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The Inclusive Market Alliance for Rural Entrepreneurs

MERCY CORPS, USAID AND WAL-MART FORGE ALLIANCE FOR GUATEMALAN FARMERS

GUATEMALA CITY, GUATEMALA, March 5th, 2008 -- The global relief and development organization Mercy Corps, the United States Agency for International Development (USAID), Wal-Mart (NYSE: WMT) and the Guatemalan nonprofit Fundación ÁGIL (*Fundación Apoyo a la Generación de Ingresos Locales*) today celebrated the launch of an alliance to improve the lives of small-scale farmers in Guatemala. Heralding the Inclusive Market Alliance for Rural Entrepreneurs as a bold solution to Guatemala's persistent rural poverty, the founding organizations introduced the first farmers who will benefit from its training and market connections.

The Alliance, a three-year effort, will build the capacity of small-scale farmers to help them move from traditional corn and beans production to demand-driven production to supply major retailers like Wal-Mart in Central America. A first wave of farmer groups – including the Santa Marta agricultural group, El Esfuerzo agricultural group and the “*Asociación para el Desarrollo Integral y Ecológico Sacapulteco (ADIES)*” – has been chosen as candidates to participate in the Alliance. Additional groups from the departments of Sololá, Chimaltenango, San Marcos and Alta and Baja Verapaz will be selected in coming months. These groups will supply retailers with targeted crops like tomatoes, peppers, potatoes and onions.

“The Alliance will create tremendous opportunities for small-scale farmers to become productive and prosperous entrepreneurs. As a result, farmer families will have higher incomes and, we expect, better access to education, health services and other resources to improve their lives,” said Paul Dudley Hart, Senior Vice President of Mercy Corps. “This is a fantastic example of nonprofits, business and government working with local communities to make a lasting difference.”

Guatemala's overall poverty rate stands at 51%, with nearly three-quarters of the poor living in rural areas and working in agriculture. With the resources provided by the Alliance, small-scale farmers in these rural areas will be able to grow into entrepreneurial producers of premium horticultural products. It is expected that higher, more consistent incomes will lead to increases in education, health and food security for their families and communities.

“Wal-Mart is committed to the future of Central America, and we are proud to be part of efforts to promote economic growth and improve quality of life in the region,” commented Ignacio Perez, CEO of Wal-Mart Centroamérica. “Through this Alliance, we will be able to buy more quality product directly from more small, family-run farms. Farmers’ standards of living will increase, and our customers will benefit from access to a wider variety of better products at competitive prices.”

Farmers will participate in training on crop diversification and good agricultural practices, processing and post-harvest techniques to meet national and international agricultural standards, and business and management skills including the use of critical pricing information. They will also receive assistance to buy tools, equipment and other agricultural resources.

The Alliance is backed by financial commitments of \$1.1 million from USAID, \$600,000 from Wal-Mart, and \$500,000 from Mercy Corps. Through other groups working with the Alliance, such as AMANCO and Fundación CRYSOL, farmers will have the opportunity to access resources ranging from irrigation equipment to loans tailored to the needs of small farmers.

The Inclusive Market Alliance for Rural Entrepreneurs was developed and funded as part of the USAID Global Development Alliance (GDA) initiative. According to Wayne Nilsestuen, USAID mission director for Guatemala, “This important alliance builds on our previous efforts with Mercy Corps and other partners to develop sustainable value chain alliances in Guatemala. This alliance was expressly designed so small-scale farmers could enter the program at levels appropriate to them and receive the assistance they need at the right time. This increases the likelihood that all actors—producers, buyers, distributors, and consumers—are winners.”

Each Alliance member will contribute distinct skills and expertise. Mercy Corps will provide overall management and work directly with small-scale farmers to increase productivity. They will cooperate closely with Fundación ÁGIL, a Guatemalan non-profit that will help groups improve post-harvest techniques to meet the standards required by the retail sector. Wal-Mart, through their wholesale buying agent in Central America, Hortifruti, will provide crucial market information to participating farmers and supply them with a reliable market for their produce. USAID/Guatemala will provide oversight of management-for-results using its extensive experience with post-conflict families and communities as well as value chain alliances.

About Mercy Corps

Mercy Corps works amid disasters, conflicts, chronic poverty and instability to unleash the potential of people who can win against nearly impossible odds. Since 1979, Mercy Corps has provided \$1.3 billion in assistance to people in 100 nations. Supported by headquarters offices in North America, Europe and Asia, the agency's unified global programs employ 3,400 staff worldwide and reach nearly 14.4 million people in more than 35 countries. For more information, visit www.mercycorps.org.

About Wal-Mart Stores, Inc. (NYSE: WMT)

Wal-Mart Stores, Inc. operates Wal-Mart discount stores, Supercenters, Neighborhood Markets and Sam's Club locations in the United States. The Company operates in Argentina, Brazil, Canada, China, Costa Rica, El Salvador, Guatemala, Honduras, Japan, Mexico, Nicaragua, Puerto Rico and the United Kingdom. Wal-Mart serves more than 176 million customers weekly in 14 markets. The Company's securities are listed on the New York Stock Exchange under the symbol WMT. For more information: www.walmartfacts.com.

About Wal-Mart Central America

*Wal-Mart Central America is the region's largest retailer, with over 450 stores and over 28,000 associates in Guatemala, Honduras, El Salvador, Nicaragua and Costa Rica. In Guatemala, we operate 145 stores under the brands **Supertiendas Paiz, Hiper Paiz, Despensa Familiar, Club Co and Maxi Bodega**, generating more than 9,000 direct jobs and approximately 4,500 indirect jobs.*

In September 2005, Wal-Mart acquired a 33 1/3 percent interest in CARHCO from the Dutch retailer Royal Ahold NV. In February 2006, Wal-Mart increased its interest to 51% and the name CARHCO was changed to Wal-Mart Centroamérica.

Wal-Mart Centroamérica combines a long tradition of success of three pioneer companies in the retail industry in their respective markets: La Fragua, founded in 1928 by don Carlos Paiz Ayala in Guatemala; Corporación de Supermercados Unidos, founded in 1960 by don Enrique Uribe Pagés in Costa Rica; and Wal-Mart Stores, founded in 1962 by Sam Walton in the state of Arkansas, USA.

About USAID

Since its establishment as an independent federal agency by President John F. Kennedy in 1961, the U.S. Agency for International Development (USAID) has been helping developing countries to fight hunger, poverty and disease and provide opportunities for their peoples. The U.S. foreign assistance programs have a long and distinguished record of accomplishments achieved with one half of one percent of the federal budget. Over more than 45 years, USAID programs have made significant contributions to promote democratic governance, driving economic growth, mitigating and managing conflict, and providing humanitarian aid in over 200 countries worldwide as well as collaborate on transnational issues that affect all inhabitants of the planet such as climate change and HIV/AIDs. Please visit www.usaid.gov/gt for USAID/Guatemala and www.usaid.gov.

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