

Local Sourcing: What Foodservice Distributors are Doing to Meet Operator and Consumer Demand

By Chris Caldwell and Bob Gatty



This article features IFDA Distributor Members discussing what their companies are doing in local sourcing, and operator customers share their views on why they support local. Above, Tallman Family Farms of Tower City, PA, is one of a number of local produce suppliers used by IFDA Member Pocono ProFoods.

In August of 2012, Jessica and Josh Bufford opened Toast New American Gastropub near Richmond University in the Virginia city's West End. Of many decisions made in planning the restaurant, one was to locally source as much of their food as possible, including produce, meat, seafood, and beer.

"We are small business owners and appreciate the support of our neighborhood and our community," Jessica Bufford explains. "We feel it's right to support local small business owners who can provide products at a reasonable price. We want our customers to see that we appreciate the other small business owners in our community."

Bufford also says the bottom line is important, as is providing value. "The locally sourced items that we provide need to be affordable to our customers, especially in this economy."

Support for the local economy was only part of the equation, adds Toast's Chef Ian Kinker. "The idea of 'local' is popular right now," he said. "People want fresh, local products, and the closer it's grown, the fresher it is. So we try to get as much local to our area as possible – seafood from the mid-Atlantic and the Chesapeake Bay, a bakery right around the corner."

Toast's distributor Performance Foodservice, plays a major role in helping meet Toast's local sourcing objective. "From PFG, we get sausage from Surry, VA, Smithfield ham, Green Berries Coffee from Charlottesville, and many other items," Kinker says.

"It's not only the ability to provide the items, but the salesperson's knowledge about what items are available and where on our menu we could substitute something locally

sourced," says Bufford. "We definitely lean towards vendors that have more options, especially on regularly ordered items like coffee, or ham for the brunch menu."

Pocono ProFoods, a Stroudsburg, Pennsylvania - based foodservice distributor, serves customers in 10 states from Virginia to Maine. One of Pocono's largest independent customers, Fegley's Brew Works, is committed to locally sourced products. Fegley's operates brew pubs in Bethlehem and Allentown, PA, as well as Burrito Works and Coffee Works in Allentown. All the locations utilize locally grown ingredients as an important differentiator.

"Sustainability and supporting our local businesses is very important to us," says Rich Fegley, the company's owner. "I give Pocono a lot of credit for their efforts in this area. They are a big help, and we see a lot of value in the safety standards that they enforce. They are reliable, consistent and dependable, and that is the key to any restaurant successfully using local suppliers," says Fegley.

"Fegley's has gone to everything on their menu needing to be all natural, antibiotic free, local sustainable, and from a family operation," says Doug Petruzzi, executive chef and marketing manager at Pocono ProFoods. "Rich Fegley is absolutely committed to this. He is not pounding his chest, but he does it because he sees it as the right thing to do. He is proud of it."

So what are the motivations of these two very successful independent restaurateurs to source local? They like supporting local farmers and other local businesses producing food products. They like their patrons to know they are doing so. They embrace the idea of sustainability that resonates

around local sourcing. And they want systems in place that keep food safety at the front of the equation.

What's behind the demand for local?

“At one time the demand for locally sourced products was typically reserved to white tablecloth fine dining restaurants, but it has spread,” says Petruzzi. “Now we have K-12 schools that require us to provide local produce to them.”

Petruzzi sees many factors contributing to demand. “The national press has been big promoters of the local and sustainable movements. The Food Network has been a big part of that as well. The overall education of the consumer is much greater today. Food TV, Top Chef, Iron Chef, the Food Network, all of this has an impact as to what's taking place at the restaurant level,” says Petruzzi.

He also shares there is a “feel good” factor to consumers when they can eat something they know was sourced close to home. People want to see the local farmer keep their job, and want that farmer to thrive in a world of mass production. Many consumers are also trying to eat healthier and people “like the fact of locally grown food, which they see as having less preservatives,” says Petruzzi.

One issue not yet raised is the impression some consumers have that by supporting local products, they are significantly helping to reduce the carbon footprint by cutting the number of “food miles.” Oft repeated, it seems to carry weight.

While fuel costs for transportation may theoretically be reduced with locally sourced food products, the reality is that transportation is only a small portion of the energy expended in getting food to the consumer. According to a 2008 study conducted by Christopher L. Weber and H. Scott Matthews at Carnegie-Mellon, production of food products is as much

as “83 percent of the average U.S. household's 8.1 t CO₂e/yr. footprint for food consumption.” Transportation as a whole represents 11 percent in the farm to fork equation, with 4 percent of emissions happening in the final leg in getting food from producer to retail, states the study.¹ Another study conducted at Lincoln University in New Zealand in 2006 states that a debate that only looks at the distance food travels “is misleading as it does not consider the total energy use, especially in the production of the product.”²

While there are some misperceptions around local sourcing, the fact is locally sourced food is popular in certain restaurant operations and among today's restaurant guests. The National Restaurant Association's (NRA) “What's Hot in 2013” survey of more than 1,800 professional chefs revealed that locally sourced meats and seafood is the number one trend in 2013 and that locally grown produce is number two.

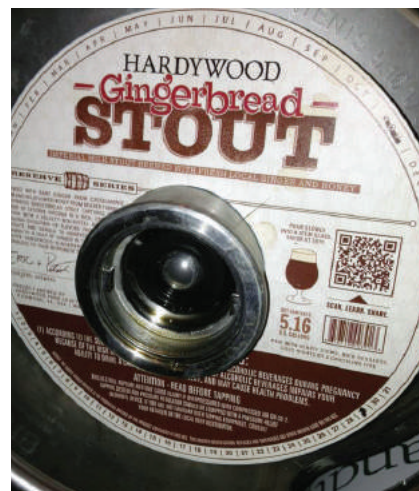
In addition, NRA's Restaurant Industry Forecast revealed that seven of ten consumers surveyed said they would be more likely to visit a restaurant that offers menu items with locally produced products, and more than six in ten said locally sourced items on a menu are a key attribute for choosing a restaurant.

What Is Local? And How Does It Work?

So just what does “local” mean when it comes to local sourcing for restaurant food products? What are the benefits? Does local really mean fresher? Does it taste better? Does it really help boost restaurant sales?

1. Christopher L. Weber and H. Scott Matthews, “Food-Miles and the Relative Climate Impacts of Food Choices in the United States” *Environ. Sci. Technol.*, 2008, 42 (10), p 3508.

2. Caroline Saunders, Andrew Barber, and Greg Taylor, “Food Miles – Comparative Energy/Emissions Performance of New Zealand's Agriculture Industry” Research Report No. 285, Lincoln University, New Zealand, July 2006, p 13.



Toast New American Gastropub posts its specials on Facebook. Above left, jumbo sea scallop ceviche on a white corn tostada with strawberry salsa for \$5. “The unique food and stylish dining atmosphere make me leave this place a well-deserved five stars,” says one Yelp review. Toast's dining area includes a “Shutter Cloud” with incorporated lighting. Toast's wide ranging brews include Hardywood Park Craft Brewery Gingerbread Stout, which boasts its own use of locally harvested ginger and honey. Toast is less than seven miles from the brewery.



Fegley's Bethlehem Brew Works location (above) has a "From the Land" portion of its menu where diners are informed that items are "the healthiest, all-natural, and sustainably farmed beef, pork and cage free chicken." Fegley's website includes an "Our Foods" page stating that they "work closely with Pocono ProFoods (44 miles from Brew Works) to source as many of our ingredients and raw materials from farmers and manufacturers located within a 100-mile radius." Every source is listed including beef provider Dale Koehler Farms of Bethlehem, PA, less than ten miles from the two Brew Works locations. Brew Works "upcycles" spent grain from the brewery operations (some 350,000 pounds annually) that is fed to livestock at Koehler Farms. At right, steers grazing at Koehler Farms.



In answer to the last question, Toast's Jessica Bufford comments, "I don't think that a customer wouldn't order an item just because it's not local." But at the same time, she acknowledges that promoting specials as containing locally sourced products does boost sales, and so servers are encouraged to make sure guests are aware.

However, the question of what really is "local" remains a bit murky because there is no set definition.

Whole Foods Market is at the forefront of offering a wide array of organic and local products. The company defines local as follows: "Only products that have traveled less than a day (7 or fewer hours by car or truck) can even be considered for 'local' designation."

Pocono ProFoods defines locally sourced products as those produced within "about a 100 mile radius of Stroudsburg," considerably less than a seven-hour trip.

"If you are trying to provide true value to your customers, you've got to have a definition that is reasonable," says Petruzzi. "Because of where we are located, because of some of the contracts we have, we deliver from Virginia to Maine. If we were to use the total geographic area, it's ten states. That isn't realistically local."

For Pocono, "the most important part is that the restaurateur can advertise that he is selling local products. While our customers might have a little leeway, their customers have a much more stringent mindset for what they are buying."

Selection, Petruzzi explains, depends upon what is available according to the seasons, as well as supply and demand. "We are in a farmer-rich area, but we have to make sure we have enough supply that we can sell it to our customers. There are a lot of local guys with 20 bushels of apples. That's great, but there has to be enough for us to supply."

Pocono has a well defined "Local / Sustainable Growers Program" that it shares with customers interested in promoting local agriculture. It includes four steps that they review with interested operators including:

1. Discussion of Goals and Strategy
2. Menu Planning
3. Marketing & Merchandising, and
4. Evaluation.

The presentation on the program outlines the most popular local produce items (18 items). It also includes a local produce calendar where a customer can quickly see the availability of local produce. Apple Cider is from mid-September to the end of December, bi-color corn is available from the end of June through September, and collared greens are available from the end of May through the end of November. Approximately 100 items are charted in the calendar.

The program also features overviews of a number of Pocono's local growers and producers, and the marketing and merchandising portion of the program includes discussion about "connecting the farmer to your guest."

Government Definitions of Local Can Have Unintended Consequences

When Governor Peter Shumlin of Vermont found out that one of his state's most famous brands – the farmer-owned Cabot Creamery Cooperative – had removed the state's name and the state's outline from its logo, he was upset. “For this Vermont boy,” he said, “Cabot is Vermont and Vermont is Cabot.”

The change left state officials worried. The widespread distribution of Cabot products helps promote tourism as well as other Vermont products. But the state has strict truth in labeling laws regarding what is considered a local product. If a company is to use the state's name in marketing its butter, 75 percent of the cream must be from Vermont and 75 percent of the butter must be produced in the state. While Cabot cheese and other products are made in the state, the co-op's butter is produced in Massachusetts and the cream for all of their products comes from farms across New England and New York.

Editors Note: In developing this article, it repeatedly came up that there was no universal definition of “local” in relation to food, and maybe it should stay that way. When Vermont placed limits on the use of the state name through truth in labeling laws, those very laws became unworkable for the Cabot Co-op.



Performance Foodservice recently launched its initiative to help customers obtain locally grown produce, a move that Fred Sanelli, senior vice president marketing, brands & sales development, said is proving to be popular. Four of the company's operating companies are on the program – those located in Elizabeth, NJ, Rock Island, IL, Springfield, MA, and Augusta, ME.

“Adding locally grown items to your menu will resonate well with your customers and demonstrate to them that you are progressive in your menu and creativity,” states a Performance Foodservice promotional article on the company's website.

At Performance, “local” means produce grown within 200 miles of the customer. “We have our local growers on a very stringent approval process that is driven by our quality assurance department. There are specific criteria that they must meet. The reaction from our customers has been very good,” states the article.

“In addition to the benefits gained from freshness, and conservation of our resources, there is a direct impact on our local economy when we buy local,” the Performance article explains. “Labor is required to grow and handle these products and moving those jobs to your local market is good for the local economy . . . and your business.”

Sanelli said Performance has found that providing this service adds to the one-stop shop experience for customers. “It's a step that we think is very positive,” he said. “Historically, chefs have gone outside of broadline distribution for these locally-sourced products. We are listening to our customers in the market so we can understand what they really need.”

Food Safety – Getting It Right

To avoid food safety concerns, Performance Foodservice inspects local farms that are included in the program. Besides inspection, qualification for the “Grown Local Program” requires growers to implement practices that significantly

reduce the chance of having a safety issue. The list of requirements includes:

- Irrigation water testing
- Fencing for animal intrusion
- Proximity issues (limiting nearby activities)
- Fertilizer restrictions
- Employee hygiene
- Cooler/facility requirements

Pocono ProFoods also has a stringent safety program. “We place a huge focus on our ability to inspect a producer's facility to make sure they are maintaining standards that we and our customers expect,” says Petruzzi. If a supplier has a 3rd party audit, then the personal inspection is not required.

Pocono has a 3rd party audit on its own facility that it offers to its customers. “We have a very open door policy with customers and suppliers, and we don't do business with a company that doesn't have the same idea. If they won't give us the ability to view their facility, we won't deal with them.”

Customer Demand

Today, a large percentage of guests are looking for the freshest possible food, and the concept of locally grown foods aligns well with this customer demand. “There is buying impact” behind that buzz, says Sanelli. “Somebody who wants to differentiate themselves from the guy next door can take the first step of being on the cutting edge of this movement and can have a competitive advantage.”

“There are certainly some challenges to sourcing locally,” says Chef Petruzzi, “but from our perspective there is enough of an upside to go through the work and work through the challenges to secure local suppliers. One of the things we talk about in our company is that we want to feel good about how we are going to market. Supplying locally sourced products to customers who request them allows us to do that.”