Many Illinois farmers and producers can benefit from selling to the food service industry. In this guide, 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 what would be expected of you. Also, try talking to chefs before you 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. The first and most crucial part of getting a restaurant or other food service business’s favor is developing a solid relationship.

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. To get the most out of your sales, chefs have a fast-paced work style and are looking for a supplier who meets their needs. Here’s what you need to know about what they’re looking for.

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 find a way to schedule regular deliveries, you can increase the odds of landing more chefs as a customers. Another aspect of selling to restaurants is to make it as convenient as possible for 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,” said chef Robb Wyss. “Send out product lists, I guarantee you’ll get responses.”

Availability

Chefs can go to large distributors, put in an order for several hundred pounds of a vegetable or a particular cut of meat, and have it delivered to the restaurant’s doorstep and have a longer shelf-life. 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.

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

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, what the chefs want,” 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. If you’re trying to get a meeting with the chef, they’re hard to get a hold of, they have to walk and talk at the same time,” Patterson says.

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Illinois Stewardship Alliance asked how often calls, in person chats, online ordering and emails. While email reaches a lot of eyes without much effort, make individual calls to each restaurant. A producer can send out one list to 20 restaurants in a fraction of the time it would take to communicate. If both producer and chef use it, email might be the best way to send 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.

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.

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, etc.) can usually be decided through a quick conversation.

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,” said Kris Travis Co-founder of Stewards of the Land and Owner of Spence Farm.

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 what, 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.

Why Chefs Don’t Buy Local Food

Don’t know who to contact
Price is too high
Seasonal availability
Quantity is not available
Local producers don’t know what I need
Satisfied with my current supplier

17% 43% 37% 3% 18% 24% 13% 20% 18% 24%
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.

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.ksys.illinois.edu/fisci/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.markettmaker.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/whererefreshes for more information regarding the free program.

What chefs look for in food

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

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

“...I like selling to restaurants. Chefs want to be on a first-name basis. ‘Hey, 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
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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.