



IMPORTING DANGER

How Wal-Mart's Massive Imports from China Threaten America's Food Supply



Wal-Mart Is No Longer An American Company

Wal-Mart imports the vast majority of the products it sells – including much of its food – from overseas, particularly China. This means less regulation, poorer oversight and untrustworthy supply sources for America's food, in addition to the loss of American jobs.

Wal-Mart Sources Food From China

Wal-Mart pushes suppliers overseas, forcing them to do business where labor and parts are cheaper, but poorly regulated. Buying American and buying local supports domestic farmers and allows consumers to know where their food originates.

- **Wal-Mart is China's Eighth Largest Trading Partner.** In 2004, almost 10 percent of everything imported to the United States from China was imported by Wal-Mart. [*Business Week Online*, 10/7/05; Charles Fishman, *The Wal-Mart Effect*, 2006]
- **Billions of Dollars in Chinese Imports.** Wal-Mart estimates it imports \$15 billion of Chinese goods every year and concedes that the figure could be higher -- some estimates range as high as \$20 or \$30 billion. Company executives are quick to point out they have always scoured the globe for low-cost suppliers to benefit the American consumer." [Friedman, Thomas, *The World Is Flat: A Brief History of the Twenty-first Century*, 2005; PBS *Frontline*, 11/16/04]
- **More Food From China.** More and more of our food comes from China. According to the Washington Post, "China's agricultural exports to the United States surged to \$2.26 billion last year, according to U.S. figures -- more than 20 times the \$133 million of 1980." ["China Food Fears Go From Pets to People," *Washington Post*, 4/25/07]

Wal-Mart Allows China To Put Consumers At Risk

Recalled products ranging from pet food to catfish to baby bibs all have their origins in China. Multiple product recalls in the last few months demonstrate the pitfalls of relying on imports.

- **Cutting Corners.** "The [Chinese] government has found that companies have cut corners in virtually every aspect of food production and

"Wal-Mart and China are a joint venture."

- Greg Gereffi, Duke University Professor

“We now inspect less than 1 percent of the foodstuffs... It gives incentive to people in China to cut corners. The exporters in these countries know the FDA system won't work.”

- William Hubbard,
Former FDA Associate
Commissioner

packaging, including improper use of fertilizer, unsanitary packing and poor refrigeration of dairy products.” [“China Food Fears Go From Pets to People,” *Washington Post*, 4/25/07]

- **Failing System Leads to Recalls.** “Amid mounting concern over tainted foods, Wal-Mart removed frozen Chinese catfish fillets from its stores nationwide today. The move came a day after Alabama banned the sale of Chinese catfish because it was contaminated with a banned antibiotic. . .

“We now inspect less than 1 percent of the foodstuffs,” Hubbard said. “It gives incentive to people in China to cut corners. The exporters in these countries know the FDA system won't work.” [“Wal-Mart removes Chinese catfish nationwide after Alabama bans sales,” *St. Petersburg (Fla.) Times*, 4/26/07]

Wal-Mart Opposes Food Regulations and Import Inspections

Wal-Mart has a history of opposing additional food safety regulations and port inspections for goods from overseas. Once again, the company puts profits before consumer safety. If Wal-Mart is concerned that increased inspections would slow down the import process, it should join the fight to increase funding for the FDA rather than endanger the public.



Above: Workers in Fujian Province, China, process green beans for export.

- **'No' to Inspections.** Wal-Mart, through the Food Marketing Institute, lobbied against legislation that would increase inspections of imported foods and increase transparency of shipments handled by food manufacturers and processors. ConAgra, one of its leading suppliers, was also a vocal opponent for this legislation for better food safety practices. [*New York Times*, 4/16/02]
- **'No' to Food Safety Training.** In 2002, the United Food and Commercial Workers Local called the Pennsylvania General Assembly to institute the Food Employees Certification Act of 1994 making it mandatory to train and certify food workers and ensure food safety in retail food stores.

Wal-Mart as a leading member of the Pennsylvania Retailers Association, opposed these measures. [FoodProductionDaily, 11/25/02]

Wal-Mart Labels Food Inaccurately, If At All

The Wisconsin Board of Agriculture recently reprimanded Wal-Mart for misleading consumers with inaccurate in-store food labeling, the most recent in a string of acts that disguise the true nature of the food for sale on Wal-Mart's shelves. The company also opposes Country of Origin Labeling, a tool that would allow consumers to know where their food is coming from so they can make educated decisions about what they choose to eat.

Below: Produce in a typical Wal-Mart Supercenter



“The more consumers that are funneled through one entity (such as Wal-Mart), the more powerful that entity becomes in being able to set its own prices to pay suppliers.”

-Mary Hendrickon and Harvey James

- **Paying for Secrecy.** “Lobbying expenditures by groups opposing origin labeling between 2000 and 2004 include American Farm Bureau Federation, \$11,840,000 and Wal-Mart, \$2,760,000.” [“Food Mystery: Where’s it from?” (Colo.) *Mountain Mail*, 4/25/07.]
- **Not All-American.** Wal-Mart sources its food from over 60,000 suppliers in 70 countries. Country of Origin Labeling would be a laborious and time-consuming endeavor. However, it would also reveal to consumers that Wal-Mart is no longer the All-American Company it once claimed to be. [walmartfacts.com]
- **Misleading Consumers.** The Wisconsin Department of Agriculture issued a formal complaint against Wal-Mart, claiming that the company’s in-store “organic” labels were misleading. Specifically, “green ‘Wal-Mart Organics’ shelf tags ‘in combination with a reference to a specific non-organic product may be considered to be a misrepresentation’ that would violate Wisconsin law.” [“Organics Watchdog Group Claims Victory Against Wal-Mart,” *Advertising Age*, 5/9/07]

As the Largest Grocer In the United States, Wal-Mart Must Be Held Accountable For Its Actions

- **Number One in the Market.** In 2006, Wal-Mart’s grocery sales were \$98.7 billion. This means the company controls approximately 20% of the retail grocery and consumables market. The second largest grocer, Kroger’s, makes only a little more than half of Wal-Mart’s grocery sales. [Progressive Grocer Super 50 Report, 2006; *Deseret News*, 10/26/05]
- **Concentrated Power.** “No matter how big Tyson or ConAgra, they must go through a food retailer to ultimately reach consumers. The more consumers that are funneled through one entity (such as Wal-Mart), the more powerful that entity becomes in being able to set its own prices to pay suppliers.” Mary Hendrickson and Harvey James [Ethics of Constrained Choice, 2005]
- **More Stores.** With more than 4,000 stores and 1.3 million associates nationwide, Wal-Mart trumps all of the other grocery retailers. Retail Forward, a research firm in Ohio, has projected that the number of Wal-Mart supercenters may triple by 2010 and that its share of the grocery business may rise to 35 percent. [Progressive Grocer Super 50 Report, 2006; *New York Times*, 10/6/05; walmartfacts.com]