

Wal-Mart Promotes Sustainable Agriculture

At Wal-Mart, we know that being an efficient and profitable business and being a good steward of the environment are goals that work together. One of our environmental goals at Wal-Mart is **to sell products that sustain our resources and environment**, and one of the ways we hope to achieve this is by ensuring a **long-term supply of reliable agricultural products produced in a sustainable way**. For this reason, Wal-Mart created the Food & Agriculture Network, a coalition of buyers, suppliers, NGOs, and academics hoping to **create change by evaluating how food miles, water, packaging and energy-efficiency can positively affect the agricultural supply chain**.

Farm and Food Facts:

The United States Department of Agriculture defines sustainable agriculture as, "An integrated system of plant and animal production practices having a site-specific application that will, over the long-term—(A) satisfy human food and fiber needs; (B) enhance environmental quality and the natural resource base upon which the agriculture economy depends; (C) make the most efficient use of nonrenewable resources and on-farm resources and integrate, where appropriate, natural biological cycles and controls; (D) sustain the economic viability of farm operations; and (E) enhance the quality of life for farmers and society as a whole."

- In the US, **the food in an average meal travels 1,500 miles before it reaches your plate**. As a result, food is less fresh, contains fewer nutrients, and requires costly, resource-intensive transportation and packaging.
- According to the USDA, the U.S. has lost 4.7 million farms since 1935. **Local food buying supports family farmers**.
- When you think about agriculture, consider how much water farming uses. Fresh water use tripled during the second half of the twentieth century as population more than doubled. **Today, humans drink nearly 4 quarts of water per day in one form or another, but the food we consume each day requires 2,000 quarts of water to produce, or 500 times as much**.
- Americans sent 246 million tons of trash to landfills and incinerators in 2005. Individual waste generation in the United States is approximately 4.5 pounds per person per day.
- Agriculture is the most water-intensive sector of the economy: **70 percent of all water pumped from underground or diverted from rivers is used for irrigation**. As over 1 billion people lack access to clean drinking water, the need for sustainable water practices becomes clear.
- It is estimated that agriculture is responsible for over **10 percent of all the energy used in the U.S.**

Moving from Food to Market:

We believe **ALL families should have affordable access to sustainable products**, like organic fruits and vegetables, responsibly-grown foods, and produce that are safe and farmed, packaged and delivered to our stores in an environmentally friendly way. The goals of the Food & Agriculture Network are to **reduce the amount of product grown, but not harvested** due to an absence of a sustainable demand for the product, **eliminate the amount of excess product**, **reduce the amount of product that becomes unsellable in distribution to stores** due to temperature abuse, handling damage and time, **eliminate waste from stores when product is not sold**, and **reduce the amount of product purchased but not consumed**. To meet those goals we have already made improvements:

- The concept of food miles takes into account the extra transportation, refrigeration and packaging required to transport produce long distances. **Reducing how many miles food travels not only saves money, but also contributes to reducing greenhouse gas emissions**.
- Food packaging is an innovation opportunity as it requires a tremendous amount of forest, oil and water resources to produce, all of which adds costs to our business, communities and the natural world.
- Select produce packaged in **corn-based NatureWorks PLA** can be found in all Wal-Mart stores. All cut fruit and 40 ounce vegetable trays are packaged with this sustainable material. Some of the 9 ounce vegetable trays, bags of spinach and green onions are also packaged in PLA. When Wal-Mart changed the packaging on just four produce items to PLA in 2005, the company estimated it **saved approximately 800,000 gallons of gasoline and prevented more than 11 million pounds of greenhouse gas emissions** from polluting our environment.

- We have piloted a new Responsible Water & Land Use Supplier Agreement. It gives our suppliers incentives to reduce water use and pollution, and ensures environmental considerations are made when serving Wal-Mart demand for food and agriculture products.
- In the past, all of the fresh cilantro sold in Wal-Mart stores was sourced from California. By working with our grower partner Duda Farms, we began sourcing cilantro from Belle Glade, Florida, for distribution across the East Coast. **By introducing Florida-grown cilantro, we project a savings of over 250,000 food miles this season.**
- **Last year Wal-Mart sourced more than 12 million pounds of peaches from 18 different states**, not just Georgia, South Carolina and other well-known growing areas. By sourcing from so many different states and selling the product locally, Wal-Mart saved **672,000 food miles and 112,000 gallons of diesel fuel**. The total freight and gasoline savings combined equal more than **\$1.4 million**.
- **Simply Orange Juice** by Minute Maid is a warehouse-delivered product that was previously shipped from a factory in Florida to one of Minute Maid's own warehouses in Texas, Michigan, Florida or California before being shipped again to Wal-Mart distribution centers (DCs). After working with the supplier to reduce the miles the product must travel, many of those shipments are now sent directly from the Minute Maid production plant to a Wal-Mart DC, voluntarily bypassing the supplier's extraneous warehouses. The projected annual savings from this change are **one million food miles, 144,014 gallons of diesel fuel, and 1,465 metric tons of CO2 emissions**. **Additionally, this direct sourcing may add up to 6 additional days of shelf life.**

Locally Grown: Salute to America's Farmers

Salute to America's Farmers, launched in September 2006, is a year-long campaign to spotlight **Wal-Mart's longstanding commitment to purchase from local growers in support of locally grown agricultural products**. Each month, Wal-Mart highlights four local growers, sharing their stories and demonstrating the commitment to local agriculture and farmers around the country.

- Wal-Mart buys more United States agricultural products than any other retailer in the world. We understand that consumers want to purchase quality products that help support the local economy and we're proud of our ability to bring wholesome, home-grown selections to our customers in their local stores.
- This commitment not only allows us to offer fresh, quality selections, but also generate savings on distribution costs that we can pass on to our customers.
- Local farmers and growers nationwide have been spotlighted during the past year through the Salute to America's Farmers program. During each state's showcased month, consumers could find and purchase local produce in their local Supercenters and Neighborhood Markets.

Fair Trade:

In an effort to offer our customers more of the sustainable products they desire, we sell responsibly grown, **Fair Trade certified coffee**. Wal-Mart and Sam's Club work with TransFair USA, the only independent, third-party certifier of Fair Trade products in the U.S. **These products come from farms that are Fair Trade-certified and charge above market prices for their products because they meet certain social and environmental standards.**

- Market researchers at Mintel International Group, a leader in global consumer insights, predict that Fair Trade Certified will be a top food trend for 2008, and gourmet industry commentators at the popular Web site Epicurious refer to Fair Trade as "the new organic."
- In April 2008, Wal-Mart introduced six gourmet coffees under its exclusive Sam's Choice brand, including two Fair Trade Certified blends. These first Sam's Choice brand coffees are available at Wal-Mart starting at \$5.88 for 10-12 oz. bags:
 - Fair Trade Certified™ House Blend - Espresso Roast
 - Fair Trade Certified™ House Blend - French Roast
 - Rainforest Alliance™ Certified Breakfast Blend - whole bean coffee
 - Rainforest Alliance Certified Breakfast Blend - ground coffee
 - USDA Organic Decaffeinated

- In 2004, Brazil produced and exported more than 26 million bags of coffee, which was nearly 30 percent of the world's coffee market. Café Bom Dia, a Wal-Mart and Sam's Club supplier, buys **Fair Trade-certified beans directly from local co-ops and roasts them, eliminating the middleman**, then sells the Fair Trade coffee to Wal-Mart. It is one of the biggest coffee roasters in the country and much of its product comes from **small, local growers**.
- Working with Café Bom Dia, Sam's Club and select Wal-Mart stores sell a co-branded Members Mark Fair Trade coffee called **Marques de Paiva®**. This product is shipped directly to the United States, saving money for our customers by removing secondary shippers.

TransFair-certified Fair Trade Products that are sold in Wal-Mart stores and Sam's Clubs must meet the following guidelines:

- **Fair price:** Democratically organized farmer groups receive a guaranteed minimum floor price and an additional premium for certified organic products (if applicable). Farmer organizations are also eligible for pre-harvest credit.
- **Fair labor conditions:** Workers on Fair Trade farms enjoy freedom of association, safe working conditions, and living wages. Forced child labor is strictly prohibited.
- **Direct trade:** With Fair Trade, importers purchase from Fair Trade producer groups as directly as possible, eliminating unnecessary middlemen and empowering farmers to develop the business capacity necessary to compete in the global marketplace.
- **Democratic and transparent organizations:** Fair Trade farmers and farm workers decide democratically how to invest Fair Trade revenues.
- **Community development:** Fair Trade farmers and farm workers invest Fair Trade premiums in social and business development projects like scholarship programs, quality improvement trainings, and organic certification.
- **Environmental sustainability:** Harmful agrochemicals and GMOs are strictly prohibited in favor of environmentally sustainable farming methods that protect farmers' health and preserve valuable ecosystems for future generations.

Did You Know ...?

- "A better solution for consumers is to shorten their food chain, to eat from local sources. ...Buying local food helps support local farmers, preserves farmland, protects the environment and brings economic development to...rural communities" (Editorial, *The Columbus Dispatch*, "Shorten food chain to protect your health," October 11, 2006).
- "Proponents of Buy Local campaigns argue that purchasing local food protects the environment by slashing the distance food is transported, and helps family farms in a cutthroat agricultural environment" (Andrew Martin, *Chicago Tribune*, "Local foods flavor college cafeterias," April 24, 2005).

What Others Are Saying:

- "The bigger idea here is that poor and middle-income Americans are every bit as interested in buying green products as are the well-to-do, so long as they are affordable. Plenty of places sell fair-trade coffee, for example. Only Wal-Mart sells it for \$4.71 a pound... 'The potential here 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,' says CI's Glenn Prickett" (Marc Gunther, *Fortune*, "The Green Machine," August 7, 2006).
- "Sustainable food 'is growing beyond the culinary fringe,' says Worldwatch's Halweil, who also is the author of *Eat Here: Reclaiming Homegrown Pleasures in a Global Supermarket*. 'It's showing up in restaurants, supermarkets, even Wal-Mart,'" (Jim Robbins, *LA Times*, "Think Global, Eat Local," July 31, 2005).

For more information about Wal-Mart's sustainability initiatives, please visit www.walmartstores.com.

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