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Whole Foods Market: Idealism, Values, and a National Boycott

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Idealism, Values, and a National Boycott

Preface

While browsing the home page of a grocery chain’s website, one can expect to encounter predictable marketing labels advertising “Products,” “Recipes,” and “Store Locators.” There doesn’t appear to be much advertising variation in this particular industry ... or ingenuity. But one tab on the Whole Food Market’s home page stands out as unusual among its competitors: “Values.”
With the opening of the company's first small store in 1980 in Austin, Texas, its four founders and nineteen staff members were determined to provide natural and organic products to consumers at a time when preservatives and artificial flavors dominated the shelves of most grocery stores. Currently, Whole Foods boasts more than 270 stores throughout the U.S. and the U.K., and has maintained its original commitment to provide fresh, organic, and chemical-free foods.¹

Perhaps the most obvious "value" Whole Foods touts, and the one that is often most widely associated with the company, is a promise to keep things green. Since its inception, Whole Foods has emphasized the importance of upholding the classic "3 Rs" of environmental protection: reduce, reuse, and recycle. Among several innovative methods designed to reduce waste, Whole Foods has implemented composting: a series of steps designed to turn food waste into growth material. This simple process takes produce-gone-bad and ships it to a company where it becomes compost, an organic additive to soil or sole material used to grow plants. The compost is then either given to local community gardens or sold in a nearby Whole Foods store. Sound too simple to make any large impact? This small change has drastically reduced the company's landfill waste by 75%.²

Besides reducing what goes into landfills, Whole Foods is proud to also reduce what it takes out of its energy needs. In 2002, the company's first-of-its-kind purchase of energy credits from wind farms for its Berkley, California store "became the nation's first major food retailer to introduce solar energy as its primary lighting power source."³ Other Whole Foods stores which have adopted an alternate source of renewable energy (i.e., solar) for a large portion of their energy usage are located in Brentwood, California and in Edgewater, New Jersey. The company's commitment to expand and use these types of energy production in more their locations is stated in its Green Mission.⁴

Another important in-store reduction was the company's official "ban" on plastic grocery bags, instead opting to sell affordable reusable bags in all of their locations. And what cannot be reduced or reused may be recycled at any Whole Foods store in their recycling bins.

Selling organic produce, meat, and materials is another staple of Whole Foods' image, as well as important contribution to the environment. "Organic production limits toxic and long-lasting chemicals in our environment" ("Organic Food," www.wholefoodsmarket.com, accessed 12 October 2009). Organic farming does not use genetically-engineered seeds or crops, sewage sludge, long-lasting pesticides, herbicides, or fungicides. These measures benefit not only the soil, the air, and finally the consumer, but also the animals. Livestock are given no antibiotics or growth hormones, and fair treatment of these animals is held in high importance.

And while Whole Foods values the classic "3 Rs," it also seems to adhere to another well-known saying: "Give a man a fish and you have fed him for today. Teach a man to fish and you have fed him for a lifetime." The Whole Planet Foundation is a private, nonprofit organization established by Whole Foods Market, which covers 100% of the foundation's overhead costs. "The Whole Planet Foundation’s mission is to create economic partnerships with the poor in those developing-world communities that supply our stores with product.”
The Foundation works by receiving donations, through online giving, by mail, or at the check-out counter at any Whole Foods store. These donations are then sent to microfinance institutions in Latin America, Africa, and Asia – specifically the communities with which Whole Foods has forged partnerships for food and material. These various microfinance institutions work to provide “microenterprise loan programs, training, and other financial services to the self-employed poor.” By loaning to these small businesses in third-world countries, Whole Foods hopes to inspire the growth of not only the business owners, but the entire communities in which they reside.

Whole Foods works more locally as well, with their “community giving well exceed[ing] 5% of our total net profits each year.” (“Community Giving,” www.wholefoodsmarket.com, accessed 11 October 2009). This same percentage is utilized in Whole Foods’ “5% Days,” during which 5% of the day’s net sales are donated to a local nonprofit or educational organization. These organizations range greatly and, if one wishes to add his or her organization to the list of “5% Day beneficiaries,” an online donation request form available on the local store’s website can easily be completed and submitted for consideration.

Local food banks also receive consistent donations from Whole Foods, and local farmers and producers may even apply for loans from the company, ranging anywhere from $1,000 to $100,000. These loans are provided to show support for small farms and businesses as well as to encourage expansion and positive growth, particularly in the area of switching to all-organic farming methods (“Local Producer Loan Program,” www.wholefoodsmarket.com, accessed 11 October 2009).

Even closer to home, Whole Foods prides itself on the treatment of its employees. Employee benefits include health insurance, paid time off, retirement savings, and a store discount. In fact, “for 12 consecutive years, Whole Foods has been rated by Fortune Magazine as one of the ‘100 Best Companies to Work For.’” (Farah, 2009).

Despite these sizable local and global efforts, Whole Foods Market is no stranger to controversy with respect to its ethical standards. On August 11, 2009, the company’s CEO John P. Mackey responded to a call by President Obama for Americans to publicly voice their suggestions on health care reform. Mr. Mackey did so in an opinion piece published in the Wall Street Journal, entitled: “The Whole Foods Alternative to ObamaCare.” Many readers were less than thrilled at what he had to say.

“A careful reading of both the Declaration of Independence and the Constitution will not reveal any intrinsic right to health care, food, or shelter,” wrote Mackey. “That’s because there isn’t any. This ‘right’ has never existed in America.” This and many similar statements have drawn intense criticism from Americans who support various forms of government-controlled healthcare and question Mackey’s ideas regarding an individual’s personal responsibility for his or her own health.

“Most of the diseases that kill us and account for about 70% of all health-care spending — heart disease, cancer, stroke, diabetes and obesity — are mostly preventable through proper diet, exercise, not smoking, minimal alcohol consumption, and other healthy lifestyle choices.” (Mackey, 2009).
Mackey’s outspoken opinions have created more of a problem than just verbal backlash and angry commentary; they have generated potential financial trouble for his entire company. “After expressing an opinion that differed from Obama, left-wing consumers called for a nationwide boycott of the store.” (Farah, 2009).

One store that saw political unrest was the new Whole Foods Market in Noe Valley, the fifth Whole Foods to be opened in the San Francisco area. Not only did consumers call for the boycotting of this store, but protestors made an appearance at the grand opening to show their support for the boycott and spread their message against Mr. Mackey’s ideas (Keeling, 2009).

The CEO was quick to write about this op-ed piece in his blog on the Whole Foods website. Not only did he post the article for all to read, he encouraged readers to leave comments. He also pointed out that what he had written was purely his own opinion, and that “Whole Foods Market as a company has no official position on the issue.” (Mackey, 2009). While there is a large range of opinion on the health care debate within the company itself, writes Mackey, he may not be publicly expressing his opinion again for some time: “I’ve written one op-ed piece in 31 years. It might be 31 more before I write another one again.” (Farah, 2009).

Consumers may find themselves torn or in disagreement over the ethical mindset of the company as a whole as they are caught between support for Whole Foods’ environmental and humanitarian endeavors and their convictions regarding the CEO’s recent comments. Regardless of one’s feelings about the company, Whole Foods Market may have made a more over-arching statement than they first anticipated when they wrote the following about their “Green Mission:” “Do we have a perfect track record? Nope ... But we are working on it.” (“Green Mission,” www.wholefoodsmarket.com, accessed 12 October 2009).

Endnotes


References


Roberta Lang, Esq.
Vice President and General Counsel,
Whole Foods Market, Inc.
Austin, Texas

Roberta Lang serves as Vice President of Legal Affairs and General Counsel for Whole Foods Market, Inc., a Fortune 500 company and the world's largest retailer of natural and organic foods. Headquartered in Austin, Texas, Ms. Lang is responsible for a broad scope of corporate legal functions for the entire company and its 55,000 employees. Ms. Lang works closely with the Whole Foods Market Executive and National Leadership Teams, as well as with Regional Coordinators and Team Members. Her team provides a variety of services and counsel ranging from intellectual property to mergers and acquisitions. She has been recognized three times as a Whole Foods Market “All*Star,” the Company’s highest honor, for her overall outstanding performance as a dedicated, tireless team member who brings incredible intellect, seasoned perspective, understanding and balance to her professional life.

Prior to joining Whole Foods Market, Roberta practiced law in the Chicago area. She has been a legal consultant to several international corporations and has chaired both business and tax-related bar association committees as well as serving as an arbitration judge. She is a board member of the Whole Planet Foundation as well as the Animal Compassion Foundation. She is currently listed in the Who’s Who of American Law and in the Who’s Who of American Business. She earned her undergraduate degree at Indiana University and her Juris Doctorate from the Valparaiso University School of Law.

_The following is an interview with Ms. Lang conducted at Whole Foods Market headquarters in Austin, Texas on December 10, 2010._
Q. Your current title with Whole Foods Market is Vice President of Legal Affairs and General Counsel?

Yes.

Q. Does the company also retain counsel outside the company?

Yes, with respect to certain issues. They are retained through AFAs (Alternative Fee Arrangements).

Q. Do you think AFAs (Alternative Fee Arrangements) are a result of a naturally progressive change or do you believe that this is a result of the economic recession?

I think it is both. I think that we were talking about AFAs before the recession and we actually had one with our largest litigation firm, but the recession just jumpstarted that all. We are all being pushed as general counsel to cut costs and lower expenses and the largest expense that we handle usually is legal fees. A company would be remiss if it did not look at that. An attorney named Mark Wilson from Texas has done great things with this type of litigation arrangement. It is a great process. One of our core values is really honoring our partnerships with our vendors and providers and I consider law firms those and so it has been an opportunity to really deepen those relationships, because I always say nobody should take a bath in these arrangements. We should really look at it as an opportunity because they are losing business; a lot of companies are leaving the big firms and going to the boutique firms and the smaller firms. They are feeling the crunch unless the issue concerns an administrative practice like anti-trust or something like that. They are looking to do more business while we are looking to do smarter business.

Q. I find that people, especially newer business school graduates, are more willing to take a fee cut for a more wholesome job experience. It appears that with Whole Food’s commitment to its consumer base, to local business stimulation, to producing attractive and healthy products, and now to backing micro financing on the world stage, Whole Foods is expanding its message.
I am on that board. That is one of the favorite things I do here, Whole Planet Foundation. We have an amazing website and it has some beautiful stories about Whole Planet. It is one of my pet projects. One of the authors of Banker to the Poor, Muhammed Yunus, is a part of Whole Planet Foundation.

Q. So you began your career in Chicago helping business and law firms start up. How did you get to Whole Foods and to Austin, Texas?

I had a couple of larger clients and they both decided they wanted to take their work in-house. So I had to make a decision. Was I going to look for new clients – budding entrepreneurs – or was I going to go in-house...which was really something I was training myself to do? I decided that if I wanted to go in-house, the schedule had to coincide with my home life... my son had just left for college and my husband had just received a promotion where he left at 5 o'clock in the morning and didn’t get back until 8 o’clock in the evening because his office was an hour and a half away. And, of course, there was the Chicago traffic to consider. For the first time in my life, I was alone and so I could do anything I wanted to. I started doing some research regarding companies because I am very mission-based; the conscious capitalism movement was and is something that I am very passionate about, and so I knew if I was going in-house, it would have to be a company that was aligned with my values. After researching a bunch of different companies and talking to several company representatives, the light bulb went off. Whole Foods Market actually sat on the other side of a real estate deal so I knew a little bit about the organization from a legal standpoint. One of the things I knew its founder John Mackey firmly believed, in his own words, was that: “I will never have a lawyer working in this company at least not practicing law.”

Q. Has he been the CEO the whole time Whole Foods has been in operation?

Yes, the whole time, he was the founder of the company. He founded the company with his then girlfriend and two other people, but he is the founder who remains. He has been our CEO the whole time; he has been a good friend as well as my boss. I knew I had my work cut out for me and so I talked to my family about this and said that this was going to be a big shift but I have to be ready for this. You have to be willing to jump off the cliff for what you really want. This is a story that has followed me throughout my life...you have to be willing to fillet fish to get what you want. So I walked into the Whole Foods store where we shopped in all the time in Wheaton, Illinois and with my résumé said to the store team leader: “You are going to think this is crazy, but I want to work for this company.”
This is a time when Mackey said we don’t want any lawyers working for our company? And you are coming in with your résumé?

Absolutely. With my résumé and as owner of my own business. This was like the fourth business that I had owned. I really focused on my entrepreneurial spirit, my dedication to working hard, and being very value and mission-based personally in my life.

In researching those leaders I have dubbed “benevolent capitalists,” I have noted certain core common personal characteristics. There is an emphasis on values and mission-based operations. Their upbringings were greatly influenced by hard-working parents and extended family members who believed in “doing unto others as you would have them do to you.” There appears to be a common mentality impacted by faith or other spiritual factors. Each leader has described a life-changing epiphanal experience. These are the core characteristics I have found in these mission-based leaders who have really made a difference in the world. I am just wondering if we go back to South Bend, Indiana, your home town, how would you describe the personal influences that eventually launched you to where you are now?

I can honestly say that my upbringing was very family-based and the extended family was a part of my upbringing. My grandparents on my father’s side came here from Belgium and my grandmother on my mother’s side was just one generation beyond that from Ireland. We had a really strong sense of family and of values that were important – like treating others like you wanted to be treated and to have a sense of duty to integrity.

Was there a religious upbringing as well?

I wouldn’t call it that. I was raised Catholic and but wasn’t particularly religious. It was simple ethics and doing the right thing. The Catholic Church was definitely a part of that, but it was really how we lived every day. We were expected to do the right thing and we could talk to our parents about anything and so it was a really supportive loving environment.

Did your mother work outside the home?

She did, but she didn’t at first until right before we went back to school but yes, she did. She worked for Bendix that became Allied Signal in HR. My father was in sales after coming back from WWII. He worked in sales for 41 years.
Q. Do you recall any moments in your life that you would describe as life-changing?

I wouldn’t say there was one moment where I changed and became a values and mission-based person. It was just a part of who I was and how I was raised. And that is how I raised my son.

Q. As a native of South Bend, did you ever contemplate attending Notre Dame for either your undergraduate or law school education?

I applied to Notre Dame for law school. It was interesting because I studied there all the time. I was a single parent for 13 years all the way through law school. I actually took my son Dan to law school so often with me that he said, “I don’t have to go to law school; I have been there already.” He is 31 years old now and working for Whole Foods in this same building. But with respect to Notre Dame, it’s really ironic because my husband John is going to give a speech there on conscious capitalism in January and I asked if I could go with him. I think it will be interesting. Because I lived there, they said that they had enough people from South Bend attending already.

Q. Sort of a residential quota system?

That’s what I asked them. Now they of course would probably not say it the same way. It was something that kind of stuck with me. Well, of course I needed financial aid at the time too which was also a factor. Valparaiso University and Notre Dame were neck and neck as potential choices for me, but the professors at Valparaiso were so fantastic and the student-to-professor ratio was one that I felt I could benefit from even though I had to drive an hour and ten minutes each way.

Q. So you have taken the Indiana Bar, the Texas Bar, and the Illinois Bar exams?

Illinois and Indiana. Actually, we are in a license process in Texas because I have an office in Chicago as well. I actually started at Whole Foods in Chicago and that store team leader could not give me a job and said there was nothing other than bagging groceries at that store. I would have done that but that is not exactly where I was headed. He said that there might be something in the regional office in Chicago that would probably be more in line with what you I did.
I have a funny story. I owned and ran a catering business all throughout school. I had been in the food industry since the 1970s during which time I had my own natural food company which was a co-op. That Whole Foods team leader said that there was a team leader position posted in the Lincoln Park store for seafood that was the highest paid position. I was told that I could apply for that position. For kicks, I told him I would send in my résumé to see what would happen. It’s funny because the team leader who was leaving – we still joke about this, he is still with the company – saw my résumé and sent it to HR because they had a new director in HR for the region and the region was about to have a real growth spurt and she needed help. She desperately needed help. Although she was a CPA who enjoyed HR, she needed assistance. She called me and said that she had spoken with the regional president and asked me to come in for an interview. I did so. So we spent two days talking, two full days and outlined all of the issues she was having, how she was dealing with them, what help she had, and what kept her up at night.

Q. And what did?

I think at that time the company had a real issue dealing with I9s, with the immigration laws, and also with uniformly applying HR policies. We are a very decentralized company so every region is empowered to be its own business. That’s a fabulous business model…no unions…but it is also challenging. We have a long history regarding unions, for sure. We are dedicated to remaining a non-union company, but our employees, our team members, ultimately choose and so the main thing we try to do is to educate them about their choices. With 55,000 team members, it is hard for everyone to understand everything they are entitled to, plus we have many, many people from different cultures working for us so we try and speak in ways and communicate with people in a sensitive manner. I think that it is a big challenge for everyone to really understand what all the benefits are and we try to make sure that they know and take advantage of them.

Q. And you believe that they are well taken care of?

Very much so. Keep in mind that we have 300 stores in three countries now – US, UK, and Canada. We just have many different cultures even within the United States. A lot of representation. It is different working in the store versus at one of our commissaries or kitchens or distribution centers where one really is able to effectively communicate with everyone else regardless of their own experiences. If you are a bagger downstairs and bag groceries you have a one-on-one customer experience, but if you are in the distribution center, you don’t really have that kind of experience and so being able to communicate with everyone and have them understand what benefits they have and be able to take advantage of them is really an important thing. That is probably the number one objective: taking care of our folks with integrity. Honestly, I think it is the best thing we can do regarding the situation.
Q. With a diverse workforce and store now opening up in Canada, do you foresee further expansion into emerging markets?

I can say right now we are focused on the UK and we’re growing in Canada especially with the Wild Oats acquisition with stores in Vancouver. Wild Oats was a company that we just acquired about a year and a half ago. Wild Oats, another natural food company, was started a number of years ago.

Q. Do you handle the acquisitions and mergers?

I am part of the team that handles the mergers and acquisitions. That is the one area of practice that I really still hold on to. The rest of my team members are all specialists in individual areas of law and I oversee them. If I am practicing law, I am probably not doing my job.

Q. You were the first attorney for Whole Foods then?

That’s right. I was the first lawyer in Whole Foods and in the region. I became known as the legal HR coordinator. So they were kind of hiding this fact. I did that for two years and I am really honored that I had that because to work in a region and shoulder to shoulder with the people, I now know as general counsel when I ask somebody to do something what it feels like to get that request, what they really have to do to implement something.

Q. Did you move from Wheaton?

I commuted downtown to Lincoln Park everyday and that region covers what we call “Ontario to Omaha.” So we had Wisconsin, we had Toronto, we didn’t have anything in Vancouver then, but we had all of Michigan. It was a big territory, a large region and it’s grown even beyond there. After two years, I was “discovered.” I actually had written a memo here to our CFO and to John, our CEO, and as well to another member of the executive team. I saw something that concerned me that was a risk to the company and it was a case that I believed needed to be evaluated. I was handling it on behalf of the region with outside counsel.
Q. Did this matter concern an employee, a supplier, a contract?

No, it was basically a case we had acquired in an acquisition. It had the potential to be a multi-million dollar case. I guess if you want the success story, we brought it to zero. All of a sudden, an optimistic, “Who are you?”

Q. Did you settle it?

Well, eventually, with the insurance company because it wanted them to exit. It was a battle, litigation you know it is our brand, but their wallet. You really have to walk the fine line and be in a really good relationship with our insurers. So that we have that kind of valued relationship, we work together and we did in this case and fought really hard to be able to get what we wanted. At one point, they wanted to do something different than we did, which happens from time to time.

Q. So this is when they really “discovered” you?

“Who are you and come talk to us in Austin.” So I did and became general counsel. That was in 2000.

Q. How long did that take after you moved to Austin? Was it automatic?

No, I interviewed for the position. Before that, there were no lawyers, only outside counsel. They offered me the job within a couple of days.

Q. Were you married at that time?

Yes, my husband and I celebrated our 18th anniversary.

Q. So was he on board?
He loved it. It is interesting because I have been coming down to Austin since this is the international/global headquarters. I got him down here right away and showed him Austin and in a way I knew he would love it. It was summer, triple digit temperatures, when we moved here. I will never forget because I called my mother and I said, “I think Gap T-shirts are thinner down here, because I am wearing one from Chicago and I am hot.” She said, “Honey, get used to it.” So anyway, I was the only lawyer in the company for quite awhile, so I developed an outside counsel team making it seem to be an in-house counsel team.

Q. How many attorneys do you have with you now?

Now there are five. There are twelve people on my team; we have paralegals and support personnel and combined, they are a powerhouse. Every single one of them is great.

Q. How many of them are female?

I should know this off the top of my head, let’s see we’ve got…. You mean attorneys or who we have on the team?

Q. Starting with attorneys and then overall employees.

We have a lot of women; Alicia, Carol, Sarah (is not an attorney, but an administrator - a contract administrator) and a paralegal. It is kind of half and half.

Q. How about upper level management?

We have quite a few. Our CFO is a woman, Glenda. Our Vice President of Investor Relations is a woman (Cindy), as is our head of Quality Standards (Margaret Wittenberg). We have another Global Vice President who is part of Growth and Business Development (Betsy Foster). I work with her a lot in mergers and acquisitions.

Q. Is this a conscious effort to bring on more women?
More so in recent years especially on the Regional President side; those who are in charge of the region. So we have two Regional Presidents out of twelve who are women now: one in the Northeast which constitutes a tri-state area (Manhattan) and another in Boston.

Q. And the pay scale? If you were to compare the pay scale of Whole Foods with that of another Multi-National Corporation (MNC), what would be the result?

Our women are paid equivalently to the men. However, I think that while we try to be close to market practices, we have a reputation for paying less. Certainly that is true with respect to this team, but one of the things that frankly is the offset here is that if you work here, the benefits and that you are working for a mission-driven company that actually does what we say we do is the offset. You are not paid certainly as much as a law firm and you are probably not paid as much as you can make in a corporation in Chicago, but there are these other factors to consider.

Q. Let me throw a few irons in the pot here and play a little bit of a devil’s advocate. A recent Wall Street Journal op-ed written by John Mackey has created quite a stir. In fact, there has been a call for somewhat of a national boycott of Whole Foods. I just wanted to elicit your perspective on statements that were printed with respect to new health care legislation. Mackey stated with respect to ensuring that all American citizens had access to health care that the discussion should rather be ―that every American adult is responsible for his or her own health.‖

What I can comment with respect to John’s statements to the Wall Street Journal is to quote what he said: “I didn’t realize it would generate that level of response.” I think the Wall Street Journal said that it was the most responded to op ed piece in its history, which he didn’t expect. It really did bring people out in a big polarizing issue and he was not intending to speak on behalf of the company, per se. He is very passionate about certain things and is not afraid to talk about them when he is asked to do so.

Q. And what about the cost of products of Whole Foods? Why are the locations of the stores situate in relatively wealthy areas where the poor have no access nor financial means to partake of its products? How can poor people – with respect to Mackey’s statement that people can control their health problems such as diabetes, heart disease, with better diets – come to fruition without this type of financial and geographical access?

I think there are a lot of questions within what you just said and I think that John is certainly not against healthcare. We have some enormously generous benefits within
this company and I think that what John — and I am not going to put words in his mouth — but from conversations that I have had with folks about this topic — not just within the company — is that the piece that sometimes gets lost is self-responsibility for one’s healthcare rather than the government paying for a plan that is supposed to be for everyone. I think that our healthcare plan reflects that and I don’t know how much you have read about our healthcare plan ahead of time. It really has changed the way we spend our dollars personally for healthcare.

Q. But with so many families, it is a cyclical thing. So many people are embedded in certain lifestyles due to limited resources and education. It’s hard to break out. Many have no choice.

I really shouldn’t comment much more on what John put in his op ed piece; it’s his personal viewpoint. I think that one of the things that is going to be announced in January (2010) is our Healthy Eating Initiative and John has made mention of this publically. It does address one of the other issues that you brought up a moment ago which is educating team members and customers about the value of healthy eating and changing your diet.

Q. But without the financial resources...

I am saying “everyone” because you don’t need to be wealthy to eat well, you really don’t.

Q. So if you are just educating your customers and your employees, how do you deliver this message to poverty-stricken areas right outside our back doors?

I understand that. I think that is something that we will have to evolve over time. We know that for any initiative to be successful at Whole Foods Market, we have to start with the people that serve you in the store. If they aren’t experiencing the value of healthy eating, then they are not going to be able to articulate it to you. So that is who we start with always. It’s a learning process. For example, we talked about this foundation a little bit ago, and we have a number of projects in countries where we provide products. Our team members have said, “How about this area in the United States? Helping people there?” So they become the inspiration for us to start more of these outreach programs in the US.

Q. With what the company already does with local farmers in terms of purchasing their produce and encouraging them to with compost could be spread across
the country. If the farmers then start bringing some of their produce to a farmer’s market in the middle of places, like Gary and Newark, then there would be a healthy alternative to the local 7-11. In this way, the loop would be closed.

I can say right now those are all things that we talk about. I can’t say that this is first and foremost on our growth and business development plan as we have to generate a return on investment as a publically traded company to be able to make those stores viable. However, I can say that we are always thinking of new ways to implement our mission and the Healthy Eating Initiative is going to be one that will benefit a lot of people. We shifted America’s thinking, I think, about how people perceive and purchase organic produce over the last 31 years. I think the next thing we are going to do is really help educate people and will find ways to do that because I think those ideas will come from our team member base and population on how to plan outreach programs for people that don’t currently walk into our stores in Lincoln Park or Austin or Manhattan or even Omaha, Nebraska. It will definitely have a web presence but that doesn’t address, and I am very sensitive to this, the single mom with eight kids who is probably not sitting there on the Internet because there is no Internet. However, the people that she talks to in Social Services have access.

Q. So really government workers at all levels need to be trained in this way.

It really goes back down to our roots...who we are. It reminds me of that little co-op, natural food store I had in South Bend, Indiana near Notre Dame. What I did everyday was to teach people about whole foods, whole grains, things I was cooking everyday in that store. You don’t know how to make brown rice; well, now we have come full circle. Back in 1974 when I was doing that, people really didn’t know how to cook brown rice, and they have forgotten again, and so we are going to show them again. Teach them what kale is and how delicious it can be and how these nutrient-dense foods can make a difference in your life. It doesn’t have to be expensive...brown rice is not expensive.

Q. As the only industrialized nation that does not have a government-run, national healthcare system, it seems ironic that Whole Foods is now working in the UK and Canada that do have it. Could we at least have a government subsidy or tax credit incentive that would assist Whole Foods to open up stores in low-income regions? Or is Mr. Mackey simply opposed to any type of government presence?

I don’t think he is anti-government. I think that John’s frustration with the legal system is known to no one better than I, but I think that the reality of the situation is that every business has to operate within a certain framework to achieve its goals with integrity. The end result is that John believes that through conscious capitalism, and I do too, that you can have a business with a purpose that can do good in the world and still make money. The way that you have to do that is you have to honor all of the stakeholders. Through that then you have empowerment of the team members and are really honoring the customer as well as
your vendor relationships. Empowering those team members...remember, they are the ones that come up with some of the best ideas that we have ever done at Whole Foods Market. They are the ones who will help move this forward. This is because they will have lived in Gary or they will have someone who has passed from an illness and they are really passionate about it. I have seen it happen again and again as general counsel and working in the region side by side...it is inspiring.

Turning to the topic of sustainability. Are you looking at furnishing your stores with the food that will empower the local community, that is, are you trying to buy locally?

Absolutely, local involvement has been a huge mission for us for quite awhile. The decentralized model really empowers the regions to look for local products and we do that more and more. We also have a producer loan program where we will help folks who are local producers or producers for the company that might need a bigger greenhouse or they might need to somehow enhance their businesses to make them better, to make them greener, to make them meet our quality standards, and we have a whole loan program in place for their benefit.

So this affects more than just the agribusiness; it appears to be aimed at the whole global farmer family. So by working with local farmers, buying their organically-grown produce, what Whole Foods is essentially doing is more than conducting a business transaction; it is educating the farmer about the cessation of using toxins which seep into our aquifers and the use of organic fertilizers. Would that be an adequate representation of what Whole Foods does locally?

Our new Dedham store it really exciting. We were just talking about it last week with our national leadership team. It has the potential to be our first store to be 100% sustainable. It is going to provide its own energy; it is going to be solar. It is in Dedham, Massachusetts and that information is on our website. You know we already use wind power. We have a coordinator who is of this; she is part of the green initiative team. It really helps the store understand not only the return on investment for being greener, but how it can use innovative ways to make their stores — and their distributors — have less of a footprint.

We are really serious about this. You know Michael Pollan really had some factual inaccuracies about Whole Foods Market. John challenged him to a debate and it was held in Berkley, California, the year before last. They had to move the venue because so many people showed up. Here was a CEO of a grocery company and Michael Pollan, a journalist, debating. I think there were 3500 people who attended. You can actually see it on the web; there are excerpts from it...it is fascinating. John did a great job, Michael did a really great job and we all took something away from that debate. When John speaks about something he is really passionate about from his heart, he is such a visionary and so open; we all took
a lot of things away from that and learned a lot. He is not entrenched in his thinking but is always open to new ideas, new suggestions. The great thing about John is that he does speak from the heart most of the time, I would say, with rare exception. You don’t have to guess what he is thinking.

**Q.** What prompted him to enter into this type of business?

He wanted an opportunity for people to understand what healthy eating is and to put this to practice. Starting here in Austin, Texas in a really small way, he decided to start the great experiment which was Whole Foods. And look how far we have come.