



MARKET UPDATE

Tomatoes: Patiently waiting for the transition to Fall crops, the East continues to struggle with round and roma volumes and quality this week. Quality has been very hit or miss on the available fruit, depending on the specific field location, precipitation on the crop, and whether it is from earlier or later picks. Virginia is on tap to start Fall round harvests this weekend or early next week, pending weather, while other areas (TN, NC, AL) may be another 7-14 days before moving into new plantings. Grape tomato numbers have been in a lull for the past few weeks, but are coming into better numbers this week. Although it varies by area, Virginia farms report nice quality on grapes.

Round and roma tomato yields out of the San Joaquin Valley in CA remain light this week due to bloom drop from previous heat. Baja's production is also lighter as farms await the transition to Fall plantings in mid-late September. Fortunately, there are consistent numbers from Oceanside, CA and Eastern Mexico, helping to keep supply at moderate levels. Grape tomatoes are limited out of Baja and quality is just fair. New crops will come on after Labor Day, but there are rumblings of potential issues with the newer blocks.

Bell Peppers: Bell pepper numbers are adequate but scattered in the East with product available in NJ, NY, MI, NC and several other states. Michigan has been struggling with weather-related quality concerns but growers in more southern areas are beginning to see some improvements. California producers continue to provide solid quality and volumes despite transitioning into new fields/blocks. With the Northwest also in steady production, Western markets are in good shape on bell peppers.

Cucumbers: With Baja's significantly reduced production, cucumbers continue to be very short in the West. Expect more of the same until mid-September, when new crops start up.

On a positive note, quality continues to be nice on the fruit that is available. Eastern cucumber volumes have definitely been on the lighter side this week as rain and weather have affected yields and quality in most of the current growing areas. With Eastern NC breaking into Fall fields this week, NJ moving into new plantings next week and GA 2-3 weeks away, better quality and volumes are on the way

Summer Squash: Eastern squash numbers have been lighter this week, but there are many areas in production and an adequate amount of product available. Quality can vary significantly, as there are both old and new fields in production. Look for some quality improvements as growers in NC, GA, and SC move deeper into new crops/plantings. In the West, Santa Maria is seeing a dip in production as growers battle crop disease and move toward the seasonal decline. Product will be on the limited side until Mainland Mexico gets underway in about 3 weeks. Baja is starting new zucchini fields this week and should have appreciable volume in another 5-7 days.

Eggplant: The Fresno, CA area has a good supply of eggplant to offer this week and should continue for at least the next 10-14 days. The East also has ample eggplant available to meet market needs, with larger volumes coming out of NJ, MI and SC. Quality is strong out of NJ and average or better from other areas. Look for new crops to come on in the Southeast over the next few weeks.

Green Beans: Bean availability is adequate in the East with the strongest harvests coming from MI, NY and VA. MI beans have some quality concerns due to rain, but overall quality is acceptable. 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.

TRANSPORTATION FACTS

*The national average price for diesel fuel moved up \$.02 this week, coming in at \$3.23 per gallon.

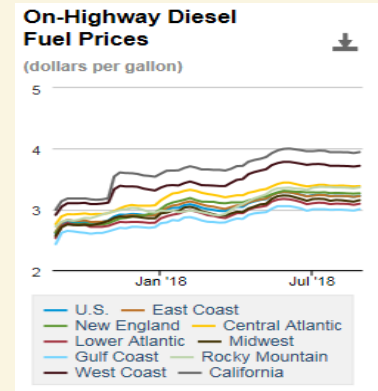
* The average price for a gallon of diesel is \$.62 higher than the same time last year.

* All areas reported price increases with the most notable in the Midwest, where a gallon of diesel fuel is \$.024 per gallon higher than it was last week.

*California maintains its role as the high-price leader at \$3.95 per gallon. As usual, the Gulf Coast region offers the lowest price at \$3.00.

*The WTI Crude Oil price rose again this week, moving from \$67.35 to \$68.53 per barrel (up 1.8%).

*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 and in California.



Source: Energy Information Administration

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AN APPLE A DAY

Where the Restaurant Industry Stands with Health

By: Maggie Hennessy, www.qsrmagazine.com, August 2018

In the last decade, health and nutrition have become as much a part of the limited-service conversation as speed and convenience. Customers started to demand healthier menu options and more responsibly raised and sourced ingredients, and quick-service and fast-casual restaurants had no choice but to answer demand. Major quick-service brands are rolling out clean ingredients, while emerging fast casuals are innovating with vegetables and superfoods.

So where do we stand today with health and nutrition? Was it just a trend, or is the movement only getting started? We dug into the research to get a glimpse at what healthy means in 2018.

INCOME GAP

Progress is an arduous business, fraught with setbacks and contradictions. Take, for instance, the American diet. On the whole, U.S. consumers are eating better. In the decade leading up to 2012, the number of Americans with a poor diet fell from 56 percent to just under 46 percent, according to a Journal of the American Medical Association (Jama) study published in 2016. And yet just 2 percent of us follow what the American Heart Association calls the ideal diet, which consists of lots of fruits, vegetables, nuts, whole grains, and fish, and minimal sugar, salt, processed meat, and saturated fat. Unsurprisingly, class plays a huge role in these disparities. Just over 38 percent of low-income people (making \$30,000 or less annually for a family of four) meet 80 percent of the ideal diet requirements, compared with 62 percent of high-income people (making \$69,000-plus for a family of four).

THE FUTURE IS FUNCTIONAL

According to Datassential's 2018 report Plant-Forward Eating, three-quarters of all operators offer at least some kinds of functional or superfoods. Two-thirds offer mainstream varieties, such as salmon or blueberries, while just over one in 10 provides next-level superfoods like chia seeds or turmeric. Fast-casual restaurants—which are the most likely to feature superfoods—are seeing triple-digit growth in superfood penetration. Casual dining shows low penetration but the highest growth among segments; overall, most growth has come within the past three years.

Whether the future ultimately lies in feel-good or functional foods or some combination thereof, the limited-service industry's affordability and accessibility puts it front and center in the quest to

close the diet quality gap.

"Some great changes have taken place and are taking place in the restaurant industry. We're already seeing quick serves adding more whole grains ... and fruit and vegetable sides," says Anita Jones-Mueller, president of Healthy Dining. "The bottom line is it absolutely has to take place. Operators won't stay in business if they're not in front of these trends and how people are eating and the level of quality they want in food."

VEGGIE BURGERS GROW UP

Dually touted as a solution to rising obesity and a path toward a more sustainable food system, plant-centric eating in the U.S. has perhaps never enjoyed quite the momentum it has right now. About a third of consumers are either limiting their meat and poultry consumption or eliminating it altogether in favor of plant-based alternatives—citing everything from the health to flavor to trendiness of these products, according to a February 2018 survey by Datassential.

Veggie-forward cuisine, environmental sustainability, and vegetarian and vegan foods also remain high on chefs' hottest culinary concept trend lists for 2018, per the National Restaurant Association's What's Hot survey of 700 American Culinary Federation chefs. Behind the scenes, manufacturers and chefs have been slowly transforming the once-sad veggie burger into a craveable modern marvel. On one side, a meat analog so convincing it "bleeds" like meat with a similar texture; on the other, a flavor-rich, handmade patty that celebrates the best of the wealth of grains, nuts, seeds, and vegetables

MEAT THEM HALFWAY

The major quick-service chains may not be about to jump on the veggie-burger bandwagon, but that doesn't mean it's impossible for them to innovate with plant-forward options. "Burgers are a ripe area for innovation in plant-based development, and where we see the most interest from consumers right now, along with willingness to pay a premium—especially from younger generations, like millennials and Gen Z," says Datassential's Marie Molde, a registered dietitian.

MENU LABELING GETS PERSONAL

A lot has changed in the 10 years since Anita Jones-Mueller launched Healthy Dining Finder, the online search tool for dietitian-approved dining. Obesity is growing, as is the number of Americans

with diabetes, pre-diabetes, and high blood pressure, per the Centers for Disease Control and Prevention.

But it's not all bad news. Some 30 million Americans are embracing flexitarian and occasional meatless eating, per a Harris poll for the Vegetarian Resource Group. Healthcare as a whole is shifting its focus more toward prevention, which includes better nutrition. Health and fitness apps have exploded (up 330 percent in the past three years, according to Forbes), which may be less surprising given that 77 percent of Americans now own a smartphone.

If quick-serve chains weren't already preoccupied with nutrition, the enforcement of the federal menu-labeling law in May 2018 thrust it into the limelight as operators scrambled to achieve compliance in time—and perhaps faced some uncomfortable realities about calorie counts in the process.

Enter MyMenu, Healthy Dining's personalized nutrition platform that lets consumers build restaurant meals in real time based on individual health needs and lifestyle preferences. Customers start by setting their nutrient preferences using a slider function (for example, "below 650 calories" or "under 50 grams of carbs"), select items made without allergens, or set restaurant-specific preferences like sustainable seafood or vegetarian. They can also choose from a list of dietitian-vetted choices, like sodium savvy or weight control. A list of menu items meeting those criteria appears with photos, each with its own landing page where the customer can change the size or add protein, all while MyMenu recalculates nutritionals in real time.

The web-, tablet-, and mobile-enabled platform is integrated into restaurants' websites and online ordering systems and customized based on each brand's style and available nutrition information. The cloud-based program digitally stores, organizes, and maintains nutrition information through customized updates. It took two years to develop MyMenu, and at press time, 10 restaurants had signed on to the platform. Two of the brands logged 75,000 customer searches in the first two months alone, according to analytics tracked by Healthy Dining.

This article has been edited for length and content. To see the entire article, please go to www.qsrmagazine.com

Restaurant Industry News

Report: Consumers Using 'Near Me' Searches on Smartphones to Choose Restaurants

www.restaurantnews.com, August 28, 2018

Google "near me" searches are up 200 percent, according to an Uberall report that surveyed more than 1,000 smartphone users across the US to understand their "near me" preferences and behavior, according to a press release.

The Top 5 ways consumers used their smartphones to help them shop, included

1. Researching products (63)
2. Price comparison (62).
3. Search for coupons or deals (56).
4. Check for store hours (54).
5. Find nearby store locations (52).

"Smartphones have become the go-to research companion for consumers," CRO and Co-founder of Uberall Josha Benner, said in the release. "For all the talk of mobile displacing brick-and-mortar shopping, our data finds that these devices are hugely supportive of in-store foot traffic. Checking hours and finding nearby locations were two of the most popular use cases from respondents."

When asked if respondents have ever tried a "near me" search on their mobile devices 82 percent said "yes", while only 18 percent have not. Among millennials, "near me" adoption was even greater, at 92 percent versus 8 percent.

"The restaurant and quick-service industry sees a lot of 'near me' searches," added Benner. "This makes sense given how proximity-based eating is as a behavior. It will likely always hold the top spot. However, 'near me' searches for the other four categories in the top-five will only increase in the future."

PRODUCE BAROMETER

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



SEPTEMBER CALENDAR

September-All Month
 National Fruit and Veggies Month
September 1st-7th
 National Nutrition Week
September 1st
 Franchise Appreciation Day
 National Tailgating Day
September 3rd
 Labor Day
September 5th
 National Cheese Pizza Day

Clinton, NC Weather

Fri Aug 31	Sat Sep 1	Sun Sep 2	Mon Sep 3	Tue Sep 4
91° F	90° F	90° F	91° F	90° F
76° F	75° F	75° F	75° F	73° F
SSW 6 MPH	SSW 5 MPH	SE 6 MPH	NE 6 MPH	NE 6 MPH
Precip 20%	Precip 20%	Precip 20%	Precip 20%	Precip 20%

SUSTAINABILITY SCOOP

Lipman Family Farms' Sustainability Program

By: Kevin Yue- Lipman's Environmental Compliance Engineer, August 28, 2018

Farming is at the core of Lipman, and as such, Lipman has been committed to being good stewards of our natural resources and people since our inception. We continuously look for ways to optimize our inputs and reduce consumption of water and electricity in our farming, packing, and processing operations.

Although Lipman has grown over the decades, our dedication to growing fresh produce through a simple motto of "Doing More with Less" has not wavered. Sustainability and social responsibility are viewed as a fully integrated component of Lipman's daily operations and cultural practices. These concepts are treated as strategic, value-based principles, designed to build efficiency, stewardship and longevity into the company's operations, environmental resources, and people.

Lipman Family Farms is well aware of the sensitivities of the environment and our direct and indirect effects on it. We strive to maintain visibility throughout our practices and regular activities through thorough documentation and tracking systems. To this end, Lipman has developed a Sustainability Program that spans our operations, based on five pillars of focus:

1. Water Management

-Familiarity with local climate and weather changes is vital when considering crop irrigation. Florida has dry seasons as well as a lengthy tourist season where demand for water increases significantly. Lipman is conscious of this issue and works continuously to lower water usage and increase efficiency during its production.

-Agricultural runoff is a major contributor of pesticides and nutrients to surface water. Through proper planning, overall runoff can be reduced, greatly reducing environmental impacts to surface water.

2. Land Management and Soil Health

-Lipman understands and makes efforts to protect the sensitive areas that are unique to South Florida, as well as in our other growing areas.

-We aim to optimize land usage, in terms of both quantity and quality.

-Misuse of pesticides has multiple consequences which Lipman's farmers do not take lightly. Chemical pesticides contribute to runoff water, and can cause genetic resistance in pests leaving crops vulnerable. Lipman strives to optimize the use of chemicals on our crops.

3. Waste Management

-More than half of U.S. waste is landfilled. Greenhouse gasses can be reduced by limiting waste produced or with more sustainable forms of disposal. Lipman evaluates our operations to determine where and when more sustainable materials can be used, including packaging for our customers and the use of plastic to grow our crops.

-Not only is waste generated in the fields and packing houses, but also in our administrative locations. Lipman is working to implement a robust recycling program across the company at our offices with the goal to reduce the amount of waste entering landfills.

4. Energy

-Lipman and our peers in the agricultural sector, like many in other industries, cannot survive without input of energy into its production. Unlike the sun, many of the fuels we consume are not renewable and can be a source of pollution that will affect our environment. Lipman's operations work towards reducing energy consumption where possible in each of our operations.

5. People

-Lipman is committed to sustaining peace and quality of life of our employees by providing a clean, safe work place as well as fair wages.

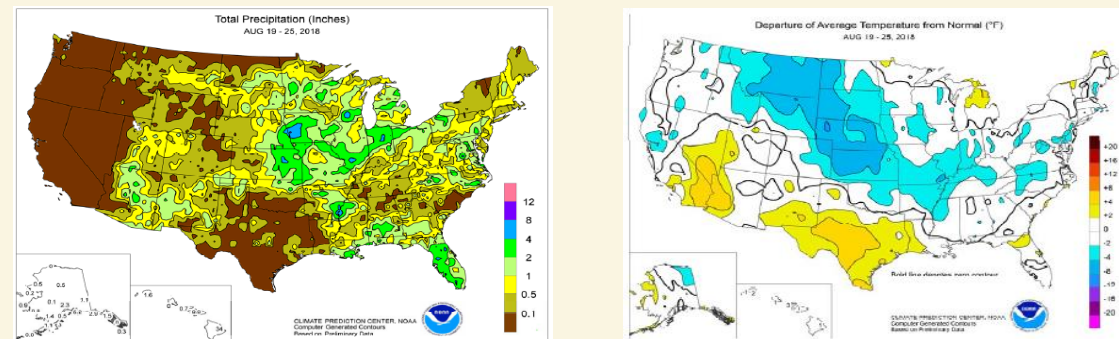
-Not only do we grow produce, we also work to grow leadership within Lipman Family Farms through a variety of training and development opportunities for the next generation.

-Lipman is actively involved with the communities we are located in, focusing on children, education, and hunger relief.

Over the next two months, we will be sharing more in-depth discussions about each pillar of the Lipman Sustainability Program in On the Horizon. You will learn more about our goals in each area and what we are currently doing as we move toward those goals. Stay tuned!

NATIONAL WEATHER SPOTLIGHT

Weekly Precipitation and Temperature Deviation



KEEP YOUR EYE ON THE CONSUMER

NEPC Speaker Suggests Educating Millennials About Produce

By: Ashley Nickle, www.thepacker.com, August 28, 2018

BOSTON — Retailers looking to sell produce to millennials should keep in mind that many millennials don't know much about produce.

Visual Dialogue partner Susan Battista, who leads market research at the branding agency, made this recommendation based on feedback from a focus group with millennials in the Boston metro. Battista notes the lack of knowledge is not necessarily the fault of millennials; they grew up with most fruits and vegetables available year-round.

Speaking Aug. 22 at the New England Produce Council show, Battista challenged retailers to take on the task of educating shoppers about seasonality and normal shelf life.

"We would help manage their expectations," Battista said, noting that the millennials in the focus group had mentioned they wished produce items would last longer.

Along the same lines, she suggested providing usage ideas for items in categories with lots of choices, like lettuce and apples.

"It's a little overwhelming only because they're not educated," Battista said. "It's almost like information overload.

"(For) millennials, maybe there's a little curated section — the basics," Battista said.

Answering the call for more information on the origin of produce is another opportunity, and doing so for local offerings can be especially beneficial, she explained.

As featuring local produce suppliers becomes more popular at restaurants, retailers should build on that name recognition in their signage and with their social media content, Battista said. The millennial focus group equated local with farms with which they're familiar.

"They crave information," Battista said. "They are dying to be educated."

One key reason that millennials want to be more knowledgeable is so they can tell their friends and raise their profile as an informed shopper, Battista said.

Ideally, indulging that thirst for information is doubly beneficial for retailers; the curious shopper is satisfied with answers, and he or she talks with someone else about the store and the produce and what they learned.

Experiences

Battista also encouraged retailers to consider ways to capture millennials for special events that they can then talk about and share on social media.

Grower meet-and-greets, cooking classes that include plating instruction as a finishing touch, and featuring unique displays like intricately carved watermelons could be ways to bring in those shoppers for "Instagrammable" moments. Even demos could be a useful tool.

"Anything that's shiny and new, they're going to try," Battista said. "They're adventurous."

FRESH
TOMATOES

the best of nature™

MARK YOUR CALENDAR
PACK YOUR BAGS!

October 7-9, 2018

Fast Casual Executive Summit
Hyatt Regency Lake Washington at
Seattle's Southport
Seattle, WA
www.fastcasualsummit.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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