



7 November 2012

Ms Stella McArdle
Clerk, Committee for Agriculture and Rural
Development
Northern Ireland Assembly
Room 244
Parliament Buildings
Stormont
Belfast BT4 3XX

www.ASDA.com

FARMING CRISIS DEBATE

Thank you for your letter of 22 October inviting information on our business arrangements in Northern Ireland. I hope the information below is of use to members of the Committee for Agriculture and Rural Development:

1. Asda Stores Ltd is a supermarket business operating throughout the United Kingdom.
2. Within Northern Ireland we have 15 stores. Portadown, which is scheduled to open on 19th November, will be our 16th store. Additionally we operate an Asda Living store in Belfast. The Asda Living store is focused on clothing and general merchandise.
3. Asda employs approximately 4,500 colleagues in Northern Ireland
4. We are strongly committed to Northern Irish suppliers. We are sourcing major agricultural commodities for our stores in Northern Ireland and are working with processors and farmers/growers.
5. In order to offer high quality and value for money for our customers Asda purchases beef from across all regions of the British Isles on a weekly basis through our chosen supply base. Our procurement policy is based on a raw material requirement and is not reflective of regional pricing policies.
6. Asda does not price directly with farmers in the United Kingdom; it prices with its chosen beef suppliers ABP usually once every four weeks.

7. The volume of Beef and Lamb which our business procures on a weekly basis in Northern Ireland is under the control of our chosen processors and can vary substantially based on promotional activity and carcass imbalance due to customers' purchasing preferences. This can be particularly acute during seasonally driven purchases, for example, summer steak demand rising with BBQs.
8. All of our stores in Northern Ireland are selling 100% Northern Irish beef. We estimate this represents less than 2% of Northern Irish beef production.
9. We operate the BeefLink Farming Scheme which offers the following benefits to all our farmer Beef producers.
 - We offer payment on day of slaughter. We believe this is unique in the retail industry.
 - Our processors offer an Extra Special bonus scheme – Bonus paid over and above the base price for qualifying cattle (E&U'S 2& 3 fat score in a weight range 300-380kg).
 - With our suppliers we also provide fieldsman service free of charge to aid farmers with advice and selection; discounted semen straws to improve returns & genetics;
 - One Calved Heifer Scheme allowing farmers to breed once with a registered heifer and then rewarding with prime beef base price; discounted ear tags offering farmers reduced priced tagging to mitigate costs;
 - Asda and its key Beef suppliers also hold an annual producer group meeting directly with Northern Ireland beef farmers to discuss and debate on-going topics to ensure that solutions can be tackled on a regional basis.
10. We are one of the Main sponsors at the Balmoral Show where we hold a number of Beef producer group strategy sessions with our key farmers.
11. Asda actively supports our NI producers and drives regionality, driving customer loyalty and future growth.
12. We have encouraged a variety of local suppliers to provide food products to Asda. Over 100 suppliers (from across the Island of Ireland) provide nearly 2,000 food lines to us. These will represent sales of nearly £75 million in 2012.
13. Asda fresh liquid milk in standard formats (skimmed, semi skimmed and whole milk) is supplied by Dale Farms. We estimate that these sales represent 0.7% of total Northern Ireland milk production.

Please do not hesitate to contact me if you or any member of the committee has any questions or would like further information.

Yours,

Allan Edwards
Director of Public Affairs