

Organics Becoming A Mainstay In Foodservice

MORE RESTAURANTS ARE USING FRESH PRODUCE
IN AN EFFORT TO INCORPORATE ORGANIC, ECO-FRIENDLY OFFERINGS.

By Lisa Lieberman

Foodservice can be one of the toughest industries to break into. Studies show that at least half of all restaurants fail within the first three to five years of business. That's why it's critical for restaurants and other foodservice operators to stay in tune with what their patrons want. Today, one of the special ingredients to a successful foodservice operation is offering environmentally friendly, organic produce.

"Some chefs are really into the 'green' of their menu," explains Robert Schueller, director of public relations, Melissa's/World Variety Produce, Inc., a Los Angeles, CA-based distributor that offers 350 different types of organic produce items to mostly white-tablecloth restaurants along the West Coast. "There is certainly a driving trend in organics."

Melinda Richardson, national account manager for Pacific International Marketing, based in Salinas, CA, has observed an increasing demand for organics in foodservice — in all levels of the industry — ranging from white-tablecloth to casual family-dining restaurants. "As more stories about food safety pop up in the news and as people become more concerned about their health and the environment, we're seeing a greater demand for organics all over."

Traditionally, organics have almost exclusively been the domain of white tablecloth chefs, but that is rapidly changing. "Today, we see the trends trickling down to other types of foodservice operators, including some casual operators who are putting one or two organic items on the menu because their consumers are asking for it," Richardson explains. "Organics have been all over the news and when you see major retailers, like Wal-Mart, who you wouldn't normally think of as getting into organics, everyone kind of stands up and takes notice."

Pizza Fusion, an eco-friendly national fast-casual chain headquartered in Ft. Lauderdale, FL, is raising the green movement bar with its nearly all-organic menu made up of gourmet pizzas, ciabatta sandwiches and salads. With the majority of its ingredients being organic, it's no surprise the rapidly growing franchise uses a number of pro-



All photos courtesy of Pizza Fusion

duce items to round out its menu selections. "We have about 15 organic produce items we bring in regularly, including peppers, tomatoes, broccoli, garlic and basil," reports Ashley Rathgeber, supply chain manager. "We try to source as local as possible to cut down on food miles and to support local farmers."

The rapidly expanding restaurant purchases \$650 to \$700 worth of organic produce items per week for each of its six stores, she notes. Pizza

Fusion, which opened its first location in February 2006 in Deerfield Beach, FL, plans to open 25 more locations over the next year and has another 45 locations in the early development stages.

SUPPLY GROWS WHILE COST SLOWLY DROPS

One reason organics have become more prevalent in nontraditional foodservice venues is that cost of organic produce has come down over

the past couple of years, bringing it more in line with the prices of conventional produce, Richardson of Pacific International reports. "Organic growers are growing produce more efficiently and using new seed and varieties, so in a lot of cases, you're not paying more than [an additional] \$2 a box for organics than you would for conventional produce. This makes it easier for foodservice operators to use organics because it's not as much of a financial risk."

Another reason more casual-dining restaurants have been able to afford organics is because it has become easier to order a variety of organic items in bulk, according to Frank McCarthy, vice president of marketing for Albert's Organics, Inc., Bridgeport, NJ. "One thing that almost any restaurant can do is get a foodservice salad kit that has a couple of 4-pound bags of green organics, salad dressings, tomatoes and cucumbers. This allows them to put at least one organic item on the menu for their customers."

The good thing about these organic foodservice salad kits is that everything comes in one box, so it's easy to store all the organic items together in one place, McCarthy adds.

Organic salad mixes are definitely the leader in all organic produce at foodservice, especially in casual and institutional operations, comments Jon Kiley, senior manager of foodservice sales, Earthbound Farm, San Juan, CA. "Organic salad mixes are a great first step to incorporating organic food onto a menu. People are accustomed to choosing organic salads at retail and so they get excited

when they see organics on the menu at their favorite eating establishments."

Other popular organic produce items appearing on restaurant menus include tomatoes, onions, lettuce, mixed greens, basil, parsley, cilantro, potatoes and berries, reports Melissa's Schueller. He is also seeing increasing interest in organic heirloom tomatoes, organic bell peppers and organic avocados.

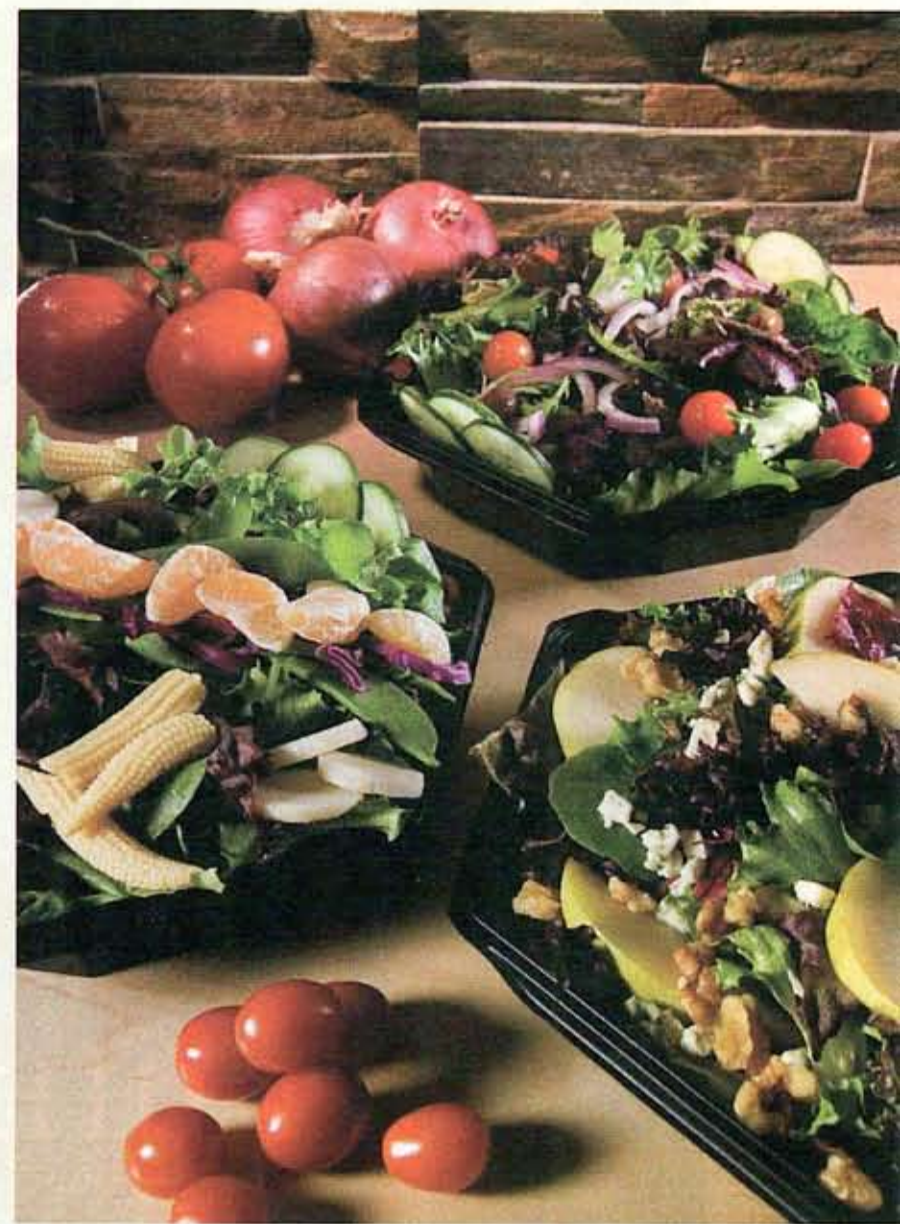
Matt Roberts, marketing coordinator, CF Fresh, based in Sedro Wooley, WA, says organic vegetables are becoming more popular than organic fruit at the foodservice level. "There are companies like Earthbound and some people on the veggie side that are doing a lot of organics in the foodservice business."

As the organic fruit category begins to pick up steam at the retail level, "You're going to see it filtering more into foodservice and see more restaurants putting organic fruit on their menus," Roberts continues.

NEW ORGANIC ITEMS HELP SALES

To make it easier for a variety of foodservice operators to provide organic produce to their customers, Earthbound recently developed a proprietary 2-pound clamshell self-shipper that helps extend the shelf life of greens and vegetables, Kiley notes.

Along with packaging innovations, the growing availability of fresh-cut stir-fry vegetables, such as celery, peppers and onions, is also helping to create more demand for organic produce at the



foodservice level, according to Bonnie Poux, president of Access Organics, Inc., Whitefish, MT. "When you have more availability of organic produce items like these, it has a big impact on sup-

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plies and makes it easier for people in foodservice to become more involved with organics."

Brooke Cain, sales and marketing representative, Classic Salads, LLC, based in Watsonville, CA, agrees, noting a steadier supply of organics is making it easier for foodservice companies to offer organic dishes on their menus. "The new trend right now is definitely organics, so our sales team has been marketing more organic commodities, including spring mix, baby spinach and baby arugula. We're also focusing on coming up with

The demand for organics at colleges has become especially strong in the past 18 months, especially on the East and West Coasts, where many food trends get started.

more specialty organic items since that's what really sells these days."

Misionero Vegetables, based in Salinas, CA, also reports a growing demand from foodservice operators for organic product. The grower, shipper and processor of certified organic products offers several standardized organic foodservice packages, including spring mix, spinach and arugula, explains Danny Canales, vice president of sales and marketing. "We do 13 to 14 different blends of mixes and individual bulk items. Our newest item is a washed, trimmed and ready-to-use head of romaine lettuce that you can use right out of the bag."

ORGANICS TREND QUICKLY SPREADING

As more consumers become accustomed to enjoying organic items at their favorite restaurants, organic fruits and vegetables are appearing in other foodservice venues, including universities and colleges throughout the country.

"Organics are really expanding in colleges and universities," according to Lloyd Ligier, vice president of business development for Pro*Act, a distributor of fresh produce to the foodservice industry headquartered in Monterey, CA. "It seems college students are on the cutting edge of movements, and students these days want healthful locally grown organic produce."

The demand for organics at colleges has become especially strong in the past 18 months, especially on the East and West Coasts, where many food trends get started, reports Albert's

McCarthy. "There's a big mixture of public and private universities that are demanding more organic produce. Most of the time, it can be as simple as providing organics for the cafeteria's salad bar or just a few organic apples."

Cruise ship lines and private hospitals are also getting onboard to meet consumers' growing desire for organic produce, he adds. "In hospitals, there are patients who are incredibly sensitive to pesticides and need organics."

"In high-end cruise lines, there's a lot of competition for customers, and people tend to choose one cruise line over another because of the quality of the food. Using organic foods, particularly fresh produce, is one way cruise lines can differentiate themselves from their competitors," Albert's McCarthy explains.

High-end restaurants at professional sporting venues are also getting into the organics game. "There are about 80 major professional sports venues in the United States," states McCarthy. "Some of the sky boxes in these venues have exclusive restaurants with chefs who are experi-

menting in organics."

CONSUMERS WILLING TO PAY MORE

When restaurants and other foodservice venues offer organic produce, it typically requires setting their prices higher than they would with conventional produce. This is the case for Pizza Fusion, where prices run slightly higher than other pizza restaurants in order to offset the price of the organic ingredients it uses.

That doesn't deter customers who find value in shelling out a little more for a better-prepared, better-tasting product, Pizza Fusion's Rathgeber explains. "Our customers love it. There are very

few places you can go and have the assurance that what you're buying is organic and handled correctly all the way from the source to the store."

According to a December 2007 National Restaurant Association (NRA) survey, 62 percent of consumers say they are likely to choose a restaurant based on how environmentally friendly it is. Statistics like this are evidence organics in foodservice is a trend that will continue to grow, notes Earthbound's Kiley. "I think that the data from the NRA survey shows sustainability, personal and environmental health matter increasingly more to consumers [who] are voting with their dollars because organic food satisfies the need for all three of these things." **pb**

Overcoming Year-Round Supply Challenges

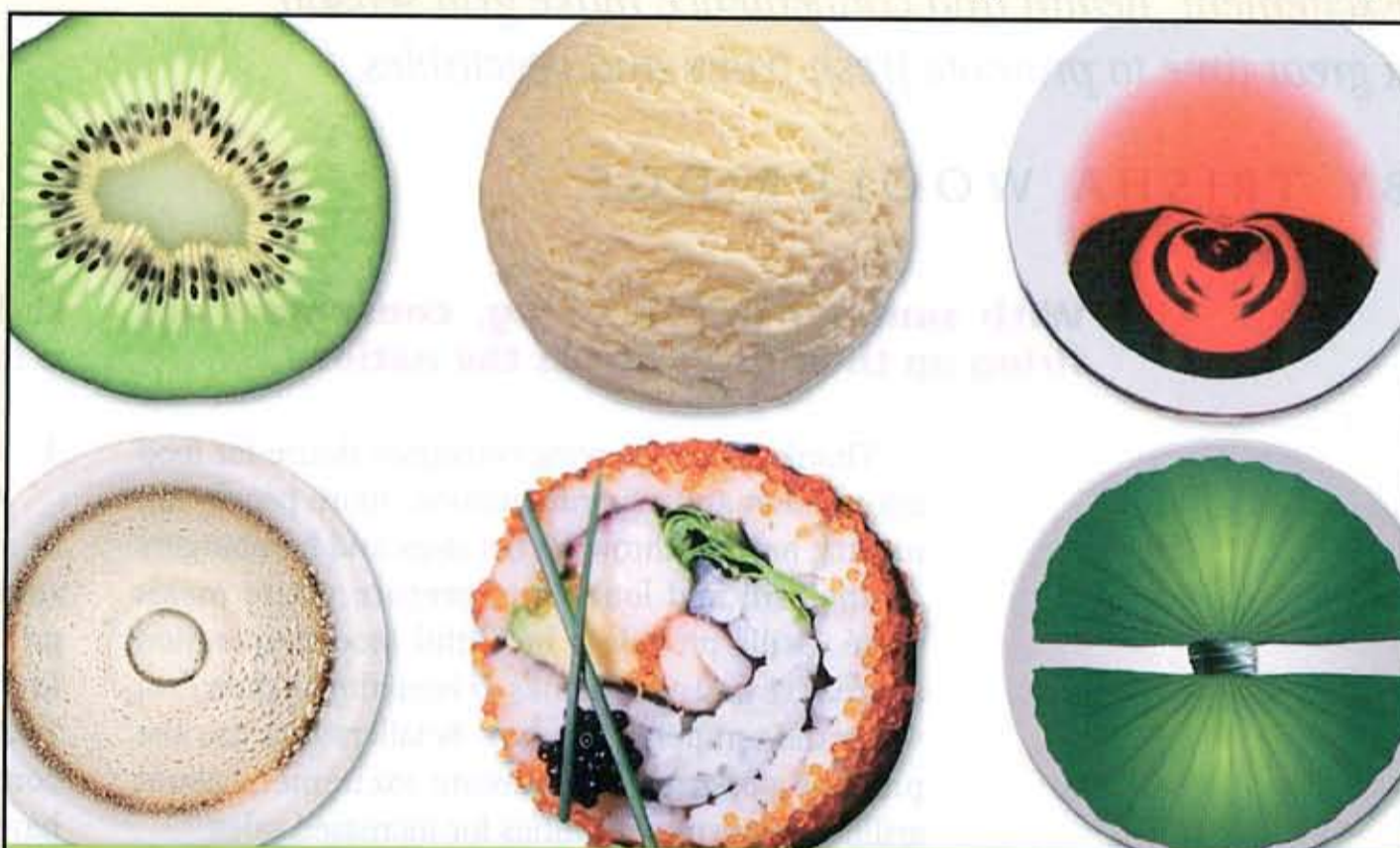
Although organic ingredients are becoming a mainstay on menus all across the country, finding year-round supplies of organic produce items still presents a challenge.

"Organic items are much more seasonal than conventional produce," reports Robert Schueller, director of public relations, Melissa's/World Variety Produce, Inc., Los Angeles. "You're much more limited in availability and that can be very intimidating for restaurant owners. This is something they must take into consideration when creating their menus."

Ashley Rathgeber, supply chain manager, Pizza Fusion, Ft. Lauderdale, FL, can relate. "The supply game has been a huge challenge for us. We've been toying with the idea of having some items seasonally or substituting in a conventional alternative when we need to." The organic pizza chain is also considering removing specific organic produce items from its menu when they are out of season and unavailable. "We don't want to compromise the integrity of our menu items."

Rathgeber admits it's relatively easy to find supplies of organic broccoli and lettuce throughout the year, but for items such as organic tri-colored peppers and even tomatoes sometimes, it can be difficult to find year-round supplies.

"We're usually able to find some type of organic tomato," she notes. "It may not always be the same type of tomato. We may get organic beefsteaks or romas or cherry tomatoes, depending on what time of the year it is." **pb**



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