I am pleased to share with you this summary of Whole Foods Market’s Hawai’i purchasing program for the fiscal year 2012. Last year we published details about our local purchasing in Civil Beat, hoping to contribute to a robust and transparent dialog about Hawai’i farming and production. I hope this second annual update provides a useful view into the current state of local food production. In this report ‘local’ is defined as products that are grown or made in Hawai’i; we did not include items grown or made elsewhere that are sold by local companies.

Supporting local production is integral to Whole Foods Market’s commitment to supporting the communities in which we do business. In Hawai’i, local purchasing makes a particularly valuable contribution to our islands’ economic vitality, social and cultural riches and environmental sustainability.

In 2012 we continued to build support for local farmers and producers in meaningful and exciting ways. Our Hawai’i partnerships grew substantially in total volume, in large part due to the opening of the Kailua store midway through our fiscal year. We also grew our local percentage of total purchases and sales. This is particularly exciting in the case of Hawai’i grown items such as produce, beef and coffee, as it reflects successful import substitution, i.e. the replacement of previously imported products with Hawai’i grown products.

The highlights:

- 44% increase of local product sales over 2011 (Kahala, Kahului and Kailua)
- 19% increase of local product sales over 2011 at our existing Kahala and Kahului stores
- 14% of total sales were Hawai’i grown or made products; up from 13% in 2011

Relating to Hawai’i agricultural production:

- $4,126,387 purchases from Hawai’i farms, dairies, ranches and apiaries
- 57% increase in local farm purchases over 2011
• 57% percent of total coffee sales that were Hawai`i grown; up from 34% in 2011
• 50% percent of fresh produce purchased by the Kahului, Maui store’s produce and prepared foods departments that was grown on Hawai`i farms
• 43% percent of fresh produce purchased by all three stores’ produce and prepared Foods departments that was grown on Hawai`i farms; up from 36% in 2011
• 39% percent of total beef sales accounted for by Maui Cattle Company beef.

This demonstrates that when local products are available customers strongly prefer and support them. Of particular note is the incredible milestone we passed at the Maui store: more than half of the fresh produce purchased at that store was grown on Hawai`i farms. Our ambitious target for the upcoming year is to achieve the 50% mark at all three Hawai`i stores. 2012 also brought local cage free eggs to our grocery department for the first time; the eggs are also used in our prepared foods department. We are committed to continuing on this positive trajectory in 2013 by building volume with existing local partners and developing new partnerships.

If your interest is piqued, I would be happy to speak with you in greater detail about this program and our thoughts about the opportunities and challenges facing local producers.

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