



MARKET UPDATE

Overall Update: Our western farming managers have assessed operations in Chihuahua, Sinaloa, Sonora and Baja California where crops have been severely impacted by devastating rains. Many shade houses were damaged, and all have been opened up to allow the crops to dry. The weather has delayed tomato crops in the region, and also impacted quality. We are currently experiencing a shortage in supply and a reduction in quality. These conditions are expected to persist through the end of the year and into 2020. One important piece of information to know: in a hybrid growing environment like shade houses, impacts of precipitation tend to last well into the crop life cycle. In addition to the Mexican weather events, Florida experienced abnormally hot weather in October reducing yields by 25-50% through the month of December. Between both growing regions experiencing adverse weather conditions, we expect supply of many tomatoes and field vegetables to remain scarce for the foreseeable future.

Round Tomatoes: Florida's tomato volume is down this week- about ½ of the volume as last week. Yields are down significantly from previous weather and there are some growers that have a gap as they transition from Ruskin/ Palmetto to South Florida. Palmetto/ Ruskin farms are mostly harvesting 2nds and 3rds and hence, have smaller fruit. Lipman's production will continue to be in the Naples/ Immokalee/ Estero area for the next couple of months. This week has been our lightest of the season, as the variety we're moving into is slow to come on but the numbers will improve at our farms next week. Quality has been very nice on most crown fruit but there are issues from later picks. Western supply is extremely light as Mexico's weather event affected the tail end of Baja crops and has delayed the start of tomatoes crossing at Nogales. Expect quality from most production areas to be on the rough side and volume to be very limited until the 2nd week of January.

Roma Tomatoes: Romas are very similar to the round deal except there's significantly less romas planted in FL. We'll see a bit more volume in January, but it will not be significant enough to meet Eastern demand. On a positive note, roma quality has been nice in the

Sunshine State. Mexico's roma situation is similar to rounds...extremely short. Quality has also been affected significantly by rains.

Grape Tomatoes: Grapes react to cooler weather quickly and the few passes of colder air through FL has slowed things down this week. We look for a few more to come next week, but volume won't increase in a big way until after the 1st of the year. Lipman is harvesting the largest part of its grapes in Naples now, but is continuing to pick and pack the fruit remaining in the R/P area. Mexico still has grapes coming out of Baja but late-season volumes have been affected by the storm. Growers in Mainland areas will also be slow to get rolling for the same reason.

Bell Peppers: With both coasts in the game, Florida is possibly at its peak of the late Fall plantings. More growers have come online this week and supply is strong. Quality is overall good, but there continue to be pesky hit and miss reports of bruising. Looking ahead, we will see less pepper in FL after the first of the year, as acreage is reduced. Despite the prior weather, Mexico producers have been bringing a steady stream of product to the border. However, we are seeing quality issues in open field product while growers make the transition to shade house crops.

Cucumbers: There's very limited volume in Florida and the season is winding down quickly. The story is all about Honduras now. Very light volume has started to trickle in and there are a few more growers that will get rolling next week. However, full seasonal volume won't come until January. Mexico growers are reeling from the effects of the heavy rain and are coming up short, especially on retail grade product. Ranches are already seeing mildew issues. Some were able to spray and will make a crop, but others were not and will be out until February. Availability will be limited for the next few weeks and quality/condition will not be as strong.

Green Beans: Florida bean harvests have been up and down over the past few weeks with quality and volume varying by farm/grower. There's product coming from the usual areas- the Lake, South Florida and Plant City but harvests have been skippy. With less

acreage planted and lighter yields thus far, the FL bean deal will likely stay snug through January. In the West, the area of Culiacan was hit hardest by the rain storms. Major growers have crop issues due to rain, with losses, and not being able to plant their next fields that will have an effect on availability well into January. The Guasave area that is also a major bean growing area received significant rain too. We are seeing an overall 60-70% reduction in bean supply over a normal year from West Mexico. Baja is done for the most part, with the California desert finishing this week. Rust, loss of bloom, beans dragging on the ground and maturity as well as disease are huge issues in some fields.

Summer Squash: With Homestead, South FL and Plant City going, there is good squash volume in the East. Overall, quality has improved this week and has been good on zucchini and mostly good on yellow, aside from issues on fruit from older fields. There is rain in the forecast, so we could see a short-term setback in harvests and some effects on quality going into next week. In the West, we are seeing quality and production issues from Mainland Mexico on all soft squashes. With some better weather patterns in the forecast, we hope to see a slight increase in the numbers over the next few weeks.

Organic Cucumbers: Organic cucumber production has dropped off for the same reasons as conventional cucs. Supply will be snug until new fields start up in January.

Organic Bell Peppers: Although production has dropped a bit, organic green bell crops survived the rain and are available consistently.

Organic Squash: The weather has had a significant impact on organic squash as some crop loss has been reported and the effects of rain have lessened supply of retail-quality fruit. New fields are due to start in January, which should ease the supply situation.

Organic Grape Tomatoes: There's less volume coming out of Baja due to rain and cooler weather. Mainland Mexico has started up but weather has also slowed production there. Look for better supply after the 1st.

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SUSTAINABILITY SCENE

Want Not, Waste Much: 5 Ways to Reduce and Recycle Food Waste

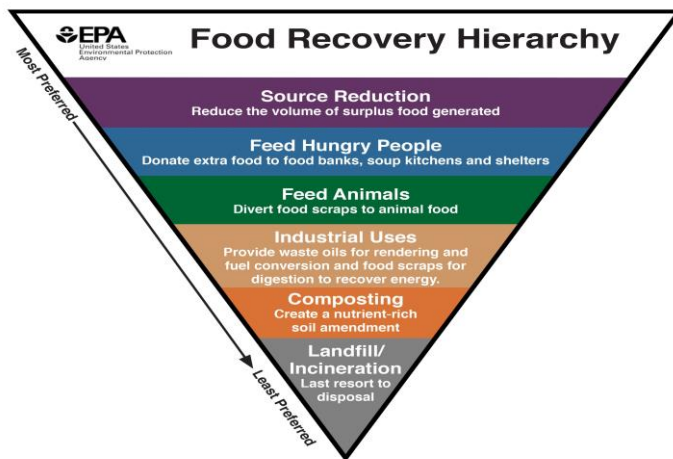
By: Dr. Janeal Yancey- University of Arkansas, www.drovers.com, December 5, 2019

As we look ahead to a new year, many people make New Year's resolutions. Some choose to eat healthier, to help needy people or to help the environment. One impactful change in your daily routine might be right on your plate or, more specifically, in your trash can.

In the U.S., between 30% and 40% of the food produced is wasted, equivalent to about one meal per person per day. There is enough food wasted every second in America to feed 650 people. Farmers know the time, money, heartache and work it takes to produce food, so it is hard to hear that 28% of our world's agricultural lands are used to produce food that is wasted.

Uneaten calories are only part of the problem. All that wasted food that has to go somewhere, and the majority goes to landfills. Food waste is the largest single component of garbage, making up 21% of waste in landfills. As that food decomposes, it produces methane and other greenhouse gasses that are released into the atmosphere.

To combat food waste and keep it out of landfills, the EPA has developed a Food Recovery Hierarchy, things that consumers and producers can do to reduce and recycle food waste.



Source: EPA.gov

Reduce food waste

1. Source reduction – In some cases, just being aware of food waste can help reduce it. This may be as simple as ordering less food or sharing plates or understanding use-by and freeze-dates. Offering choices of the foods, especially in schools, can reduce food waste. One university simply took away trays in their dining halls and saw a reduction in food wasted.
2. Feeding hungry people – Food pantries, homeless shelters and other services for those in need are happy to take food. Some schools have started packing and freezing extra lunchroom food for kids to take home.
3. Feeding animals – Although there are legal limits to waste food being fed to swine, there are several good solutions that include feeding food waste to other animals.

Recycle food waste

4. Industrial uses – Fats and oils from food waste can be diverted to renderers and digesters to produce animal feed ingredients, industrial products like cosmetics and soaps, biodiesel or biogas.
5. Composting – What can't be used to produce biofuels can be made into compost to fertilize soil to produce more food.

Individually, reducing food waste has a bigger impact on the environment than anything else you can do. Although not everyone has access to all these reduction and recycle steps in the food recovery hierarchy, all consumers have a voice to encourage industry to be aware of their food waste stream and can push to do something about it.



TRANSPORTATION FACTS

*After 4 weeks at \$3.07, the average national diesel price dropped \$.02, coming in at \$3.05 per gallon.

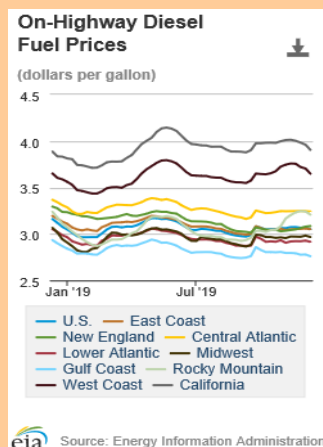
* The average price for a gallon of diesel is \$.11 less than the same time last year.

* All but one zone reported price reductions of \$.01 to \$.06. The lone price increase came from the New England area where a gallon of diesel rose less than \$.01.

*California's fuel price tops the charts at \$3.90 per gallon while the Gulf Coast remains the low-price leader at \$2.76 per gallon.

*The WTI Crude Oil price rose 0.6% this week, moving slightly from \$58.43 to \$58.76 per barrel.

*Transportation is coming up a little short in the San Joaquin Valley in California while there's a slight surplus at Nogales. All other areas report adequate levels of trucks available.



Source: Energy Information Administration



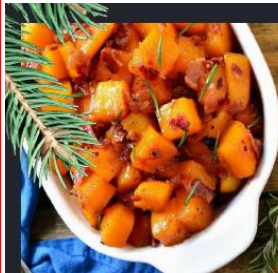
FRESH CUT FOCUS

Holiday Entertaining

Contributed By: Johnathan Maldonado, Manager of Innovation/Product Development- Lipman Dallas, TX

Lipman's fresh cut product line provides you with the best of nature, cut fresh and packed for convenience year round. Our product-specific processing and patented packaging drives optimal shelf life – meaning you'll receive only the best product, every time. And this produce not only tastes good... it helps customers save valuable time in the kitchen, and the convenient packaging also reduces the risk of foodborne illness, by decreasing the opportunity for cross-contamination.

This month's focus is on holiday entertaining with our fresh-cut products. For more information, please reach out to your usual Lipman contact or one of our fresh cut specialists: Johnathan Maldonado at 214.907.0695, Chris Daulerio- East at 215.870.8956 or Brian Arbini- West at 209.402.5184.



Maple bacon roasted butternut squash with fresh rosemary



Roasted butternut squash with herb ricotta and fresh arugula



Roasted butternut squash and quinoa with kale and pomegranate seeds



Roasted butternut squash with cream cheese, caramelized onion and fried sage leaves

Comfort Food Ingredients

Without the Uncomfortable Post-Meal Feeling

LIPMAN INGREDIENTS:

- Diced Butternut Squash

KIT VERSATILITY:

- Foodservice items
- Salad bars
- Behind the glass deli
- National accounts
- Kits sold for repack at store level



PRODUCE BAROMETER

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



DECEMBER CALENDAR

All Month

Stress-Free Family Holiday Month

Food Service Safety Month

December 15th-21st

Gluten-Free Baking Week

December 19th

National Re-Gifting Day

December 20th

National Ugly Christmas Sweater Day

Estero, FL Weather

Fri Dec 13	Sat Dec 14	Sun Dec 15	Mon Dec 16	Tue Dec 17
80° F	79° F	78° F	82° F	81° F
66° F	60° F	60° F	65° F	67° F
E 6 MPH	SW 11 MPH	NNE 2 MPH	E 7 MPH	ESE 7 MPH
Precip 20%	Precip 20%			Precip 40%

RESTAURANT INDUSTRY NEWS

Don't Forget About Gen X Customers

By: Amanda Baltazar, www.qsrmagazine.com, December 2019

Millennial-friendly marketing? Check. Gen Z appeal? Check. Attracting Gen X? Wait, who are they again? Oftentimes, Gen X is forgotten when it comes to target demographics and consumer research. "It is an average generation and very representative of the total population," says Susan Schwallie, executive director of food and beverage consumption for the NPD Group in Chicago.

There are around 65 million Gen Xers in the U.S. today, and while they are the smallest generation, they're at the peak of their earning power. According to market research company Datassential, they make up 31 percent of total income in the nation, though they comprise only around 25 percent of the population. The group is an important one for quick-serve and fast-casual restaurant operators: When members of Gen X go out to eat, 80 percent of the time they're choosing one of those restaurants, as opposed to full-service operations. Plus, they spend more on food than any other generation, Datassential's May 2018 "Generations of Change" Gen X report found. Operators ignore these consumers at their own peril.

The age range of Gen X falls between almost 40 and 54 years old. It's a group that grew up with brands, and most Gen Xers "gravitate to brands as a reliable habit," Schwallie says. As for what today's brands need to offer to this demographic, practicality is key. Above all else, Gen X is looking for family-friendly restaurants. Many members of this generation—the first in which women were encouraged to have their own careers—had children later, and still have kids at home. This group is looking for a restaurant "they trust and that's reliable," Schwallie says, whereas Gen Z is looking for an experience. Gen Xers, she adds, "don't seek out food for a social experience, but are much more pragmatic."

Health is also important. Since the front end of this generation falls around 54 years old, nutrition is becoming more important to them. "It's a bonus if they can go somewhere and get something that's beneficial or offers some sort of wellness," Schwallie says. Datassential research finds that these consumers are probably looking to up their fruit, vegetable, and whole-grain consumption and decrease their consumption of high-caloric beverages (energy drinks, alcohol, soda) and indulgent foods. At the same time, though, members of this generation are more set in their ways, having completed much of their culinary exploration in younger years.

Value is also key. Although most Gen Xers are fairly secure, many are also facing extra financial burdens, such as taking care of aging parents and children at the same time, says market research company Euromonitor. Because of this, they're cautious in their spending and more likely to be interested in restaurants with reward programs. Especially if they're feeding a family, Schwallie says, loyalty programs and some decent value are important to them. In return, Gen X consumers will be loyal to the restaurants they like best. Datassential reports that they are generally willing to go at least somewhat out of their way for a place they love. In fact, 86 percent of them returned to a favorite restaurant the last time they ate out. Additionally, Datassential reports that almost two-thirds of Gen Xers had a good idea of where they were going to eat out ahead of time, with only the remainder making last-minute decisions.

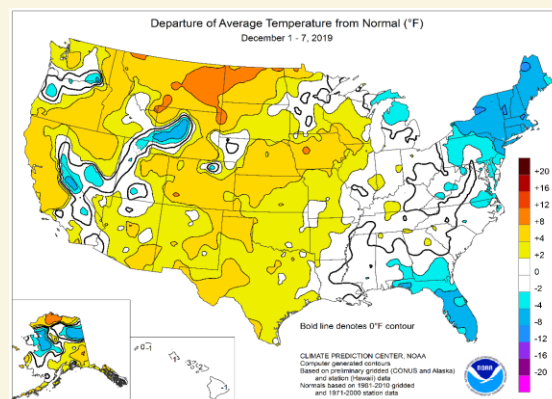
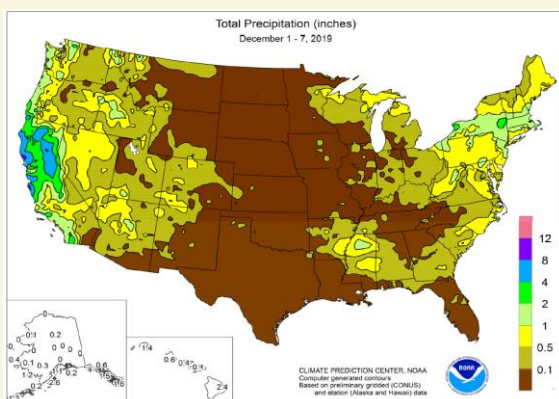
This demographic doesn't self-identify as foodies as often as millennials and Gen Z's, but they'll return to a restaurant with food that impresses them. Topping their list of what's important when dining out is freshness, followed by taste, cleanliness, value, consistent quality, and affordability, Datassential reports. Gen Xers also like to have some control, and customization is high on their list of priorities. Build-your-own, all-you-can-eat, self-serve buffets and their ilk are popular, and they also like to order full meal packages that include beverages and desserts for a set price—if building these combos themselves, of course.

While serving outstanding or gourmet menu items doesn't necessarily wow Gen X consumers, Datassential reports that technology doesn't overly impress this generation, either. When it comes to ordering, old-fashioned human contact is important, with 83 percent of these customers preferring to order their food via person rather than kiosk or tablet.

With a hefty amount of spending power, kids and elderly parents to feed, and a generous reserve of brand loyalty, Gen Xers are a valuable group for brands to consider. This generation might often be forgotten, but it serves operators best to keep them in mind.

NATIONAL WEATHER SPOTLIGHT

Last Week's Precipitation Totals and Average Temperature Deviations



MARKETING MINUTE

Industry Viewpoint: 2020 Marketing Trends

By: Amanda Keefer, www.theproducenews.com, December 10, 2019

If you touch marketing efforts in any way within your organization, you know it's a whirlwind of changing platforms, changing language and something around every corner that needs an update or a fix. After digesting a lot of information about what's to come in 2020, I've narrowed down a few key areas of interest for the industry to keep an eye on.

Shoppable Posts

As if we didn't have enough to think about when it comes to shopping online, consumers are now making purchases through shoppable posts on social platforms. Two of the largest platforms being shopped are Pinterest and Instagram. According to Hootsuite, 130 million Instagram users tap on shopping posts every month and this number is predicted to grow in 2020.

Interactive Experiences

Pop up grocery stores have been, pun intended, popping up all over featuring the latest and greatest in trendy new products. New York based Pop Up Grocer, is a traveling pop-up grocery store, showcasing hundreds of products from the most innovative and exciting natural food brands. This company does a great job of executing the Pop Up, but also sharing new products and insight from the event on their Instagram. Consumers are looking for experiences. It might mean a little extra brainstorming at the marketing team meeting, but figuring out how to give your customer an experience, will go a long way.

Email Marketing is Not Dead

As if giving consumers an experience wasn't enough, personalizing email lists in a way that categorizes interests of your current subscribers can make or break an email open. Today's consumer appreciates receiving information curated just for them. Whether it be a grocer's weekly special buys, content around vegetarian eating or family-focused content, receiving an email with personalized curated content makes the receiver feel that "they get me." At Produce for Kids we are able to see how our emails are received, where people are clicking and move them to segmented lists as our email platform logs click patterns.

Optimizing for Voice Search

The number of households asking Alexa, Siri and Google Home questions continue to grow. According to Google, 20 percent of queries on Google's mobile app and Android devices are voice searches. According to Comscore, 50 percent of all searches will be voice searches in 2020. According to Neil Patel, co-founder of NP Digital, there are three simple things to make sure you are set up for voice search.

Cross check on your website that it is an https site; ensure you are providing accurate links, authoritative content and providing a good user experience; and be sure your website is fast loading. Lastly, include short answers within your content. The way you would ask "Alexa, when are persimmons in season?" or "Alexa, where is hummus on sale nearby?"

Creative Advertising

Podcasts are definitely a new avenue for advertisers to reach the coveted share of ear of the current 51 percent of Americans over age 12 listening to podcasts. Investing in content creators who can share your stories to their audiences continues to be another way to reach consumers. Online media outlets are offering more digital experiences included in their media kits. Traditional advertising is going by the wayside, and those overseeing a company's advertising budget are looking for more than traditional ads.

SERP SEO

Websites are finally seeing organic traffic we have worked so hard for, but don't settle in just yet. With Google's page 1 real estate slowly slipping away to ads, maps, media elements and featured snippets, even excellent organic website traffic will face a certain doom as links slip further and further to the dreaded Google page 2. If you work with a website company or have an in-house team, it's worth the ask to see what plan is in place when it comes to SERP SEO.

FRESH
TOMATOES

the best of nature™

MARK YOUR CALENDAR
& PACK YOUR BAGS!

January 9-12, 2020

Southeast Regional Fruit & Vegetable Conference
Savannah International Trade & Convention Center
Savannah, GA
www.seregionalconference.org

January 9-11, 2020

Global Organic Produce Expo
Fontainebleau Luxury Hotel
Miami Beach, FL
www.thepacker.com/gopex

CREATED BY LIPMAN FOR OUR
VALUED CUSTOMERS



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