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Historical context

- 1852 – first farmers´ cooperative
- 1900-1950: Rapid expansion of farmers cooperatives in many sectors, creation of national federations
- 1971 – Federation of Swedish Farmers
- 1971 – 700 farmers´ cooperatives
- 1990 – National deregulation of ag policy
- 1995 – EU membership



Market position and structure

- Cooperatives in the grain, dairy, meat and forestry sectors were from the early days aiming for business orientation and a strong position in processing.
- 1950-1990: Market position for farmers' cooperatives strengthened by national farm policy.
- From 1990 onwards increasing competition, free EU market in 1995, major process of consolidation and internationalization still on-going.



Market position and structure (2)

- Considerably weakened market position for nationally controlled farmers' cooperatives today.
- Primary production has stagnated in Sweden and imports have increased.
- Successive liberalization of the CAP.
- Volatile commodity markets.
- Fewer and bigger commercial farms.
- More differentiated demands from members/owners.



Some important Mergers and Acquisitions

- 1997 Swedbank – merger between Föreningsbanken and Sparbanken
- 2000 Arla Foods - merger between Arla and MD Foods
- 2001 Lantmännen – merger between regional co-op´s
- 2005 Danaeg – merger between Kronägg and Danaeg
- 2007 HK Scan – HK Ruokatalo acquires Swedish Meats
- 2008 DLG acquires Svenska Foder
- 2008 Danish Crown acquires KLS
- 2011 Arla Foods acquires Milko, merger with Hansa Milch
- 2012 Lactalis acquires Skånemejerier
- 2012 Arla Foods – merger with Milch-Union Hocheifel and Milk Link



Current position for cooperatives

Strong position

- Dairy (Arla Foods and regional co-op´s)
- Grain, supplies (Lantmännen)
- Forestry (4 regional co-op`s)
- Fruit and vegetables (Southern Sweden)

Weaker position

- Meat
- Banking
- Eggs



New farmers´ cooperatives

- Recent years have seen an increase in local and small-scale agri-businesses.
- Many of these are cooperatives.
- Examples: dairy, meat processing, grain & oilseeds, inputs.
- Two categories: "Old Big" and "New Small".
- Very different strategies!



What is needed? – experiences from Sweden

- Business orientation and market pricing – also towards members/owners.
- Professional executive management.
- High demands on board members.
- Governance by active owners – on-going strategic discussion.
- Make priorities.
- No one is prepared to pay for inefficiency!
- Capacity to finance investments - key challenge.



Thank you for your attention!

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