Institutional and commercial food service buyers' perceptions of benefits and obstacles to purchase locally grown and processed foods

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Abstract
The three-phase project investigated several issues facing institutional and commercial food services related to purchasing of locally grown and processed food.

Keywords
Hotel Restaurant and Institution Management, Apparel Events and Hospitality Management, Business management, distribution and marketing, Community-based food systems, Food miles, food pathways, food system assessments

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Abstract: The three-phase project investigated several issues facing institutional and commercial food services related to purchasing of locally grown and processed food.

Background

One way to increase the food producer’s share of the food dollar is to develop new markets. Selling more food locally is a marketing opportunity. The local hotel, restaurant, and institution (HRI) market offers much potential because of the quantities purchased. However, the HRI market structure is complex. Factors such as menu offerings, geographic location, ownership status, purchasing and payment policies, package forms, convenience, and compliance with state and government regulations for food safety influence the selection of a food supplier. Purchasing food often is only one of many job responsibilities of the food service manager. To date, little research has been conducted and published from the perspective of the food service manager.

One goal of this project was to gather empirical evidence from food service operators in Iowa about their perceptions of issues related to purchasing food from local sources. A project assumption was that buyers for food services would increase their local purchases if their perceptions of risk were dispelled and clear evidence of benefits was presented.

A second goal was to provide information to food buyers in institutional and commercial sectors of the HRI market about local food purchases. The purpose was to increase awareness of procurement agents about food safety and other issues surrounding purchases from local suppliers. Three objectives were to:

1. Describe purchasing decision processes for fresh produce, meat and poultry, eggs and grocery items,
2. Consult with food service buyers about safety and regulatory concerns related to buying local foods, and
3. Identify local sources of products that meet the operations’ specifications.

The study had a third goal of comparing the safety of food purchased from local and national suppliers. Common pathogens were identified in frequently purchased items, pooled samples from local and national suppliers were collected and then tested by an independent laboratory.

Approach and methods

Goal 1: Gather empirical evidence. Researchers developed a five-part mail questionnaire and provided it to a random sample of institutional and independently owned commercial food service operations in Iowa. The surveys were sent to 170 schools and nursing homes and 122 restaurants. Respondents were asked to rate the degree of benefit for a list of 12 factors related to purchasing foods locally. A list of 16 possible impediments to local purchases was presented for ranking. Information about current purchasing practices was requested. Data

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Budget: $16,060 for year one $16,224 for year two

How did this project help farmers? Many of the participating food service buyers now recognize that local producers can provide products for their operations. The key is having an identified source that can meet quality and quantity needs.
on usage and frequency of delivery were collected for specific food items that potentially could be purchased locally.

Goal 2: Increase awareness of food buyers about local food purchasing. Nine food service sites in central Iowa were each visited three times in 2001. At the first visit, a standard interview form and questionnaire were used to determine current purchasing practices and types of food items purchased. Food buyers were asked to complete a pre-project assessment of their knowledge and attitudes about purchasing from local sources. Results of the assessments were discussed with the buyers and they were provided with various informational pieces. The second site visit included picture taking and preparation of press releases for local newspapers. Some sites included point of sale information about products purchased locally. On the third visit, post-project knowledge and attitude assessments were administered, along with an interview to see if there had been an increase in local food purchases.

Goal 3: Compare safety of food purchased from local and national suppliers. Project researchers selected four food items frequently purchased by participating food service operations. A food safety specialist identified pathogens likely to occur in these foods. Samples of each food item from local and national suppliers were pooled into respective groups. Each food was analyzed twice for harmful levels of specific pathogens by an independent laboratory. Ground beef (E. coli), fresh shell eggs (Salmonella spp), dried pasta (bacillus cereus) and lettuce mixture (Listeria monocytogenus) were the food items tested for the pathogens noted.

Results and discussion

Mail survey  Results were received from 15 percent of the restaurant owners, 49 percent of the food service directors, and 30 percent of the nursing home food service directors. The highest rated perceived benefits to purchasing food from local sources were fresher food, good public relations, and benefit to the local economy. Respondents identified the following factors as the top obstacles to local food purchasing: availability of a year-round supply, local and state regulations, and working with multiple vendors.
Project assessments

*Attitudes:* The nine food vendors involved in the assessment were queried about four general topics. In the “greatest threats to food” area, they identified improper handling by staff and the presence of microorganisms. Factors rated important in “supplier selection” included timely delivery of orders, time of day for food delivery, and food safety.

“Current purchasing practices” questions yielded the information that most operators were satisfied with their current suppliers and noted that the length of the relationship does have some influence on their continued purchasing. When asked about “local food buying,” food service managers were willing to work with local supplies and anticipated significant customer support for local foods. However, there was less commitment to local food buying at the end of the project period, perhaps because of the increased effort required to work with multiple suppliers, coordinate deliveries, and arrange payment.

*Knowledge:* A pre- and post-knowledge assessment consisting of questions about purchasing regulations was administered. The pre-test found that more than half of the respondents correctly answered 18 of the 25 questions. Pre-project findings indicated that not all participants were familiar with regulations pertaining to meats transported across state lines or with guidelines about farmers’ direct marketing of product to food services. Post-project findings were similar. While there was increased awareness of local food purchasing and regulations governing foods purchased, some information was not well retained.

Pathogenic testing of selected food items Pooled samples of ground beef, fresh shell eggs, leaf lettuce or spring mix, and dried pasta were taken from local and national sources on two different dates. All samples, as analyzed by an independent laboratory, were within normal and safe limits for the pathogens tested in both collections.

**Conclusions**

This study presented evidence that Iowa food buyers for commercial and institutional food services have a strong interest in supporting local farmers, providing fresher and higher quality food, and benefiting from lower transportation costs. A desire to know the sources of products purchased for food operations also was identified as important.

The data from this study also suggest some action steps for producers. Because commercial food buyers typically serve fewer patrons...
than those in institutional settings, there is more flexibility to adjust menus to fit seasonal harvests, and set prices accordingly. Institutional food service operations use set cycle menus and typically serve 100 or more meals at each meal period. Institutional food buyers expressed concerns about:

- product costs,
- labor time to prepare the food,
- safety of food served to patrons,
- working with multiple vendors,
- payment procedures, and
- obtaining an adequate supply of food.

In Iowa, year-round availability is perceived as a serious obstacle for local products. When food service operators have information provided to them that answers their questions about package size, product cost, and availability for a set menu, then there is increased openness to purchasing local items. Local growers and producers should emphasize fresher foods and higher-quality foods when informing a buyer about their products. Development of a weekly “Fact Sheet” that covered products available, size of food items, quality descriptions, estimated quality and price per purchase unit, and other timely news would offer food service buyers the information needed to make good purchasing decisions. Growers and producers also should be aware of the need for convenience among food service operators and should consider ways to minimize the obstacles of multiple vendors, reliable quality, and payment procedures. Coordination among growers to create a “one-vendor” approach to ordering, delivery, and payment for local food purchases may result in increased sales to area food services.

Findings from this project also indicate that when specific pathogens were analyzed, there was no difference in safety of food purchased from local or national suppliers. Producers should be familiar with local codes and regulations for packaging and selling of their products at the wholesale level.

Impact of results

One restaurant, one school, and other participating food services increased their local food purchases. The Nevada Community School District purchased apples from a local orchard. A Story City restaurant bought produce and baked goods from local producers. Preliminary findings show that there are potential local markets for food producers among food service institutions.

Education and outreach

One article has been published and another is forthcoming in the *Journal of Child Nutrition Management*. Weekly postings at the point of sale at the Joan Bice Underwood Tearoom at Iowa State University (ISU) identified foods purchased from local sources. Other publicity appeared in local newspapers and in campus publications. Two ISU Extension publications emerged from this project: *Local Food Connections: From Farms to Restaurants* and *Local Food Connections: Food Service Considerations*.

An in-class activity about local foods was developed for students enrolled in Hospitality Sanitation and Safety to use as a purchasing part of a food quality module. Handouts for food service operators (list of supplies and products and a summary of purchasing regulations) also were prepared.

Project funds helped support a campus visit by Nadeem Siddiqui, (then) Director of Dining Services at Cornell University, and a proponent of local food use by institutions. Funding was provided for serving locally grown foods at the Tearoom luncheon during Siddiqui’s visit.

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