



MARKET UPDATE

Tomatoes: South Florida farms continue to ship tomatoes but should wind down over the next few weeks. The majority of Eastern round tomato production has moved up to the Palmetto/Ruskin area, where supply and quality are very nice. Sizing is on the larger end of the spectrum, as these crops have enjoyed perfect weather for big fruit. Although roma acreage is light, there seems to be an adequate supply. Grape tomatoes are plentiful and are ripe for promotional opportunities.

Western Mainland Mexico's round tomatoes are sizing down as growers enter the seasonal decline. Larger fruit is available from Baja now, where production will ramp up over the next few weeks. Available in three growing areas, roma tomatoes are crossing in solid volumes with overall nice quality. Grapes are also available from multiple regions in good supply. Quality is less than stellar at Nogales, as Mainland Mexico farms are harvesting from older, tired plants.

Bell Peppers: South Florida farms are closing in on the season's end of bell pepper production. There are still some newer fields with larger sizing available, but much of the fruit is coming from older, tired fields that have smaller pepper and declining quality. Central Florida is up and running with light acreage. Expect overall lighter volume for the next few weeks, until Georgia begins in earnest. In the West, the California desert is in full swing with good sizing and quality available. Mainland Mexico farms are in the final stages of Spring crops with sizing, quality and shelf life becoming questionable.

Cucumbers: With both Hermosillo and Baja crops in the mix, Western markets have consistent volumes available at crossing points. There are reports of scarring and sunken areas on some lots of Hermosillo's fruit as they move into the last few

weeks of production. Baja growers report improving quality as they work past fruit from early picks. Eastern cucumber harvests are transitioning from South to Central Florida, where overall acreage is light. Expect more fruit when Georgia gets going in a couple of weeks.

Summer Squash: With multiple areas harvesting in both the East and West, yellow and zucchini squash supplies are very good this week. No areas have any significant issues and overall quality is good throughout the country.

Green Beans: Florida's green bean supply is somewhat limited this week as growers transition from older fields. Anticipating good volumes, Georgia farms will get up and running around May 5th. The Western bean picture is also on the short side. Mainland Mexico growers will finish up over the next two weeks, while the California desert is already in its seasonal decline and may finish as early as next week. Look for availability to remain snug until mid-May, when Fresno gets into business.

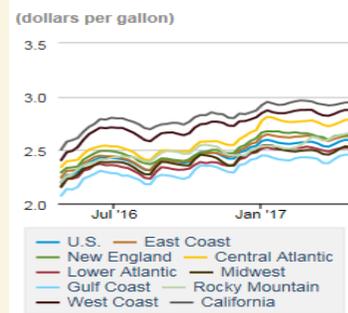
Chili Peppers: Chili pepper growers in Sonora and Sinaloa have reasonable volumes of most varieties available. However, heat is causing some shriveling and thinner walls on peppers with larger cavities (ex: Anaheims and poblanos). These areas are expected to finish up significant volumes over the next month or so, which could really put the squeeze on hot peppers in late-May through June. Small areas in California will start up over the next few weeks, but no one area will have all varieties, creating logistical challenges.

Hard Squash: Sonora growers are picking from their last sets of hard squash this week. With light volumes on the tail end of the season, we expect to move through storage crops quickly and potentially experience a gap until California comes with volume in July.

TRANSPORTATION FACTS

- * The National Diesel Average remained steady this week at \$2.60 per gallon.
- * The average price for a gallon of diesel fuel is \$.40 higher than the same time last year.
- * Reporting areas were mixed in pricing adjustments with some showing slight increases and others reporting subtle decreases. No area reported diesel fuel price changes of more than \$.012 per gallon.
- * California remains the high price leader for diesel fuel at \$2.95 while the Gulf Coast region continues to offer the best bargain at \$2.46 per gallon.
- * The WTI Crude Oil price fell 1.7% this week, moving from \$50.44 to \$49.56 per barrel.
- * Transportation remains short in California and Florida shipping areas this week. All other areas report adequate numbers of available trucks.

On-Highway Diesel Fuel Prices



eia Source: Energy Information Administration

ON THE HORIZON CONTENTS

- Restaurant Industry News- page 2
- Lipman in Pictures- page 3
- Keep Your Eye on the Consumer - page 4
- News in the Grocery Trade- page 5

- Produce Barometer-page 3
- May Calendar- page 3
- National Weather Spotlight- page 4
- Pack Your Bags - page 5

RESTAURANT INDUSTRY NEWS

Why We Might Be Saying Goodbye to Elaborate Restaurant Menus

By: Vince Dixon, www.eater.com, April 21, 2017

Smaller, independent restaurants might want to follow fast-casual chains and consider trimming their food options — by, like, 70 percent. New research from restaurant management platform Upserve shows that many restaurants, both quick service and full service, have way too many items on their menus: Specifically, the company has found that a massive 80 percent of a restaurant's food sales come from only 16 percent of menu items.

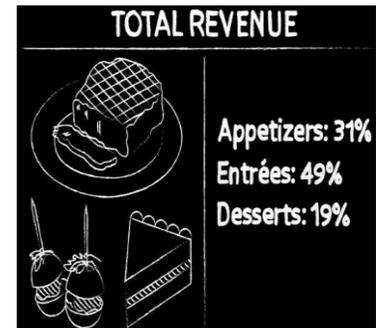
“The most important thing that data tells us is that a bigger menu does not necessarily mean a better menu,” says Rosie Atkins, vice president for product at Upserve. Research from the National Restaurant Association supports that idea. While some believe that keeping food costs low will increase profit margins, the association's resource for restaurant management calls that a myth, siding instead with Atkins' stance. “The issue is not how high or low food costs are, but rather how many gross profit dollars your menu items generate,” they write. “That's why menu items should be promoted based on their gross profit contribution (dollars) rather than having a low food cost (percentage).”

This can be tricky, because so much of restaurants' expenses goes to purchasing ingredients. In 2014, Mazonne and Associates, a merger advisory firm, found that for many restaurants, 36 percent of costs went to food purchases. This yields a profit margin of about five percent, up from 3.5 percent in 2010. The report also showed that larger companies and chains, like McDonald's, could take advantage of economies of scale and boost their margins to as high as 20 percent, something that is harder for smaller restaurants to do. On top of that, seasonal changes and fluctuating wholesale prices can make food costs unpredictable.

This is one of the reasons restaurants fail in the first few years of operation, according to the NRA. So where does the money come from?

Upserve analyzed millions of transactions across 90 days from restaurants around the country, ranging from quick serve to full service. Overall, they discovered that food accounts for 66 percent of most restaurants' menu sales. Specifically, entrees make up 49 percent of food sales, appetizers 31 percent, and desserts 19 percent. In the beverage department, which contributes to 34 percent of sales, wine and beer accounts for 19 percent of beverage sales, while other alcoholic beverages such mixed drinks

contribute as much as 41 percent.



But data can't account for every important aspect of a menu. There may be some signature items that serve the purpose of establishing the restaurant's niche or building its brand. An Italian restaurant can't stop selling garlic bread because it isn't selling as well, for example. A nice full-service restaurant may include an extensive wine list, even if most bottles on the list are not popular. Atkins recommends restaurants consider challenging these notions.

“Take a look at what happens if you don't have it on your menu for a few days,” Atkins says. Limited menu items are almost a given in the rapidly growing fast-casual market, and if more restaurants start reviewing the “value” of their offerings, it should come as no surprise if minimalist menus become a new restaurant norm. Just hope your favorite dish is one of the 20 percent of items or so that are actually worth keeping around.



LIPMAN IN PICTURES



PRODUCE BAROMETER

ITEM	QUALITY	PRICING
Bell Pepper	Fair to Good	Steady
Cucumber	Fair to Good	Steady
Eggplant	Fair to Good	Steady
Green Beans	Good	Steady
Jalapenos	Good	Steady
Onions	Good	Steady
Squash	Good	Steady
Tomatoes	Good	Steady



MAY CALENDAR

- All Month**
National Barbecue Month
- May 1st**
National Loyalty Day
- May 4th**
National Orange Juice Day
- May 5th**
Cinco de Mayo
National Enchilada Day

Palmetto, FL Weather

Fri Apr 28	Sat Apr 29	Sun Apr 30	Mon May 1	Tue May 2	Wed May 3
90° F	88° F	88° F	84° F	84° F	84° F
75° F	75° F	75° F	73° F	72° F	73° F
SE 11 MPH	SE 9 MPH	SE 14 MPH	SSE 14 MPH	SE 7 MPH	E 11 MPH
			Precip 10%	Precip 30%	

KEEP YOUR EYE ON THE CONSUMER

Study: Many Consumers Lukewarm on Restaurant Tech, Loyalty Programs

www.pizzamarketplace.com, April 13, 2017

The unexpected findings from a national study on consumer dining out trends — people are eating out less to save money to travel more — are not limited to that finding alone. The survey, published by AlixPartners, also uncovered a few surprises concerning consumers' views of restaurant technology, loyalty programs third-party delivery services and menu prices.

While many consumers found the useful, some weren't impressed. Baby Boomers, for instance, are far less likely to see technological augmentations like digital menu boards and kiosks as desirable than their younger, tech-weaned millennial counterparts.

The study found that just 18 percent of Baby Boomers see high-tech accoutrement as important to their dining out decisions, while more than twice that number of millennials said restaurant tech was important to whether they ate at a restaurant. In fact, a substantial 42 percent of all consumers polled said they'd never accessed any special technologies when eating out, although both millennials and Baby Boomers said free Wi-Fi in restaurants and online ordering were important to their dining decisions.

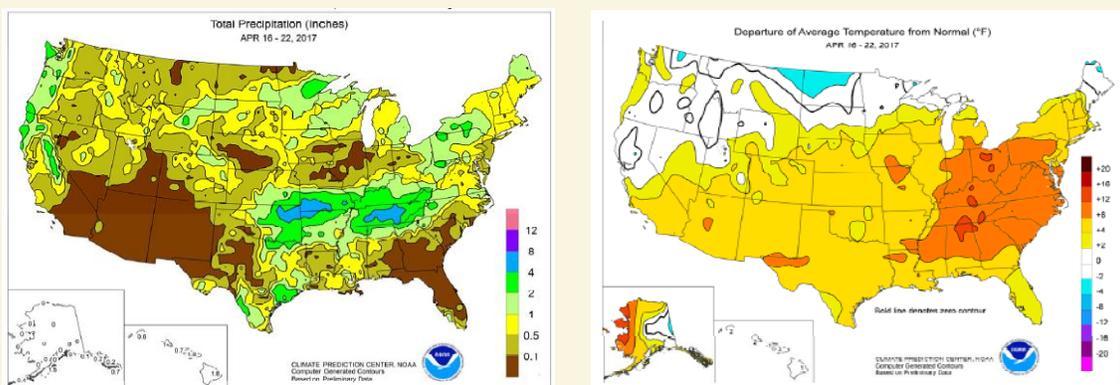
Loyalty programs of all types — digital, card or key fob-based, or any other form — aroused little consumer sentiment in the food service field. Less than one-fifth of those polled (19 percent) said loyalty programs were critical elements to their eating out choices. Those who did use the programs and their perks, however, are increasing their usage. For instance, 36 percent of respondents said they're now using two or more restaurant loyalty programs regularly, up 5 percentage points from last year. One other restaurant offering often augmented by tech — meal delivery — also registered differently in the study with different age groups. For instance, half of the millennials polled said call-in-advance delivery was key to their dining choices, while 46 percent of Baby Boomers preferred the well-established "in-the-moment" delivery programs like calling for a pizza for home delivery.

"Technology continues to be a mixed bag in the restaurant industry," AlixPartners Managing Director Eric Dzwonczyk, said in company information released with the study results. "There still doesn't appear to be a lot of consumer 'pull' for many technologies, as food quality and price trump everything else. On the other hand though, millennials generally crave new technologies, so going forward the challenge may be how to balance diverse technologies preferences across consumer groups, without compromising service and operations along the way."

The poll found a lot of interest among consumers in the development of more delivery options from traditional casual dining brands, as opposed to fast casual and fast food. But the study suggests that those casual dining concepts might want to do some groundwork before leaping to a third party to deliver their food to homes and offices. For instance, 71 percent of those polled wanted their deliveries to come directly from the restaurant's staff. A mere 8 percent preferred delivery through a third-party service, according to the poll.

NATIONAL WEATHER SPOTLIGHT

Weekly Precipitation and Temperature Deviation



NEWS IN THE GROCERY TRADE

Women and Men Now Shop Equally: Study

www.progressivegrocer.com, April 21, 2017

Although tradition has led many to assume women grocery shop more than men, the reality is that both genders are pretty much equal in the practice, according to the latest Grocery Shopper Impact MegaStudy from VideoMining, a State College, Pa.-based provider of in-store behavior analytics solutions.

Among grocery shoppers, women account for 51 percent, narrowing the gender gap. But even though more men are shopping, they're still not spending as much as women: On average, female grocery shoppers spend \$2.73 more per trip.

The study also found that:

-More people are avoiding center store and shopping just the perimeter. While data from 2012 showed 12 percent of shoppers limiting themselves to perimeter departments, the number has grown to 20 percent, meaning one in five shoppers avoid center store altogether.

-Most trips are relatively small – with 68 percent made for 10 items or fewer – which suggests manufacturers have a limited opportunity to make it into the basket during most shopping trips. Taking into account small trips, perimeter-only shoppers and changing shopper demographics, brands must now be increasingly precise in targeting marketing messages and merchandising solutions to reach and convert these harder-to-reach shoppers.

The GSI MegaStudy is powered by VideoMining's Shopper Impact Platform, which incorporates its OmniSensR Internet-of-things sensing devices with patented AI and machine-learning technologies to anonymously track detailed in-store behavior and apply prescriptive analytics for a variety of applications. Using a nation-wide panel of representative stores across multiple retailers, the MegaStudy provides channel-wide perspective benchmarking across geographic and demographic clusters.

FRESH TOMATOES

the best
of nature™

MARK YOUR CALENDAR & PACK YOUR BAGS!

June 12-13, 2017

United Fresh's Produce Industry Sales Training
McCormick Place
Chicago, IL
www.unitedfresh.org

June 20-21, 2017

Center for Produce Safety Research Symposium
Denver Hyatt Regency
Denver, CO
www.centerforproducesafety.org

CREATED BY LIPMAN
FOR OUR VALUABLE
CUSTOMERS



Visit our website... www.lipmanfamilyfarms.com

Follow us






Questions or comments about the newsletter?
Contact: joanna.hazel@lipmanproduce.com