Food Circles Networking Project

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Report Brief-Selling Local Food to Restaurants and Food Services: Why and How

Survey Shows Restaurants Want to Buy Local Directly From Farmers

A recent survey completed by the Food Circles Networking Project of local restaurateurs in Kansas City, Missouri showed a substantial interest in locally grown products. Out of a random sample of 200 Kansas City restaurants, 56 purchasers were available and willing to participate in the survey.

Only 39% of restaurants surveyed were using local products at the time of the survey, but the vast majority (93%) of those who not purchasing locally indicated interest in doing so. The greatest demand appears to be for fresh vegetables (47%), followed by dairy (32%), eggs (28%) and fruits (29%). Twenty percent reported interest in purchasing beef, 18% chicken, 12% pork, and 10% lamb. Also, 15% of the restaurants indicated fresh cut flowers as having appeal.

When asked about various marketing approaches, restaurants seemed to prefer a more direct and personalized relationship to growers. The purchasing system restaurants reported as 'very appealing' most frequently was direct delivery bv farmers/producers (58%), as opposed to delivery through a distributor (30%) or a fax/web based ordering system (18%). Convenience is also an important factor since few respondents were interested farmers markets (6%), buying on farm (14%), or at a supermarket (2%).

While 66% of restaurants reported cost as a very important factor in their purchasing decisions, 58% of those interested in purchasing locally produced products would be willing to pay more for them. On average, restaurants interested in locally produced products were willing to pay a 10% premium.

Kansas Study Analyzes Demand for Organic Food

Researchers at the University of Kansas analyzed available studies on consumer demand for local produce, organic produce and other Environmentally Identified Products

(EIPS). They found that the most typical EIP purchaser is young, white, female, single and professional.

The researchers predict strong demand for locally grown food – as well as organic – in eastern Kansas. In fact, in public presentations, researchers found an unmet demand for EIPs of about \$100,000,000 annually in the Kansas River Valley, from Manhattan to Kansas City. They caution, however, that many barriers remain for consumers to buy such food, including supply, distribution, labeling and marketing of locally grown or organic produce.

Check out the report at: http://www.ukans.edu/cwis/units/ippbr/resrep/

How Do I Know I'm Ready to Sell to Restaurants and Food Services?

Are you interested in these kind of potential markets? Answering these questions *before* you approach chefs and food service directors can make your marketing attempts more successful.

- Consistent Quality: Do I have a consistent product that I can offer all the time? Are my meat cuts the same size and weight? Are my products of similar quality over time? Do I use consistent recipes in preparing my value-added products?
- Price: Do I know how much my products cost me, and what profit I expect? Do I have a price list available? Is it clear and easy to read?
- Presentation and Labeling: Is the product properly packaged and labeled? Is the product visible to the customer? Is it attractive? Does the label meet federal Food Safety and Inspection Services requirements?
- Market Ready: Can my customer make one call to order products? Are my products available at all times? In what quantities? For delivery when? Is there a person available at the farm or cooperative to take orders? How will they be assembled and stored? Who will transport orders to the restaurant/food service and when? How are orders tracked? How are my orders paid for and when? How do I deal with credit/returns?
 - -- Adapted from Midwest Food Alliance