

Edition 1.0



# A Mise-en-Place Field Guide

Farm-to-Table: The Beancounters' Edition

# Contents

About

Introduction

1. From the farm
2. Through the system
3. To the order sheet

Resources

THE MISE EN PLACE  
PODCAST

COOKSCAMP

season II

Based on Mise-en-Place Season  
2 Episode 2



## The Chefs' Table Society of British Columbia (CTS)

A province-wide collaborative that fosters essential dialogue between culinary professionals.

We support innovative, sustainable programs that inspire, educate and nurture cooks, producers and regional food industries.

We promote standards of excellence that strengthen our regional cuisines.

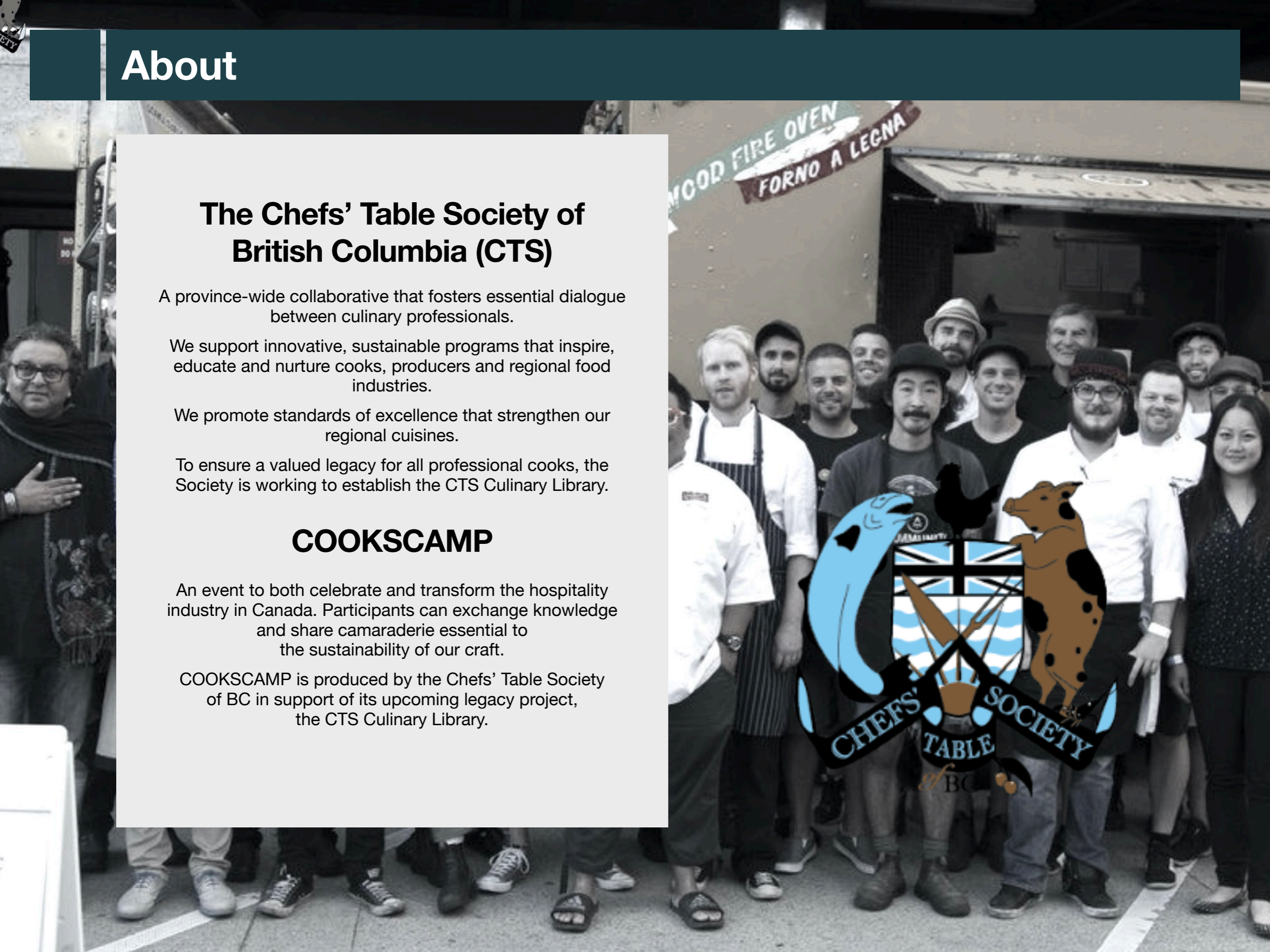
To ensure a valued legacy for all professional cooks, the Society is working to establish the CTS Culinary Library.

### COOKSCAMP

An event to both celebrate and transform the hospitality industry in Canada. Participants can exchange knowledge and share camaraderie essential to the sustainability of our craft.

COOKSCAMP is produced by the Chefs' Table Society of BC in support of its upcoming legacy project, the CTS Culinary Library.

WOOD FIRE OVEN  
FORNO A LEGNA



# Introduction



**Hello.** Welcome to the **Mise-en-Place Field Guide**, produced alongside Season 2 of the **Mise-en-Place** podcast by the Chefs' Table Society of British Columbia.

We've created this e-book to **help everyone in the industry implement the kind of change we've been only talking about for too long.** And here's **another topic that deserves widespread consideration.**

I recently gave a blog interview to a graduate student at the [University of Guelph](#) on opportunities to change our industry post-pandemic...or from the Great Pause to the Great Reset.

To describe **the biggest issues** facing the industry, she quoted the first words out of my mouth, "**It's actually pretty easy, it's all about money.**" That's the way I see it, and I know I'm not alone.

Whether it's about how people are paid, or how much we pay for the goods and services we need to run our restaurants, the **figures on the spreadsheet** always determine how **successful** we're going to be. But those costs **aren't even close to the full measure of the tab.**

To that end, our Field Guide topic is "**The True Cost of Food, or Farm-to-Table, the Beancounters' Edition.**"

We're doing a deep dive into the economics of our food system i.e. why things cost what they do, who's making money, who isn't and what it's actually costing all of us now and into the future.

We have **three expert guests** to **crunch the numbers** and **reveal the truth.**

I guarantee it'll **add value to your knowledge and your bottom line.**

## **Robert Belcham, Host/Co-producer**

Past President, Chefs' Table Society of British Columbia

Chef/Co-owner, Popina Canteen/Popina Cantina/Monarch Burger, Vancouver

**Section 1**

**From the farm**

## Field. Work.

If we're going to talk about food systems and costs, we have to start at the source...which for the majority of menu items is the farm. Actually, it's the farmer.

I first met **Jacob Slosberg** when he was handling vegetable production at the UBC Farm here in Vancouver. He also met his partner Amy Frye at UBC, and together they've gone on to create the Boldly Grown Farm, just south of the BC border in Mount Vernon, Washington.

Jacob has generously agreed to take a break from the field to explain the economics of modern farming.

### Comparing cost models: restaurant vs. farm

*They have similar stages i.e sourcing ingredients or 'inputs,' skilled labour to prepare assorted dishes or 'outputs,' then more labour cost to serve or distribute those products to the market. As a chef/manager, you learn to follow certain ratios of input>output costs, with labour always been the biggest ticket item. What kind of cost formula do farmers usually use?*

There's a lot of different answers. And I'll probably just speak to where our farm is at currently. We didn't have a formula or recipe that we learned from a mentor/farmer. But as we scaled up, we would notice trends of where our expenses were going. And by and large, we're roughly 50% labor costs, with the rest going into inputs e.g. seed, fertilizer and consumable items like mulch, drip tape, fuel and waxed boxes.

The cost of labour is going up. But we can't really afford for it to go up, so we're investing in new tools or new systems to make the dollars we put into labour more efficient. And that's one of the main reasons why we've grown to the size that we're at now, and are forecasted to grow up in the next two or three years. Partly, we have the demand, and partly, hitting certain economies of scale allows us to afford certain tools that take one or two people's labour and makes it that much more efficient.



Finding specific crops that are easy to mechanize, or store for a long season is where our 'sweet spot' has been. So, we shy away from things like heirloom tomatoes or tree fruit or salad mix because, for the scale we're at, you'd have to invest in a lot more hand labour. While it can be as profitable, our primary challenge has been securing skilled labour.

*Most people understand the farming is a lot of work, isn't cheap and always financially risky, even more than restaurants, maybe not as much as wineries. Which part of the economic formula has changed the most in recent years and what does that spell for the future?*

We started farming on a small scale with a focus to scale up to regional wholesale, because we've always felt like we do our best work growing really great food. And then we like to use a network or a community of partners to get that food out to the consumer, whether it's a chef or a grocery store or a direct consumer. Now, in the last two or three years, we've been hitting that stride. Early on, we were selling much smaller quantities, and when you have a smaller quantity you can sell at a higher price, because you're kind of picking your customer or your customers are picking you.

So as we access these larger markets, there are fewer items we can sell profitably, because we have to sell at a lower cost to access that volume. And so when we sell kale to our CSA (community supported agriculture) customers, it's at \$3 a bunch; when we sell kale to the wholesale market, it's \$24 for a 24-count case at 100 cases a week or so.

# 01 From the farm

So that's where economies of scale come in. It's not just we're selling at a lower price, but it's also that those prices on the wholesale market aren't going up. I've talked to farmers that have been in the wholesale market for 20 to 30 years and guess what? They sold kale 20 years ago at 24 bucks a box.

*What makes that work? Let's use squash as an example. Last time I checked, I could buy squash at 25 cents a pound from a wholesaler, and it's been 25 cents a pound my entire 25 year career. Two questions: first, how has it stayed the same price? And secondly, why does a farmer choose to grow squash at that price?*

Some farmers have chosen to specialize in specific crops, and they grow them in specific regions where they grow well enough that they can be profitable at that scale. But the short answer is that farmers are making less money than they used to. At one stage, not so long ago, farmers were able to weather more crop loss or more inefficiency in production. But at this point, if you want to be profitable at in the wholesale market, you need to be as efficient as possible, and you need to be as productive as possible. So, farmers are finding ways to get better at their craft, varieties are getting better with the cultivars we plant more productive and more efficient or more disease resistant.

We're also finding ways to grow things more efficiently. That's why Amy and I have, from the onset, been as mechanized as we can afford to be. We recognize that's what's going to make it work for us in the long run. For example, early on we purchased certain tools that a small-acreage farm wouldn't normally be able to afford because we knew we wanted to scale up. Once we bought those tools and designed our operations around them, we created the potential for growth. Now we're growing 25 acres with the same tools that we grew 12 acres last year, and six acres two years before that. All we need to do is add more labour for harvest.

Like adding technology to a kitchen (think combi-ovens), the economics are in finding the balance of how much you spend for the input to what you can get for the output. So in this scenario, the biggest challenges are unpredictable costs, like waxed boxes, because in our COVID economy, a waxed box might cost \$2 one year and \$3 the next. It doesn't sound like a big difference, but that's a 50% increase. It's huge. And then there's the issue of whether you can even get them. Our waxed box supplier says they're out of wax until September, and we only just need them for all our harvests.

*There's a big push in the restaurant industry to move to a living wage model. Do workers on farms in the Pacific Northwest earn a living wage? Where do seasonal migrant workers fit into that wage structure on a farm?*

There's a lot to talk about there. Amy and I talk a lot about how much we can pay our employees based on our expectations of efficiency or productivity. We have never paid minimum wage, we've always paid more. Partly, it's because we want to...and partly, it's because we can't recruit enough quality employees at minimum wage. That's the bottom line.

In the Pacific Northwest, farms in Washington, Oregon and Idaho all compete for labourers. We have a high minimum wage in Washington and we still have trouble recruiting people, mostly due to the cost of living and housing availability. All of our employees commute at least 30 minutes, because there's not enough housing in the valley. You know all about affordable housing in Vancouver and other cities. So the cost of living in rural Idaho is going to be a lot different than here in the Skagit Valley, where our employees are competing for housing with people that work at Amazon, Boeing and Microsoft.

So that's one challenge. Also this year, the Washington State Supreme Court ruled in favor of farmworkers that we need to now be paying overtime, which will be phased in over the coming years. Amy and I decided to pay overtime for all of our employees starting this year. It's the kind of a cost that we have to bear, but we feel it's important, and it's something our employees value.

Right now, our wages are technically within the living wage for people that don't have children. If you have one or two children and one job, I think it ends up being something north of \$20 an hour. We don't have our employees being making that much right now, but when they make overtime they do. When we started our farm, we also realized that we wanted to have a big team. Big enough that people could take the day off when their kids are sick, and not affect the business, and big enough team that we can support each other. Our idea also sees a farm where people could have a career, and not just a place where people out of college can come work for a couple years and figure out what they want to do with their lives. We want to have career farmers and we're working our way in that direction. I'd love to see one of our farm workers buy a house for the first time. That's a goal that maybe people wouldn't think a farm owner would have, but that's a huge goal. We're not there yet.

# 01 From the farm

*Back to the market economics. Do you set the price of your own vegetables, or is the market doing that for you?*

The answer is yes and no. Large farms do what's called contracting where they grow specific quantities on contract for a specific price. So, no matter what the open market is doing, they're locked into that price.

Another factor explaining the seemingly fixed low prices on crops like onions and carrots is that they're highly mechanized. For example, on a 25 pound bag of job carrots from Sysco or GFS, no one has ever touched that carrot from seeding to landing in the bag. I'm not saying that's a bad thing; I'm just saying that's how automation and technology keep prices low. And the bigger you get, the more you can invest in those technologies. Some of the biggest farms in the world develop that technology in-house and patent it, giving them a whole other industry in licensing it to other large producers. That's their competitive advantage.

At our scale, when it comes to our pricing, there are certain crops where, if we want to be in the market, that's the price we take. Those crops we do because they are marginally profitable, they bring in some money and timely cashflow, or they're good for our crop rotation. And then there are the choice crops where we have more autonomy because we're not competing against an open market. Those are things that are unique to our farm, because we've either figured out new ways to grow them, or found something that the larger market is not growing so we're able to differentiate ourselves in the marketplace. That's where we can kind of ask our price. Finding those niche crops that are more profitable, but also tell a story is where we aim to be, along with our growing standards.

*Do you think that most people are coming around to the importance of food security to our collective future? Do you think that most younger farmers understand that now?*

Yeah, absolutely. I think this past year was a huge eye opener for a lot of people. You couldn't go to the grocery store and get what you wanted, you had to go out and seek it out. We ourselves had record sales in a year where, if we were strictly selling to restaurants we would have had to completely reimagine our system. Our CSA doubled with no advertising and sold out.

I think it was because people wanted to have a local connection to their food, not just to feel good but to feel secure. Those consumers were feeling something that they probably never felt before.

There's also a less of a price conversation now than in years past and probably for years to come. But when you can't get broccoli or romaine from Arizona, maybe you do want cabbage and radicchio from the Pacific Northwest in January.

What's the best strategic decision that cooks and restaurant managers can make to help ensure a fair and sustainable food system, starting with farmers like you?

Develop a community of partners that you connect with, and not just for novelty products. Find farmers that are willing to work with you throughout the whole year and support them so that they can support you.

We're at a scale now where I don't talk to our end users on a regular basis, the way that I used to text you or your chefs on twice-weekly basis. That was a great learning experience for me to develop relationships and understand what the customer needs.

It's about symbiotic relationships, but you know that.





**Section 2**

**Through the system**

## 02 Through the system

**Nicoletta Batini** is no ordinary beancounter. She's one of the world's leading experts in the design of macroeconomic strategies dealing with climate change and public health, and on how food systems are connected to those rapidly-changing issues. She also works with the International Monetary Fund, has a couple of PhDs, and is the editor of a new book titled **The Economics of Sustainable Food**.

Nicoletta joined us from her summer home/office on the island of Elba off the Tuscan coast of Italy.

*Most of us know the big players in the global system i.e. the wholesalers, processors and distributors who handle the logistics of getting food products to restaurants around the world. What's less understood is how the economics of that system actually work — how money is actually made along the way, who is being paid fairly and who isn't.*

I thought I would explain in broad terms how the food system currently functions because, let's be honest, a lot of people buying food at the grocery store or in a restaurant don't really know how it's produced, and the marketing most often makes sure they don't, basically.

First let's look at the divide between developed and developing countries. Developed countries also include what are still considered emerging markets, like China, Brazil, Peru or South Africa, but it's mostly composed of advanced economies, such as the United States, Canada, France, Italy and so forth. And in these countries, the production of food is extremely concentrated. And by that we mean that there's only a few big players in the agricultural systems and transformation system.

To give you an example of 'Big Ag' in the United States, if the share controlled by the top four producers exceeds 20% of the market, we economists consider that market to be concentrated. Being dominated by a few players can often sacrifice quality to bring more profits to the few players. Markets are considered very highly concentrated, when their share exceeds 50%. In North America, 82% of beef slaughter is controlled by the top four producers; pork slaughter 63%; broiler slaughter 53%; flour milling 52%; wet corn milling 87%; and soybean processing 85%. So we're talking about a small 'club' that is basically running the show.

That, in itself, is not necessarily bad. But in economics we, of course, do not like trust and support anti-trust laws to break up highly concentrated markets because they tend to deliver higher prices and lower quality to the consumer.



But what's happened here is that, to some extent, the market structure is very much a byproduct of government policies that, over the past 50 to 70 years, have actually shaped a market that is highly concentrated and highly global.

And some of these big beef slaughter corporations dominate not just North American markets, they dominate the global market. A lot of things happen because of this, including less attention to the length of the supply chain, so products get shipped all over the world without much concern for the energy implications or production implication in different areas. So you might just see here a pineapple produced in Côte d'Ivoire harvested two days ago on the shelf in Vancouver. When I was a little girl, maybe 15 years old, I remember the first time we tasted Canadian smoked salmon at Christmas in Italy. But now things have really gotten out of hand.

All of this is, of course, not sustainable for the planet. Because in addition to this globalization, mechanization and concentration of food systems, our populations have grown, in part in response to the easy and cheap availability of food globally. Now we're hitting the 8 billion mark. And that, of course, is now compounding all the issues in terms of sustainability and production.

The state of affairs makes changes in policy more complicated because, of course, any market which is dominated by a few very important players is harder to maneuver into a different kind of equilibrium. And we know that from fossil fuels and other things that we're trying to change these days.

## 02 Through the system

*Another well-understood factor is the economy of scale and volume, or how global fast food chains and others use their buying power to keep prices artificially low, meaning small independent restaurants have to deal with minimum order sizes and other restrictions to get products at comparable prices. In your macroeconomic view, how can or must that system change to sustain everybody in the food system?*

There are two ways one can go about changing the deal here. For smaller restaurateurs or smaller retailers, it's shortening supply chains and becoming more locally oriented in production that is good for the planet and good for people because the quality of nutrition goes up a lot. You have more control, more transparency, often you have more animal welfare, which is very important to me and a lot of people on the planet at this point. And the way to do that is twofold.

First, you have to make sure that when you support agriculture, you don't support it in a way skewed towards the big producers. You have to level the playing field for small producers, often by realigning government support and subsidies. That's not an easy thing to do. What they should do is help those producers with finance and credit, because banks are not prepared to deal with high risk, especially from innovative organic and sustainable production. And if we could combine that with regulation that helps contain the size of farms. Too many farms have become mega farms, and the market is inundated by those products. North America has traditionally been in a situation of oversupply, which has kicked a lot of farmers off the market. When there's oversupply, prices just drop, and when prices drop, you cannot make a living so you have to go and do something else with your life.

We need higher quality and higher prices, and prices that reflect the good quality that more people now want to consume and which is better for health. In the book, we talk a lot about the true costs of food. You might enjoy a tasty fast-food burger, but the fat and other things that might be contained in that burger often lead to a number of diseases or other problems. What we call the Western diet, which is rich in this highly processed food, is often a driver of big fiscal imbalances, for which government has to foot the bill in health care. But I think that people now realize this all over the world. From emerging market countries to advanced economies, people want good food, safe food for themselves and their families. And if you look at recent surveys of consumer preferences by Deloitte, the actual drivers of consumption choice have shifted towards health, transparency and animal welfare and away from price, convenience and taste, which used to be the old drivers of consumption.

And this is a global trend. I'm now studying China, for example, where organic products are becoming fashionable so, as everywhere else in the world, there is excess demand of organic products but not enough product in the market.

People are ready to pay more but the product is not there, and the reason is that land is being crystallized in the hands of people that produce conventionally not organic. We need to unlock supply by redressing the way we subsidize the wrong way of life.

*We've seen lots of global efforts around 'clean tech' and remaking the energy sector, but that there hasn't been much 'food tech' beyond the plant-based food simulations from Silicon Valley and elsewhere. Why has food, which is the world's biggest industry, not received the same level of attention? Is it because it's a lot more complicated than the energy sector?*

I think there are two rationales for that. The first is that there's been a widely dispersed belief that the food system works perfectly well in terms of feeding the world. In the advanced economies and some of the large emerging economies, there's always been abundant oversupply of food and it's super cheap, but there's a huge share of the population in most advanced economies that are overweight, or actually obese. And there hasn't been a check on the planetary consequences. The first studies on modern food systems and public health showed that the world's population was living longer, in that for every six years that we lived on this planet, we would gain another year of life. That paradigm hadn't changed much over past years. However, a recent study shows that younger generations, primarily because of diet, are actually the first to have shorter lifespans. So we're starting to make connections between public health and diets.

The other reason is that the food industry has been very smart in dissuading anybody of any issue with their products or the way they're produced or of any environmental consequences. But unfortunately, the evidence is now really in our face. I think it's undeniable that modern 'big ag' agriculture is very detrimental to the environment and has brought entire ecosystems to biological collapse. The industry needs to be made responsible for it, and things have to change and be fixed really fast.

Of course, fixing food systems is much more complex than fixing energy. With energy, we can easily 'electrify' every appliance, machine and transportation from low-carbon or no-carbon sources like renewables or nuclear, and we're done. A few big systemic changes, and then we're done. But with food systems, it's a network of people. And we also need to convince consumers that every time they buy at the grocery store or order something on a menu, you know, they're basically voting for the planet and their own health.

*Do we need a catastrophe or some other tipping point to initiate wholesale change to a more sustainable food system?*

## 02 Through the system

The very first tipping point where seeing already is water. The current food system consumes amounts of water that is totally unaffordable from a point of view of human population as we see it now in the West. This problem is extremely visible. If you look at inputs, for example, in large countries like China, water tables are falling all over the globe and water is being over pumped from non-renewable aquifers to feed a population of cattle and other types of large ruminants, which is an extremely inefficient way of using water. So that's coming to the fore. And, to everybody who studies this sector, the second tipping point is soil, which has also been eroded at a tremendously rapid rate. Eroded soil and desert areas mean that the amount of land is shrinking at the same time when population growth is skyrocketing in some parts of the globe. We will have to come to a day of reckoning pretty soon. So, I'd say we're already there.

*Like many of my colleagues, I've been committed to local, seasonal products on my restaurant menus for decades. There's been some progress in growing local food systems, here and elsewhere, and it's been pioneered across Italy, like Emilia Romagna, for a very long time. From your perspective, is that the ideal model, maximizing local sustainable production, and importing only what's essential, like coffee? Based on what you've learned from assembling your book, what does a truly sustainable model look like? It's probably complicated.*

Well, actually, it's relatively simple. I was born in Italy in 1970s, so I'm a child of an era where things used to be done in a way that was still sustainable, or borderline sustainable. We were eating only whatever was in season, and were very excited to enjoy the foods we'd been missing for three seasons. That system works very well. It's the way to make agriculture sustainable because it respects nature. The magic bullet here is just going back to nature, which means not transporting tropical fruits to the northern hemisphere or not fishing for krill in Antarctica to make Omega-3 pills to sell in Russia. You stop everything that involves a tremendous consumption of energy or force that is obviously unsustainable from point of view of the planet. Therefore, we need to feed ourselves with less means, less water and more locally.

Successful chefs around the world are rediscovering the charm and value of tradition, because eating local foods belong to local traditions. And from an economic perspective, as I mentioned, that system can be driven and facilitated with both fiscal and regulatory incentives for local products to be privileged locally, so that there's profit from choosing and sourcing yourself locally, as opposed to internationally or globally. That's something governments have to do.

*What is your best advice for chefs and restaurateurs on how can they influence or even demand a more sustainable supply chain? On what should they focus their economic power?*

I think the trick is to create a network, which is like a community of producers and users. Some prominent chefs choose to have their own farm. But others can create a reliable network of local providers, local that they can talk to transparently monitor the quality of production. The network can also help navigate markets which are changing so fast by keeping everybody afloat. It becomes like a system of loyalty, a close circle that's mutually beneficial. No one can, or should wait, for government policies to change. You can take action now by empowering local producers and creating a loyal relationship that is mutually beneficial.

*Will building a resilient supply system within our own communities also help restaurants adapt to the next round of changes in the marketplace, wherever they come from?*

Absolutely, because the impact of change is always local first. I think that by creating these networks and communities where both supply and demand meet reliably, is a way to create resilience around innovation and change, which is going to keep disrupting this market. Top-line disruptions, such as cellular meats and fish and plant-based alternatives, all the way down to curbside retail and other service models. However, restaurants and other forms of social interaction around food are always going to be present in our cultures because that's just the way we connect. Creating centres where producers and chefs, researchers and people that produce and serve food can go back to being credible providers of quality nutrition. I think that's how we can actually navigate these transitions and can inform, govern and present them to your consumer. I think it's really a win-win-win because the market that has been disrupted needs the supplier and the retailer to be part of, and own these changes. And consumers need guidance about what's happening in the market and to have that relationship of trust. So, creating these pools of local interaction is essential for the transition itself and are going to drive the transition. I very much encourage it.



**Section 3**

**To the order sheet**

## 03 To the order sheet

So, after making their way from the farm through the various regional aggregators, national wholesalers and processors and such, products destined for the foodservice market head into the logistics-driven distribution system. As you know, that system is dominated by the major broadline operators, like Sysco and Gordon, which use their network of sales reps to help ensure their product lines end up on your weekly order sheet.

These outfits are very good at what they do, and there's no denying that having a reliable source of most everything you need arriving in the back of a single truck has its advantages. It's the backbone of every quick-service and large-scale restaurant chain operation, and keeps most of the industry's walk-ins well stocked.

But everybody who's ever tried to build their own 'hybrid' supply chain or some alternative to the broadline model quickly becomes aware of its influence on pricing, access and logistics on every other supplier. This can make purchasing... well, **Jeff Hetherington** has a favourite word for it.

He lists his current job as 'Purchaser, Big Wheel Burger' in his email signature, but has got a lot of other stuff going on with his industry colleagues in Victoria, BC.

I would use the word exciting. Being a purchaser is exciting. I'm excited by it every day, which is totally weird. I personally have been doing it since I opened my first restaurant, and before that as a sous chef or chef.

*There's a lot of squeezing, sometimes gouging happening across our food systems. What do you see as the key purchasing action every chef and operator can make to improve their fairness and sustainability of the farm to fork supply chain?*

I think just to be inquisitive, ask questions and get interested in what you're doing. To be a purchaser in the foodservice industry in 2021, you have to be a food nerd and get into the nitty gritty of what it is you're purchasing to find out everything that you can about it. Type any random question into the Google machine, and to get information you can use to your advantage. Be proactive in your supply chain.

Another factor is to understand what your competitive advantages are e.g. what your team is capable of in terms of production skills and experience, and use those people to their best ability. That's how you can determine to use a raw product that is 'cheaper' and use our labour to offset the growing price of food.



*In your burger operation, how do you decide what your standards are for meat? Did your ownership team choose the quality of beef, local or not, and supplier? Was it set by a target price?*

All of the above. As our operations grow, there are limitations on which suppliers we can use to meet our demand. My role was to 'audition' suppliers to match our consumption with the farmer or distributor, and then dig into, finding the one that aligns most with what we require, whether it be fat content or flavor profile or animal welfare standards. Again, ask a lot of questions. I now know a lot about beef and how it's raised. And that, to me is really interesting. Being enthusiastic about this kind of stuff with your suppliers can separate you as a purchaser and build better relationships, and those always are a benefit in the end.

*How much of this is tied to the story you bring to your customers? Nicoletta underlined how consumer need for price/convenience model has shifted to transparency on where their food is coming from.*

In my experience, the people that are concerned are very concerned, and those that aren't couldn't care less. So it's about finding a balance. Some places can charge \$25 for a burger. We play within the parameters we've set out for ourselves. For things that are important to our company, like animal welfare, we allocate more money and then try to purchase more effectively on other items, like napkins. You have to pick your battles.

## 03 To the order sheet

*You helped launch The Bread & Butter Collective with your colleagues in Victoria to encourage more collaboration and mutual support among regional operations. Where can collaboration and purchasing come together to help benefit individual operations?*

One of the main reasons I started the Collective was just to open up dialogue. As you know all too well, people in this industry tend to isolate and keep secrets, and there's no need for that going forward. We're all trying, literally, to do the same thing. Opening dialogue by asking questions, as in "I noticed you're charging \$14 for a chicken sandwich and buying local organic chicken...how do you do that?" Because I think that's how we all get better.

We need more transparency in this industry. Certainly, customers now better understand how challenging it is to run a restaurant these days. That's no secret. But we have to be transparent with each other about how we're purchasing and what we're paying for products. The fact that you (in Vancouver) purchase a roll of green tape or sack of flour at a different price than I do in Victoria. It makes little sense. In a perfect world everybody's making money fairly, including the supply chain.

One of the biggest challenges we face is not trusting our major suppliers. And the primary reason for the lack of trust is due to the perverse system of incentives they have to charge different prices for everything, and most operations get charged different prices. Which means that they often lose money on a particularly valuable customer and have to make it up on another. So, if you're not paying attention to your order sheet, you might overlook that your new price on a corn broom is \$77.

I know the broadline distributors are aware of their reputation, and are finally doing things to mitigate that. But if this problem would go away, we could actually use real math to make business plans and decisions.

For example, say you wanted to open a corndog restaurant. Using real math you could calculate the costs of cornmeal and such, determine your target sales and develop a real food cost, instead of having to sweet-talk your supplier for a favourable price, then monitoring your invoices. That is just so backwards.



# Resources

You can find Nicoletta Batini's book *The Economics of Sustainable Food* [here](#).  
And find out more about Jeff Hetherington's Bread & Butter Collective at their [homepage](#)  
or tune in to their [podcast](#).

If you have any suggestions, drop us a line at [podcast@chefstablesociety.com](mailto:podcast@chefstablesociety.com) and we'll add them to the Field Guide.