



THE STOCK MARKET GAME

Ticker's Tales

Whole Story

They gathered in the fall of 1621 to give thanks for the gifts of a new land. Those who attended managed to grow the crops, catch the fish, and find the fowl that comprised their celebratory meal. Today, nearly 400 years later, the makings of our Thanksgiving meals come not from the sweat of our own brows but from grocery stores bursting with foods. One of them is Whole Foods Market.

Its story begins in 1978, when John Mackey and Rene Lawson Hardy, both in their 20s, borrowed from family and friends and opened a natural foods store in Austin, Texas.¹ Two years later they merged their store with a natural grocery store owned by Craig Weller and Mark Skiles. At more than 10,000 square feet, the new company, Whole Foods Market, introduced supermarket shopping to a natural foods industry populated by tiny stores. The company prospered as customers eagerly paid the higher costs of natural foods.

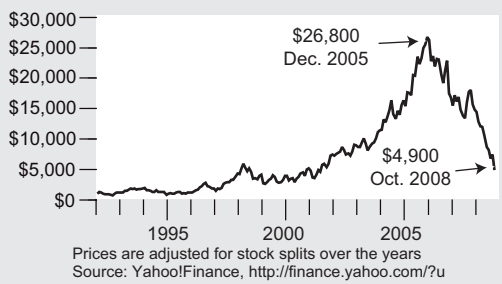
Whole Foods Market expanded during the 1980s by buying other providers of natural foods. By the end of 1991, its 10 stores and more than 1,000 employees made it the largest provider of natural foods in the nation.² In 1992 Whole Foods Market sold stock to the public for the first time, raising more than \$20 million to help fund its continued growth. It acquired a listing on the Nasdaq Stock Market under the symbol WFMI.

Whole Foods opened a store in Canada

in 1992 and one in England two years later. In 2007, it acquired Wild Oats Market, the second largest natural foods supermarket. Still led today by CEO John Mackey, the company now has 271 stores and total sales of more than \$6 billion.³ It is the world's largest retailer of natural and organic foods, environmentally safe household items, and other specialty products.

Growth of \$1,000 Invested in Jan. 1992

Jan. 1992 – Oct. 2008



Over the years, the stock grew faster than an organic bean stalk — until 2006, that is. In that year it began to fall as slumping house prices, a slowing economy, and rising food prices ate into sales of pricier foods. The stock has since tumbled even more as turmoil in financial markets pulled the whole market down.

1. Company History, Whole Foods Market, <http://www.wholefoodsmarket.com>.
2. <http://www.answers.com/library/Company+Histories>
3. Whole Foods Market, 10-Q Report, Aug. 15, 2008, <http://www.sec.gov>.

Write Now

Use a website, such as Finance.Yahoo.com or Hoovers.com, to identify companies competing against Whole Foods Market. What advantages or disadvantages does Whole Foods Market have in this competition? Do you think its stock is now a wise investment for the long term? Explain.