



## MARKET UPDATE

**Tomatoes:** As expected, Florida's overall tomato supply is lighter this week. The sizing profile on rounds is pretty evenly spread out as growers have been picking from crown sets, 2<sup>nd</sup>'s and 3<sup>rd</sup>'s. Roma volumes are steady, but quality varies by area and grower. Although harvest numbers have declined, there's an adequate supply of grape tomatoes in the Sunshine State to meet demand. Quality of rounds and grapes continues to be nice. Look for an uptick in volume on all varieties when Spring crops start in mid-late March.

Cool weather in Mexico growing areas has slowed production slightly and brought sizing down a notch. There's still plenty of rounds and romas available and we should see a boost in the numbers in a few weeks. Grape tomato crossings continue to be solid but we anticipate supply to lighten up as we go into March and growers move into the seasonal decline.

**Bell Peppers:** The bell pepper situation has changed significantly since last week. Florida harvests are in between Winter and Spring crops and some growers have lower yields this week due to bloom drop from prior weather. Overall quality is average to good. In Mexico, production is currently on the light side as Sinaloa growers are between sets and new Sonora Spring crops are off to a slow start. Cooler weather has not allowed new crops to size up and older fields are down to medium and choice fruit, so retail-sized volumes are slim. Quality is great; there's just not enough size and shape.

**Cucumbers:** Cucumbers are also feeling the squeeze this week. Honduras is starting to wind down and volume is on the light side. They should go another 3 weeks which is the time that Florida is projected to start. Despite the slow-down, quality is holding up nicely on the Honduran product. In the West, there are a decent amount of cucumbers available, but most are selects and 36's. Supers are in short supply this week.

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**Summer Squash:** A spurt of cold and wet weather has slowed Mexico's squash production. However, numbers are expected to rebound slowly as warmer weather moves into the growing areas. Although there's not an oversupply, there is a fair amount of product available in Homestead and in and around the Immokalee area in Florida. Unfortunately, the yellow squash is decorated with plenty of scars and scuffs, so much of the product won't work for retail. Zucchini quality has improved as farms worked past older fields with rain issues.

**Eggplant:** Eggplant harvests are light in Florida, but we should see production begin to ramp up in a few weeks. Mexico's supply and quality continue to improve- just in time for the Lent season.

**Chili Peppers:** Like bells, the chili pepper market is a roller coaster, mainly with jalapenos and serranos. Mexico farms are still battling poor yields and weather effects. Sonora and Sinaloa are in transition mode, so there's both older and newer pepper in the market. Quality varies from non-shippable to excellent. South Florida is coming on with select chilies in light volumes. However, there won't be significant volume in the East until Plant City gets up and running in a month or so.

**Hard Squash:** Mexico's hard squash is now in the Spring transition, so most of the older product is making its way through the system. Newer crops have fresh stems but some concerns with color and shape. There's an array of issues with older crop fruit, so lots must be chosen carefully. Honduras is still in the Eastern hard squash game with butternut and spaghetti, but is beginning to see scarring issues on the spaghetti. The import butternut has been very nice.

**Organic Squash:** Like their conventional counterparts, organic yellow and zucchini squash numbers are down due to cooler weather. Quality is such an issue with yellow, that retail-grade product has virtually been non-existent in the last few days.

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## TRANSPORTATION FACTS

\*The national diesel average jumped another \$0.04 this week, moving from \$3.01 to \$3.05 per gallon.

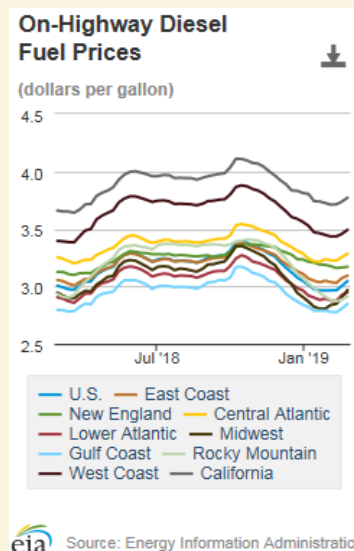
\* The average price for a gallon of diesel is \$.04 higher than the same time last year.

\* All areas of the country reported price increases, with the most significant coming from the Midwest where diesel is \$.065 per gallon higher this week.

\*California continues to have the highest diesel prices in the country at \$3.77 per gallon while the Gulf Coast is the low-price leader at \$2.85 per gallon.

\*The WTI Crude Oil price rose 1% this week, moving from \$56.09 to \$56.94 per barrel.

\*Trucks are available in adequate or surplus levels at all shipping points in the country this week.



## FOOD SAFETY FOCUS

### How FDA's New Food Safety Plan for Imports Will Impact the Industry

By: Cathy Siegner, [www.fooddive.com](http://www.fooddive.com), February 27, 2019

#### Dive Brief:

-The Food and Drug Administration released an 18-page strategy document about how it plans to combine existing regulatory approaches with new import oversight tools available through the Food Safety Modernization Act to limit safety risks from the ever-increasing amount of food coming in from other countries.

-According to an agency statement, the U.S. imports approximately 15% of its overall food supply. We get 94% of the seafood, 55% of the fresh fruit and 32% of the fresh vegetables consumed annually from about 125,000 food facilities and farms in 200 countries or territories, the FDA said.

-“Determining the best way to use the full range of available tools across the different segments of the international food-supply chain — in ways that decrease public health risks while maintaining a level playing field for domestic and foreign producers — requires both dexterity and pragmatism,” the FDA said. “This strategy document describes how FDA is integrating the new import oversight tools with existing tools as part of a comprehensive approach to imported food safety.”

#### Dive Insight:

The FDA's strategy for enhancing imported food safety includes four goals: To make sure food offered for import meets U.S. food safety requirements, that border surveillance keeps out unsafe foods, that there is a rapid and effective response when unsafe imported food is found, and that the agency has an effective and efficient food import program. Congress determined more than inspection oversight was needed to control food safety risks, so FSMA gave the agency additional tools and authority to help prevent problems before food arrives in the U.S. Consequently, the four goals will be met by beefing up inspections both here and abroad

and using the FDA's mandatory recall authority if needed, the agency said.

These added tools will be needed to keep up with the volume, variety and source of imports, which challenged the FDA's previous regulatory oversight, according to the strategy document. The agency said it expects between 14 and 15 million imported food shipments to enter the U.S. this year.

According to agency figures cited by USA Today, the FDA screens all food electronically before admitting it into the country. However, of more than 13.4 million shipments coming here last year, fewer than 1% — a total of 117,993 — were examined. Of those, only 16,363 were sampled, and 6,910 were refused.

Because of this increasingly complex global supply chain, FSMA's rules regarding food imports created what FDA called a "multilayered safety net" consisting of manufacturers, importers, third-party auditors, foreign regulatory bodies, and the FDA. The law also mandated an "agency shift in perspective," the document noted, meaning an oversight system designed to prevent food safety problems from occurring rather than reacting to them.

This new approach toward regulating and inspecting imported foods may end up having a positive impact on consumer confidence by reducing the number of food-related illnesses and recalls in this country, as well as improving how domestic and foreign manufacturers and importers do business.

One tool the FDA will use to prevent food safety problems overseas is site inspections of foreign food facilities. According to Food Business News, the agency recently began inspecting these

facilities under its Foreign Supplier Verification Programs rule requiring importers to show their suppliers meet U.S. food safety standards. For U.S.-based importers, that means they must do hazard analyses, evaluate food risk and assess foreign suppliers and safety verification activities based on identified hazards. It's likely manufacturers and importers will pay closer attention to U.S. food safety standards now they know inspectors will be regularly checking to see if their plants are clean and the food destined for import is safe.

Companies that ship seafood, fresh fruit and vegetables to the U.S. are likely to see the greatest impact from these regulatory changes. According to FDA statistics from 2016, there were 190,418 registered foreign facilities bringing food into the U.S., including manufacturers, processors, warehouse, packers and labelers. Those who want the expedited review and import entry of human and animal foods of the Voluntary Qualified Importer Program need to meet eligibility criteria and pay user fees to cover the agency's costs. Other shippers are inspected based on perceived risk and paid for by taxpayer dollars and industry user fees.

It will be a tough job to oversee so many importers, but the FDA is making the effort as required by FSMA. It's quite possible some foreign facilities won't make the grade and will decide not to import food to the U.S. under this stricter strategy, but the agency's position is that it's better to avoid problems at the source than try and fix them later. The FDA also said it will publish non-confidential information from these foreign supplier and importer inspections in an effort to operate transparently. The result may be greater overall confidence in imported food safety and higher standards from industry.

## EMPLOYEE SPOTLIGHT

### Matt Little- Sales and Procurement Huron/Lipman- Colorado



#### How many years have you been at Huron/Lipman?

I am going on my 8<sup>th</sup> year with the company. I started in 2011 when Huron was in the old warehouse.

#### What is your favorite aspect of working for Huron/Lipman?

There are several things that I like about working here! One, when you work 8 to 9 hours a day, 5 to 6 days a week with your coworkers, you become more than just friends- you become family. We socialize outside of work, see each other's kids' grow and attend events as a group. Secondly, in the produce industry, no two days are the same. Each day brings new challenges, new experiences and new learning curves that will further your growth.

#### What is your favorite vegetable?

I'm a big bell pepper guy, My family goes through at least 5-6 peppers a week! They are, by far, at the top of the list.

#### Tell us about your family.

I have been married now for 7 years to Jen but have known her for 14 years. Yes, it took me a while to figure it out and pop the question, but better late than never! We have a 4 year old daughter named Madden who is just now starting preschool and a 2 year old boy named Ryker who will keep you on your toes at all times.

#### Where did you grow up?

Born and raised in Fort Collins, CO, I am the only one of my siblings that stuck around and built a home here. With 300 days of sunshine and those Rocky Mountains outside my window, I will never leave. We, as a family, are very active outdoors and this area provides lots of opportunity for camping, hiking, biking, skiing.

#### If you were stranded on a desert island, what 3 things would you take with you?

Seeds to plant food, a knife or tool of some sort and a water purifier. It's all about survival.

#### Do you collect anything?

Watches and shoes. There is a watch and a shoe for every outfit and occasion in my book.

## PRODUCE BAROMETER

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



## MARCH CALENDAR

### March All Month

National Nutrition Month

### 1<sup>st</sup> Week of March

Human Resources Week

### March 1<sup>st</sup>

Employee Appreciation Day

National Salesperson Day

### March 3<sup>rd</sup>

Simplify Your Life Day

### March 5<sup>th</sup>

Fat Tuesday/ Mardi Gras

### Immokalee, FL Weather

Fri Mar 1	Sat Mar 2	Sun Mar 3	Mon Mar 4	Tue Mar 5
83°F	85°F	85°F	85°F	83°F
73°F	63°F	65°F	63°F	53°F
S 2 MPH	ESE 5 MPH	SE 8 MPH	S 11 MPH	E 9 MPH
		Precip 20%		Precip 40%





## RESTAURANT NEWS AND VIEWS

### What Customers Want: Digital Convenience

[www.restaurant-hospitality.com](http://www.restaurant-hospitality.com), February 13, 2019

If you want to win with today's consumers you need to give them the food they want, where they want it and when they want it. The solution to meeting those demands, according to the latest research from The NPD Group, is for operators to deliver digital convenience.

"[Digital and delivery] are really among the only sources of growth in the industry," said David Portalatin, NPD vice president and food industry analyst. According to NPD's recently released "Delivering Digital Convenience" report, about 5 percent of all restaurant orders are placed digitally, an increase of about 23 percent in the last year. The majority of those digital orders are placed by mobile app.

While total restaurant traffic has been flat the last few years, in the year ended December 2018, total foodservice delivery orders were at 1.9 billion, up 6 percent over the prior year, NPD found. "Digital is a little more than half of all delivery ... It's growing like crazy," said Portalatin. "The future is on the smartphone."

Among the smartphone-loving consumers driving the growth are Millennials, the first generation to adopt digital, and Gen Z, the first truly digital native generation. "[Gen Z is] the generation who can Facetime their friends, text their moms and order a pizza all at the same time," said Portalatin.

These consumers use mobile apps, often the restaurant's own, to do everything from look up what's on the menu, how much it costs, what other customers are saying about it, and, of course, order or re-order and pay. Ironically, some of the top reasons consumers say they prefer digital ordering---to earn rewards, save money, and ensure order accuracy---are things NPD found to be lacking most.

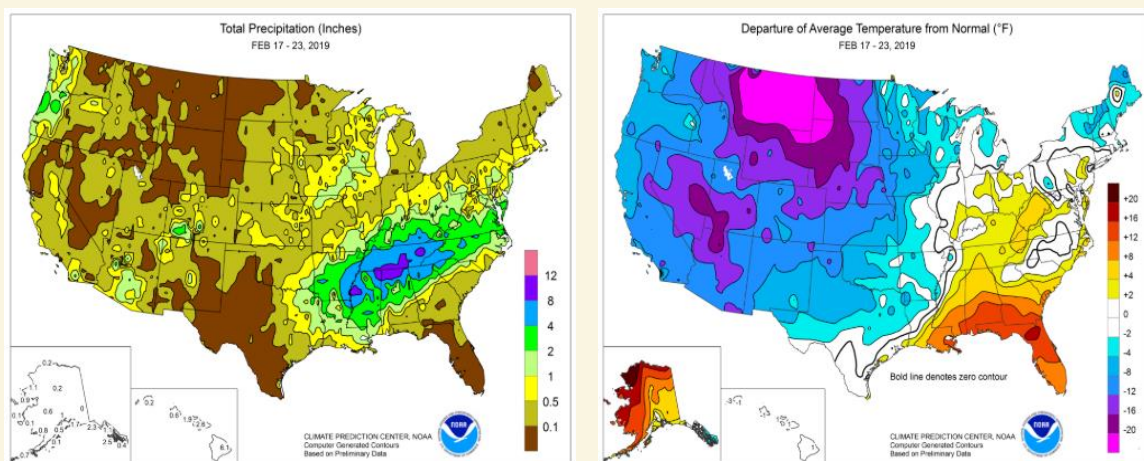
"For operators it's not just enough to facilitate digital to place an order," said Portalatin. "They need to mine customer data. [Make mobile] sticky by using it as a loyalty generating vehicle, reward people."

*This article has been edited for content to fit the space provided. To read the full article, please go to:*

<https://www.restaurant-hospitality.com/consumer-trends/what-customers-want-digital-convenience>

## NATIONAL WEATHER SPOTLIGHT

Last Week's Precipitation Totals and Average Temperature Deviations



## NEWS IN THE GROCERY TRADE

### Quarterly Retail Report Shows Berries, Broccoli Rising

By: Ashley Nickle, [www.produceretailer.com](http://www.produceretailer.com), February 25, 2019

Blueberries, raspberries and broccoli saw the biggest year-over-year gains in dollar sales in the fourth quarter of 2018, according to the latest FreshFacts on Retail report by the United Fresh Produce Association. Blueberry sales grew 12.4% to \$333 million, raspberry sales grew 10.9% to \$199 million, and broccoli sales grew 11.5% to \$249 million. Nine of the top ten vegetable categories — all except packaged salads — saw higher fourth-quarter dollar sales in 2018.

The report includes a deep dives on grapes, avocados and packaged salads. Packaged salads have the greatest household penetration, with 79% purchasing them, while 70% of households purchase grapes and 50% purchase avocados.

Shoppers on average buy packaged salads on nine trips a year, compared to seven for avocados and six for grapes, per the report. Packaged salads also had by far the highest average annual spend, at \$35, compared to \$22 for grapes and \$17 for avocados.

Overall, grape dollar sales were down 4.4%, to \$766 million, in the fourth quarter of 2018, compared to the same time frame in 2017. Red grapes saw a major decline, down 13% in dollar sales, with an 18.4% drop in volume. White/green and black/blue grapes saw jumps in volumes and dollar sales. Avocado sales grew 2% to \$579 million as volume increased 24.6%. "The gold rush may have ended, but the avocado rush continues due to its heart-healthy and skin-friendly benefits," United Fresh wrote in the report. "Decreased prices have favored the households looking for healthier alternatives. However, managing supply to ensure availability is crucial for maintaining success."

Packaged salads brought in \$1.2 billion in sales in the fourth quarter of 2018, but sales of salad mix, lettuce and slaw kits fell, while salad kit dollar sales grew 8.8% and spinach grew 2.2%.

#### Year in review

United Fresh reported that produce accounted for \$60.8 billion in sales in 2018, nearly evenly split between fruits and vegetables. Top fruits like apples, grapes and bananas saw declines in volumes and dollar sales, while avocados, mandarins and berries saw gains. All vegetable categories except for lettuce saw gains for the year as a whole.

"Pre-packaged salads, potatoes and bell peppers propelled the dollar growth of vegetables," United Fresh wrote in the report. "Consumers are increasingly opting for premium varieties like packaged salads and are ready to pay the price."

The organization found that value-added produce items continue to increase in popularity, with value-added fruits accounting for 4% of produce sales and value-added vegetables accounting for 2.3%. Organic produce sales also grew in 2018, totaling \$5.6 billion, 8.7% of overall sales.

The full report is available from United Fresh.

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### MARK YOUR CALENDAR PACK YOUR BAGS!

**March 7-9, 2019**  
Southeast Produce Council's Southern Exposure  
Walt Disney World Swan & Dolphin Resort  
Orlando, FL  
[www.seproducecouncil.com](http://www.seproducecouncil.com)  
Come join #TeamLipman at Booth #1125!

**March 26-27, 2019**  
Food & Beverage Innovation Conference  
Las Vegas Convention Center, South Hall  
Las Vegas, NV  
[www.ncbshow.com/fbic](http://www.ncbshow.com/fbic)

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