



MARKET UPDATE

Tomatoes: Although adequate, Florida's round tomato volume is a little lighter this week. There's new crop in Estero (Lipman's), but most growers are harvesting from older southern crops while they wait for new crops to start in Palmetto/Ruskin over the next 7-10 days. The sizing profile is pretty evenly distributed and quality remains good. Roma numbers are on the light side as well, but new crops have started in Estero and Ruskin/Palmetto and will come on with more volume in the next week. Grape tomato availability is strong with new crops and good quality in several growing areas.

Mexico's tomato situation is status quo: steady supply on vine-ripe and mature green rounds from Mainland areas and good volumes on romas in Western Mexico. Warmer weather has spurred fruit to mature and ripen before it sizes up optimally, so jumbo and XL rounds are coming up a little short this week. Quality is mostly good, but there are challenges with fruit in areas where daytime highs and lows differ significantly. Grape tomato availability is expected to remain steady into next week, but the seasonal decline is underway and there have been some spotty quality concerns with soft fruit.

Bell Peppers: Florida's bell pepper volumes have been consistent, but increased demand and Mexico's situation has tightened up Eastern availability. South Florida (East Coast, West Coast and Immokalee areas) will pick the last crowns next week but will continue to harvest for a few more weeks, hopefully bridging the gap until Plant City pepper gets going. There's a fair mix of sizes available this week and quality is nice, but expect the profile to drop and quality to decline as farms move into later picks. Meanwhile, Mexico's pepper market is all over the board. Sinaloa growers are winding down, bringing minimal amounts of #1 product to market with little size. Newer crops

in Sonora have better quality, but larger sizing is snug there too. With California still 2-3 weeks away from retail grade fruit, pepper options may be limited for the immediate future. Quality is still fairly nice, but this could change quickly as growers move through crops.

Cucumbers: Demand has perked up for Eastern cucumbers, but supply is holding steady. Harvests are centered in South Florida, on the coasts, and for Lipman, in Immokalee/Estero. There are some older crops have been through some weather, negatively affecting their yields. But, newer crops have average yields and good quality. There have been a few issues on fruit from the older plantings, mostly with scarring. In Mexico, Sinaloa's crops are winding down but Sonora's numbers are picking up as growers move further into crops. However, there are some quality issues, mostly soft cukes with limited shelf life. Fortunately, Baja has already started in a light way with strong quality. Look for Baja's volume to pick up over the next two weeks as more growers add to the mix.

Summer Squash: With harvests in Homestead, Immokalee and Plant City, Florida's squash volumes are strong this week. However, windy Spring weather and occasional showers have created scarring and/or scuffing on yellow that is limiting availability for retail. Southern areas will continue for a few more weeks, but production is slowly transitioning to the central part of the state. Mexico's production is migrating from Sinaloa to Sonora. Southern farms are still shipping, but quality issues may put an end to this sooner rather than later. However, new crops in Sonora are increasing in volume and have really nice quality.

Eggplant: Eggplant volume has picked up a bit in Florida as new fields are finally into production. However, there is a mix of product

quality. Fruit from some of the older fields has scarring and discoloration but newer crops have nicer product. Look for more volume in a few weeks when Plant City is up and running. Mexico's eggplant supply (out of Sinaloa) is expected to remain steady for the next 10-14 days. Quality is mostly good, but there some occasional lots with challenges.

Chili Peppers: Mexico's chili pepper crops are enjoying good growing weather. Steady supply and good quality is available on all varieties this week. In the East, a few farms in southern Florida are shipping light volumes on select chilies. Eastern supply will remain limited until Plant City comes online in a few weeks.

Green Beans: The East still has an abundance of beans available as yields from current fields are strong. The normal production areas (Homestead, South FL, and the Lake area) have now been joined by Plant City. Quality is good from all areas. Mexico is plugging along with solid volumes and good quality as well. Weather and market factors could come into play, but at this point, supply is looking good for the Easter holiday.

Hard Squash: New Spring sets of hard squash have started in Mexico. Quality is excellent so far with vibrant yellow color on spaghetti, good shape on butternut and dark green color on acorn. Honduras continues to bring hard squash into the East (even some acorn this week). This supply is expected to continue at least through the month of April.

Mini Sweet Peppers: With increased demand and overall lighter supplies of mini sweets, farms are reaching to meet orders. As a result, there's an excess of greening in the product that's coming across the border. The situation could remain tight until after the Easter holiday.

ON THE HORIZON CONTENTS

April Calendar- [page 3](#)

Government Affairs- [page 3](#)

Keep Your Eye on the Consumer- [page 5](#)

National Weather Spotlight- [page 4](#)

News in the Grocery Trade- [page 2](#)

Pack Your Bags - [page 5](#)

Produce Barometer- [page 3](#)

Restaurant Industry News- [page 4](#)

Transportation Facts- [page 2](#)

Look for
Transportation Facts
on Page 2 this week!



NEWS IN THE GROCERY TRADE

Power of Produce: Core Value-Added Shoppers are Valuable for Retail

By: Ashley Nickle, www.thepacker.com, March 28, 2019

Core value-added produce shoppers — those who buy fresh-cut often or whenever possible — tend to fall into several categories important to retailers. The Food and Marketing Institute found that 47% of core value-added shoppers have a six-figure household income, 47% make three or more shopping trips a week, and 43% order produce online, according to the 2019 Power of Produce report.

In addition, 40% of core value-added buyers are also core local buyers, and 36% are also core organic buyers. “Core value-added shoppers are interesting to retailers, with above-average spending and weekly trips,” FMI wrote in the report. “Much like seen in organic, the presence of children is a point of entry, particularly among high-income shoppers. In urban areas, expanded assortment is likely to do well, including organic value-added assortment and kid-focused solutions.”

Two years ago, 20% of shoppers fell into that category. Now the number is 28%. “Despite the increase in purchase frequency, there is significant room for growth, with 64% of shoppers being occasional users, at best,” FMI wrote. “Overall, value-added users skew toward higher-income shoppers, older millennials, often with young kids living at home.”

The core value-added shoppers reported several variables that would prompt them to purchase more — better prices (57%), longer shelf-life (39%), greater assortment (39%), greater variety of flavors (36%) and better organic offering (32%).

Many consumers who land in the category of sometimes buying value-added produce are Gen X (47%). Within that periphery group, 49% percent eat fresh fruits and vegetables 4-5 days a week, 47% make two trips a week, and 47% have a household income of less than \$35,000. For that shopper segment, key triggers to buy more were better prices (63%) and longer shelf-life (37%), according to the report.

Among consumers who hardly ever value-added produce, many are baby boomers (37%), limited-assortment shoppers (31%), two-person households (33%) and people who eat produce less than three times a week (35%). In that group, 58% said better prices would prompt them to buy more, but 17% said they were unlikely to buy more regardless of changes made.

While value-added produce has been increasingly popular, it still only accounts for roughly \$2.7 billion in sales, a fraction of overall produce sales. However, the category continues to grow, and consumers report that they plan to buy even more in the coming years. “Up from 23% in 2017, 28% of shoppers expect to purchase more value-added produce items in the upcoming year,” FMI wrote in the report. “Purchase growth expectations are driven by current core consumers who expect to purchase even more value-added items than they do now.

“However, even 22% of periphery shoppers expect to purchase more in the coming year — signaling likely continued growth in household penetration and purchase frequency that have been fueling growth in the past few years,” FMI wrote.

Core value-added shoppers — 28% of consumers, per the report — may be willing to buy more if presented with a broader assortment, different flavors and special offerings like local and organic, according to the report.

Price is the top barrier across all shopper segments, however. “Sales promotions, whether item-specific or meal (buy-one-get-one offers), may allow current non-buyers to experience the convenience of value-added produce, and current buyers to increase their purchase frequency,” FMI wrote.

TRANSPORTATION FACTS



*The national diesel average price held at \$3.08 per gallon this week.

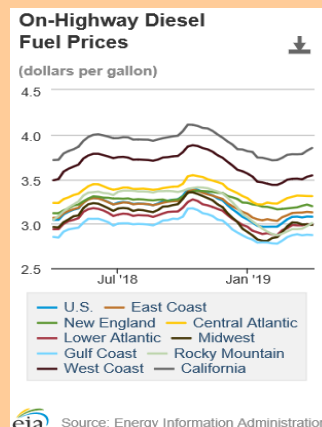
* The average price for a gallon of diesel is \$.04 higher than the same time last year.

* Prices remained steady or fell slightly in all reporting areas except California, the West Coast and the Rocky Mountains. These zones came in with \$.03, \$.02, and \$.03 increases, respectively.

*California continues to have the highest diesel prices in the country at \$3.85 per gallon while the Gulf Coast is the low-price leader at \$2.87 per gallon.

*The WTI Crude Oil price jumped 4.4% this week, moving from \$59.94 to \$62.58 per barrel.

*Trucks are available in adequate or surplus levels at all shipping points in the country this week.



GOVERNMENT AFFAIRS

President Declares April "Winning On Reducing Food Waste" Month

By: Renee Sexton, www.theshelbyreport.com, April 4, 2019

The United States Department of Agriculture, Environmental Protection Agency and the Food and Drug Administration are working to reduce food waste with its "Winning on Reducing Food Waste" initiative. President Donald Trump declared April as Winning on Reducing Food Waste Month.

In the United States, more than one-third of all available food goes uneaten through loss or waste. Food is the single largest type of waste in Americans' daily trash.

The federal government agencies are campaigning for greater collaboration with public, private and nonprofit partners and state and local officials to educate and engage consumers and stakeholders throughout the supply chain on the need to reduce food loss and waste.

President Trump acknowledged the month of April as Winning on Reducing Food Waste Month and encouraged public action and participation from all sectors.

"USDA alone cannot end food waste. It will require partners from across the supply chain working together on innovative solutions and consumer education," said U.S. Secretary of Agriculture Sonny Perdue. "We need to feed our hungry world and by reducing food waste, we can more wisely use the resources we have. I am pleased President Trump identified this issue as one of importance, and I look forward to USDA's continued work with our agency partners at EPA and FDA to change behavior in the long term on food waste."

Reducing food waste and redirecting excess food to people, animals or energy production provide immediate benefits to public health and the environment. I am proud to join President Trump and my federal partners in recognizing April as Winning on Reducing Food Waste Month," EPA Administrator Andrew Wheeler said. "We are working closely with our federal partners and stakeholders across the nation to reduce the amount of food going to landfills and maximize the value of our food resources."

"With one in six people getting a foodborne illness every year in the U.S. and up to 40 percent of food left uneaten, it's understandable why food safety and food waste are major societal concerns," said FDA Deputy Commissioner Frank Yiannas.

As part of the month's observances, on April 9, EPA will host a live-streamed event with USDA and FDA. At the event, a panel of food waste stakeholders will share how state and local communities can join the federal government in reducing food waste and loss.

PRODUCE BAROMETER

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



APRIL CALENDAR

April All Month

National BLT Sandwich Month

April 7th-13th

National Volunteer Week

April 6th

Fresh Tomato Day

April 7th

World Health Day

April 12th

National Grilled Cheese Day

Estero, FL Weather

Fri Apr 5	Sat Apr 6	Sun Apr 7	Mon Apr 8	Tue Apr 9
83°F	86°F	86°F	84°F	82°F
69°F	70°F	71°F	71°F	71°F
E 7 MPH	ENE 7 MPH	E 8 MPH	SE 11 MPH	WSW 14 MPH
Precip 30%	Precip 20%	Precip 40%	Precip 50%	Precip 50%

RESTAURANT INDUSTRY NEWS

Study: 78 Percent of Restaurants Have a Delivery Strategy

www.qsrmagazine.com, April 1, 2019

Restaurant franchisees admit they are feeling compelled to grow their businesses during 2019, according to a survey conducted by TD Bank, America's Most Convenient Bank, at the most recent annual Restaurant Finance and Development Conference held in Las Vegas, Nevada. Nearly three-in-four respondents (71 percent) claimed that they are under pressure to expand, with bank financing being the most popular method to fund this growth. Restaurant franchisees stated they may be looking to drive desired growth by ramping up delivery service methods, offering unique value meals, and investing in store reimagining and mobile technology.

Franchises Deliver on Customer Experience

In the age of on-demand food delivery, it comes as little surprise that 78 percent of survey respondents say their restaurant has a delivery strategy. More than half (60 percent) of respondents noted their restaurants rely on third-party delivery services such as Postmates, Grubhub, Uber Eats, etc., to service their customers, while 18 percent have an in-house delivery service. Twenty-two percent of restaurant franchise owners reported they do not have a delivery strategy, although 12 percent of those plan to implement one soon.

Consumers love a bargain, and restaurant franchises are responding to demand. The survey found that value meal programs are currently offered at 60 percent of the restaurant franchises polled. Despite the popularity of value meals with consumers and the strategy's ability to drive traffic, not all franchisees are happy with the impact that their brand's value meal offerings have on the business' bottom line:

- 22 percent of respondents said that despite value meal programs boosting revenue, they are hurting overall margins; however, only 3 percent claim value meals are decreasing revenue to the point that they prefer not to have a program
- Of the 40 percent who do not have a value meal offering in place, only 8 percent plan to implement one
- 20 percent of respondents who do see the benefit of value meals say they are increasing foot traffic and customer base

"Many franchise restaurants find that value meals are expected by consumers and are necessary to generate traffic vital to their business, even though they can be a source of frustration for business owners who discover that value meal margins are thin," says Mark Wasilefsky, head of Restaurant Franchise Finance Group at TD Bank. "To really increase revenue in a finite market, franchisees should implement delivery if they do not already offer that service. Ignoring this trend will probably hinder those who do not participate from meaningful growth."

Technology Drives Loyalty and Retention

The customer experience extends to integrating technology as part of the dining experience, with mobile ordering continuing to greatly influence business operations. In fact, 61 percent of survey respondents believe mobile ordering could expand their customer base, a 6 percent increase from 2017. This is likely the reason why 42 percent of respondents plan to invest in mobile ordering in 2019. Franchisees also believe that mobile ordering has the potential to speed up the food preparation, cooking and delivery process (17 percent); and reduce staffing costs (13 percent).

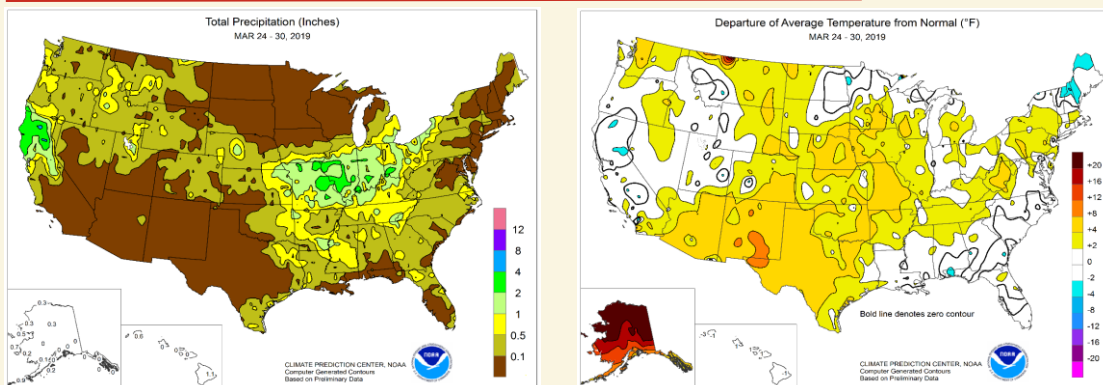
This year, 57 percent of franchise restaurants reported plans to spend on store reimagining and remodels and 49 percent will spend on technology investments such as a new POS system, digital signage or other tech. While environmentally conscious initiatives like eliminating straws have driven headlines, only 9 percent of franchises plan to invest in this area. "Investments such as renovations and technology require large amounts of capital, but often bring a positive long-term return in business growth, and owners who aren't spending in these areas are likely to lose," Wasilefsky says. "While environmentally friendly initiatives gain public goodwill, they do not yet tangibly impact profitability, which may be why they are not a higher priority in terms of spending."

Survey Methodology

TD Bank polled a select group of owners, operators and executives of multi-unit restaurant companies — both independent and franchised — at the annual 2018 Restaurant Finance and Development Conference held Nov. 12-14, 2018, in Las Vegas. A total of 269 individuals were polled.

NATIONAL WEATHER SPOTLIGHT

Last Week's Precipitation Totals and Average Temperature Deviations



KEEP YOUR EYE ON THE CONSUMER

The Retail Science of Food Aromas Gets an Upgrade

By: Phil Lempert, www.winsightgrocerybusiness.com, March 28, 2019

Decades ago, the science of scents was so convincing that some retailers actually installed machines that would automatically “spray” artificially created aromas that could induce those same mouthwatering and sales responses—until consumer advocates disclosed this practice. Yet to this day, these man-made food scents are still used by nonfood retailers to put shoppers in a better mood for buying.

Samsung’s flagship store in New York City, for example, pumps the aroma of honeydew melons into the store. Disney places scent-emitting machines strategically throughout its theme parks to disperse scents of cotton candy, popcorn, and caramel apples. Food retailers, however, had to go back to relying on their own bakers and pizza makers to create those delightful sensory experiences.

New research from professors at the University of South Florida and Louisiana State University—The Smell of Healthy Choices: Cross-Modal Sensory Compensation Effects of Ambient Scent on Food Purchases—may offer a new approach to using food aromas. Their research included field studies at a supermarket and a middle school cafeteria, where they discovered what possibly could be one of the most effective ways to get our shoppers to make healthier food choices.

If your bakery department were to make some delicious, fat-laden aromatic cookies, they would fly off the shelves, right? Not necessarily. Perhaps it’s because people today—or at least the study’s more than 900 middle school students, who are economically underprivileged and live in a working-class neighborhood, as well as the customers who shopped on a Saturday in an average national grocery store—are more aware of what is healthy than people were, say, 20 years ago. So just the opposite occurred.

The researchers in these two field tests, as well as in four additional lab-based studies, found that aromas that lasted two minutes or more actually had the opposite effect. Aromas that lasted less than 30 seconds had the desired effect.

In the school cafeteria, the scents of pizza and apples were tested. On the day the pizza scent was tested, a total of 2,931 food and beverage items were sold, 628 items (21.43%) of which were unhealthy. The day that the apple scent was used, 2,819 items were sold, out of which 1,042 (36.96%) were unhealthy. As all good researchers do, they also had a control day during which no scent was sprayed; on that day, 36.54% of the items bought fell into the unhealthy category.

In the supermarket, the scents of cookies and strawberry scents were used, and the findings were similar. The more than two-minute indulgent cookie scent resulted in shoppers buying healthier foods, and the more than two-minute non-indulgent strawberry scent resulted in a greater share of unhealthy food purchases.

So for those supermarkets that have taken a position of helping their customers choose better-for-you foods, it may be time to do a survey of the aromas in your stores, and see just how long your customers are exposed to them.

<p>MARK YOUR CALENDAR PACK YOUR BAGS!</p> <p>April 14-16, 2019 Women’s Fresh Perspective Conference Hyatt Regency Hill Country Resort & Spa San Antonio, TX www.centerforgrowingtalent.org</p> <p>April 25-27, 2019 Viva Fresh Expo JW Marriott San Antonio, TX www.vivafreshexpo.com Come see #TeamLipman at booth #64!</p>	<p>CREATED BY LIPMAN FOR OUR VALUED CUSTOMERS</p> <p>Learn more about us @ www.lipmanfamilyfarms.com www.suntasticfresh.com</p> <p>Follow us on social media</p> <div> </div> <p>Questions or comments about the newsletter? Contact: joanna.hazel@lipmanfamilyfarms.com</p>