



ALDI STORES LIMITED

Holly Lane, Atherstone, Warwickshire CV9 2SQ

Telephone: 01827 711 800
Facsimile: 01827 710899 (Buying)

Dear Minette,

I am writing to reassure the National Farmers Union that during these exceptionally challenging times Aldi remains fully committed to Backing British farmers.

Following a very constructive meeting between Aldi's Corporate Buying team and the NFU's Stuart Roberts and Philip Hambling on 21 April 2020, I can confirm that we continue to prioritise sourcing British produce wherever possible and will continue to invest to grow our British supply base, spending over £100m per week with British suppliers. As we face unprecedented times, we are working more closely than ever with our suppliers, listening to their needs, acting with agility whilst ensuring we remain focused on feeding the nation with great British produce.

As my colleagues discussed in the recent meeting with NFU, we are in constant dialogue with suppliers about how we can support farmers and growers during this crisis. At the beginning of April, we moved to immediate payments for any supplier with a turnover of under £1m, which has benefitted the cash flow for many smaller British suppliers.

We are acutely aware of the carcass imbalance issues within the beef sector. To immediately address this, we have launched a number of Specialbuys focused around extra large packs of beef steaks at great prices to significantly increase the sales of British beef steaks. This programme of additional Specialbuys is now on-going throughout April, May and beyond and is focused on assisting the carcass balance challenge. We also launched our 100% British Wagyu steaks this month, working with a British supplier through a fully integrated supply chain of both UK dairy and beef farmers. This marks the start of a long term partnership with Warrendale Wagyu and Aldi.

During Easter, our commitment to 100% fresh British lamb held firm and we are looking forward to launching new British meat products for the summer next Wednesday across the UK.

We commend the work that NFU is doing to support the UK dairy industry and its work to lobby the Government. All our fresh milk is 100% British and we are committed to paying a sustainable price, whether that is through our minimum 28ppl price or our Aldi Dairy Farm Partnership. We launched this partnership in 2018 which aims to support UK dairy farmers to deliver leading animal welfare and environmental farm standards. To support UK demand for dairy we have supported our suppliers to maximise production to ensure full availability for Aldi customers in store. We would welcome and fully support industry collaboration to drive demand for dairy.

We're now facing our fifth week of lockdown and we're having to adapt to changing shopping habits - within a socially distanced shopping environment. Naturally, people are following Government advice and visiting shops less frequently. Our buying teams are also seizing new supply opportunities in supporting smaller British producers who had previously sold into Food Service. With strong demand for British eggs and British poultry, we have diverted supply previously destined to pubs and restaurants into our own supply chain to meet the demand of our customers.

We know that the biggest concern for our growers is the availability of labour and we fully support the Government's 'Pick for Britain' campaign. To support our growers we have offered financial support to those struggling with extra haulage costs, increased the frequency of forecasting and opened up product specifications to allow for greater crop utilisation. We have also used our Super 6 offering to drive volume sales to cater for those products in high supply.



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Due to the closure of garden centres and florists, we know there is huge pressure on horticultural growers too. That's why we have reduced our payment terms for key growers to 14 days. For outdoor plants, we are proceeding with all contracts with no amendment to volume. Where necessary we have reduced retail prices to support sell through, however, this has been at our own cost. We are exploring opportunities to buy plants which were grown to order for garden centres, and so far have purchased over 200,000 plants due in Aldi stores on 23 April. We are constantly looking for ways to increase demand for cut flowers, such as offering extra stems into bunches. But where we have reduced cut flower volumes we have paid for the cost of plants not taken.

It is important that we keep constant dialogue with the NFU during these times. I understand that our Farming & Fish CR team is in regular contact with the NFU's Food Chain team and it is important that this continues.

Farmers and growers continue to plough through what has already been a tough year, many of them working in isolation, to produce high quality food to feed the nation. We know that it's hard work at the best of times. So now more than ever, we'd like to thank them for rising to the challenge and for being the backbone of the British food industry.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Julie Ashfield', written in a cursive style.

Julie Ashfield
Managing Director
Corporate Buying