



MARKET UPDATE

Tomatoes: Florida tomato farms are slowly and gradually getting back into production, although a round of cool weather last week slowed things down a little. With warmer weather expected, we should begin to see numbers on all varieties begin to gain some steam over the next two weeks. Holidays will impact picking and packing and the supply chain continues to be empty, so look for availability to be strained until after the first of the year. Quality is very nice on the earlier fruit.

Culiacan, Mexico's round and roma production is gradually increasing as more growers come on board and warmer weather moves into the area. Larger sizes are limited this week, but that should improve, along with production, as we move into the New Year. In their seasonal declines, Baja and Eastern Mexico continue to bring fruit to market, but there have been some quality concerns on the late-season product. Grape tomato production continues to be light but should increase in a few weeks.

Bell Peppers: Florida farms are seeing steady harvests and nice quality on bell peppers this week. With growers in various picking stages, the sizing mix has also been good. Mexico's farms are now going strong and have good-quality fruit to offer with strong walls, good color, and nice shape.

Cucumbers: With Baja's cucumber season ending, Western markets are now focused on Mainland Mexico's production. Supply and quality have been good, but we could see a dip in volume next week as cold weather is forecasted for the weekend. Eastern supply has tightened up this week for two reasons: 1) Some Florida crops were damaged by cold weather and 2) Honduras has encountered a transportation issue due to political unrest in the country.

Summer Squash: Cool weather continues to affect squash production in both Florida and Mexico. Volumes

are light this week, especially on good quality yellow, but should pick up as warmer weather returns.

Green Beans: Green bean crops around the lake area in Florida received some frost damage, which has reduced Eastern supply significantly this week. However, South Florida also has light volumes to offer and quality is nice. Guasave, continues to have steady numbers, but other Mexican growing areas are experiencing quality and production issues, which has lightened overall supply.

Eggplant: Cooler weather has slowed Florida's eggplant growth, but supply is adequate and quality remains nice. Mexico's farms continue to bring plenty of eggs in at Nogales as well.

Hard Squash: With limited volumes of acorn and butternut and poor quality on spaghetti in Florida, the majority of the country's hard squash supply is coming from Mexico. Overall quality is good, despite some reports of ground scarring and light color.

Chili Peppers: With Sonora and Sinaloa in steady production, chili pepper availability is good on all varieties except habanero. A strong national market is keeping most of the habaneros south of the border. Florida continues to offer light volumes to Eastern markets.

Please Note: On the Horizon will not be published next week, but will return in the New Year on January 4th. See you in 2018!



TRANSPORTATION FACTS

*The National Diesel Average dropped almost \$.01 this week, moving from \$2.91 to \$2.90 per gallon.

* The average price for a gallon of diesel fuel is \$.37 higher than the same time last year.

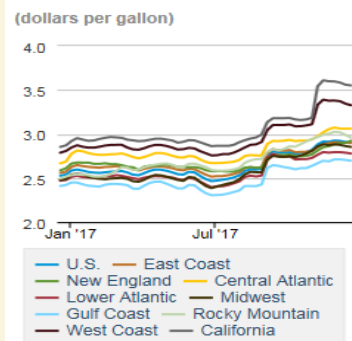
* Prices declined in all reporting areas except New England where the cost of a gallon of fuel rose \$.02.

*As usual, California is the high price leader for diesel fuel at \$3.55 while the Gulf Coast region continues to offer the best bargain at \$2.70 per gallon.

*The WTI Crude Oil price jumped 2.6% this week, moving from \$56.60 to \$58.09 per barrel.

*Vegetable and tomato transportation is short in many places in the country this week due to a combination of holiday schedules and new electronic logging requirements.

On-Highway Diesel Fuel Prices



Source: Energy Information Administration

ON THE HORIZON CONTENTS

Restaurant Industry News- page 2

Lipman Holidays- page 3

Keep Your Eye on the Consumer - page 4

News in the Grocery Trade- page 5

Produce Barometer-page 3

December Calendar- page 3

National Weather Spotlight- page 4

Pack Your Bags - page 5

RESTAURANT INDUSTRY NEWS

Foodservice Consumers Will Look for New Level of Convenience in 2018

www.csnews.com, December 18, 2017

Although U.S. foodservice industry growth is slow, changes are taking place that will help move it in a positive direction, according to The NPD Group.

The organization forecasts flat to sluggish traffic growth for 2018, but that trajectory could change, according to Bonnie Riggs, restaurant industry analyst for NPD. By focusing on what consumers want, foodservice marketers can better align their strategies to maximize their relevance in 2018 and beyond.

NPD forecasts that in 2018, consumers will:

Be more strapped for time.

The demand for convenience is growing exponentially and will only continue to grow, especially at dinnertime. Consumers are looking for people to do the cooking for them or make it extremely easy for them to do so at home. As a result, delivered meals will serve as a source of growth alongside other convenient meal solutions.

Order digitally. Text message and mobile app-based ordering both posted strong growth in 2017. Restaurant operators looking to gain more visits and grow their bottom line must decide which convenience-enablers are worthy of investment. One size does not fit all, making it imperative to understand customers' wants and needs from a technology standpoint. Operating in a digital world is no longer a nice-to-have option; it is a must-have to drive traffic in a positive direction.

Couch potatoes. Regardless of where food is sourced or who prepares it, meals are increasingly being prepared at home. Due to a changing workforce, the ease of online shopping, and the boom in streaming entertainment, there are fewer reasons than ever to leave the house. Nearly 50 percent of dinners purchased from a restaurant are consumed at home, and many in-home meals are a blend of dishes people prepare on their own and ready-to-eat meals purchased at a foodservice outlet. Operators can win by making it easier to bring food and beverages home.

Expect excellent customer service. Despite the quickly shrinking labor pool and the restaurant industry's high rate of turnover, having an employee retention program is mandatory, and it should include a process for recruiting, hiring and retaining workers. Satisfied employees are crucial to both employee retention and making customers satisfied with their experience. If greater attention isn't paid to hiring and retaining good employees, labor costs will escalate at a greater rate while customer satisfaction and revisit intent will decline. In 2018, foodservice operators will respond by:

Offering value. Quick-service restaurants have historically grown their business by offering value menus, but over the past few years, lower priced offerings have not been promoted as frequently. With traffic nearly at a standstill, some are focusing on the

lower end of the price spectrum again, and another round of value wars is likely to begin.

Enticing with limited time offers. Limited-time offers (LTOs) will play an even greater role in restaurant operators' marketing initiatives in 2018. These incentives appeal to both heavy and lighter buyers, but marketers need to focus on developing strategies to attract the lighter buyers, as the industry has long underestimated their importance. LTOs will likely play an even greater role in this.

Encouraging visits with loyalty programs. These programs are high on the list of incentives that would lead consumers to visit restaurants more often. Although loyalty programs are not new to the restaurant industry, technology has changed how they are executed. This requires developing programs that meet consumer needs using digital as a primary delivery tool. In 2017, multiple major chains launched loyalty programs to drive frequency, and many more are expected to follow.

"Engaging customers remains the key to every operator's success. In this challenging environment there are many examples of major chains, micro chains, and independents that thrive because they give consumers a great experience, superior food quality, and excellence in service," Riggs said. "In other words, they give people a reason to visit. These fundamentals are necessary for success across every industry segment — today and beyond."

#TeamLipman wishes you a wonderful holiday season and a Happy New Year!



Congratulations to these festive and creative winners of the cubicle decorating contest at the Lipman Farm Center!



Andrew- 1st Place



Kathleen and Yumna- 3rd Place (tie)



Lorie- 2nd Place (tie)

PRODUCE BAROMETER

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



DECEMBER CALENDAR

All Month
 Quince and Watermelon Month
Last Week (starting Dec 26)
 Kwanzaa
December 25th
 Christmas
December 31st
 Look on the Bright Side Day
 New Year's Eve

Immokalee, FL Weather

Fri Dec 22	Sat Dec 23	Sun Dec 24	Mon Dec 25	Tue Dec 26	Wed Dec 27
82° F	82° F	82° F	77° F	78° F	80° F
61° F	61° F	61° F	58° F	60° F	67° F
N 3 MPH	E 6 MPH	SSW 2 MPH	N 7 MPH	NNE 9 MPH	NNE 9 MPH

KEEP YOUR EYE ON THE CONSUMER

Report: Food and Beverage is Fastest Growing Online Channel

By: Jeff Wells, www.fooddive.com, December 13, 2017

While online grocery shopping has grown rapidly abroad, adoption in the U.S. has been sluggish at best. According to a report by RBC Capital Markets, online grocery sales account for just 2%, or \$16 billion, of the \$800 billion American food retailers take in annually. Compare that to the 7.3% market share retailers in the United Kingdom enjoy, or the 19.7% share in South Korea, and it's clear U.S. grocers are lagging.

According to a recent Gallup poll, 9% of U.S. consumers say they buy groceries online at least once a month, while just 4% say they do so weekly. In contrast, 83% of consumers say they visit their local grocery store at least once weekly, and nearly all say they visit at least once monthly.

"At this point, online grocery shopping appears to be an adjunct to retail shopping rather than a replacement, as most shoppers whose families purchase groceries online once or twice a month or more say they still visit a store to buy groceries at least once a week," Gallup noted in a recent release.

On the flip side, there's major potential for growth over a long period of time in the U.S. Packaged Facts, for one, predicts online grocery sales gains will accelerate in the coming years, with annual growth increasing from 19.4% between 2013 and 2017 to 27.1% between 2017 and 2022. Packaged Facts predicts online grocery sales will be worth nearly \$42 billion in 2022 — more than triple the market's current value.

According to the research firm, three factors are contributing to this sales acceleration: increased mobile phone usage, improved retail websites and interfaces, and the growth of crowd-sourced services that fulfill online orders.

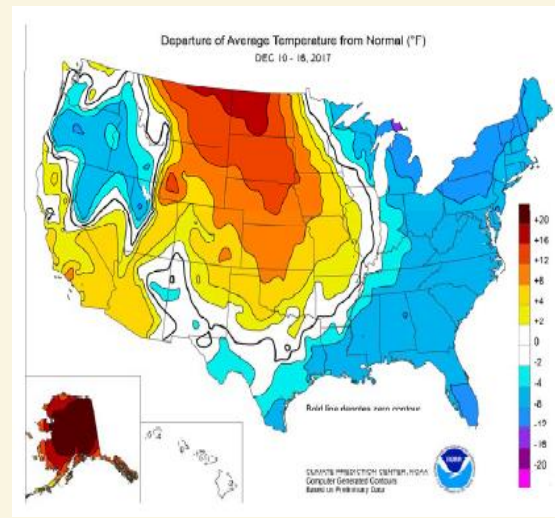
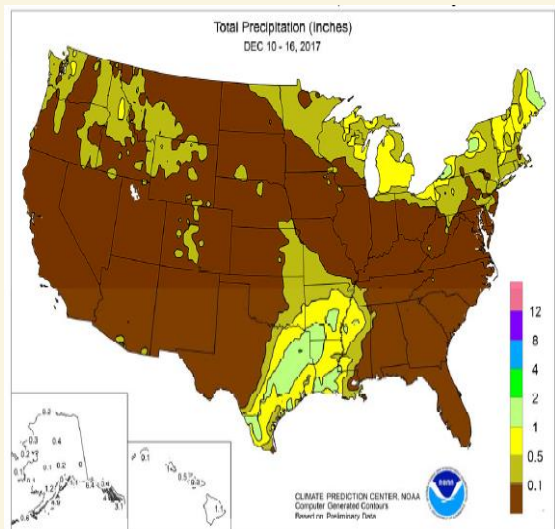
Despite these growth prospects, analysts don't see a future in which online sales eclipse store sales. Packaged Facts believes e-commerce's market share could climb as high as 30%, but anything past that seems tough to imagine given consumer preferences and the distinct nature of grocery retailing.

What this refers to, specifically, is research that shows consumers want to buy fresh products in-store, since they can smell and touch and see what they're purchasing themselves rather than relying on a "shopper" to do so. And indeed, Packaged Facts' report shows that 28% of online sales currently goes to canned and pantry goods, while 16% goes towards snacks. However, in third place is produce, with a surprising 14% share.

Grocers have improved their handling and quality checks around produce and other fresh items. If they can continue to build trust with online shoppers in these categories, there's no telling how high e-commerce grocery sales could go.

NATIONAL WEATHER SPOTLIGHT

Weekly Precipitation and Temperature Deviation



NEWS IN THE GROCERY TRADE

Study: Service Remains Key to Supermarket Experience

By: Ashley Nickle, www.thepacker.com, December 18, 2017

Friendly, helpful staff members provide a significant boost to supermarket experience, according to a study by the Retail Feedback Group. RFG surveyed 1,200 people for the study, which also examined quality and freshness, variety and selection, and value for money spent.

Many retailers have been working to make shopping more convenient, but the core value of customer service still holds sway, per the study. Lower ratings on the friendliness, helpfulness and availability of staff members — or on checkout efficiency — corresponded to lower overall experience ratings. Retailers saw overall scores of 3.5-3.75 out of 5 when customer service areas got a 1, 2 or 3. When those areas received a 4 or 5, the overall marks were 4.5 or higher.

In its report, RFG described customer service as a differentiator and suggested supermarkets consider how they can boost scores even more in that area. Supermarkets fared best in overall experience, but the group received its lowest rating — still a 4.18 — in the value category. Retailers need to prioritize that element because shoppers are actively seeking value, per the report.

RFG found that 76% of consumers refer to at least one advertising or sales vehicle — circulars, digital coupons, in-store promotions, etc. — before or while shopping. The importance of digital promotions will continue because millennials are doing research on their phones and looking on social media to find deals at a much higher rate than older generations, according to the survey.

Promotions are one way to offer value, but another way to do so can be through meal kits, which have drawn interest from consumers but which often are labeled as too expensive.


Among shoppers who have purchased a meal kit at a retailer rather than from a service like Blue Apron, however, value is one of the key reasons for purchase.

Another way for supermarkets to reach consumers is through increased variety in organic, ethnic and local offerings.

“While supermarkets show strong marks in variety in general, they should look for ways to strengthen more niche areas to become more relevant to shoppers looking for those items and to prevent shoppers from having to go to competitors for them,” RFG said in the report.

FRESH

TOMATOES


the best of nature™

MARK YOUR CALENDAR
PACK YOUR BAGS!

February 20, 2018
PMA Fresh Connections- Technology
Hilton St. Petersburg Bayfront
St. Petersburg, FL
www.pma.com/events





March 4-6, 2018
International Restaurant & Foodservice Show of
New York
Javits Center
New York, NY
www.internationalrestaurantny.com

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