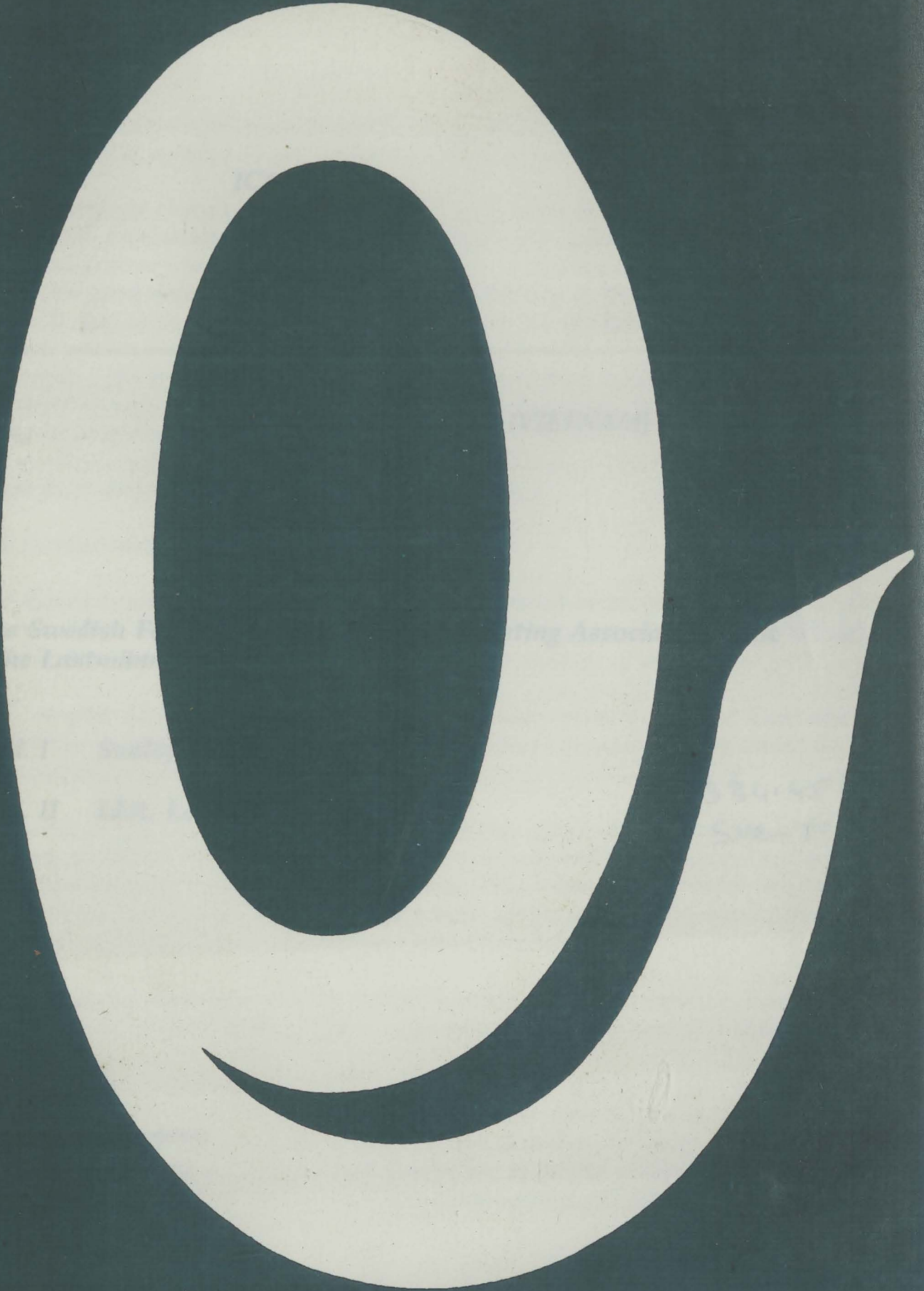


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*ICA*

*TRADE SEMINAR*

*HO-CHI-MINH CITY (VIETNAM)*

*8-12 September 1992*

*The Swedish Farmers' Supply & Crop Marketing Association, SLR  
"The Lantmännen Group"*

*Add. I Svalöf Weibull AB*

*Add. II LEA, Lantmännen Energi AB*

## **SWEDEN**

*Sweden is a large, sparsely populated, forest-rich country. Here, a mere 8,5 million people inhabit an area 35 per cent greater than of Vietnam.*

*Sweden enjoys clean water; clean, fertile soil; clean air; and a good climate for foodstuffs production. Moreover, the farmers are well educated and efficient. Sweden's farmer-owned foodstuffs industry is a modern one.*

*Sweden's good natural conditions give us credibility in the international marketplace. A goal of Swedish farmers is to be pioneers in developing an agriculture that is both resource-economical and environment-friendly.*

*In Sweden, the farmers own their processing industries, such as feedmills, dairies, slaughterhouses, mills, and bakeries. In the long chain from field to the market place at home or abroad each link is important.*

*Some facts about the Swedish agriculture: (figure 1)*

### **The Lantmännen Group**

*The Lantmännen organization is built upon cooperative principles. The entire organization is governed by well proven democratic procedures. (figure 2). Each member has one vote regardless of size of farm or volume of deliveries.*

*Full membership rights are granted to member-owners in the Lantmännen cooperatives from the very beginning. Own capital input, which is based on the cooperativ's turnover, is paid in installments.*

*The surplus from the organization's activities, after deductions from various reserves, goes back to the members in the form of payment for products delivered or as dividends/restitution for purchased inputs. This owner capital is the basis of the cooperatives own capital. This is further built up by withholding a portion of the dividends and payments in the member capital account.*

*Approximately 86.000 farmers are ownermembers of the 13 regional Lantmännen Cooperatives. The members cultivate approximately 80 per cent of Swedens arable land.*

*The Lantmännen cooperatives and Solanum, the potato growers' cooperative association, work for a common cause in the Swedish Farmers' Supply & Crop Marketing Association, SLR. We are one of the major businessgroups in Sweden, with a total turnover of more than USD 4.400 million and approximately 10 000 employees.*

***Lantmännens business concept is to:***

- \* *assist members to exploit as efficiently and profitable as possible their arable land through the production of grain and other crops*
- \* *supply inputs for crop and animal production to members farmers by maintaining a geographical proximity to production*
- \* *assure that members crops are collected, processed and marketed within current and new market and product areas*
- \* *develop, manufacture and distribute high quality feeds through a rational industrial production*
- \* *assure that our efforts in crop and animal production result in the production of high quality products based on domestic inputs produced in an efficient and environmetally sound manner*
- \* *supply agricultural, forestry and construction equipment, and provide access to the best possible maintenance and spare parts service for machines*
- \* *develop and manage other profitable businesses, even those aimed at clients outside of the farming sector.*

***Lantmännen's cooperative organization and business areas (figure 3)***

*Processing of grainproducts within Lantmännen are taken care of by the wholly-owned subsidiary Cerealia.*

*Lantmännen's other major business activities are divided into four business areas:*

1. *Agriculture/ Trade*
2. *Feed*
3. *Machinery*
4. *Energy.*

*There are committees for two of these areas, whose guidelines affect prioritization and resource allocation within these respective areas in the commercial interchange with the member cooperatives.*

*Each respective business area also has a series of subsidiaries and affiliates, which manage limited business activities.*

### ***Processing products***

*SLR's subsidiary AB Cerealia, is the leading company in Scandinavia in the milling and bakery sector. The company also operates in Germany.*

*Cerealia has expanded due to a number of company acquisitions. The turnover is approximately USD 1,200 million and there are approximately 4 000 employees.*

*The processing of grain into flour, groats, flakes and other breakfast products, bread, pasta and so on, is carried out by Cerealia's subsidiaries Kungsörnen AB, AB Nord Mills, AB Skogaholms Bröd, and K&K& AB.*

*Skogaholms Bröd is the largest bakery group in Scandinavia, operating some sixty bakeries. Skogaholms bake, sell and distribute bread throughout the Nordic countries, and they also have extensive operations in Germany and Polen.*

*K&K& is a wholesaler for bakeries and patisseries and manufactures different types of raw-materials for baking in Denmark and Sweden.*

### ***Agricultural/Trade***

*The Lantmännen cooperatives handle the direct business with the individual farmers. SLR works with the further sale of the harvest and with business at the international level. This may cover areas as the import of feedstuff, export of grain or oil-yielding crops, or all of Lantmännen's trading in commercial fertilizer, pesticides, oil products etc.*

*The subsidiary company Solanum is the leading company on the market for the collection, processing and marketing of potatoes and potato products.*

*The affiliate company Svalöf Weibull AB, add. I.*

*Nord-Malt is another interesting company. It is jointly-owned by SLR and the brewing industry. Nord-Malt manufactures and sells brewing barley to be used in the production of beer and whiskey.*

### ***Feed***

*Lantmännen has around 80 per cent of the Swedish market for manufactured feed. Lantmännen manufactures, distributes, and handles the local sale 1,6 million ton of feed.*

*SLR coordinates marketing, and joint feedresearch and product development efforts. The results of these efforts are new types of feed also of interest to the international market.*

*For example, Lantmännen is currently the only company in the world to manufacture and market a feed for piglets which does not contain antibiotics. The demand for feed which does not contain antibiotics is increasing steadily, particularly in the EC.*

*Improved or new types of feed lead to healthier animals by stimulating the animals' own resistance to disease. Other types of feed are gentler on the environment because of a reduction in the emissions of nitrogen connected with animal production.*

*The new feed products are tested at our three research farms. The tests cover everything from sows, pigs for slaughter, piglets, dairy cows and calves, to laying hens and chickens.*

*Lactamin AB is Lantmännens company for various types of special feed. Lactamin sells premixer – that mixtures of vitamins and minerals etc for the finished feed – as well as calf nutrients and various kinds of feed supplements and feed for horses and dogs.*

### ***Machinery/Machine Service***

*Lantmännen has a complete range of agricultural machinery and machinery for forestry and construction work. Spare parts, workshops and other service represent important elements of the services Lantmännen cooperatives offer to the farmers.*

### ***Energy***

*A new agricultural policy has led to considerable areas of arable land becoming available for purposes other than the production of foodstuff and feed. Bio-energy in various forms seems to be the only alternative for the foreseeable future which can utilize such large areas. Lantmännen is making a major effort to develop energy produced on arable land into a new business operation which will be profitable both for the farmers and for Lantmännen. LEA, Lantmännen Energi AB, add II.*

### ***Lantmännen's logo – The Germinating Seed***

*– has its origin in an eight-thousand-year old Hindi character. In Hindi the name means "that which is the source of all things".*

*New ideas, business areas, products, and new markets are vital to Lantmännen. We started our activities nearly 100 years ago and the organization continues to grow and spread. Today, the Lantmännen Group has branched out both within and outside the country, and it holds a strong position on the market.*

3rd of September 1992

PRODUCT LIST

Business Area Cerealia AB

Products for milling, bakery and pastry industry,

Wheat  
Flour  
Yeast  
Spices  
Veg. oils  
etc

Business Area Agricultural Trade *important*

Wheat  
Barley  
Oates  
Rye  
Rapeseed  
Flour  
Soybeans  
Soybeanmeal  
Cornproducts (Distillers, Corn gluten meal, etc)  
Sugarbeet by-products  
Rapeseedmeal  
Copra expeller  
Palm expeller  
Potatoeprotein  
Milling by-products  
Phosphates  
Magnesium oxid  
Amino acids (lysine, threonine, methionine)  
Fish meal  
Meat meal  
Fats  
etc

Fertilizer  
Chemicals  
Pesticides

Seeds

Consulting services, managing, research and processing on a global base in the seed industry.

Petroleum oil products and fuel for agricultural and forestry machinery.

Barter trade and general trade in agricultural related products or other products.

Business Area Feed

Know-How (feed formulas, services, R&D)  
Compounded feed  
Concentrates  
Premixes  
Vitamines  
etc

Business Area Machinery

Know-How (training, advising, services, etc)

Agent for agricultural machinery and equipment such as;

Tractors  
Harvesters  
Ploughs  
Harrows  
Sowing equipment  
Equipment for fertilizer  
Equipment for animal husbandry

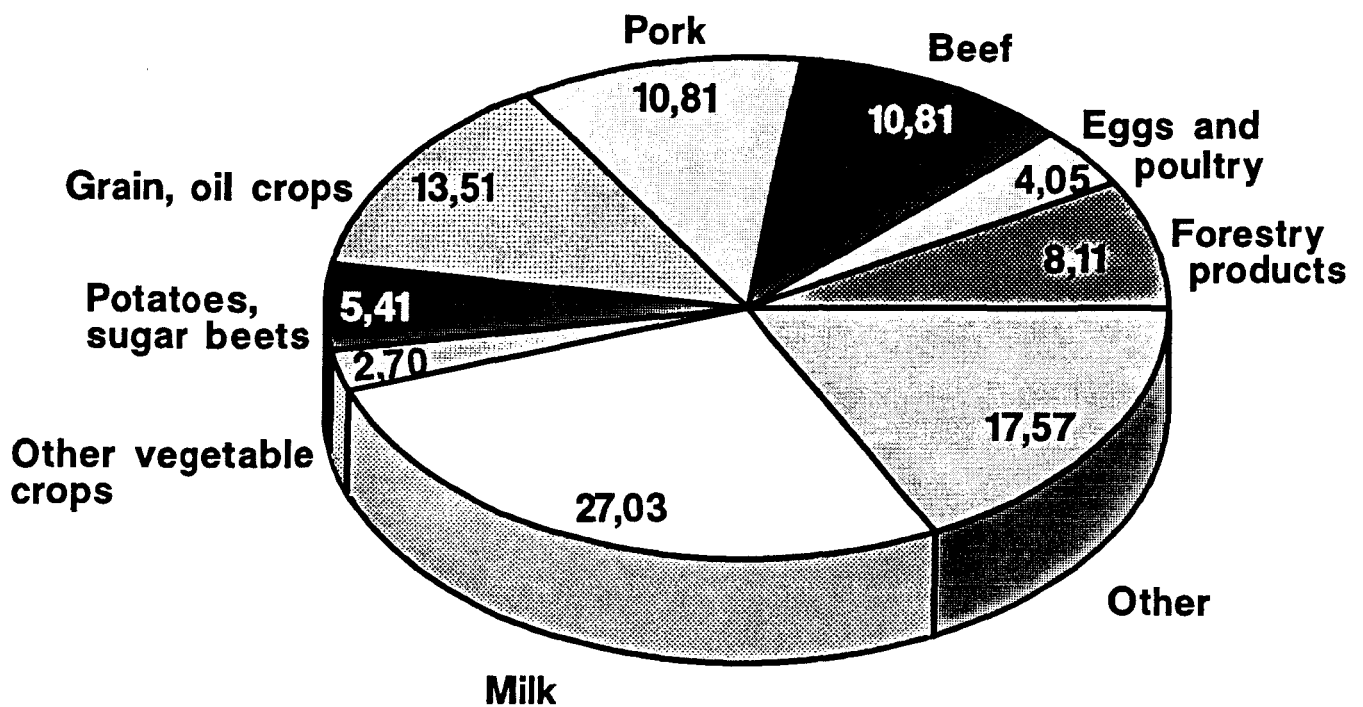
Export marketing of construction machinery

Business Area Energy

Know-How within the new technologies based on renewable energy sources, mainly heating.



### Sources of Swedish farmers' incomes, %:



**TOTAL: approximately USD 7,4 billion**

**Number of farmers: 100,000**  
**Number of full-time farmers: 30,000**  
**Hectares of farmland: 2.8 million**  
**Area of the average farm: 29 hectares**  
**Average number of cows/farm: 22**  
**Percentage of farms consisting of both traditional agriculture and forestry: 70%**

figure 2

# A democratic organization

**Members participate in**

**district meetings where an authorized representative is chosen to be sent to**

**the Annual Meeting of the Associations which chooses board members and auditors**

**which, in turn, elects SLR's board members and auditors.**

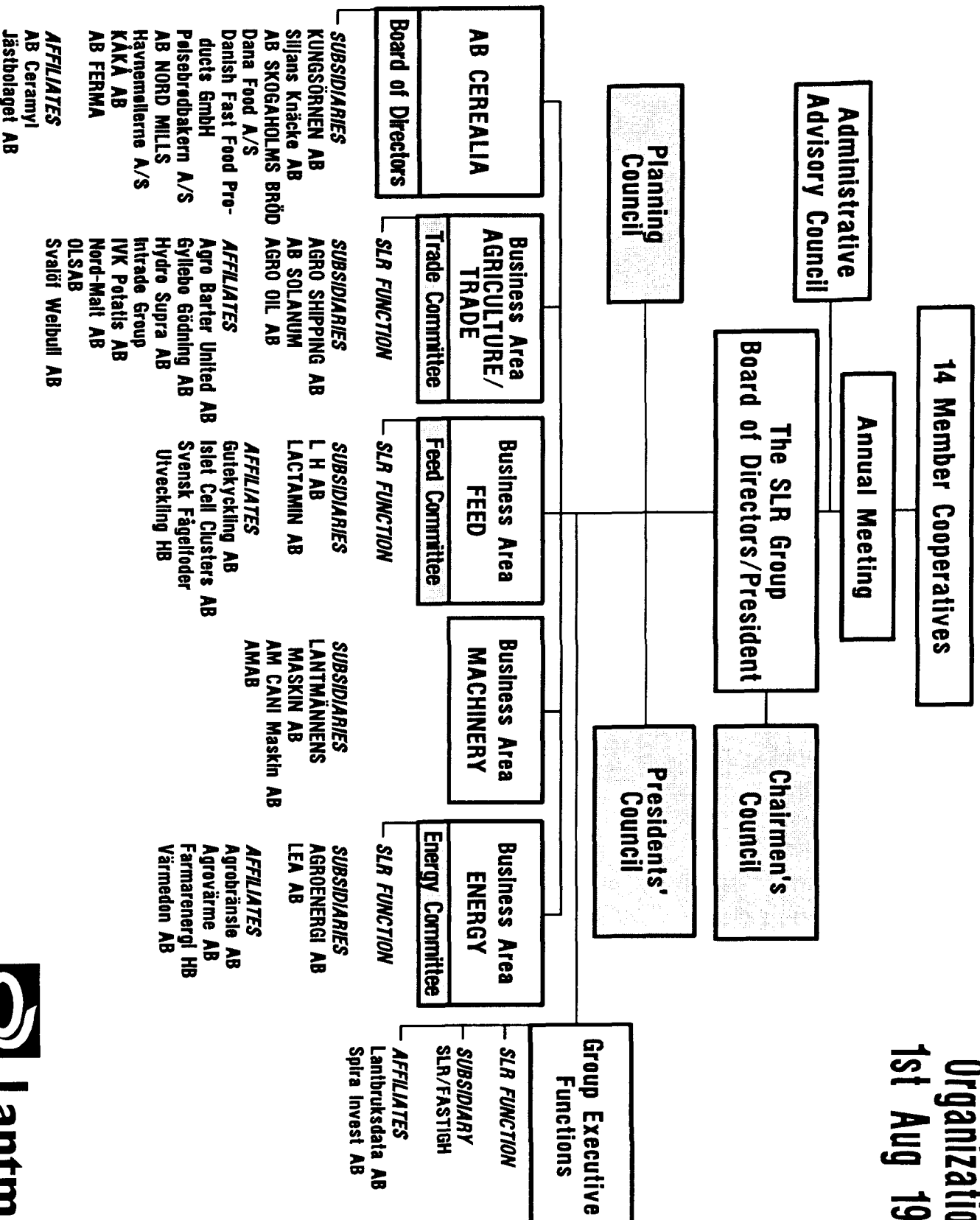
**and authorized Representatives to SLR's Annual Meeting**



**Lantmännen**

Figure 3

# Organization 1st Aug 1992



## BASIC FACTS ON SVALÖF WEIBULL

HEAD OFFICE: SVALÖV  
 TURNOVER: 1100 M SKR  
 R x D - BUDGET: 100 M SKR

IMPORTANT  
 SUBSIDIARIES: SEMÜNDO, GER  
 NEWFIELD SEEDS, CAN

MAIN INTERESTS:

SW	WHEAT
	BARLEY
	OATS
	CANOLA - spring and winter Br. napus and campestris
	POTATOES
	FORAGE CROPS
	TURF GRASS
SE	CORN
	W. WHEAT
	S. BARLEY
	W. CANOLA
	SUNFLOWER

# **SVALÖF WEIBULL IN PACIFIC REGION**

**JAPAN:** - IMPORTANT EXPORT OF TURF GRASS SEED

- 1 POTATOE VAR., MATILDA,  
REGISTERED (C. ITOH)

**CHINA:** - COOP. WITH INSTITUTE IN WUHAN  
FOR HYBRID PROGRAM IN CANOLA

**AUSTRALIA:** - TESTING

*(Rabe seed)*

**N.Z.** - WINTER NURSARIES

- MARKETING OF SPRING BARLEY  
AND WHEAT

Anders Nilsson  
1992-09-02

### **SVALÖF WEIBULL AB**

Svalöf AB and W Weibull AB are two companies with long tradition. For more than 100 years both companies have been active in plant breeding and seed business. W Weibull AB was founded in 1870 as a seed company. In 1908 the Weibullsholm Plant Breeding Institute was formed.

The Swedish Seed Association started plant breeding in Svalöv in 1886. Five years later the General Swedish Seed Co was established. After numerous initiatives these two entities were merged in 1980 when Svalöf AB was founded, owned 50/50 by the government and SLR.

All through the 20th century Svalöf with the horticultural branch Hammenhögs as well as Weibulls have been familiar to agriculture and horticulture in Sweden as well as internationally in plant breeding and seed business. They have been the main competitors on the Swedish market. Also, both companies have been very successful abroad from time to time. Lately, this has been the case mainly in spring canola and winter wheat.

At the same time as Svalöf and Weibulls have been staunch competitors, there has been an extensive cooperation in a number of issues between the two. A possible merger has also been discussed from time to time. When SLR now acquired W Weibull AB and the other 50% of Svalöf AB, this was in line with what could be expected. The reason for the merger to take place now is to be found in the effects of the recent changes in Swedish agricultural policies. As a consequence the Swedish seed market has declined considerably.

SLR has a long term interest in plant breeding as seed business is one of the core activities. SLR has declared that Svalöf Weibull AB is expected to develop into a leading plant breeding company with international profile that develops from a strong position in the home market. The purpose is to maintain a Swedish plant breeding that can furnish Swedish agriculture with varieties securing future competitiveness.

Svalöf Weibull AB has a considerable international network. The company has engagements of different dignity on all continents. Among the subsidiaries are:

- Semundo, a German plant breeding company formed in 1974. Semundo has developed rapidly and is engaged in crops as corn, sunflower, winter canola and winter wheat. Proprietary as well as represented varieties are marketed. Recently, the plant breeding company Hadmersleben, successful in winter wheat and spring barley, in former GDR was acquired. Hadmersleben has the same long tradition in plant breeding as Svalöf and Weibulls and is internationally renowned for its malting barley varieties.
- Newfield Seeds on the Canadian prairie. Newfield is a seed company mainly marketing grass seed, canola and peas. A considerable part of the production is exported to USA.

Among other subsidiaries are Hammenhögs International for marketing of vegetable seed from Hammenhög, Svalöf Seeds for marketing of varieties in Canada and several other companies for marketing purposes and/or responsible for breeding stations. Through engagement in development programs Svalöf Weibull AB is also minority-owner of Zamseed and SEMOC, national seed companies in Zambia resp. Mozambique.

The plant breeding has its emphasis in Sweden. Cereal breeding is pursued in Landskrona, breeding of canola, potatoes, forage crops, turf grasses etc in Svalöv and of vegetable crops in Hammenhög. In Svalöv there are also extensive R & D activities incl. biotechnology. A quality laboratory is doing analyses for the breeding as well as external customers. Regional stations are used for testing and also breeding for northern Sweden. Part of the activities is done on commission for the government and the agriculture.

Abroad Svalöf Weibull has several breeding stations. The same goes for Semundo outside Germany. At present there are stations in Germany, UK, Holland, France, Spain, Italy, Canada and Argentine. Besides, varieties are tested by a number of partners. Marketing of registered varieties is done through own channels as well as partners.

As mentioned above the ambition of Svalöf Weibull is to develop into a leading international plant breeding company. In order to achieve this the ambition is in Sweden:

- to supply agriculture with varieties in important crops for sustained competitiveness
- to produce and market seed of cereals (mainly basic seed), canola and forage crops
- to develop a profitable horticultural branch

and abroad:

- to keep the position as leading breeder of spring canola
- to play an important role in the Nordic countries and Western Europe as a breeder of cereals and other crops that are treated
- to test and market varieties in for instance Canada, the Mediterranean area and Central and Eastern Europe
- to pursue international seed trade
- to further participation in development programs



# **Lantmännen Energi AB**

## **BACKGROUND**

- 1 LEA shall become engaged in activities of a national/international nature.**
  
- 2 LEA shall take responsibility for development and business projects which are based on alternative uses of arable land**
  
- 3 LEA shall create a profitable group of companies within the energy sector and adjoining areas by means of acquisitions, new business alliances and/or reorganisations**

## **Business concept**

**LEA's business concept shall be**

- to coordinate and develop the Lantmännen Group's business operations within the energy sector and adjoining areas by means of new business alliances**
  
- to initiate and implement development and business projects which may result in new business operations or companies within a short period of time**
  
- to establish and assist in the development of new companies**
  
- to acquire and assist in the development of established companies, either ones that are still in a developmental phase or else more well-established, profitable companies.**

## **Goals**

**LEA's main goals are to**

- 1      become a profitable holding company for the Lantmännen Group's corporate involvement in wholly and partly-owned subsidiary companies within the energy sector and adjoining areas. LEA's working capital shall yield at least 15% within a period of five years.**
  
- 2      work towards the achievement of the Lantmännen Group's overriding goals in the area of alternative land uses. These overriding goals are**
  - to      develop new and profitable energy and industrial crops for the farmers and to establish a market for these as well as to develop new markets within the energy and industrial sectors for established crops**
  
  - to      develop for Lantmännen new profitable business operations based on energy and industrial crops.**

## **MARKET AND BUSINESS AREAS**

### **I     *Heat/electricity Sector***

**1 Fuels**

**2 Heat/Electricity production**

### **II    *Transport Sector***

**3 Propellant fuels**

**4 Lubricants, car maintenance products**

### **III   *Industrial Sector***

**5 Industrial products**

## BUSINESS AREAS

- 1 Fuels
  - \* Fossil/fluid
    - heating oils
    - LPG
  - \* Biofuels/solid
    - salix
    - energy grass
    - energy cereals
    - energy rape
    - hay
    - processed biofuels
      - \* pellets, briquettes
      - \* powder
      - \* biogas
- 2 Heat/Electricity production
  - \* Consulting operations (planning, implementation)
  - \* Equipment, technology
  - \* Fuel supply, operation and maintenance
- 3 Propellant fuels
  - \* Petrol, diesel
  - \* Ethanol
  - \* RME
- 4 Lubricants, car maintenance products
  - \* Petroleum-based lubricants
  - \* Vegetable oil-based lubricants
  - \* Anti-freeze products
  - \* Washer fluids
  - \* etc
- 5 Industrial products related to agriculture
  - \* Industrial ethanol
  - \* Cereal starches
  - \* Fibrous raw materials
  - \* Vegetable oils
  - \* etc