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Sweden

Bio-Fuels

Swedish Ethanol Plant's Bi-Product Becomes Main Product

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Approved by:

Steve Huete, Agricultural Counselor
U.S. Embassy

Prepared by:

Bettina Dahlbacka, Agricultural Specialist

Report Highlights:

Agroetanol has long been the largest grain-based ethanol producer in Sweden, but has now also become one of the largest producer of protein raw material for feed.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Stockholm [SW1]
[SW]

Agroetanol is the largest grain-based ethanol producer in Sweden. At the same time, the company has become one of Sweden's largest producers of protein raw material for feed, the so called Agrodrank.

Agroetanol is owned by the Swedish Farmers Supply and Crop Marketing Association (Lantmännen). The company's first ethanol plant started in 2001 in Norrköping and in the fall of 2008 a new plant was built. Together with the old plant, Agroetanol now has a capacity of about 160,000 MT ethanol per year, but also a capacity of 175,000 MT feed raw material, Agrodrank.

When Agroetanol started its production in 2001, the feed raw material was just considered to be a bi-product in the ethanol production. Today there is a great demand for Agrodrank as a raw material within the feed industry. Agrodrank is also delivered directly to farms to be used as animal feed. It consists of raw protein, fiber and fat and is considered to have one of the best qualities of drank in Europe. In addition, some of the drank is used as raw material for biogas production.

Previously, Agrodrank was used for feed for cattle in Sweden and Denmark, but Agroetanol is now expanding sales to include new countries such as Ireland, England, Norway and Finland [as well as](#) to new field of usage such as pig and poultry feed. Currently, Agroetanol is facing the pleasant problem of demand being higher than the capacity.

The feed raw material Agrodrank from Agroetanol is competing on an international protein market, where soy and rapeseed are dominating. The weak Swedish crown supports exports and makes imports of, for example, soy from Brazil more expensive. In Sweden, the total use of protein feed is about 650,000 MT of which about 450,000 MT is from soybean and rapeseed. Hence, this product could account for substantial part of Sweden's consumption of protein feed.