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Agricultural Outlook Forum  
U.S. Department of Agriculture

Presented: February 24-25, 2011

## Walmart's Sustainable Agriculture Commitment

Beth Keck



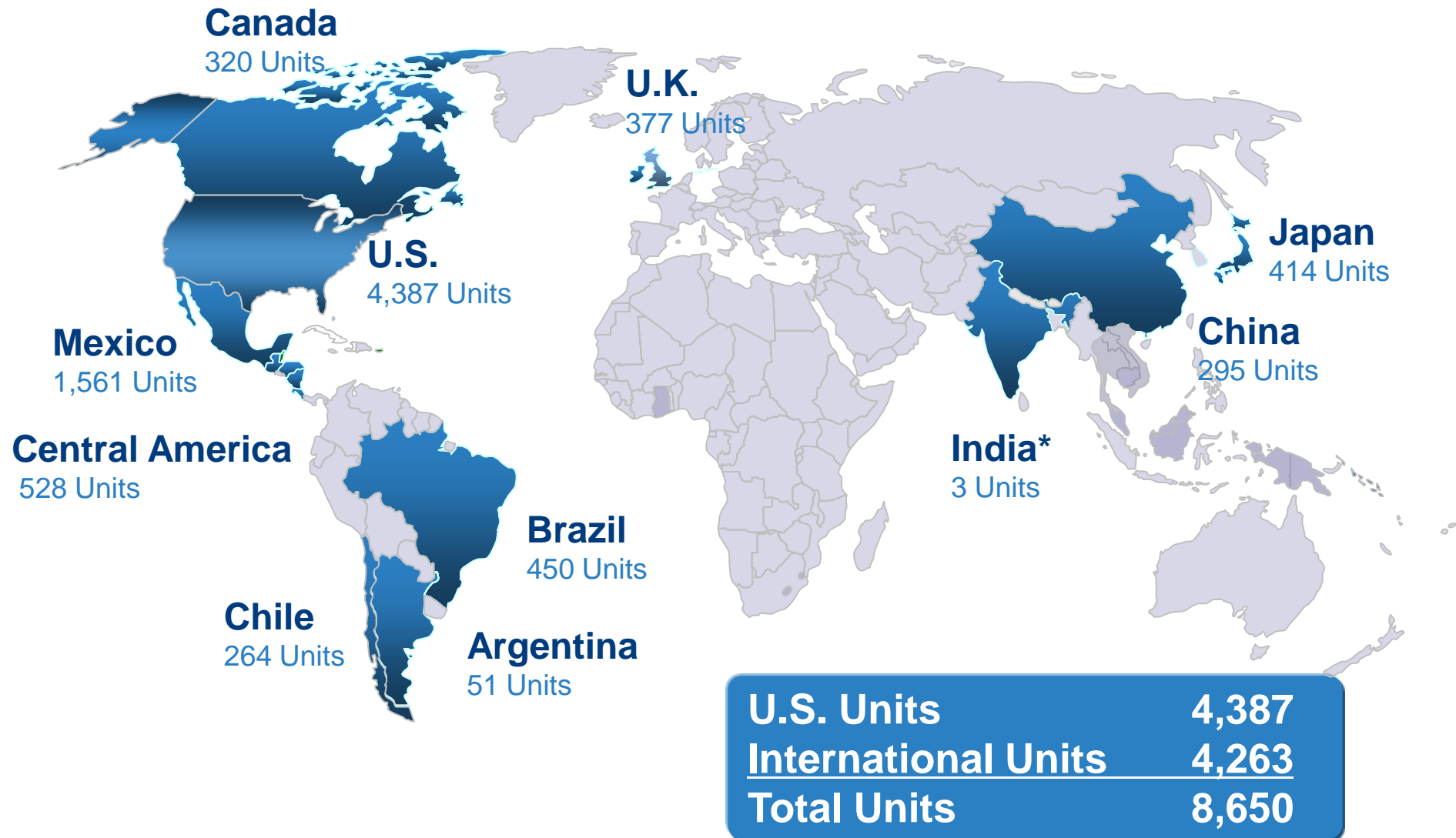
February 24, 2010

# Walmart's Sustainable Agriculture Commitment

Beth Keck, Senior Director  
Walmart Stores, Inc.



# Walmart's Global Presence



\*India Bharti Franchises (83) not included in total

As of September 30, 2010



In 2010 we made a \$2 billion commitment to help fight hunger in America through 2015. Through our Fighting Hunger Together initiative, our efforts will include:

- Food donations from our stores, clubs and distribution center locations
- \$250 million in grants
- Associate volunteer lending expertise
- Partnerships with government agencies, food manufacturers and other corporations.



January 20, 2011  
Washington, D.C.



## Walmart's Commitment...

- **Work with suppliers to reformulate thousands of everyday packaged food items by 2015**
  - Reduce sodium by 25 percent
  - Reduce added sugars by 10 percent
  - Eliminate all remaining industrially produced trans fats
- **Make healthier food choices more affordable**
  - Estimated \$1 billion per year savings for customers on fresh fruits and vegetables
  - Dramatically reduce or eliminate the price premium on key “better-for-you” items such as reduced sodium, sugar or fat products
- **Develop strong criteria for a simple front-of-package seal**
  - Designed to help consumers instantly identify truly healthier food options such as whole grain cereal, whole wheat pasta or unsweetened canned fruit
- **Provide solutions to address food deserts**
  - Build stores in underserved communities in need of fresh and affordable groceries
- **Increase charitable support for nutrition programs**
  - Help educate consumers about healthier food solutions and choices



## Sustainable Agriculture: Three Areas of Focus

Support farmers and their communities

Produce more food with fewer resources, less waste

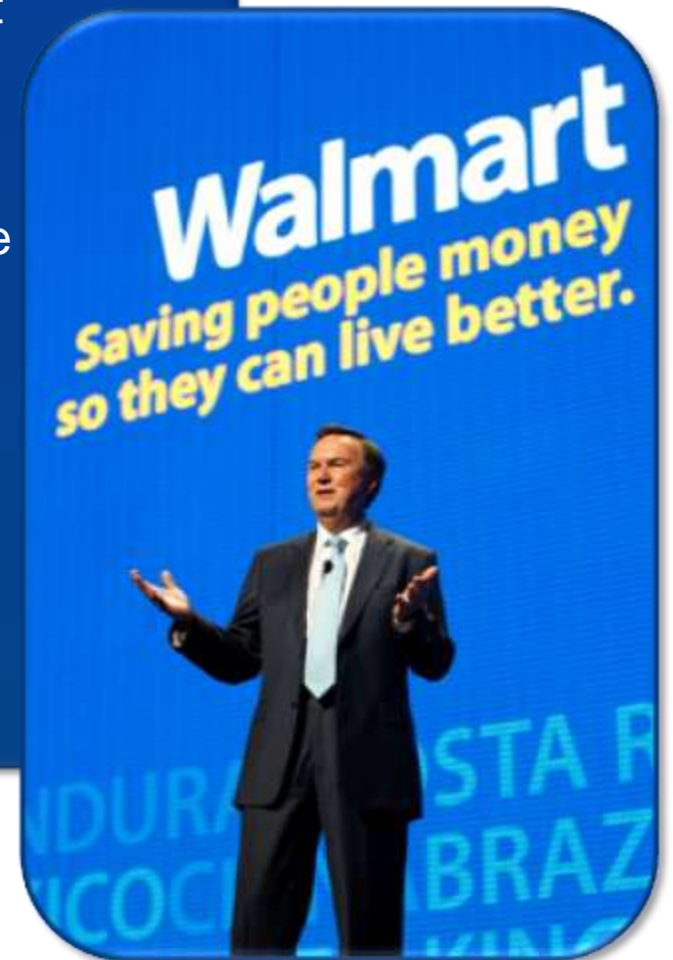
Sustainably source key agricultural products



“At the height of this recession, we promised we would **broaden and accelerate** our commitment to sustainability. Today **sustainability is sustainable** at Walmart...

...I appreciate that the world now has higher expectations of our company. So we must raise the bar. We must continue to meet the social obligations and expectations ahead. **Walmart will never look back.**”

Mike Duke  
President and CEO  
Walmart  
Annual Meeting, 2010



# Be supplied 100% by renewable energy



**Solar**



**Wind**



**Efficient Fleet  
and Buildings**

# Create zero waste



**Waste**



**Packaging**



**Reusable Bags**

# Sell products that sustain people and the environment



**Products**



**Collaboration**



**Locally Grown**

# Agriculture is at the intersection of major global issues

## Poverty and hunger

~1 billion people rely on agriculture for subsistence

## Rise in population, standards of living

Production must increase 70% to feed 9 billion in 2050

## Environmental degradation

Modern agriculture has unintended side-effects

### Top challenges

- Poverty
- No market access
- Hunger and malnutrition

- Food security
- Food waste
- Low productivity

- Climate change and habitat loss
- Water shortages
- Water pollution

### Potential Impact

- Supply interruptions, price volatility
- Higher cost for customers (long term)
- Limits on growth



## 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.



## Produce More Food with Fewer Resources, Less Waste

### By December 31, 2015:

- We are **accelerating the agricultural focus of the Sustainability Index** and asking the top producers in our global food sourcing network to complete a Sustainable Produce Assessment in 2011.
- We plan to invest **more than \$1 billion in the next five years** in our perishable supply chain so we deliver fresher, higher quality food with a longer shelf life.
- Our goal is to reduce food waste in our emerging market stores and clubs **by 15% and in other markets by 10%**.



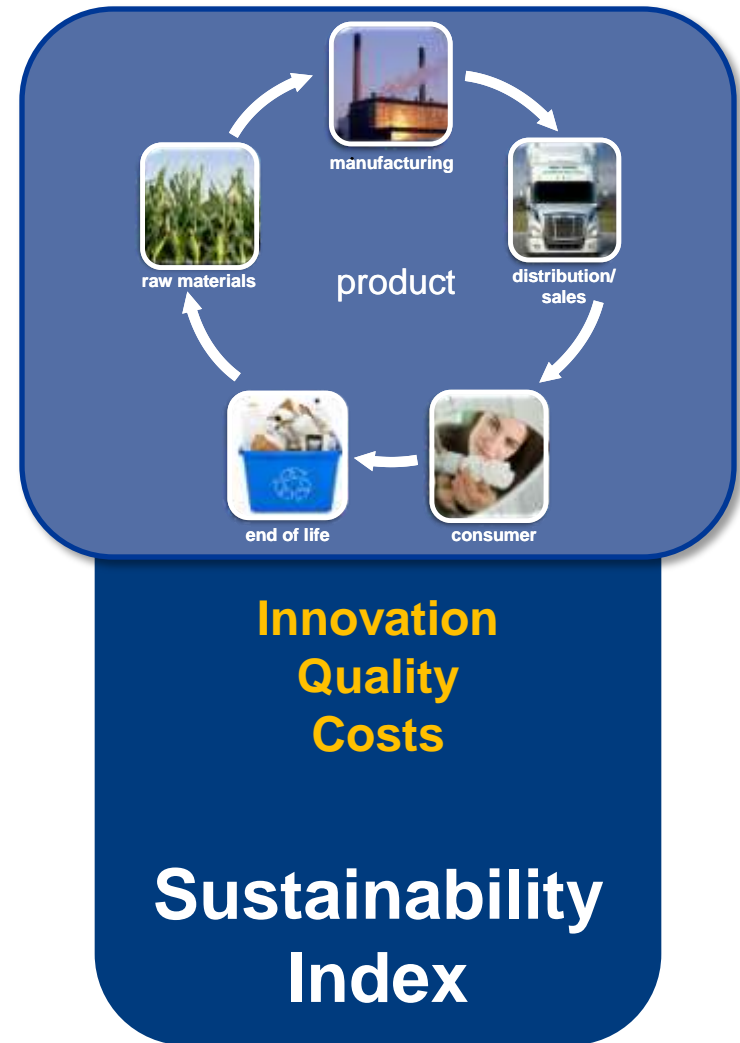
## Sustainably Source Key Agricultural Products

### By December 31, 2015:

- We will require **sustainably sourced palm oil** in all of our private brand products globally.
- We are committed to sourcing **beef that does not contribute to deforestation of Brazil's Amazon rainforest** in the entire Walmart supply chain.



# The Sustainability Consortium



“The potential here [with Walmart] is to **democratize the whole sustainability idea** – not make it something that just the elites on the coasts do but **something that small-town and middle America also embrace.**”

Glenn Prickett, Conservation International  
FORTUNE

“Thursday’s [sustainable agriculture] announcement was the **most comprehensive and far-reaching initiative** since the original goals were laid out...”

Ylan Mui, The Washington Post

“Walmart—hardly thought of as a left-wing company ... increased profitability, new store building and stock prices as a **result of becoming one of the most green companies in the world.**”

Former U.S. President Bill Clinton  
speaking on NPR

“I think this [Walmart's greenhouse gas announcement] is real leadership. Walmart is looking at the big picture.”

Fred Krupp, Environmental Defense Fund  
The Washington Post

“Walmart is doing important work in waste reduction and conservation. They did an overall review of operations, from the sustainable perspective, and targeted important areas where they can save resources and reduce waste.”

Matt Hale, Environmental Protection Agency  
The Wall Street Journal