



RESTAURANT CHALLENGES: LABOR

By Daniel Thor, Bellissimo Foods

As of the writing of this article it seems we can't escape the Coronavirus and its impact on our everyday lives. Even in this newsletter we have an article dedicated to its impact in the food service industry. But even though it seems the nation/world is in panic mode right now, we will certainly get through this period and normalcy will once again return. A normalcy where a restaurant's biggest challenge is labor.

In a recent IFDA weekly poll labor was cited as being the single largest challenge for restaurant

[continued on page 3](#)

FOOD SERVICE IMPLICATIONS OF COVID-19

By Peter Thor, President, Bellissimo Foods

Events of recent weeks have demonstrated that Covid-19, commonly known as the Coronavirus, is a personal health threat and will disrupt our daily lives. Sports, school, travel, and common activities are all being restricted in an attempt to slow the spread of this highly contagious virus. For most people, the virus does not represent more of a health threat than the common flu, but it is more contagious than the flu and does represent a more serious health threat to the elderly and those people with compromised immune systems. As a result, those persons exposed face a 14-day quarantine even if healthy. Current health professional estimates that 1 in 4 persons in the US will catch the virus. Greater proportions are expected in most other countries.

Many industries are directly affected, some devastatingly so like the cruise industry, sports, airline travel, hotel and vacation destinations. Economists are forecasting potential large-scale job losses in these industries, without any clear view of when business will return to normal. Consumer purchases have long been the driver for the US economy, accounting for more than 75% of GDP and growth. Thus, job losses will result in secondary ripple effects on supporting industries. For example, auto and appliance dealers will see a slowdown in purchases as will discretionary purchases of home-goods and entertainment.

This means that pizzerias/restaurants that offer dine-in need to offer reassurance to their customers that they offer a safe environment. Major concerns include all of the normal activities in a restaurant, all related to perceptions of cleanliness. Operators should do everything they can to determine perceived issues and remedy them immediately.

[continued on page 2](#)

MARKET UPDATE

Dairy

	PRICE	LAST MONTH	DIFFERENCE
Butter	\$1.8580	\$1.815	\$0.043

Butter prices recently hit the lowest level since March 2015 but have risen since then. Class III milk futures are above class IV milk futures which can temper butter production. This factor and the historical price trend suggest that the downside price risk for butter from here will be nominal.

Beef

	PRICE	LAST MONTH	DIFFERENCE
50% Trimmings	\$0.5990	\$0.497	\$0.102

Cattle weights are ballooning (more than 20 pounds over year ago levels), beef production jumped 5.6% over last year which is pressuring the USDA cutouts lower as of late. Seasonally, the beef markets usually increase by now.

Poultry

	PRICE	LAST MONTH	DIFFERENCE
Wings(Jumbo)	\$1.7010	\$1.942	(\$0.241)

The market has been sliding, seasonally, and the market looks to put in a low ahead of March Madness deliveries. The ongoing COVID-19 fears, restaurant traffic will be tempered and wing demand may fall short of expectations.

FOOD SERVICE IMPLICATIONS *(continued from page 1)*

To the extent that people are worried either for their health or their economic wellbeing, they will stay close to home and reduce outside entertainment including food away from home. The pizza industry used to be considered recession-proof, but times have changed. Delivery and low cost ethnic options like Mexican compete with pizza for the modest cost family meal. Delivered and take-away pizza will probably be least impacted by current events while dine-in will be most affected. Bloomberg research states "our outlook now assume a retrenchment in domestic consumer demand in March and April with a return to "normal" behavior in late spring".

Technomic, a highly respected research firm in foodservice, is less optimistic, noting that "the Covid-19 outbreak could turn into the most severe pandemic since the H1N1 pandemic of 1918". The virus has now spread to more than 73 countries. The foodservice industry is already experiencing some loss of business, and there could be serious challenges not only in the form of declining demand but also labor shortages as people get sick and are unable to work. Consider the following new survey results.

- Covid-19 is the #1 news story; followed closely by two-thirds of the population
- 30% think Covid-19 is being blown out of proportion
- 70% believe Covid-19 is a "threat" to their family
- 89% believe food-at-home is safer than restaurants/away-from-home

To combat these perceptions operators should visibly be seen to be addressing them and thereby relieve the nervous public. If 60% of consumers are nervous about eating out, and 20% who indicated that they would definitely avoid eating out, this represents an enormous industry challenge.

Different types of restaurants obviously have different challenges, with the greatest challenges for those with dine-in only option. If you have a carry-out and/or a delivery service, you may consider promoting and advertising that fact as a way to offset lower dine-in business. Other options may be to develop new sales options to meet the demands of customers who wish to eat at home during this crisis. After all, the popularity of food away-from-home has always been the simplicity and time-saving features. Customers are more busy than ever, so if we as an industry can address and even promote cleanliness and safety, we should be able to successfully navigate this difficult time. Our best wishes for good health to everyone!



WELCOME TO OUR FAMILY TRADITION

Fontanini
BRAND
Una Bella Differenza

From Lucca, Italy to Chicago, Illinois, Fontanini has been creating authentic Italian meats, toppings and specialty sausages for generations from handcrafted family recipes. With FONTANINI® Meatballs and our famous MAMMA-RANNE'S® Brand, you can offer that genuine, straight-from-the-kitchen flavor and save the hassle of making them from scratch.

SEE THE BEAUTIFUL DIFFERENCE AT FONTANINI.COM

©2020 Hormel Foods, LLC



Introducing Plant-Based ALTERNATIVES

DELICIOUS OPPORTUNITY FOR YOUR OPERATION.

Our Plant-Based Alternatives are protein substitutes that are deliciously versatile for anyone who chooses greener fare.

Request your Plant-Based Alternatives sample today at BurkeCorp.com.

BURKE

RESTAURANT CHALLENGES *(continued from page 1)*

operators. A staggering 76.7% of those polled all noting labor as their biggest concern followed by competition at 16%, food costs at 3% and adequate distribution at 3%.

The first issue that comes to mind when discussing labor for a restaurant is finding good help. Research shows that in 2018 the restaurant industry had a turnover rate of 73%, well over half of the business' employees in a year. Staff training, work environment adjustments and possible problems are all significant issues that would slow a restaurants service, and could lead to inconsistencies across the board. A suggested possible alleviation for turnover is to tighten up your finances to offer better wages and benefits to individuals. But that leads us to labor issue number 2...

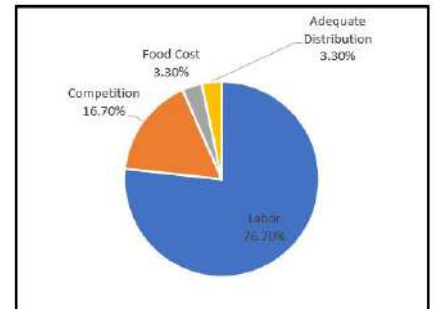
Seemingly constant wage increases are a significant issue facing all small business but especially restaurants where the typical margin is very thin. And while finding the money to pay employees is a burden in itself, many restaurants also struggle with managing payroll for the front and back of the house

since compensation differs by position. Calculating hourly wages, taxes, and figuring the amount earned for tips can be a grueling task.

So while the Coronavirus is a very serious and seemingly all consuming issue these days, we will soon get back to the way things used to be, where it was hard to find good quality employees and pay them a reasonable wage. And I think that once we do return to slightly normal times we will all be thankful to know our problems and be able to face them head on. As always, stay healthy and good luck.

What do restaurant operators say is their number-one challenge right now?

Labor	76.70%
Competition	16.70%
Food Cost	3.30%
Adequate Distribution	3.30%





INTRODUCING



INGREDIENTS

SAF Instant & Red Star Active Dry Yeast available through Bellissimo

Contact us for questions regarding Inactive Yeast, Dry Malt, Dry Sours and a variety of Dough Improvers.

Bigger. Better. Stronger.

A continually expanding line of **ingredients**.

Request trial samples at 1-800-770-2714 or visit lesaffreyeast.com







PH:315-724-4189
FAX:315-738-7728
www.casaimports.com

Casa Imports is a proud distributor
of Bellissimo authentic Italian
ingredients.

Presorted Standard
US Postage
PAID
Oakland, CA
Permit 810

c/o BELLISSIMO FOODS
1600 Riviera Ave. Ste #315
Walnut Creek, CA 94596

RETURN SERVICE REQUESTED

INSIDE THIS ISSUE

Food Service Implications of
COVID-19

Restaurant Challenges:
Labor

Market Update

Pizza Circles/Squares | Pizza Inserts | Catering Boxes | Wings/Breadstick Boxes
Flat Bread / Roman / Artisan / Rectangle Boxes and Much More!



PIZZA BOXES

**CUSTOM PRINTING
NO PRINTING PLATE FEES**

**NATIONAL OR LOCAL
STOCKING PROGRAMS**



Distribution Center Locations
California | Michigan | Texas



Supports Bellissimo

We can help you with any size,
any shape box. Call us today!

(888) 400-3455
wpackaging.net