

Grocery delivery startup Instacart raises \$210 million from investors

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Grocery delivery startup Instacart has raised a bumper crop of \$210 million from investors.

The San Francisco company plans to raise an additional \$10 million in its latest round of fundraising, which would bring the total sum to \$220 million, according to a securities filing. That would value the company at about \$2 billion, tech news site Re/code said.

Instacart is just one of many [delivery](#) startups that have cropped up in recent years to cater to time-strapped shoppers who will pay for convenience. This year, GrubHub, the owner of food delivery service Seamless, raised \$192 million in its [initial public offering](#). Amazon.com just launched a one-hour service in Manhattan that will fetch more than 25,000 "essentials" to customers within 60 minutes.

Venture capital funding is pouring into the space. More than \$1.6 billion was invested last year into food-related tech companies, up 33 percent from \$1.2 billion in 2012, according to a report by consulting firm Rosenheim Advisors.

Instacart shoppers browse online and pick out groceries at supermarkets that have partnered with Instacart. Once an order is placed, Instacart dispatches a "personal shopper" who will polish off the list and then deliver the bags to a buyer's doorstep.

The startup is also testing an in-store pickup option at some Whole

Foods stores in Boston and Austin, Texas, where shoppers embedded on location will package orders for customer pickup.

The first order is free; after that it costs \$5.99 for one-hour delivery or \$3.99 for two-hour delivery when buyers spend at least \$35. Customers can also buy a \$99 annual membership to receive free delivery on orders over \$35.

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