Farm to Table

GUIDE FOR FARMS

ILLINOIS STEWARDSHIP ALLIANCE
Local Food Matters

About this guide

Many Illinois farmers and producers can benefit from selling to the food service industry. In this guide find you'll find what it takes to start selling to restaurants, what chefs and others are looking for when buying from you, and firsthand accounts from farmers already selling to the food service industry. This guide was informed by an Illinois Stewardship Alliance survey of more than 100 Illinois farmers and chefs, interviews and extensive research.

Moving beyond the farmers' market and CSA

Why should you sell to restaurants in the first place? Half of all consumer produce sales happen in food service establishments. That means that no matter how many farmers' markets you go to, how many CSA subscriptions you sell, how many farm stand sales you do, you are still only reaching half of the market. As the demand for locally grown food rises, restaurants and other food service establishments are a prime, reachable market. The National Restaurant Association listed locally sourced meats and seafood and locally grown produce as the top two responses for their "What's Hot" chef survey for 2013. Selling to restaurants provides a flexible way for producers to grow their business and meet a growing consumer demand.

"This thing is going to keep on exploding. I don't see it backing off at anytime. There's lots of room for new farmers to come into it," Stan Schutte, owner of Triple S Farm outside of Stewardson, said. Shutte's meat products can be found on the menus of restaurants from Chicago to St. Louis.

But there are three general obstacles any grower or producer has to recognize and either overcome or work around to become a likely partner for restaurants.

Availability

Chefs can go to large distributors, put in an order for several hundred pounds of a vegetables or a particular cut of meat, and know that quantity won't be an issue. Large distributors have the luxury of getting their supply from many farms across the country and even from other continents.

Know that to sell to restaurants, you may need to provide large quantities consistently. Talk with colleagues who are already selling to local restaurants. Talk to chefs and find out just how much you might have to ramp up your growing efforts to meet the demand. Talk with your potential buyer about the kind of quantities he or she is using on a weekly basis so you'll know what would be expected of you. Also, try talking to chefs before the growing season so you can order seeds and plan accordingly. And remember, consistency is a major key to success. In an Illinois Stewardship Alliance survey, most chefs already using local food in their cooking said they use it in regular menu items more often than specials. That means they'll need a certain quantity delivered regularly.

Cost

The cost of locally grown food is generally going to be higher than that grown on very large-scale farms. You know this, but the chef might not. If questions about why your food costs more come up, emphasize the freshness of your product and its higher quality as selling points. Your tomatoes won't taste like cardboard. Your lettuce will be cut less than 48 hours before it's delivered to the restaurant's doorstep and have a longer shelf-life. Your eggs' yolks are a richer color because they are laid by well-cared for hens. Recognize that your product is likely going to cost more and prepare selling points to justify the higher cost.

Convenience

Traditional food distributors deliver produce and other products to the restaurant at the same time on the same day of the week. Local food might have to be bought at a farmers' market or picked up on the farm, taking the chef or one of his or her employees away from work that could be done at the restaurant. This might be unavoidable, but if you can figure out a way to schedule regular deliveries, you can increase the odds of landing more chefs as a customers. Another aspect of selling to restaurants that producers need to make as convenient as possible is ordering. Find out what ways individual chefs like to communicate and allow them to submit their orders that way. "I love being able to get emails with product lists and using it to plan out a week. Send out product lists, I guarantee you'll get responses." Robb Wyss, Chef of Illini Country Club in Springfield, said.

Reasons why chefs buy local

(from Illinois Stewardship Alliance survey)

- Personal belief
- High quality
- Freshness
- Relationship with growers and producers
- Variation in available food
- Customer demand

Creating and fostering relationships

You're already growing great produce or raising delicious animals or creating mouth-watering cheese. Farmers' market sales are doing well, and you might have a CSA, but now you want the steady, income-boosting sales to restaurants or others in the commercial food service industry. The first and most crucial part of getting a restaurant or other food service businesses' favor is developing a solid relationship.

Introductions

Like all relationships, the chef-farmer relationship starts with introductions. After doing preliminary research and determining which buyers best fit the size and style of your operation, introduce yourself. Remember, at this point you are selling yourself as much as you are your products. You could have the best tomatoes in the tri-county area, but if you're rude and unpleasant to the chef, they'll probably go to a different seller.

Homework

Do your homework. Go into any meeting informed about the style of restaurant, the approximate size of its clientele, the kind of specials the chef likes to offer, and anything else that might seem pertinent. Does the chef already source local? If so, what is he or she using? What do you grow that could easily be used in dishes on the restaurants menu? The more you know about the chef and restaurant, the more you'll be able to tailor a successful sales pitch.

Be Your Own Champion

As discussed earlier in this guide, your food is likely going to cost more than what the chef can get from a large distributor. Have a succinct answer prepared for the question "Why should I buy food from you when I can get it from my distributor cheaper?" Hit the highlights (better taste, fresher, better quality, longer shelf-life, any anything else that makes you stand out). Bring in some samples. It gives the chef a chance to see the difference in quality between what a large distributer can offer and what you can offer. It also shows that you are proud of what you produce. Plus, everyone likes getting something free, even if it's just a pint of berries or a pound of bacon.

Two-way conversation

Remember, this meeting isn't just about you. Ask the chefs questions and really listen to their answers. Is there anything they want to cook with but can't get right now? If there is, offer to grow it. Not only will you have a guaranteed buyer for that product, but your willingness to please them will go a long way in building a relationship.

Photo courtesy of Andira Crawford

Know your customers

Anne Patterson has been operating Living Earth Farm since 2001 and was a co-founder of the Good Earth Food Alliance. She's sold to restaurants in the Canton and Peoria area.

She's also a registered dietitian and former food consultant, so she knows both sides of the industry.

Patterson stresses the importance of doing homework before visiting a restaurant.

"I'd go visit the restaurant. I'd go eat at the restaurant. I'd know the menu. I'd know what they are looking for. Then I'd make an appointment and I'd go visit them. And I'd visit them in December and January and take a seed catalog and talk to them about trends, where they want to go," Patterson says.

Patterson says knowing that chefs have a fast paced work environment can help producers prepare for their initial meeting with the chef.

"Chefs are like doctors they're hard to get a hold of, they're hard to pinpoint, and you have to walk and talk at the same time," Patterson says.

Logistics

Logistics are defined as the handling of the details of an operation. Logistics play a huge role in making sure your operation runs smoothly, but as definition states, these are the details. They're the details that can easily get lost when in the process of starting a new venture.

Communication

The first logistic you have to address when selling to anyone is communication. Most jobs a producer does daily – planting, weeding, watering, milking and feeding – take place away from the office. But you still need to be accessible to chefs and restaurant managers. If you can't carry a cell phone on you, have one close by and check it regularly. If a chef knows he or she can get a hold of you to get a special order, they are more likely to give you their daily business too.

Chefs need to plan menus, and to do that they need to know what you can provide them with. Send a product list to your restaurant contacts at least weekly, if not more frequently, with your product availability and prices. If you have a limited quantity, let them know immediately to avoid frustration. If both producer and chef use it, email might be the best way to communicate. A producer can send out one list to 20 restaurants in a fraction of the time it would take to make individual calls to each restaurant.

While email reaches a lot of eyes without much effort, many producers generally do a combination of phone calls, in person chats, online ordering and emails.

Illinois Stewardship Alliance asked how often do producers give customers a product list

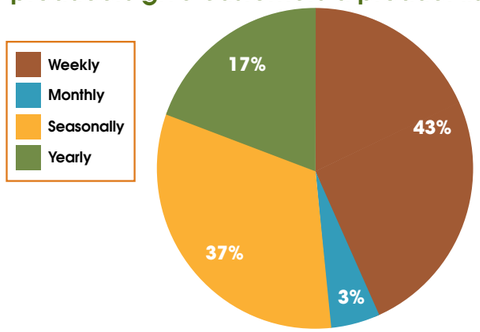



Photo courtesy of Andira Crawford

Delivery

When contemplating working with restaurants, remember that you're likely going to have to deliver to them; they're most likely not going to come to you. This will take time, and take you away from what you do best – produce food. And it will cost money. Make sure to factor in delivery costs when contemplating selling to restaurants. Most importantly, be consistent with your deliveries. If you say you're going to deliver on Mondays at 3 pm, do it. Missing this appointment can ruin any relationship you've built up with the buyer. Keep in mind that restaurants are typically very busy during peak dining hours, especially during 11 am – 1 pm for lunch and 5 pm – 9 pm for dinner.

There are a few things you can do to cut down on your delivery time. **First**, do all your deliveries on one day if possible. The fewer trips you make, the more time you save. Additionally, the fewer trips you make, the less fuel cost you're going to have. **Secondly**, think about setting a minimum order price before delivery. It's likely not worth delivering just two pounds of beets. **Thirdly**, talk to other producers who are doing business with restaurants and see if they would be willing to take turns delivering each other's goods. **Lastly**, there are plans to create food hubs around the state by several different organizations. Food hubs gather food from producers in a specific region, sort the food then deliver it to restaurants, schools and other buyers. See the resources page of the guide for more information.

Packaging

Packaging expectations are going to vary between buyers, but it can be an important detail easily overlooked. Talk with any chefs you are working with to find a way to package your product so they can easily store it (chefs are usually working with limited space), and you won't have to do too much extra work. The details of packaging (what the food will be delivered in, whether or not the farmer expects the packaging back, et cetera.) can usually be decided through a quick conversation.


Photo courtesy of Andira Crawford

Financials

As a producer, you also have to realize that selling to restaurants could mean a change in pricing when compared to selling directly to consumers. Don't automatically expect to receive retail prices for your product from restaurants. There are two general avenues to success in wholesale markets: selling large quantities of a few widely used products, or selling smaller quantities of very specialized products. In both cases, having consistent sales is necessary.

Competing with 'the truck'

Restaurants are likely getting their food from major wholesalers. We'll call them 'the truck' because the food is usually delivered in major semi-trucks. To compete with the truck, you have to do research.

"The farmer has to do his or her homework; you have to garner information from what those trucks are already selling. The farmer has to have access of what the going rates of individual foods are. You've got to do your homework," Anne Patterson, operator of Living Earth Farm, says.

Once you've done your homework you can price your products accordingly. Generally, you can ask between 5 percent and 25 percent more than what the truck is offering, depending on the product and the restaurant.

Billing and Invoices

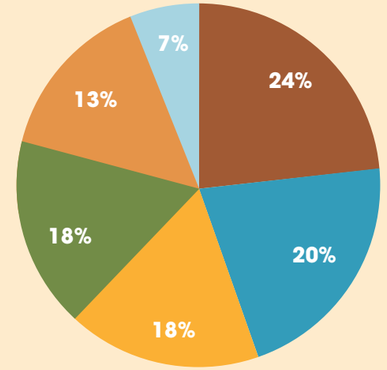
Many chefs and managers are used to having billing cycles of two weeks to a month. Realize that you might not get paid the day you deliver to a restaurant and plan your financials accordingly. This also requires a good billing and invoice system. Do some research into what an invoice for a restaurant looks like and imitate it. Also look at what a good way to record sales and bills paid looks like. This will be your record of who owes you want, and will ensure that your financials are in order. If a chef misses payment dates more than once, it's probably time to reconsider the working relationship.

Bits and Bites

For producers selling into the Chicago market, the United States Department of Agriculture's Agricultural Market Service provides daily updates about the market values of fruits and vegetables sold in Chicago. Visit http://marketnews.usda.gov/portal/fv for the tool.

The Leopold Center for Sustainable Agriculture has an online "Produce Profitability Calculator" that estimates the cost of starting or expanding vegetable and fruit sales to restaurants and others in the food service industry. Visit http://www.leopold.iastate.edu/cool_tools for a link.

Why Chefs Don't Buy Local Food



Stewards of the Land

Cooperative marketing and delivery streamlines orders for both chefs and farmers. Stewards of the Land is a group of 25 farms that works together to send a collective product list to chefs in Chicago and several central Illinois communities. This makes it easy for chefs to order from a number of farms at once and only handle one invoice, and one delivery. "It's kind of an incubator system. It allows bigger farms to move out and then enter new farmers." said Kris Travis Co-founder of Stewards of the Land and Owner of Spence Farm.

Good Agricultural Practices

Good Agricultural Practices, often referred to as GAPs, are guidelines to ensure farmers and producers are growing and handling food in such a way that minimizes the possibility of contamination. Most restaurants don't require GAP certification, though more and more buyers are asking for it each year.

GAP starts with a food safety program for your farm that covers potential risks in terms of health from the field to distribution. The Food and Drug Administration provides four specific guidelines for the handling of commodities (leafy greens, melons, tomatoes, and fresh cut fruits and vegetables). More broadly, GAP is usually broken down into four categories that need to be addressed.

1. Soil: Ensure that food is not contaminated during the growing, especially by manure and animal fertilizer.
2. Water: Ensure that water used at every stage postproduction – washing, cooling and processing – is of drinking quality. Irrigation water must also meet certain minimum standards.
3. Hands: Simply stated, good hygiene, both in the field and the packing house.
4. Surfaces: Ensure that all surfaces, from work surfaces to bins to transportation vehicles are sanitary.

Generally GAP certification is achieved through education, self-audits and third party audits. The key to compiling with GAP is record keeping about your soil and water testing, worker sanitation, and surface cleaning and sanitation. Organizations such as University of Illinois Extension and FamilyFarmed.org provide resources further explaining GAPs and providing record keeping worksheet examples.

Liability Insurance

Like any insurance, this is for when, for whatever reason, things go wrong. If someone gets sick from a food-borne illness while eating at a restaurant it is possible they could bring a civil lawsuit against the restaurant and the restaurant's supplier – you the farmer. Liability insurance is strongly recommended to manage your risks, and to protect your farm and business. At its most basic, liability insurance puts the financial responsibility for the most common civil suits on the insurance company. Cost and exact coverage vary from policy to policy. Like GAPs, liability insurance isn't an absolute requirement to sell directly to restaurants, but as the local food economy grows, more restaurants will be looking for things like liability insurance.

Photo courtesy of Andira Crawford

Top 5 items farmers are selling to restaurants

(from Illinois Stewardship Alliance survey)

1. Tomatoes
2. Onions
3. Lettuce or some variety of greens
4. Beets
5. Peppers

Photo courtesy of Dana Bueno

Resources

Beyond this guide there are many resources for producers wanting to supply restaurants with their food. Investigate them, study them and use them.

Buy Fresh Buy Local Central Illinois

Illinois Stewardship Alliance puts out an annual Buy Fresh Buy Local Central Illinois guide that lists local farmers and producers, as well as their contact information. It is a great way to market to chefs and others in the food service industry.

MarketReady

The MarketReady training program is based out of the University of Kentucky and offers a wealth of practical knowledge and how-to's about farm to restaurant sales. Make sure to check out their website for upcoming, in person training events. http://www.uky.edu/fsic/marketready/

Contact John Pike with the University of Illinois Extension at (618) 687-1727 or jpike@illinois.edu

MarketMaker

MarketMaker is a great online tool for finding restaurants and others in the food service industry in your area. It lets you narrow searches to specific cuisine types, restaurant types and menu details. It also allows you to advertise yourself on the website for free. http://www.marketmaker.uiuc.edu/

Food Hubs

Food hubs aggregate and process farmers' produce, and then distributes that produce to restaurants and others throughout a specific region. The Edible Economy Project is working on establishing a food hub in central Illinois. Check your area for food hubs.

USDA Good Agricultural Practices

The USDA provides many resources on GAPs , including examples and self-audit checklists. http://www.ams.usda.gov/AMSv1.0/GAPGHPAuditVerificationProgram

Illinois...Where Fresh Is

The Illinois Department of Agriculture sponsors a program to make people, including chefs, more aware of local food. The Illinois Where Fresh Is logo is part of a marketing campaign that can be used to help identify and sell Illinois grown produce at farmers' markets throughout Illinois. Visit www.agr.state.il.us/wherefreshis for more information regarding the free program.

"I like selling to restaurants. Chefs want to be on a first-name basis. They treat you pretty good. They want to be able to tell people about your farm and about how you're growing. People love that."

–Mike Butcher, owner of Good Earth Farms in Lynville

What chefs look for in food

(from Illinois Stewardship Alliance survey)

Regardless of who chefs purchase from, we asked chefs to rank what they look for in food. This is how they responded, with 1 being the quality they want from food the most, and 9 the quality they want from food the least.

1. Taste
2. Quality
3. Nutrition & Healthiness
4. Food Safety Certification
5. Locally Grown
6. Price
7. Personally know the producer or grower
8. Packaging
9. Ease of preparation

Acknowledgments

We would like to thank Illinois Department of Agriculture, United States Department of Agriculture, the Illinois Community College Board, University of Illinois Extension Business Innovation Services, The Lumpkin Family Foundation and the Illinois Department of Commerce and Economic Opportunity for their assistance in making this guide possible.

Thanks to the Farm to Restaurant Advisory Committee members:
Michael Higgins, Maldaner's Restaurant
Eloise Karlatiras, Chicago Green Restaurant Coalition
Jay Kitterman, Lincoln Land Community College
Dar Knipe, University of Illinois Extension
Margret Larson, University of Illinois Extension
Marnie Record, Lincoln Land Community College
Lisa Stott, Illinois Department of Commerce and Economic Opportunity
Marty Travis, Spence Farm

Additional thanks to Mike Butcher, Andy Heck, Anne Patterson, Stan Schutte, Garrick Veenstra and Robb Wyss

Cover photos courtesy of Dana Bueno and Andria Crawford

Written by Drew Thomason with help from Lindsay Record
Graphic Design by Julie Roland of *B.Creative Graphic Design*

About Illinois Stewardship Alliance

Illinois Stewardship Alliance (ISA) is a statewide non-profit organization with a mission to promote environmentally sustainable, economically viable, socially just local food systems through policy development, advocacy and education. We support food and farm systems where soils are treated as a precious resource, local food producers earn a fair, living wage, local food education is integrated into all levels of education, infrastructure is rebuilt to accommodate local food systems and good food is available to all.

Photo courtesy of Mandy Magill

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