

Local Producer Loan Program

Whole Foods Market committed up to \$25 million in small, low-interest loans for local vendors who want to grow their business

- 165 Loans to 142 companies since 2007
 - \$9.03M in total loans
- Average loan is \$50,000 at 5% interest rate
- On track to surpass \$10M goal by end of FY13



WHAT'S NEW IN LOCAL...



LOCAL



We  Local

Program Goals

- Work with local producers to expand the availability of quality, local and differentiated products for our customers
- Support the communities in which Whole Foods Market does business
- Strengthen the partnership between Whole Foods Market and local producers



Program Benefits

- Mission-driven program, WFM core values
- Competitive Differentiator
- Vendor partnerships and loyalty
- Positive publicity
- Securing critical supply

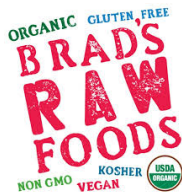


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MARKET



Social Impact

- Serve as a business resource to recipients
- Make available sums of capital to other mission-driven companies
- Borrowers not only receive financing to meet their capital needs; through a close relationship with WFM, each becomes part of a larger community working to change the way the world eats.



Adding Value Beyond Capital

- Incubation: conduct vendor training days with access to industry experts
- Mentoring: internal WFM resources available for support
- Community: Alumni Engagement and networking opportunities
- Priority: Global and regional commitment to purchase



Loan Rates

	WFM LPLP
Interest Rates	5.30%
Terms	5 years
Default Rate	7.1%
<i>Defaults Broken Out by NAICS Industry Code</i>	
Direct Agricultural Production	4.34%
Food Manufacturing	9.6%

Tier 1

Local Loans

Details	<ul style="list-style-type: none">• \$1,000 - \$100,000 Loans; Regionally Funded• Comprehensive Support from Home Region• LPLP incubator/vendor fair access
Criteria	<ul style="list-style-type: none">• WFM Quality Standards• Strong vendor partnership with region• Mission-driven programs• Unique Product

Tier 1: Local Loans

Mission Driven: How is your company aligning with the Core Values of Whole Foods Market?



Tier 1: Local Loans

Innovation: How is your product unique from the rest?



Tier 1: Local Loans

Double Trouble: Unique and Mission-Driven



Tier 1: Local Loans

Differentiators



Certified



Corporation™



Tier 2

Strategic Loans

Details	<ul style="list-style-type: none">• Financing \$100,000+• Collaboration between multiple regions, global coordinators• Non-traditional LPLP parameters (i.e. product touches multiple regions)• Strategic supply benefits WFM long-term/meets a current or future supply deficiency
Criteria	<ul style="list-style-type: none">• Reputable category leader• Ready to scale.• Enterprise is profitable or can demonstrate a clear path to profitability in 3-5 years• Tangible collateral and/or a strong personal guarantor• Mission is aligned with Whole Foods Market Core Values
Examples	<ul style="list-style-type: none">• Earth University: two loans \$825k. Securing banana supply• White Oak Pastures: \$450k, construction of an on-farm grass fed meat processing plant• Thompson Farms Cured Meats: \$208k, construction of a GAP rated 5 slaughter facility• Eastern Carolina Organics: two loans \$248k, construction of a farmer-owned produce DC

Tier 2

Strategic Loans



Tier 3

Equity Funding

Details	<ul style="list-style-type: none">• Financing ranges from \$500,000+• WFM participates in upside• WFM has voice in the management of company• Company has access to deep pool of WFM resources
Criteria	<ul style="list-style-type: none">• Company leadership has history of success• Company has aggressive growth plan• Company is willing to engage in strategic supply agreements with WFM and desire to remain in the natural channel

Do you know of a Qualified Vendor?

- Contact: Erin.Harper@wholefoods.com



Trends in the Marketplace

The New York Times

Business Day

WORLD U.S. N.Y. / REGION BUSINESS TECHNOLOGY SCIENCE HEALTH SPORTS OPINION

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Venture Capitalists Are Making Bigger Bets on Food Start-Ups



Bryce Vickmark for The New York Times

Unreal, a candy company based in Boston, says it uses 25 percent less sugar than other candy on the market.

By JENNA WORTHAM and CLAIRE CAIN MILLER
Published: April 28, 2013

What if the next big thing in tech does not arrive on your smartphone or in the cloud? What if it lands on your plate?

Enlarge This Image

That idea is enticing a wide group of venture capitalists in Silicon Valley into making big bets on food.

In some cases, the goal is to connect restaurants with food purveyors, or to create on-demand delivery services from local farms, or ready-to-cook dinner kits. In others, the goal is to

FACEBOOK

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SAVE

E-MAIL

SHARE

PRINT

REPRINTS

THE NEW YORK TIMES

17

The New York Times

U.S.

WORLD U.S. N.Y. / REGION BUSINESS TECHNOLOGY SCIENCE HEALTH SPORTS OPINION

POLITICS EDUCATION TEXAS

VISUAL ANALYTICS
See your data for all it's worth.
LIVE DEMO: TRY IT NOW



An Effort to Add a Key Ingredient to the Slow Food Movement: Investor Money



Matthew Staver for The New York Times

About 650 food entrepreneurs and potential investors converged this week on the Boulder Theater in Colorado.

By KATHRYN SHATTUCK
Published: May 1, 2013

BOULDER, Colo. — "Welcome, pig lovers, and welcome, earthworms!" Woody Tasch bellowed from the stage of the Boulder Theater, where 650 food entrepreneurs and investors had wedged themselves for the opening day of the fourth Slow Money National Gathering.

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Corporate Investors

- **Boulder Brands Investment Group “BIG”:** partnership between Boulder Brands, Inc. and Presence Marketing. The investment fund will target early-stage growth companies in the natural and organic food and beverage sectors. Companies will operate independently from Boulder Brands but will benefit from access to its infrastructure, resources and expertise.
- **General Mills:** works with Circle Up, acts as a mentor, holds incubation days with access to industry experts
- **P&G:** Circle Up, mentoring, incubation days
- **RSF Social Finance:** provides critical access to capital for path-breaking social enterprises (not all food-related). Creates a community among recipients. Working with many of our vendors/recipients: EVOL, Guayaki, Revolution Foods, Numi Tea
- **Slow Money:** Loose network of angels investors, foundations and corporations interested in the advancement of sustainable food production



Additional Ways to Finance

CircleUp



KICK
STARTER


SLOWMONEY

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Examples

Home Aquaponics Kit: Self-Cleaning Fish Tank That Grows Food

by Nikhil & Alejandro

Home Updates 20 Backers 4,097 Comments 350 Oakland, CA Food

Funded! This project successfully raised its funding goal on Dec 15, 2012.



Share Tweet Embed

★ Remind me

4,097
backers
\$248,873
pledged of \$100,000 goal
0
seconds to go

Funding period
Nov 15, 2012 - Dec 15, 2012 (30 days)



Project by
Nikhil & Alejandro
Oakland, CA
Contact me

First created · 6 backed

Pledge \$50 or more

3256 backers

AQUAPONICS GARDEN PRE-ORDER Whether you're buying one for your home or kid's classroom, you'll save 33% from the planned retail price and enjoy free shipping in the US by pre-ordering today!

Estimated delivery: Feb 2013
Add \$50 to ship outside the US

Pledge \$100 or more

204 backers

CUSTOM COLORED AQUAPONICS GARDEN Add a bit more pop to your experience by tinting the back panel to the color of your choice! Includes: t-shirt. (Estimated delivery date of t-shirt: Dec 21 2012; Estimated delivery of kit: late Feb 2013; Items will ship together in late Feb 2013 for international backers)

Estimated delivery: Dec 2012
Add \$50 to ship outside the US


Pledge \$500 or more

31 backers
Limited (119 left of 150)

LIFETIME LEGACY Your name will be permanently engraved on the bottom of every single kit we sell. As we scale, thousands of customers worldwide will always remember who helped make this possible! Includes: t-shirt & custom colored kit. (Estimated delivery date of t-shirt: Dec 21 2012; Estimated delivery of kit: late Feb 2013; Items will ship together in late Feb for international backers)



Examples




White Girl Salsa - click me maybe

Fresh Taste: Instant Sassiness! Check out my unique salsas.

Food – Boulder, Colorado, United States

[Campaign Home](#)
[Updates / 8](#)
[Comments / 69](#)
[Funders / 108](#)
[Gallery / 19](#)



\$18,063

Raised of \$48,000 Goal

0 time left

Flexible Funding
This campaign has ended and will receive all funds raised. Funding duration: October 25, 2012 - November 29, 2012 (11:59pm PT).

Select a Perk *for your contribution*

\$10

One Huge Sassy Thank You

Gratitude from me, warm fuzzy for you

5 claimed

\$25

Jar of Salsa

Share This Campaign: [Follow](#)

[Like](#) (278)
 [Tweet](#) (20)
 [+1](#) (1)
 [EMBED](#)
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My Story

The Campaign

First off – thank you SO much for taking a peek at my Indiegogo Campaign. My hope, wish and dream is that this project will fund and that you, yes you, will help take my business to the next level! This industry is very much about volume and I need more of it to break even. In March 2012 my products were sold in 50 grocery stores. Growth has exploded and now 300 grocery stores carry White Girl Salsa. Since we are new to so many stores we need to market to those shoppers to increase sales in the stores we are already in, as well as increase new stores. The goal of the increased sales is to generate money to grow to the point where I can break even. This is where you come in!

\$100

Case of Salsa

A case of White Girl Salsa (6 jars), your choice of flavors, jar gripper, sticker and tattoo

*Add \$10 to ship outside of the US

25 claimed

\$175

VIP Party

Invite for you and a guest to VIP White Girl Salsa Party in Denver, plus a party souvenir

1 claimed

\$200

Lots of Salsa + Sassy Schwag

Two cases of salsa (total of 12 jars), your choice of flavors, limited edition t-shirt, jar gripper, sticker, tattoo. You also get to vote on the design of the limited addition t-shirt.

*Add \$12 to ship outside of the US

6 claimed

\$250

Lots of Sassy Style

Limited edition t-shirt, hat and cycling jersey (or 1 case of salsa - 6 jars). You also get to vote on the design of the limited edition t-shirt.

*Add \$10 to ship outside of the US

0 claimed

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Additional Ways to Finance

- **Community Development Financial Institution (CDFI):** *provides lower than avg loans and Technical Assistance; partners with the SBA to assist with 504 loans*
- **Investment Banks focused on health and wellness—** *provides capital raising and transaction services for a fee. (i.e Partnership Capital Growth)*
- **Venture Capital** – *large amounts of money, participates in the upside of your business, oftentimes will be afforded decision making/ownership privileges. (i.e. 2X Partners)*