



**Remarks as Prepared for Leslie Dach, EVP, Corporate Affairs  
Sustainability Milestone Meeting: Sustainable Agriculture Announcement  
October 14, 2010**

Thanks, Mike...

Thanks Matt, Andrea.

And thanks to all our suppliers and NGO partners for working so closely with us over the last several months to make our announcements today smarter and stronger ... and for those of you in the room, thank you for coming.

I'm excited about the commitments we're making today.

They build on the programs we have already launched in emerging markets like Mexico, India and China...

And our efforts in the U.S., where we are already the biggest customer of American agriculture.

Today we are broadening and accelerating our efforts to grow our food business in a more sustainable way, to help small- and medium-sized farmers lead a better life, to reduce the impact of agriculture on the land and sensitive ecosystems, and to bring our customers more affordable and higher quality food.

As Mike said, my job is to describe our commitments in greater detail. So let's get started.

**Our first area of focus is to support farmers and their communities.**

Today more than 1 billion people depend on farming for their livelihoods. Hundreds of millions live on less than \$2 a day.

We can make a difference in the lives of farmers, their families and their communities... and I believe we will.

In emerging markets, we are setting a goal to sell \$1 billion in food sourced from 1 million small and medium farmers by the end of 2015.

We will also help train those farmers and farm workers to grow food more sustainably, with the optimum amounts of water, pesticides and fertilizers, and to grow the crops the market will buy.

We expect one half of the people we will train will be women.

We believe this combination of buying directly and providing training will raise the income of the small and medium farmers we source from by 10 to 15 percent.

We will also support our farmers and their communities in the United States by doubling our sales of locally sourced produce. This will account for 9 percent of all the produce we sell by the end of 2015.

As part of this effort, we will support Heritage Agriculture initiatives in key regions of the U.S.

In mid-America, where more families are now entirely dependent upon their farms for their livelihood, we are increasing our purchases of crops like apples and potatoes in Michigan, for example.

In the I-95 corridor along the East Coast, there is a high concentration of women- and minority-owned growers that will benefit as we expand purchases of vegetables, such as bell peppers, cucumbers and squash to take advantage of the growing season beginning in Florida and moving northward.

The Delta states have a long history of cash crops such as tobacco and cotton, which are in decline. We are replacing these with produce such as blueberries in Mississippi and Arkansas where the longer growing season is ideal.

**Second, we will reduce waste in the agriculture supply chain and help growers produce more food with fewer resources.**

Last year, we announced our commitment to lead in the creation of the Sustainability Index. Today, we're announcing that we will accelerate the agricultural focus of the Index.

As a first step, we will ask the top producers in our global food sourcing network to complete a Sustainable Produce Assessment in 2011. Pam Kohn, who leads our Global Food Sourcing team, will tell us more about this. We'll be asking growers to share information about their water, fertilizer and chemical use. And as we've seen from our other work, this kind of transparency encourages efficiency, innovation and the optimization of resources. We also know that there is tremendous waste in food getting from farm to table, especially in emerging markets. ...No country, no community can afford to waste 30 to 40 percent of its food.

So, globally, we plan to invest more than \$1 billion over the next five years in our perishable supply chain to help us deliver fresher, higher quality food with a longer shelf life.

Finally, we are also always looking for improvements in our own operations. We will reduce food waste in our emerging market stores and clubs by 15 percent and in other markets by 10 percent.

**Third, we will work to sustainably source key agricultural products.**

Farming practices are having unintended side effects on the environment, from greenhouse gas emissions to deforestation of the world's rainforests. In fact, 32 million acres of tropical forests are being deforested every year, the equivalent of 36 soccer fields every minute.

Two of the major contributors to deforestation are certain types of palm oil and beef production.

Palm is used in many products, from cooking oils to soaps and cosmetics.

Today we're committing that we will require sustainably sourced palm oil in all of our private brand products globally by the end of 2015.

By using sustainable palm oil in our U.K. and U.S. private brand products alone, we will reduce greenhouse gas emissions by 5 million metric tons by the end of 2015.

In addition, studies show that nearly 60 percent of the deforestation in the Brazilian Amazon is related to cattle ranching expansion.

Walmart Brazil has already committed to source beef that does not contribute to deforestation of the Amazon. Today we are expanding that commitment to the entire Walmart supply chain.

Today's announcements are an important part of our sustainability journey. They are a natural opportunity to bring the "save money" and "live better" portions of our mission together.

They will bring our customers higher quality food and reduce costs.

They will make a difference in rural communities around the world.

And they will help the world meet its growing need for food in a more sustainable way.

Thank you again to everyone who has made this next step in our journey possible, and for your continued partnership.

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