

Five Tips for Managing Food Costs When Running a Sustainable Kitchen

The first goal of any restaurant is to sustain their business. Managing food costs is central to running a strong business, but can be a challenge when you're committed to buying local, seasonal, and sustainably produced food. The Chefs Collaborative member chefs we spoke with about their food purchasing habits keep local, seasonal, and sustainable food central in their purchasing frameworks and routinely keep food costs under 32% of expenses. It's a good idea to develop your own framework for making purchasing decisions and let vendors know your criteria. This paper looks at some successful strategies and approaches our members have taken.

1) Strive for 100% utilization

- "Using everything is no different than what any good restaurant does," says Jesse Cool of CoolEatz Restaurant and Catering in San Francisco. "I save salmon bones to make salmon croquettes."
- "Nothing is thrown away," says Michael Leviton, chef/owner of Lumiere in Newton, Massachusetts. "Vegetable scraps are used for soup; meat trimmings are used for meatloaf and terrines; cod trimmings for salt cod; bluefish trimmings for smoked bluefish. With asparagus, you can pay next to retail for local, in season asparagus because the stems can be made into soup. You can make an obscene amount of money on soup."
- "Visit the compost bin and see what's being thrown away," says Joe McGarry, Chef for Bon Appétit Management Company in Portland, Oregon. "You can make adjustments based on what's left in the compost bin. I'm good at looking at a piece of food and thinking about what I can do with it. Use the whole vegetable for soups and sauces."

2) Look at the menu as a whole rather than at any individual item

- "We look at the menu as a whole rather than at each item," says Thom Fox, executive chef of Acme Chophouse in San Francisco. "We know that pastured beef and pork will be 10% more expensive, but that the portion sizes are not terribly large and the sales of these items are generally less than the other items with a better cost margin (like appetizers, seafood, pastas and risottos). Often it's possible to run a 40% food cost on a pasture raised beef steak while knowing that the flatbread with tomato and a bit of local cheese and olive will more than offset much of its impact on overall food cost."
- "Overall menu mix is the key to a balanced food cost," adds Ed Doyle of Real Food Consulting, in Cambridge, Massachusetts. "Having a low volume sales item at a higher cost is offset by a lower cost high volume item. Remember, you don't deposit a percentage in the bank; margin in dollars is as important as percentage."

- “What’s key,” says Andrea Reusing, chef and owner of Lantern Restaurant in Chapel Hill, North Carolina, “is to be sure the top one to three sellers are not high on food costs. She may have wild duck on the menu where the food costs are 50%. But, she doesn’t need to save money on this dish because it’s not something she’ll sell a lot of.”
- Rich Garcia, executive chef of Tastings Wine Bar & Bistro in Foxborough, Massachusetts, describes a skirt steak dish, where the food cost is 40% and brings in \$15, and a chicken dish where the food cost is 25% and brings in \$7 – he’d rather sell a lot of skirt steak.

3) Start with what’s easiest

- “It’s not all or nothing,” says Ed Doyle. “Any movement toward a goal of sustainability is positive.”
- “Start small,” says Carlo Mirachi of Roberta’s Pizza in Brooklyn, where the food costs are at 25% and local, seasonal, and sustainable ingredients are used throughout the menu.
- From an institutional point of view, Andrea Reusing recommends focusing on one thing first, such as all local sweet potatoes, or all local dairy, if milk is readily available.

4) Start with what’s local and in season and move out

- “We’re an Asian restaurant so we use a lot of cilantro all year,” says Andrea Reusing. “We get it locally when we can and then we buy from California.” This is how she handles the “all-star” vegetables she needs all year. For things like tomatoes and asparagus, she only gets them local and in season.
- In winter, in New England, Michael Leviton cooks with less fresh produce – he uses more beans and root vegetables.
- “Focus on a few easier things first – what is plentiful and in season,” says Thom Fox.
- “Preserve, freeze, and dry to extend your use of local product into the shoulder seasons,” says Ed Doyle.

5) Using the whole animal can make money (as well as using underutilized cuts of meat)

- “If you’re willing to do the work and you can put money away in terms of curing, you can make a lot of money through 100% utilization,” says Michael Leviton.
- Thom Fox cautions that he would not recommend doing whole animal purchases to start. “Try braising cuts first before diving into the middle meat cuts on animals. More often the cost ratio is better and allows for the inclusion of different ingredients to add to the plate.”
- “An important aspect of watching food costs is blowing up the notion that tenderloins and prime cuts are the only cuts acceptable in fine dining restaurants,” says Joe McGarry. “Lesser known and underutilized cuts are showing up on James Beard-awarded restaurants – where these cuts used to be ground up for hamburger.”
- “Utilizing non-prime cuts with a prime cut will help reduce cost. Two ounces of braised oxtail or short rib meat as a base for a filet mignon allows you to serve a six ounce filet versus an eight ounce filet and reduce portion cost,” says Ed Doyle.

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