



MARKET UPDATE

Tomatoes: There are a few more tomatoes around in the East this week, as AL, TN, and NC have gotten up and running in a light way. Both NC and TN are a few weeks behind their traditional schedule due to weather from 6-8 weeks ago, but should be moving toward more normal volume over the next two weeks. VA farms have delayed harvests until this weekend to ensure proper maturity, but the crop looks good, particularly considering the weather that it's been through. With most of the current growers in crown pick, larger sizes are more prevalent. However, the crop is not exceptionally large- more fruit is coming in at the 4x5 and 5x6 size. Roma availability is also scattered with light supply in AL, TN, and Western NC, where the early quality is looking very nice. Virginia has started grapes and will see volume build over the next week or so. Quality is great and early-pick sizing is big. There are also grapes available from NC and TN.

California's San Joaquin Valley has plenty of mature green and vine-ripe rounds to offer, but transportation costs are hitting the market hard, causing some farms to slow daily production. Roma volumes and quality are on the increase from this area. Markets are a little stronger on romas than rounds which should keep supply rolling along. Quality ranges from excellent to a little challenged, with concerns coming from shippers who have inventory backups. Baja and Eastern Mexico will continue to cross consistent volumes of product at least through the month of July. Grape tomato supply remains adequate but there is a mix of quality as both older and newer acreage is being harvested.

Bell Peppers: Bell pepper availability is limited in the East this week for several reasons: 1) NJ crops have blossom end rot caused by heat which has reduced availability and packouts; 2) MI is still 7-10 days out from starting; 3) Eastern NC and SC are down to the end of the season, mostly scrapping; and 4) The

mountain growers in TN and NC are slow to start. On a positive note, there are a few pockets of product in various states with local programs in VA, KY, and PA. In the West, Bakersfield is starting to wind down and Stockton is struggling to keep up with demand. Three additional areas are set to increase over the next few weeks, but for now availability is on the snug side.

Cucumbers: Baja's cucumber production is increasing due to nice weather and a few more farms starting up. Quality has been good with no serious issues. Larges are in high demand and are very limited, but there's plenty of all other sizes. The East is working with a really tight supply situation this week. NJ's plants and product have been affected by heat and will see reduced yields and quality for the next two weeks. With MI and some of the local areas also dealing with heat-affected supply, there's not a lot of cucs to meet market demand. NY will start next week which should provide some relief to the NE but we expect availability to remain tight for another few weeks or until newer plantings come on in the major production areas.

Summer Squash: Squash is available from numerous areas in the East as production settles into the summertime pattern. There's enough to fill orders, but definitely not an oversupply. Quality has been mixed with some of the better fruit coming from the Carolinas. In the West, three major areas are rolling in moderate to strong production (Baja, Santa Maria, and the NW) with no major issues.

Eggplant: Eggplant supply is adequate in both the East and West, despite normal growing-area transitions. For the most part, quality reports are excellent from new crops.

Green Beans: Eastern bean supply tightened up this week as the active growing areas (VA, TN, MI) are taking turns with production gaps. However, the supply situation has improved in CA with 5 different areas seeing slight to moderate increases in production numbers.

TRANSPORTATION FACTS

*The national average price for diesel fuel remained steady this week at \$3.24 per gallon.

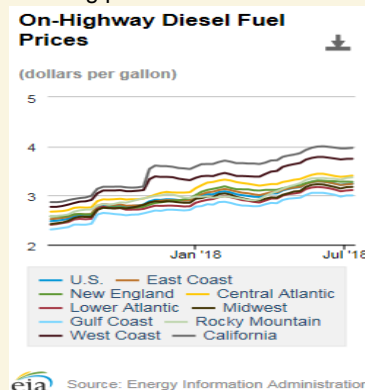
* The average price for a gallon of diesel fuel is \$.76 higher than the same time last year.

* All but one area of the country reported slight price increases with the most significant coming from the Central Atlantic region (up \$.015). The West Coast was the lone zone where the price decreased very minimally.

*California maintains its role as the high-price leader at \$3.97 per gallon. The Gulf Coast region offers the best bargain at an even \$3.00 per gallon.

*The WTI Crude Oil price continues to rise (up 1.6%), moving from \$72.94 to \$74.11 per barrel.

*The transportation report is mixed this week. There are shortages in SC, GA, on specific routes from MI, and in the San Joaquin Valley of CA. Truck levels are adequate or in excess in remaining areas and at Mexico crossing points.



ON THE HORIZON CONTENTS

Restaurant Industry News- [page 2](#)

Merchandising Minute- [page 3](#)

News in the Grocery Trade - [page 4](#)

Keep Your Eye on the Consumer- [page 5](#)

Produce Barometer-[page 3](#)

July Calendar- [page 3](#)

National Weather Spotlight- [page 4](#)

Pack Your Bags - [page 5](#)

RESTAURANT INDUSTRY NEWS

Gen Z Revealed Highest Spenders in Survey

www.fastcasual.com, July 10, 2018

Enhancing convenience, focusing on families with kids and engaging Gen Zers are three ways restaurants can increase their bottom lines, according to a Technomic/Acosta survey of 1,500 Americans.

The fourth annual report, "The Why? Behind The Dine," showed that increasing numbers of U.S. diners are pretty spur-of-the-moment about their dining decisions, with 85 percent making their meal choices on the day of meal, according to a news release. That's a jump from the same number in 2015, according to the report whose authors said it also serves to provide some reasoning behind another survey revelation that sales of convenient meal solutions grew across almost every category and generation.

"We are seeing more diners take advantage of the seemingly endless array of meal solutions, be it a quick trip through the drive-thru, grocery prepared foods, lunch from a food truck, or preparing dinner using a meal/ingredient kit," Acosta Senior Vice President Colin Stewart said in the release.

As might be presumed, the survey found that delivery is an increasingly popular option for all ages, with 51 percent of those survey reporting ordering delivery in the previous three months. And among those respondents, millennials stole the show with 77 percent of the age group reporting have done so in that time. And here are the things they're ordering via delivery aside from that

omnipresent home-delivered option of pizza:

- Burgers (28 percent)
- Wings (27 percent)
- Mexican (21 percent)
- Barbecue (14 percent)
- Desserts (11 percent).

Another area of foodservice seeing gains under this convenience headings involves online-ordered meal kits, which more than doubled in fans in two years, growing from 8 percent in 2015 to 18 percent this past November.

How to attract hot groups for higher spends

Families with kids and newly adult "kids" are the big spenders among those who dine out, with Gen Z diners already outpacing groups like Boomers in reported monthly spending on food prepared outside the home. Likewise, families with youngsters spent more twice as much eating out monthly than those without kids. Families without kids spent an average of \$95 monthly, while those with kids spent an average of \$208 monthly.

How best to attract these two high-rolling restaurant groups? The survey offered insight here, too, including findings like the fact that 58 percent of Gen Zers go online to pick a place to eat, often in search of deals and much more often than other generations. Also, nearly 70 percent of this generation

likes it when they have spare restaurant food to take with them for another meal. These findings show the importance of special promotions and options for super-sizing orders (to provide those leftovers) for brands that might want to capture more Gen Zers.

The survey found that the best way to entice diners with kids is to include healthy menu options like salads and lots of locally sourced ingredients, along with the marketing to make this evident. In fact, 46 percent of diners with kids reported eating more salads over the last year

Likewise, many of these families are millennial-headed so it's no wonder they often plug in right along with their kids when eating out. Brands targeting these big spenders might offer both dine-in and carry-out options that give families ways to plug in, but still, stay engaged as a family. With the survey finding that 28 percent of respondents in this group reporting hopping on Wi-Fi while eating out, it's an opportunity waiting restaurateur innovation.



Merchandising Minute

Be a Good Ambassador

By: Armand Lobato, www.produceretailer.com, June 20, 2018

What kind of ambassador are you? If your company's logo is on your ball cap, your cooler jacket or even your vehicle, you are indeed an ambassador. A walking banner. A representative of your organization. As such, at the end of your workday, that produce logo on your hat or sleeve doesn't punch a clock. It still adorns you, and with it comes a certain amount of responsibility.

I knew a guy who regularly traveled wearing the company logo. For the most part he behaved himself. However, when travel plans went haywire, so did he. He was the one who pushed his way to the front of the gate agent's desk and despite the airline's efforts to keep things under control, it was never good enough. He would get loud, obnoxious and demanding. All while wearing the organization's logo. How much worse can you represent your organization?

The truth is that if you wear something that connects you to a company (be it in a white- or blue-collar format) you absolutely are an ambassador. And how you speak, how you interact with people while wearing your logo reflects on your organization, for better or for worse.

Anyone can mind their manners while on the job, speaking to clients, negotiating with customers, while knowing what to say and what not to say, including saying not anything at all. But can you walk that fine line when you think you're off work, off the clock, and on your own time?

How you speak, how you interact with people while wearing your logo reflects on your organization, for better or for worse.

We must remember that everyone we meet is, in one way or another, our customer. Being aware of that single nugget of truth, we must always strive to find common ground, knowing we're all in this crazy business world together.

That's why I stress seeking some behavioral guideposts. Many of us in the produce business (be it retail, foodservice, wholesale, etc.) wear our logo as we head for home at the end of the day. It could be that when we stop and buy gas, stop and pay a bill, or run any other errand, we, ourselves, are on stage, so to speak. Just as if you treat someone with utter contempt (as the airline gate agent example), so, if you are instead patient and polite, they may just look at that logo in a much different light.

To me it boils down to not only what kind of reputation your organization has, but what level of professionalism you wish to convey as well. Even if you aren't sporting your brand.

William Shakespeare wrote these lines in Othello: "Reputation, reputation, reputation — O, I ha' lost my reputation, I ha' lost the immortal part of myself, and what remains is bestial!"

PRODUCE BAROMETER

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



JULY CALENDAR

July-All Month

National Pickle Month

National Deli Sandwich Month

July 16th

National Corn Fritter Day

National Personal Chef's Day

July 19th

Get to Know Your Customers Day

Ride Your Motorcycle to Work Day

Hendersonville, NC Weather

Fri Jul 13	Sat Jul 14	Sun Jul 15	Mon Jul 16	Tue Jul 17
80° F	82° F	83° F	83° F	84° F
66° F	68° F	68° F	69° F	69° F
NE 7 MPH	E 6 MPH	SSE 2 MPH	W 5 MPH	W 6 MPH
Precip 50%	Precip 40%	Precip 30%	Precip 50%	Precip 40%

NEWS IN THE GROCERY TRADE

Experiences, Engagement Help Make Stores a Destination

By: Mike Eardley, www.winsightgrocerybusiness.com, June 28, 2018

"Life is a journey, not a destination." For many, the words of Ralph Waldo Emerson are an essential chapter in the guidebook of their lives. Life is about experiencing new things, not a mundane and sedentary state of being. And this mindset is present in all facets of one's life, including shopping and eating patterns. While I hate to sound like a broken record, I'll again state the importance of something I've mentioned many times in my past columns: creating an experience for shoppers.

Purchasing groceries has never been easier for most shoppers, thanks to new channels, both online and physical. A consumer can quickly purchase products and have them delivered in a matter of minutes from his or her phone or tablet. It's fast, easy and convenient. But it doesn't provide an experience that so many consumers seek out.

Traditional supermarkets have the potential to provide this experience, in a variety of different ways. And it's not just the larger chains that can capitalize. With a little ingenuity and creativity, any store can develop services and programs that engage shoppers.

"The Experience Economy"—a concept and book developed by B. Joseph Pine and James H. Gilmore whereby businesses create memorable events for shoppers, which in turn become the products themselves—has been the inspiration for our Show and Sell program for the past few years. At Show and Sell, our team of volunteers develop concepts that any-sized retailer could implement at their stores. Engaging, educating and entertaining the shopper are the key ingredients for setting your store apart from the competition, especially emerging channels such as online grocers and discounters.

Here are a couple of examples of the concepts showcased at this year's Show and Sell that retailers could replicate and get inspiration from:

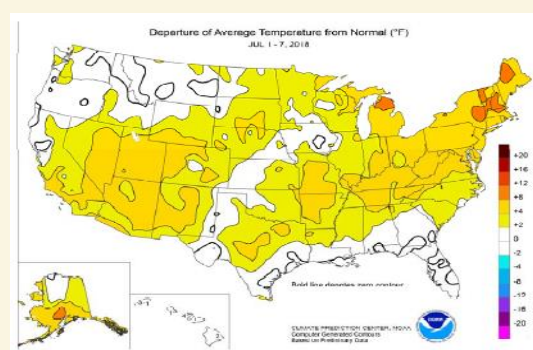
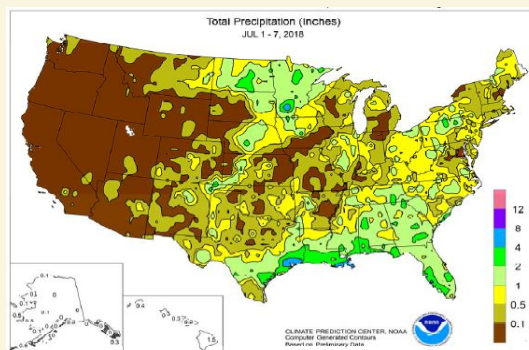
- **Innovative foodservice ideas.** With dining out now more common than cooking from home, a robust prepared food department is becoming a must in supermarkets. This trend was in full display in our "Industry" section, a grocerant-style concept that featured made-to-order sandwich options served by chefs using in-house-made meats, fresh bread and unique and tasty condiments that inspired attendees to elevate their deli offerings and turn their prepared food program into a true destination for shoppers. Besides serving as a lunch and dinner destination, a prepared foods program can target the breakfast crowd, a customer demographic growing in importance as more individuals seek out food to start their day away from home.
- **Bakery Cafe.** Freshness continues to be one of the most sought-after food attributes. And nothing is fresher than food made right in front of a customer and featuring interesting flavors and ingredients. The Bakery Cafe encompassed this ideal with freshly made doughnuts topped with combos such as Velveeta, Flamin' Hot Cheetos and candied bacon. Additionally, the cafe featured a pretzel bar with a variety of savory and sweet flavor combos. The concept also gave attendees fresh ideas on how to enhance their in-store bread programs through scratch baking, frozen dough products and par-baked items. These concepts truly embody the spirit of the experience economy, because the smells, sights, and sounds of baked goods being made and displayed in the in-store bakery can truly be a draw to shoppers.

In addition to delivering a variety of prepared food options to shoppers, these two concepts, when properly implemented, can have a small footprint on a retailer's floor space and enable operators to be flexible when utilizing their space; reduce equipment investments; and allow operators to implement changing menus.

In today's competitive retail food environment, it is simply not enough to run a store in the traditional way. Innovation, imagination and thinking outside the box are not just talking points; they're the vital ingredients to help supermarkets succeed in today's marketplace. Learn about the current trends in consumer purchasing patterns. Talk with your shoppers about what they'd like your store to offer. Attend trade shows, events and seminars to educate yourself and your team on the latest research, products and technologies. And then create the experience that will have shoppers coming back for more.

NATIONAL WEATHER SPOTLIGHT

Weekly Precipitation and Temperature Deviation



KEEP YOUR EYE ON THE CONSUMER

Why Retailers Should Target Millennial Parents

By: Louisa Hallett, www.retailleader.com, July 9, 2018

New research from the National Retail Federation shows why millennial parents may be a key demographic for retailers to target. The millennial generation, now in their mid-twenties to mid-thirties and having children, are influencing retailers with a different style of shopping than previous generations. NRF has been tracking the shopping habits of millennials for over a decade and have been comparing them to Generation X, individuals born between the years 1965 and 1984.

Millennials lead more than half of households with children today and are an important part of the \$1 trillion that U.S. families spend annually on their kids. However, compared with parents from other generations or even millennials without kids, millennial parents have a different approach to shopping for themselves and their families.

An NRF study found that unlike Generation X, millennial parents are twice as likely to have a higher education degree and most millennials earn more than the median household income of \$59k a year. Millennial parents are also more than twice as likely than other parents, or even other millennials, to spend more money on experiences such as traveling, going to movies and dining out, as well as bring their kids along for vacations.

With a new target consumer, comes a new path to purchase. Millennials have all the information they need about brands and products, and even fellow consumer reviews about those brands and products. They are the generation that is most likely to read and write reviews about a product or brand experience, as well as the generation most likely to pay or place an order. According to the study, the millennial parent is all about speed and convenience, as nine out of 10 millennials have used same-day shipping.

"I don't really ever remember a time without technology," says Artemis Berry, VP of member engagement and a millennial mom. She uses her smartphone to research products and brands, compare prices, make purchases and sometimes even uses it to help keep her three-year-old daughter entertained. As for David French, SVP of government relations and a Gen X parent, "when my kids were young, we were using the phones as phones," he says.

However, one of the biggest differences between all millennials and generation x, is the excitement behind subscription boxes. A fairly new retail model, membership subscriptions allow consumers to explore new products and brands within a specific category. Subscription services, which offer both convenience and the chance to discover new products and brands, have a big draw for these young parents. "[Millennials] are about twice as likely to use a subscription service as other generations," Cullen says. For French, not so much. "What's a subscription service?" he asks.

Are there any similarities between the generations? Of course! The millennial parent attitude towards brands starts to look more and more like that of previous generations, as 54 percent of millennial parents compared to 40 percent of previous generation parents identify themselves as "very loyal" to the brands they shop. The study also found that regardless of generation, poor customer service is the top reason parents will back out of a purchase from a brand or retailer they were loyal to. However, it is also found that loyal millennial parents are a retailers strongest advocate, for 49 percent of millennial parents said that they would choose a more expensive brand or retailer they are loyal to instead of a cheaper alternative.



**MARK YOUR CALENDAR
PACK YOUR BAGS!**

July 27-29, 2018
PMA Foodservice Conference & Expo
Portola Hotel & Spa and Monterey Conference Center
Monterey, CA
www.pma.com/events/foodservice
Come join Team Lipman at Booth 206!

September 5-6, 2018
Retail Foodservice Summit
Sheraton O'Hare
Chicago, IL
www.winsight.cvent.com/events

**CREATED BY LIPMAN
FOR OUR VALUABLE
CUSTOMERS**


Visit our website... www.lipmanfamilyfarms.com

Follow us    

Questions or comments about the newsletter?
Contact: joanna.hazel@lipmanfamilyfarms.com