



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”
- <http://engage.walmart-jump.com/>

*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

AMERICAN HOME MANUFACTURING

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



Kitchen Utensils



- 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

Sources: "More jobs announced from Walmart restoring effort." *The City Wire*. October 31, 2013.

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

Walter Loeb. "How Walmart plans to bring manufacturing back to the United States." *Forbes*. November 12, 2013.

<http://www.forbes.com/sites/walterloeb/2013/11/12/walmart-taking-steps-to-bring-manufacturing-back-to-the-united-states/>.



Bandages (Expansion)



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

Source:

http://www.newburyportnews.com/news/local_news/salisbury-bandage-company-stitches-major-deal-with-walmart/article_6d364248-6743-5eb8-8d7d-dcff43dbacba.html



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:

<http://www.smalltownsouth.com/NewsArchivesComplete/Summer2014/EconomicCommunityDevelopmentNews/tabid/428/Default.aspx>



Memory Foam Mattress Toppers (Expansion)

Authentic Comfort

- 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:

<http://www.smalltownsouth.com/NewsArchivesComplete/Summer2014/EconomicCommunityDevelopmentNews/tabid/428/Default.aspx>
<https://cdn.corporate.walmart.com/51/c5/350e038c4f0cb9f171b5b5171055/us-manufacturing-faq.pdf>



Bicycle Helmets

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



Source:

<http://www.smalltownsouth.com/NewsArchivesComplete/Summer2014/EconomicCommunityDevelopmentNews/tabid/428/Default.aspx>



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



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



- 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





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

Sources: Walter Loeb, Forbes. “How Walmart Plans to Bring Manufacturing Back to the United States.” November 12, 2013. <http://www.forbes.com/sites/walterloeb/2013/11/12/walmart-taking-steps-to-bring-manufacturing-back-to-the-united-states/>
The City Wire. “More jobs announced from Wal-Mart onshoring effort.” October 31, 2013. <http://www.thecitywire.com/node/30313#.Urct6GRDsqX>



Candy



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

Packaged Fish (Kept from Offshoring)

- Oregon
- Reason:
 - Walmart pledge





- 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



Locks and Door Hardware



HAMPTON
Delivering Peace of Mind by Design

- 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

Source: Consumer Goods Technology. "Walmart, Suppliers to revive U.S. manufacturing." August 27, 2013. <http://consumergoods.edgl.com/trends/Walmart-Suppliers-to-Revive-U-S-Manufacturing88026>.

Reuters. "Wal-Mart 'Made in America' drive follows suppliers' lead." September 25, 2013. http://articles.economictimes.indiatimes.com/2013-09-25/news/42394568_1_walmart-u-s-suppliers-wisconsin-plant.



- 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



Hosiery

HANES *Brands Inc*

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

Candles

(Kept from Offshoring)

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





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



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



Bicycles



- 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



Toys



- 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



Sources: http://articles.economictimes.indiatimes.com/2013-09-25/news/42394568_1_walmart-u-s-suppliers-wisconsin-plant/5
<http://www.forbes.com/sites/walterloeb/2013/11/12/walmart-taking-steps-to-bring-manufacturing-back-to-the-united-states/>
http://www.thecitywire.com/node/30313#.UoaDcGQ_-D6



- 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



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



Rugs



- Georgia
- Reason:
 - Walmart initiative

Source:

<https://www.washingtonpost.com/news/wonk/wp/2015/07/17/wal-marts-self-interested-shot-at-reviving-the-american-factory/>



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



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



Hosiery

(Foreign Direct Investment)



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



Plastic Molding

(Kept Walmart Suppliers from Offshoring)



- 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



- 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

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

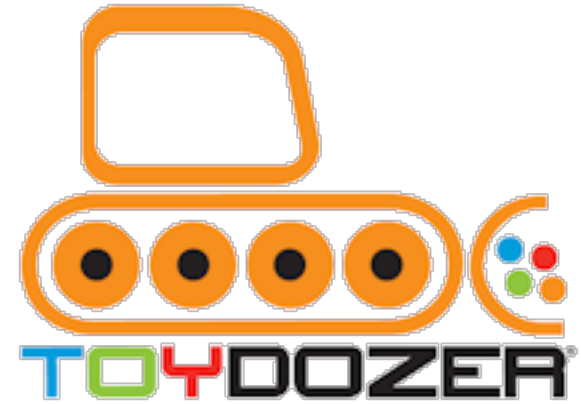


Knife Sharpeners



- 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

Source: James R. Hagerty, "Wal-Mart entertains a pitch: 'Made in U.S.A.'". The Wall Street Journal. October 6, 2013.
<http://online.wsj.com/news/articles/SB10001424052702303492504579115783923496354>



- 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