

# Foodservice Industry Today and Tomorrow

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## Be Prepared to Enter the 21st Nutra Meat Century

In the 20th century, meat people were production oriented. You bought what they produced.

Basically, products were strict commodities, cut-boned, fabricated into primals and some sub primals – no creativity as to size, shape, count or forms. What you see is what you get.

The only differentiating product value was the cost factor. Lowest cost got the business; but who really got the business in the end!

The Foodservice Operator – no consistent quality, uniformity or standards for foodservice needs. Couldn't really build a competitive advantage for repeat customer sales and growth. Most business was handled by local meat purveyors, again on the lowest available cost – an industry with no motivation to change.

The modern packer as we know him is a product of World War Two, which is when the first on-rail beef slaughtering and the high-speed chain came into its own. We saw new technological breakthroughs that greatly improved productivity and saw a replacement of the "Big Four" with a new "Big Four." They developed in the areas where cattle were being fed and grain was available, and from this evolved custom cattle feeding.

The late 60's changed processing and marketing patterns with the advent of first boxed primals and the boxed boneless primals. Boxed beef resulted in cost savings in several areas:

- The mass disassembly of carcasses;
- Reduced freight (a full truckload of carcasses weighs 27,000 lbs; A full truckload of boxed beef weighs 38,000 lbs packed solid with beef without fat and bones);
- Elimination of shrink (caused by water loss), since the meat is protected by packaging;
- And more saleable meat (due to less waste in trimming) being shipped per truck.

Further, developments in the marketing of boxed beef to

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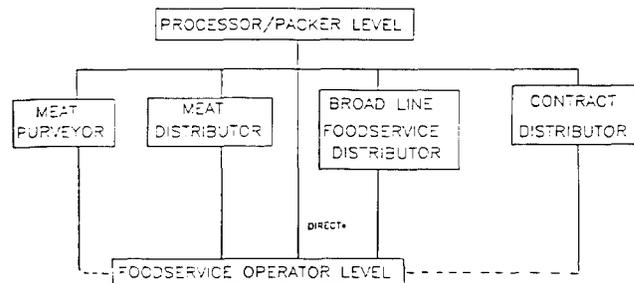
Reciprocal Meat Conference Proceedings, Volume 38, 1985.

foodservice led to cutting the beef into individual steaks, or portion cuts, which correlate directly with *foodservice menu* selections.

Then with the growth of the foodservice industry, coupled with the advent of the *full-line distribution concept*, new market-oriented full-line center-of-the-plate meat processor, distributors began to evolve. The reasons for this growth are outlined as follows: (Note Figure 1 – foodservice beef distributed by channel.)

Figure 1

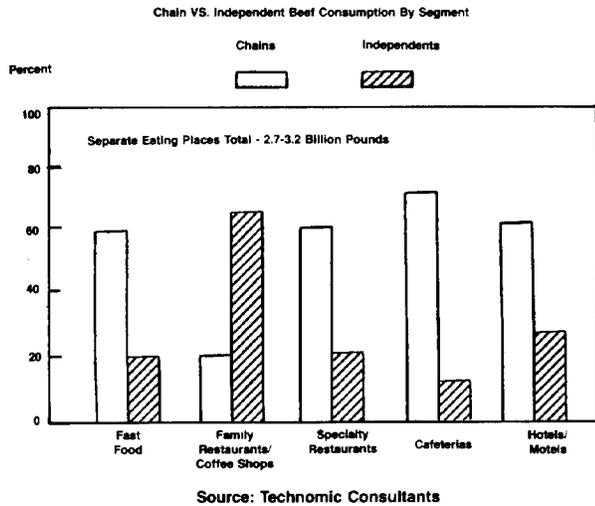
### Foodservice Beef Market Distribution Channels



\*Primarily Reflects Chain Self-Distribution Source: Technomic Consultants

- 1) Broadline distributors could handle meat products (i.e. boxed beef) at less cost than the purveyors because they already stop at each foodservice establishment.
- 2) Already had equipment to handle frozen, refrigerated product.
- 3) A *single source* for all products – meat, poultry, eggs, cheese, fish, vegetables, desserts and prepared entrees. One-stop shopping for all needs, one order, one invoice, one delivery – convenient, timely, cost-saving and dependable service.
- 4) Price, value, choice – various *labels* represent different quality levels to fulfill the varied foodservice market segment needs (Figure 2) – hotel, white table cloth – Choice or better. Up and down the street, fast food – low Choice, Good and budget feeders, (schools, nursing homes, etc.), Commercial grades as examples. Further, varying labels represent different product

Figure 2  
1982 Public Foodservice Sector



values to fit intended use of product preparation on foodservice equipment, i.e. Good grade for steam tables and braising and Choice or better for the roasting equipment.

- 5) Account Specialist – An experienced account specialist with knowledge of foodservice operations and attuned to those specific needs.
- 6) Purchasing programs and leverage – supply high-quality product to specifications, cost-efficient products supplied to the foodservice operator, the way they want, direct from production facilities or local consolidation warehouses.
- 7) Quality Assurance Programs – Assured uniform quality, suppliers screened, risk analysis, facility, products, personnel, liability insurance, vendor agreements, etc. Each item tested for application and performance to specifications, then monitored for uniformity to the operators' needs.

So then, where do you fit in, and will you be here for the 21st century?

What does the future hold? The future is now! The key in opening the door to the future is what the foodservice operator is looking for in the 21st century? They are looking for:

**Quality**  
**Consistency**  
**Uniformity**

**Product value** fit for intended preparation use (Fig. 3. Kraft 5, 4, 3 star label system).

Figure 3



**New Products.** packaging idea concepts to fulfill market trends, such as:

- a. *Ethnic* – i.e. Mexican, Cajun, Chinese and entrees, prepared, portioned
- b. *Healthful* – leaner, less calories, cholesterol, i.e. Holstein lean-beef concept, 97% lean hams, etc.
- c. *Natural* – natural in – chemicals out. DES in cattle, nitrosamines in bacon, etc., all natural ingredients, no additives or preservatives.
- d. *Finger Foods* – snack foods, meat nuggets, steak, pork, chicken, etc.
- e. *Convenience Foods* – microwavable entrees prepared, portion controlled for food and plate cost, i.e. braised beef cubes, pot roast, or beef with gravy, short ribs with gravy, sirloin tips.
- f. *Packaging* – extended shelf life, cooking bags, (Koch pouch), smaller box sizes, portion packs and, for vending, meat slices.
- g. *Fresh vs Frozen* – Frozen fresh concept or fresh product such as CO<sup>2</sup>, nitrogen gas-flushed for 30 days shelf life.
- h. *Value-added products* – brand identity, new processes, formulas; entrees, breaded battered items.

**Portion Control Meats (Steaks).** Advantages to the operator are:

- a. *Convenience* – the operator does not have to handle or store large cuts of meat and can prepare a steak as simply as a hamburger patty.
- b. *Cost savings* – no skilled butcher is required and waste is almost non-existent.
- c. *Planning* – the operator knows he has a consistent supply of exact portions. Portion cuts are sold by the unit (not the pound), so the operator can directly compare the meat cost to the menu item price.
- d. *Reserve supply* – operator will not run out of steaks at late dinner hours; he can always take one or two individually-wrapped steaks from freezer storage to serving in minutes with no need to carve another sub-primal. Even operators who cut steaks from boxed beef should keep portion cuts as a back-up supply, to avoid missing profitable steak orders late in the dinner hours or late in the delivery period.

Of course, none of the above advantages are possible unless the operator has a source of portion cuts that are equal or superior to those he can carve himself from boxed beef.

**Pre-Cooked Meats.** Provide the operators with many general advantages over cooking their own roasts:

- a. Control and predictability in preparation (on time, correctly prepared).
- b. Minimal attention from a skilled chef.
- c. Energy savings by eliminating oven roasting.
- d. Sanitary packaging and service.
- e. Less loss in cooking due to purge or shrinkage.

More specifically, specialty cooked beef products are prepared to meet the preferences of any foodservice establishment. They can be ordered rare, medium, or (in the case of corned beef and pastrami) fully cooked. The amount of

doneness in a roast will be consistent from crust to crust, with no variations toward the center of the cut.

- a. *Nutritional products* – Nutra beef, lean, healthy.
- b. *Computerized process* – control and ordering.
- c. *New ideas* in merchandising, training and promoting meats.

### New Breed Of Processors

Many of the companies that could not find adequate margins in slaughtering of livestock closed or spun off these units and began to concentrate on adding value through further processing. Illustratively, we now have companies specializing in hamburger patty manufacturing for the fast-developing fast-food chains: companies manufacturing chicken nuggets; companies manufacturing cooked roast

beef or pastrami, restructured pork and beef and poultry products; companies developing entrees for delis and for the rapidly growing frozen food market as they are tailoring to the changing demographics of our population.

We are closing this century with an excess slaughtering and processing capacity as it relates to our existing livestock herds and also our poultry demand. Thus, severe competition will continue to exist. The thin margins of the packing industry will continue to hamper meat packers from making technological applications of robotics and design as rapidly as might be desired.

So come with me and open the door to success in the 21st century!! Join the center of the plate industry – the now generation of attuned foodservice *meat marketing* organizations, and make the difference!

Welcome to *our* Nutra Meat Industry Center of The Plate Club!

## Discussion

*Unidentified person:* You did not mention anything about flavor.

*J.M. Bittle:* No, I did not mention anything about flavor. As far as we are concerned, if it is not a good flavor, it won't sell. We are concerned about flavor, but we are more concerned how to get the product out and how to sell the product. We can have something that has the best flavor in the world, but if nobody wants it, we are not going to handle it. Do you want to be specific as far as flavor goes, or just overall flavor?

*Unidentified person:* In precooked items.

*Bittle:* The flavor in precooked items, as far as I am concerned (and I may get some argument out there), there is really no noticeable difference between the precooked items, and I am not saying "patties;" I talk specifically about precooked roast beef. When it comes to precooked patties, there is a flavor problem. We need precooked patties for school programs, for caterers, etc. But as far as a precooked roast, I see no noticeable difference.

*Tony Kotula:* What is your proper way for thawing steaks?

*Bittle:* Well, the way we recommend is that when they get delivered in a frozen state, put them in the refrigerator at about 32° F, and just let them thaw naturally. Take them out of the box because they are in a cryovac or in a pouch pack.

*Ray Field:* You talked several times about improving nutritive value, and the improved nutritive value we will have in the future. You mentioned less calories. I did not get much else out of that. Would you tell me how you are going to improve nutritive value or what you think will be the beef of the future, or other meat?

*Bittle:* Well, one of the meats of the future, I think, will be the Holstein beef, especially in foodservice.

*Field:* Because it has less calories?

*Bittle:* Yes, it does, and because of the gain factor. People raising Holstein beef right now are about the only ones making any money.

*Field:* So you are saying the beef of the future, as far as nutritive value, will be the leanest beef we can find that is profitable.

*Bittle:* I think so, yes; and I think another thing we have to do is to promote our beef a lot more than we have ever promoted before. If you take a look at what the cheese people have done, what the milk people have done, I believe the beef people have to do the same thing in the future. They have to let people know that eating meat is healthy. The National Live Stock and Meat Board has some very good pieces out on that. I think that the consumer, the public, has to know more about meat.

*Field:* Do you have any comments on grass or forage vs grain-fed beef?

*Bittle:* No, I don't.

*Field:* You would not have any choice one way or the other?

*Bittle:* Oh, I have a choice – grain-fed beef. But I am not an expert on raising cattle, even though I came from a farm, and I will leave that to other people.

*Field:* What do you think the consumer impression is? Is this one of the things that improves acceptability of image if it doesn't come from a feed lot?

*Bittle:* I think that there is stigma with grass-fed beef or even southern beef. In Florida, they want nothing but mid-west beef; in Anchorage, Alaska they want nothing but midwest beef. What they don't realize is a lot of that beef comes from everywhere, they just finish it off. IBP has one of their largest plants in Amarillo, Texas. But I do think that most of your consumers feel that grain-fed beef is better beef. And I think it is going to take a long time to convince them that Holstein beef isn't an old dairy cow that has been milked out. They are going to have to realize that Holsteins are steers, they're fed properly and are a good product. Probably Dr. Kauffman knows more about Holstein beef than I do. Where are you, Bob, are you out there? (Laughter).

*Kotula:* I have a follow-up question on thawing. If you are dealing with some large group like the military, where they have a large number of steaks and don't have the refrigeration space to thaw, what they do normally is just put them out in the kitchen on the tables and let them thaw that way. Do

you have a better idea?

*Bittle:* Well, my idea would be to get them in a little bit earlier, and let them thaw in the controlled temperature of the walk-in cooler. That would be my suggestion; of course I do not know a whole lot, I am just an old meat buyer, and I don't

really know. But, at home, I have done things you should never do, I have taken steaks and let them sit out on the counter, I've put them in the microwave, I've put them under water. We all do things sometimes we should never do, especially at home.