Supply chain analysis of farm-to-restaurant sales: A comparative study in Vancouver and Christchurch

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7.1 Introduction

The demand for local food is growing and creating new economic opportunities for farmers and restaurants who participate in local food systems (Hall & Gössling, 2016a). However, the growing interest in local foods has been explored largely from the perspective of consumers (Martinez et al., 2010) and the role of farmers' markets (Hall, 2013), rather than for other elements in the culinary system and supply chain such as restaurants and food wholesalers (Gössling & Hall, 2013; Hall & Gössling, 2016b). Previous studies have indicated that the direct marketing of farm products to restaurants would increase farm sales and broaden consumers' exposure to local farming operations (Thilmany, 2004). Other ancillary benefits (e.g., changing consumer demand for local food products, and enhancing brand development and product differentiation for producers) have also been identified in selling to restaurants (Curtis & Cowee, 2009; Gössling & Hall, 2016). However, very little empirical research has been conducted on the benefits and barriers for farmer/producer direct-marketing efforts and supply relationships to local restaurants (Nilsson, 2016).

This chapter presents the results of a comparative study of local farmer/producer and restaurant relations in Vancouver (Canada) and Christchurch (New Zealand) in the context of the promotion of local foods. The study identifies strategies for successful local food selling by farmers/producers and provides a more comprehensive perspective than earlier studies in the field, noting especially the roles of network relationships and intermediaries, whose significance in the culinary system has often been ignored.

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7.2 Background

There is no consensus on defining "local" and what constitutes a local food system (Pearson et al., 2011). Research indicates that the definition of "local food" is complex, as are its implications for small-scale producers (Trivette, 2015), and is "based on a general idea of where local food is coming from" (Dunne, Chambers, Giombolini, & Schlegel, 2011, p. 50). Nevertheless, although there is no consistent definition of what constitutes "local food," it remains an important component of food promotion and purchase (Hall, 2013).

7.2.1 Local food movements

A number of socioeconomic and environmental movements have converged around the idea of a local food system. A local food system refers to deliberately formed food systems that are characterized by "a close producer-consumer relationship within a designated place or local area" (Hall & Gössling, 2016b, p. 10). The concept of a local food system symbolizes a paradigm shift from the globalized and industrialized food system toward local or relocalized food systems (Allen, FitzSimmons, Goodman, & Warner, 2003; Hinrichs, 2003; McMichael, 2009; Wilhelmina, Joost, George, & Guido, 2010), which are often regarded as an alternative to conventional food production (e.g., Feagan, 2007; Higgins, Dibden, & Cocklin, 2008). Indeed, many localized communities have initiated alternative food and agricultural systems (Feenstra, 2002). As Anderson and Cook (2000, p. 237) note:

> *The major advantage of localizing food systems, underlying all other advantages, is that this process reworks power and knowledge relationships in food supply systems that have become distorted by increasing distance (physical, social, and metaphorical) between producers and consumers ... [and] gives priority to local and environmental integrity before corporate profit-making.*

Local food movements have therefore been regarded as offering new economic benefits for small and medium-sized farms, reductions in the environmental footprint of food, and closer relations between consumers and producers while providing good nutrition to consumers (Hall & Gössling, 2016b; Kloppenburg, Lezberg, De Master, Stevenson, & Hendrickson, 2000). As a result, since the mid-1990s, consumer interest in using and purchasing local foods has increased substantially, a trend also supported by the growth of the slow food movement and a food media focus on local food (Hall, 2012; 2013). This interest is evidenced in a variety of "alternative" forms of food retail and distribution, including farm-to-school programs, farmer and producer direct marketing, farmers' markets, and community supported agriculture (Allen et al., 2003; Izumi, Wright, & Hamm, 2010; Hall, 2013; Tregear, 2011). However, restaurants are also a very important part of the culinary system, especially given the extent to which people "eat out." Therefore, the way in which restaurants support local foods is a significant factor influencing the food supply chain in such systems.

7.2.2 Benefits and obstacles perceived by restaurants and chefs

Restaurant decisions to purchase local food are based on a number of factors, such as product taste; perceived higher quality, freshness, and safety; access to unique or specialty products; satisfaction of consumer requests; increase in bottom-line profits of the establishment; public relations; supporting the local economy and communities; possibility of purchasing smaller quantities; lower transportation costs; competitive pricing; and the dependability of farmer suppliers (Inwood, Sharp, Moore, & Stinner, 2009; Kang & Rajagopal, 2014; Murphy & Smith, 2009; Reynolds-Allie & Fields, 2012; Roy, Hall, & Ballantine, 2016). Significantly, Sharma, Strohbehn, Radhakrishna, and Ortiz (2012) reported that restaurant customers are willing to pay extra for menu items sourced from local farmers.

A number of barriers to restaurants purchasing local food have also been identified, particularly relating to cost factors; payment procedure conflicts; product availability; dealing with multiple suppliers; complicated ordering processes; packaging and handling; inadequate distribution systems and service; ineffective communication; and higher product costs (DeBlieck, Strohbehn, Clapp, & Levandowski, 2010; Inwood et al., 2009; Nilsson, 2016; Peterson, Selfa, & Janke, 2010; Pillay & Rogerson, 2013; Reynolds-Allie & Fields, 2012; Roy et al., 2016; Sharma, Gregoire, & Strohbehn, 2009). Lack of knowledge with respect to local food sources can clearly be a significant issue in the food chain, while local food purchasing patterns can vary significantly by the type of restaurant (Curtis & Cowee, 2009).

7.2.3 Benefits and obstacles perceived by farmers/producers

Although the promotion of local food on restaurant menus appears to be increasingly popular, little systematic empirical research has been conducted on the food producer's perspectives of the benefits and barriers to marketing their products directly to local restaurants. Where this has occurred, the reported perceived benefits of direct marketing and selling included supporting local farmers and the local economy; providing fresher, flavorful, and higher quality products for customers; convenience; personal commitment to environment and food safety; reduction in food miles; price premiums; product knowledge; and personal relationships with restaurants (Curtis, Cowee, Havercamp, Morris, & Gatzke, 2008; Green & Dougherty, 2008; Gregoire, Arendt, & Strohbehn, 2005; Nilsson, 2016; Sharma et al., 2012). Nevertheless, a number of obstacles to selling local foods to restaurants have also been identified: failure to match supply and demand; limited product ranges; restaurant problems in dealing with multiple sellers; price; seasonality issues and lack of year round production; high transportation and delivery costs; higher costs of production; delivery issues; and unexpected changes in buyer demands (Dougherty, Brown, & Green, 2013; Green & Dougherty, 2008; Sharma et al., 2012).

The extent of knowledge transfer between restaurants and suppliers appears essential for understanding each other's needs and challenges (Self et al., 2016). For example, research suggests that many producers appear unsure how to enter the market; there is often a lack of knowledge by both producers and buyers about regulations surrounding food distribution, a lack of knowledge on the part of producers in developing relationships with restaurants, and a lack of time to invest in building these relationships (Curtis et al., 2008; Gregoire et al., 2005; Self et al., 2016). Schmit, Lucke, and Hadcock (2010) also found that the fact that restaurants were already dealing with multiple sellers created a significant obstacle for farmers to directly market to restaurants. The issue in many such cases is not that a restaurant is not interested in using local foods, but more so that they already have existing suppliers in place and they do not have sufficient time to modify their supply chains by finding new suppliers (Peterson et al., 2010; Roy et al., 2016).

7.3 Method

This chapter is based on individual semi-structured interviews conducted from September to November 2014 in Vancouver, and February to April 2015 in Christchurch, with farmers and/or farmers' market vendors. A convenience sampling approach was used in order to complete a large number of interviews as quickly and as cost-effectively as possible (Neuman & Robson, 2009). The interviews were also used to develop a survey of restaurants with respect to local food purchase (see Roy et al., 2016 for a discussion of the Vancouver results). A total of 12 farmers and/or farmers' market vendors from Vancouver and 8 farmers and/or farmers' market vendors from Christchurch that currently sold local products to local foodservice establishments were identified and recruited for the interview sessions.

A letter of purpose presenting the objectives of the study and a consent form was sent to all the farmers and/or farmers' market vendors. The interview date and venue was then arranged. The average length of the interview discussions with farmers and/or farmers' market vendors was 60 minutes and they were conducted at the farm and at farmers' markets. All interviews were conducted face-to-face in English on a one-on-one basis and audio recorded with the permission of the interviewees for later transcription. Transcripts were compiled verbatim as soon as possible after each interview by the researchers. The responses were then analyzed and coded; for example, Respondent 1 was labeled F1, Respondent 2 as F2, and so on. Content analysis was undertaken based on the textual data derived from the transcripts of semi-structured interviews to gain knowledge, new insights, and understanding of phenomena through valid inferences from text data to the context of the study (Krippendorff, 1980). The data was then extracted manually under the thematic headings (Braun & Clarke, 2006).

7.4 Results

7.4.1 Interview respondents' profile

The Vancouver sample consisted of 50% (six) male and 50% (six) female participants, while all the interviewees (eight) from Christchurch were male. The majority of the respondents from both samples were experienced farmers (average 17.9 years in Vancouver and 15.9 years in Christchurch). About 42% of the farms used some form of sustainable farming technique (e.g., integrated pest management, organic) in Vancouver and about 37% in Christchurch. In both samples, restaurants were the most popular choice of outlets for the producers' products followed by farmers' markets, while farms also utilized wholesale distributors to market their products.

7.4.2 Respondent definition of local food

Respondents were asked what local food meant to them. The definitions offered by the majority of respondents were based on geographical or political boundary lines (province or region), such as products "grown" within the region or within a political boundary, rather than by a distance measure. In contrast, very few (one respondent in Christchurch and two respondents in Vancouver) defined their "local food" in terms of the mileage or distance they would travel to sell. The actual number of miles they would travel varied considerably, ranging from 90 in Christchurch to a 100−210 mile radius from where they lived in Vancouver. Six respondents in Vancouver and seven respondents in Christchurch defined "local food" according to political boundaries rather than by a distance measure from restaurants. One respondent in Vancouver went even further to explain that he would prefer food to be grown closer, rather than simply within the geographical or political boundary lines or distance measures, and wanted it to be from as close as possible:

> *For me, local means 'just up the road'. When I was in California, I bought strawberries from a surplus stand outside an enormous farm that supplies berries all over North America. I considered the roadside ones local (Vancouver, F1).*

These perspectives among the respondents in defining and describing local food reflects a wide variety of definitions found in the academic literature (Peterson et al., 2010; Sharma et al., 2012; Sims, 2010; Vecchio, 2010).

7.4.3 Benefits perceived by farmers/producers

Farmers were asked about perceived benefits and/or motivations for selling to restaurants and chefs. Farmers in both samples noted personal satisfaction, product appreciation, higher prices, and personal relationships as the main reasons for this.

7.4.3.1 Personal satisfaction

Respondents in both samples indicated that they derive personal satisfaction from selling their products to restaurants and chefs. They see chefs creating beautiful dishes with their products, thus they feel they are valued for their products and their hard work is appreciated:

> *Well we like the idea of our food being served to people who are our customers and now we really want the restaurant to have local produce. So, that's a big motivation and to see it is going to a chef who is creating a beautiful food with it. It is really satisfying. It's just like, you know, "Oh my God!" That means it paid off my hard work with my produce (Vancouver, F10).*

Similarly, other respondents talked about wanting to sell to restaurants and chefs to keep their products local, with one stating:

> *I like to see them going by using local products, and most of the restaurants and chefs we use are selling local products. So, our local products will be going there locally. It is just a good outlet and chefs can easily do the product justice sort of things and they do a pretty good job with that. So, it shows in a good light . . . (Christchurch, F19).*

7.4.3.2 Product appreciation

For some respondents, their product's appreciation seemed to be a major motive to sell to the restaurants and chefs:

> *I want to sell my products [to those] who entertain me and appreciate my products, and part of it is in terms of developing the brand. I want my products to be reached to the bigger audience through the chefs and restaurants and I think people are aware of it. It helps to bring people's awareness of my products and you know when it featured on the menu (Vancouver, F2).*

Another respondent stated that he receives product appreciation, along with good prices, and that motivated him to sell the products to restaurants and chefs:

> *The appreciation, getting good price, and the volume I am selling to them is good for me rather than selling to my retail consumers (Christchurch, F14).*

However, the same respondent clearly mentioned that he would make more money by selling his products at the market, but due to the appreciation of his products by chefs, he pursued this marketing avenue for his business:

> *. . .if I sell to the restaurants it is going to be larger amount of the products and selling to the consumers at the market will be smaller amount of the products. But the thing is that market makes more money for me, but for the restaurants I just price the stuff, pack it, and then send to the restaurants. Moreover, they appreciate my products too (Christchurch, F14).*

7.4.3.3 Higher prices

Direct sales to restaurants can increase farmers' profits (Bendfeldt, Walker, Bunn, Martin, & Barrow, 2011; Nilsson, 2016). Several farmers in this study described the benefits of selling to restaurants and chefs in order to receive price premiums:

> *They are totally supportive and they don't try [to say] it's low value and I like that. They are ready to pay above the market price. That's [what] I really like about restaurants. And you know, it is booming the restaurant thing, and it is growing and growing (Vancouver, F4).*

> *I often found that even dealing direct—in that charging higher price when you have to deal direct—and we are still cheaper than wholesalers (Christchurch, F20).*

The result is consistent with previous studies (Green & Dougherty, 2008; Sharma et al. 2012). For example, Sharma et al.'s (2012) study found that most growers identified the benefits of selling to local restaurants; especially those that were able to pay a price premium for their products.

7.4.3.4 Personal relationships

Respondents described feelings of enjoyment and appreciation after building personal relationships with restaurants and chefs in both samples. In this study, three respondents (two from Vancouver and one from Christchurch) wanted to sell directly to restaurants and chefs due to personal relationships. Many farmers also engaged restaurants and chefs as individuals and see restaurants and chefs as a very valuable source of marketing guidance:

> *The other thing we like to have the relationship with the chefs that we learn from them what people are cooking? What's out there? How can you do certain foods? These are the things we don't know out there. If we learn somebody is using the particular food in some other way, well then we know for the next year we can grow some of those items. Like chef [chef name] came here and says that you could sell those products, which I did not know ... We know lot of our stuff but we do not know the user end (Vancouver, F10).*

In some cases, farmers see restaurants and chefs as their best source of information on prospective products. As one respondent from Vancouver remarked:

> *We went to the restaurant at Richmond and [I] introduce myself and said we are starting out a new farm. One day he called to us right back at the beginning of this year and then he came to our farm. He is one of the few chefs . . . because he is so close to our farm and he came to our farm an hour before the meal started and demanded by saying I need fennel, I need these mini tomatoes, and I need these and so on. So, we stopped what we were doing and did harvest the required products for him. It is all about relationship (Vancouver, F10).*

However, support for local farmers was not necessarily shared by all restaurants and chefs:

Yeah, it is good to see ... some of the restaurant[s] using our products. Lot[s] of them talk about it but they do not actually do that (Christchurch, F15).

Two respondents from Christchurch were open to considering marketing their products to restaurants and chefs, as opposed to having the products sold to wholesalers directly, as it allows them to remain in full control of their products until the final point-of-sale and enables them to maximize value-added potential:

I have got no control with the wholesalers. If I sell it today, I do not know that reaches to kitchen and how they are handling my products. You know there is no key to love my products and products could be left in a box or ruining in the box or that could be two or three days old when it gets to the chefs and then it is going to have the bad reputation for my products. And you know, I do not feel comfortable with that (Christchurch, F18).

A different participant from Christchurch complained that dealing with markets or wholesalers was too unpredictable to market his products and he asserted that he would rather sell to restaurants and chefs:

. . .if we did not have lot of our direct supply customers then we wouldn't exist. Doing what we do even in a lot of horticulture I don't think you can survive just dealing with the market or the wholesalers, they are too unpredictable. The entire thing is that you can turn off one day with all of your stuff and then have no orders. And we claim, we turn up and you got all of your stuff then you need double the numbers because that is predictable. They just chase the price all the time and it is very hard to operate like that. I could sit down now just about for the restaurants and I could be 80% accurate with what ... all of my chefs will order tonight. For the wholesalers, some of them could do that, but most of them are not reliable to do that (Christchurch, F20).

Similarly, a respondent from Vancouver shared his personal values related to farming, and marketing seemed to be a major motive for selling to restaurants and chefs. The value he shared was the pride he has taken in growing the products. He offered this explanation:

Pride for who we are and our family's name and it is tied to us being a family business and at the end of the day it is our name on everything. And we are personally accountable to the people whom we deal with. So, we take pride in seeing our business name on chef's menus. We take pride in the chefs knowing us personally and knowing our families, and knowing details about us. And vice versa for us knowing about them and being comfortable with walking into a place, seeing a smiling face, and having a beer with those people that we are selling to . . . because we mutually like and respect each other. So yeah, I mean my family and

> *. . . my family has . . . we are very proud people and we have very strong egos and very strong personalities and that's what keeps us doing what we do as because we can sell cheap vegetables and crap but we will not do it. So, these are forces (Vancouver, F11).*

7.4.4 Barriers perceived by farmers/producers

In the interviews with farmers, several barriers emerged that they perceived as hindering them in selling directly to restaurants and chefs. The barriers were very diverse in both samples. Several respondents from Vancouver reported that they were not able to supply a required quantity or volume of products that restaurants and chefs needed to purchase (F2, F7). A different respondent who sells his products at the farmers' market stated that because he had a limited volume it was difficult for him to supply the quantity that was necessary to meet the demands of a restaurant (F6). For the same respondent, the commitment to serve farmers' market consumers also created a barrier for him in providing the required volume of products to restaurants and chefs:

> *The farmers' market customers are big portions of our buyers, so yeah, it is hard for me to find the balance sometimes. I do not want to disappoint the chefs and restaurants and at the same time with my farmers' market customers. As you know, both segments are valuable to me (Vancouver, F6).*

In another case, a respondent acknowledged that the uncertainty of weather conditions was the most challenging aspect of their farm work and that was one of the barriers for them to supply quality products to restaurants (see also Self et al., 2016):

> *To maintain the quality because my farm is far away and the weather conditions. For example, weather is not always same and it kind of affects the quality of my produce. If it rains then it destroys lot of the produce. If the temperature changes, or if it is too hot or cold then it is difficult for me to maintain the quality of the produce. So, restaurants have to consider that but they do understand that part. I just have to make them a phone call and say I don't have it and get it from somebody else. For sure, I cannot handle the Mother Nature (Vancouver, F8).*

A respondent from Christchurch stated that the cost of production also presented difficulties to sell to restaurants and chefs:

> *Sometimes you sell the products and make huge amount of money and sometimes you do not make money out of that but still you have to do it to keep your customer happy. The products might take longer to produce, depending on the season, depending on the weather, and depending on the ground conditions you have got . . . you know. The products could cost twice as much in spring time to produce than in summer time (Christchurch, F14).*

This comment reflects Self et al.'s (2016) observations that small farmers in the local food system have smaller profit margins that could be affected by the higher cost of producing foods through sustainable growing practices. In some cases, several respondents from both samples complained that restaurants and chefs do not place orders on time and they recognized that there was a lot more work involved in this regard. As one respondent commented:

> *I'd say 'timing'. Timing can be a significant challenge. You [the interviewer] have worked in restaurants for a long time and you know, sometimes chefs are pain in the butt to get hold of ... and [it's] hard to train them to get the orders out on time. So, that's definitely a challenge and basically setting boundaries around for when it's acceptable to place your order and if you're going to consistently place your orders . . . (Vancouver, F5).*

Another three respondents claimed that delivery costs were higher for selling directly to restaurants and chefs if they do not order enough volume/quantities of the products from them, particularly if they were located away from the city. This would imply that farmers would have to make frequent deliveries to the restaurants and chefs. This could help to create relationships but this cost was unavoidable for the farmers:

> *The main problem is getting enough volume of order that makes [it] worthwhile for me. It is not worth for me to drive the products to the town and deliver the products which cost only $100. It costs me $100 for fuel to drive the vehicle to the town. By the time I use my labor and fuel cost then there is no worth for me to supply the products to them. So, it's mainly volume that is not enough for me (Christchurch, F15).*

Barriers related to delivery costs are identified in previous studies (Dougherty et al., 2013; Schmit & Hadcock, 2012; Self et al., 2016; Sharma et al., 2012). Additionally, in line with previous research (Sharma et al., 2012), a lack of planning and foresight by restaurants can further fuel the uncertainty of product demand for farmers, as one respondent from Vancouver complained:

> *Production time, because they are plants and they take a while to grow. Chefs will plan their menus without consulting us and expect products to be available on the drop of a hat or they will have special events booked for a long time in advance but they won't order and they won't give us enough lead time to ensure that there's enough products for them. So, as a grower and producer that is probably the biggest challenge for me (Vancouver, F11).*

7.4.5 Other specific barriers (food safety and licensing concerns)

Many foodservice establishments require farmers to comply with regulatory requirements (licensing, certification, food safety protocols, and liability insurance) to protect against economic loss from food-borne illnesses attributed to the farmers' products. A number of respondents (seven from Vancouver and three from Christchurch) indicated that they had no concerns at all with licensing and regulations. This result is somewhat surprising, since food safety and liability concerns have often been noted as a challenge to small farmers (Gregoire et al., 2005; Peterson et al., 2010). Similarly, the majority of studies from foodservice perspectives cite food safety and/or liability insurance as a concern (Gregoire & Strohbehn, 2002; Gregoire et al., 2005; Pillay & Rogerson, 2013). However, several respondents did indicate their dissatisfaction with these licensing and regulation policies, with one remarking:

> *Compliance with food safety is often a nightmare. Not because of the compliance but obviously you do not make money out of poisoning your customers. But the amounts of paper work are enormous. You know, I mean the paper work and then I mean just developing the relationships and it's very easy for businesses that we rely on each other. And so that relationship is really important and you are not actually in an isolated business. You are in an actual business that relies on ... other relationships and we are just trying to maintain the relationships. For example, it is easy for me to cut a piece of meat but everything else is involved so that you know . . . you are not doing [the] wrong thing (Christchurch, F13).*

Nevertheless, many respondents from both samples stated that having such certifications has been a positive impact for them in selling their products to restaurants and chefs:

> *I would feel that there is a positive impact as it does keep us to be honest that you have some regulations. It is also a source of confidence for the customers and for you too and that also keeps the grower honest. If anything goes wrong you can always check back, you know (Vancouver, F9).*

Only two respondents (one from each sample) mentioned that restaurants and chefs were not interested in these certifications.

7.4.6 Farmers/producers and fair prices

When farmers were asked whether they were paid a fair price for their products by restaurants, 11 out of 12 respondents in Vancouver and 7 out of 8 respondents in Christchurch stated that they were. The reasons for being paid fairly ranged from being able to set their own prices for products, higher quality products, and their efforts to grow the products:

> *I think the restaurants that we deal with, we are really comfortable with the price point. It is always challenging ... working with the restaurants because of their low price point and they do not want you to get [a] good price. And that's why only some restaurants does local food because they don't believe the price point and [that] they can still make money. So, the restaurant we have chosen . . . I feel like our prices are very fair (Vancouver, F10).*

On the other hand, a respondent from Vancouver claimed that he was not paid a fair price because he believed people do not want to pay if he puts the real price on his products (F12). Another respondent from Vancouver discussed having problems with other farmers at the farmers' market who sold similar products for a much higher price and described his dissatisfaction with these farmers (F7).

In further discussion, respondents were asked what criteria they use to determine their products' prices. For both groups of respondents, the cost of production and a fair return on their work (i.e., wages, labor) plus a desired profit margin and matching other farmers' prices were stated (see also Schmit et al., 2010). As one respondent noted:

> *I guess kind of mostly talking with the other farmers ... It would be ridiculous to see the product price is high or low. I mean we kind of go sometimes like, "That is way too much" or, "That is too cheap". So, basically we go with the comparison of other farmers or vendors and market values sort of things, you know (Vancouver, F4).*

While two respondents from Christchurch stated that the market sets the price and anything that can move the products is a fair price for their produce (F17, F20), another respondent from Vancouver had a strategy of setting prices for products that included an assessment of conventional and wholesale certified organic prices (F10).

7.4.7 Future prospects for selling local food products

Respondents were asked about their future plans for selling their food products locally to restaurants and chefs. All individuals interviewed wanted to continue this practice. Interestingly, some respondents want to increase the volume of food they supply to restaurants and chefs, while others want to stay about the same. Comparing the Vancouver and Christchurch samples, both were seen as being more interested in increasing (eight and five respondents, respectively) the amount of food they sell to restaurants and chefs than staying about the same. Respondents that expressed an interest in increasing the proportion of food they were selling to restaurants and chefs mentioned several reasons: an increase in production capacity; a decrease in sales through the wholesale distribution channel; an increase in specialty products in order to remain competitive in the market and an accompanying decrease in standardized products; and an increase in arable land. However, several respondents from Christchurch noted that lack of time and staff, and a limited product range, prevented them from being able to increase the number of restaurants and chefs they supply to. In addition, delivery and logistics was recognized by one respondent as a significant barrier to working with restaurants and chefs:

> *I mean I get restaurants quite often asking us can you deliver the products, then I say, "Yes I do". And then you do not hear anything more from them. It would be easier for us if they collect the products from [a] farmers' market, but they do not want to do that. So, that's one of the reason[s] I do need to supply directly from my farm to their restaurants. (Christchurch, F15).*

7.5 Discussion

7.5.1 Definition of "local food"

This study highlights that the term "local food" is a relatively fluid and dynamic concept (Duram & Cawley, 2012; Hall, 2013; Peterson et al., 2010; Sims, 2010; Trivette, 2015; Vecchio, 2010). There was no consensus on the definition of "local food" among the respondents from both samples. As Allen and Hinrichs (2007) noted, this reflects the extensive debate about the meaning of the term "local food," with farmers and/or farmers' market vendors adapting a range of definitions in accordance with their own interests and perceptions. In both Vancouver and Christchurch, farmers and/or farmers' market vendors primarily defined "local food" in terms of geographical or political boundaries than by a distance measure, even if, as in New Zealand, farmers' markets themselves use a distance measure (Hall, 2013). Nevertheless, these variations can lead to uncertainty surrounding the sourcing of local foods and challenges in labeling or branding products as "local" (Feagan, 2007).

7.5.2 Benefits of local food as perceived by farmers/producers

Personal satisfaction, product appreciation, and higher prices for products were the major perceived benefits and/or motivations reported by farmers for selling to restaurants and chefs in both samples. Vancouver and Christchurch respondents aim to maximize their share of the food dollar through marketing to foodservice businesses. As one farmer stated, "They are ready to pay above the market price. That's what I really like about restaurants, and you know it's booming the restaurant thing, and it is growing and growing" (Vancouver, F4). The current findings therefore reinforce research that suggests that farmers preferred to sell to restaurants to receive a price premium for their products and improve their cash flow (Sharma et al., 2012). Similarly, in a Swedish study, Nilsson (2016) also reported that farmers who sell direct to restaurants in the same region receive higher prices than through conventional sales channels.

7.5.3 Barriers to sale of local food as perceived by farmers/producers

With regards to barriers to greater sales of local foods, the findings revealed several diverse marketing barriers that were reported by farmers in both Vancouver and Christchurch. Barriers reported by farmers included lack of quantity or volume of the products that restaurants and chefs needed to purchase; the uncertainty of weather conditions; placing orders on time; delivery costs; and cost of production. These barriers are echoed throughout the literature (Gregoire & Strohbehn, 2002; Gregoire et al., 2005; Nilsson, 2016; Sharma et al., 2012). However, among respondents, two financial barriers were consistently cited: cost of production and delivery costs. These findings also indicate that there were higher costs associated to farmers for the delivery of products to restaurants than when selling directly to wholesalers or at farmers' markets to consumers. In contrast, farmers' market sales require less transportation and are confined to one location, thus reducing delivery costs.

While several marketing issues were noted by farmers, the findings from both samples revealed that food safety and liability were not major concerns and all farmers felt that they generally received a fair price for their products. Farmers believed it was in their ability to set their own price for higher quality products.

7.5.4 Future prospects of selling local food products

Most of the interviewed farmers are interested in selling more of their products and want to decrease the wholesale distribution channel in order to maximize their revenue from direct selling to restaurants and chefs. However, for them, more consistent demand of local products and the need to reach a bigger and more stable market were the key factors that need to be met in order to expand their involvement in the local food system. This finding is similar to that of Gregoire et al. (2005), although as noted above, the issues of delivery and logistics are a significant barrier to working with restaurants and chefs.

7.6 Conclusions

The results of this chapter indicate that there is a positive attitude among farmers and/or farmers' market vendors toward increasing sales of their products to restaurants in both of the study sites (see also Pillay & Rogerson, 2013; Schmit et al., 2010; Sharma et al., 2012). Even though there is no clear definition of what local food means (Conner, Montri, Montri, & Hamm, 2009; Hall, 2013; Pearson et al., 2011; Trivette, 2015), there clearly remains a demand for it from restaurants, chefs, and consumers (Hall & Gössling, 2016a).

This study indicated that social networks are extremely important for local food systems and this has clear implications for farmers who wish to increase sales to local restaurants and chefs. Restaurants and chefs like the personal connections that can be developed with farmers through farmers' markets, direct sales with farmers, recommendations from fellow operations, and events (Roy et al.2016). The study therefore suggests that farmers need to communicate directly with restaurants and chefs to improve information flow. However, due to the fragmented nature of the local food value chain, many small-scale farmers may face obstacles to do so. Tactics such as workshop mingles, farm and restaurant tours, and locally sourced food events can be useful mechanisms to bring producers and restaurants together (Brain, Curtis, & Hall, 2015).

The findings also indicate that for farmers, the most important factor in explaining selling intentions to restaurants and chefs is the farmer's personal satisfaction, the chef's product appreciation, and the price premiums available for products. This is not consistent with the more general results of previous work (e.g., Dougherty et al., 2013; Kang & Rajagopal, 2014; Lillywhite & Simonsen, 2014;

O'Donovan, Quinlan, & Barry, 2012; Schmit & Hadcock, 2012). Nevertheless, the results indicate that economic considerations, specifically fair prices for farmers, were clearly central in both samples to the development of selling to restaurants and chefs. The study also highlighted that maintenance of personal relationships is a necessary step in creating a successful business with restaurants and chefs, yet there has been little empirical research of this in the literature (Duram & Cawley, 2012; Sharma, Moon, & Strohbehn, 2014).

In spite of the benefits, the findings indicate that several constraints may limit the expansion of this growing market channel for farmers and/or farmers' market vendors. Perhaps most critically this includes a better understanding of the way in which existing personal relationships between restaurants and chefs and their existing wholesalers and farm suppliers acts as a disincentive to the creation of new ones, unless a farmer is already a member of such a social network in some way. However, many of these barriers could be managed by better communication and supply channels between different actors in the food systems (e.g., cooperative marketing strategies) as well as endeavoring to create new relationships and networks (e.g., mingles, tours, and invitations). This study therefore highlights that the creation of food supply chain relations with respect to local food is grounded as much in the development of social networks as it is in economic relations, and that social capital can be both an enabler and a constraint in creating new distribution and sales opportunities.

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