

## **SELLING TO RESTAURANTS**

*by Eric Gibson*

*This article is excerpted from a new book by Eric Gibson, "Sell What You Sow: A Guide to Successful Produce Marketing."*

In many of today's top restaurants, diners are facing dishes made with fruits and vegetables they've never seen before. The sorbet is made with prickly pear; the salad is a symphony of edible flowers; and greens have foreign names like mizuna and radicchio.

The flood of new produce items has given top-notch chefs a whole new palette. Chefs are increasingly willing to buy directly from growers in order to find field-ripened vegetables and tree-ripened fruits that are difficult to purchase from distributors and purveyors.

Although many restaurants buy directly from growers hoping to get a lower price, white-linen restaurant chefs often pay top-dollar for hard-to-find, quality produce. Ina Chun, a specialty grower and distributor with her company, Ocean Resources near Graton, California, says: "Chefs can't find a good tomato through brokers. Bring them a great-tasting tomato, and you've got a real 'in'." Selling to restaurants, Chun adds, represents the "state of the

art" in growing: "It's an incredible feeling to grow all this great produce and know you're getting it to where it's really appreciated."

Restaurant concerns are for freshness and quality; price; consistency and reliability of supply and delivery; and for specialty produce not available in wholesale markets.

Chefs stress that they welcome sales calls from farmers, but are rarely approached. As one chef said: "We are in the yellow pages; the farmers are not, so it is up to them to contact us."

### **Advantages of Selling to Restaurants Include:**

- *Steady market* throughout the production season. If you can establish a solid relationship with a restaurant, you can peg a price on a product and stay with it.
- *Top-dollar* for your product. A minimum of 10% over wholesale terminal prices for standard items at mainstream restaurants; much more from upper scale restaurants for specialty items that they can't get wholesale.
- *Personal contact* with the owners, manager or chef allows greater flexibility in products grown. Dealing with creative chefs gives you a marketing edge in your other marketing outlets.
- *Brand Recognition:* Restaurants like to emphasize their locally-grown produce, so they often mention the names of their farm suppliers on the menu.

### ***Disadvantages in Selling to Restaurants:***

Since restaurants have limited cooler space, they require frequent deliveries, and accept only limited volume per delivery. This means more restaurants to deliver to, more invoices and paperwork, and lots of time away from growing.

Product liability insurance may be required by state law and/or the individual buyer you are selling to. The premium could outweigh the profits. Check with your State Department of Agriculture regarding required insurance in selling to restaurants.

### ***What to Grow***

Quality is generally a top priority with restaurants. Never compromise on quality. Separate the seconds, identify them as #2's, and sell them for a lower price. Restaurants can use seconds in salsa, pizza, and salads.

Concentrate on specialty items that restaurants can't get from traditional distributors, or for which you can offer premium freshness and quality. Use sequential plantings and choose varieties to make sure you have a steady supply all season. Stay in constant communication with buyers as to what's up and coming, so they can plan ahead, and you can move your crops when they're harvested.

### ***Researching the Market***

Make a list of all the restaurants that can be easily served from your location, say within a 50-mile radius, or are along a delivery route in a city an hour or two drive away. Look in the Yellow Pages, or dining guide surveys in newspapers, or restaurant guidebooks in libraries or bookstores. Find contacts also in restaurant association trade and food shows. Look for restaurants which feature natural foods, regional specialties or unique cui-

sine, fresh vegetables, specialty salads, and homemade soups.

Start lining up prospective restaurant buyers as much as a year in advance. Call first and arrange for an appointment, as visitors to the kitchen are not welcome during rush hours (2 to 4 p.m. is generally a slow period, between lunch and dinner). Ask to speak to the executive chef.

Find out if the restaurant buys locally, what crops they might be interested in buying, and as much as possible about how the restaurant operates. Find out the quantities they use per week, how often they order, payment terms and the prices they pay, and some of their preferences for packaging, grading and delivery.

Determine the products you can supply the restaurant that are different, fresher, or better than those presently being purchased. Give the buyer a reason to buy from you; let him know how your products and services are different or better. Stress the special varieties or each-day delivery you offer, for example, or the freshness, uniqueness, vine-ripened flavor, extra care, and personal service of your products. Bring samples and a cutting board with you; make sure they taste your great produce. Also, leave a fact sheet listing your products, the various types and varieties, and availabilities and prices.

### ***Payment and Pricing***

Discuss payment up front; some restaurants are notorious for not paying their bills. Be very cautious in extending credit, especially to small restaurants, or restaurants that are new to the market. Ask them to fill out a credit application, and ask for references of other farmers they deal with.

Discuss the need for a delivery charge on less-than-minimum orders, and the need for on-time payment. Ask what the

restaurant's normal billing schedule is. Two weeks, 30, 45 or 90 days is common; if you can live with that, accept it. Be sure that the restaurant lives up to its agreed-upon schedule. Offer an incentive for early payment, such as a 3% discount for payment within 10 days.

Consistent quality is often the key to keeping chefs from arguing too much over the price. But they will argue if the produce occasionally falls below top-quality.

*Is it profitable?* Take a close look at the distances for delivery, the volume of produce you are able to move through restaurant channels; the time you spend in making phone calls and deliveries, and finally, the comparative value of restaurants compared to other markets. Make sure you are making money!

### ***Establishing a Working Relationship***

Try to establish an on-going working relationship with the restaurant, either as supplier for a specified commodity or as their "restaurant garden" to supply a wide range of their needs. Try to get a written contract if possible; verbal agreements are more common. A contract or agreement may specify kinds of produce to be delivered; amounts and delivery times; price and terms; trucking fees and reliability. Make sure you are dealing with someone you can trust—you'd be left in the lurch if your restaurant pulled out on you!

Pinpoint your relationship with your restaurant buyer. Discuss delivery days and times, and find out who should sign off on your delivery. Figure out how much it takes to make a stop worthwhile; then establish a delivery charge for less than minimum orders. Small orders that don't even pay for delivery can kill your good business. Also let them know that you need X number of hours or days to place special orders. Request that orders be made by 5 PM the day before delivery.

When your first crops are ready to harvest, contact the restaurants you'll sell to, and confirm the date, time and quantity of delivery. Be prompt with deliveries and supply exactly what you've promised. Reliability is a must. If you don't show, it means panic in the kitchen and missing items on the menu. They may not buy from you again!

Keep in touch, and make it easy for the restaurant to reach you. An answering machine will allow them to call you for special orders. List what's available and then ask them to leave their order on the answering machine. If you have a FAX machine, fax them your price/availability list with check-offs for their order.

### ***Service What You Sell***

Chefs want information about how to store and handle the products, shelf life, and ways in which the product can be used. Some may also appreciate recipe suggestions.

Since affordable labor is one of the biggest problems faced by chefs, they are glad to buy food products in a semi-prepared form, such as pre-sliced vegetables, pre-peeled potatoes, pre-washed greens, or tomatoes and potatoes sorted according to size. The less time spent preparing produce in the kitchen, the better. Chefs use big tomatoes, for example, for slicing, and little tomatoes for salads.

### ***Increasing the Order Size***

One of the biggest challenges in selling to restaurants is in finding ways to increase the order size. Work your way "in" to a restaurant by growing small amounts of some obscure specialty item; then try to supply them with more items to fill out the orders. If you've got a restaurant that buys your mushrooms, for example, give them a free bag of your edible flowers, along with some suggestions on how to use them in salads.

### ***Grower-Chef Relationships***

One of the most enjoyable aspects of selling direct to restaurants is the ongoing dialogue with these food professionals. Feedback from chefs allows you to upgrade your products and services.

Always communicate if there is a problem. If you are short on a product, call the restaurant to let them know so they can cover themselves on the menu. If your products are frost damaged or insect damaged, for example, chefs still may be able to use the product, as long as the damage is cosmetic only. Discount the price and sell it as seconds.

Hold regular meetings with buyers to review and plan. Bob Cannard meets quarterly with the Chez Panisse management to talk about what he grew that was right, and what he grew too much or too little of. In addition to quantity and variety, the meetings decide how things are grown, picked and packaged. Salad greens for example, can be either plucked as small,

tender edibles, or allowed to mature for greater color, tone and texture.

### ***Working with Other Growers***

Some of the challenges of selling to restaurants—small volume time spent in selling and delivery, having enough variety to build up your accounts, etc.—can be overcome by working with other growers.

When Ina Chun and John Mero began selling edible flowers to restaurants in the Bay Area from their farm in northern Sonoma County, they soon found themselves “picking up” produce from neighboring farmers. Now their distribution services have become a major part of their business.

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