

# Good Food Media Network

## Economic Contribution of the Food Supply Chain 2016

### Consulting Report by:

Business Research Division  
Leeds School of Business  
University of Colorado Boulder

September 11, 2017



Page intentionally left blank.

## TABLE OF CONTENTS

Table of Contents .....	ii
Executive Summary.....	1
Purpose of the Study.....	2
Methodology.....	2
Overview of Economic Contribution Analysis.....	5
Definitions.....	5
Food Industry Economic Overview .....	6
Model Input Data and Assumptions .....	8
Economic Contribution .....	13
Qualitative Responses.....	15
Conclusion.....	19
Bibliography .....	20
Appendix 1: Participating Restaurants and Ratings.....	21

## EXECUTIVE SUMMARY

In 2017, a total of 90 restaurants from around the United States participated in the inaugural survey of Good Food 100 Restaurants™. A program of the Good Food Media Network, Inc. (GFMN), a 501(c)(3) nonprofit, the Good Food 100 provided a framework for collecting, verifying, and reporting on restaurants' good food purchases. The GFMN contracted with the Leeds School of Business, Business Research Division to survey and analyze restaurants' food purchase data.

According to GFMN, good food is good for every link in the food chain: the environment, plants and animals, farmers, ranchers and fishermen, restaurants, and eaters. While many restaurants exceed the *minimum* threshold for good food purchases by purchasing certified organic or Marine Stewardship Council certified fish and seafood, restaurant purchases in this study needed to meet at least the following *minimum* thresholds to be considered good food purchases:

- Bread, Flour and Grain: Produced using sustainably grown ingredients
- Dairy and Eggs: Raised without the use of sub-therapeutic antibiotics or added hormones, no cages or confinement
- Fish and Seafood: Wild and sustainably farmed fish and seafood
- Meat and Poultry: Raised without the use of sub-therapeutic antibiotics or added hormones, no cages or confinement
- Fruits and Vegetable: Grown using sustainable farming methods

Participating restaurants were provided a detailed definition for each category of purchases. A random third-party audit of purveyors checked for consistency between reported good food purchases and actual food purchases.

By restaurant type, nearly half (48%) of responses came from Fine Dining restaurants, followed by Casual Dining (34%) and Fast Casual (11%). Food Service (4%) and Catering (2%) restaurants recorded the smallest participation. Restaurants represented every region of the United States. The Rocky Mountain region garnered the most responses—40% of the total. Three regions—Rocky Mountain (40%), Far West (21%), and Southeast (20%)—represented 81% of the responses.

Ninety participating restaurants in the Good Food 100 reported spending a total of \$94.8 million on food; of this, restaurants reported spending 72%, or \$68.1 million, on good food in the categories of bread and grains, dairy and eggs, fish and seafood, meat and poultry, fruits and vegetables, and other miscellaneous food items. The \$68.1 million spent by participating restaurants had a \$199.9 million economic impact on the nation, including the direct, indirect, and induced impact of the purchases. This excludes the impact of overall business operations, ranging from the purchase of alcohol to labor and rent. The percentage of good food purchases was greatest for participating Fast Casual restaurants (93%) and Fine Dining restaurants (83%). Nationally, restaurants reported the greatest percentage of good food purchases in the Fish and Seafood (84%) and the Meat and Poultry (83%) segments.

## PURPOSE OF THE STUDY

The Business Research Division (BRD) of the Leeds School of Business at the University of Colorado Boulder was contracted by the GFMN to study the impact of sustainable supply chains on the economy. According to the GFMN, the Good Food 100 Restaurants is “a new annual survey, rating system, and list of U.S. restaurants that aims to measure how restaurants and food service businesses are helping to build a better food system by supporting local/state, regional, and national ‘good food’ economies.” The survey results provided data for an economic contribution analysis, as well as for a rating of restaurants by their sustainable sourcing practices. (See Appendix 1 for the complete rating of restaurants.) The purpose of the study was to educate consumers about the people and businesses that are impacting the economy through sustainable sourcing of goods.

There are many economic benefits of sustainable supply chains. For example, localizing food purchases decreases “leakage” (purchases from outside the local region), which increases the total local economic impact (i.e., a vertically integrated industry). Other economic impacts (positive or negative) result from changes in food prices, other components of the supply chain (e.g., transportation and warehousing), and substitutes.

## METHODOLOGY

This study was conducted in cooperation with the GFMN and the 90 participating restaurants. The research team collected data from restaurants about total food purchases and good food purchases by restaurant type, food segment, and regional purchase. According to the GFMN, good food is good for every link in the food chain: the environment, plants and animals, farmers, ranchers and fishermen, restaurants, and eaters.

While many restaurants exceed the *minimum* threshold for good food purchases by purchasing certified organic or Marine Stewardship Council (MSC) certified fish and seafood, restaurant purchases in this study needed to meet at least the following *minimum* thresholds to be considered good food purchases (see Table 1). The detailed definitions for each food segment were provided to participating restaurants in the survey (see Table 1). A random third-party audit of purveyors verified consistency between reported good food purchases and actual food purchases.

**TABLE 1: GOOD FOOD DEFINITIONS**

**Guidelines for self-reporting Good Bread, Flour & Grain purchases:**

- To be considered a “Good Food” purchase, producer must at least meet minimum threshold of “Good” as defined below:
- Good - Bread, flour and grains produced using sustainably grown ingredients  
*Optional, not required to meet minimum threshold of “Good.”*
  - Better - Plus, locally/regionally produced using non-industrial agriculture/factory farming methods and conditions
  - Best - Plus, Certified Organic, personal relationship with the producer (beyond sales rep)/have visited farm/bakery

**Guidelines for self-reporting Good Dairy and Eggs purchases:**

- To be considered a “Good Food” purchase, producer must at least meet minimum threshold of “Good” as defined below:
- Good - Raised without the use of sub-therapeutic antibiotics or added hormones, no cages or confinement  
*Optional, not required to meet minimum threshold of “Good.”*
  - Better - Plus, pasture raised, locally/regionally raised using non-industrial agriculture/factory farming methods and conditions
  - Best - Plus, non-GMO feed, Certified Organic, Certified by Animal Welfare Approved, etc., personal relationship with the producer (beyond sales rep)/have visited farm/ranch

**Guidelines for self-reporting Good Fish and Seafood purchases:**

- To be considered a “Good Food” purchase, producer/purveyor must at least meet minimum threshold of “Good” as defined below.
- Good - Wild and sustainably farmed fish & seafood  
*Optional, not required to meet minimum threshold of “Good.”*
  - Better - Plus, locally/regionally sourced or farmed using non-industrial agriculture/factory farming methods & conditions
  - Best - Plus, Monterey Bay Aquarium Seafood Watch “Best Choice” or “Good Alternative” List, MSC Certified fish and seafood, personal relationship with the producer (beyond sales rep)/have visited fisheries

**Guidelines for self-reporting Good Meat & Poultry purchases:**

- To be considered a “Good Food” purchase, producer must at least meet minimum threshold of “Good” as defined below:
- Good - Raised without the use of sub-therapeutic antibiotics or added hormones, no cages or confinement  
*Optional, not required to meet minimum threshold of “Good.”*
  - Better - Plus, pasture raised, locally/regionally raised using non-industrial agriculture/factory farming methods & conditions
  - Best - Plus, non-GMO feed, Certified organic, certified by Animal Welfare Approved, etc., personal relationship with the producer (beyond sales rep)/have visited farm/ranch

**Guidelines for self-reporting Good Fruits and Vegetables purchases:**

- To be considered a “Good Food” purchase, producer must at least meet minimum threshold of “Good” as defined below:
- Good - Grown using sustainable farming methods  
*Optional, not required to meet minimum threshold of “Good.”*
  - Better - Plus, locally/regionally produced using non-industrial agriculture/factory farming methods and conditions
  - Best - Plus, Certified Organic, personal relationship with the producer (beyond sales rep)/have visited the farm

**All Other Food Purchases (e.g., oils, condiments, spices, etc.)**

Restaurants types identified in the study included Casual, Fast Casual, Fine Dining, Food Service, and Catering. Data were collected by food segment: Bread and Grain, Dairy and Eggs, Fish and Seafood, Meat and Poultry, Fruits and Vegetables, and Other. Data were also gathered by geography, with restaurants providing mutually exclusive information on total purchases and good food purchases at the local, regional, and national level:

- Local
  - State
- Regional (based on groupings from the Bureau of Economic Analysis)
  - Far West Region (California, Oregon, Nevada, Washington, Alaska, Hawaii)
  - Great Lakes Region (Ohio, Illinois, Michigan, Indiana, Wisconsin)
  - Mideast Region (New York, Delaware, District of Columbia, Maryland, New Jersey, Pennsylvania)
  - New England Region (Massachusetts, Vermont, Connecticut, Maine, New Hampshire, Rhode Island)
  - Plains Region (Nebraska, Iowa, Kansas, Minnesota, Missouri, North Dakota, South Dakota)
  - Rocky Mountain Region (Colorado, Utah, Idaho, Montana, Wyoming)
  - Southeast Region (North Carolina, Florida, Georgia, Kentucky, South Carolina, Arkansas, Tennessee, Virginia, Louisiana, Alabama, Mississippi, West Virginia)
  - Southwest Region (Arizona, New Mexico, Oklahoma, Texas)
- National

The BRD research team designed a survey with input from GFMN partners to collect data on restaurant purchases. The partners, which included chefs and restaurant owners, provided feedback on the available data, categories of data, and appropriate survey length in order to maximize survey participation among a broad group of restaurants. Qualitative questions were asked in order to examine factors that may be influencing or inhibiting farm-to-table activity. The survey was tested with a sample of restaurants, and hosted on the [www.GoodFood100Restaurants.org](http://www.GoodFood100Restaurants.org) website. A link was promoted nationally by the GFMN (via email, Twitter, Instagram, and Facebook). A letter from GFMN promoted the survey in order to increase survey participation.

The survey results allowed for the quantification of the total, national economic contribution, national economic contribution by restaurant type, and total regional contributions. A ranking of restaurants by good food purchasing intensiveness was created nationally and regionally.

GFMN distributed the survey and collected the data. The organization contracted with a separate firm, NSF Responsible Sourcing, to verify a sample of submitted surveys.

Data were collected by food segment and were entered into the 536-sector IMPLAN input-output model, which quantified the economic contribution regionally and nationally.

This study only examined food purchases and did not examine other restaurant operations (e.g., rents, management, servers, etc.). It provides an economic contribution analysis, and not an analysis of *net* economic impacts. Additionally, there may be economic benefits associated with sustainability (e.g., recycling, composting, reduced energy use, employee retention, etc.), but these factors were outside the scope of study.

### **Overview of Economic Contribution Analysis**

Economic benefits refer to dollars generated and distributed throughout the economy due to the existence of an establishment. This study estimates the economic contribution using the IMPLAN input-output model. Results are disseminated in terms of direct, indirect, and induced impacts on employment, labor income, value added, and output.

Economic benefits refer to dollars generated and distributed throughout the economy. The sources of impacts that sum to economic benefits cover construction and operating expenditures, including the off-site spending by employees and the spending on goods and services within the supply chain.

The multiplier effect of spending within the supply chain, or the indirect impact, estimates the indirect employment and earnings generated in the study area due to the interindustry relationships between the facility and other industries. As an example, consider a manufacturing company operating in Denver, Colorado. The firm employs management, engineers, and support staff for its direct manufacturing operations. In addition, the company spends on goods and services to support its manufacturing operations, leading to auxiliary jobs in the community in transportation, accounting, utilities, retail goods, and so on—the **indirect impact**. Furthermore, employees spend earnings on goods and services in the community, leading to jobs in retail, accounting, entertainment, and so on—the **induced impact**.

Conceptually, the multiplier effect quantifies the economic ripple effect of economic activity. This ripple effect can be positive or negative depending if a company or industry is expanding or contracting. Multipliers are static and do not account for disruptive shifts in infrastructure without specifically addressing infrastructure changes.

## **DEFINITIONS**

*Direct Impact:* Initial economic activity (e.g., sales, expenditures, employment, production, etc.) by a company or industry.

*Employment:* Full-time and part-time workers.

*Gross Domestic Product (GDP):* A measure of economic activity, GDP is the total value added by resident producers of final goods and services.



*Gross Output (Output):* The total value of production is gross output. Unlike GDP, gross output includes intermediate goods and services.

*Indirect Impact:* The upstream (backward) economic activity impacted by purchases along a company or industry supply chain.

*Induced Impact:* Economic activity derived from workers spending their earnings on goods and services in the economy.

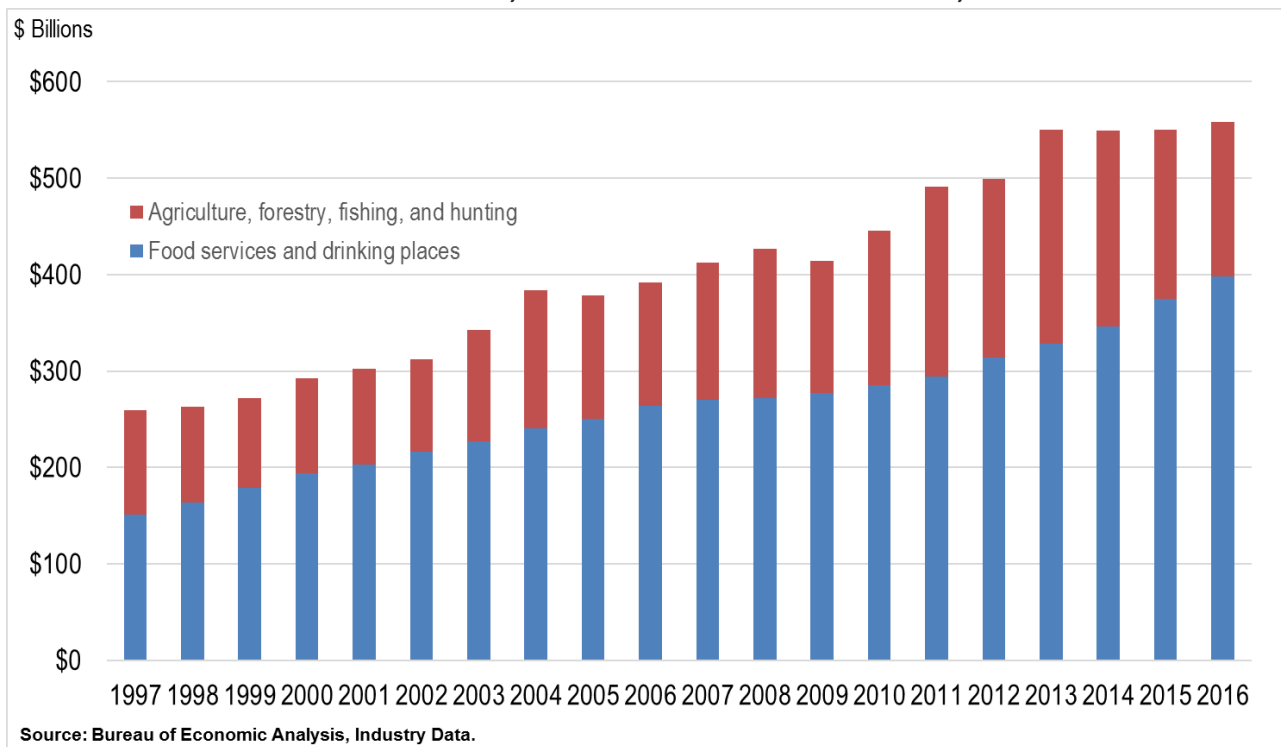
*Labor Income:* Total compensation of employees (wages and benefits) and sole proprietors (profits).

*Value Added:* The contribution of an industry or region to total GDP, value added equals gross output, net of intermediate input costs.

## FOOD INDUSTRY ECONOMIC OVERVIEW

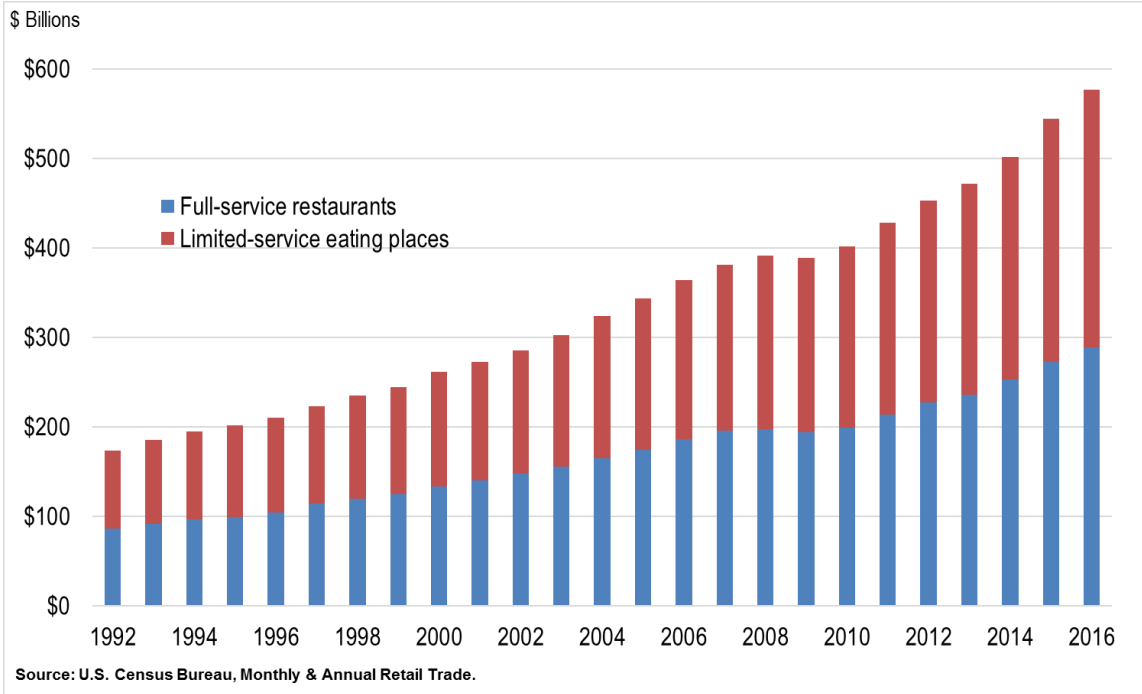
The food services and drinking places sector contributed 2.1%, or \$398.1 billion, to U.S. GDP in 2016, growing 6.1% year-over-year and increasing 50.9% over the past 10 years (2006–2016). One primary input to restaurants is food. Included in the agriculture, forestry, fishing, and hunting sector, the value of agriculture is volatile due to price changes. In 2016, nominal value added from this industry totaled \$159.9 billion, an 8.7% decrease from 2015, but a 24.6% increase from 2006.

**FIGURE 1: U.S. VALUE ADDED, FOOD SERVICES AND AGRICULTURE, 1997–2016**



In terms of retail sales, full-service restaurants and limited-service restaurants recorded sales of \$577 billion in 2016, an increase of 6% year-over-year and 58.3% over the past 10 years. Each segment represented 50% of sales—a trend that has remained consistent over the past 25 years.

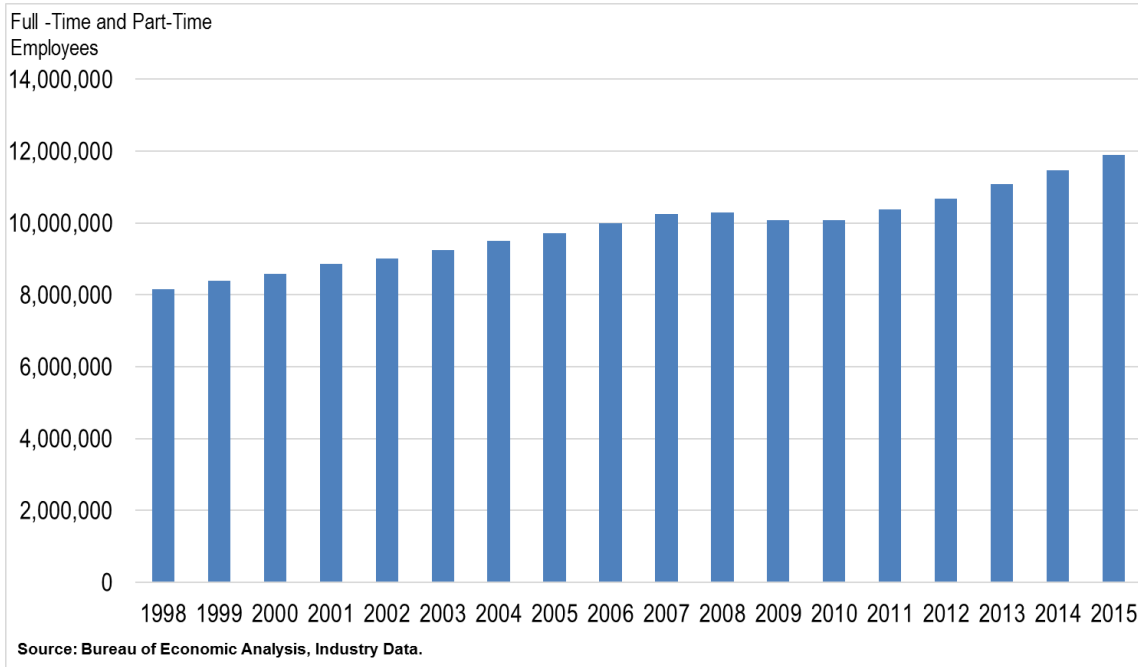
**FIGURE 2: FULL- AND LIMITED-SERVICE RESTAURANT SALES, 1992–2016**



The food services sector represented 12 million workers nationally in 2015, or 6% of total employment.<sup>1</sup> Employment grew 3.7% in 2015.

<sup>1</sup>Total employment from the Bureau of Economic Analysis includes covered workers, proprietors, and farm workers.

**FIGURE 3: FOOD SERVICES AND DRINKING PLACES EMPLOYMENT, 1998–2015**



**MODEL INPUT DATA AND ASSUMPTIONS**

The 90 responding restaurants represented every region of the United States. The Rocky Mountain region garnered the most responses—40% of the total. Three regions represented 81% of the responses—the Rocky Mountain Region (40%), the Far West Region (21%), and the Southeast Region (20%). The majority of responses came from restaurants in two states—Colorado (39%) and California (14%).

**TABLE 2: REGIONAL LOCATIONS OF PARTICIPATING RESTAURANTS**

<b>Region</b>	<b>Responding Restaurants</b>	<b>Percent of Total</b>
Rocky Mountain Region	36	40%
Far West Region	19	21%
Southeast Region	18	20%
Great Lakes Region	8	9%
New England Region	3	3%
Mideast Region	3	3%
Plains Region	2	2%
Southwest Region	1	1%
<b>Total</b>	<b>90</b>	<b>100%</b>

**TABLE 3: STATE LOCATIONS OF PARTICIPATING RESTAURANTS**

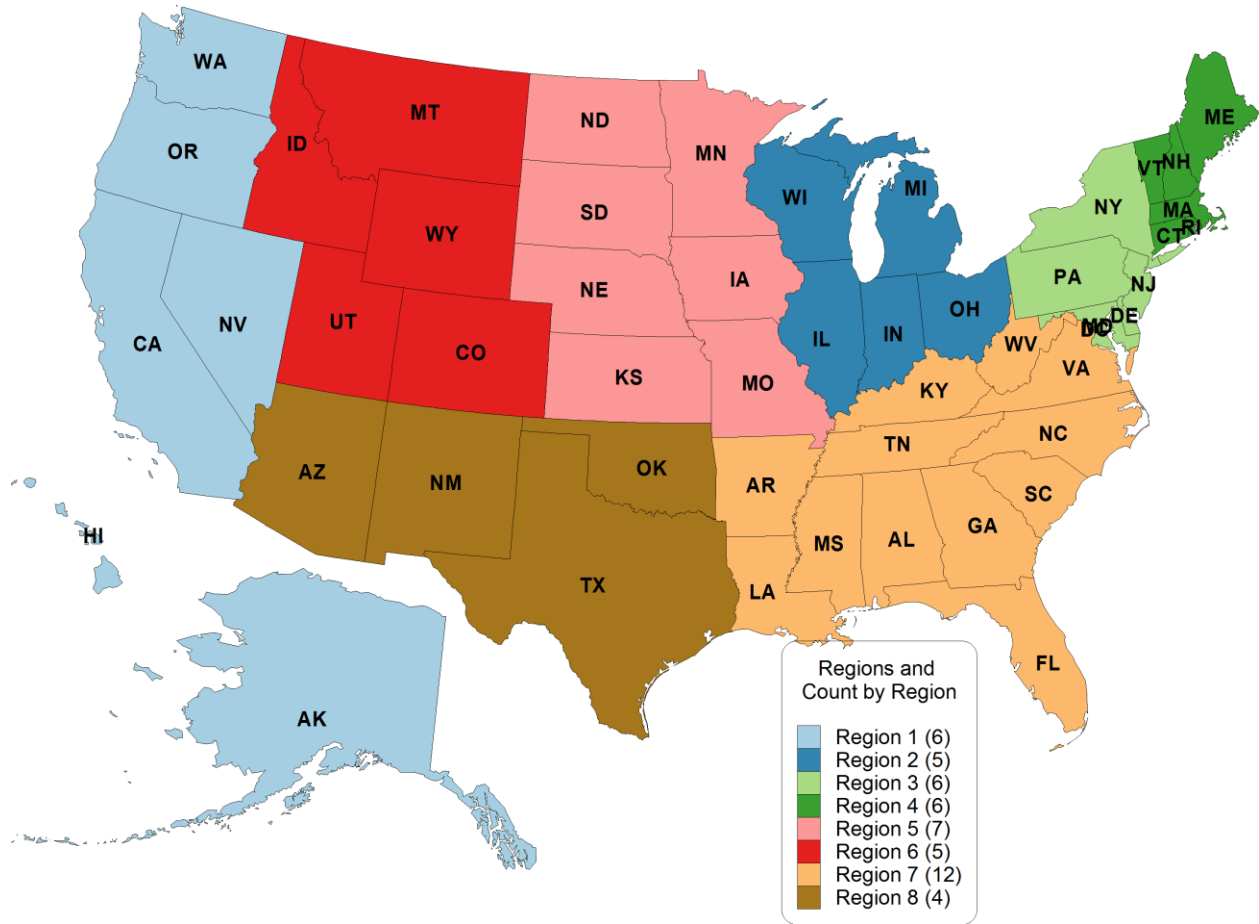
<b>State</b>	<b>Responding Restaurants</b>	<b>Percent of Total</b>
Colorado	35	39%
California	13	14%
North Carolina	4	4%
Illinois	4	4%
Florida	3	3%
Ohio	3	3%
Georgia	3	3%
New York	3	3%
Kentucky	2	2%
Nebraska	2	2%
Massachusetts	2	2%
Oregon	2	2%
Nevada	2	2%
South Carolina	2	2%
Washington	2	2%
Vermont	1	1%
Tennessee	1	1%
Michigan	1	1%
Virginia	1	1%
Louisiana	1	1%
Arkansas	1	1%
Utah	1	1%
New Mexico	1	1%
<b>Total</b>	<b>90</b>	<b>100%</b>

By restaurant type, nearly half (48%) of responses were from Fine Dining restaurants, followed by Casual Dining (34%) and Fast Casual (11%). Food Service (4%) and Catering (2%) restaurants recorded the smallest participation.

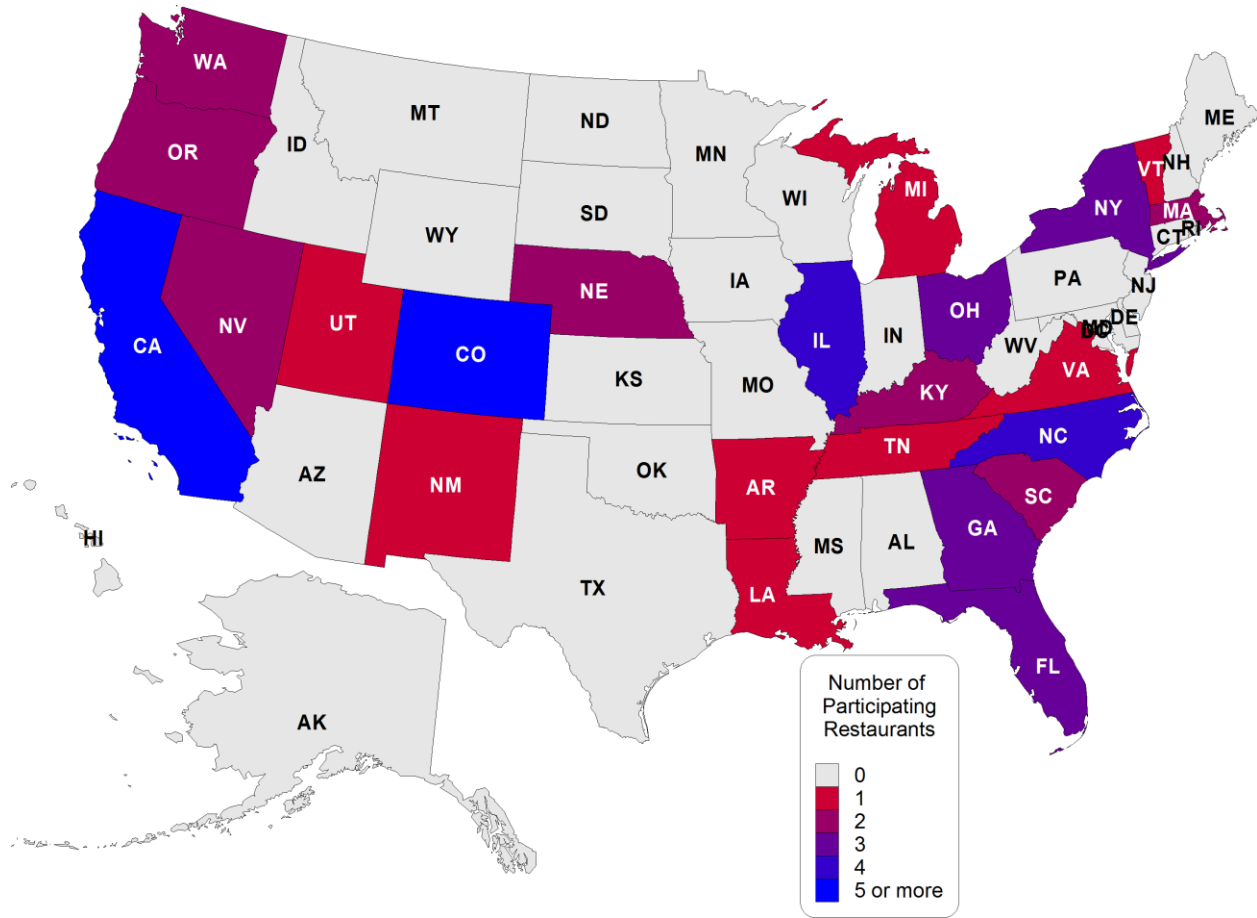
**TABLE 4: TYPES OF PARTICIPATING RESTAURANTS**

<b>Restaurant Type</b>	<b>Responding Restaurants</b>	<b>Percent of Total</b>
Fine Dining	43	48%
Casual Dining	31	34%
Fast Casual	10	11%
Food Service	4	4%
Catering	2	2%
<b>Total</b>	<b>90</b>	<b>100%</b>

FIGURE 4: RESTAURANT PARTICIPATION BY REGION



**FIGURE 5: RESTAURANT PARTICIPATION BY STATE**



The 90 participating restaurants reported a weighted average of 72% of total food purchases were good food purchases. The percentage was greatest for participating Fast Casual restaurants (93%) and Fine Dining restaurants (83%). Nationally, restaurants reported the greatest percentage of good food purchases in the Fish and Seafood (84%) and the Meat and Poultry (83%) segments.

Compared to total national purchases, a greater percentage of regional purchases were good food purchases (89%), with Fast Casual (96%) and Fine Dining (91%) leading. Regionally, restaurants reported the greatest percentage of good food purchases in the Fish and Seafood (99%) and the Meat and Poultry (95%) segments.

**TABLE 5: TOTAL GOOD FOOD PURCHASES BY RESTAURANT TYPE**

Type	Bread and Grain	Dairy and Eggs	Fish and Seafood	Meat and Poultry	Fruits and Vegetables	Other	Total
Fine Dining	85%	84%	90%	88%	85%	52%	83%
Casual Dining	86%	80%	69%	88%	64%	51%	73%
Fast Casual	99%	94%	100%	100%	97%	21%	93%
Food Service and Catering	39%	29%	57%	41%	20%	22%	31%
<b>Total</b>	<b>75%</b>	<b>70%</b>	<b>84%</b>	<b>83%</b>	<b>70%</b>	<b>39%</b>	<b>72%</b>

Note: Total includes reported state, regional, and national purchases.

**TABLE 6: REGIONAL GOOD FOOD PURCHASES BY RESTAURANT TYPE**

Type	Bread and Grain	Dairy and Eggs	Fish and Seafood	Meat and Poultry	Fruits and Vegetables	Other	Total
Fine Dining	95%	91%	99%	93%	94%	57%	91%
Casual Dining	95%	89%	98%	91%	84%	54%	85%
Fast Casual	100%	99%	100%	100%	99%	25%	96%
Food Service and Catering	55%	61%	98%	95%	46%	54%	70%
<b>Total</b>	<b>93%</b>	<b>88%</b>	<b>99%</b>	<b>95%</b>	<b>91%</b>	<b>49%</b>	<b>89%</b>

Note: Region includes the sum of local and regional purchases.

Regions that reported the highest percentage of good food purchases included the Far West region (90%) and the Mideast region (89%). Good food purchases within region were highest for the Mideast region (100%), Great Lakes region (99%), and the combined Southwest and Plains region (99%). The regional results may be skewed by the types of restaurants reporting by region.

**TABLE 7: TOTAL GOOD FOOD PURCHASES BY RESTAURANTS IN EACH REGION**

Type	Bread and Grain	Dairy and Eggs	Fish and Seafood	Meat and Poultry	Fruits and Vegetables	Other	Total
Rocky Mountain Region	62%	58%	73%	65%	41%	43%	56%
Southeast Region	92%	73%	88%	80%	72%	25%	75%
Far West Region	96%	93%	100%	99%	94%	32%	90%
Mideast Region	98%	100%	92%	97%	84%	60%	89%
Great Lakes Region	86%	91%	22%	99%	95%	84%	84%
Combined Plains and Southwest	80%	90%	100%	100%	52%	59%	79%
New England Region	11%	30%	58%	24%	24%	13%	22%
<b>Total</b>	<b>75%</b>	<b>70%</b>	<b>84%</b>	<b>83%</b>	<b>70%</b>	<b>39%</b>	<b>72%</b>

Note: Total includes reported state, regional, and national purchases.

**TABLE 8: REGIONAL GOOD FOOD PURCHASES BY RESTAURANTS IN EACH REGION**

Region	Bread and Grain	Dairy and Eggs	Fish and Seafood	Meat and Poultry	Fruits and Vegetables	Other	Total
Rocky Mountain Region	86%	77%	83%	88%	69%	82%	81%
Southeast Region	96%	95%	99%	80%	92%	32%	87%
Far West Region	98%	96%	100%	100%	94%	29%	91%
Mideast Region	100%	100%	100%	100%	100%	100%	100%
Great Lakes Region	97%	100%	100%	100%	97%	96%	99%
Combined Plains and Southwest	96%	100%	100%	100%	100%	100%	99%
New England Region	42%	70%	100%	73%	90%	35%	66%
<b>Total</b>	<b>93%</b>	<b>88%</b>	<b>99%</b>	<b>95%</b>	<b>91%</b>	<b>49%</b>	<b>89%</b>

Note: Region includes the sum of local and regional purchases.

## ECONOMIC CONTRIBUTION

The 90 participating restaurants in the Good Food 100 reported spending \$94.8 million on bread and grains, dairy and eggs, fish and seafood, meat and poultry, fruits and vegetables, and other miscellaneous food items. The \$94.8 million had a \$277.1 million economic impact on the nation, including the direct, indirect, and induced impact of the purchases. This excludes the impact of overall business operations, ranging from the purchase of alcohol to labor and rent. Good food totaled an estimated \$68.1 million in direct purchases, resulting in economic benefits of \$199.9 million (including direct, indirect, and induced impacts).

**TABLE 9: ECONOMIC CONTRIBUTION OF FOOD PURCHASES, 2016**

Impact Type	Employment	Labor Income (\$millions)	Value Added (\$millions)	Output (\$millions)
Direct Effect	446	\$23.1	\$37.5	\$94.8
Indirect Effect	503	\$27.8	\$47.2	\$109.1
Induced Effect	449	\$22.9	\$40.3	\$73.2
<b>Total Effect</b>	<b>1,397</b>	<b>\$73.8</b>	<b>\$125.0</b>	<b>\$277.1</b>

Note: Components may not sum exactly to the total due to rounding.

**TABLE 10: ECONOMIC CONTRIBUTION OF GOOD FOOD PURCHASES, 2016**

Impact Type	Employment	Labor Income (\$millions)	Value Added (\$millions)	Output (\$millions)
Direct Effect	333	\$16.8	\$27.1	\$68.1
Indirect Effect	367	\$20.0	\$33.8	\$79.0
Induced Effect	324	\$16.6	\$29.1	\$52.8
<b>Total Effect</b>	<b>1,024</b>	<b>\$53.3</b>	<b>\$90.0</b>	<b>\$199.9</b>



Restaurants in the Far West region and the Rocky Mountain region reported the most in-region purchases. The Far West region reported \$27.4 million in food purchases within the region, which had a \$54.3 million total regional economic impact. Restaurants in the Rocky Mountain region reported \$8.7 million of in-region food purchase, which translated to \$17.3 million in total regional economic benefits.

**TABLE 11: REGIONAL ECONOMIC CONTRIBUTION OF FOOD PURCHASES, 2016**

<b>Region</b>	<b>Direct Output (\$Millions)</b>	<b>Total Output (\$Millions)</b>
Combined Southwest and Plains Regions	\$0.4	\$0.9
Far West Region	\$30.0	\$59.2
Great Lakes Region	\$4.3	\$8.5
Mideast Region	\$3.2	\$5.8
New England Region	\$1.3	\$2.1
Rocky Mountain Region	\$10.7	\$21.2
Southeast Region	\$5.6	\$11.2

**TABLE 12: REGIONAL ECONOMIC CONTRIBUTION OF GOOD FOOD PURCHASES, 2016**

<b>Region</b>	<b>Direct Output (\$Millions)</b>	<b>Total Output (\$Millions)</b>
Combined Southwest and Plains Regions	\$0.4	\$0.9
Far West Region	\$27.4	\$54.3
Great Lakes Region	\$4.0	\$8.1
Mideast Region	\$3.2	\$5.7
New England Region	\$0.9	\$1.4
Rocky Mountain Region	\$8.7	\$17.3
Southeast Region	\$4.9	\$9.7

By segment, the Casual Dining restaurants reported the greatest total food purchases (\$30.7 million), and hence, had the greatest economic impact (\$90.6 million). This segment also reported the greatest level of good food purchases—\$22.5 million, which translated to \$67.6 million in total economic benefits.

**TABLE 13: TOTAL ECONOMIC CONTRIBUTION OF FOOD PURCHASES BY RESTAURANT TYPE, 2016**

<b>National Segment</b>	<b>Direct Output (\$Millions)</b>	<b>Total Output (\$Millions)</b>
Casual	\$30.7	\$90.6
Fast Casual	\$22.6	\$65.6
Fine Dining	\$22.6	\$64.6
Food Service and Catering	\$18.9	\$56.3
All	\$94.8	\$277.1

**TABLE 14: TOTAL ECONOMIC CONTRIBUTION OF GOOD FOOD PURCHASES  
BY RESTAURANT TYPE, 2016**

<b>National Segment</b>	<b>Direct Output (\$Millions)</b>	<b>Total Output (\$Millions)</b>
Casual	\$22.5	\$67.6
Fast Casual	\$20.9	\$60.6
Fine Dining	\$18.8	\$53.7
Food Service and Catering	\$5.9	\$18.0
All	\$68.1	\$199.9

## QUALITATIVE RESPONSES

This report quantifies the economic contribution of the food supply chain of restaurants participating in the Good Food 100. In addition to food purchases, restaurants also shared employment numbers, commented on the definition of good food, reported other sustainable practices that are a focus within their restaurants, and discussed the ease and the challenges of implementing sustainable practices.

Of the 90 participating restaurants, 82 reported the number of full-time and part-time staff in 2016. Full-time staff for the 82 restaurants totaled 4,605 and part-time staff, 4,851, for a total of 9,456 jobs.

When asked what good food means to restaurants, responding restaurants most often referenced locale, sustainability, and knowledge of a specific producer. Out of the 78 responses, 48 mentioned locality, encompassing 62% of the responses. The locality category referred to buying and selling food within a local supply chain. Sustainability was the second leading category. The sustainability category encompassed environmental impact and the sustainability of consistently producing fresh foods. Sustainability was mentioned by 44 (56%) of restaurants. The third category tied closely within locale—many respondents mentioned the need to establish close and beneficial relationships with their food producers. Thirty-one responding restaurants emphasized the importance of having producers local to the community. Rounding out the top five responses were natural and ethical. The ethical category encompassed the social responsibility of the restaurant to produce healthy natural food that both benefited the consumer and the community as a whole.

**TABLE 15: WHAT GOOD FOOD MEANS TO RESTAURANTS**

<b>Category</b>	<b>Comments</b>	<b>Percent</b>
Locale	48	62%
Sustainable	44	56%
Know Producer	31	40%
Natural	28	36%
Ethical	27	35%
Time and Effort	18	23%
Seasonality	14	18%
Other	6	8%
Responding Restaurants	78	

Restaurants noted other sustainable practices within their businesses. Nearly every restaurant reported efforts to reduce food prep waste in the kitchen (99%), using eco-friendly paper products and carryout containers (97%), and recycling (94%). Two-thirds to three-quarters of restaurants reported composting, using eco-friendly cleaning supplies, offering workforce benefits, and reducing post-kitchen food waste.

**TABLE 16: OTHER SUSTAINABLE PRACTICES**

Practice	Percent of Total
Reducing food prep waste in the kitchen	99%
Eco-friendly paper products and carryout containers	97%
Recycling	94%
Composting	79%
Eco-friendly cleaning supplies	71%
Staff/sustainable workforce benefits (e.g., paid time off, education stipend, parental leave, etc.)	67%
Reducing post- kitchen food waste (e.g., portions, donations to food assistance programs, etc.)	66%
Plant-forward or plant-based menu	58%
Reducing meat on menu or meat portions on the plate	58%
Contracting with other sustainability-focused businesses (e.g., laundry, cleaning, etc.)	57%
Water saving technology	47%
Renewable energy (e.g., wind, solar, etc.)	27%
Other	23%

**TABLE 17: OTHER SUSTAINABLE PRACTICES BY RESTAURANT TYPE**

Practice	Fine Dining	Casual Dining	Fast Casual	Combined	
				Food Service and Catering	Total
Reducing food prep waste in the kitchen	98%	100%	100%	100%	99%
Reducing post- kitchen food waste	63%	64%	89%	67%	66%
Plant-forward or plant-based menu	60%	46%	56%	100%	58%
Reducing meat on menu or meat portions on the plate	63%	39%	67%	100%	58%
Composting	81%	71%	78%	100%	79%
Recycling	93%	93%	100%	100%	94%
Eco-friendly paper products and carryout containers	98%	96%	89%	100%	97%
Eco-friendly cleaning supplies	84%	50%	78%	67%	71%
Contracting with other sustainability-focused businesses	65%	46%	67%	33%	57%
Renewable energy	23%	25%	22%	67%	27%
Water saving technology	49%	46%	33%	50%	47%
Staff/sustainable workforce benefits	65%	68%	67%	83%	67%
Other	21%	14%	67%	17%	23%

**TABLE 18: OTHER SUSTAINABLE PRACTICES BY REGION**

Practice	Rocky Mountain Region		Far West Region		Great Lakes Region		New England Region		Midwest Region		Combined Plains and Southwest Regions		Total
	Region	Percentage	Region	Percentage	Region	Percentage	Region	Percentage	Region	Percentage	Region	Percentage	
Reducing food prep waste in the kitchen	97%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	99%
Reducing post- kitchen food waste	67%	50%	89%	89%	38%	38%	67%	67%	67%	67%	100%	100%	66%
Plant-forward or plant-based menu	48%	50%	83%	50%	38%	38%	67%	67%	100%	100%	67%	67%	58%
Reducing meat on menu or meat portions on the plate	52%	67%	50%	50%	50%	50%	100%	100%	100%	100%	100%	100%	58%
Composting	79%	67%	72%	72%	100%	100%	100%	100%	100%	100%	100%	100%	79%
Recycling	97%	89%	100%	100%	75%	75%	100%	100%	100%	100%	100%	100%	94%
Eco-friendly paper products and carryout containers	100%	100%	89%	89%	88%	88%	100%	100%	100%	100%	100%	100%	97%
Eco-friendly cleaning supplies	79%	78%	44%	44%	88%	88%	100%	100%	33%	33%	67%	67%	71%
Contracting with other sustainability-focused businesses	58%	50%	50%	50%	88%	88%	67%	67%	33%	33%	67%	67%	57%
Renewable energy	30%	11%	28%	28%	63%	63%	0%	0%	0%	0%	33%	33%	27%
Water saving technology	55%	22%	56%	56%	63%	63%	33%	33%	0%	0%	67%	67%	47%
Staff/sustainable workforce benefits	58%	67%	67%	67%	88%	88%	100%	100%	100%	100%	67%	67%	67%
Other	27%	28%	22%	22%	0%	0%	33%	33%	0%	0%	33%	33%	23%

In a subjective question, participants were asked how important good food is to their brand. All restaurant types rated good food at 9 or above (on a 10-point scale).

**TABLE 19: IMPORTANCE OF GOOD FOOD TO RESTAURANT BRAND**

<b>Restaurant Type</b>	<b>Importance to Brand</b>
Fine Dining	9.8
Casual Dining	9.6
Fast Casual	9.9
Food Service	9.5
Catering	9.0
<b>Total</b>	<b>9.7</b>

Restaurants were asked about both the challenges and the ease of implementing good food practices within their businesses. Of the challenges, the first major category was cost, which was mentioned by nearly half of the responding restaurants. Restaurants found sustainable local food was often more expensive than buying regionally. Many restaurants commented on how high resource costs forced restaurants to increase prices on consumers. Many (47%) also remarked that prices forced restaurants to spend extra time sourcing goods and meeting with producers to find lower-priced goods. The next main issue restaurants faced were distribution conflicts. Participating restaurants struggled with inventory management and establishing effective supply chain routes. The third largest challenge was availability. In total, 46% of restaurants mentioned the lack of ingredients available to cater adequately to consumers.

**TABLE 20: CHALLENGES TO IMPLEMENTING GOOD FOOD**

<b>Category</b>	<b>Comments</b>	<b>Percent</b>
Cost	38	48%
Distribution	37	47%
Availability	36	46%
Seasonality	25	32%
Education/Communication	24	30%
Other	6	8%
Labor Issues	5	6%
Quality	3	4%
Responding Restaurants	79	

Looking at the attributes that eased the implementation of good food practices, responses were much more fragmented. Many respondents (29%) mentioned cooperation with producers eased implementation, and that because producers were local, most good food could easily be acquired. The next category was ingredients, which closely aligns with producers. Several respondents stated that because of their close ties to producers and farms, they knew ingredients were carefully produced and all natural. Other notable categories included high standards (16%) and impact (15%). High standards referred to restaurants' desire to uphold their values and serve healthy, delicious food. The impact category referred to restaurants' desire to positively shape their community, customers, and employees.

**TABLE 21: EASE OF IMPLEMENTING GOOD FOOD PRACTICES**

<b>Category</b>	<b>Comments</b>	<b>Percent</b>
Producers	22	29%
Ingredients	15	20%
Taste	13	17%
Consumers	13	17%
High Standard	12	16%
Impact	11	15%
Employees	10	13%
Location	10	13%
Education	8	11%
Local	3	4%
Other	3	4%
Responding Restaurants	75	

## **CONCLUSION**

In the inaugural rating of good food restaurants, the GFMN promoted a national survey of restaurants that collected food supply chain data. Data captured in the survey informed both the creation of the Good Food 100, and the estimation of the economic contribution from participating restaurants.

This study details the economic contribution of food purchases, including good food purchases, nationally and regionally, and by restaurant type. Overall, the economic contribution of food purchases by the 90 participating restaurants totaled \$277 million in 2016, of which \$199 million in economic benefits was derived from good food purchases.

## BIBLIOGRAPHY

U.S. Bureau of Economic Analysis. BEA Regions, <https://www.bea.gov/regional/docs/regions.cfm>, accessed January 5, 2017.

U.S. Bureau of Economic Analysis. Industry Data, [www.bea.gov](http://www.bea.gov), accessed June 28, 2017.

U.S. Bureau of Economic Analysis. SA25N Total Full-Time and Part-Time Employment by NAICS Industry, [www.bea.gov](http://www.bea.gov), accessed June 28, 2017.

U.S. Census Bureau, Monthly & Annual Retail Trade, <https://www.census.gov/retail/index.html>, accessed June 28, 2017.

## APPENDIX 1: PARTICIPATING RESTAURANTS AND RATINGS

The following 90 restaurants participated in the Good Food 100 by submitting data on food purchases. The list is sorted first by rating, then alphabetically by restaurant. The Good Food 100 Restaurants™ list and ratings are based on percentage of total good food purchases. Six links (as in links in the food chain) is the highest rating, two links is the lowest.

TABLE 22: GOOD FOOD 100 RESTAURANTS™

Restaurant	Type	Region	Rating (Links)
AOC Wine Bar	Fine Dining	Far West Region	6
Bar Melusine	Fine Dining	Far West Region	6
Basta	Casual Dining	Rocky Mountain Region	6
Beast + Bottle	Fine Dining	Rocky Mountain Region	6
Border Grill (Downtown L.A.)	Casual Dining	Far West Region	6
Border Grill (Forum Shops)	Casual Dining	Far West Region	6
Boulder Valley School District	Food Service	Rocky Mountain Region	6
Colterra Food and Wine	Fine Dining	Rocky Mountain Region	6
Cookshop	Casual Dining	Mideast Region	6
EVOO	Fine Dining	New England Region	6
FIG Catering	Catering	Great Lakes Region	6
Five & Ten	Fine Dining	Southeast Region	6
Fooducopia	Casual Dining	Rocky Mountain Region	6
Frasca Food and Wine	Fine Dining	Rocky Mountain Region	6
Fresh Thymes Eatery	Fast Casual	Rocky Mountain Region	6
Frontera Grill	Casual Dining	Great Lakes Region	6
Fruition Restaurant	Fine Dining	Rocky Mountain Region	6
Gramercy Tavern	Fine Dining	Mideast Region	6
Grand Central Bakery	Fast Casual	Far West Region	6
Heirloom Restaurant	Fine Dining	Southeast Region	6
Hell's Backbone Grill	Fine Dining	Rocky Mountain Region	6
Indigenous	Fine Dining	Southeast Region	6
Julia's Kitchen	Fast Casual	Rocky Mountain Region	6
Knox Mason	Casual Dining	Southeast Region	6
Local Roots Restaurant	Fine Dining	Southeast Region	6
Lucques	Fine Dining	Far West Region	6
Manhattan Beach Post	Casual Dining	Far West Region	6
Mercantile dining & provision	Fine Dining	Rocky Mountain Region	6
Miller Union	Fine Dining	Southeast Region	6
Mulvaney's B&L	Fine Dining	Far West Region	6
Next Door American Eatery	Casual Dining	Rocky Mountain Region	6
Nostrana	Fine Dining	Far West Region	6
Patagonia Cafe	Food Service	Far West Region	6
Reserve Wine and Food	Fine Dining	Great Lakes Region	6
River and Woods	Casual Dining	Rocky Mountain Region	6
Sabio on Main	Fine Dining	Far West Region	6
Sazza	Fast Casual	Rocky Mountain Region	6
Tavern	Casual Dining	Far West Region	6
Tender Greens	Fast Casual	Far West Region	6
The Greenhouse Tavern	Casual Dining	Great Lakes Region	6
The Grey Plume	Fine Dining	Plains Region	6



The Kitchen American Bistro (Colorado)	Fine Dining	Rocky Mountain Region	6
The Kitchen Bistros (Illinois)	Fine Dining	Rocky Mountain Region	6
The Kitchen Bistros (Tennessee)	Fine Dining	Rocky Mountain Region	6
The Market Place Restaurant	Fine Dining	Southeast Region	6
The Perennial	Fine Dining	Far West Region	6
The Regional	Fast Casual	Rocky Mountain Region	6
The Root Cafe	Fast Casual	Southeast Region	6
Topolobampo*	Fine Dining	Great Lakes Region	6
Wild Standard	Casual Dining	Rocky Mountain Region	6
Wrecking Bar Brewpub	Casual Dining	Southeast Region	6
XOCO*	Fast Casual	Great Lakes Region	6
Zazu Kitchen + Farm	Casual Dining	Far West Region	6
Border Grill (Las Vegas)	Casual Dining	Far West Region	5
Bouquet Restaurant	Fine Dining	Southeast Region	5
Cochon Restaurant	Fine Dining	Southeast Region	5
Decca	Fine Dining	Southeast Region	5
FIG	Fine Dining	Southeast Region	5
Gjelina	Casual Dining	Far West Region	5
Gjusta	Fast Casual	Far West Region	5
Kitchen Table	Fast Casual	Plains Region	5
Lantern Restaurant	Fine Dining	Southeast Region	5
Old Major Restaurant	Fine Dining	Rocky Mountain Region	5
Pike Brewing Company	Casual Dining	Far West Region	5
SALT	Casual Dining	Rocky Mountain Region	5
Snooze an A.M. Eatery (Colorado)	Casual Dining	Rocky Mountain Region	5
Snooze an A.M. Eatery (California)	Casual Dining	Rocky Mountain Region	5
Snooze an A.M. Eatery (Arizona)	Casual Dining	Rocky Mountain Region	5
Spice Kitchen + Bar / Spice Catering Co.	Fine Dining	Great Lakes Region	5
The Durham Hotel	Fine Dining	Southeast Region	5
The Grove Cafe & Market	Fast Casual	Southwest Region	5
The Ordinary	Fine Dining	Southeast Region	5
The Way Back	Fine Dining	Rocky Mountain Region	5
Untitled Restaurant	Casual Dining	Mideast Region	5
626 On Rood	Fine Dining	Rocky Mountain Region	4
Crested Butte's Personal Chefs	Catering	Rocky Mountain Region	4
Euclid Hall Bar and Kitchen	Casual Dining	Rocky Mountain Region	4
Hotel Vermont	Casual Dining	New England Region	4
Mattison's	Casual Dining	Southeast Region	4
Rioja	Fine Dining	Rocky Mountain Region	4
Snooze an A.M. Eatery (Texas)	Casual Dining	Rocky Mountain Region	4
Tables	Fine Dining	Rocky Mountain Region	4
Bistro Vendome	Casual Dining	Rocky Mountain Region	3
Block & Larder	Fine Dining	Rocky Mountain Region	3
Coperta	Fine Dining	Rocky Mountain Region	3
K Restaurant	Fine Dining	Southeast Region	3
Trentina	Fine Dining	Great Lakes Region	3
University of Colorado Boulder	Food Service	Rocky Mountain Region	3
Appaloosa Grill	Casual Dining	Rocky Mountain Region	2
Smith College Dining	Food Service	New England Region	2

Note: Frontera Grill, Topolobampo, and XOCO all submitted data in one survey as Casual Dining. The restaurant type for Topolobampo and XOCO was adjusted for this table.