

Restaurants: Trends in Sustainable Food Sourcing

Restaurant food accounts for roughly a third of Americans' calories (up from a quarter in the 1970s) and roughly a half of their food budgets (up from a third in the 1970s), according to the U.S. Department of Agriculture and U.S. Bureau of Labor Statistics. With restaurant food playing such an increasingly important role in Americans' lives, many restaurants and consumers are focusing on sustainable food sourcing as a point of differentiation.

Sustainability was ranked #4 by chefs among the top menu trends for 2013, inching up from a #5 ranking for 2012, with the narrower category "local food" garnering the top two spots, according to the National Restaurant Association's annual survey. At last year's annual NRA conference, "many restaurant owners were asking about the origin of items, from coffee to seafood to vegetables, as they attempted to respond to consumer demand for sustainably grown and processed foods."¹ According to Wendy's spokesman Denny Lynch, "consumers are more interested in their ingredients. They're more interested in the sourcing and where the food is coming from, and . . . in the humane treatment of animals."²

Restaurants are approaching sustainable food sourcing in various ways. The following are four main trends to watch for:

1. Local Food. Local (restaurant) food is sourced within a certain distance of the restaurant, or in the same state as the restaurant – there is no clear definition. But, what is clear is that local ingredients are on chefs' and consumers' minds. According to the National Restaurant Association, chefs increasingly used local ingredients throughout the year and ranked locally sourced meats and seafood the #1 menu trend and locally grown produce the #2 menu trend for the second year in a row. Hyper-local garnered an impressive #7 ranking for 2013, although this was a drop from the #4 ranking for 2012.

2. Organic Ingredients. Organic food is certified for meeting specific standards, including being produced without most conventional pesticides, synthetic fertilizers, antibiotics and growth hormones. The market for organics grows every year, with 75% of U.S. families purchasing some organic products, and demand for organic meat, fish and poultry growing the fastest, according to the Organic Trade Association. Fifty-eight percent of consumers who responded to 2011 Thomson Reuters-NPR Health Poll, preferred organic food to conventional, and 63% of respondents under age 35 chose organic when possible. The fast-growing Chipotle restaurant chain is very profitable based, in part, on its commitment to using the very best ingredients, including organic

¹ "Top food trends from the 2012 NRA Show," Nation's Restaurant News, <http://nrm.com/article/10-trends-2012-nra-show>.

² "Burger King scrambles for cage-free eggs," The Washington Times, <http://www.washingtontimes.com/news/2012/apr/29/burger-king-scrambles-for-cage-free-eggs/?page=all>.

produce whenever possible. And, former president and CEO of McDonald's Mike Roberts co-founded Lyfe Kitchen this past summer, with an aim to "do healthy food on a fast-food scale," including free-range chicken, organic options, and no GMOs, trans fats or additives. The reception to Lyfe Kitchen has been so strong that the company plans to open several more restaurants and is marketing franchise deals too.

3. Responsibly-Sourced Animal Products. Responsibly-sourced animal products include cage-free eggs, gestation crate-free pigs, free-range chickens and sustainable seafood. For a glimpse at the issues here, let's take a look at gestation crating and seafood sourcing. Animal rights groups have demanded an end to gestation crating of pigs, and nine states have banned the practice, while three more are considering a ban. In response, many restaurant chains, including McDonald's, Burger King, Denny's, Baja Fresh and Wendy's, have announced plans to eliminate gestation crates from their pork supply chain. Turning to seafood, some of the restaurant chains have committed to sourcing seafood that is sustainable (i.e., fished or farmed in a way that helps sustain wild, diverse and healthy ecosystems). Examples include Long John Silver's, the largest quick serve seafood restaurant, and Darden, the world's largest full service restaurant chain and owner/operator of Red Lobster and Olive Garden. And, McDonald's committed in January of this year to carry the Marine Stewardship Council ecolabel on all U.S. fish products (think 14,000 U.S. McDonald's locations!).

4. Going Meatless on Mondays. Restaurants that serve (some or all) meatless meals one day per week are part of a global Meatless Mondays movement that has received extensive media coverage and celebrity support. Meatless meals produce significantly less greenhouse gases, use less land and water than animal products, and might be healthier for people to eat. According to a 2012 NPR-Truven Health Analytics poll, 39% of meat-eating Americans have reduced red meat intake in the past three years, and Mintel research shows that 30% of Americans would like to see more vegetarian items on restaurant menus. Restaurants have noticed a positive impact from Meatless Mondays, with Moe's Southwest Grill, a national restaurant chain with 440+ outlets, seeing a spike in vegetarian sales on Meatless Monday, and Sodexo food service provider notably tapping into a new consumer group in an enduring way.

Restaurants interested in increasing their sustainability profile could examine these food sourcing opportunities to determine whether one or more would fit the needs of their business and their customers.

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