



Selling Local Food to Restaurants and Foodservice

Every day, millions of consumers, tourists and business travelers enjoy meals in one of Canada's 62,500 restaurants, cafeterias, and bars. Total foodservice sales will grow to more than \$50 billion in 2006. The average Canadian household spent \$1,777 at restaurants and bars in 2004 and the restaurant share of the total household food dollar held steady at 23.2% in 2004. These statistics suggest that there is potential for local producers to gain a share of the consumer food dollar spent on dining out.

Locally grown food is gaining popularity among chefs in many of the restaurants throughout Alberta. Chefs buy from local farmers and ranchers because of the quality and freshness of the food, good relationships with the producers, and the availability of unique or specialty products. Consumers are also becoming more interested in where their food is coming from and demanding local products when they eat out.

The obstacles chefs face in purchasing locally grown foods are related to distribution and delivery – getting the right product, in the right quantity at the right time. Some chefs find limited availability and seasonality of produce an issue but are willing to work with producers to overcome some of these obstacles.

If producers are considering selling into foodservice, there are a number of areas they need to pay attention to in order to secure an ongoing supply contract with restaurants. Building a relationship with the chefs who buy and feature your products on their menu is critical. "Farmers should not be afraid to come across as business-like and competent. You need to have a good phone ordering system – a cell phone, fax or 1-800 number, and be sure to call us back if we contact you", says one local chef.

One of the first key elements of selling into restaurants is unsurpassed quality of products and ingredients. **Quality and taste** is what chefs are interested in. They are willing to pay more for a quality ingredient because they know there will be less wastage in preparation and the products will look spectacular on the plate.

Quantity of supply is critical. You need to be able to accurately estimate the amount of product you will have and when you will be able to deliver it. Chefs don't like to be shorted out on an order and they especially don't like it when a producer doesn't show up or contact them if they have a shortage or are not able to supply the amount of products when promised. "Please do us the courtesy of calling us as far ahead as possible to let us know you can't deliver. We can substitute with something different if we know, rather than finding out this afternoon when I have my dining room fully booked and I was counting on your product for those meals".

How do I Know I'm Ready to Sell to Foodservice and Restaurants?

Consistent Quality: Do I have a consistent product that I can offer all the time (or for a specific period of time over the summer months)? Are my meat cuts the same size and weight? Do I only sell the best quality products and use the "seconds" for other purposes? Can I offer a value-added service such as sorting out vegetables like asparagus for length and thickness?

Price: Do I know how much my products cost me to produce and what profit I expect? Do I have a price list available? Is it clear and easy to read?

Presentation: Is the product properly packaged – in food safe containers that are clean and sanitized? Is there a set number of items or weight in each container to make it easy for inventory control? Is meat inspected and cryovaccated or packaged so it is easy for the chef to see? For value-added and processed products is it correctly packaged and labeled? Do I look clean and presentable when I am meeting with the chef or delivering product? Do I have an On Farm Food Safety Program (OFFS) that I follow?

Market Ready: Do I make an appointment to meet with chef well before the growing season to identify what new products the chefs need? Can my customers make one call to order products or do I phone them weekly to update them on availability of products and special orders? How will I transport my products and deliver them to my customers? How are my orders packaged and do I have minimum order requirements? What arrangements have I made for billing and order payment? How do I deal with returns or problems?

Know the Restaurant: If you are considering selling products to a restaurant you need to know what kind of food it specializes in. Have you eaten there? What are its signature menu features? How are the products featured on the plate? -number and size of vegetables, size of meat portion.

Most restaurants have pre-printed menus that change infrequently. That means they can't change the price that is printed in their menu just because their costs go up. If you have promised to deliver a specific size and weight of chicken breast and then suddenly start delivering products that are twice as big, the chefs will have to pay twice as much for a product that they can't recoup the cost on their menu. It also doesn't work if the chicken breast or lamb chops are all different sizes. This will affect the cooking times and restaurants cannot serve customers different sized portions when everyone pays the same price for their meal.

Marketing Strategies:

One way to approach restaurants is as an individual producer. Chefs like to see producers at their door and enjoy dealing with them one-on-one. However this takes a lot of time for both producers and chefs. Dropping off minimum orders at a number of restaurants is very time consuming and producers often reach a point where they may contract with a small distributor or hook up with other producers to coordinate delivery of products into a wide variety of restaurants.

Meeting Commitments and Being Responsive: After an account is established producers should stay in touch regularly with the customer to see how it is working out and if there is anything that needs to be changed. Being responsive to the buyer's needs is the key to maintaining and growing the relationship.

If you feel you are ready to access the foodservice market you can contact janice.mcgregor@gov.ab.ca or 780-968-3553

You can register your company and products in the Dine Alberta directory and receive a copy of the 5-Step Producer Marketing Checklist or download it from the website: www.dinealberta.ca