

# Local Food Connections

## Food Service Considerations



---

*Many success stories are told of restaurants and food service operations in schools, hospitals, and universities serving locally grown or processed foods to their patrons. Chefs and consumers say they prefer locally grown and processed fresh foods and want to help farmers in their region. This publication explains how a food service operation can start purchasing local foods.*

---

The United States Department of Agriculture estimates that about half of each food dollar spent in this country is for food prepared outside the home. That means large quantities of food are purchased by operations that prepare meals for American consumers. Although large national food companies have typically served these food service operations, local farmers and processors can be considered potential suppliers. Development of this market benefits local farmers, particularly those small to medium in size.

Food service operators have many responsibilities; food purchasing is only one aspect of their job. Many food service operators are in favor of purchasing from local sources as this helps family farms, keeps food dollars in the regional economy, and supports other local businesses. Yet, this desire is challenged by the reality of day-to-day operations.

Food service buyers interested in buying from local producers and processors should consider the benefits and obstacles to determine if this concept will work for their operations. If food buyers do choose to work with local vendors, buyers and vendors need to communicate clearly and often to make these purchasing arrangements successful.

A recent mail survey of health care, school, and restaurant food service managers in Iowa identified the benefits and obstacles of purchasing from local sources.

### **What Are the Benefits?**

Food service buyers see the availability of a fresher (and often higher quality) food product and support of local farmers as the strongest benefits of purchasing from local sources. Good public relations, ability to purchase small quantities, lower transportation costs, special produce varieties, a known product source, and safer food were mentioned as additional benefits of local food purchasing.

### **What Are the Obstacles?**

Not surprisingly in Iowa, year round availability was identified as the biggest obstacle by most food service buyers. Other obstacles included: the need to work with multiple vendors; obtaining adequate supply; consistent package size; reliable food quality; order, delivery and payment methods; and product cost.

Awareness of local and state regulations concerning approved food sources for various types of food items, labor time to prepare food, and food safety issues also were mentioned as perceived obstacles to purchasing from local sources.

### **What does this mean for me?**

Findings from this study and conversations with food service operators indicate there is interest in purchasing from local sources. However, it is important to find ways to minimize or eliminate the obstacles of dealing with multiple producers/processors (often necessary to obtain adequate supply) for ordering, delivery, and payment processes are important.

Good communication between buyer and seller is needed to identify product availability, product size and quality, and package information.

Marketing efforts to promote use of local foods at points of sale help create an awareness of the source of foods served and may create a demand for regional foods.

### **How Do I Get Started?**

**Identify sources.** Food service operators interested in purchasing from local food producers and processors may find information about local growers/producers in their area in directories published by the Iowa Department of Agriculture and Land Stewardship. Interested food service operators could ask patrons and area farmers about any cooperatives of food producers that have been formed in the area.

Some independently-owned restaurants have contracted with area farmers to grow their operations' supply of fresh produce items such as carrots, potatoes, garlic, etc.

Local farmers' markets or community supported agriculture (CSA) programs may be another source of locally grown items. A nationwide directory of farmers' markets and CSAs is available at [www.foodroutes.org](http://www.foodroutes.org).

The *Taste of Iowa* program promotes foods where 50 percent of the value has been added in the state.

**Know the regulations.** Most states use *Food Code*, published by the U.S. Food and Drug Administration, as the source of regulations for food service establishments. The *Food Code* requires that food be purchased from approved suppliers. Your local health inspector can help determine whether a supplier would be considered an approved source.

The term "approved suppliers" does not mean a food service operation can buy only from national vendors. Food service buyers can purchase a variety of items from local producers to serve their operations. Buyers might want to visit the grower's/producer's operation to review food safety practices.

Generally, potentially hazardous foods such as meat, dairy products, fresh shell eggs, and certain produce items must come from licensed or inspected food processing plants. Meats must be processed in a state-inspected facility if sold to food service

operations in the same state. If meats are sold across state lines, then the processing facility must be federally inspected.

Dairy products used in food service establishments must be pasteurized. Fresh shell eggs can come from local farmers if the farmer is licensed with the state to ensure breeding and collection facilities are clean.

Fresh produce suppliers generally have no regulations or licensing requirements since most fresh produce items are not considered potentially hazardous. One exception is alfalfa sprouts. These should only be purchased from a licensed vendor. Any processing of fresh produce items by local growers, such as chopping lettuce or slicing radishes, must take place in a licensed food processing facility or in an inspected kitchen.

The buyer should be aware of potential risks to the safety and quality of the fresh produce as it is packaged and transported. Buyers should check that packaging is done correctly to protect the integrity of the produce and ensure the food is not contaminated. For example, large plastic garbage bags may seem to be a convenient package for bulk produce, such as spring salad mix. But the interior of these bags is often treated with chemicals to reduce odors which could contaminate the bags' contents.

Other than protection of the food integrity, there are no package regulations.

Some non-potentially hazardous food sales are also restricted. Fresh bread, pies, or desserts can be prepared in private homes and

sold directly to consumers at farmers' markets, but they cannot be sold to food service establishments unless they have been prepared in an inspected kitchen.

**Communicate your operation's needs.** Operation procedures your establishment uses for ordering, receiving, and paying for products from local producers must be developed. You should clearly state (verbally and in writing) operational needs such as estimated amounts used per week, desired quality (description of characteristics or grade equivalent), package size and materials, and other product information.

Food producers may have little understanding of how a food service operation will use a product. It is important to clearly communicate this essential information. For example, when radishes are purchased from a national vendor the green tops will have been removed. A local grower most likely will not remove the tops. Thus, the operation may be required to spend on-site labor time to prepare the product for service.

Food service operators should identify times when food can be received and what type of payment process is used. Multi-unit or institutional operations frequently need board or central office approval of payments for goods delivered.

To streamline operations, food service operators often use a limited number of national vendors. Local producers or processors who form a cooperative increase efficiency for themselves

and the food service operator. Food service operators should consider requesting a weekly local list from local growers and producers that includes such information as products available, size of food items, quality, estimated quantity available, and estimated price per purchase unit. If food growers know they can count on your business, there may be a willingness to negotiate price.

**Market to your patrons.** The Downtown Farmers' Market in Ames, Iowa asks the question, "Do you know where your food comes from?" The increase in the number of farmers' markets demonstrates consumers are interested in farm fresh foods, environmental concerns, and perhaps, a sense of security in knowing the product source.

Food service operations can ask suppliers for permission to use farm names or logos on table tents or develop other point of sale signage to communicate to patrons the source of the food item. This is a good public relations strategy for a food service operation.

Consumers have indicated a willingness to pay more for local foods. If purchasing locally grown or produced food items costs more, consumers likely will accept paying more for these menu items.

## Resources

Azuma, A.M. & Fisher, A. (2001). *Healthy farms, healthy kids: Evaluating the barriers and opportunities for farm to school programs*. Community Food Security Coalition, P.O. Box 209, Venice, CA, 90294 or [www.foodsecurity.org](http://www.foodsecurity.org)

Custom veggies gain ground with small farmers who sell to chefs. (1998, March 12) *The Wall Street Journal*, p. A1.

Gregoire, M.B. & Strohbehn C. (2002). Benefits and obstacles to purchasing from local growers/producers. *Journal of Child Nutrition and Management* Available at: [www.asfsa.org/childnutrition/JCNM](http://www.asfsa.org/childnutrition/JCNM).

Hamilton, N. (1999). *The legal guide for direct farm marketing*. Drake University Agricultural Law Center. Call (515) 271-2065 for ordering information.

Institute of Agriculture and Natural Resources, University of Nebraska -- Lincoln, Food Processing Center. (2001). *Attracting consumers with locally grown products*. Available at: [www.foodmap.unl.edu](http://www.foodmap.unl.edu)

Johnson, D.B. & Stevenson, G.W. (1998). *Something to cheer about: National trends and prospects for sustainable agricultural products in food service operations*. Available at: [www.foodroutes.org](http://www.foodroutes.org)

*Marketing on the edge*, (2002). Available at: [www.nafdma.com](http://www.nafdma.com)

Pirog, R., Van Pelt, T., Enshanyan, K., & Cooke, E. (2001). *Food, fuel, and freeways: An Iowa perspective on how far food travels, final usage, and greenhouse gas emission*. Available at: [www.ag.iastate.edu/centers/leopold](http://www.ag.iastate.edu/centers/leopold)

Pirog, R. (2001). *Institutional food markets: The Iowa experience*. Available at: [www.ag.iastate.edu/centers/leopold](http://www.ag.iastate.edu/centers/leopold)

Practical Farmers of Iowa. (2002). *Expanding local food systems by marketing to Iowa institutions*. Available at: [www.pfi.iastate.edu](http://www.pfi.iastate.edu)

Prewitt, M. (2000, December 11). New pet project: Chefs buy into politically correct food choices. *Nation's Restaurant News*, 1.

Strohbehn, C. & Gregoire, M.B. (2001). Innovations in school food purchasing: Connecting local food. *Journal of Child Nutrition and Management*, 25(2), 62-65. Available at: [www.asfsa.org/childnutrition/JCNM](http://www.asfsa.org/childnutrition/JCNM)

*Selling local food to restaurants and food services: Why and how*. (2002). Available at: [www.foodroutes.org](http://www.foodroutes.org)

*2002 Iowa Farmers' Market Directory*. Available at: [www.agriculture.state.ia.us/Farmersmarket.htm](http://www.agriculture.state.ia.us/Farmersmarket.htm).

*2002 Iowa Fruits and Vegetables Growers Directory*. Available at: [www.agriculture.state.ia.us/Fruit&VegDirectory.htm](http://www.agriculture.state.ia.us/Fruit&VegDirectory.htm)

*2002 Family Farms Meats Directory*. Available at: [www.agriculture.state.ia.us/meatdirectory1.htm](http://www.agriculture.state.ia.us/meatdirectory1.htm)

## World Wide Web Resources

Community Food Security Coalition  
<http://www.foodsecurity.org>

FDA Food Code  
<http://www.foodsafety.gov/%7Edms/foodcode.html>

Food Routes Resource Center  
<http://www.foodroutes.org>

Hotel, Restaurant, and Institution Management Extension  
<http://www.extension.iastate.edu/pages/families/hrim>

Iowa Department of Agriculture and Land Stewardship  
<http://www.agriculture.state.ia.us/>

Leopold Center for Sustainable Agriculture  
<http://www.ag.iastate.edu/centers/leopold/>

North American Farmers Direct Marketing Association  
<http://www.nafdma.com>

North Central Initiative for Small Farm Profitability  
<http://www.farmprofitability.org/>

Practical Farmers of Iowa  
<http://www.pfi.iastate.edu>

Taste of Iowa  
<http://www.atasteofiowa.org>

University of Wisconsin Center for Integrated Agriculture Systems  
<http://www.wisc.edu/cias>

For more information about purchasing local food for a food service operation, contact Catherine A. Strohbehn or Mary Gregoire, Hotel, Restaurant, and Institution Management program, Iowa State University, Ames, Iowa, (515) 294-7474, [cstrohbe@iastate.edu](mailto:cstrohbe@iastate.edu)

Prepared by Catherine A. Strohbehn and Mary Gregoire, Hotel, Restaurant, and Institution Management program, Iowa State University.

Artwork by Lonna Nachtigal.



LEOPOLD CENTER

This publication is supported by a grant from the Leopold Center for Sustainable Agriculture.

### **... and justice for all**

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Many materials can be made available in alternative formats for ADA clients. To file a complaint of discrimination, write USDA, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call 202-720-5964.

Issued in furtherance of Cooperative Extension work, Acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture. Stanley R. Johnson, director, Cooperative Extension Service, Iowa State University of Science and Technology, Ames, Iowa.