June 28, 2010

Walmart’s Sustainable Agriculture Commitment

Beth Keck, Senior Director
Walmart Stores, Inc.
Walmart’s Global Presence

- **Canada**: 325 Units
- **U.K.**: 534 Units
- **U.S.**: 4,424 Units
- **Japan**: 414 Units
- **Mexico**: 1,773 Units
- **Central America**: 553 Units
- **Brazil**: 483 Units
- **Chile**: 264 Units
- **Argentina**: 64 Units
- **China**: 338 Units
- **India**: 5 Units
- **Argentina (franchises)**: 83 units (not included in total)

**U.S. Units**: 4,424*
**International Units**: 5,088**
**Total Units**: 9,512

*India Bharti Franchises (83) not included in total

*As of May 31, 2011, **As of June 22, 2011
Walmart’s broad sustainability goals

To be supplied 100% by renewable energy

To create zero waste

To sell products that sustain people and the environment
Sustainable Agriculture: Three Areas of Focus

1. Support farmers and their communities
2. Produce more food with fewer resources, less waste
3. Sustainably source key agricultural products
Support Farmers and Their Communities

By December 31, 2015:

In emerging markets:

- We will sell $1 billion in food sourced from 1 million small and medium farmers.
- We will provide training to 1 million farmers and farm workers in our food supply chain, of which we expect half will be women.
- We will raise the income of the small and medium farmers we source from by 10 to 15 percent.

In the United States, we will double our sales of locally sourced produce, accounting for 9% of all the produce we sell.
Local Producers
Walmart direct farm model and the Central America supply chain

**Traditional Fresh Supply Chain**

- Grower
  - Middleman
  - Packing
  - Processor
  - Wholesaler
  - Retailer
  - Customer

**Walmart Central America model**

- Grower
  - Walmart Store
  - Customer

**Benefits**

- **Farmers:** Income ↑ 15%
- **Customers:** ↓ prices, ↑ quality, ↑ safety, ↑ selection
- **Walmart:** ↓ cost
- **Environment:** ↓ fertilizer, pesticide, water use, ↑ soil quality
GUATEMALA
Exports: onions, lettuce, sweet corn, broccoli, lemons, mini vegetables
Imports: tomatoes, cassava, watermelons, various other fruits

HONDURAS
Imports: potatoes, carrots, cassava, pineapples, celery, tomatoes, coliflower, broccoli, ginger, chayote
Exports: sweet potatoes, onions, watermelons, beans

NICARAGUA
Exports: onions, pitahayas, potatoes, plantains, beans, tamarindo, mangoes
Imports: carrots, tomatoes, coliflower, chayotes, lettuce, broccoli, various other fruits

EL SALVADOR
Imports: celery, lettuce, carrots, broccoli, cassava, watermelons, tomatoes, mini vegetables

COSTA RICA
Exports: potatoes, cassava, coliflower, carrots, chayotes, lettuce, strawberries, squash, broccoli, tomatoes
Imports: lettuce, broccoli, beans, onions, pitahayas, tamarindo, potatoes, sweet potatoes, watermelons
Direct farm is a WIN – WIN – WIN strategy

**Better for the farmer**
- Technical support
- Market driven crop selection
- Farmer income improves 15%
- Fair, predictable prices
- Secure market, demand driven
- Credit endorsement

**Better for the customer**
- Fresh, high-quality local produce
- Better prices
- Higher quality, safer
- Longer shelf life
- Broader selection
- Increase access of more nutritious food

**Better for business**
- Direct purchasing from growers
- Network of imports/exports in the region
- Reduced cost
- Better quality
- More reliable supply