LOCAL AND REGIONAL FOOD SYSTEMS

Chefs sourcing ingredients for their restaurants from within local and regional food systems began in earnest with the New American cuisine movement of the late 1970s and early '80s, led by pioneers such as Alice Waters, Jeremiah Tower, and Cindy Pawlcy. What started as a mostly fine-dining movement has become customary for restaurants and foodservice operations of all sorts, styles, and volumes across the country, from large cities to small towns. Recent data from New England estimates that 21 percent of gross food sales by distributors are local foods, with colleges, K-12 school food services, and hospitals spending 21 percent, 16 percent, and 5 percent of their budgets respectively on local foods. This illustrates the enormous potential of using institutional purchasing power to support local and regional farms. A great majority of operations combine local and broadline sourcing, though some restaurants source exclusively locally, and a more intrepid few have taken this practice even further with “hyperlocal” onsite gardens.

Over the past year, nine of the top 20 food trends on the National Restaurant Association’s What’s Hot: 2018 Culinary Forecast were related to various aspects of global cuisines, while the top 10 concept trends are still firmly located within local and sustainable sourcing (including food waste reduction). Fifty-one percent of all local sales are still fruit, vegetables, and nuts, while far-flung commodity and large-scale producers provide most of the rest. In other words, operators may be using unique spices and ingredients sourced from abroad for their globally inspired dishes, but they are nonetheless still committed to local and seasonal produce and perishables, and incorporate those regardless of cuisine. There is also a growing interest in capitalizing on underutilized, local seafood—such as those promoted in Maine’s Out of the Blue Program through their regional culinary partners.

More seasonal menus, however, remain the purview of only a limited number of commercial restaurants, despite the fact that limited time offers (LTOs) provide an appealing, ready-made structure for the restaurant to promote to its clientele. There also may be opportunities in freezing, canning, and other preservation methods to further promote local and regional food (and especially fruits and vegetables) out of season. While pickling and fermentation have become en vogue in top restaurants, this and other season-extending methods have yet to infiltrate commercial operations at scale with significant impact. There are three simple questions to ask to gauge the extent and potential of local and regional food systems beyond 2019:

1. Is there sufficient food quantity and diversity in various regions of the U.S. to feed its population?
2. Is there enough land available?
3. How would this shift fit with the most recent trends in the culinary and foodservice industry?

To the first two questions, the answer is: maybe, depending. Researchers found that the state of New York could feed 34 percent of its population from in-state production (with significant shifts in production to meet needs). However, they also found that across New England from 2001 to 2009, only about 16 percent of food consumed was produced in the region. Others did a national analysis of local potential. They reported that, using a 100-mile foodshed model, the available agricultural land could, on average nationally, produce 88 to 92 percent of the local population’s food needs depending on dietary pattern (more meat = lower potential). There are still no studies that project forward in time and account for population growth, land development, or potential climate change or water scarcity impacts in various regions. Also, none of the studies account for climate change or climate warming among the panoply of environmental issues. In almost all local regions, it is clear that the diversity of agriculture and various forms of indoor production would need to change substantially for regional food systems across the U.S. to become a reality.

Is “local” always more environmentally friendly and good for business? Given the data, it’s difficult to determine precisely the positive environmental differences between farms supplying local markets and those supplying broader markets. How food is grown sometimes is a more significant factor than where it is grown. A recent study that compared Direct-to-Consumer (DTC) producers vs non-DTC producers found there is a greater proportion of DTC producers who are certified organic, though only five percent of the DTC farms are classified as organic. DTC producers are also more likely to use manure as a fertilizer source. While data is somewhat limited, there are examples where local in the off-season makes tremendous sense. For example, a study found that winter hoophouse production of lettuce in Michigan had one-fifth the carbon footprint compared to sourcing from California (due to the carbon cost of transportation). If heat is added, the balance flips; if production is moved completely indoors, others have shown the footprint is much higher. Regional food systems also have the potential to play an important role in planetary boundary management, with such strategies as efficiently recycling nitrogen and phosphorus. (See the recent EAT-Lancet Commission report for more on planetary boundaries, food, and the 21st century.)

Another recent report provides a take on this question of economic sustainability. In 2012, there were in excess of $6.1 billion in local sales—55 percent of which is from intermediated channels (i.e., indirect to consumers). Most of these sales, in dollar value, occur with farms having gross sales of over $350,000 (the transition size between small and mid-size farms). Between 2006 to 2007 and 2012 to 2014 there was a 180 percent increase in farmers markets, but a 288 percent increase in food hubs and a 430 percent increase in local sourcing by school districts. Farms selling locally with intermediated market sales—for instance, through a food hub or other similar distributor type—tended to get larger, and as farms grew larger, they tended to become more viable (i.e., net positive cash flow in both 2007 and 2012). This insight implies that the types of channels restaurants and foodservice operations typically source from are important in helping farms grow in size and maintain profitability. Also, the report illustrates that from 2013 to 2017 the percentage of food hubs selling to distributors, colleges/universities, and restaurants/caterers/corporate caterers has grown from 24 to 36 percent, from 27 to 43 percent, and from 58 to 76 percent, respectively.

In short, restaurants and foodservice leaders play an important role in enabling local and regional farms to scale up and be profitable. They also appear important as clients for food hubs as they age and develop. While many of the annual crops are grown even in the northern latitudes, doing so could prove difficult in the off-season and for perennial crops (most of which are now imported or sourced from the Southwest and West). While the age of naming the farmer behind each item in every dish on a menu is mostly behind us, restaurants and foodservice operations often choose to list all of their local purveyors in one section of their menu, on a board on a wall, or on their website, all of which are effective ways to communicate with their diners and help them further support those purveyors at markets or directly on farms; more operations can follow that path. The next stage of communication and consumer education should be around the environmental and economic impacts of tapping into a local food system. The two are more complex elements for chefs to explain and diners to understand than creating a personal connection between producers and consumers, but they will go further in helping diners understand the business structure behind a restaurant or foodservice operation and its impact on food costs.

Consumer expectations and demand have contributed to continued growth in all phases of away-from-home dining opportunities with local and regional sourcing, particularly in the fast-casual sector. Established companies will need to reduce their reliance on far-flung commodity markets and suppliers in order to stay competitive.

SCORE: 4

Operators remain committed to local and regional sourcing of produce and perishables, even as they use those for an ever-greater array of globally inspired dishes. While some chefs forge ahead with innovative and exclusively local concepts with onsite gardens, others still have room for improvement in supporting local and regional farms.

IN SUMMARY:

- Currently, across the U.S. there is great potential to re-regionalize a high proportion of our food system. The land base relative to population exists for this to become a reality. However, there is still a need for an analysis that projects forward relative to population growth, climate change, and water availability.
- Local and regional sourcing seems to be continuing to mature and is now blended with a move toward global cuisines.
- Innovative and hyper-local concepts continue to rise in popularity, but larger operators can still improve their local and regional food sourcing and their use of season-extending food preservation techniques.