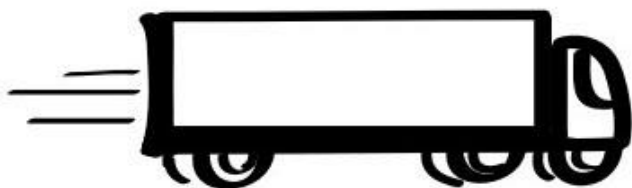


MarketReady™



Restaurant Sales

by Dr. Marco Palma, Dr. Luis Ribera, and
M.Sc. Daniel Chavez
Texas A&M AgriLife Extension Service

MarketReady

“Strengthening Local Food Supplier Capacity”, Dr. Tim Woods

The MarketReady Training program addresses the market development risks and relationships small farmers and ranchers must manage as they seek to develop supplier relationships with restaurants, grocery, wholesale and foodservice buyers. MarketReady seeks to educate and help food suppliers to design a better business strategy to succeed in today’s markets and continue to be profitable, in order to keep farming. The training is based around best business practices identified by buyers in these markets that are actively seeking to engage local suppliers.

This set of slides were developed based on the MarketReady’s reports and slides built by:

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Identifying supplier best practices

Interviews with over 150 buyers



What are consumers thinking?



The National Restaurant Association each year surveys professional chefs, members of the American Culinary Federation, on which foods, beverages, cuisines and culinary themes will be hot trends on restaurant menus. The What's Hot in 2012 survey was conducted in the fall of 2011 among nearly 1,800 chefs. See p. 13 for more information about the methodology.

Top 20 trends



- 1 Locally sourced meats and seafood
- 2 Locally grown produce
- 3 Healthful kids' meals
- 4 Hyper-local sourcing (e.g. restaurant gardens)
- 5 Sustainability
- 6 Children's nutrition
- 7 Gluten-free/food allergy conscious
- 8 Locally-produced wine and beer
- 9 Sustainable seafood
- 10 Whole grain items in kids' meals
- 11 Newly fabricated cuts of meat (e.g. Denver steak, pork flat iron, Petite Tender)
- 12 Farm/estate-branded ingredients
- 13 Food trucks/street food
- 14 Micro-distilled/artisan spirits
- 15 Artisan/house-made ice cream
- 16 Health/nutrition
- 17 Non-traditional fish (e.g. branzino, Arctic char, barramundi)
- 18 Fruit/vegetable children's side items
- 19 "Mini meals" (e.g. smaller versions of adult menu items)
- 20 Culinary cocktails (e.g. savory, fresh ingredients, herb-infused)

Top Trends by category



APPETIZERS

- 1 Vegetable/vegetarian appetizers
- 2 Ethnic/street food-inspired appetizers (e.g. tempura, taquitos, kabobs, hummus)
- 3 Charcuterie plates/samplers
- 4 Amuse-bouche/bite-size hors d'oeuvre
- 5 Warm appetizer salads

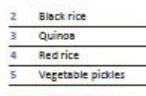


MAIN DISHES/ CENTER OF THE PLATE

- 1 Locally sourced meats and seafood
- 2 Sustainable seafood
- 3 Newly fabricated cuts of meat (e.g. Denver steak, pork flat iron, Petite Tender)
- 4 Non-traditional fish (e.g. branzino, Arctic char, barramundi)
- 5 Half-portion/smaller portion sizes

SIDES/STARCHES

- 1 Non-wheat noodles/pasta (e.g. quinoa, rice, buckwheat)



PRODUCE

- 1 Locally grown produce
- 2 Organic produce
- 3 Superfruits (e.g. acai, goji berry, mango-steen)
- 4 Exotic fruits (e.g. rambutan, dragon fruit, paw paw, guava)
- 5 Heirloom apples

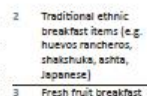


DESSERT

- 1 Artisan/house-made ice cream
- 2 Bite-size/mini-desserts
- 3 Savory desserts
- 4 Deconstructed classic desserts
- 5 Dessert flights/combos

BREAKFAST/BRUNCH

- 1 Ethnic-inspired breakfast items (e.g. Asian-flavored syrups, chorizo scrambled eggs, coconut milk pancakes)



KIDS' MEALS

- 1 Healthful kids' meals
- 2 Whole grain items in kids' meals
- 3 Fruit/vegetable children's side items
- 4 "Mini meals" (e.g. smaller versions of adult menu items)
- 5 Oven-baked items in kids' meals (e.g. baked chicken fingers, oven-baked fries)



ETHNIC CUISINES AND FLAVORS

- 1 Ethnic fusion cuisine
- 2 Peruvian cuisine
- 3 Regional ethnic cuisine
- 4 Cuban cuisine
- 5 Southeast Asian cuisine (e.g. Thai, Vietnamese, Malaysian)



Top 20 trends



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- 5 Sustainability
- 6 Children's nutrition
- 7 Gluten-free/food allergy conscious
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- 5 Heirloom apples

Presented by:



MarketReady™



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MarketReady Training Program Identifies

- Different sourcing needs for restaurants versus grocery/wholesale/foodservice
- Different issues facing meat, produce, fully processed items
- Basic business-to-business framework involved in both



TEXAS MARKETMAKER™

Linking Agricultural Markets



GO TEXAN.®



United States Department of Agriculture
National Institute of Food and Agriculture



- Reach more people than traditional advertising
- Cost effective – Inexpensive
- Able to measure the effectiveness of an ad
- Image of your company on the web – Legitimate business
- Versatile and Interactive
- Accessibility Every day, 24 hours, at last minute
- Word of Mouth
- Competition

<http://tx.foodmarketmaker.com>



Streamlining the Direct Marketing Process

SELLERS  **BUYERS**

- Savings for the BUYER
- More money goes to the FARMER
- Community and Economic Development
- Brand Loyalty

MarketReady Modules

- Best Practices Areas on:
 - Communication and Relationship Building
 - Packaging
 - Labeling
 - Pricing
 - Supply
 - Delivery
 - Storage
 - Invoicing
 - Insurance
 - Quality Assurance & Temperature Control
 - Satisfaction Guarantee
 - Working Cooperatively
 - Marketing – An ongoing process
 - Local Products for Local Markets



Communication

“Communication, Communication,
Communication”

- Producers need to understand chefs’ needs and feedback they receive from their customers
 - *“The plates are coming back clean.”*
 - A Chicago chef’s observation about a change in salad greens led one farm to developing their signature mesclun product



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Chef Expectations of Communication

- Chefs expect to be able to reach producers for their product needs **just as easily as they would reach wholesalers**
- Building an **open line of communication** is effective to building a business relationship of trust

“Some initiative (from the grower) is certainly helpful to me because it makes things easier. It’s great when someone can call me up and say, ‘This is what I’ve got, what do you want?’”



Communication

- The grower must take initiative to communicate with the restaurant
 - *“Successful growers create a line of communication between them and the chef.”*
 - David Rand, Chicago City Markets Farm Forager
- Clear communication only enhances the farmer-chef relationship—critical to developing the restaurant market and positive changes to a farm’s products
- Call ahead...months ahead!



Communication

- Invite chefs to the farm!
 - Ask them to come meet your family and your employees
- Food Miles
 - a term used to describe the distance food is transported from the time of its production until it reaches the consumer
 - 1,500-2,500 miles is the average that food travels



Communication

- AZUR Restaurant & Patio Beaumont Centre
3070 Lakecrest Circle, Suite 550
Lexington, Kentucky 40513
- tel: 859.296.1007
- email: info@azurrestaurant.com
- blog: azurrestaurant.blogspot.com
- facebook: [AZUR restaurant & patio](https://www.facebook.com/AZURrestaurant&patio)
- twitter: twitter.com/AZURrestaurant
- gps coordinates: N 38 01.018

W 84 33.268



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October 31st and get registered to win a
\$50 Gift Card!
Drawings take place every Friday.

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WWW.FACEBOOK.COM/DESHASLEXINGTON

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Best Marketing Practices: Communication

- ☐ I have spoken to the chef about the best way to **contact them** and have conversations about my product
- ☐ I understand that **growing relationships with chefs** is just as important as producing my products.
- ☐ I have access to email, websites, social networking sites, and other communication channels to discuss product orders and quality
- ☐ I am making the effort to connect personally with my customers to improve the conversation and the business relationship
- ☐ I present a professional and clean appearance when making business calls



MarketReady Modules

- Communication & Relationship Building
- **Packaging**
- Labeling
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Packaging

- Packaging Function: Protection, Education, Regulation...
 - Industry standard cardboard boxes are the produce package of choice for restaurants
 - Packaging depends on the product
 - No need to over package!
- “I don’t need mesclun mix in a plastic bag and a cardboard box.”*



Chef Expectations of Packaging

- Chefs are somewhat mixed about packaging standards
 - Talk to your chef specifically about packaging

“You need to wash and clean and pack produce to high standards for the chefs. You really need to pay attention to presentation even in the box. Wash your potatoes. Wash your turnips, carrots. Clean them. Wrap them in bundles, bunches, put rubber bands on them....”

“I actually don’t mind when I get a shipment of vegetables and stuff that’s still warm from the sun and still dirty—I mean, it doesn’t bother me...at least I know it’s fresh.”



Packaging

- *It doesn't matter so much to me if greens and specialties come in a plastic bag...We can deal with that if the quality and consistency is there.”*
 - Donnie Ferneau, Executive chef, Ferneau's, Little Rock, AR



Packaging

- **“How to use”** information may be helpful for specialty products
- **Labels add professionalism** and may be used to indicate delivery date, place of production, and contact information
- Use **weather-proof** materials



Packaging – Promote the Farm Brand



Packaging

- Producer may not have direct control over **meat and dairy product** packaging
- Coordinate communication between butcher/processor and chef
- Producers may need to educate chefs new to purchasing whole animals



Best Marketing Practices: Packaging

- ☐ I understand the typical industry standard packaging for the product I want to market and am prepared to deliver that kind of package to a restaurant
- ☐ I am prepared to possibly spend extra time packaging my produce to a chef's specifications and have accounted for my extra time in the product cost
- ☐ I have asked the chef how they want my product packaged
- ☐ I have access to standard size cardboard produce boxes
- ☐ I have developed relationships with processors that a chef can work with for my meat or dairy products
- ☐ I am prepared to show a chef the potential value for the restaurant in purchasing a whole animal or other larger quantities of product direct from the farm



MarketReady Modules

- Communication & Relationship Building
- Packaging
- **Labeling**
- Pricing
- Supply
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Producer Advice for Labeling

“Put a label on it! It’s all part of the professional presentation. Let the chefs know your product is professional.”

- Jody Hardin, Grady, AR



Labeling



- Labels communicate a professional product
- Labels should be weatherproof and not “get in the way” of the product
- Labels should include:
 - Farm name, logo, contact information
 - Labels may also include
 - Field source, harvest date, use information

Farm Branding and Logo Development

- Well-designed logos complement your farm brand
- Customers see logos almost as much as they see product
- Logos can be readily promoted on menus, table tents, websites, and other store media



Chefs Promoting Local Producers

Restaurant

Cantina

Bodega

Entertainment

Commissary

Producers

Our Story

Location & Hours



Green Edge Gardens

Shade River Farms

Integration Acres

Shew's Orchard

Pleasant Meats

Frontier Foods Cooperative

Equal Exchange

Ecofish

King Family Farm

Royal Blue Organics

Harmony Hollow

Athens Farmers Market

Minneapolis Farmers Market

Frankferd Farms

Marietta Brewing Company

New Covenant Farm

Sassafras Farm

Companion Plants

McGovern Honey Company

Sticky Pete's Maple Syrup

Spring Creek Natural Foods

Polly's Flower Farm

Alden Acord Junior

Indian Harvest

Columbus Brewing

Good Lakes Brewery



KING FAMILY FARM



NATURAL FOODS

OUR FAMILY & FARM • PRODUCTS • RECIPES • CUSTOMERS • TESTIMONIALS • FUND-RAISING

Labeling

- Processed, meat, dairy, wine...products need to meet specific legal guidelines and labeling requirements (state to state)
- Develop transferable labels for both retail and direct-to-restaurant sales
- Labels offer the opportunity to explain what terms like “certified”, “sustainable”, etc. mean regarding your farm and your products



Labeling

- All prepackaged Food Labels must include:
 - Common usual name of product
 - Name and Address of Manufacturer
 - List of ingredients in descending order of predominance by net weight.
 - Ingredient statements must be at 1/16 of an inch or larger.
 - Ingredients must include components of the ingredients. (i.e.: Enriched Flour (flour, malted barley flour, niacin, iron, thiamin mononitrate, riboflavin)
 - All certified colors must be identified in the ingredient statement
 - Preservatives must be followed with statement of use. (i.e.: Calcium Propionate (preservative))
 - Net quantity of contents including metric measurements. Net quantity of contents must be separated from other text on the label and must be located in the bottom third of the label.

DSHS, TDA



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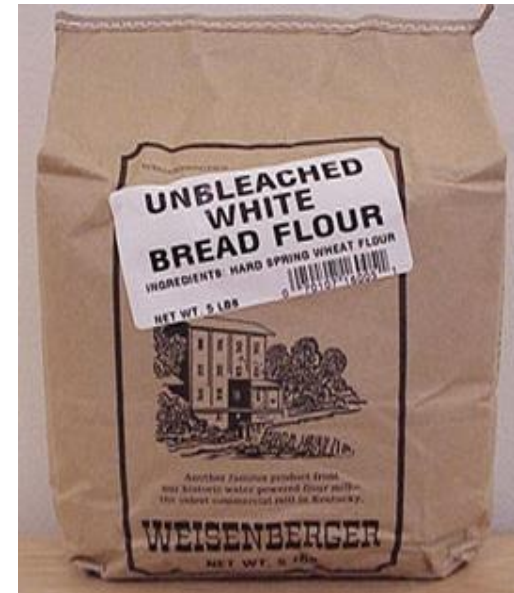


Labeling

- The Food Institute

<http://www.foodinstitute.com/>

- Labeling Requirements
- Nutrition
- Identity
- Ingredients
- Content Claims



Best Marketing Practices: Labeling

- ☐ I understand that labeling can help build my farm's **identity** and improve product presentation
- ☐ I have access to **water-resistant labels** that link my product with my farm but do not get in the way of product handling
- ☐ If selling meat, dairy, or processed products, I **understand my legal regulations for labeling** those products
- ☐ I have explained to chefs the terms like “certified”, “sustainable”, and other phrases and what they mean when used on my labels or product packaging



MarketReady Modules

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- Labeling
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Chef Expectations of Pricing

- Producer must develop an **ability to negotiate price**
- Do your homework ahead of time on **the market** and **your own costs**



Farm market vs restaurant prices -

“You tell somebody that you can sit under an umbrella at a farmers’ market and sell 100 pounds of tomatoes on a Saturday, or you can drop me 50 pounds of tomatoes, and I’ll pay you a certain percentage —less than what you’re gonna get at the farmers’ market—but they know that it’s one stop, it takes them 10 minutes to drop the product and get out the door....”

-Justin Dean, CEO, Relish Restaurant Group, Cincinnati, OH

Retail versus Restaurant Pricing



Pricing

- The major mistake producers make in pricing to restaurants is to assume retail prices will be competitive with farm markets
- Restaurants are a wholesale market—some may pay farmers' market prices
- Most chefs will tell you what they're looking at for non-local prices



Pricing

- Account for the cost of getting your product to the restaurant

“We see what the product is selling for wholesale, figure in fuel costs and our time, and that’s what we stick with.”

--Brian Stout, Dowagiac MI, Green City Market,
Chicago, IL



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Pricing

- Have some understanding of **what price your product can command**—don't rely on the chef for all your market information
- Have open **communication** with the restaurateur about price

Season-long Buying

"With pricing, the relationship is not a one-time thing—that's what needs to be understood. If you're willing to sell me tomatoes at half or three-quarters of farmers' market price, or whatever we agree to, I will buy tomatoes from you week in and week out for as long as your tomatoes are going to be in."

--Neal Gilder, Arbor Ridge Vine & Grill, Crestwood, KY



Pricing

- Quality of the long term relationship is about delivering value to the restaurant
- Be careful not to price yourself out of the market

“I can’t afford to serve an \$8-10 ‘local’ salad. It won’t sell.”

- Keep in mind why the restaurant would continue to regard you as a “preferred supplier”



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Pricing

Understand that quality and availability can greatly affect the price paid

- **Higher quality** may justify higher prices
- **Large quantities** may create a situation for discount pricing—but offering discount prices can allow you to move more product than normal in less time
- Know approximate **production costs**



Reference Wholesale Prices

- **Meat Carlot Prices:**

<http://www.ams.usda.gov/AMSV1.0/nationaldailysummaryreports>

- **wholesale Terminal Produce Prices, daily**

<http://www.marketnews.usda.gov/portal/fv>



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Pricing

- Using a **published price list**
 - Consider developing a weekly price list
 - Describe the product too!
 - Pre-season template for easy edits
 - E-mail or web-based delivery to buyers
 - Use easy order form template
- Chefs want to see **clear, fair pricing, reference prices**



- Sample menu

Grazin' Angus Acres
GHENT, NY

100% Grass-Fed & Grass-Finished Black Angus Beef
~Dry Aged for 21 Days~
NO Grain!

No Antibiotics
No Hormones
No Herbicides
No Pesticides
No Man-Made Fertilizers } We use Chickens & Legumes!

Black Angus Naturally Marble Better meaning Better Taste & Improved Health Benefits

CUT	\$/LB
Ground Angus	8-
Pre-Made Burgers	8.50
No Nitrates	
All Beef Hot Dogs	14-
Rib Eye Steak	23-
NY Strip Steak	25-
Porterhouse Steak	22-
T-Bone Steak	20-
Filet Mignon	31-
Sirloin Steak	18-
Hanging Tender	23-
Skirt Steak	15-
Flank Steak	15-
Flat Iron Steak	15-
Flap Steak	13-
Chuck Eye Steak	12-
Sandwich Steaks	10.50
London Broil	10-
Stew Meat	9-
Stir Fry	9-
Osso Bucco	12-
Short Ribs	7-
Brisket	9-
Roasts	9 & Up
Liver	6-
Heart	5-

Finished 100% Black Angus Meats
Raised Chickens & Eggs
Ghent, NY
GrazinAngusAcres.com



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Best Marketing Practices: Pricing

- ☐ I know I may not be able to charge a full “farmers’ market” price when selling direct to a restaurant or foodservice customer
- ☐ I estimated my costs of producing the products I will be offering to chefs
- ☐ I estimated the cost of delivering the product to the restaurant
- ☐ I have researched prices chefs in my area may be paying for wholesale products
- ☐ I understand why the chef might value my product more than wholesale products, and have discussed the benefits of my product’s quality, freshness, or locally-grown attributes with them.
- ☐ I am prepared to quote a price per pound that I would accept for my product.



MarketReady Modules

- Communication & Relationship Building
- Packaging
- Labeling
- Pricing
- **Supply**
- Delivery
- Storage
- Invoicing
- Insurance
- Quality Assurance & Temperature Control
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- Local Products for Local Markets



Supply

- Consistent volume/availability of product is often cited by chefs as a barrier to purchasing locally
 - Providing exceptional service in the case of crop failures or other challenges helps strengthen the farmer-chef relationship
- Producers should recognize different restaurant markets have different needs
 - Chains
 - Independents
 - Caterers
 - Institutions



Seasonal Promotions

- Start early!
 - Try to allow yourself to prepare 6 months in advance
 - Plan promotions / discounts thoroughly
- Know your product
 - How is it special?
- Know your Consumer
 - Why would consumers want your product at this event?
 - Who would want it?



Chef Expectations of Supply

- Most restaurants are interested in purchasing locally, but have experienced challenges in **product consistency** or **volume**
- Steady, **clear communication regarding changes** in product volume or quality are key to managing supply issues

“Volume is our biggest issue.”

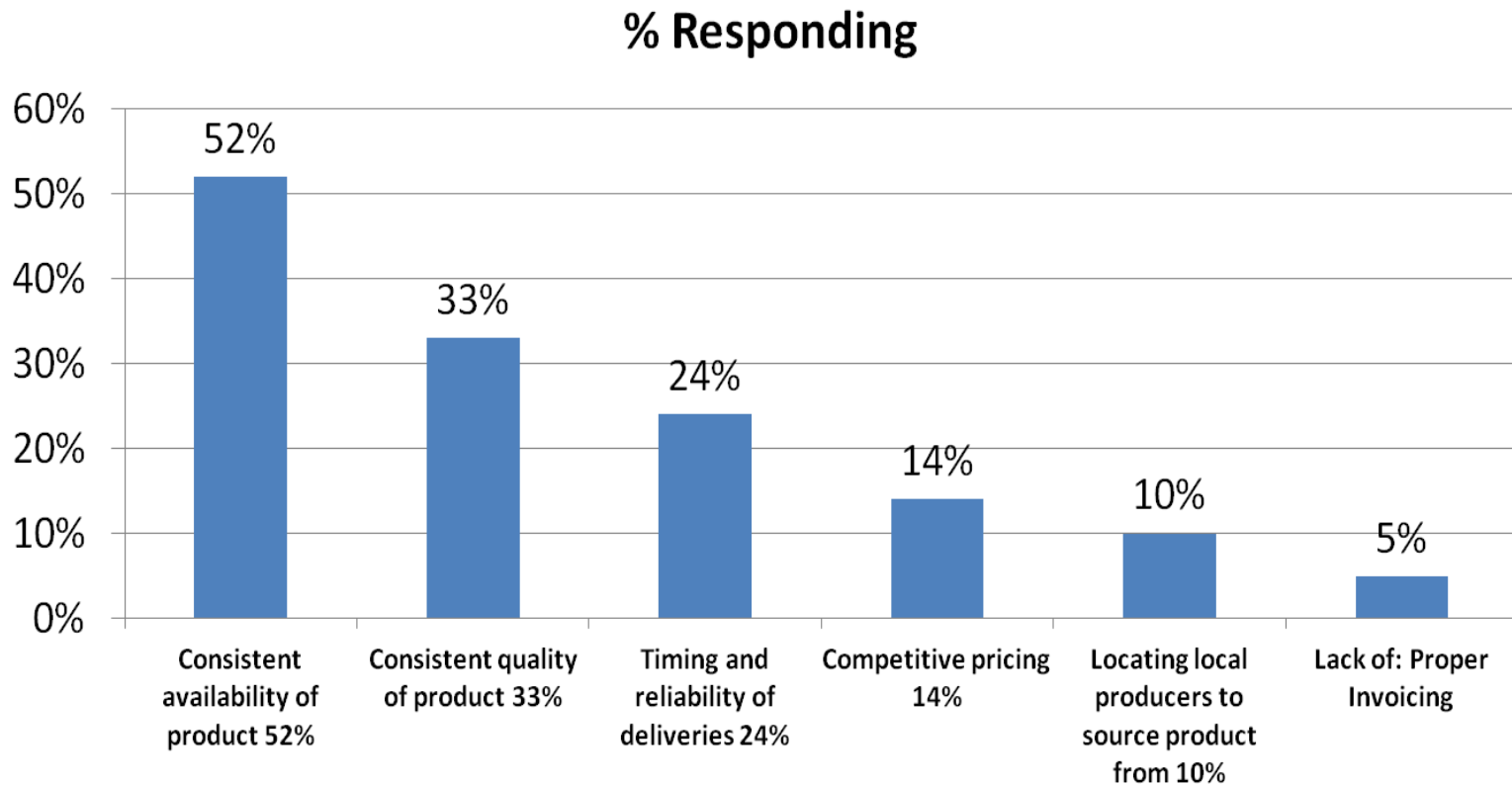
*“I’m used to being able to go online and select the products I want.
If I can do that for local product...all the better.”*



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Barriers cited by Chefs



Source: Produce Outlook Buyers Survey, 2004.



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Best Communication Practices: Supply

- Communication between grower and chef
- Pre-season planning
 - Chefs sitting down with growers and seed catalogs before the season begins
- Regular updates on products available and upcoming
 - Email blasts
 - Phone calls
 - Personal appointments
- Communicate about availability of **“seconds”**

Best Marketing Practices: Supply

- ☐ **I have spoken with chef clients** before my crop is in to talk about crop availability and their volume needs
- ☐ **I have explained what varieties or types of products I offer**, and have invited chefs into conversations about new product possibilities before the season
- ☐ **I have a regular price and availability list available** for restaurants
- ☐ **I have identified the best way to reach my chef customers** directly
- ☐ **I am exploring season extension** and other production options that allow me to increase volume of products supplied



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Chef Expectations of Delivery

- Delivery generally required of chefs to source local products
- Expect producers will deliver at similar, convenient times to other purveyors
- Expect (and depend) on deliveries to be on-time and consistent

“The best time for us is either in the morning, before lunch service, or around 3 or 4 o’clock in the afternoon, before dinner service.”

“I’m depending on my suppliers to deliver the product when they say they’re going to.”

“I would be looking for an impeccable product brought right to my door.”



Delivery

- Chefs cite regular delivery as essential to purchasing more local product



*Produce on chef's wagon,
Green City Produce Market, Chicago*

Delivery

- Understand the costs associated with making deliveries to restaurants
 - gas and oil
 - share of repairs and standard replacements
 - share of depreciation on the vehicle
 - share of tax, title, and insurance
 - hours of delivery \times wage of deliverer
- Offering delivery is a cost of marketing to local restaurants



Delivery

***Chefs get excited about delivery
of local product***

*"I'm really glad the truck is
coming through regularly now.
The fresher the product, the
better."*

Chef/Owner Billy McCullough
Dragonfly, Truckee, CA



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Delivery Options

- Own delivery direct-to-restaurants
- Shared delivery with other producers
- Pre-arranged pick up points for chefs
- 3rd Party delivery company
- Wholesaler or distributor working with restaurants
- ***Each system has own benefits and costs***



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Best Marketing Practices: Delivery

- ☐ **I understand the cost in time and fuel, etc.** that is involved with product delivery
- ☐ **I am able to deliver** my products to the restaurant's door if necessary
- ☐ **I have asked the chef** what days and times they want me to deliver
- ☐ **I have an invoicing system** that allows me to leave an invoice with each delivery
- ☐ **I am willing to offer delivery services** in new areas to gain new clients



MarketReady Modules

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Storage

- A restaurant's ability to store product can affect the size and frequency of deliveries that are required
- Producers should not feel obligated to offer storage for products, but should work with restaurants on options for use and storage of products such as meat and less-perishable produce





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Recommended Storage Conditions for Vegetables

Timothy Coolong, Extension Vegetable Specialist

One size does not fit all when it comes to storing vegetables for market. Conditions that are ideal for some vegetables will lead to rapid deterioration and injury in others. The following table details the appropriate temperature, relative humidity, and expected storage life for some common vegetables. Some vegetables must be cured to improve storage shelf-life. Curing usually consists of holding vegetables at elevated temperatures to dry the outer skin on vegetables, reducing moisture loss as well as the spread of storage pathogens. Remember, only high quality vegetables should be stored, if quality is marginal prior to storage it will only worsen during storage. Vegetables showing damage and/or disease should not be stored as they may serve as a source of infection for the remainder of the stored crop.

Vegetable	Storage Temperature (°F)	Relative Humidity (%)	Average Storage Life	Curing Conditions (if necessary)
Asparagus	32-35	95-100	2-3 weeks	
Beans, green/snap	40-45	95-100	8-12 days	
Beans, lima	37-40	95-100	5-7 days	
Beets (topped)	32	95-100	3-8 months	
Broccoli	32	90-95	2-3 weeks	
Brussels sprouts	32	95-98	3-5 weeks	
Cabbage (fresh mkt)	32	95-98	3-6 weeks	
Carrot (bunched)	32	95-100	8-10 days	
Carrot (mature)	32	98-100	4-5 months	
Cauliflower	32	90-95	2-3 weeks	
Celery	32	95-100	5-6 months	
Collards/Kale	32	95-100	1-2 weeks	
Corn (sweet)	32	95-98	4-7 days	
Cucumber*	50-55	90-95	1-2 weeks	
Eggplant*	50-55	90-95	1-2 weeks	
Garlic	32	60-70	6-9 months	
Kohlrabe	32	95-100	2-3 months	
Lettuce	32	98-100	2-3 weeks	
Melons				
Canary*	50	90-95	2-3 weeks	
Cantaloupe*	35-45	90-95	1-2 weeks	
Honey Dew*	40-45	90-95	1-2 weeks	
Watermelon*	50-55	90-95	2-3 weeks	
Okra*	45-50	95	1-2 weeks	
Onion (green)	32	95	3-4 weeks	



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Chef Expectations of Storage

- Many restaurants have storage space limitations
- Chefs are willing to work with producers and/or local meat lockers that may be able to safely store and/or deliver perishable products

“When we do break down a whole animal, we know we’re going to be developing an inventory. In the larger context of the business, coolers are not that expensive. You just have to be willing to make the investment to commit to the local product.”



Storage

“I wish I had space to handle a whole hog. But I don’t. I basically work in a kitchen that’s a box.”

- John Varanese, Chef/Owner,
Varanese, Louisville, KY



Storage

- Storing product on the farm and delivering it to restaurant may help a restaurant utilize space – adding value to the farmer/supplier
- Producers should not feel obligated to solve a restaurant's storage problems
 - *“Walk-in coolers really aren't that expensive in the grand scheme of things.”*



Best Marketing Practices: Storage

- ☐ **I know how much of my product** a chef is able to comfortably handle in his or her own kitchen's storage
- ☐ **I am willing to help a chef come up with off-site storage options** that can maintain my product's freshness, quality, and food safety
- ☐ **I have developed storage guidelines** for my products and have educational materials available for customers that may be new or unfamiliar to handling my farm's products



MarketReady Modules

- Communication & Relationship Building
- Packaging
- Labeling
- Pricing
- Supply
- Delivery
- Storage
- **Invoicing**
- Insurance
- Quality Assurance & Temperature Control
- Satisfaction Guarantee
- Working Cooperatively
- Marketing – An ongoing process
- Local Products for Local Markets



Chef Expectations of Invoicing

- Producer must be able to track transactions
- Restaurants often less demanding; need basics
 - *“A lot of farmers—they’ll have a generic invoice that they’ve created through a PDF file on their own computer and they’ll handwrite my name, what I’ve bought and I’ll sign it when they deliver. It’s a professional, handwritten invoice created off of Microsoft.”*
 - *“Even in a direct sale situation, they really have to present me with a receipt.”*
 - *“We don’t keep a lot of cash on hand to pay people directly.”*
 - *“Name, address, phone number, the product, how much it weighed and how much it cost. That’s it.” (date, transaction # a good idea, too)*



Invoicing

- Invoices are required by most chefs
- Few chefs pay cash at the kitchen door, often you will be paid once monthly
- Requirements for invoice
 - Contact Information: Name, address, phone number, E-mail/Internet contact
 - Product Description
 - How much product (weight or count)
 - How much product cost
 - Transaction Date and Invoice Number



Invoicing



"I want an 8 ½" x 11" piece of paper with the grower's name, address, phone number, the product, how much it weighed and how much it cost. That's it."

--Jeff Newman, Executive Chef,
Boone Tavern Inn, Berea, KY

Invoice Example

Farm Logo
displayed
prominently

Space for customer
contact information

Your Farm's
complete contact
information

YOUR LOGO
HERE

DIRECT TO YOU FARM

TO [Name]
[Company Name]
[Street Address]
[City, ST ZIP Code]
[Phone]
Customer ID [ABC12345]

Invoice

Date: 10/30/2009
INVOICE # [100]

Invoice date
and number

Payment terms
and due date
specified

Quantity,
Product, Cost
and Total

Salesperson	Job	Shipping Method	Shipping Terms	Delivery Date	Payment Terms	Due Date
					Net 15 Days	11/15/2009
Qty	Item #	Description	Unit Price	Discount	Line Total	
2 Cases		HEIRLOOM TOMATOES	20.00		40.00	
				Total Discount		
				Subtotal	40.00	
				Sales Tax		
				Total	40.00	

Make all checks payable to DIRECT TO YOU FARM

Thank you for your business!

DIRECT TO YOU FARM [Street Address], [City, ST ZIP Code] Phone [000-000-0000] Fax [000-000-0000] [e-mail]



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Invoicing and Records

“Inherently, you cannot trust chefs and restaurants to keep track of anything.”

--Chef Will Gilson, Garden at the Cellar, Cambridge, Massachusetts

- Keep duplicates of your invoices so you know how much has been purchased—and how much you are owed
- Provide sales receipts for when you get paid



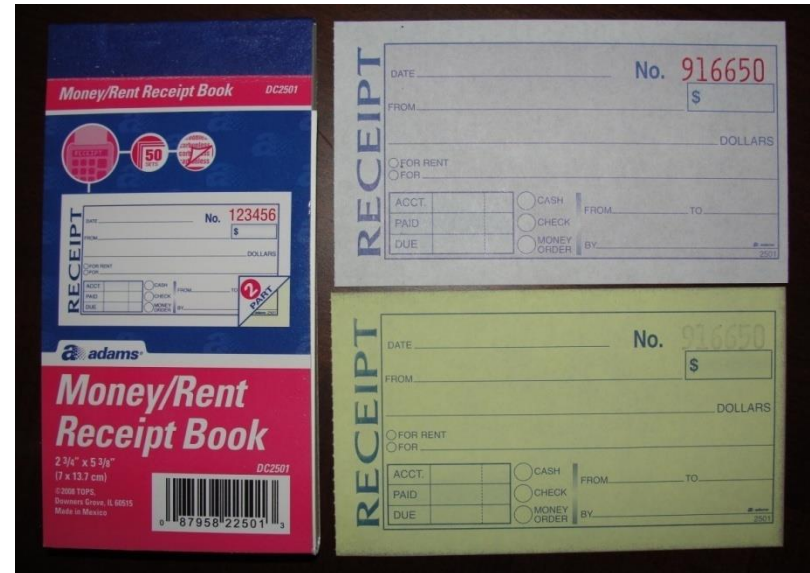
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Invoices and Records

Tracking Invoices

- Save computerized documents in a word processing or other document file
- Use an accounting software package to track all accounts
- Use a simple invoice book with duplicate copies



"I keep it simple—just the little invoice book I bought at Walmart."

--David Dedert, Quincy, IL

Sells pork directly to local country club

Best Marketing Practices: Invoicing

- ☐ **I have a blank invoice form** with my farm name, address, phone number, email address, and other contact information, product name/description, weight or quantity, and price
- ☐ **I have discussed invoicing with the chef** and have made sure that my invoice statement or system meets their requirements
- ☐ **I am prepared to accept payment later** than the time that I deliver the product to the restaurant
- ☐ **I have a system in place to keep track of how much I am owed** by individual restaurant customers



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Chef Expectations of Insurance

- Interviewed chefs said they usually assume a producer has product liability insurance or trust the integrity of the local product
- *“We require our growers to carry \$1 million in liability insurance. That costs the grower about \$200 per year.”*
- *“I do ask about insurance—but I’m a small restaurant, so it’s not as big a concern.”*
- *“With fresh produce, I can inspect it for freshness and quality....but with meat and other products, I can’t trust myself to be sure.”*



Insurance

- Product liability insurance is usually assumed or required in the producer/restaurant relationship
- Insurance protects both the producer and the chef
- Positive to mention to new clients
- Annual premiums vary by region but are often under \$500 per year (typically \$250) for \$1 million coverage
 - Larger groups may require more coverage



Insurance

- *“Insurance is simply a cost you have to have to sell to restaurants and other institutions.”*
- --Carl Chaney
- Bowling Green, KY

He sells ice cream served at Western Kentucky University, Mammoth Cave National Park, and the National Corvette Museum



Best Marketing Practices: Insurance

- ☐ I have asked the restaurant what level of product liability insurance they require
- ☐ I have added the necessary product liability insurance coverage for my farm
- ☐ I note that my product is insured in my marketing materials
- ☐ I have communicated with my insurance provider regarding changes in my marketing activity



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Chef Expectations of Quality Assurance and Temperature Control

- Chefs expect purveyors to handle product in a way that preserves product quality and food safety

“We bought some (local) meat and there was a problem in figuring out how they were going to get it from their place to us. They said, ‘We don’t have a refrigerated truck’. Well, that created a time/temperature management problem.”

-Mark Davis, Director of Purchasing
Sullivan University Culinary School
Lexington, KY



Quality Assurance

- Restaurants receiving direct deliveries did not seem largely interested in 3rd party QA audits
- Assurances such as “organic” are built into the relationship, but growers should be prepared to present certification documents if there are questions



Kentucky Department of Agriculture
Compliant with 2003 USDA-AMS NOP

Organic Farm/Crop Certification Application

Please fill out this application completely if you are requesting organic farm/crop certification. Use additional sheets if necessary. You must submit farm maps and field history sheets with this form. Attach all other supporting documents, including water tests, rented or recently purchased land histories, etc.) outlined in section 10 of this questionnaire. This form may be used for re-certification.

SECTION 1: General Information

Name	
Address	
State	Zip code
Phone	Fax E-mail
Legal Status: <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Trust or no	
<input type="checkbox"/> Legal Partnership <input type="checkbox"/> Other-specify	
I have previously obtained organic certification by other agencies	

USDA ORGANIC

Quality Assurance

- Restaurants receiving meat, egg, or dairy products, as well as processed products, expect the supplier to have met the USDA and/or state health commercial requirements

Local Pasta delivered
from New York growers



Texas Department of State Health Services

FOOD LICENSING REQUIREMENTS

According to Chapters 431 and 432 of the Texas Health and Safety Code, DSHS Foods Group licenses and inspects the following firms:

<http://www.dshs.state.tx.us/fdlicense/>

- Food manufacturers
- Private-label manufacturers
- Bottled/vended water and ice processors
- Acidified food processors
- Low-acid canned food processors
- Food wholesalers and distributors
- Food warehouses
- Salvage operators and brokers

WARNING

Firms required to license with DSHS can be subject to fines of up to \$25,000 per day for not being properly licensed.



Texas Department of State Health Services

FOOD LICENSING REQUIREMENTS

Does your firm engage in any of the following activities?

- Process or repack food for wholesale?
- Package or repack food to be placed out for customer self-service in a retail setting?
- Place your firm's name and address on the label of the product actually manufactured by another firm (private label manufacturer)?
- Buy, store, and sell food wholesale?
- Receive, broker, and/or recondition distressed food products (Salvage) for wholesale or retail?
- Operate a warehouse and store food products which are owned by other firms?

**Licensing Information:**

(512) 834-6626

**Food Manufacturing
Wholesale Warehouse
Information:**

(512) 834-6670

E-mail:

feedback.mfd@dshs.state.tx.us

Website:

www.dshs.state.tx.us/fdlicense
www.dshs.state.tx.us/foods

IF YOUR ANSWER IS "YES" TO ANY OF THESE, YOU NEED TO LICENSE WITH DSHS.



Texas Department of State Health Services FOOD LICENSING REQUIREMENTS

If you are going to sell meat and/or poultry products wholesale, you will need a [Grant of Inspection](#) from the Meat Safety Assurance Unit



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Temperature Control

- Proper temperature control and postharvest handling helps maintain and guarantee product quality

“I know that when I get local mesclun mix, it’s going to last so much longer in the cooler.”

—Chef Andre Poirot,
Executive Chef, Peabody
Little Rock, speaking to
culinary professionals in
Little Rock



Temperature Control

- Producers may need to provide storage guidelines for newer products
- Cold chain requirements for products may need to be explained or provided on labels
- Some institutions require certain temperature protocols
- Keeping products at the proper temperature is a marketing tool—proper temperatures ensure that the farm products remain at peak freshness and quality



Temperature Control

- Producers need to understand proper temperature requirements and safe handling practices for the products they are delivering

“I don’t want just anybody handling my ice cream. My ice cream is at 25 degrees below zero, and I want to keep it cold. If somebody gets the temperature up to 5 or 10 degrees and then they freeze it back—they’ve messed it up.”

–Carl Chaney, Chaney’s Dairy Barn, Bowling Green, KY



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Best Marketing Practices: Quality Assurance & Temperature Control

- ☐ **I have discussed cold chain requirements** for my products with the chef and/or other food handlers
- ☐ **I have educated myself about safe food handling**, proper temperatures and storage of the products that I will be marketing from my farm
- ☐ **I have the necessary documents for USDA and local health inspection** where required
- ☐ **I am able to explain to my customers how my handling practices help to maximize** the life and the quality of the products they will receive from my farm



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MarketReady Modules

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- **Satisfaction Guarantee**
- Working Cooperatively
- Marketing – An ongoing process
- Local Products for Local Markets



Satisfaction Guarantee

- Expectations can vary between chefs and restaurants
- Communication between producer and chef helps monitor satisfaction of the customer
- Producers who “go the extra mile” to serve the chefs will develop long-term relationships

“I kept an open dialogue with all the farmers that started selling to me, and the ones that really listened to what I was asking for are the ones that I’m still doing business with.”

“Sometimes you’re not going to get a pristine case (of produce) from the farm. You need to have an understanding of what the product looks like or how it’s going to be delivered. Communication about that has to happen from both farm and restaurant.”

“I expect an impeccable product delivered right to my door.”

Satisfaction Guarantee

- Other vendors give restaurants credit when a product doesn't measure up

"I like it when my vendor says, "I guarantee you that my mesclun mix will last in a container in the walk-in for one week without any sort of decomposition. And if anything happens, let me know and I'll bring you some fresh mesclun."

– Will Gilson, Chef/Owner, Garden at the Cellar, Cambridge, MA



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Satisfaction Guarantee

“When my main local tomato supplier got blight, he was letting other growers around know that they needed to supply me with tomatoes...that meant so much to me.”

-Jeff Newman, Executive
Chef, Boone Tavern Inn
Berea, KY



Satisfaction Guarantee

- Guaranteeing a restaurant's satisfaction often means having good relationships with other suppliers/sources
- Key to a restaurant's satisfaction is making sure the chef understands the product and quality they expect to receive up front
- Different restaurants may have different expectations in product quality
- Chefs expect 'local' to be at least as good if not better than other sources



Best Marketing Practices: Satisfaction Guarantee

- ☐ **I have explained to the restaurant** how my product will be delivered and presented, and have heard any concerns that they have with my product
- ☐ **I am working on a relationship** with the chef that allows for honest dialogue about my product quality, and I am able to make production adjustments to improve final product quality if necessary
- ☐ **I have other products or additional product to offer** in the event that I need to compensate a restaurant client for poor quality in one area



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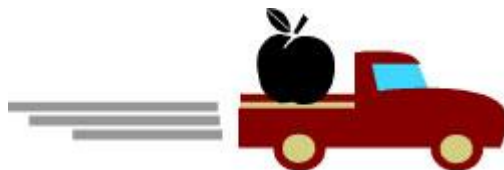
Chef Expectations of Working Cooperatively

- Many chefs desired ways that different producers could pool their products for one-stop delivery
- Some chefs have become personally invested in local operations or processors that are seeking to simplify local product delivery channels
- *“Delivery is the panacea.”*



Working Cooperatively

- Smaller producers may not find it profitable to deliver to single clients
- Restaurants may not be able to source enough product from a single grower
- Cooperative delivery, both using informal and formal networks, can help solve this problem
- Still check that your products are being delivered as promised



Working Cooperatively

*“Having a farm that sells 20 dozen eggs a week doesn’t really help when you might have a thousand possible customers. Plus it’s not worth someone’s time to drive two hours to deliver 20 dozen eggs here to Little Rock. So we’ve set up groups around the state where there are **five or six farms with 20 dozen eggs coming together** so that we can go and pick up 120, 150 dozen eggs at one time and fill larger orders from chefs.”*

-Chef Shane Henderson, Argenta Market & Catering,
Little Rock, AR



Best Marketing Practices: Working Cooperatively

- ☐ **I am aware of other growers** that may be looking for ways to get their products to restaurants and have started conversations about cooperating in delivery
- ☐ **I have the ability to ensure that my product is delivered** as promised if I am not personally delivering it to the restaurant
- ☐ **I am building good relationships with my restaurant customers** so that, if deliveries are delayed or mixed up, we can have an honest conversation about their concerns



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Chef Expectations of Marketing

- Chefs want to communicate they're serving "locally grown" product; but it's not always possible to include specifics in menus and promotional materials
- Smaller restaurants may have more ability to publicize sources of their product
- Training serving staff to communicate to customers about locally sourced product is key

"I know that I'll be able to source products like local tomatoes, but I don't always know what farm they're coming from in a given week."

--Scott Wallen, Executive Chef

Upstream, Charlotte, NC.



Chef Expectations of Marketing

- Chefs desire to tell the story of the food; not always practical (or profitable)
- Chefs may need some promotional help, not often looking for substantial marketing support from producers
- Producer must understand restaurant customer base

"I would rather tell the story, but I don't always have a captive audience in my dining room. I might have somebody who's in a hurry and they just want a sandwich."

--Will Gilson, Chef/Owner,
Garden at the Cellar, Cambridge, MA



Marketing

- Direct communication (E-mail, mailer, website/Twitter/Facebook) to restaurant patrons is effective

“Anything on the Internet definitely works...Facebook even works. Chefs are on Facebook....”



- Host the chef and restaurant staff for a farm tour
- Promoting farm-to-restaurant
 - Farmer visits in-restaurant
 - Chef promotions at farmers' markets

Sample Marketing Documents



“And I’ve found probably the best way is just to try to put that farmer’s face on their food by actually building materials that have their pictures or little bios and things like that....”

Farmers Market Menu Saturday July 25, 2009

Chef Ryan Kacenjar's Saturday Farmers Market Menu is designed to utilize much of the seasonal produce available from our wonderful Marion Square Farmers' Market. Our goal is to create a guest experience that will allow you to enjoy the bounties of the Lowcountry with dishes prepared with respect to the traditional ways of the South.

Terrine of Smoked Prestige Farms Chicken Breast

Owl's Nest Plantation Golden Beets

Layered with Fire-Roasted Joseph Field's Farm Red Bell Pepper
and Fresh Herbed Goat Cheese with Tarragon Vinaigrette

Charleston Pimento Cheese

Home-made Pimento Cheese with Fresh and Pickled Vegetables

Fried Zucchini Flowers

Kennerty Farms Zucchini Flowers filled with a Tender Locally Caught Shrimp
Fried to a crisp in a light Palmetto Ale Batter
with Sweet and Spicy Joseph Field Farm Red Chili Pepper Jelly

Fish and Grits

Pan Roasted Locally Caught Red Snapper
served with a Mepkin Abbey Oyster Mushroom Grit Cake
made with Anson Mills Stone Ground Grits, Finished with a Light Lemon Sauce
and Fresh Joseph Field's Farm Sugar Snaps

Plum Upside Down Cake

Owl's Nest Plantation Golden Plums Cake
served with White Chocolate Almond Mousse
and Slow Ice Cream made in House from the same Plums

"On our menus, we write the menu according to where we're getting the food...right now it's Henton beef, Henton green beans. Whatever comes from whichever farm, it's labeled."





New Hampshire Growers' Breakfast

Breads of the Day

White
Wheat
Cinnamon-Raisin

A Taste of New Hampshire
Two Organic Eggs, Applewood Smoked Bacon or Smoky Maple Link Sausage, whole wheat pancakes, pure maple syrup, toast and homemade apple pie jam.

The Smokehouse
Two Organic Eggs, with Applewood Smoked Bacon or Smoky Maple Link Sausage, breakfast potatoes, toast and homemade apple pie jam.
\$6.99

Fabulous Stuffed French Toast
Delicious cinnamon raisin French toast stuffed with apples and topped with homemade caramelized apples topping.
\$6.99

Beverages
Apple Cider
Served Chilled or Warm

Coffee
Regular/Decaf

The Grist Mill
Whole wheat pancakes, pure maple syrup, and Applewood Smoked Bacon or Smoky Maple Link Sausage.
\$7.49

Blake's Awful Waffle
Blake's homemade premium French vanilla ice cream atop an "Awful Waffle" with your choice of caramelized apple topping, pure maple syrup or both.
\$6.99

Build Your Own Omelette
Three Organic Egg omelette with your choice of the following fine NH products: Cheddar Cheese, Tomatoes, Peppers, Onions, Broccoli and Applewood Smoked Bacon. Served with toast and breakfast potatoes.
\$7.25



Growers' Breakfast served
September 26, 2006 from
7:00 AM-11:00 AM at
Blake's Restaurant
353 South Main Street
Manchester, NH

For details call 603-623-7242






Best Marketing Practices

- ☐ I understand the customer base of the restaurant I sell to
- ☐ I know that it is not always possible for the restaurant to mention my products by name
- ☐ I have **simple, clear print materials** that provide information that a restaurant could use to tell the story of my product
- ☐ I **am aware of promotional materials** available through sources like my state department of agriculture, grower association, or other third-parties
- ☐ I **am willing to host the chefs and their staff to my farm** for an on-farm visit
- ☐ I **am open to being involved in events** like food festivals, in-restaurant visits, and on-farm dinners that some chefs may be enthusiastic about participating in



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- **Local Products for Local Markets**



Local Products for Local Markets: Opportunity for Growth

- Direct Marketing to Restaurants –
 - ‘local’ is how most independents and higher end venues differentiate themselves
 - Enormous demand for fresh and specialized produce and meat
 - National Restaurant Association lists ‘local’ as the number one attribute in demand by chefs



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Local Products for Local Markets: Barriers to Development

- Restaurants
 - Distribution logistics
 - *“Our biggest thing is I don’t have time to drive out to the farms...and the farmers, it’s hard to convince them that it’s worth coming to me for an \$80 order—when it’s not worth it to me to go out there, why (would it be worth it to them)...?”*
- Local Meat Marketing
 - Growers undercutting their own distributor
 - Volume of local product
 - Pricing structure to make meat (beef) profitable for grower, processor, distributor, and grocer/chef



Best Marketing Practices:

Local Products for Local Markets

- ☐ **I am prepared to communicate** with my buyer on a regular basis and know the best way to contact them
- ☐ **I know what resources the Texas Department of Agriculture has available** for Go Texan
- ☐ **I am prepared to cooperate with other local growers** in order to aggregate inventory, and to coordinate storage or delivery
- ☐ **I will take 100% responsibility** for the integrity, quality and safety of my products



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Self-check to see if you are MarketReady!

MarketReadyTM



Thank you!



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MarketReadyTM

