



Memo

To: Fresh Leafy Green Suppliers

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From: Charles Redfield, Executive Vice President – Walmart US Food  
Martin Mundo, Sr. Vice President – Walmart US Food  
Russell Mounce, Vice President, GMM – Produce, Floral & Bakery – Sam’s Club  
Frank Yiannas, Vice President, Food Safety & Health – Walmart and Sam’s Club

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Date: September 24, 2018

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RE: **Walmart Food Traceability Initiative**

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Dear Leafy Greens Supplier,

At Walmart, we are committed to providing our customers with safe, affordable foods. As food safety is a shared responsibility, one way in which we achieve this is through collaboration with our suppliers.

That’s why Walmart is today announcing a new, blockchain-enabled **Walmart Food Traceability Initiative** that will increase transparency in the food system and create shared value for the entire leafy green farm to table continuum.

As you know, while fresh leafy greens are overwhelmingly safe when you consider per capita consumption rates and they are an important and healthy part of a person’s diet, unfortunately, over the past decade, there have been multiple high profile recalls and outbreaks associated with these types of products. In fact, this year, the United States experienced a large, multistate outbreak of E coli O157:H7 linked to romaine lettuce. All in all, the outbreak resulted in 210 confirmed cases, caused 96 hospitalizations, and tragically 5 deaths. Although the FDA and CDC were able to inform consumers, producers, and retailers that the romaine lettuce associated with illnesses came from the Yuma growing region, in general, health officials and industry professionals were unable to quickly determine which lots were affected and which were not. This resulted in millions of bags and heads of romaine lettuce having to be removed from the marketplace and a loss of consumer confidence in romaine lettuce, regardless of growing region, as well as negatively affecting the economic livelihood of many, including farmers.

Walmart believes the current one-step up and one-step back model of food traceability is outdated for the 21<sup>st</sup> Century and that by working together, we can do better. There is no question that there is a strong public-health and business-case for enhanced food traceability. By quickly tracing leafy greens back to source during an outbreak using recent advances in new and emerging technologies, impacts to human health can be minimized, health officials can conduct rapid and more thorough root cause analysis to inform future prevention efforts, and the implication and associated-losses of unaffected products that are inaccurately linked to an outbreak can be avoided.

Over the past 18 months, Walmart has piloted new technology in collaboration with numerous suppliers and IBM and we have demonstrated that meaningful enhancements to food traceability are possible. Using the IBM Food Trust network that relies on blockchain technology, we have shown that we can reduce the amount of time it takes to track a food item from a Walmart Store back to source in seconds, as compared to days or sometimes weeks.

### **Action Required**

As part of our new **Walmart Food Traceability Initiative**, all fresh leafy greens suppliers are **expected to be able to trace their products back to farm(s) (by production lot) in seconds – not days**. To do this, suppliers will be required to capture digital, end-to-end traceability event information using the IBM Food Trust network.

We understand that this may require you to work with your suppliers too. Therefore, we are allowing this requirement to be met in two phases.

1. **Direct Suppliers** – our direct suppliers are required to conform to one-step back traceability on the blockchain network by Jan 31, 2019.
2. **End-to-End** – thereafter, our suppliers are expected to work within their vertical systems or with their suppliers to enable end-to-end traceability back to farm by September 30, 2019.

To assist you in meeting this new Walmart business requirement, we have worked closely with IBM and other food companies to create a user-friendly, low-cost, blockchain-enabled traceability solution that meets our requirements and creates shared value for the entire leafy green farm to table continuum.

To get started, you can follow instructions found at <https://www.ibm.com/blockchain/solutions/food-trust/get-started> and select the on-boarding option and participation module that is right for you. In addition, Walmart and IBM will post a link to a series of pre-recorded webinars on the [Walmart Supplier Requirements](#) page to explain the new requirement and how you can get started. We have also developed a list of [Frequently Asked Questions](#) that might be useful.

Lastly, while blockchain-enabled traceability will greatly increase the ability to trace leafy greens back to their source, it does not replace or reduce the need for your adherence to leading-edge Good Agricultural Practices. Our team will be contacting you in a separate communication on this topic.

Walmart Food Safety will contact you over the next few months by email to get a better understanding of how your company intends to comply with this new traceability requirement. In the meantime, if you have any questions, please contact Tejas Bhatt, Senior Director of Food Safety Innovations, at [FSINNOVATIONS@walmart.com](mailto:FSINNOVATIONS@walmart.com).

In closing, we would like to thank you for working together with us as we strive to create a **safer, smarter, and more sustainable food system, so people can live better.**

Sincerely,



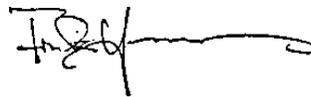
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