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UNCOMMON GROUND

Illinois Grass-fed Value Chain Case Study: Restaurant

Developed by Delta Institute and Pasture Project

Overview

Uncommon Ground is a family-owned business in Chicago that represents two restaurants, an organic brewery, and an organic rooftop farm. Uncommon Ground opened its first restaurant in 1991 and opened a second restaurant in 2007. The restaurants' purchasing evolved over the last two decades to source responsibly produced local ingredients, including meat. The restaurants host music performances and showcase local artists, accommodate special events, and conduct farm tours. Burgers and meatloaf are signature items that are always on the menu, while steaks and other beef dishes rotate depending on seasonality, availability of ingredients, and menu needs. Uncommon Ground employs 120 people and has an annual revenue of approximately \$4M.

Operation

After opening their second restaurant location, Uncommon Ground started sourcing grass-fed beef from Dietzler Farms in Wisconsin and would buy whole cows, but found they were sometimes unable to use the entire animal. When the farm closed, the restaurants began sourcing from Strauss, a cooperative that aggregates, processes and packages meat products. Currently, they purchase beef from Local Foods and Natural Direct in Chicago, which carry Strauss products. Occasionally, Uncommon Ground works with individual farmers to source grass-fed beef products when opportunity arises. These connections arise through food industry networks or more often through word of mouth.

The restaurant serves about 100 people/day on weekdays at the Edgewater location (dinner only), 400 for brunch, 300 people/day on weekends, about 1900 meals served a week, and nearly 100,000 meals a year. The Lakeview location is considerably busier because it's open for lunch as well - reaching 150,000 meals a year.

Finding producers and distributors of grass-fed beef was challenging initially but is easier now after years in the food industry. Network and connections are key! Green City Market, the organization that hosts farmers markets around the city of Chicago (that include chef demonstrations and composting services) is a good networking platform for those in the local food scene in Chicago.

Another challenge for the restaurant is ensuring that kitchen/buying staff are trained to purchase food that meets the standard established by the owners. The Shedd Aquarium provides the restaurant staff with resources about seafood sourcing, but there is no comparable program or standard for beef.

Uncommon Ground recently added a black bean burger to the menu and it's outselling the Beyond Meat burger (which is 3 times the cost of grass-fed!). Currently, operations and sourcing are running smoothly, but reducing cost of grass-fed beef would be helpful. Success to Uncommon Ground means that restaurants have staying power in the community and are known as institutions that serve good healthy food.

The owner notes that the taste of grass-fed beef is different than conventional beef and cooking needs to be adjusted accordingly. Grass-fed beef has a cleaner taste and is less fatty and unctuous. Grass-fed cooks more quickly, so it's important to ensure it doesn't dry out. Most customers likely do not notice a difference in flavor, though a few people might, particularly in steaks.

Motivation

For owners of Uncommon Ground, grass-fed products as well as responsible sourcing of other ingredients are driven by health considerations and ethical concerns about the treatment of animals. Their goal is to provide clean and healthy food from animals that had a healthy life. Financial factors are always important, but for Uncommon Ground the focus is not on maximizing profit. The emphasis is instead on providing reliable and consistent products to attract customers. Increased understanding of the food production system also underscores the environmental impact of sourcing decisions.



Financials

Purchasing decisions are driven by a commitment to a higher quality product, so there is a willingness to pay premiums and support producers for their work. Reliable sourcing of a quality product is key. The restaurant pays about \$4.50-\$4.75/lb depending on source for grass-fed ground beef, while grass-fed steaks

start at \$7.50/lb and increase in price depending on cut. The restaurant typically uses about 7,280 lbs of ground beef and 5,200 lbs of steak a year.

Uncommon Ground has a goal of 25% food cost, which is the ratio between the cost of food and revenue from food and beverages. A typical food cost for restaurants is 28-35%. To achieve this ratio, menus at Uncommon Ground balance more expensive ingredients with cheaper products in each dish. For example, the burger is \$17 and contains 6 oz of grass-fed beef as well as local cheese, local tomatoes, fresh bun, etc. The steaks are \$25-28. The menu is adjusted to reach the food cost ratio by reducing portion size or running specials. Filet is not a common item because it is expensive to source, so the menu changed to utilize less expensive cuts of meat.

Uncommon Ground looks for savings in other parts of the operation to help offset expenses from more expensive ingredients. Both restaurants have solar thermal heat generation for water heating. The operating budget also builds in 10% for food waste to account for ingredients that aren't ultimately used. The farm pays for itself in terms of both labor and community outreach because it supplies some ingredients to the kitchen, in addition to providing promotion and education to customers. The farm is an excellent tool for outreach and learning but was a major undertaking and took time to integrate into the restaurant business.

Growth

Growth is a tremendous challenge and running a restaurant like Uncommon Ground is hard work. Currently, Uncommon Ground is focused on growing the brewery and delivery side of the business, particularly because these aspects of the operation attract a younger demographic. The deliveries help business during bad weather months. When business is slow, the restaurants are experimenting with specials such as a burger and beer for \$10 (smaller portion) to bring more people to the restaurant.

According to the restaurant owners, the linchpin to grow the grass-fed market is educating the next generation of eaters about the impacts of conventional agriculture. There is also a need to support diverse farming operations that produce beef and other crops

and products. Ultimately, Uncommon Ground emphasizes that we must reduce overall meat consumption and substitute the meat that we do eat with higher quality products. While we are starting to see an increase in demand for grass-fed products, we are a long way from demand for grass-fed exceeding demand for conventionally raised beef.

