July/early August, starting in the southern regions. The harvest will either be sent to Lantmännen reception sites all round Sweden, or stored by the farmers on their farms. Lantmännen plays a leading role when it comes to handling grain and receives grain at around 50 locations all round the country.

August-October: In the period from August to October, harvesting is completed and the harvest results compiled.



How Lantmännen calculates its harvest forecast

In July, Lantmännen publishes its harvest forecast that estimates how big the harvest for the year will be. The forecast aims to give Lantmännen data on how much grain that will be delivered by Swedish farmers during the year. The forecast also gives the general public information about the coming harvest.

The harvest forecast is based on a yield assessment that is based on weather data, precipitation, 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 personnel in each respective county and updated with any new facts before publication.

Making an assessment of the harvest 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. We are owned by 19,000 Swedish farmers and through research, development and operations throughout the value chain we take responsibility together from field to fork.

