



MARKET UPDATE

Tomatoes: Prior and current weather continue to impact tomato production in the East. That, as well as some major players experiencing a gap between Spring and Fall plantings, has whittled volumes down this week. There are quality challenges as significant rain in most growing areas has brought softness, bruising, skin check and shelf life concerns. Look for improvements in supply and quality as growers move into Fall crops over the next few weeks.

Although better than the East, Western round and roma volumes have lightened up this week as well. Crops in the San Joaquin Valley are experiencing reduced numbers due to bloom drop from a prior heat wave. Eastern Mexico and Baja are both in lighter volumes which is normal for this time of year. However, Oceanside, CA farms have been shipping steady numbers on vine ripe rounds and romas. Quality reports are mostly good out of Mexico and mixed from California.

Bell Peppers: Bell pepper availability is adequate in the East, although most shipping regions are dealing with quality concerns. Numbers have been strongest out of MI and NY but there's also product available in NC, VA, PA, KY, TN and NJ. Western markets continue to look to CA for consistent supply on bells. Numbers remain strong and quality is solid, but both could drop off a bit as we move into September.

Cucumbers: Cucumber volumes have dropped significantly out of Baja. Bloom drop effects on newer fields coupled with older fields finishing have created a short supply situation in the West for the next 2-3 weeks. However, quality is nice on the product that's available. In the East, MI and NY are the primary shipping areas and both are dealing with weather issues. Quality out of MI has been tough lately with sunken spots, shriveling, and decay showing up in lots. Look for new crops from Eastern NC to start over the weekend, bringing

some help to the current situation.

Summer Squash: There's a combination of older and newer crops being harvested in the East, so squash quality (especially yellow) can be a mixed bag. Fall production is on tap to start in Eastern NC and in GA over the next few days which will change things up in a positive way. In the West, Santa Maria's production is down as some growers are battling mosaic virus issues in the fields. Yellow squash volumes are lighter than zucchini's as yellow seems to be heading into the seasonal decline first. Baja farms will start back in new fields this week and build volumes on zucchini within a week or so.

Eggplant: CA's Fresno area continues with light production. They are into new fields and are having issues with fruit not sizing up. We expect to see supplies pick back up over the next 7-10 days. The East continues to plug along with an adequate supply of eggplant from MI, SC, NC and scattered local deals.

Green Beans: Green bean numbers have been mostly steady out of TN and VA this week with decent quality. Supply remains limited in CA as cool morning weather has slowed things down in all production districts. Volumes are expected to pick up during the first week of September.

Chili Peppers: Chili peppers are plentiful in the West as three major areas continue production. Quality has been excellent out of Baja, good from CA, and just okay from Mainland Mexico. Eastern numbers are light with spotty availability from various local deals.

Hard Squash: Hard squashes are readily available throughout the country this week. CA has plenty of product available from Stockton with all sizes and varieties available. Fresno is also in business with smaller numbers. Overall, quality has been good with nice color, size and shape. Eastern numbers are picking up as more growers begin harvesting Fall crops.

TRANSPORTATION FACTS

*The national average price for diesel fuel dropped \$.01 this week coming in at \$3.21 per gallon.

* The average price for a gallon of diesel is \$.61 higher than the same time last year.

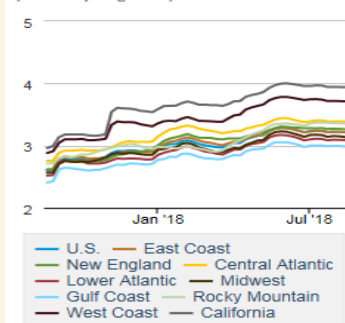
* All areas reported price decreases with the most notable in the Lower Atlantic, where a gallon of diesel fuel is \$.015 per gallon cheaper than it was last week.

*California maintains its role as the high-price leader at \$3.93 per gallon. As usual, the Gulf Coast region offers the lowest price at \$2.98.

*The WTI Crude Oil price rose slightly this week, moving from \$67.04 to \$67.35 per barrel (up 0.5%).

*Although melon shippers are still coming up short, transportation availability in the Eastern US is at adequate levels. Trucks on the West Coast are also available in good supply with surpluses at some Mexican crossing points.

On-Highway Diesel Fuel Prices (dollars per gallon)



eia Source: Energy Information Administration

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AN APPLE A DAY

10 Areas of Menu Opportunities for Produce-Centric Innovation

www.restaurantnutrition.com, August 20, 2018

Vegetable-forward presentation is huge on menus. As we all know, it's moved beyond innovation and into its own movement called veg-centricity. Of course, vegetables have always been critical to culinary development. They have been the base colors from which to build complex flavor profiles, textural palettes and visual impact. In the past, however, vegetables have generally played supporting roles to the protein star of the dinner. Whether as à la carte sides or plated accompaniments, vegetables were previously meant to round out a "healthy meal" and offer reprieve to your palate while consuming a large serving of meat. Those days are solidly over for a growing share of foodservice operators, with vegetables taking a larger role in plate design, co-starring rather than serving as extras.

Operators are increasingly designing dishes that pull produce forward to share space with proteins, or even carry a dish on their own. Vegetable-centric innovation has moved beyond an imperative for wholesome dishes. Rather, these new veg-centric creations are flavor forward. Often leveraging traditional meat preparations such as confit, roasting and grilling, the dishes never lose the identity of the vegetables. Instead, the unique characteristics are celebrated; flavors are enhanced and highlighted to stunning effect. Consider this vegetarianism for the masses, or perhaps the dawn of a new age of produce.

Sandwiches

Until recently, the vegetarian sandwich on many menus was often a collection of raw or cooked vegetables—appealing, but not necessarily innovative. A trend in today's produce-forward sandwiches seeks to create a meat-like experience without shying away from their vegetable roots.

Sandwiches are one of the great equalizers in American cuisine. A well-designed sandwich can be appealing to nearly any consumer, whether it has meat or not. For the meat-eating patron, creating a protein-like experience can heighten satisfaction emotionally and physically. But simulating a meat experience is not to say the sandwich apologizes for its vegetable focus.

Burgers

Americans are serious about burgers, and creating an alternative burger is not a task that can be taken lightly. Plant-based versions, along with classic burgers enriched with mushrooms, are

finding favor, thanks to serious attention to both flavor and the overall eating experience.

Beefsteak Tomato Burger:

Beefsteak tomato, pickled red onion, sprouts, vegan herb-caper mayo, olive-oil bun
—*Beefsteak, based in Washington, D.C.*

Burgers are one of the most popular items in American foodservice, so efforts to offer plant-based options are both a noble and monumental endeavor. Encouraging vegetarians and vegans to try these alternative burgers is one thing, but luring the meat-eating burger public is quite another.

Mexican Entrées

Most consumers now know that the average Mexican dish served in America is probably less authentic or culturally accurate. While the "burritos as big as your head" formats are often heavy on animal protein, new options either reduce or eliminate the meat, reflecting a modern aesthetic that draws both from seasonality and regionality.

Ranging from authentic to innovative, modern veg-centric Mexican entrées not only seek to create new experiences within the cuisine's category, but also shift the perception of Mexican cuisine as "heavy." Leveraging the popularity of traditional formats such as tacos, burritos, quesadillas and flautas, veg-centric Mexican entrées keep the high-impact flavor profiles while reducing the heft of the originals.

Small Plates/Appetizers

If operators are looking to create unique, veg-centric dishes, small plates and appetizers are the perfect place to start. Served in sizes that facilitate sharing, they help allay consumer concerns with ordering outside their comfort zone. Today, vegetables like Brussels sprouts or green beans often star as bar bites—the pathway to success here lies in thoughtful flavor technique.

Sumac-Roasted Beefsteak

Tomatoes with quark, dukkah
—*FnB, Scottsdale, Ariz.*

Operators can typically be more innovative on this part of the menu, and veg-centric design has benefited as a result. Additionally, produce-forward appetizers and small plates may be perceived as more

wholesome than other options, making it more appealing for mindful consumers to add an order to their meal.

Modern Entrées

New entrées are throwing the traditional meat/sides/starch design out the window. Rather, these modern entrées use no set template to create inspirational and wholly satisfying main dishes, giving as much attention to vegetable cookery as they do to protein.

Tomato Cake with smoked feta

—*Dirt Candy, New York*

Entrées laden with a variety of vegetables are visually impactful and promise a rich textural experience. While these dishes can easily fall into the "healthy" section of the menu, and are often vegetarian or vegan-friendly, the key is that these modern entrées are designed to be appealing to all.

Trend Translation

Vegetables are so much more than the forgotten side whose role is to make people feel better about the healthfulness of their meal. No longer the also-ran to protein's starring role, vegetables are the driver for some of the most exciting innovation happening in foodservice today.

And why not? Nothing is more visually stunning than a fresh-from-the-vine tomato or a well-prepared eggplant. Vegetables offer not only a rainbow of color possibilities but also an almost endless array of textural options. Increasing the vegetable presence in a dish can create a greater healthful perception while also increasing the perceived value by giving the dish greater heft and plate coverage, often without significantly increasing the cost or diminishing the profit margin. Furthermore, Americans continue to learn how to better leverage vegetables to create incredibly satisfying veg-centric items, thanks to the growing breadth of world cuisines—many of which treat vegetables as the star.

Consider how to increase the presence of vegetables on your menu, either by mindfully adding them to current items or introducing new options.

This article was edited for content due to space constraints. Please go to www.restaurantnutrition.com to see the full article.

Sustainability Scoop

Operators Look to Conserve Water Use, Surveys Finds

www.restaurant.org, August 21, 2018

Restaurants need water to conduct daily operations. Cooking, cleaning, dishwashing, and heating and cooling can't be completed without it. Those activities, however, can take a toll on both the bottom line and natural resources.

According to National Restaurant Association research, more restaurateurs are conscious of the amount of water their businesses use and are actively taking steps to conserve it. In our survey of 500 restaurant owners and operators, we looked at measures taken to reduce water usage nationally. Here are some stats we uncovered:

- **27 percent of restaurant operators** use low-flow faucet aerators in their hand sinks. Adding these devices, which cost about \$3 each, can reduce hot-water use at a hand sink by 60 percent. **The savings:** Based on as little as 15 minutes of use per day, could save 9,000 gallons of hot water per sink, per year.
- **45 percent of consumers** say they consider conservation efforts an important factor when choosing a restaurant to dine at.
- **More than four in 10** restaurant operators say they use low-flush toilets, also known as low-flow or high-efficiency toilets.

Restaurants and other hospitality-related businesses, including hotels and foodservice operations, account for nearly 15 percent of commercial/institutional water use in the United States, officials of the U.S. Environmental Protection Agency's WaterSense program report. Here's a snapshot of the agency's stats on restaurant water use:

- **52 percent** of water use occurs in the kitchen and during dishwashing
- **31 percent** of use occurs during cleanup or in the restroom
- **12 percent** of use happens during other, daily activities
- **4 percent** of use occurs as part of landscaping/lawn care
- **1 percent** is tied to the restaurant's cooling and heating infrastructure

PRODUCE BAROMETER

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



AUG/SEPT CALENDAR

August-All Month

National Sandwich Month

August 30th - Sept 3rd

National Sweet Corn Week

August 27th

National Burger Day

August 29th

More Herbs, Less Salt Day

August 31st

Eat Outside Day

Hendersonville, NC Weather

Fri Aug 24	Sat Aug 25	Sun Aug 26	Mon Aug 27	Tue Aug 28
76°F	78°F	81°F	84°F	86°F
59°F	64°F	66°F	68°F	67°F
N 7 MPH	NE 3 MPH	N 3 MPH	N 3 MPH	NNE 3 MPH
Precip 10%	Precip 10%	Precip 20%	Precip 20%	Precip 20%

KEEP YOUR EYE ON THE CONSUMER

How Will Gen Z's Educated Consumers Impact Food and Grocery?

By: Krishna Thakker, www.fooddive.com, August 17, 2018

Dive Brief:

-Generation Z is considered the most educated group of teens on the topics of health and wellness, but they are not letting related concerns impact their food and beverage choices yet, according to a new Hartman Group study.
-Most Gen Zers do much of their own food prep, and are comfortable in the kitchen, the study said. They tend to see cooking as an easily accessible life skill for anyone with an internet connection.
-The generation is the most diverse and connected in U.S. history, and this is expected to have a major impact on their food and lifestyle choices, the study says. This generation is defined in the study as people currently between ages 12 and 20.

Dive Insight:

Millennials are a major disruptor of the retail industry and experts are wondering if Generation Z will follow in their footsteps or create a path of their own. Known to be the most diverse, independent, politically and socially aware set of consumers, Gen Z is expected to demand even more from retailers and brands.

With the oldest members of Generation Z just entering their 20s and the youngest being 12, most are still relying on their parents to purchase their groceries. Their shopping and eating habits may be more reflective of teenagers in general than their specific generation. Generation Z grew up with parents who instilled healthy eating at a young age and classrooms that emphasized the importance of wellness. They grew up to expect brands to provide more than just clean foods.

Gen Z sees food as a form of self-expression. They are looking for brands that connect with them on a personal level, and big brands may have a hard time offering that as easily as smaller brands. That's why small brands that value authenticity tend to do better with this generation.

Although this generation currently doesn't do household shopping, members know their way around the kitchen. With busy parents, Gen Zers cook for themselves and eat alone for most meals. Although this sounds like a tough task, technology has made it more accessible. None have lived in a world without wireless internet and mobile phones and they tend to be connected to food through their phones. Clickable recipes could be a winner for this generation. Even though they are comfortable in the kitchen, Gen Zers may not use many of the tools there. Another study by the NPD group says that 58% of the meals they make don't use any appliances — so it's not surprising they may prefer snacking over meals.

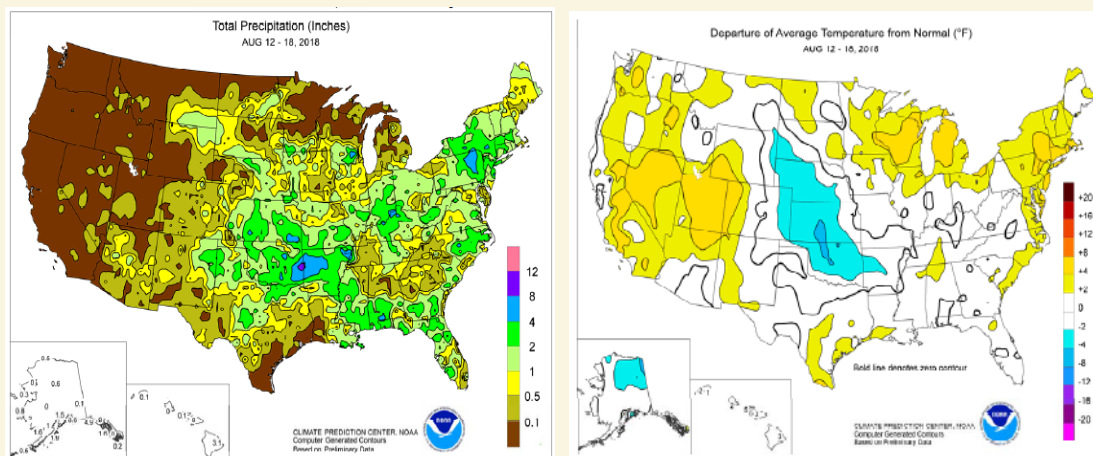
With the rise of better-for-you snacks and beverages, Gen Zers prefer plant-based beef alternatives, ramen, yogurt, sparkling water like LaCroix and frozen ethnic foods. The study says they are most likely to shop in convenience stores and use vending machines.

So far, Gen Zers don't have as much brand loyalty as previous generations — which could lead to the demise of loyalty programs that are so important to millennials. Like millennials, however, Gen Zers prioritize fast and frictionless transactions. Retailers are working on perfecting their same-day delivery, curbside pickup, and mobile checkout options before this generation flood grocery stores.

As an up-and-coming generation, Gen Zers are the focus of several consumer studies — and not all of them have the same conclusions. An NPD Group study found Gen Zers prefer shopping in brick-and-mortar stores because they value the hands-on experience. However, work can be done on both the digital and physical store. If grocers work on perfecting the digital experience, it could drive the techy Gen Z group to sites, apps and stores.

NATIONAL WEATHER SPOTLIGHT

Weekly Precipitation and Temperature Deviation



NEWS IN THE GROCERY TRADE

Old Fashioned Shortcuts Still Winning Over Online Orders, Meal Kits

By: Ashley Nickle, www.thepacker.com, August 16, 2018

Americans continue to name takeout and restaurants as their go-to time savers when it comes to food, rather than online grocery orders and meal kits.

In a Gallup poll of about 1,000 people, 84% said they never order groceries online for pickup or delivery, and 89% said they never order meal kits with fresh ingredients.

Responses showed that people are certainly looking for convenience; 45% said they eat out at least once a week, and 31% said they order takeout at least once a week.

Parents and higher-income shoppers overindex on online grocery ordering. Among respondents with children 18 or younger, 14% said they order groceries online at least monthly. Among respondents with a household income of \$75,000 or more, 12% of people said they ordered groceries online at least once a month.

Gallup pinpointed those groups as the key audiences for the service and offered a reason for the lack of broader use of online grocery ordering.

"Services ... that cut out the trip to the grocery store appeal mainly to those short on time — parents with children younger than age 18 and employed adults," Gallup wrote in its summary of the poll results. "Higher-income Americans are also bigger adopters of grocery delivery, either because higher income means they can afford more groceries or because they have greater access to mobile technology like smartphones and tablets that make ordering online easier. More generally, Americans may just not like to think that far in advance when it comes to what to eat."

Gallup commented that, given the willingness of Americans to make other purchases online, technology is not the key barrier to online grocery growth. "Food can be one of the biggest line items in people's household budget, and going to the store — including comparison shopping among stores — may afford more control over getting the lowest prices," Gallup wrote in its summary. "Others may simply enjoy browsing a grocery store for inspiration, prefer to pick out their own perishables or not want to plan ahead for meals. If dinner is not in the fridge, then a trip to the store or a restaurant solves the problem. And if that's too much trouble, there's always takeout."

While penetration of online grocery shopping remains limited, retailers continue investing in adding pickup and delivery options at their stores.



**MARK YOUR CALENDAR
PACK YOUR BAGS!**
September 25-27, 2018
Florida Fruit & Vegetable Association's
75th Annual Convention
The Ritz-Carlton
Naples, FL
www.ffva.com

October 19-20, 2018
PMA Fresh Summit Convention & Expo
Orange County Convention Center
Orlando, FL
www.pma.com/events/freshsummit
Come join #TeamLipman at Booth 1728!

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