

MarketReady Checklist for Restaurant Sales

Business Practice Summary

Dr. Tim Woods and Jim Mansfield, Department of Agricultural Economics, University of Kentucky

This list of best practices summarizes interviews with over 70 chefs, retailers, and experienced growers. It examines a series of basic business-to-business functions, outlining ideal starting points restaurant buyers would like to see regarding grower preparedness. Specifics will vary from restaurant to restaurant. Some will have well-developed standards and protocol for their suppliers. Others will be less formal. At the very least, these practices will help the grower/supplier communicate with potential restaurant buyers regarding their expectations for each business function. These practices are offered as guidelines on expectations summarized over many firms. They are intended as reference points for self-examination of the farmer's business practices to evaluate readiness for commercial markets and as a checklist for communicating on expectations held by specific buyers.

Communication & Relationship Building

- ✓ I understand that growing relationships with the chefs is just as critical as producing quality products
- ✓ I have asked the chef what the best way to contact them is and have conversations about 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 personal appearance when making business calls to restaurants and chefs

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 he or she wants 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

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 taken the opportunity to explain to chefs what terms like “certified”, “sustainable”, and other phrases mean if I use those terms on my labels or product packaging

Pricing

- ✓ I know I may not be able to charge a full “farmers’ market” price when selling direct to a restaurant, foodservice customer, or school
- ✓ I estimated my costs of producing the products I will be offering to buyers
- ✓ I estimated the cost of delivering the product to the final destination
- ✓ I have researched prices that buyers in my area may be paying for wholesale products
- ✓ I understand why the buyer 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, or per serving, that I would accept for my product.

Supply

- ✓ I understand and have approached possible chef clients before my crop is in to talk about my 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 my chef customers direct email, voicemail, or the best way to reach them directly
- ✓ I am exploring season extension and other production options that allow me to increase volume of products supplied

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 or manager 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

Storage

- ✓ I know how much of my product the buyer is able to comfortably handle in their own kitchen’s storage
- ✓ I am willing to help 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

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 buyer 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
- ✓ I have a system in place to keep track of how much I am owed by each customer

Insurance

- ✓ I have asked the buyer 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

Quality Assurance and 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 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
- ✓ I have the necessary documents for USDA and local health inspection where required

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

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

Marketing – An Ongoing Process

- ✓ I understand what kind of customer typically eats at the restaurant I would like to sell to

- ✓ I know that it may not always be possible for the restaurant to mention my products by name in their communication
- ✓ I have simple, clear print materials (like a brochure or website) that provide information that a restaurant could use to tell the story of my product
- ✓ I am aware of what kinds of promotional materials are 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

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 Kentucky Department of Agriculture has available for Kentucky Proud and Restaurant Rewards
- ✓ 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

Expanded presentation, supporting resources, specific quotes and comments are available in individual PowerPoint modules from the authors at: <http://www.uky.edu/fsic/marketready/>

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MarketReady Checklist for Grocery, Wholesale & Foodservice Sales

Business Practice Summary

Dr. Tim Woods and Jim Mansfield, Department of Agricultural Economics, University of Kentucky

This list of best practices summarizes interviews with over 70 chefs, retailers, and experienced growers. It examines a series of basic business-to-business functions, outlining ideal starting points which grocer, wholesale, and foodservice buyers would like to see regarding grower preparedness. Specifics will vary across firms. Some will have well-developed standards and protocol for their suppliers; others will be less formal. At the very least, these practices will help the grower/supplier communicate with potential buyers regarding their expectations for each business function. These practices are offered as guidelines on expectations summarized over many firms. They are intended as reference points for self-examination of the farmers business practices to evaluate readiness for commercial markets and as a checklist for communicating on expectations held by specific buyers.

Communication

- ✓ I understand the importance of advanced notice to the buyer about my product's availability and any changes in quantity or quality
- ✓ I have the buyers contact information such as direct phone numbers, email and understand the best way to reach them
- ✓ I understand wholesale food buyers have many demands on their time, therefore I make appointments in advance in order to meet with the buyer about my products
- ✓ I am building good relationships with my customers so that, if deliveries are delayed or mixed up, we can have an honest conversation about their concerns
- ✓ I present a professional and clean personal appearance when making business calls to potential customers

Packaging

- ✓ I understand the industry standard packaging for the product and am prepared to deliver that kind of package
- ✓ I have asked the buyer how they want my product packaged
- ✓ My product will be packaged appropriately to protect its integrity, temperature and freedom from contamination
- ✓ My product will be packaged in a manner that allows storage on pallets, in racks.
- ✓ I have access to industry standard packaging materials
- ✓ I have processors to produce desired cuts or products from meat or dairy production
- ✓ I produce and provide products that consistently meet USDA or industry grading, sizing and quality standards

Labeling

- ✓ I understand that labeling can help build my farm's identity and improve product presentation; therefore I have made an effort to provide an attractive label

- ✓ I understand the legal regulations for labeling my products including Country of Origin labeling, USDA inspection seals, label claims, weights and my business contact information, etc.
- ✓ I can PLU sticker or UPC label my products as required by the customer
- ✓ My packaging and labeling allows for product traceability or I can work with the buyer on product traceability procedures if requested
- ✓ I can verify all the label claims on my product labels
- ✓ I have taken the opportunity to explain to buyers what terms like “grass-fed”, “pasture raised”, “natural”, “anti-biotic free”, and other phrases mean if I use those terms on my labels, literature or product packaging

Pricing

- ✓ I research current market prices and am aware of the transportation costs I incur in delivery
- ✓ I understand processing, packaging costs and any other post-harvest costs
- ✓ I will discuss and provide a written description of my products attributes, benefits and label claims
- ✓ I will give an estimate of how much product volume I can provide and for how long
- ✓ I will quote the buyer a delivered price for the product
- ✓ I am prepared to discuss each size, grade or cut of product with the buyer
- ✓ I priced the product at a level where I can make a profit and be a stable supplier

Supply

- ✓ I will discuss the potential products and forms of products that the buyer may be interested in purchasing
- ✓ I will supply a consistent volume of product to the buyer for a specified period of time
- ✓ I understand the importance of advanced notice to the buyer about product availability and changes in quantity or quality
- ✓ I have a plan to accomplish steady production of my product
- ✓ I have the buyers contact information
- ✓ I am aware that some buyers may want to purchase products from an independent wholesaler in order to improve their logistics and quality assurance procedures

Delivery

- ✓ I understand the cost in time and fuel, etc. that is involved with product delivery
- ✓ I can arrange affordable transportation of my products to the buyers requested delivery locations at an acceptable frequency
- ✓ I have asked the buyer about delivery procedures and can accommodate
- ✓ I have an invoicing system that allows me to leave an invoice with each delivery or provide a bill of lading and send an invoice via mail or e-mail
- ✓ I am willing to investigate delivery services in new areas to gain new clients
- ✓ I am building good relationships with my customers so that, if deliveries are delayed or mixed up, we can have an honest conversation about their concerns

Invoicing

- ✓ I will provide a numbered invoice form with farm name, address, phone number, and other contact information printed on it
- ✓ The invoice form will have the date, P.O. number, product description, weight or quantity, price per unit and total price
- ✓ I understand the invoicing procedures and have discussed them with the buyer. I have made sure that my invoice statement or system meets their requirements, including electronic delivery if required
- ✓ I am prepared to accept payment as agreed upon with the buyer (14 days/a month)
- ✓ For produce sales, I understand the applicable PACA rules
- ✓ I understand and can supply a Bill of Lading if using a third party to deliver the product to the retailer

Insurance

- ✓ I will verify with the buyer their company's vendor requirements for product liability, worker's compensation and other insurance policies
- ✓ I will show proof of proper coverage
- ✓ I will have liability insurance coverage for my farm business activities

Quality Assurance, Certifications and Audits

- ✓ I understand that quality assurance from a wholesale buyer's perspective means the vendor guarantees 100% of the product meets their specifications
- ✓ I understand temperature requirements and safe handling practices for the products I deliver
- ✓ I understand and will agree to buyer temperature protocols, and will meet those guidelines
- ✓ I am willing to receive GAP training and certification if necessary
- ✓ I am willing to have a farm inspection by the buying organization or a specified third party

Satisfaction Guarantee

- ✓ I am prepared to stand by my products 100%
- ✓ I have explained how my product will be delivered and packaged, and have heard any concerns they have with my product
- ✓ I am willing to consider production adjustments to improve the final product quality if necessary

Marketing

- ✓ I understand the customer base of the retailer I I sell to
- ✓ I know that it is not always possible for the retailer to mention my products by name
- ✓ I have simple, clear print materials that provide information that a retailer could adapt 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 other retailers 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 appealing to some chefs

Local Products for Local Markets

- ✓ I am involved with the community of the school(s) I sell to, and have made an effort to get people involved
- ✓ I have simple, clear print materials that tell my story and explain why my farm is unique
- ✓ I have created promotional materials for my farm that can be displayed in schools
- ✓ I am willing to host on-farm visits for students, teachers, leaders, etc.
- ✓ I am open to being involved in events like food festivals, school visits, student education, and on-farm field trips that some schools may be enthusiastic about participating in

Expanded presentation, supporting resources, specific quotations and comments will be available in individual PowerPoint modules from the authors at: <http://www.uky.edu/fsic/marketready/>

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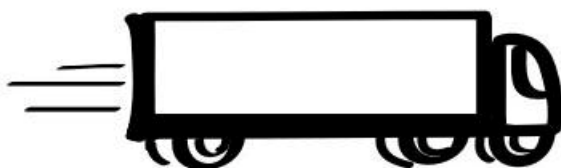
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MarketReady Checklist for Farm to School Business Practice Summary

Dr. Tim Woods and Kevin Heidemann, Department of Agricultural Economics, University of Kentucky

This list of best practices summarizes interviews with Food Service Directors. It examines a series of basic business-to-business functions, outlining ideal starting points Food Service Directors would like to see regarding grower preparedness. Specifics will vary by school district or even by school. Some will have well-developed standards and protocol for their suppliers, but others will be less formal. At the very least, these practices will help the grower/supplier communicate with Food Service Directors regarding their expectations for each business function. These practices are offered as guidelines on expectations summarized over different school districts. They are intended as reference points for self-examination of the farmer's business practices to evaluate readiness for selling products to schools, and as a checklist for communicating expectations held by specific buyers.

Communication & Relationship Building

- ✓ I have spoken to the Food Service Director about the best way to contact them
- ✓ 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 FSD to improve the business relationship
- ✓ I have asked my FSD about all requirements involved in selling to the school district
- ✓ I present a professional and clean appearance when making business calls

Packaging

- ✓ I have asked the Food Service Director how they want my product packaged
- ✓ I understand the packaging required for the product I want to market and can deliver it to a school
- ✓ I am prepared to spend extra time packaging my produce to a Food Service Director's specifications and have accounted for my extra time in the product cost
- ✓ I have access to standard size cardboard produce boxes

Labeling

- ✓ I have asked my FSD about label requirements
- ✓ 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 Food Service personnel the meaning of terms like "certified", "sustainable", "local", and other phrases when used on my labels

Pricing

- ✓ I know I may not be able to charge a full “farmers’ market” price when selling direct to a restaurant, foodservice customer, or school
- ✓ I estimated my costs of producing the products I will be offering to buyers
- ✓ I estimated the cost of delivering the product to the final destination
- ✓ I have researched prices that buyers in my area may be paying for wholesale products
- ✓ I understand why the buyer 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, or per serving, that I would accept for my product.

Supply

- ✓ I have spoken with Food Service Directors about crop availability and their volume needs before my crop is in
- ✓ I have explained what products I offer, new product possibilities, and possible seasonal items before the season
- ✓ I have a regular price and availability list available for Food Service Directors
- ✓ I have identified the best way to reach my Food Service Director
- ✓ I am exploring season extension and other production options that allow me to increase volume of products supplied
- ✓ I understand what the students like, what kitchen managers want, and how to serve both of them properly

Delivery

- ✓ I understand the cost in time and fuel, etc. that is involved with product delivery
- ✓ I am able to deliver my products to ALL the specified locations
- ✓ I have asked the FSD about delivery time, day, location, etc.
- ✓ I have an invoicing system that allows me to leave an invoice at each location required
- ✓ I am willing to consider other delivery options

Storage

- ✓ I know how much of my product the buyer is able to comfortably handle in their own kitchen’s storage
- ✓ I am willing to help 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

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 buyer 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

- ✓ I have a system in place to keep track of how much I am owed by each customer

Insurance

- ✓ I have asked the buyer 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

Quality Assurance and Temperature Control

- ✓ I have discussed cold chain requirements for my products with the buyer 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
- ✓ I am able to prove I have received GAP training

Satisfaction Guarantee

- ✓ I have explained to the FSD 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 FSD 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 products to offer if I need to reimburse a FSD for poor product quality, or I am able to give the FSD notice beforehand

Working Cooperatively

- ✓ I am aware of other growers that may be interested in selling products to schools, and have started conversations about working cooperatively
- ✓ I have the ability to ensure that my product is delivered as promised if I am not personally delivering it to the school
- ✓ I am building good relationships with my FSD so that we can have an honest conversation about their concerns

3 C's for Successful F2S (Community, Cafeteria, Classroom)

- ✓ I am involved with the community of the school(s) I sell to, and have made an effort to get people involved
- ✓ I have simple, clear print materials that tell my story and explain why my farm is unique
- ✓ I have created promotional materials for my farm that can be displayed in schools
- ✓ I am willing to host on-farm visits for students, teachers, leaders, etc.
- ✓ I am open to being involved in events like food festivals, school visits, student education, and on-farm field trips that some schools may be enthusiastic about participating in

- ✓ 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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