

Foodservice Expectations

by

Catherine Strohbehn, PhD, RD, CP-FS
HRIM Extension Specialist

From Your Garden to Our Plate
September 16, 2009
Sioux City, Iowa



IOWA STATE UNIVERSITY
University Extension

Objectives for Session

Participants will have an understanding of:

1. Benefits and obstacles direct sales of local food in various venues
2. Regulatory guidance for various types of local foods
3. Expectations for vendors by retail food services



IOWA STATE UNIVERSITY
University Extension

Your Farm Fresh Produce on Menus?



IOWA STATE UNIVERSITY
University Extension

Local Food and Sustainability

- Number 1 trend identified by Restaurants
- In the news – variety of publications
 - Cover story *Time and Newsweek* magazines
 - Kingsolver's book
 - Buy Fresh Buy Local Campaigns
 - U. S News and World Report – health section

IOWA STATE UNIVERSITY
University Extension

Many Drivers of the Interest

- Environmental concerns
- Economic development for communities
- Entrepreneurship for small to medium farms
- Backlash to "Corporate Farming"
- Food security/hunger issues
- Food defense – Known source of food
- Educational opportunities – *disconnect with food production at same time as keen interest*
- Social justice framework

IOWA STATE UNIVERSITY
University Extension

Beyond Farmer's Markets

Best markets to date

- Farmer's Markets (direct to consumers)
- Community Supported Agriculture (CSA)
- Independently owned, upscale restaurants

Emerging Markets

- Child Care
- K-12 schools
- College and University
- Assisted Living
- Nursing homes
- Hospitals
- Group homes



IOWA STATE UNIVERSITY
University Extension

Foodservices are NOT the same Differences in:

Ownership status: public or private
Independent or chain: national or regional
Self operated or contract managed
Scope of menu
Extent of preparation in house
Skill level of labor pool
Service style
Market niche

IOWA STATE UNIVERSITY
University Education

Independently Owned Upscale Restaurants

- Chef run production (*think Chef Alice Waters*)
- Philosophy many culinary programs – *it is all about the food*
- Customers are higher SES –
- Payment for product at door
- Flexibility
 - menu
 - pricing
 - procurement practices

IOWA STATE UNIVERSITY
University Education

Institutional Markets

- Benefits
 - Large volume/wholesale quantity sold one transaction
 - More time available to produce
 - Economies of scale
 - Educational opportunities - Exposure new foods
 - Promotion wider audience
 - Sustainable organizations

IOWA STATE UNIVERSITY
University Education

Farm to School Project



IOWA STATE UNIVERSITY
University Education

DECA, October 2007

Farm to School Goals



IOWA STATE UNIVERSITY
University Education

Drawbacks

- Established process and structure
- Defined organizational goals
- Procurement policies/procedures
- Vendor requirements
 - Apply as vendor
 - Insurance for product liability; producer
- Time to process/receive payments
- Prove value

IOWA STATE UNIVERSITY
University Education

Larger Retail Foodservice Organizations' Decision-Making

1. **More structure in place**
 - Organizational goals/philosophies
 - Set procurement policies and procedures
 - Identified vendors in place if corporate managed or chain
2. **Assurances of product quality and safety**
3. **Demonstrated need for market/justify cost**
4. **Alignment with procurement regulations if public funded (i.e K-12 school)**
 - must be sure all vendors have opportunity
 - product is safe (**servicing at risk populations**)
 - funds are used wisely
5. **Bid buying = more paperwork**

Foodservice Buyers DO see BENEFITS to Local Food Use

- Helps the regional economy
- Purchase smaller case packs
- Promote local vendors
- Unique varieties of products
- Good PR
- Fresher food
- Safer food

Source: Strohbehn & Gregoire (2001, 2002, 2004), surveys to buyers in various sectors of foodservice

Source: NIFF, Chase, 2006, on-line PP with audio



Perceived Disadvantages

(not in order)

- Year round availability of product
- Working with multiple vendors
- Adequate and reliable supply
- Consistent package size – product size
- Local and state regulations
- Order/Delivery methods
- Safety issues/liability
- Extra labor
- Costs



Iowa Producers' Perceptions

- Survey sent 2004 to 560 producers IDALs Directories
- 195 responses (35%)
- Most frequently sold products: tomatoes, onions and peppers (over half of producers)
- Least sold items: ground beef, ground pork and ham (less than 10%)
- Over a quarter (27%) had sold or were currently selling (25%) to local foodservice operations.
- The majority (82%) sold direct to consumers; 74% Farmer's Markets; 30% foodservices; CSA (14%)

Source: Gregoire, M., Arendt, A., and Strohbehn, C. *Journal of Extension*, February 2005: Iowa producers perceived benefits and obstacles in marketing to local restaurants and institutional foodservice operations.



Producers' Perceived Benefits of Selling Retail

- Supports local farmers
- Manager knows source of food/production practices
- Fresher food for customer
- Food travels shorter distance*
- Higher quality food
- Good public relations
- Higher nutritional quality*
- Safer food*
- Aid to local economy
- Plant fewer crops
- Reduction in marketing time
- Fewer buyers to work with
- * Evidence is not conclusive



Producers' Perceived Drawbacks

- Year round availability
- Lack of dependable market
- Ordering procedures of foodservice
- Ability to change price
- Ability to produce needed quantity
- Equipment and storage costs
- Knowledge of foodservices purchasing
- Availability of proper packaging
- Payment procedures
- Food safety assurances
- Liability issues



What have been Deal Breakers?

- **Cost**
- Quantity needed
- Reliability of supply
- Food safety assurances
- Paperwork
- Payment
- **Regulations**

IOWA STATE UNIVERSITY
University Extension

Cost is an Issue

- Local products higher due to economies of scale and lack of infrastructure.
- Concern of institutional foodservices on fixed budget (*i.e. schools about \$.70 cap on food cost per lunch – so tie into curricula and/or provide an added value*)
- Project by Sharma et. al (2006)
 - Attempted to *quantify actions* of foodservice patrons, not *intentions*
 - Used Choice Experiments
 - PM1853e (*Local Food Connections: Economic Impact of Use in Restaurants*)
 - 2009 Sharma, A., Strohhorn, C.H., & Gregoire, M.B. Assessing costs of using local foods in independent restaurants. *Journal of Foodservice Business Research*, 12 (3).

IOWA STATE UNIVERSITY
University Extension

General Guidance for Foodservices

- Food Code 2005 - "Approved Suppliers"
- Approved supplier - Sellers' implied warranty that food is safe.
- Packaging must protect integrity of food and be approved food contact material.
- Attention to potentially hazardous foods
- Also focus flow from farm to foodservice

IOWA STATE UNIVERSITY
University Extension

Which foods in this sandwich are potentially hazardous?



IOWA STATE UNIVERSITY
University Extension



IOWA STATE UNIVERSITY
University Extension

Foodservice Procurement Regulations

- Some products require license and inspection at state or federal level:
 - fresh shell eggs
 - processed foods
 - meats and poultry
 - dairy
- Confusion about regulations – "Are we allowed to buy from a local farmer?"

IOWA STATE UNIVERSITY
University Extension



Fresh Produce Growers and Packers ARE Food Handlers !!!

IOWA STATE UNIVERSITY University Extension

What is Missing?



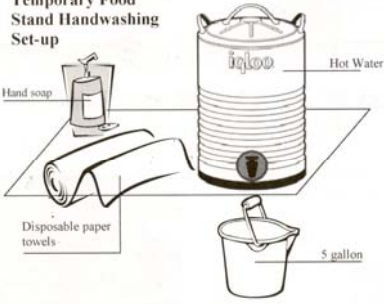
IOWA STATE UNIVERSITY University Extension

Proper Facilities, Education, and Training



IOWA STATE UNIVERSITY University Extension

Temporary Food Stand Handwashing Set-up



IOWA STATE UNIVERSITY University Extension

Foodservice Buyer's Due Diligence

- GAPS
- Water supply (*stealth ingredient*)
- Irrigation practices
- Testing program for water
- Packing procedures and materials,
- Health and hygiene of your employees

Note: In foodservices, not allowed to work if certain symptoms or diagnosed certain illnesses


- Transportation practices
- Insurance Liability



IOWA STATE UNIVERSITY University Extension

PM 2046A

Checklist of Questions for Foodservice Buyers



IOWA STATE UNIVERSITY University Extension

Reality Check: Busy Foodservice Buyers

- Wear many hats in their operations
- Put out multiple fires
 - no show employees
 - equipment malfunctions
 - late deliveries
 - internal strife, etc., etc., etc.
 - No time to seek growers
- A common theme has emerged in every study to date - *Purchasing must be user friendly!*
- Good news – Want to Include Local Foods

Farm to Foodservice: Making Connections

- Challenge is to communicate through the supply chain.
- Fewer links in food chain with Local Food Systems
- Producers/suppliers need to know their market and understand how product will be used – foodservices is NOT one size fits all

Understand Buyer Needs

- Product specifications
 - understand how product will be used
 - Identify specific name/cut/variety
 - quality characteristics
 - product size
 - **package materials**
 - number, wt or count
- Product delivery times and process
- Payment process/time frame



Understand Record keeping

- Importance of on-farm practices
 - documented potable water source
 - training employees food handling
 - Monitor worker health and hygiene
 - packing and storage processes of product
- Facility maintenance
- Cleaning and Sanitizing schedules
- Avoiding time-temperature abuse



Understand Cleaning and Sanitizing

- Product
- Hands
- Food contact surfaces
- Transport containers
- Protect product integrity
 - unintentional contamination
 - intentional contamination



Microbial growth on hands and aprons



Fingers after touching apron

Understand: Added Value

- Known source
- Production practices
- Education
- Promotion



IOWA STATE UNIVERSITY
University Extension

Publication for Producers: PM 2045

Want to know more?
Contact the person:

- **Hot Fresh Buy Local**
www.growfresh.com or hotfresh.org
- **City or county health inspector**
- **Food Alliance** - www.foodalliance.org/
- **Local Department of Agriculture and Land Use Agency** - www.agdepartment.com/
- **Local Department of Agriculture and Land Use Agency** - www.growlocal.org/
- **US Resource Development Center** - www.usresourcecenter.com/
- **US Food, Resource, and Business Management** - www.usfoodbusiness.com/
- **Leopold Center for Sustainable Agriculture** - www.leopoldcenter.org/
- **United Fresh Food and Beverage Management** - www.unitedfresh.com/
- **United Fresh Food and Beverage Management** - www.unitedfresh.com/
- **United Fresh Food and Beverage Management** - www.unitedfresh.com/

What producers should know about selling to local foodservice markets

DECA, October 2007

IOWA STATE UNIVERSITY
University Extension

DECA, October 2007

Resources – ISUE www.iastatelocalfoods.org

- Local Food Connections Series – PM 1853 a-e
 - *Farm to School, Farm to Restaurant, Farm to Foodservice*
 - *Use of Contract*
 - *Economic Implications*
- On Farm Food Safety Series – PM 1974 a-c
 - On Farm GAPS – checklist
 - Farm employees' health and practices
 - Cleaning & Sanitizing – product & food-contact

IOWA STATE UNIVERSITY
University Extension

More Resources

- **SafeFood® Handling on Farm** – workshop presentations and downloadable materials and publications – Leopold Center Project
- On-line Calculator – help determine price points
- Extension Publications available at www.extension.iastate.edu/store
 - Enter PM number in search box
 - Downloadable copies available

IOWA STATE UNIVERSITY
University Extension

LOCAL AND SAFE

- Economic, social and environmental advantages for producers, foodservices and community members
- Local sourcing is high profile
- Follow the “recipe steps” to connect with a foodservice
 - Keeps food dollars in your region
 - Encourages healthy eating
 - Keeps more farmers farming
 - Raises awareness of where and how food is produced

IOWA STATE UNIVERSITY
University Extension



**Bottom Line: Safe,
Fresh, Quality Foods**

IOWA STATE UNIVERSITY
University Extension