



Market Ready Farm to Restaurant – Storage Considerations

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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 storage 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.

Providing a place to store product, while not a necessity, may allow farmers to offer chefs with a readily available source of fresh product. Proper storage of food products may also simplify production and delivery timing.

Many people are unaware that restaurants, while they prepare large amounts of food daily, rarely have large kitchens. Large pantry spaces within restaurant footprints are even less common. Every square foot that is devoted to food preparation and storage in a restaurant is a square foot that is not devoted to seating a paying customer. In other words, storage of food items results in less profit to the restaurant owner. As a result, when farmers offer their clients a combination of product storage and efficient delivery, they have a great opportunity to add value for restaurants where space is at a premium.

Storage needs will not be the same for every product. Some products, such as fresh greens, are not easily stored. Others, such as meats, can be stored for some time if properly frozen, although shorter storage times are preferable to maintain

Storage

BACK TO THE BASICS

Restaurants:

To maximize profit, restaurants prioritize space for seating over space for food storage and preparation.

Restaurants are willing to pay a premium for high quality ingredients that are properly stored and efficiently delivered due to the nature of space required for proper storage.

Producers:

The premium chefs offer for proper storage can be an important value added back to the farm for any producer.

It is important for producers to know the storage costs and considerations to ensure the premium for their stored product is higher than the input required for proper storage.

STORAGE CONSIDERATIONS

Pantry

Potatoes must be stored above 45 degrees to prevent discoloration that occurs when starch is converted to sugar.

They can be kept for months under proper conditions with no discernible reduction in quality.

Fridge

Fresh greens must be kept in a chilled environment to ensure the best quality of the product.

They are not easily stored, but can be kept in the coolest part of the refrigerator for 3-4 days before quality is severely impacted.

Freezer

Beef must be kept below 40 degrees until it is thawed and ready for preparation to prevent bacterial growth and spoilage.

Steaks, roasts, and chops can be stored, properly frozen, for up to a year, while ground products can be stored for up to 4 months.

WAYS TO CUT STORAGE EXPENSE

Use grant assistance or subsidized loans to help construct storage, including offered through the Farm Service Agency's Farm Storage Facility Loan Program (FSA)

Rent or share storage with other farmers or distributors

Every product has different storage requirements

STORAGE OFFERS

- Simplified production and delivery timing
- High product quality from field to fork
- Offers chefs a readily source of fresh product

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product quality. Some, such as potatoes, may be kept for months under proper conditions, with no discernable reduction in quality.

Every product has different storage requirements, which is part of the reason storage is so complicated. Remember Spud Tubermann and Beau Vine? Their products simply can't be stored together. To prevent bacterial growth and spoilage, Beau's beef must be stored at 40 degrees Fahrenheit or lower until it is thawed for cooking. Spud's potatoes, on the other hand, cannot be kept under 45 degrees. Below 45 degrees, the starch in potatoes converts to sugar, resulting in discoloration and a tendency to burn under some cooking methods (Voss et al). As a result, when they deliver their products to the burger joint Paddy's Patties, the product must be stored in different temperature-controlled areas of the restaurant to maintain product qualities.

In the end, the cost of storage will depend on the type of product being stored, the amount, and the site requirements of the place where it is stored. Farmers should ensure that they are familiar with the storage requirements of their product, and then either hire someone to construct their storage or find suitable plans to construct storage themselves. See the University of Kentucky's Cooperative Extension publication AEN-96 Low-Cost Cold Storage Room for Market Growers for details on size and cost estimates.

However, there are ways to cut the costs of storage. For instance, some storage can be constructed with grant assistance or subsidized loans, such as those offered through the Farm Service Agency's Farm Storage Facility Loan Program (FSA). In addition, if on-farm storage is not feasible or is cost-prohibitive, farmers can always arrange to rent or share storage with other farmers or distributors.

As with anything else in the direct marketing world, farmer-chef communication is key. Both parties need to know how much lead time they need to give the other party if something changes on the production or restaurant side. The need for stability in the face of unforeseen developments directly influences the amount of storage needed. Also, open communication lets the farmer know to what extent they can build storage into the value added by their product and still turn a profit. Even if the farmer is unable to store product for the restaurant, farmers should discuss optimal food storage requirements with their restaurant buyers to ensure peak product quality. Conversations like this will keep chefs from being dissatisfied with product that spoils quickly under their care.

Food product storage is a highly desired value-added offering for chef buyers. Proper storage can streamline the delivery process and keep product quality high all the way from the field to the fork. Great farmers do not only grow good food; they ensure that it stays healthy and delicious all the way to the end user's plate.

For more information about direct marketing of your farm products in Virginia, please contact Kim Morgan at 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. For more information and resources directly aimed at beginning farmers, visit the Virginia Beginning Farmer and Rancher Coalition Program at www.vabeginningfarmer.org.

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Resources

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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