



## Market Ready Farm to Restaurant – Product Supply Recommendations

By Ben Garber, Agricultural and Applied Economics, Virginia Tech; Kimberly L. Morgan, Assistant Professor and Kohl Junior Faculty Fellow, Agricultural and Applied Economics, Virginia Tech; Meleah Shadler, Agricultural and Applied Economics, Virginia Tech; Allyssa Mark, Program Associate, Virginia Beginning Farmer and Rancher Coalition Program, Virginia Tech; and Kim Niewolny, Associate Professor, Agricultural, Leadership, and Community Education, Virginia Tech

There are many factors to consider before selling your farm products directly to restaurant owners, managers, and chefs. Marketing management is an important component in the startup and decision-making processes for new and beginning producers interested in direct sales. The purpose of this series of publications is to inform Virginia producers about marketing and legal risk management tools, techniques, and resources available to help them prepare to sell food and food products directly to restaurant clientele.

Topics covered in this paper are expected to improve producer decision-making by providing a better understanding of product supply considerations to help them manage risks associated with the legal aspects specific to direct marketing relationships. The topics covered in this resource are not all-inclusive, but after reading this publication, producers should be better prepared to build relationships with restaurant clients.

This is one publication of a 7-part series, available on the Farm to Fork Direct Market portal. A resource list that include examples, resources, blog posts and case study YouTube video interviews of successful farm to restaurant business owners, and upcoming training dates is available at the end of this publication.

For questions about this or other farm startup topics, contact your local Virginia Cooperative Extension office.

There are plenty of restaurants out there who want to source products locally. Using local ingredients is a great way to differentiate themselves, add value to their meals, and ultimately attract a higher price from patrons. However, for many restaurants the main barrier to sourcing more products directly from producers are insufficient and/or inconsistent product quantities to meet their needs. Farmers who are able to expand their product supply and improve consistent product availability to their buyers, they may pursue larger volume clients resulting in more lucrative business opportunities.

Consistent availability of a product is one of the primary issues related to supply, particularly fresh producer, dairy, and meats. If a restaurant can't order enough of a product to keep it on the menu all the time, they have less incentive to source their product from that farmer. Farmers should plan to provide enough product for a consistent number of meals per week to their restaurant buyer. Should an unexpected supply disruption occur behind the

# Product Supply

## RECOMMENDATIONS

### Why Restaurants Source Locally



Local  
Ingredients

Differentiation within market

Added value to meals

Attract higher prices from patrons

### Issues

with local supply

- Not large enough to meet restaurant needs
- Not consistently available

## WHAT CAN YOU DO?






Plan growing season or adjust breeding program with restaurant input

Apply for grants or loans from federal or state agencies

Consider alternatives such as greenhouses, hoop houses, or row covers

Join grower marketing or production cooperatives



## Success Story

- Six member-owners who came together to produce high-quality, antibiotic-free beef
- Currently supplies beef for Clyde's Restaurant Group in Washington, DC and the Washington Nationals home games
- The scope of supply wouldn't have been possible as individuals



Virginia Tech • Virginia State University



SOUTHERN EXTENSION RISK MANAGEMENT EDUCATION



United States Department of Agriculture  
National Institute of Food and Agriculture

farm gate, they need to communicate any supply issues and offer solutions to the restaurant with as much advance notice as possible.

As with the rest of the direct marketing process, communication is key. Farmers must be able to tell chefs how much product they can consistently provide and precise availability schedules. Some farmers and chefs may even wish to plan the growing season together so they know how much of each product will be grown to meet restaurant patron tastes and preferences.

Depending on the product grown, farmers may be able to take steps in their production methods to ensure a more consistent supply of product. Livestock producers may wish to adjust their breeding programs. Produce growers may wish to consider greenhouses, hoop houses, or row covers to extend their growing season. They should also consider planting times and the varieties used.

Farmers should also consider the networks available to them when forming a supply chain. They can find advice, programs, and sometimes even grants or loans through federal or state agencies. They can also join grower marketing or production cooperatives and band together with other producers to supply larger amounts to restaurants at greater consistency.

The [Shenandoah Valley Beef Cooperative](#) is a great example of producers banding together to provide a consistent volume of high-quality product to customers. SVBC consists of six member-owners who came together to produce high-quality, antibiotic-free beef. Since they came together as a cooperative, they've been able to supply [Clyde's Restaurant Group](#) in the Washington, DC metropolitan area, as well as providing beef served at Washington Nationals home games, none of which would have been possible as individuals. Hear more of their story

in Virginia Market Ready's [interview](#) with member-owners Wade Hawkins and Terry Sager on the Virginia [Market Ready YouTube channel](#)!

When farmers band together, they can stagger production so that product is available more consistently. If farmers can find peers that they trust and whose product they would be willing to stand behind, they should start the conversation about banding together. This can give both parties access to bigger and better deals, as well as a more consistent cash flow.

Providing a stable, consistent supply of product to restaurant customers can help farmers form long-standing, lucrative business relationships. A solid supply can make the difference between supplying ingredients for a one-off special and a beloved menu mainstay.

For more information about direct marketing of your farm products in Virginia, please contact Kim Morgan at [klmorgan@vt.edu](mailto:klmorgan@vt.edu) or 540-231-3132, or, visit the Farm to Fork Direct Marketing Resources portal at [ext.vt.edu/agriculture/market-ready.html](http://ext.vt.edu/agriculture/market-ready.html). For more information and resources directly aimed at beginning farmers, visit the Virginia Beginning Farmer and Rancher Coalition Program at [www.vabeginningfarmer.org](http://www.vabeginningfarmer.org).

## Acknowledgements

The Virginia Beginning Farmer and Rancher Coalition Program is a statewide, coalition-based extension program. The program is housed in Virginia Tech's Department of Agricultural, Leadership, and Community Education and is a program of Virginia Cooperative Extension. The Virginia Market Ready Farm to Restaurant Program is sponsored by the Southern Extension Risk Management Education Center of the USDA Subaward #21667-14.



United States  
Department of  
Agriculture

National Institute  
of Food and  
Agriculture



SOUTHERN  
EXTENSION  
RISK MANAGEMENT  
EDUCATION

VIRGINIA  
Beginning Farmer & Rancher  
COALITION PROGRAM



## Resources

Garber, B. 30 November 2016. Conversation with Wade Hawkins and Terry Sager of the Shenandoah Valley Beef Cooperative. Virginia Cooperative Extension Market Ready Farm-to-Fork Direct Marketing Resources Blog. Link: <https://blogs.ext.vt.edu/market-ready/2016/11/30/conversation-with-wade-hawkins-and-terry-sager-of-the-shenandoah-valley-beef-cooperative/>

Garber, B. 17 May 2017. Interview with Wade Hawkins and Terry Sager, Shenandoah Valley Beef Cooperative. Link: <https://www.youtube.com/watch?v=TLxDm5uKBsw>

Vallotton, A., A. Battah, R. Knox, A. Vargo, T. Archibald, R. Boyer, N. Cook, and T. Drape. 2017. "Assessing Virginia's Market Sectors: Fresh Produce Purchasing Considerations." Virginia Cooperative Extension Service Publication, HORT272-NP. Link: [https://www.pubs.ext.vt.edu/content/dam/pubs\\_ext\\_vt\\_edu/HORT/HORT-272NP/HORT-272NP.pdf](https://www.pubs.ext.vt.edu/content/dam/pubs_ext_vt_edu/HORT/HORT-272NP/HORT-272NP.pdf)

Virginia Cooperative Extension Market Ready Farm-to-Fork Direct Marketing Resources portal. 2019. Link: <https://ext.vt.edu/agriculture/market-ready.html>

Virginia Cooperative Extension Market Ready Farm-to-Fork Direct Marketing Resources YouTube Channel. 2019. Link: <https://www.youtube.com/channel/UCnlhujb2Yq966WytPz4GuEw>

Virginia Cooperative Extension, Virginia Beginning Farmer and Rancher Coalition Program. 2019. Link: [www.vabeginningfarmer.org](http://www.vabeginningfarmer.org)