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**Ryan Mac**, Forbes Staff

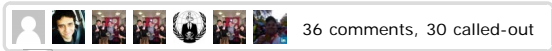
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# Bill Gates' Food Fetish: Hampton Creek Foods Looks To Crack The Egg Industry

*This story appears in the December 16, 2013 issue of Forbes.*



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It's 8 A.M. on opening day at a new Whole Foods in San Francisco's Castro neighborhood, and Josh Tetrick is just a little too excited for a guy hawking mankind's blandest condiment.

With fingers fidgeting he paces in front of an open-air fridge stocked with ready-made quinoa and kale salads and verbally pushes people toward his company's sample booth. The sell? Hampton Creek Foods' plant-based mayonnaise, which has been mixed into an Italian antipasto salad turned breakfast sampler.

"Come try our breakfast bruschetta," the blue-eyed, square-jawed Tetrick shouts at a millennial in yoga pants and neon running shoes. She turns and speed walks toward the



Hampton Creek Foods CEO Josh Tetrick pondering his company's latest scrambled "egg" product. (Photo: Martin Klimek/ Getty Images for Forbes)

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**Ryan Mac**

Forbes Staff

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I'm a San Francisco-based reporter and a member of Forbes' wealth team. I track some of the 1,645 (and counting) billionaires across the world and report on how they make and spend their money. I've worked at a number of publications including The New York Times, Bloomberg News, The Bay Citizen, The Orange County Register and the Half

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checkout line.

While Tetrick, Hampton Creek's CEO, hasn't been able to persuade everyone, it's the type of people he has convinced that has the San Francisco food startup turning heads. [Bill Gates](#) is a backer, handpicking the company as one that could change future food production. Tetrick has raised \$6 million to date from the likes of [Peter Thiel's](#) Founders Fund, [Vinod Khosla's](#) Khosla Ventures and environment-friendly billionaire Tom Steyer. Newly turned vegan Al Gore is also circling.

To Gates and the others, Hampton Creek's value is in its multibillion-dollar opportunity to make the egg obsolete, replacing it with a plant-based formula that is cheaper, cholesterol-free and more humane. It's Silicon Valley solutionism at its finest, focusing entrepreneurial flair and science on an industry not known for innovation.

"Food to me is broken for a lot of reasons, but the best sort of manifestation of that is the world of intensive animal agriculture," says the 33-year-old Tetrick. With a slight southern drawl, he speaks with a particular distaste for the egg industry, notorious for caging and force-feeding beakless chickens and burning through resources.

But the company sells itself on economics as much as on environmental stewardship. The ratio of energy input to food energy output for chicken-laid eggs is about 39-to-1, behind only beef and lamb farming. Hampton Creek's plant products maintain a ratio of 2-to-1. That translates into direct cost savings: Its egg equivalents cost 39 cents a pound—almost half of its chicken-begat counterpart. As for the mayonnaise, the final product, mixed with lemon juice, vinegar and other ingredients, costs Whole Foods 10% less than regular mayo. "Hampton Creek is taking on an entrenched industry that has been doing business the same way for years. [The company has] a core technology that is fundamentally more affordable," says Khosla.

For now the company has only the mayo but will begin selling egg-free cookie dough in February. FORBES estimates Hampton Creek has garnered less than \$1 million in revenue in about a month of selling goods to consumers.

Tetrick's progress isn't bad for someone who graduated third from the bottom of his high school class. Hailing from Birmingham, Ala., Tetrick grew up on a steady diet of chicken wings and buttered biscuits with the hopes of playing professional football. The son of a hairdresser, he walked on to [West Virginia University's](#) football team, playing linebacker for a year and a half before realizing that academics was a better way to climb above the poverty line. He transferred to Cornell, where he graduated top of his class. After getting a law degree from the University of Michigan in 2008, he worked on climate-change strategy and started a now defunct site called 33needs, which raised money for social ventures.

Tetrick, who turned vegetarian in college, had often engaged his childhood friend Joshua Balk on the ethics of food production. Balk, director of corporate policy at the Humane Society, would often tell Tetrick how food companies wanted to be animal-friendly but were more eager for a cheaper egg product that didn't compromise on taste. That was all Tetrick needed to

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hear before he dropped \$37,000 of his own money into a startup he named after Balk's dog in 2011.

"The odds that this guy would be working on an animal-friendly, environmentally friendly project are probably pretty interesting," says Khosla Ventures partner Samir Kaul, who seeded Hampton Creek with \$500,000. "He has been a tough, gritty guy his entire life."

Fast-forward two years and Hampton Creek Foods is one of the many startups nestled in the former warehouses south of San Francisco's Market Street. Instead of a space filled with software developers working on Macs, Hampton Creek has biochemists poached from Unilever and Otis Spunkmeyer rubbing elbows with chefs cooking up French toast and cookies from the vials of yellow pea and sorghum solutions. Hampton Creek has examined the molecular properties of 1,500 types of plants to find species with the best characteristics for emulsifying into mayo or congealing in a hot pan like scrambled eggs.

Those results—and subsequent publicity—have traditional egg producers on the defensive. The American Egg Board began an educational campaign in October with the attempt to persuade consumers to "Accept No Substitutes." President Joanne Ivy maintains that the campaign was not directed at Hampton Creek, and indeed, egg substitutes such as ConAgra's Egg Beaters have been around for years. But those are often composed of fillers such as xanthan and guar gums. "Consumers want natural ingredients and a clean label," she says. "And there's nothing more natural than an egg."

Tetrick begs to differ, reading ingredients like organic sugar and canola oil off a label on his company's Just Mayo to prove a point. "Putting a female bird in a cage in a space so small that a female bird can't flap her wings for two years, I find that the antithesis of natural," he responds.

Validated originally by certain regional Whole Foods locations, Just Mayo is now in 120 stores and will be available nationally by year's end. If talks go

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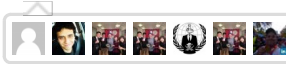
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according to plan, the mayo may find its way onto the shelves of another major supermarket by early next year. Tetrick is in negotiations with a giant fast-food chain to use its mayo as a condiment, but success there is contingent on Hampton Creek's mayonnaise coming in cheaper than the incumbent. Similarly, a joint research venture with [General Mills](#) is exploring if Hampton Creek's concoctions are up to snuff for a corporation that oversees brands like Betty Crocker and Pillsbury.

Mayonnaise, an \$11.3 billion global market, could be just the beginning. A shelf-stable cookie dough is due out in February, with another formula in the works that is meant to mimic scrambled eggs when cooked. That's a \$42.5 billion market dominated by corporate farmers and their hens. With billionaires watching his work carefully, Tetrick and Hampton Creek are just hoping to avoid laying an egg on their way to saving the planet.


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**bodo** 3 months ago

Nothing against San Francisco or its food, but with everybody dieting who eats mayonnaise any more?

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**Yan Krendel** 3 months ago

that's exactly the reason why it's not included in diets. Because it has saturated fat and cholesterol.

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**Josh Tetrick** 3 months ago

Over \$11B in sales last year – and growing...

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**Josh Tetrick** 3 months ago

That is the case for most. Although when you opt to use a plant (instead of a caged-chicken egg) you have the added benefit of removing the cholesterol component entirely.

✓ Called-out comment

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**Gear Mentation** 3 months ago

An egg substitute is great, as long as it has at least as much balanced protein.

✓ Called-out comment

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**Josh Tetrick** 3 months ago

Plants contribute over 60 percent of the per capita supply of protein around the world. Closer to the Hampton Creek HQ (In North America) animals contribute about 70 percent of our protein. The plants we use have it – without all of the issues (environmental degradation, food safety, and those rising prices).

✓ Called-out comment

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**Joseph Brunner** 3 months ago

News flash to liberals and treehuggers: God created eggs over billions of years. Its the perfect protein and Lutein source. We don't want your do-gooder plant goo substitute. Oh, and we really dont care if getting a dozen eggs for our breakfast melts your precious polar ice caps... learn to swim.

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**Josh Tetrick** 3 months ago

God also created plants, I think :). And we think it's a beneficial thing if more people can eat more affordable food that, oh by the way, happens to be a bit better for the environment.

✓ Called-out comment

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**Daris Hopkins** 1 month ago

eggs may have been formed over billions of years, but it was by evolution, not god. i'm pretty sure the common belief (according to the bible?) is that god created the universe a few thousand years ago, not billions. so you're kind of contradicting yourself, not to mention your implication that god wouldn't care if we destroy the earth. anyway, eggs aren't perfect, and it's kind of weird that we eat them at all, but as far as goo goes, i think plant goo sounds more appetizing than animal goo.

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sap3000 3 months ago

It's really refreshing to see innovations starting to take place where its needed the most : human foods. When we say "agricultural sector" -it almost instantly sounds like " yet another industry bend on making profits at the end of its days." Now,if we started focusing in our minds all the time when it comes to our human survival must haves, then the right word going into minds needs to be : human foods. There are lots of other " human related industries" that needs same level of innovative thinking that can bring out environmentally sustaining way of doing things on this planet for next decades and beyond. But our present state of " Human Food" industry, from planet based,meat based, and aquaculture industry is ripe for new way of creating sustainable innovative healthy foods, and it's very much needed as the world population continuous to add millions of new humans every year. I am still waiting to see who builds world's first " mega human foods city" -a city of futuristic high raise buildings to grow everything imaginable." Human future starts becoming more much exciting if we start tweaking our human brains a bit more every day.

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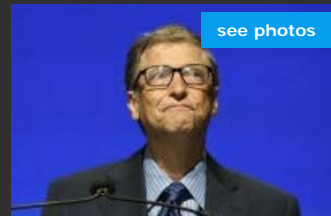
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