



## MARKET UPDATE

**Round Tomatoes:** The Eastern round tomato deal is definitely in Summertime mode. Light to moderate production is available in several areas (AL, NC, TN, VA, KY). TN farms aren't impacting the round market significantly yet as only a few growers have started. But, more will come online next week, volume will build, and the Volunteer State will become a factor over the next 7-10 days. Quality on some of the first boxes is just okay, but should improve as operations get into the flow of the season. VA farms continue to have steady volumes of round tomatoes. Yields and packouts have been good and quality is holding up nicely. CA farms are providing the strongest supply of rounds in the West as all major growers are rolling with fruit. Although sizing is heavier to the larger side for many growers, a nice mix is available. Overall quality is improving for growers in the more northern areas. However there are some color and quality issues coming from areas further south. The vine-ripe deal in Mexico is a bit lighter this week as West Mexico is almost finished and Baja is starting to wind down as well. Fortunately, East Mexico continues to cross steady volumes.

**Roma Tomatoes:** TN farms have been going with romas for a little over a week now. Quality has been nice and all sizes are available because of how heat brought crops on this year. Barring weather concerns, we expect to see more growers come online and get into volumes over the coming weeks. Growers in the NC mountains also have light to moderate numbers to ship but most of that fruit is staying within the region. As with rounds, Mexico's roma crossings are relatively light this week and quality is declining on crops in older growing areas. Northern CA farms are now into good volumes, but quality concerns (that are typical for ground-grown fruit) are rearing their ugly heads. Scarring and color issues are reducing the amount of retail-appropriate fruit, but it is being handled well in the packinghouses.

**Grape Tomatoes:** Grape tomato availability is on the short side in the East this week. VA farms are harvesting daily but there's not an excess to spread around. There are some other states with light supplies including TN and NC. A few more areas are expected to come online

over the next two weeks (MO, NY and Canada), which should help with supply. Western markets are looking for grapes from Baja where quality has improved as growers move into new fields. Mainland Mexico is also in the game and expects to have a little more fruit in the next week or so, pending weather.

**Bell Peppers:** With Eastern NC and SC both in the short rows of the season, pepper availability has tightened up this week. There are several areas harvesting, but no one spot has a ton of volume. NJ is in season, but most of that product is staying close to home. There are regional/local deals in VA, the mountains of NC, TN, KY, etc. with some nice fruit, but just enough volume to take care of their own. Look for MI to start picking pepper next week, but we don't expect to see big numbers until August. Overall quality has been hit or miss by area, depending on the heat and rain each has received. Meanwhile in CA, Bakersfield is pretty much finished for the season. Fresno's numbers have been very light due to some early pollination problems and LeGrand has experienced production issues and a planting of squatty fruit. Both areas expect to have better availability (and quality) next week as they move past their current concerns. Gilroy just came online and will provide solid volumes as soon as next week.

**Cucumbers:** While there are a number of regional deals in states like TN, VA, NC, and NJ, there's not a lot of volume in the East this week. MI is beginning to come on with more fruit and we should see shipments increase as soon as next week. So far, quality has been average or better, with no serious issues reported. In the West, Baja's production is finally picking up as all growers are in production and weather is getting warmer. WA state farms are also seeing stronger harvests and nice quality.

**Summer Squash:** Squash production is spread throughout the East, with squash in almost every state viable for agriculture at this time of year. MI's volume is the most impressive, so that's where many buyers are heading

If the quality or volume isn't adequate close to home. With so many growers in different phases of the season or plantings, varied weather patterns, etc, quality is variable, especially on yellow. Between Baja, WA state and several CA growing districts, there's plenty of squash available in the West. As you might expect, availability is better on zucchini than yellow, due to quality and less acreage in the ground.

**Organic Squash:** Baja, the Northwest, and CA are all harvesting organic squash. As is the norm, yellow plantings are lighter and quality is more challenging but there's a decent amount of product available. Most local deals have come on in the East with light availability scattered in various states.

**Organic Cucumbers:** With both Baja and Eastern WA's volume building, the West has a solid supply of organic cucumbers this week. A few more growers have come online this week, but supply is still pretty snug in the East.

**Organic Green Bells:** Bakersfield production is on its last leg which has created a very tight market for organic bells. There are a few growers who will start new crops next week, but volume will be limited for another 2-3 weeks until the Northwest and Northeast get up and running.

**Mini Sweet Peppers:** Baja is finally up and running with light supply. Volume increases are expected soon, which will help ease the tight supply situation of late. With Canada's numbers staying steady, we should be over the hump with mini sweets.

**Colored Bell Peppers:** Canada's colored pepper production has been down in the West and steady in the East. Recent reports suggest this will flip flop over the next week. Mexico's volumes have been up and down but there's not much available this week. Growers that cross at McAllen are expecting rain for the next several days which could affect the next fruit set due for harvest in September. With no one area flushing, supply could remain snug until growers work through current issues.

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Transportation Facts  
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## NEWS IN THE GROCERY TRADE

### Ways to Make it Easier for Occasional Organic Shoppers to Buy More

By: Tom Karst, [www.produceretailer.com](http://www.produceretailer.com), July 15, 2019

Retailers can give organic produce the razzle dazzle of attractive prices, good quality and prominent placement to move light buyers of organic to more steady consumers. At the same time, the marketing message that organic produce is good for people and the planet rings true for many consumers and shouldn't be overlooked in the attempt to grow sales.

Converting light to moderate buyers of organic produce to committed and heavy buyers was the focus of an Organic Produce Summit educational session on July 11. Kevin Coupe of MorningNewsBeat.com moderated the session, which included presentations by Laura Batcha, CEO and executive director of the Organic Trade Association, and Steve Lutz, regional vice president of the Produce Marketing Association.

Lutz said sales data shows that the organic category has driven nearly all of the growth in the produce department from 2015 through 2018. Sales of organic produce grew 28% in that period and volume rose 29%. That compares with conventional produce growth of 2% in sales and a 1% drop in volume over that same time. "The interesting thing is that the price point that we are asking consumers to change or to pay hasn't changed," he said, noting organic prices were roughly double conventional both in 2015 and in 2018.

Lutz said there appears to be an opportunity to move the light-to-moderate user of organic to a more frequent buyer. With organics representing only about 5% of total volume and 10% of dollars in the produce department, there is still a huge opportunity for growth.

Retailers can help move light users of organic produce to more consistent customers by making organic produce easier to find and by offering good quality and competitive prices.

While committed users are passionate about the conviction that buying organic is good for them and good for the world, price is a big factor in the decision to buy organic for light users. "We have to figure out how we present value, we have to provide additional options to them give them selection — we have to mirror those conventional standards," he said.

Lutz said marketers can use packaging to make organic produce convenient and attractive. Light and medium organic users have no problem with plastic packaging, Lutz said. Placing organic produce in a prominent location also is important to help those consumers pick organic, he said.

Batcha said the Organic Trade Association has from the past year that includes input from consumer focus groups and others about effective messaging for organic marketers. OTA then polled 3,000 consumers about their attitudes toward organic, with sampling of millennial consumers and reflecting racial ethnic diversity.

Batcha said the research measured attitude around organic concepts and what messages resonate with consumers. She said that the research looked at levels of buy-in from consumers from devoted consumers, to "dabblers and reluctant" shoppers. Marketers shouldn't waste their time in trying to make believers out of non-believers, she said. There is plenty of opportunity in moving light users to more committed users.

Research indicates about half of consumers are light organic produce users, and about 12% are heavy users. "You don't have to go beyond the light (organic) produce user to really grow the market," she said.

The marketing message that organic produce is good for people and the planet resonates with many consumers. In addition, the fact that organic produce is non-GMO also finds traction, she said. The "people and planet" message connects with the most consumers if it is not done in a heavy-handed way, she said.

Consumers who were educated about the process to transition from convention to organic growing were impressed. "(Consumers) want to know that you can't just walk through the (organic) door; they want to know that door takes time and commitment on the part of the grower to get there," Batcha said.



#### TRANSPORTATION FACTS

\*The national diesel average held steady this week at \$3.05 per gallon.

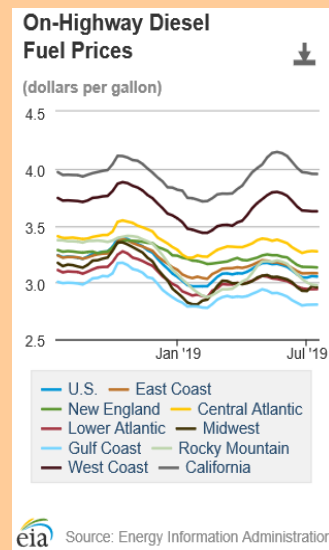
\* The average price for a gallon of diesel is \$.19 less than the same time last year.

\* Regional pricing movement was minimal with the Midwest showing the most movement (a \$.01 per gallon decline).

\*California's price charts the highest at \$3.95 per gallon while the Gulf Coast is the low-price leader at \$2.80 per gallon.

\*The WTI Crude Oil price dipped a tad lower this week, moving from \$57.83 to \$57.62 per barrel.

\* Trucks are short in Eastern North Carolina and Missouri but all other shipping areas have adequate or surplus levels of transportation available this week.





## FRESH CUT FOCUS

### Diced Tomatoes- Sides and Appetizers

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.

Because our fresh cut products are so versatile in both foodservice and retail applications, we'd like to share some of our ideas on how they can be incorporated into your operation. This week, we're featuring our freshly-diced tomatoes!

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.



BLT Dip with Diced Tomatoes, Bacon and Scallions with Lettuce Over Ranch Dip



Mediterranean Bruschetta on Grilled Toast with Diced Tomatoes, Basil and Feta Cheese



Loaded Sweet Potato Fries with Diced Tomatoes, Lettuce, Chorizo, Queso and Crema with Fresh Lime and Cilantro



Taco Inspired Hummus with Diced Tomatoes, Red Onions, Diced Jalapenos and Cilantro tossed with Fresh Lime and Cumin

## Diced Tomatoes: Sides and Appetizers

#### Ingredients:

- Diced Tomato

#### Menu Applications:

- Perfect Topping for Dips and Spreads
- Great Topping for Toasts and Appetizers
- Loaded Fries, Tots and Other Great Starters

#### Kit Versatility:

- Foodservice items
- Behind the glass deli
- National accounts
- Kits sold for repack at store level



## PRODUCE BAROMETER

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



## JULY CALENDAR

### July All Month

National Deli Sandwich Month

### July 22<sup>nd</sup>

National BLT Day

### July 24<sup>th</sup>

National Drive-Thru Day

### July 25<sup>th</sup>

National Intern Day

### July 26<sup>th</sup>

System Administrator

Appreciation Day

## Hendersonville, NC Weather

Fri Jul 19	Sat Jul 20	Sun Jul 21	Mon Jul 22	Tue Jul 23
88°F	88°F	86°F	83°F	79°F
69°F	71°F	70°F	68°F	64°F
NNW 7 MPH	NNW 4 MPH	W 3 MPH	W 5 MPH	NNW 3 MPH
Precip 40%	Precip 40%	Precip 40%	Precip 50%	Precip 40%



## RESTAURANT INDUSTRY NEWS

### What Urban Dwellers Really Want from Restaurants

By: Nicole Duncan, [www.qsrmagazine.com](http://www.qsrmagazine.com), July 2019

Cities and urban centers date back to the earliest days of civilization, but in the last couple of centuries, the number and scale of metropolitan areas has compounded several times over. Rural communities are aging, while younger generations seek better opportunities in more densely populated terrain.

But how does this inevitable shift affect restaurants? In terms of real estate, it means pricier spaces and stiffer competition. The flipside to those drawbacks is that urban locations open operators up to a bigger, broader consumer base. Concepts with growth in mind often use big cities as a sort of proving ground. (To wit, "If I can make it there, I can make it anywhere.") So just who are these urban dwellers and what do they look for in their restaurant experience? The answer, like the cities themselves, is complex and even a bit messy.

#### Where are they? Everywhere

As of the 2010 census, 83.7 percent of the U.S. population lived in metropolitan areas (defined as cities and suburbs with 50,000 or more residents). The top 10 metro areas were home to some 74 million people, accounting for about a quarter of the total population. It was a 9 percent uptick from figures of the 2000 census, and the past decade has almost certainly increased that portion. While New York, Los Angeles, and Chicago may remain the largest and most quintessential cities, they aren't experiencing the same population boom as second- and third-tier markets like Las Vegas and Austin, Texas, per the census.

#### In town, off premises

As varied as cityscapes can be, consumer demand for delivery remains fairly consistent, accounting for some 63 percent of all restaurant traffic in urban areas, according to the National Restaurant Association. Whether it's braving the subway or battling traffic, customers are buying into a more convenient means of enjoying fare from their favorite restaurants.

That being said, residents of certain cities spend more on their off-premises dining habits than others. DNA testing and analysis firm Vitagene broke down the numbers to determine the most and least expensive cities for takeout and delivery. At an average of \$210 per month, Seattle consumers spend top dollar for off-premises, followed by Pittsburgh and San Francisco at \$199 and \$195, respectively. Across the 52 cities included, Detroit spent the least at \$142 per month.

#### The limited-service split

Quick service is alive and well in cities thanks to relatively low ticket averages and nimble footprints that can be shrunk to fit even the tightest of squeezes. But it is also in major metropolitan areas that the divide between fast food and fast casual is particularly pronounced. Online rental resource Apartment Guide found that when it comes to traditional fast food, cities that rely more heavily on cars than mass transit have a greater number of such establishments per capita. For example, Orlando, Miami, and Cincinnati have the highest ratio of residents to fast-food unit, while New York and Boston are among the lowest.

When it comes to fast casual, however, that dynamic flips. Fueled by urbanites' demand for elevated fare at a reasonable price, the format is fertile ground for up-and-coming concepts in densely populated urban centers. At QSR, we've been tracking this new generation of restaurants in cities across the U.S. Unsurprisingly, New York, San Francisco, and Los Angeles take the cake for fast-casual innovation, with each city boasting several dozen original, homegrown micro-chains.

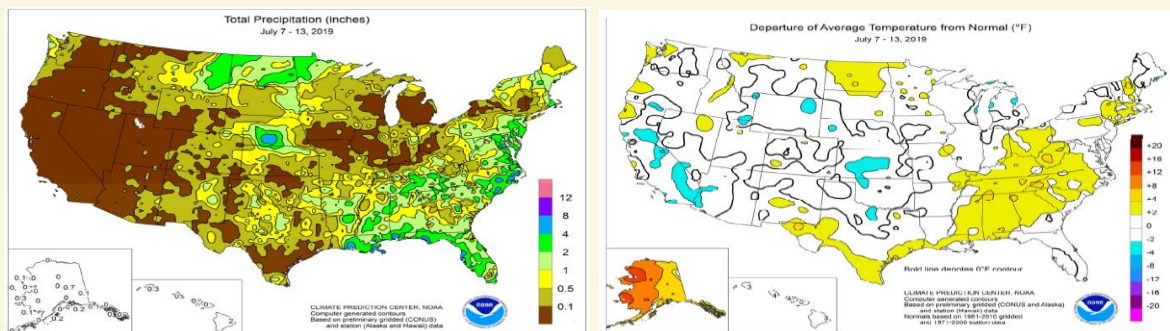
#### Making it in a city

For restaurants—and for people—metropolitan areas offer opportunity and hardship in equal measure. Before planting a flag in the Big Apple, Chi-Town, or Beantown, restaurants should be firm on who they are and, perhaps more importantly, whom they serve. Know the neighborhood. No city is homogeneous. Five blocks over can be a completely different world in terms of who lives there (young professionals, families, retirees, immigrants, graduate students, etc.) and what cuisines those residents prefer.

Deliver convenience. Just because you're located by a subway stop or in a walkable part of town does not mean your customers won't want an option for delivery. After all, off-premises is on the upswing in cities (and everywhere else). Rethink your operation. Real estate can be hard to come by in cutthroat markets, and restaurants that are married to specific square footage or floor plans may find themselves waiting for an ideal spot that may never come to pass. Think like a "cityzen" and adapt to your surroundings.

## NATIONAL WEATHER SPOTLIGHT

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



## AN APPLE A DAY

### Consumer Health Concerns Shifting from Physical Ailments to Mental Well-Being

By: Sam Danley, [www.foodbusinessnews.net](http://www.foodbusinessnews.net), June 20, 2019

Feeling good is now more important than looking good. A new study by marketing intelligence firm Euromonitor revealed that when it comes to health, consumers have shifted their focus away from physical ailments and toward a more holistic approach that includes mental and emotional well-being.

Euromonitor surveyed 20,000 consumers in 20 core markets around the world to better understand changing attitudes toward health and nutrition. The top criteria for being healthy wasn't fitness, endurance or avoiding illness but mental well-being.

Respondents identified stress and anxiety as the biggest threat to mental and emotional health. Thirty per cent of consumers in the United States said they are taking active measures to treat the issue. Rather than seeking treatment through over-the-counter medicines, however, many consumers have started to find relief through dietary changes and a more active lifestyle. Products that feature perceived calming ingredients, like green tea extract used for relaxation, are likely to do well with consumers seeking to improve their mental health, the study found.

Consumers aren't just looking for products positioned behind a specific benefit. They also are concentrating on feeling good by adopting a more balanced diet and seeking more traditional ways of eating, according to the survey. The study found that consumers who do not follow strict dietary restrictions like veganism on a regular basis have begun incorporating more dairy-free, raw or vegan products in their diets. Amrutha Shridhar, a research consultant at Euromonitor, said this presents an opportunity for companies with products geared toward specific dietary restrictions.

"Companies and brands who produce products aimed at specific dietary restrictions such as veganism should not limit their sales and marketing strategy solely to vegan consumers," Ms. Shridhar said. "Instead they should broaden their targeted audience to include both vegan consumers and the average consumer who is seeking to incorporate vegan products as part of their balanced diet."

When it comes to limiting certain foods, more consumers were found to follow a low sugar diet than any other type of dietary restriction. In addition to medical factors such as weight management or doctor recommendations, feeling good was one of the primary motivators for reducing sugar intake. "This goes side-by-side with the holistic approach consumers are taking when it comes to their health," Ms. Shridhar said. "Brands and companies producing low-sugar products should highlight the medical benefits as well as contributions to overall wellness."

Consumers' focus on eating a balanced diet is about more than personal well-being. In addition to eating their way to health and happiness, consumers are looking to eat their way to a better world. According to the report, environmental, animal welfare and community engagement were among the primary reasons consumers sought out locally sourced, organic and fair-trade features.

Ms. Shridhar said this presents companies with an opportunity to connect with consumers by highlighting their support for global issues. "As consumers are shifting their focus toward a more holistic approach to health care, brands and companies need to ensure that they are looking at their products and services with the same view," Ms. Shridhar said. "Therefore, it is important that brands and companies look beyond their immediate competitors and product categories as disruption within health and nutrition industries continues."

FRESH
TOMATOES


the best of nature™

MARK YOUR CALENDAR  
PACK YOUR BAGS!

July 26-27, 2019

PMA Foodservice Conference & Expo  
Monterey Conference Center  
Monterey, CA  
[www.pma.com/events/foodservice](http://www.pma.com/events/foodservice)  
**Come see #TeamLipman at booth #1317!**

September 18-19, 2019

NEPC Produce, Floral & Foodservice Expo  
Hynes Convention Center  
Boston, MA  
[www.newenglandproducecouncil.com/expo](http://www.newenglandproducecouncil.com/expo)

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