



## MARKET UPDATE

**Overall Update:** Mexico has been impacted with devastating rains in the states of Chihuahua, Sinaloa, Sonora and Baja California. The governor of Sinaloa has declared a state of emergency in many regions due to flooding and damage. Our western farming operations are currently assessing the damages in all of our farms and we hope to have a clearer understanding soon. The damages are hit and miss depending on the region so the extent of the impact is unknown at this time. In addition to the Mexican rain issue, Florida experienced abnormally hot weather in October reducing yields on some items by 25-50% through the month of December. Between both growing regions experiencing adverse weather conditions we expect supply of most tomatoes and field vegetables to be snug for the immediate future.

**Round Tomatoes:** Overall, Florida's tomato volume is lighter than normal for this time of year, in part due to heat during the fruit set portion of the growing cycle. A good chunk of the FL producers are still in Palmetto/Ruskin, where there's about 10-14 days of crown picks left, then growers will transition to farms further south. Lipman moved south ahead of many growers and is currently harvesting all its #1 tomatoes in Naples. (Still picking some 3rds in Labelle) Other growers have started harvests in Naples/ Immokalee and more will transition to the area over the next few weeks. Quality is nice on crown fruit, but there's some hit and miss product from 2<sup>nd</sup> and 3<sup>rd</sup> picks. Mexico's weather has significantly shortened the supply of fruit and affected quality. Current production areas have already been dealing with rain-affected crops and last week's storm will create more challenges to pick and pack retail quality and sized rounds. Culiacan's Winter crops aren't due to start until late Dec/early Jan, pending no delays or significant crop damages, so expect things to remain snug for at least the next few weeks.

**Roma Tomatoes:** Florida has light volumes from a few bigger growers in both Palmetto/Ruskin and Naples/ Immokalee with nice quality. By design, FL's volume is minimal when compared to Mexico's at this time of year so the real story on availability revolves around the Mexico situation. As with rounds,

there have been hit and miss quality issues due to previous weather. Last week's weather won't improve the situation and packers are already reporting significant shrink from post-storm shipments. Although romas may be a bit easier than rounds, there will also be challenges with the roma supply for at least the next few weeks.

**Grape Tomatoes:** Florida's grape tomato production lightened up over the last few weeks but continues consistently at the lighter levels. There are still several growers harvesting in Palmetto/Ruskin but Lipman has moved south, harvesting mostly in Naples with a handful still in Labelle. Weather and the seasonal transition in Mexico will keep supply shy until Culiacan farms are up and running.

**Bell Peppers:** Although Florida's temperatures dipped into the 40's this week and caused a slight slowdown in production, supply has been steady and adequate. Quality is overall pretty good, but there are some occasional trouble spots with bruising. More growers on the East Coast are on tap to start next week to help with supply. In the West, Coachella's supply has lightened up due to wet weather and seasonal decline, shifting the focus to Mexico's production. Despite the weather, crossings at Nogales have been consistent this week with all sizes available.

**Cucumbers:** Cucumbers look to be significantly impacted by last week's weather in Mexico. Both quality and yields are a concern for the short and longer term. Florida's crops are in their latter days with very light volumes and Honduras is still a month away from significant volume, so there won't be much help in the East. In Mexico, rain kept harvesters out of fields for 3-7 days, depending on the topography of the land and precipitation levels in their respective areas which tightened things up this week. Now we're looking at the fruit that was at or near harvest stage when the storm hit and it's not pretty. Packouts on post-storm fruit were below 50% due to scarring. We expect growers to be in and out depending on their growing methods and supply will be sporadic and limited. For the longer term, the high levels of water on cucumber crops will create disease pressure that will affect yields and plantings possibly for the next

60 days. Growers all over Mexico have been working diligently to move the water off crops in both shadehouse and open field production and are starting spray plans, but the magnitude of the event will make it challenging to save all crops from disease particularly downy mildew. Bottom line...there will be LESS product coming from Mexico as some plantings succumb to disease and others experience some degree of crop loss.

**Summer Squash:** Mexico's weather kept harvesters out of fields for several days, which made things snug over the weekend and brought a lot of larger fruit to the table this week. Now we're looking at the fruit that was at or near harvest stage when the storm hit. Although it varies by area and farm, we are now seeing the normal cosmetic issues that rain and wind create. Current harvests are coming from the northern part of Mexico, where rainfall totals were generally between 6-7". Due to rain and wind, much of the product crossing is #2's, especially on yellows, and we expect quality to be a challenge for the next few weeks with scuffing and scarring. In the East, Florida's harvests have been adequate, but a shot of cooler weather this week has slowed harvests for the next few days. The issue with Florida product is hit and miss quality. Yellow squash has been on the rough side, especially on fancy. The younger, more tender fancies don't have as much time to heal the scuffing/ scarring and it seems the extra time is helping the quality on mediums.

**Organic Cucumbers:** Volume is lighter in Nogales this week due to the weather. Growers are still assessing how much production will be affected going forward but expect lighter volume through December.

**Organic Bell Peppers:** Our Grown True pepper fields were mostly spared from the weather and should provide good volumes for the next several weeks.

**Organic Squash:** Rain will definitely have an effect on most growers' organic squash crops, especially yellow. We'll see less volume starting next week as there have been reports of crop loss. Disease pressure will also become a factor.

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## MERCHANDISING MINUTE

### Playing to Impulse Buys

By: Armand Lobato, [www.thepacker.com](http://www.thepacker.com), November 27, 2019

I went to the store for three things and came home with 10. That's how it goes for me, and many other shoppers all over the country, I suspect. How do grocers do this, get people to buy extra items?

Some of this, I suppose is because we all see something that we forgot to put on our list in the first place. "Oh yeah, I need an onion for the salsa I'm making later." And an onion tumbles into the cart.

However, I really think that impulse still plays a large role in consumer purchasing choices. As a produce clerk working the late shift, I spoke to many shoppers who had ducked into the store during what we called the dinner rush. It started out innocently enough as I greeted them and offered to help them with anything.

"Dinner," more than one shopper shot back. "What can I fix for dinner tonight?"

I'm not someone that thinks too much about complex recipes, but I know what guys like me like. And I'd suggest those things. Simple, quick dishes that prompted many customers to say, "Oh yeah, that sounds good." Or, "I haven't made that in a while!" Which led into me pointing out where to find the bell peppers for stuffing, the mushrooms for sautéing, or the potatoes for baking.

It's the driving force behind our business. People's appetites regenerate, and they're looking for something good to eat. In the produce aisle, this goes a step further. After all, there isn't someone to advise every customer who walks into your store. So the produce must speak for itself.

That's where we circle back around to the whole buying-more-than-what-they-came-in-for phenomenon.

And that single appetite-driven thing is impulse. I know I've touched on this on several occasions, but I don't think it gets near enough attention. Especially considering that a high percentage of produce sales (I've heard upward of 80%) derives from impulse. Can this really be true?

In speaking to produce directors, supervisors, produce managers and others over the years, this tends to be the consensus: "If you can slow down the customer, 'wow' them with some display in some manner, you have a good chance of them buying whatever it is they're looking at."

That's produce impulse sales, and it's an effective way of filling shopping carts.

Try to look at it this way: Don't just have some produce representation out on the shelves. Present each display at its absolute best. Strive to make each display clean, fresh, culled of any less-than-desirable product, stocked to an abundant look, level with the adjacent displays, neatly stocked, well-signed, and — you know — see what happens.



#### TRANSPORTATION FACTS

\*For the 4<sup>th</sup> week in a row, the national diesel average price came in at \$3.07 per gallon.

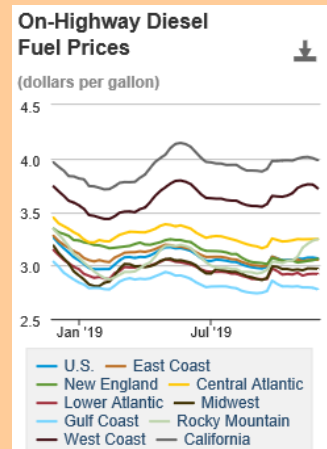
\* The average price for a gallon of diesel is \$.14 less than the same time last year.

\* Half the reporting areas had price increases and the other half came in with lower pricing. The most significant movement came from California, where the price dropped \$.02 per gallon.

\*California's fuel price tops the charts at \$3.96 per gallon while the Gulf Coast remains the low-price leader at \$2.78 per gallon.

\*The WTI Crude Oil price remained relatively steady this week, moving slightly from \$58.41 to \$58.43 per barrel.

\*Transportation is coming up a little short in California and in potato and onion shipping areas this week.



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.



### Winter Coat, Meet Summer Bod

As the holidays creep up on us and the temperature outside creeps down, we look for food trends to change with the season.

Comfort foods, holiday appetizers, and oven-cooking come to mind when thinking of the typical winter recipes. With current eating trends drifting towards a more vegetable-centric focus, we are seeing your typical holiday recipes brighten with colors from the vegetable rainbow.

In between family gatherings, holiday shopping, and the hustle and bustle the holidays bring on, on-the-go families and young adults will be looking for quick bite options, while still trying to incorporate some veggies in their daily routine.

Adding tasteful menu options inspired by traditional holiday flavors with fresh-cut vegetables as the star of the show will keep a healthy mindset around the holiday season - winter coat, meet summer bod.

We offer many fresh-cut vegetable options just in time for the family gatherings. Join our family table, and learn more about our fresh, homegrown offerings.



**We offer:**

- ✓ Diced Butternut Squash
- ✓ Coin Cut Zucchini Squash
- ✓ Coin Cut Yellow Squash
- ✓ Halved Grape Tomatoes
- ✓ Diced Jalapeno

*Ask your sales representative about our different pack sizes and current prices*

## PRODUCE BAROMETER

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



## DECEMBER CALENDAR

### All Month

Stress-Free Family Holiday Month

### First Week

Hand Washing Awareness Week

**December 9<sup>th</sup>**

National Pastry Day

**December 10<sup>th</sup>**

Human Rights Day

**December 13<sup>th</sup>**

National Salesperson Day

### Naples, FL Weather

Sat Dec 7	Sun Dec 8	Mon Dec 9	Tue Dec 10	Wed Dec 11
76°F	79°F	79°F	81°F	80°F
61°F	65°F	66°F	66°F	63°F
NE 5 MPH	ENE 7 MPH	E 6 MPH	E 7 MPH	ENE 9 MPH



## RESTAURANT INDUSTRY NEWS

### How Shoppers Will Be Eating in 2020

By: Gina Acosta, [www.progressivegrocer.com](http://www.progressivegrocer.com), December 2, 2019

OpenTable is opening the book on the most popular food and dining trends, which are expected to have huge implications for food retailers in 2020.

According to OpenTable data, consumers are moving toward more health-conscious food preferences. Alternative diets are also on the rise compared with 2017, with “keto” mentioned a whopping 683 percent more in reviews and “plant-based” mentions increasing by 136 percent.

Diners also vegged out on low-calorie alternatives with “cauliflower crust” mentions skyrocketing in reviews by 487 percent and “jackfruit,” another vegan and vegetarian alternative, increasing in reviews by 148 percent since 2017.

Additionally, San Francisco-based OpenTable found that diners are still choosing to indulge when it comes to global cuisines. In 2019, Mexican-inspired dishes continued to grow in popularity, with “queso” mentions increasing by nearly 31 percent and “nachos” mentions by 19 percent over the past three years. Review mentions of “potstickers,” a staple in Asian cuisine, has increased by 61 percent. Finally, review mentions of the classic Italian delicacy, “cacio e pepe,” has increased by 96 percent since 2017.

Other key takeaways from OpenTable’s report include:

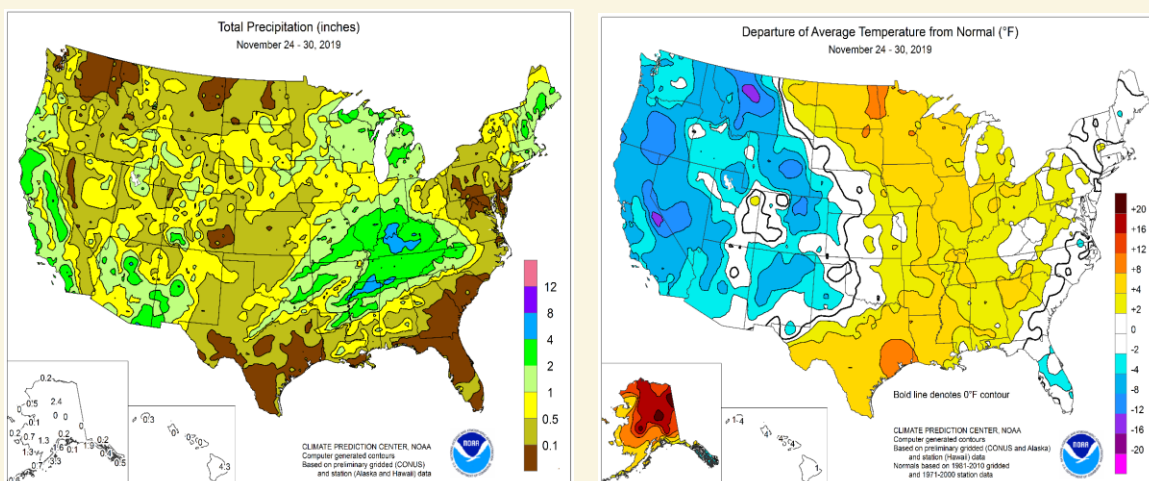
**Farmer-to-Table:** According to OpenTable data, the year’s most booked restaurant was Founding Farmers, a majority farmer-owned restaurant serving scratch-made, responsibly sourced American cuisine, in Washington, D.C.

**In With the New:** OpenTable found that diners looked to try something new in 2019, with 70 percent of reservations coming from new diners booking that restaurant for the first time through OpenTable.

**American versus Italian:** American cuisine was the most popular for breakfast and lunch, while Italian cuisine took the top spot for dinner.

## NATIONAL WEATHER SPOTLIGHT

### Last Week’s Precipitation Totals and Average Temperature Deviations



## FOOD SAFETY FOCUS

### Putting Food Safety Into Action

By: Jake Watts, [www.thepacker.com](http://www.thepacker.com), December 5, 2019

Over the past decade, there have been significant advancements to create a more proactive, preventative approach to food safety under the Food Safety Modernization Act. It has been a time-consuming and demanding process for many businesses to adapt to the new rules and regulations, but reports are showing positive progress. A recent report released by the Food and Drug Administration shows the majority of companies are demonstrating compliance and food recalls are at a five-year low. But, the real value is yet to come.

Up to this point, the focus has been about the implementation of FSMA rules and getting new checks and balances in place to gather more information and drive accountability, not necessarily the value beyond what the additional data can do to influence more specific preventative action across the industry.

As we look forward to 2020, data will begin to take center stage, bringing a whole new level of accountability. The most important driver of success will be food processors' ability to understand not only how to track and report, but how to analyze and apply the data in new ways.

With the development of the new FDA-Track: Food Safety Dashboard, both regulators and processors will be able to measure progress and put strategies in place to refine implementation of the FSMA rules. Ultimately, this Food Safety Dashboard will allow for key decisions to be made focusing on the continued refinement, implementation and maintenance while providing baseline data and trends linked to the FSMA rules.

The decisions and actions from information gathered from the Food Safety Dashboard may spearhead the reduction of foodborne illnesses, increase compliance with preventative control rule requirements, and increase recall effectiveness. As the role of food safety management becomes more and more dynamic, these are important items to consider.

#### Do you have the right experts in place?

Having a dedicated food safety team is essential to your brand's short-term and long-term success. Food safety professionals with specialized training can help your plant monitor data to identify gaps and work together to implement proactive solutions. This is especially important as we've started to see an uptick in environmental monitoring for listeria, a key area of emphasis by the FDA.

In addition to the right resources, it is also important to have a plan for how to train and share knowledge across disciplines. Sanitary design impacts so many different areas of the plant, including traffic patterns, facility and structural environment, equipment, air flow, chemicals, etc., so it's important to make sure everyone is involved and aligned.

#### How are you messaging food safety to your employees?

The true foundation of food safety starts with the culture of the company. Communication is a critical element to success. Make it a central focus of both internal and external communications. Consider creating an internal newsletter or hosting regular all-hands meetings to share industry news and communicate important information from your food safety experts. Increased messaging across your company around key food safety topics can help embed and maintain a culture of food safety throughout your organization.

#### How do you know if you are winning or losing?

Success should not be driven by performance on third-party audits. Be proactive and own your success. Set your own internal Key Performance Indicators (KPIs) to test and monitor on a regular basis. This not only provides supportive data for audits but helps hold teams accountable. It forces teams to put numbers to small areas that can have a significant impact on the overall sanitary design or food safety plan. Celebrate success, but use data to identify gaps and implement solutions quickly.

The bottom line is don't stop at complacency. Now is the time to dig deeper and learn how to apply data at a higher level to manage food safety inside of your plant. One small change can be the difference between winning or losing.

 <b>TOMATOES</b>  <i>the best of nature™</i>	
<b>MARK YOUR CALENDAR &amp; PACK YOUR BAGS!</b> <b>February 10-12, 2020</b> United Fresh Brandstorm AT&T Hotel & Conference Center Austin, TX <a href="http://www.unitedfreshbrandstorm.org">www.unitedfreshbrandstorm.org</a>	<b>CREATED BY LIPMAN FOR OUR VALUED CUSTOMERS</b>  Learn more about us @ <a href="http://www.lipmanfamilyfarms.com">www.lipmanfamilyfarms.com</a> <a href="http://www.suntasticfresh.com">www.suntasticfresh.com</a>
<b>February 27-29, 2020</b> Southeast Produce Council's Southern Exposure Tampa Convention Center Tampa, FL <a href="http://www.seproducecouncil.com">www.seproducecouncil.com</a>	Follow us on social media    
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