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Ms Minette Batters
NFU President
NFU HQ
Agriculture House
Stoneleigh Park
Warwickshire
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Dear Ms Batters

In what has been the most volatile and challenging period any of us can remember in food retail, I wanted to write to thank you and reassure you of M&S continuing support for UK farming.

Let me start by putting on record my thanks for the support we have received from our supply chain and our Select Farm farming community. By working together, we have managed to maintain continuity of supply despite unpredictable, uneven trade patterns and play our part in feeding the nation. This has not been easy for any of us, and we and our suppliers still face big challenges in logistics, anticipating and managing demand and supporting our colleagues and managing higher levels of absence.

Our strategy at M&S Food is to protect the magic, while modernising the areas that we know we need to focus on. At its core, protecting that magic is about protecting the quality and provenance of our food; and the strength and longevity of our supplier partnerships. Therefore, despite these challenges, our support for British farming will not waiver and our long-standing commitment to UK agriculture will not change. I therefore wanted to set out for you with clarity and transparency how we are supporting each agricultural sector.

Dairy

All our liquid milk is British and sourced from our 44 M&S Select Farms. We were the first retailer to source all of our milk through a dedicated, segregated milk supply chain, with a price that reflects the cost of production and is independently set. Our Pool is now in its 21st year and I am proud that our payment model has enabled long term investment and leading welfare standards for over two decades. We were also the first retailer to sell RSPCA Assured milk, and we remain the only retailer able to do this.

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None of our commitments to dairy farmers will change throughout this period but I recognise there is a significant challenge in the wider industry caused by the collapse in demand from the hospitality sector. This is a structural problem in the market and unfortunately it is not possible for retail to take the additional volumes as there simply is not the demand from customers. I would therefore encourage Government to work with industry to address what I know are very urgent issues.

For our own demand, I am pleased that we've been able to grow our volume sales of liquid milk and at the same time grow the farms that supply us.

Beef

All of our beef is sourced from 5,100 British Select Farms we know and trust, and through our Beef DNA programme we can trace all our beef products back to farm and individual animal. M&S was the first retailer to source and market Aberdeen Angus beef as a differentiated tier to create a market premium which was passed back to our Select Farmers. Our commitment to British beef remains as strong as ever and I would like to reassure you we will not source our beef from outside of the UK.

We know there is much mention of carcass imbalance in the media. However at M&S our cattle kill is up week on year, and our investment in product innovation means our carcass balance has improved with new product design and we're able to offer our customers an exciting range of products to help drive increased volume through our stores. In store you'll see increased sales activity on steaks, e.g. from yesterday we have a shelf end promotion on Steak and Chips, and we're ranging steak in our dine-in promotions going forward. Our 100% British meat food boxes have also now gone online which include: Aberdeen Angus Beef Burgers, Beef Mince, Beef Casserole Steak and Rump Steak.

I'm pleased to tell you that the net effect of the steps that we are taking has seen our cattle demand increase by circa 5% since the Government's Lockdown came into force; all supplied by our 5,100 UK Select Farms.

Lamb

We source lamb from 4,401 British Select Farms. In Scotland, all our fresh lamb is Scottish and has been since 2015. In England and Wales, almost all of our lamb is British and by June of this year -as we announced in November 2019 - we are moving to 100% British lamb as we have now secured supply to cover the whole season. We are committed to looking at



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opportunities to expand our lamb range, and to increase the amount of lamb used as an ingredient in our prepared meal products

Pork

All of our fresh Pork is British and sourced from 80 Outdoor Bred, Free Range or Organic M&S Select Farms. We have supply from the Morayshire in Scotland down to East Anglia in England and are proud of the supply partnerships that we've created over the years. Our pork product offer is strong and broad, and we're investing in product development to further drive our market share and help our farmers grow their businesses. As well as a core staple, Pork features in our grill range and our award-winning sausage range as well as in our prepared meals, for example our recently re-launched Gastropub range.

Poultry and eggs

All of our fresh Chicken, Duck, Turkey & Goose is from 92 Select Farms across the UK and all of our Shell Eggs are from farms in Northern Ireland, Scotland & England.

Demand in the chicken and egg sectors has been unprecedented and we've worked hard with our suppliers to meet customer needs. We continue to engage with our supply partners to establish the new volume norm in these sectors and appreciate the support from our Select Farms. In recent months we've introduced a new high welfare, indoor reared Hubbard chicken range specifically to demonstrate the steps we're taking to support our Public commitment of meeting the European Broiler Ask.

Fresh Produce

All of our British Produce is from Select Farms and we are able to trace all our British fresh produce we sell back to the farms it was grown on. We were the first retailer to sell 100% British fresh strawberries this year and are the first retailer to sell 100% British asparagus. We look forward to other British seasons commencing and we will be fully supporting our British growers in many areas including Raspberries, Celery, Blueberries, Cherries, Broccoli, Cabbage and Cauliflower. It is crucial that producers are supported by Government to ensure the labour supply is available to pick this fantastic British produce. Without sufficient labour supply there is a real risk to the industry and the supply of British produce. I know this is something Government is working on and would encourage them to work with the sector to find a solution quickly.



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Select Farm Standards

Despite all that is going on in the world around us, we will always maintain our commitment to having leading animal welfare standards and ensure that we work with our farming partners to work with, not against, nature. Over the years we have been recognised by leading NGOs for delivering on our commitments to ensure that animals in our supply chains experience a life worth living. M&S is recognised by the Business Benchmark for Farm Animal Welfare as being a company that leads in animal welfare and we're proud to have maintained our tier 1 status longer than any other UK retailer. We'll continue to drive our standards and work with all our Select Farms to help them continue to differentiate the great quality products they are proud to produce for us.

I hope this summary demonstrates our commitment to the UK farming industry. Our business relies on the support of our M&S Select Farm farmers and growers and, with their support, we will be in a strong position to see out the current challenges. We are clear that we want to emerge from this crisis with us and our suppliers stronger, together, and we can only do that if we work in partnership.

I know you are already in regular contact with my team and I hope this will continue throughout this period but if there is anything you would like to raise with me directly please do get in touch.

Thank you again for your support in these challenging times.

Yours sincerely

A handwritten signature in black ink that reads 'Stuart Machin'.

Stuart Machin
Managing Director Food