

# On The Horizon



## Market Update

**Tomatoes:** Florida's tomato markets are very similar to last week with very little volume available. Rain, wind and overcast skies are the dominant weather theme every few days, which is keeping production at minimal levels. At this time, growers don't expect to see "normal" volumes until early March on grape tomatoes and mid-March on rounds and romas.

With Florida short on product, much of the East is looking to Mexico to meet demand on all types of tomatoes. Despite two growing areas in production, grape tomatoes are still in light supply. Central Mexico is currently experiencing a downswing in production but expects to be back at more normal levels by mid-February. Sinaloa-area growers are struggling to reach full production as shorter days and cool, cloudy weather are putting a damper on things. Quality is hit or miss with reports of light color and mixed sizing on the grapes that are crossing. Romas are also a little shy this week as growers moved harvests forward to capitalize on the previous high markets. We should see this correct itself over the next week or so. As for rounds, Mainland Mexico is beginning to see slight increases although the bulk of the crop is slow to come on.

**Bell Peppers:** With Mexico sources sending mixed signals and Florida dealing with continuous weather, bell peppers may prove to be interesting next week. Florida is still shipping light supply. Quality is average but could prove to be challenging as weather continues to affect fruit. Although next week seems unclear, Mexico has been crossing reasonable quantities of fruit this week with good quality. Sizing has shifted toward smaller fruit.

**Green Beans:** Florida expects a significant gap in bean availability

over the next 7-10 days as a result of the flooding that occurred in growing areas several weeks ago. Although not as severe, some Mainland Mexico growers are also experiencing a skip in harvests this week.

**Cucumbers:** Honduran cucumber growers are shipping strong volumes this week and expect the same for next week. In general, quality has been very nice although there are some lots with questionable fruit. Mexico's production has been steady with reports of good quality and condition. This in another item where there are mixed signals regarding next week's outlook.

**Eggplant:** Florida's weather conditions continue to have an effect on eggplant production in the region and volume is light. Mainland Mexico is starting to see slight increases in eggplant numbers.

**Summer Squash:** Florida's squash production and outlook are bleak for at least the next few weeks. New crops continue to be affected by rain and severe weather. It could be as long as a month before supply edges toward a more "normal" volume. Mainland Mexico is seeing very slight increases in squash production although supply remains limited. Quality has been nice on zucchini and is improving on yellow squash.

**Hard Squash:** Sonora continues to provide decent volumes on hard squash with all varieties available. They are starting to see cleaner spaghetti and better color and sizing on other varieties as growers get into new blocks.

**Chili Peppers:** This is usually the time when Northern and Southern Mexico areas overlap each other, but Sinaloa has been slow to start due to cooler weather and volumes are less than normal. We expect to see volume increase over the next few weeks. Quality has been good.

## Transportation Facts

\*The National Diesel Average dropped another \$.04 per gallon and sits at \$2.07 this week.

\*The average price for a gallon of diesel fuel is \$.80 lower than the same time last year.

\*Diesel prices dropped in all areas of the country with the most notable decrease in the Rocky Mountain region (down \$.06 per gallon).

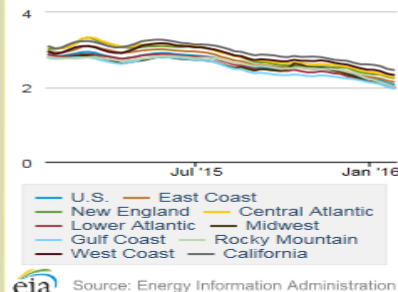
\*California reported the highest-priced diesel fuel of the week at \$2.46. The fuel bargain in the nation can be found in the Gulf Coast area at \$1.96.

\*The WTI Crude Oil Price has perked up, moving from \$28.46 to \$32.30 per barrel, which is a 13.5% increase.

\*With minimal amounts of product shipping, there is a transportation surplus in Central/South Florida this week. All other areas of the nation report adequate availability of trucks.

### On-Highway Diesel Fuel Prices

(dollars per gallon)



## ON THE HORIZON CONTENTS



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## Keep Your Eye on the Consumer RESEARCHER: LOYALTY PLATFORMS A MUST FOR MILLENNIALS

By: Cherryh Cansler, [www.fastcasual.com](http://www.fastcasual.com), January 27, 2016

Although a new study reveals 96% of millennials are using restaurant loyalty programs, 63% of restaurants don't offer POS systems, which is one of the easiest ways to implement a loyalty program, said Justin Guinn, market researcher at Software Advice, which conducted a study surveying millennials about technology use via an online poll. "So it's not really a question of whether or not this demographic doesn't have loyalty to give because, given that finding, they obviously do," Guinn said. "The issue revolves around why restaurants have traditionally had such a hard time pinning down the loyalty from this demo."

Guinn's report also found that:  
-40% of millennials prefer to use an app to identify themselves as loyalty members.  
-Of those 40%, 36% want to review rewards balance.  
-29% want to view menus and prices.  
"This is a crucial piece of information for restaurant owners because they can use these apps to engage with loyalty members and get them back in the restaurant spending more often," Guinn said.

FastCausal.com discussed with Guinn why there is a disconnect among restaurants when it comes to adopting loyalty platforms.

**FastCasual:** Why did you focus on millennials for your study?

**Guinn:** Millennials have recently eclipsed Baby Boomers as the largest age demographic in the country, and they eat out (dine-in, take-out, delivery) more than any other age group. So, millennials are undoubtedly a highly-valuable demographic for restaurants to target. That's why we wanted to gather some insights on them in particular. There have also been reports and comments in the past accusing millennials of being frugal with their brand loyalty. We wanted to explore this further and see if it is indeed the case. Along those lines, we tend to hear that, as valuable as this demographic is, they're quick to drop a brand or business.

**FastCasual:** Did your research point to anything that would back that up?

**Guinn:** Our research found 96% of millennials are using restaurant loyalty programs. We asked what the top reasons were that caused them to stop participating in a restaurant's loyalty program. Leading the pack of reasons was that 'rewards aren't valuable enough' or 'discounts aren't high enough' to justify sustaining participation.

I don't think restaurants need to be throwing huge rewards and discounts around to sustain millennial loyalty. At the end of the day, a loyalty program should have a hugely positive impact on revenue. Costly rewards and discounts have the negative effect. However, restaurants should have an understanding of where this value threshold exists.

**Fastcasual:** Well, on the flip side, are there certain incentives that might attract this generation to one restaurant's loyalty program over another?

**Guinn:** Though monetary value is crucial, millennials can be most incentivized to maintain loyalty participation through other means. We found that how quickly it takes rewards to accrue has a profoundly positive impact on millennial loyalty participation, as 51% indicated it is a top incentive for them to join a loyalty program. The takeaway here is that restaurants should be rewarding loyalty members early on, regardless of what the reward value is. One strategy would be to offer a simple discount on their next purchase/visit. Ideally, this will get them back in the restaurant sooner.

**FastCasual:** What specific kinds of rewards did you find that millennials prefer to receive the most?

**Guinn:** Our study found 37% of millennials prefer to receive discounts, and 30% prefer to earn points based on the amount of money spent at a restaurant. These are two common and viable loyalty program strategies, but there's something else to keep in mind. Another top incentive for millennials to enroll in a loyalty program is the ability to earn a variety of rewards, with 38% indicating such. So while discounts and points are the most-preferred rewards millennials want to

in some different offerings or find some kind of way to keep loyalty rewards fresh and incentivizing. The point here is that millennials remain engaged and will return and spend often.

**FastCasual:** Generally, how can restaurant operators take part in a loyalty program?

**Guinn:** Restaurant operators looking to adopt a loyalty program into their restaurant have multiple options. There are a plethora of app-based options on the market today, such as Belly, that are quick and easy options for a restaurant loyalty program. Restaurants opt-in to be included in these programs' catalogues and customers can download the app to start earning points each time they visit a participating restaurant. Though they are easy to use for both parties, some of these offerings don't allow operators to access valuable data collected on their customers. Probably the most bang for their buck is for restaurant operators to adopt POS-based loyalty programs. The programs are integrated with the other various features of the POS system, which enables users to move from one function to another seamlessly. These are the kinds of things we hear and bring up in the conversations we have with restaurant owners everyday who are comparing the POS systems on the market.

Given these kinds of advantages, it's surprising that nearly two-thirds (63%) of restaurants still don't have a POS system today. All these various features, including the ones surrounding customer loyalty programs, are the things that restaurants need to think of when starting their process of comparing systems.

**FastCasual:** What about physical programs?

**Guinn:** Physical loyalty cards are not out-of-vogue just yet with millennials. Although 40% prefer to use an app to take part in a loyalty program, 38% would still prefer to use a card. So, if an app seems like too much to take on, it shouldn't hinder your loyalty participation with millennials. As the years go on though, we'd probably expect those numbers to grow further and further apart in favor of mobile apps.



## SPOTLIGHT ON LIPMAN Lipman Texas

Lipman Texas (dba Combs Produce) is a full service/ full line distributor. Located in Dallas, TX, this facility provides many services including repacking, ready-to-eat processing, and supplying a full line of specialty products. Lipman Texas is currently servicing wholesalers, foodservice, and retailers in a 10-state delivery region.

This location has a clear focus on food safety and is GFSI certified for repacking and fresh-cut processing through NSF. (This includes our HACCP program and GMP's.) We are also Tomato Metric certified and organic certified under the USDA NOP through NSF.

Established in 1958 by J.C. Combs, Brett Comb's Grandfather, JC Combs Produce was strictly a tomato house serving customers in Dallas. Over the years, as additional produce items and services were added, JC Combs evolved into Combs Produce and became one of the largest tomato repackers in the Southwest.

Lipman Produce acquired Combs Produce in June 2012 and in March 2014, Lipman Texas moved out of the downtown area and into a new state of the art warehouse. This facility was dedicated to the memory of JC Combs in April 2014 and is aptly named the Combs Building.

The Lipman Texas facility encompasses 150,000 square feet on 11 fenced acres. The tomato and repack room alone is 39,000 square feet and the processing room checks in at 7000 square feet. The entire facility is temperature controlled, computer controlled and video monitored. There are also 4 new computerized banana ripening rooms.

Lipman Texas employs over 175 dedicated personnel. The buying and sales team has over 300 years of combined produce experience. The Lipman Texas core management team has been together for 20+ years. As a member of the community in which it operates, Lipman Texas supports local charities and works closely with the North Texas Food Bank.

### PRODUCE BAROMETER

ITEM	QUALITY	PRICING
Bell Pepper	Fair-Good	Lower
Cucumber	Good	Lower
Eggplant	Fair	Higher
Green Beans	Varied	Higher
Lettuce-Iceberg	Fair	Lower
Jalapenos	Good	Higher
Onions	Good	Steady
Potatoes	Good	Steady
Squash	Poor-Good	Steady
Tomatoes	Good	Higher



### February Calendar

#### All Month

Get Organized Month

#### Fourth Week

National Clean Out Your Inbox Week

#### January 23<sup>rd</sup>

Better Business Communications Day

#### January 29<sup>th</sup>

National Have Fun at Work Day

### Immokalee, FL Weather

Thu Jan 28	Fri Jan 29	Sat Jan 30	Sun Jan 31	Mon Feb 1	Tue Feb 2	Wed Feb 3
73°F	66°F	70°F	77°F	79°F	82°F	81°F
54°F	45°F	54°F	61°F	63°F	64°F	68°F
WSW 15 MPH	NNW 11 MPH	SSE 4 MPH	E 8 MPH	ESE 8 MPH	SE 12 MPH	S 9 MPH
Precip 100%	Averages	Averages	Averages	Precip 20%	Averages	Precip 40%
Averages	Averages	Averages	Averages	Averages	Averages	Averages
77°F/50°F	77°F/50°F	77°F/50°F	77°F/50°F	77°F/50°F	77°F/51°F	77°F/51°F





## An Apple a Day

### MODERN LIFESTYLES HINDER HEALTH FOR NEARLY HALF OF AMERICANS

[www.qsrmagazine.com](http://www.qsrmagazine.com), January 27, 2016

The conveniences of modern life in the U.S. may be getting in the way of 2016 New Year's resolutions, as new research from Mintel reveals that 43 percent of Americans agree that living a modern lifestyle makes it very difficult to be healthy. Further, 80 percent agree that being healthy requires sacrifices.

Some of the barriers cited by consumers looking to improve their health include lack of understanding and boredom. Two in five (40 percent) Americans agree that "there is so much information on health out there, I don't know where to turn," while one quarter (24 percent) get bored quickly doing the same exercises.

Barriers aside, as Americans pursue a healthier lifestyle, there exist misconceptions about current health status: one third (35 percent) of Americans age 20 and older are obese (i.e. Body Mass Index of at least 30), yet 88 percent of adults consider themselves healthy. What's more, one third (33 percent) of consumers report they are very healthy, with more than two in five (44 percent) reporting that they maintain a healthy weight.

"Americans believe that living a modern lifestyle impedes their ability to be healthy, with some feeling as if they're doomed to fail," says Lauren Bonetto lifestyles and leisure analyst at Mintel. "While technology has exponentially increased the amount of easily accessible health information, some consumers find it difficult to tell good information from bad and feel overwhelmed by what's at their disposal. It's essential for health brands to communicate the importance of reliable information—whether it be from the Internet, a healthcare professional, or some other source—to ensure consumers make the best decisions for their overall well-being."

While nearly two in five consumers report that there's always more they could do to be healthy (38 percent), Mintel research reveals Americans are indeed taking proactive measures to achieve better health. In fact, more than half of Americans say they eat a healthy diet (52 percent) and exercise regularly (53 percent). Other actions consumers report taking in order to live a healthy lifestyle focus on relaxation (49 percent), maintaining a work/life balance (48 percent), and focusing on mental health (43 percent).

Further, consumers agree that society is changing, and a healthy lifestyle may not mean what it once did: 55 percent of consumers agree that society is becoming more accepting of different body types. What's more, two thirds (66 percent) of Americans base how healthy they are on how they feel rather than how they look, potentially leading to stronger beliefs that health equates with happiness and feeling good. Mintel research shows that "feel better" is the main motivation for consumers to be healthy (70 percent), followed by "be happier" (58 percent), while 55 percent of consumers are motivated to "look better."

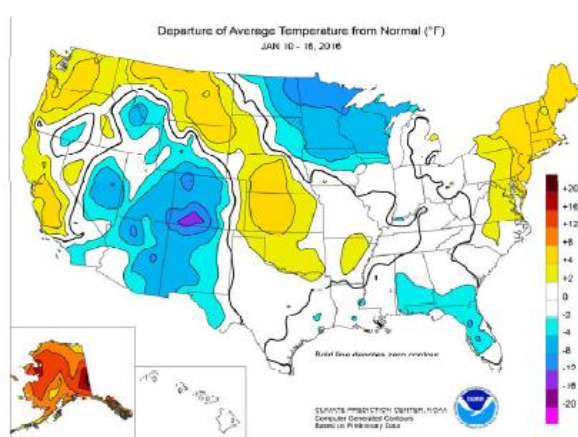
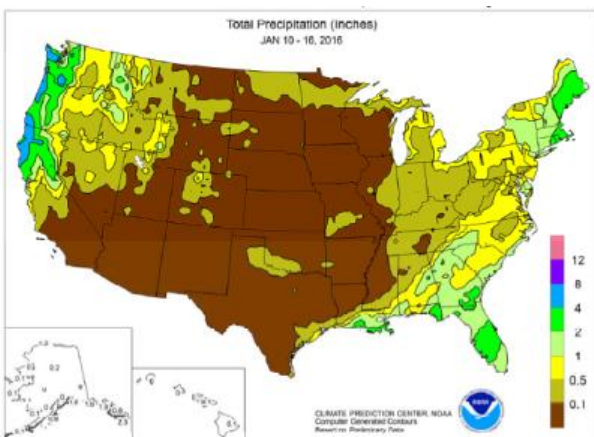
"Consumers connect their health with overall happiness and are taking a variety of steps to improve their well-being, including eating a balanced diet and exercising regularly. As such, brands using messaging that emphasizes feeling better and being happier could succeed in reaching consumers on a more personal and emotional level," Bonetto says.

Mintel research reveals that age also plays a significant role in how consumers view their personal health and their motivations for living a healthy lifestyle. Seven in 10 Millennials (69 percent) agree living a healthy lifestyle is expensive (versus 58 percent of consumers overall). Additionally, Millennials (53 percent) are overwhelmingly more likely than consumers overall (37 percent) to see if health problems will resolve themselves rather than seek medical attention. These attitudes are aided by three in five Millennials (62 percent) agreeing they are more informed about their health than the average person. Despite this, Millennials are less likely than consumers overall to eat a healthy diet (45 percent) and get regular exercise (48 percent).

"Mintel research suggests that Millennials may be lulled into a false sense of security with their health due to their age as they tend to 'ride out' health problems. This highlights an opportunity for brands to help Millennials establish better health habits to ensure they achieve long-term overall health. Brands should also keep in mind that Millennials tend to be more motivated by looking better when compared to older consumers," Bonetto says.

## NATIONAL WEATHER SPOTLIGHT

### Weekly Precipitation and Temperature Deviation





## News in the Grocery Trade DO YOU SPRING-CLEAN YOUR STORE?

By: Simon Uwins, [www.supermarketnews.com](http://www.supermarketnews.com), January 21, 2016

It's the time of year for articles about spring-cleaning the home. I've always found it helpful to apply the same approach to freshen up a store.

Psychology tells us that people remember their first and last impressions more than what happens to them in the middle. And certainly with stores, I've always found that the entryway disproportionately impacts what customers think of the store, while the checkout experience strongly influences how valued they feel as a customer.

So to get the most bangs for the buck, it's worth giving these areas particular attention. First, the entryway:

1. **Is the door welcoming?** This always seems to be a magnet for all sorts of notices, so it ends up more of a barrier than an inviting entrance. What can be done to reduce/organize all this, so that customers feel more welcomed?
2. **Is the foyer uncluttered?** Again, this can easily become a jumble of stacks, baskets and signs, which customers have to navigate around before getting on with their shopping. Why not declutter and organize, so that the transition from outside to inside is easy for customers?
3. **Do sight lines create a good impression from the foyer?** Over time, graphics and stacks can end up blocking key sight lines, making the store feel congested and difficult to navigate. Some judicious editing can really open a store up.

Then, the checkouts:

1. **Are they clean and tidy?** So many bits and pieces of communication seem to accumulate at the checkout, as well as signs of wear and tear. A bit of TLC can work wonders.
2. **Are they organized for the employees?** Does every checkout have the necessary tools to do the job, and every tool have a place? An employee having to hunt for something is a customer frustrated.
3. **Do the employees feel valued?** Customers are unlikely to feel valued if employees don't, so I like to pay attention to the employee areas. Are these areas clean and tidy? It's amazing what effect a quick lick of paint can have.

Of course, there are always much bigger issues with the shopping trip that need organizational change or major remodels to address. But in the meantime, a thoughtful spring-clean can improve the experience for customers, and freshen up the store.

What does your store do?

### Mark Your Calendar & Pack Your Bags

March 3<sup>rd</sup>-5<sup>th</sup>, 2016

Southeast Produce Council's Southern Exposure

Curio Diplomat

Hollywood, FL

[www.seproducecouncil.com](http://www.seproducecouncil.com)



May 11<sup>th</sup>-13<sup>th</sup>, 2016

PMA Foundation's Executive Leadership Symposium

TBD

Dallas, TX

[www.pmafoundation.com](http://www.pmafoundation.com)

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