



MARKET UPDATE

Round Tomatoes: After a slight flush last week, Florida's round tomato volume has lightened up again this week. With four days of cool weather currently in process, next week's numbers are expected to be light as well. The sizing profile is evenly spread as elevated markets are allowing farms to go back in for later picks/smaller fruit. Despite a little scarring here and there, overall quality has been good. Warm weather has brought a few more rounds to the table from Mexico this week. With continued good weather, farms should gradually progress back to "normal" levels over the next several weeks. Current harvests are mostly crown picks, so sizing is skewed toward the larger end of the spectrum and there's very little small fruit. Quality is not perfect, but pretty good considering the weather crops have experienced.

Roma Tomatoes: With very limited volume in Florida by design and Mexico's weather-related shortage, romas continue to be a challenging item. With a higher percentage of Mexico's roma crops in open fields, they are slower to recover than rounds. Volume is light but should gradually improve over the next 3-4 weeks. Florida farms will also move into a little more volume as Spring plantings come online.

Grape Tomatoes: Grape tomato harvests continue at a light, but steady pace in Florida as some growers begin the transition to Ruskin/Palmetto. Our new crops in South Florida are rolling with nice yields and good quality. Mexico's grape production and quality have been inconsistent but seem to be slowly coming back.

Bell Peppers: Mexico's strong pepper offerings are lightening up as we move toward the weekend. There's still an adequate amount of product, but some growers are seeing lighter yields now that were caused by rain damage from 5-6 weeks ago. As new blocks and growers get rolling, we should see stronger quality and less turners, bruising, etc. Florida growers have been churning out light, but consistent volume for the last few weeks but the shot of cooler weather they're currently receiving will slow harvests and tighten

up supply until the middle part of next week. Quality has been mostly good despite some occasional scarring and bruising. Look for new Spring plantings to come online in mid-late March.

Cucumbers: Honduran cucumber volume is winding down particularly on retail grade and sized fruit. Quality is a bit challenging and will become more so over the next few weeks as they finish up for the season. A few early Florida cucs are beginning to show up, but significant numbers aren't expected until we get into March and more growers are up and running. Mexico's volume is still light this week as current fields and crops in Sinaloa have been compromised by prior weather. However, Sonora's Spring crops should get started in 7-10 days and supply and quality are both expected to improve.

Green Beans: Mexico's green bean availability is improving as more temperate weather has allowed new crops to get started. The quality issues of the past week or so should also see a turnaround. Conversely, Florida's bean numbers have fallen and the current cold front will keep supply light for the next 7-10 days. Recent quality has been okay but scarring is an issue with some lots/shippers.

Summer Squash: With some shippers still gapping until they transition north to Hermosillo around mid-March, squash supply is sporadic out of Mexico and still very limited on yellow. Quality has improved on zucchini but is still challenging on yellow with scarring, scuffing and discoloration as the main culprits. Florida's squash story remains the same- light yields, light volume, and little to no yellow squash of marketable quality. New crops should spring up over the next month in various Florida locations, bringing more fruit to the East.

Eggplant: With South Florida working through light Winter acreage and a cold front in process, Mexico is the place to go for the increased eggplant demand that Lent season brings. Quality is varied by farm and location, but there is surprisingly nice product available considering all the crops have been through. With increased demand, expect availability to be somewhat snug for the next few weeks.

Chili Peppers: Sonora's chili pepper crops have been slow to come on, putting pressure on Sinaloa's product. Crops in both areas have disease pressure and some damage from the prior weather which is likely to affect output at times. Despite this, there seems to be adequate availability at border crossings. The tomatillo situation is still sporadic, but improving. Quality, size and shape have been hit or miss depending on the harvest area and field(s) but better fruit is available from the new sets. Florida continues to have light numbers on select varieties, but will pick up the pace when new crops begin later in March. With Lent season officially underway, demand will strengthen over the coming days.

Hard Squash: Mexico's hard squash production is transitioning as some crops end and new ones begin. Weather and disease pressures have hindered this year's crop which will keep supply levels on the low side through the rest of the season. Although quality could improve as we get further into the new sets, we still expect to see some weather-related concerns along the way.

Colored Bell Peppers: Good growing conditions and soft demand has provided better colored bell availability in both McAllen and Nogales this week. Orange availability is still the least, but has improved.

Organic Squash: Volume is picking up on organic squashes as our and other farms get further into new crops. Although zucchini numbers are stronger than yellow, organic yellow squash availability is a touch easier than conventional this week.

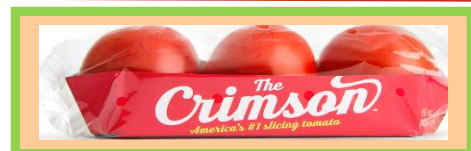
Organic Cucumbers: Organic cucs remain very limited as past rain has taken a toll on the current production fields. Supply should get a little easier in 7-10 days when new fields get started.

Organic Bell Peppers: Organic bell pepper production is adequate, steady, and looks solid for the foreseeable future.

ON THE HORIZON CONTENTS

Chef's Corner- [page 3](#)
 March Calendar- [page 3](#)
 National Weather Spotlight- [page 4](#)
 News in the Grocery Trade- [page 4](#)

Pack Your Bags - [page 5](#)
 Produce Barometer- [page 5](#)
 Restaurant Industry News- [page 5](#)
 Sustainability Matters- [page 2](#)



SUSTAINABILITY MATTERS

The US Department of Agriculture Announces the Agriculture Innovation Agenda

By: Lilian Diep, www.andnowyouknow.com, February 20, 2020

WASHINGTON, DC - The U.S. Department of Agriculture recently announced the administration's Agriculture Innovation Agenda. A major proponent of the initiative is research and data efforts in agricultural sustainability, something the USDA is focusing on to reshape the future of agriculture. Produce Marketing Association's (PMA) Chief Science Officer, Dr. Max Teplitski, provided his thoughts in the following statement.

"By focusing research and data efforts in agricultural sustainability, the USDA will seek to support American farmers to adopt new technologies and practices while lessening [the] industry's environmental footprint. Just as the healthcare industry benefited from tens of billions of dollars of federally supported research each year, it is time to afford an opportunity to do the same for agriculture," said Dr. Teplitski. "We applaud the USDA's efforts to streamline research efforts and develop new tools that will increase sustainability of agricultural production."

In the statement, Dr. Teplitski discusses what sustainability means to PMA and its efforts to maintain best practices. "At PMA, sustainability means, first of all, that commercial operations are economically sustainable. This gives our industry the time and means to focus on responsible stewardship of land and water that will allow farmers [to] grow crops with minimal environmental footprint while feeding our growing world," he continued. "We foster creative solutions that will allow [us] to minimize packaging waste and promote wise energy use; we continue to support ethically responsible labor practices. We recognize a need for smart scientifically-validated tools to assess the positive impacts of horticulture on the environment."

Dr. Teplitski further discussed the role perishable products play in the industry. "While we welcome efforts to promote agricultural sustainability, our production practices are distinct from those of row crops and our industry is unique in another important way: produce and floral are highly perishable. Market fluctuations and even minor weather events mean million-dollar losses. Sustainability and viability of our operations critically depend on demand creation and predictable opportunities to sell produce and floral at fair market values. Conversations about sharing data have to include provisions for responsible data management so that the industry has real incentives for sharing proprietary data with our federal partners. Importantly, we need to be clear-eyed about the fact that the implementation of new practices will have a real cost. Without a doubt, conservation practices will benefit the environment and the generations of urban and rural dwellers alike. Because we will step up, we need to know that the financial burden associated with the implementation of these practices is not ours alone to carry."

Dr. Teplitski concluded his statement by focusing on the supply chain and the USDA's involvement. "Everybody along the supply chain, who plays their part, needs to know that their efforts are incentivized through responsible government programs. PMA welcomes the USDA announcement and recognizes it as an investment not only in our industry and our environment, but also in our consumers who deserve fresh, delicious, and healthy fresh produce all year round."



doing more with less

At Lipman, we look at sustainability holistically. Our goal is to maximize the use of natural resources and minimize our overall carbon footprint - increasing output while decreasing input. It's called precision agriculture. But, simply put, it means "doing more with less."



TRANSPORTATION FACTS

*For the 7th week in a row, the National Diesel Average fell. This week's decline was just under \$.01, which puts the price at \$2.88 per gallon.

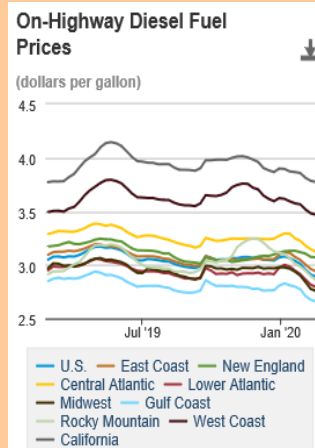
* The average price for a gallon of diesel is \$.17 lower than the same time last year.

* All but one region of the country came in with price decreases of \$.01 or less. California was the lone reporting area with a slight increase (less than \$.01 per gallon).

*As usual, California's fuel price tops the charts at \$3.78 per gallon while the Gulf Coast remains the low-price leader at \$2.65 per gallon.

*The WTI Crude Oil price fell 4.1% this week, moving from \$52.05 to \$49.90 per barrel.

*Trucks are available in adequate supply throughout the country this week.



cia Source: Energy Information Administration

CHEF'S CORNER

Contributed By: Wil Wilbur, Manager of Culinary Development

For the month of February we are featuring concepts that reflect the *Creatively Cognizant Consumer*. We will outline the key ingredients that inspire this mindset in our customers, as well as provide menu application options, versatility ideas, and photos.

Using 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. For more information, please reach out to your usual Lipman contact or one of our fresh cut specialists: Johnathan Maldonado at 214.907.0695, Wil Wilbur at 214.213.0559, Chris Daulerio- East at 215.870.8956 or Brian Arbini- West at 209.402.5184.

Veg-Centric

Who says meat has to be the center of the plate? An increasing trend in millennial and Gen-Z generations is the gravitation towards smaller portions of meat and larger portions of produce on the plate. Whether or not you are plant-based, vegan, or vegetarian, anyone can enjoy these veggie-centric meal and side options - don't worry, the protein is still there!

Lipman Ingredients

5/8" Diced Butternut Squash

5lb, 10lb, 20lb

1/4" Sliced Red Pepper

8lb, 16lb

3/8" Diced Red Bell Pepper

10lb, 20lb

1/4" Sliced Orange Bell Pepper

8lb, 16lb

1/4" Sliced Red Onion

8lb, 16lb

1/4" Half Moon Zucchini Squash

8lb

3/8" Diced Tomato

5lb, 10lb, 20lb

Sliced Jalapeno

5lb, 10lb, 20lb



Butternut squash and black bean quinoa bowl with roasted red bell pepper, sliced red onion, and jalapeno



Tomato, white bean, red pepper, and jalapeno skillet



Grilled squash, zucchini, bell pepper, and red onion quesadilla



Roasted tomato and red pepper shakshuka with soft poached eggs

PRODUCE BAROMETER

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



MARCH CALENDAR

All Month

National Nutrition Month

March 1st

Compliment Day

March 3rd

National Soup It Forward Day

March 4th

National Grammar Day

March 6th

Employee Appreciation Day

National Salesperson Day

Estero, FL Weather

Fri Feb 28	Sat Feb 29	Sun Mar 1	Mon Mar 2	Tue Mar 3
65°F	68°F	71°F	77°F	81°F
47°F	44°F	51°F	58°F	71°F
NNW 10 MPH	N 10 MPH	NNE 6 MPH	ENE 9 MPH	ESE 13 MPH

NEWS IN THE GROCERY TRADE

McKinsey: Five Trends Shaping U.S. Grocery

By: Dan Berthiaume, www.chainstoreage.com, February 21, 2020

The explosion of online grocery shopping is one key trend affecting the industry, according to McKinsey & Company. In a new report, "Digital disruption at the grocery store," McKinsey outlines five significant trends it sees as transforming the U.S. grocery sector. A summary of each trend follows.

1. The fight is on

Major retail players have led a transformation of grocery into a retail vertical with significant online presence. Given that the majority of large grocers have already developed some form of an e-commerce offering, new entrants have clear disadvantages, including a lack of brand equity and scale compared with traditional grocers.

However, McKinsey says they tend to have more strategic agility, cultures of innovation, and white space. Such features provide opportunities to craft value propositions for the customer of the future without sacrificing the customer of today. McKinsey notes that some larger and more traditional grocers may resist transformative innovation as they maintain their focus on their current core customer base.

2. Early movers have advantages

McKinsey believes the winners in e-grocery will be those that deliver a great and consistent customer experience the fastest. They will give customers a sense of discovery, exploration, and inspiration, whether in a physical or virtual environment. Whichever player discovers and delivers the optimal customer experience first will be the incumbent. Some grocers believe this means offering the most seamless click-and-collect experience, while others believe this means offering the fastest delivery. According to McKinsey, while it remains to be seen which experience US consumers value the most, it is certain that they will reward consistency.

3. Scale matters

Where demand density is low and demand is fragmented, investments in large fulfillment centers, delivery fleets, and drivers are hard to justify. It can be impossible to cover the costs without adequate demand within the serviceable radius. Recognizing the challenges, some major grocers are using their stores as fulfillment centers, getting more value from existing assets rather than making new investments.

Grocers are also finding that integrating e-commerce fulfillment and retail-store operations can improve employee utilization, since staff can fulfill electronic orders when in-store customer traffic is low. McKinsey says the demand-density challenge will become less of an issue as e-commerce operations achieve scale and move to more centralized fulfillment models.

4. Economics improve with automation innovation

The two pillars of e-commerce fulfillment—picking and last-mile delivery—add significant operating costs to an already low-margin business. Therefore, McKinsey expects large grocers to turn to automation and robotics. Technology advancements could help level the playing field, but retailers need scale and demand density to justify the heavy up-front investment.

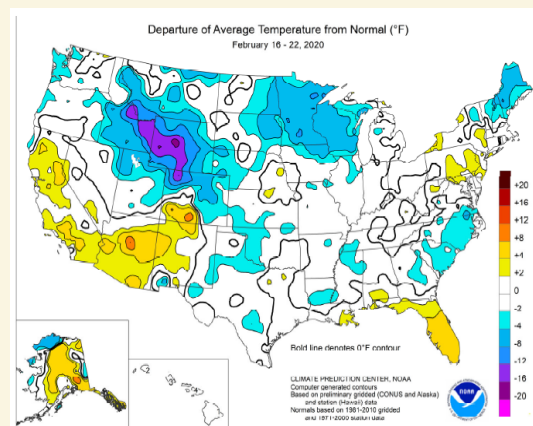
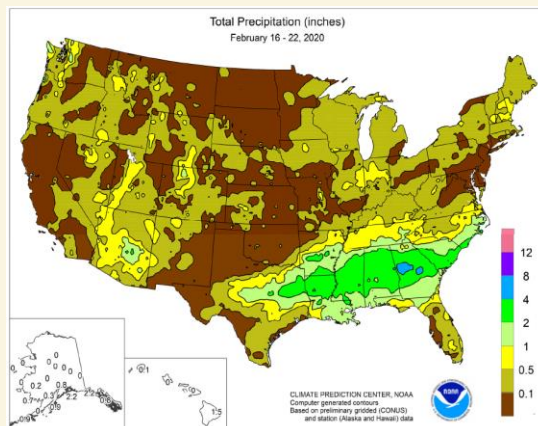
5. The talent gap is a major bottleneck

To compete with the recruiting capabilities of large technology companies, McKinsey recommends grocers should take several additional steps such as hiring a chief digital officer or equivalent, developing a clear digital strategy, offering benefits millennials seek (such as flexibility and sense of meaning and purpose), and paying market rates.

Note: This selection has been edited for content and space. To review the entire article, please visit www.chainstoreage.com

NATIONAL WEATHER SPOTLIGHT

Last Week's Precipitation Totals and Average Temperature Deviations



RESTAURANT INDUSTRY NEWS

Tap Into the 4 Hottest Restaurant Trends

www.restaurant.org, February 19, 2020

Pent-up demand for restaurants is running high according to the latest National Restaurant Association research, so it's important to stay top of mind with your customers through sustained, effective promotional efforts.

This pent-up demand sets restaurants apart from most industries. Think about it; customers actually want to use restaurants more than they do now! And their craving for restaurant fare can go even higher when you add in the convenience of takeout and delivery.

The ability to stand out from your competition is as important as ever, as is the ability to influence customers to choose you.

What do customers want? According to more than 600 professional chefs participating in our What's Hot 2020 Culinary Forecast, healthfulness, sustainability and creative menus that masterfully mash up what's familiar with what's edgy — rank at the top of the list.

"These trends reflect Americans' desire to combine the tried-and-true with the new and different," says Hudson Riehle, senior vice president of research. "This mix of comfort and edginess is a microcosm of the world we live in. Consumers want something different, but to keep what satisfies them at the same time."

To keep current — and even ahead of those demands — restaurateurs are adding items such as plant-based proteins and healthy, hearty, all-in-one bowl meals to their menus. Understanding today's dining preferences, they're making sure their menus are set up to offer delivery-friendly options. That includes looking for eco-friendly packaging, the number one trend out of 133 items rated in the survey. "Responsible" packaging appeals to customers' sense of social responsibility and sends the right message about reducing waste, recycling and reuse.

In order, here are the What's Hot 2020 top four restaurant trends customers are responding to:

1. Eco-friendly packaging

Consumers say they want their off-premises food packaged sustainably and efficiently. To meet that expectation, operators are exploring packaging made from recycled and compostable materials that is strong enough to hold all types of foods easily, retaining food quality temperature. They also want restaurants to cut down on the amount of packaging used in general.

2. Plant-based alternatives

American diners want plant-based proteins that taste great, truly mimic meats and fit a variety of diets. From quickservice to fullservice restaurants, it seems everyone wants to get in on the act. The items' popularity is making it tough for suppliers to keep up with demand in some cases.


3. Delivery-friendly options

Off-premises dining, projected to account for 60% of restaurant traffic this year, is growing. Consumers, time-pressed and spending more hours than ever on the road and at work, want easy-to-eat, on-the-go meals that maintain their quality in transit, whether it comes from takeout, delivery, drive-thru, curbside pickup or a food truck.

4. Healthy bowls

Both limited and full-service restaurants are offering healthful meals in bowls that are easily handled and portable. Chefs are creating options that combine lean proteins with leafy greens, legumes, nuts, seeds, root veggies and whole grains. Bowls are filling, travel well and can command a good profit margin. They lend themselves well to innovative ingredients and seasonings, too.

FRESH
TOMATOES



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of nature™

MARK YOUR CALENDAR
& PACK YOUR BAGS!

March 25-26, 2020


PMA Fresh Connections
Philadelphia Airport Marriott
Philadelphia, PA
www.pma.com/events

April 26-28, 2020





Women's Fresh Perspectives Conference
Hyatt Regency Hill Country Resort and Spa
San Antonio, TX
www.centerforgrowingtalent.org

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