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Walmart and Sam's Club to Require Real-Time, End-to-End Food Traceability with Blockchain

*Suppliers of Leafy Green Vegetables to Utilize Blockchain Technology
by Sept. 2019*

BENTONVILLE, Ark., September 24, 2018 – Walmart and Sam's Club today announced that it will ask suppliers of leafy greens to implement real-time, end-to-end traceability back to the farm using blockchain technology by this time next year. Blockchain is a way to digitize data and share information in a complex network in secure and trusted way. For food safety, this helps to more accurately pinpoint issues in the food chain and further protect customers against foodborne illnesses.

Today, the most frequently used process to address issues in the industry is referred to as one-step-up and one-step-back traceability, which is often based on paper records, thus, making tracking a product back to the farm difficult, labor intensive, and sometimes impossible.

For more than a year, Walmart, working with IBM and 11 other food companies, has successfully developed a blockchain-enabled food traceability network built on open-source technology. In an initial pilot conducted by Walmart and IBM, the amount of time it took the retailer to trace an item from store to farm was reduced from seven days to just 2.2 seconds.

The aim is to now extend the technology in order to help reduce the number of people who fall ill during food incidents while at the same time reducing losses for retailers and suppliers during a recall.

"We're committed to providing our customers with safe, quality foods," said Frank Yiannas, vice president of food safety for Walmart Inc. "Our customers deserve a more transparent supply chain. We felt the one-step-up and one-step-back model of food traceability was outdated for the 21st century. This is a smart, technology-supported move that will greatly benefit our customers and transform the food system, benefitting all stakeholders."

The new blockchain requirements are in addition to Walmart's food safety program that requires suppliers of fresh leafy greens such as romaine lettuce and spinach to achieve prevention-based certifications against one of the Global Food Safety Initiative (GFSI) internationally recognized standards.

"Customers trust us to help them put quality food on their tables for themselves and their families," said Charles Redfield, executive vice president of food, Walmart U.S. "We have to go further than offering that great food at an everyday low price. Our customers need to know they can trust us to help ensure that food is safe. These new requirements will help us do just that."

The Centers for Disease Control and Prevention (CDC) has consulted with Walmart on the need to improve traceability to help public health officials investigate foodborne disease outbreaks and find

the source of contaminated food. Robert Tauxe, MD, director of CDC's Division of Foodborne, Waterborne, and Environmental Diseases said, "Enhanced ability to trace a contaminated food back to its source will help government agencies and companies to identify the source of a foodborne disease outbreak, coordinate more effective recalls of foods thought to be contaminated, and learn where past problems began. We think these steps will strengthen future prevention efforts and better protect the public's health from the threat of foodborne illness."

Walmart has worked closely with IBM to create a user-friendly, low cost, blockchain-enabled food traceability solution that creates shared value for the entire fresh leafy green farm-to-table continuum.

"At the center of a blockchain network is the powerful potential for data transparency to create a new level of shared trust," said Bridget van Kralingen, Senior Vice President, IBM Global Industries, Platforms and Blockchain. "We've developed IBM Food Trust as an open platform in collaboration with a broad group of food stakeholders that focuses on their shared business goals while addressing the privacy, scalability and security needs of the individual participants. That is why we believe that together we can help tackle industry challenges such as food safety in an entirely new way."

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