Walmart’s U.S. Manufacturing Program

Walmart’s increase in U.S. manufactured purchases:
- $250 Billion over 10 years
- $50 Billion in the 10th year
-In the 10th year:
  • Approx. 300,000 manufacturing jobs*
  • Approx. 1 million total jobs**

Walmart Actions:
• “Increase what we already buy of U.S. manufactured goods
• Source “new to Walmart” U.S. manufactured goods
• Reshore the manufacturing of goods we currently buy by facilitating and accelerating efforts of our suppliers”

*Reshoring Initiative  **Boston Consulting Group
Towels

- China to Griffin, GA
- 35 jobs
- Made a long term deal to make better quality towels
- At a 17% price premium at Walmart, selling 35% better than imports
- Reasons:
  - Automation/technology
  - Re-design
  - Shipping costs
  - Walmart

Comforters

- South Carolina
- 200 jobs
- Reason:
  - Walmart pledge

Source: http://www.industryweek.com/competitiveness/walmarts-new-mantra-made-usa
China to Elroy, WI

12 jobs

$600,000 investment in new line to be produced in company’s home town

Reasons:

- Walmart pledge
- Shipping delays at West Coast ports
- Concern for contaminants in plastics used in utensils

Bandages (Expansion)

- Portsmouth, New Hampshire
- 26 jobs
- $700,000 investment in new equipment
- Reasons:
  - Walmart pledge

Source:
Textiles for Outdoor Furniture (Expansion)

- Sanford, North Carolina
- Developing a new digital printing system for domestic production
- Reasons:
  - Received over $600,000 from the Walmart U.S. Manufacturing Innovation Fund

Source:
Memory Foam Mattress Toppers (Expansion)

- As of 2013, 20% of Walmart’s memory foam mattress topper business is manufactured in the U.S. by Authentic Comfort, rather than overseas.

- Reason:
  - Walmart initiative

Source:
Bicycle Helmets

- China to Rantoul, Illinois
- Reshored 100% of production
- Reason:
  - Walmart pledge

Greek Yogurt (Kept from Offshoring)

- Twin Falls, ID
- 1000 jobs
- $450 million investment
- Reason:
  - Walmart initiative
- South Edmeston, NY
- $700 million worth of greek yogurt
- Reason:
  - Synergies

Sources: 
Consumer Plastic Products

Creative Things Inc.

- Asia to Lowell, AR
- 104 jobs
- Reasons:
  - “Just in time” product turnover / improved time to market
  - Freight cost
  - Customs uncertainty
  - Government incentives
  - Creates jobs and personal involvement with community
  - Better inventory control
  - Walmart is largest customer. Managing the supply chain of products sold to Walmart has become easier since reshoring

Gardening Items

- China to Knoxville, TN
- Reasons:
  - Walmart initiative
  - Shipping costs

Injection-Molded Plastic Footwear

China to Hazelhurst, GA
$25 million total combined investment
Up to 250 jobs

Reasons:
- Walmart pledge
- Automation
- Rising wages and fuel costs
- Tariffs

Cosmetics (Foreign Direct Investment)

- Israel to DaKalb, Mississippi
- 100 jobs
- Reason:
  - Walmart pledge

Source: [http://www.reshorenow.org/blog/walmart-to-entrepreneurs-bring-us-your-products-that-support-american-jobs/](http://www.reshorenow.org/blog/walmart-to-entrepreneurs-bring-us-your-products-that-support-american-jobs/)
Cosmetics
(Foreign Direct Investment)

- China to Fairfield County, SC
- 151 jobs

Reason:
- Walmart pledge
- Proximity to customer
- Government incentives

Canning Jars (U.S. Expansion)

- Monaca, PA facility
- $1.8 million investment to expand factory, establish new “Made in USA” product line
- 2 new manufacturing jobs
- Reason:
  - Walmart pledge

Candy

- Canada and Mexico to Bellwood, IL
- 100 jobs
- Reason:
  - Walmart pledge

Packaged Fish
(Kept from Offshoring)

- Oregon
- Reason:
  - Walmart pledge

Energy-Efficient Soft White Light Bulbs

- China to Bucyrus and Circleville, OH, and Mattoon, IL
- 150 jobs
- $30 million investment

Reasons:
- Walmart’s U.S. manufacturing initiative
- Higher productivity
- “Competitive advantage”

Car Tires (Foreign Direct Investment)

- Singapore to Chester County, S.C.
- 1700 jobs over the next 10 years
- $560 million investment

- Reasons:
  - Walmart’s U.S. manufacturing initiative
  - Meet growing North American demand
  - Skilled workforce and training opportunities through the technical college system
  - Proximity to major transportation infrastructure
  - Proximity to deep water port facilities in Charleston
  - Market access to growing Southeast region
  - State’s business-friendly environment

China to Shell Lake, WI
$5 million investment
Planning additional capital investments
Expected to add 150 additional jobs

Reasons:
- Total cost
- Inventory
- Environmental impact
- Lead time
- Walmart pledge


Sports Bras

- China to U.S.
- Reason:
  - “Fits best with our core values of supporting our local community and providing the best possible product and service to our customers”
  - Walmart initiative

Sources: http://www.ft.com/intl/cms/s/0/e14d6cae-249d-11e3-8905-00144feab7de.html?siteedition=uk#axzz2sa7XuvqU
https://www.handful.com/about/
Hosiery

HANES Brands Inc

- Honduras to Clarksville, AR
- $1.4 million investment
- 120 jobs
- Reasons:
  - Walmart initiative
  - Loyal workforce

Source: http://www.thecitywire.com/node/36600#.VeAC-Xjlc64
Candles (Kept from Offshoring)

- Fayetteville, AR
- 200 jobs
- Reasons:
  - Walmart initiative
  - Sales increased to $30 million/year as a result of Walmart deal

Sources: http://online.wsj.com/news/articles/SB10001424052702303492504579115783923496354
“Hanna’s Candles: Walmart Continues Commitment to American Manufacturing.” http://youtu.be/FFvxpAyf9k
Gel Insoles

- China to Waldsworth, Ohio
- 40 jobs
- Reason:
  - Walmart initiative

Source: http://cdn.corporate.walmart.com/9d/1d/b3cf7afd438886a9a18b20257864/us-manufacturing-announcements-list.pdf
Taco Plate (Kept from Offshoring)

- Prairie Grove, AR
- Produced at PolyTech Plastic Moldings
- Reason:
  - Walmart initiative

Source: https://talkbusiness.net/2015/06/the-supply-side-area-companies-benefit-from-wal-marts-onshoring-agenda/
No Nonsense Legwear

- Produced in North Carolina
- 100 jobs
- $28 million investment to expand its Made in the USA program
- Reason:
  - “Sock initiative” with Walmart

China to Clarendon County, South Carolina

$4.3 million investment to construct a manufacturing facility

175 jobs

Reasons:

- Rising labor costs in China
- Walmart pledge
- Government incentives
- Infrastructure and connectivity to major population centers

China to Hatfield, PA
Began moving production back to US during recession (2008 and on) to avoid major layoffs due to fall in demand
By 2013, local jobs had increased from 150 to 200
Reasons:
- Re-design
- Delivery and lead time
- Quality and materials control (safety issues)
- Rising labor and transportation costs
- Communications
- IP risk
- Walmart initiative

Tea Light Candles
(Foreign Direct Investment)

- Poland to Virginia
- 170 jobs
- $18.5 million
- Reason:
  - Walmart initiative

http://www.thecitywire.com/node/30313#_UoaDcGQ_-D6
Curtains

- Overseas to Allendale County, South Carolina
- 125 jobs
- Reason:
  - Walmart initiative
  - Cheaper to produce in South Carolina than in China
  - Quality
  - Business-friendly climate
  - South Carolina is in the middle of the textile belt

Jewelry

- Salt Lake City, Utah
- 35 jobs
- Reason:
  - Walmart initiative

Source: [http://www.reshorenow.org/blog/walmart-to-entrepreneurs-bring-us-your-products-that-support-american-jobs/](http://www.reshorenow.org/blog/walmart-to-entrepreneurs-bring-us-your-products-that-support-american-jobs/)
Rugs

- Georgia

- Reason:
  - Walmart initiative

Pacifiers

- Europe to Reedsburg, WI
- Reason:
  - Walmart initiative
  - “Made in the U.S.A.” brand appeal

Source: http://talkbusiness.net/2015/04/wal-mart-updates-progress-on-manufacturing-veteran-hiring/
Die Castings
(Kept from Offshoring)

● Harrison, AR
● $49M capital investment
● Reasons:
  ● Eco-system synergies
  ● Manufacturing and engineering joint innovation
  ● Re-design of the part
  ● Skilled workforce
  ● Walmart
  ● Customer responsiveness improvement

Source: Jamie Smith, “Pace Industries expands in Arkansas, benefits from reshoring efforts.” The City Wire. September 2, 2014.
Hosiery  (Foreign Direct Investment)

- Canadian company
- Reshored from China to Hildebran, N.C.
- $16 million investment
- 200 jobs
- Reasons:
  - Government incentives
  - Walmart initiative

Source: [http://www.bizjournals.com/charlotte/blog/outside_the_loop/2015/03/federal-wal-mart-officials-descend-on-hickory-area.html](http://www.bizjournals.com/charlotte/blog/outside_the_loop/2015/03/federal-wal-mart-officials-descend-on-hickory-area.html)
Poly Tech purchased a plastic injection molding facility in Prairie Grove, AR in 2012

46 jobs since 2012, up to 10 more to be added

$7 million/year in sales of reshored products

When Walmart announced its US manufacturing initiative, sales shot up immediately as suppliers began looking for ways to reshore plastics manufacturing from China

Expects to do $20 million in sales by 2020

Power Toothbrush Heads

- China to Grand Rapids, MI
- Ranir already runs 25 injection presses at its headquarters, and usually adds one press per year
- $3 million investment for new automation equipment
- Investment in in-house manufacturing will enable the production of an additional 5 million power toothbrush heads per year
- Will add 19 new jobs
- Reasons:
  - Walmart pledge
  - Lean manufacturing

Source:
Socks
(Kept from Offshoring)

- Cleveland, TN and Fort Payne, AL
- 250 jobs in 2011, 195 jobs in 2013
- $20+ million total investment
- Reason:
  - Walmart initiative

Sources:
Knife Sharpeners

- China to Prairie Grove, AR
- Contracted with U.S. based injection molding facility PolyTech to make its products
- Reason:
  - Walmart initiative

Plastic Toy Clean-Up Tool

- Reshored production from Mexico to Pendell, PA
- Reasons:
  - Quality
  - Automation
  - Total cost
  - Walmart

Mobile Device Cases

● China to Rancho Cucamonga, CA
● Moving 50-75% of manufacturing back from China
● 75 jobs

● Reasons:
  ● Tax benefits
  ● Avoids 20% import tariff
  ● Time and freight cost
  ● Quality
  ● Time to market
  ● Rising wages in China
  ● On-the-job training programs
  ● Walmart initiative

Pet Treats (Expansion)

- Springville, Utah
- Expansion: 200 jobs added
- Reasons:
  - Walmart

Plastic and Rubber Band Weaving Toy
(Kept from Offshoring)

- Licensed to manufacturers in MA and RI
- Retained 30 jobs, 100 new jobs

Reasons:
- Made in USA Image/Brand
- Walmart commitment
- “Seen all the bad that has resulted from the decline of manufacturing in Detroit”
- Quality
- Lead time