



ALDI STORES LIMITED

Pottishaw Road, Junction 4, M8, West Lothian EH48 2FB

Telephone: 01506 657030

Rural Affairs, Islands & Natural Environment
The Scottish Parliament
Edinburgh
EH99 1SP
By email: rural.committee@Parliament.Scot

12 September 2023

Dear Members of the Scottish Parliament,

Re: Submission in Response to Invitation for Discussion on Future Agricultural Policy

I am writing on behalf of Aldi in response to your invitation for a discussion regarding the ways in which retailers can drive best practices in agriculture, our support for farmers in producing high-quality food, and the relationship between consumer preferences and food production in Scotland. I appreciate the opportunity to engage in this dialogue, and whilst Aldi will be unable to send representation, I am keen to share our insights and commitments.

Ways That Retailers Can Drive Best Practice in Agriculture

At Aldi, we are committed to achieving Net Zero for our indirect (Scope 3) emissions by 2040. To support this, we actively collaborate with farmers through our established Beef and Dairy Farm Partnerships (in England) aimed at showcasing best practices and reducing emissions.

We are currently extending these partnerships to include the Pork sector in Scotland, with the objective of assisting farmers in minimising their environmental footprint and aligning with industry net-zero targets. Additionally, we participate in cross-industry working groups across livestock sectors to establish industry-led roadmaps and actionable measures for farmers.

Internally, we plan to foster collaboration among our supply base, sharing insights and best practices across sectors. For example, by linking our dairy and beef producers to share best practices in ruminant livestock management. We are also dedicated to promoting long-term contracts that prioritise future stability, incorporating on-farm sustainability criteria into our tender processes and business transformation initiatives.

How Retailers Work with and Support Farmers in Producing High-Quality Food

Our commitment to Scottish agriculture is exemplified through our strong provenance commitments. All our fresh everyday beef, pork, poultry, eggs and milk are sourced exclusively from Scotch or Scottish farms. We believe in building trust among farmers and suppliers through long-term contractual agreements, offering stability to our trusted partners.

As a business it is also key for us to build trust with our customers to provide our shoppers with affordable, sustainable, local, and healthy products in store all year round. For fruit and vegetable suppliers, we collaborate on sourcing seasonal products, working to reduce wastage by flexibly managing stock levels and reducing waste where harvests exceed our order.

Throughout the past 18 months, we have reaffirmed our commitment to sourcing Scottish pork, following the sale of Brechin from Pilgrim's to Browns Brothers. We have supported Browns Brothers through the transition to ensure that we continue to have Scottish pork on sale in our stores. We plan to increase support to the pork sector in Scotland by setting up a producer group to work more closely with farmers on their journey to reducing GHG emissions on farm, as well as protecting domestic supply. Within this farming group we will monitor animal welfare, GHG emissions and cost of production to ensure sustainable returns to farmers. This will underpin future supply chain security for the Scottish pork sector.

Through our supply chain network in Scotland, we also plan to extend support to producers in other proteins. In addition to our planned activity in pork, we are expanding our work with dairy and beef supply chains. In England, we have successful farm partnerships in both beef and dairy, and are planning to share the insights, knowledge and best practice across the border to our suppliers in Scotland.

Between January 2020 and March 2023, the majority of our Specially Selected Scotch Aberdeen Angus volume came from integrated producers throughout Scotland. These integrated supply chains enable us to provide consistently high-quality products to our customers, with full traceability and ensuring fair returns to producers. The scheme has received positive feedback from the farmers within it, and we intend to investigate a similar model with our new Beef processor ABP in the coming months.

Our sponsorship of The Royal Countryside Fund's Farm Resilience Programme in Scotland underscores our commitment to support farmers in remote areas. In 2023 we sponsored a group in Wick, with around 30 farm businesses attending. The programme allows us to reach farmers in remote areas of Scotland with limited existing resources available to them. The programme delivers a series of workshops covering climate, business planning and accounts, succession, reducing waste, reducing costs and business benchmarking. The groups create a sense of community and a network for the participating farmers to encourage open conversation around more sensitive business topics. Positive feedback has been received from the group and we plan to continue support of this programme for the foreseeable future.

The Relationship Between Consumer Preferences and Food Production in Scotland

Aldi have been fully immersed in Scotland's vibrant food and drink industry since 2010 and have prioritised Scottish sourcing. We have been honoured with recognition as the Best Multiple Retailer for Scottish Sourcing at the 2019 and 2022 Scottish Food & Drink Excellence Awards. Our dedicated Scottish Buying team, located in Bathgate, diligently optimises and sources products tailored to our 104 Scottish stores.

Our buying decisions are driven by market data, insight, collaboration with business partners, and our team's expertise. We continuously evaluate our product assortment to align with evolving customer preferences and market dynamics, ensuring we offer a relevant and value-driven range.

In conclusion, Aldi is committed to actively contributing to the sustainability and growth of Scotland's agriculture and food production sectors. We look forward to engaging in further discussions and collaboration with the Scottish Parliament to advance these objectives.

Kind regards



Graham Nicolson

Group Buying Director Aldi Scotland