



## MARKET UPDATE

**Tomatoes:** As South Carolina farms near the end of the Summer season, tomato production is just getting up and running in Tennessee, North Carolina and Alabama. New Jersey and Virginia will begin to add to the mix of round and roma producers in the next week as well. The first grapes have begun in Virginia and North Carolina. Both areas expect to see volumes increase as they get further into crops. Overall quality is good in the East, despite the sporadic, rainy weather.

With California's mature green and Mexico's vine-ripe producers in action, overall tomato supply is sufficient in the West. We should see even more romas out of Baja, Mexico next week as new growers begin their seasons. Grape tomatoes remain readily available and continue to ship from multiple areas. Quality has been good from all areas and on all varieties.

**Bell Peppers:** More small local deals getting started and we are beginning to see slightly better numbers of bell peppers in the East. Supply remains light, but should improve when New Jersey gets into volume next week and Michigan gets up and running in another 10-14 days. In the West, pepper availability is still on the tight side as well. Bakersfield is winding down with diminishing quality on its fruit. Fresno, Brentwood and LeGrande have just begun the season and have nice quality, but volumes remain light at this point.

**Cucumbers:** Mainland Mexico has now wrapped up its cucumber season, leaving Baja and small, local domestic deals to source the West. Baja's production has been light, but is showing signs of improvement on both volume and quality as we head into the weekend. Eastern supply is slightly better than it has been due to New Jersey's consistent volume and a few Michigan farms just breaking into crops. Look for more cucs to be

available as Michigan gets going in earnest.

**Summer Squash:** New Jersey, Michigan, and numerous local deals throughout the East are running squash this week. Quality is best from newer fields and growing areas. Supply and quality have also been consistent out of multiple areas in California.

**Eggplant:** Fresno has been slow to get into eggplant volumes, but should begin to see increases over the next week as more growers come on board. Stockton anticipates beginning harvests in 10-14 days, which should improve the short supply situation the West. In the East, the Carolinas are churning out consistent volumes of good-quality fruit. Georgia is still in the game for now, but quality is less than desirable.

**Green Beans:** Although Michigan farms have gotten started in a light way, beans are very short in the East. Virginia farms are experiencing a skip in production, while the Carolinas and other local deals have only light volumes available. Bean production has regionalized in the West, with four areas currently in production in California. Volumes are varied in the different areas, but all are expected to see more consistent supply in the next 5-7 days.

**Chili Peppers:** Western chili pepper sourcing continues to be challenging. Baja's numbers are very light, as production transitions between growing areas. Volumes are expected to remain short until new areas begin in the middle-to-end of July. California farms have minimal volumes available with only a few varieties in any one area. Overall acreage in California is down from past years, so much of the West will be looking to Baja to fulfill their needs for the remainder of the season. With Georgia finishing up and most local deals still 1-2 weeks from starting, the East has only nominal volumes of jalapenos, cubanelles and Hungarian peppers available this week.

## TRANSPORTATION FACTS

\* The National Diesel Average held steady at \$2.47 per gallon this week.

\* The average price for a gallon of diesel fuel is \$.05 higher than the same time last year.

\* All areas of the country reported increases or decreases of less than one cent per gallon except the Lower Atlantic and the Midwest, where fuel prices increased \$.01 and \$.02, respectively.

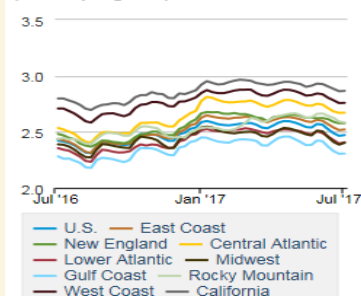
\* California remains the high price leader for diesel fuel at \$2.87 while the Gulf Coast region continues to offer the best bargain at \$2.31 per gallon.

\*The WTI Crude Oil price rose 0.9% this week, moving from \$44.74 to \$45.13 per barrel.

\*Transportation continues to be shy in South Carolina and at Mexico crossings through Texas, but is available in adequate supply in the remaining shipping areas throughout the country.

### On-Highway Diesel Fuel Prices

(dollars per gallon)



## ON THE HORIZON CONTENTS

Restaurant Industry News- page 2

Lipman Local in Pictures- page 3

Keep Your Eye on the Consumer- page 4

News in the Grocery Trade- page 5

Produce Barometer- page 3

July Calendar- page 3

National Weather Spotlight- page 4

Pack Your Bags - page 5

## RESTAURANT INDUSTRY NEWS

### Out-of-Home Advertising Enters a New Era for Restaurants

By: Andy Stevens, [www.qsrmagazine.com](http://www.qsrmagazine.com), July 2017

Quick-service franchise owners need effective advertising strategies that get customers in the door. It's a familiar challenge—fast food diners typically only decide at the last minute to go to a quick-service restaurant (often when they're hungry or on the road) so how can franchises know when and where to target likely customers? And how do they know their strategy is working?

Until now there were few reliable measurement tools to verify, for a franchise owner, that their advertising spend drove customers into their restaurants and generated a lift in sales. Much of the data is self-reported by franchise owners, and while some can cite lift related to a specific promotion, it's hard to measure the impact of the different ad channels, and to pinpoint which customers drive the biggest increases.

But today, there's a better way. Thanks to new technical capabilities that leverage mobile data, out-of-home media (OOH), long a popular medium for quick-service brands—(think roadside billboards, bus shelters, mass transit ads), can offer advertisers a highly visible and, for the first time, measurable medium that drives sales directly to local franchises.

#### Help from a new, old friend of quick service—Out-of-Home Advertising

A new day has dawned for local quick-service owners. For decades, OOH has been a highly desirable advertising medium for the quick-service industry, and intuitively that has always made good sense. Billboards are highly visible, un-skippable and reach potential customers at an optimal time, while they're driving by a restaurant. But beyond reaching hungry customers right before the exit for your quick-service franchise, it was hard for quick-service owners to see a direct, measurable link between ad spend and sales.

Now OOH has developed new applications offering innovative

ways to more accurately plan and measure its effectiveness—including where quick-service campaigns are concerned. Just last spring, one of the leading U.S. outdoor advertising companies introduced the industry's first digital audience measurement solution for campaign planning and measurement. The new solution uses location data from mobile devices to measure which customers are exposed to OOH ads and what actions they take afterwards.

Location-based mobile data gives quick-service franchisees a very strong signal of purchase intent. Why? Because anonymous and aggregated location data derived from mobile devices can show a customer whose mobile device was recently exposed to your advertisement has now walked into your restaurant. Since we know that walking through the door usually means a food purchase, a store visit is a reliable attribution metric to measure success of a quick-service advertising campaign.

What's also exciting about OOH's data revolution is that it can help quick-serves on the front-end of the sale—determining which customer segments to target. Location data provides rich behavioral insights into the other places your customers go, when they're not in your restaurant.

This anonymous location-based data includes other restaurants they visit, grocery stores they frequent, as well as the roadways they travel and the billboards they see. Armed with this information, today's marketers can identify the best OOH billboard locations to reach their target customers. This means marketers now have the ability to use the same kinds of sophisticated audience targeting and insights they already use in their digital campaigns and apply them to OOH advertising.

In fact, one major national quick-service chain recently served up breakfast using a location based mobile data-fueled campaign.

#### Location Based Behavioral Data-Driven OOH Campaign Makes Breakfast Sales Sizzle

In this case, the quick-service chain teamed with this pioneering OOH company to leverage these location-

based mobile data solutions to promote breakfast items at several of their domestic franchises in eight different DMAs using printed and digital billboards to generate an equivalent of 1.7 billion impressions.

The Out of Home team set up "geofences," or simply put, a radius around the participating quick-service stores and its billboards to: One, verify vehicles that passed billboards displaying quick-service breakfast creative and two, account for visits by any of these vehicles to a nearby participating quick-service franchise. The campaign results were impressive:

Average 20 percent lift seen in store visits across all participating markets

Twenty-six percent lift in visits during breakfast hours

This campaign was a significant first step for the quick-service industry and an exciting proof of concept for local restaurant franchisees—in part because the strong results confirmed the widespread belief that OOH and quick-service are a powerful combination. For the first time, quick-service franchisees can better target specific groups of customers and understand exactly how successful an OOH campaign is in reaching and converting these groups.

For marketers and researchers, these enhanced targeting and measurement capabilities signal the beginning of a new and exciting era fueled by technologies that harness the power of digital and mobile location-based data. Armed with the confidence that the OOH and quick-service brands are now proven as powerful partners, we're solving these challenges in measurable and meaningful ways.





## LIPMAN LOCAL IN PICTURES

The Lipman Local team recently visited our partners in Kentucky- Perrytown Produce and Cedar Point Farms. Their crops are looking fantastic and the season is starting off well!



Steve Richie helps Perrytown with administrative duties, but also enjoys time on the farms.



Alex Gibson, Farm Manager, and Joel Wilson, Owner, look over the beautiful roma tomato crops at Cedar Point Farms.



Perrytown has just gotten started with early hard squash crops.



Early plantings of bell peppers are ready to ship! Joel inspects some of the morning's harvest.

### PRODUCE BAROMETER

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



### JULY CALENDAR

#### All Month

National Picnic Month  
National Culinary Arts Month

**July 10<sup>th</sup>**

Don't Step on a Bee Day

**July 13<sup>th</sup>**

National French Fry Day

**July 15<sup>th</sup>**

National Give Something Away Day

#### Hendersonville, NC Weather

Fri Jul 7	Sat Jul 8	Sun Jul 9	Mon Jul 10	Tue Jul 11	Wed Jul 12
82°F	82°F	81°F	82°F	82°F	82°F
66°F	66°F	64°F	66°F	68°F	64°F
NNV 9 MPH	NNV 9 MPH	N 4 MPH	N 2 MPH	W 2 MPH	W 3 MPH
Precip 30%	Precip 30%		Precip 20%	Precip 30%	Precip 50%

## KEEP YOUR EYE ON THE CONSUMER

### Fresh Gives Bricks a Leg Up: Report

[www.progressivegrocer.com](http://www.progressivegrocer.com), July 5, 2017

While ecommerce is gaining share in a number of industries, brick-and-mortar still gets 97 percent of all CPG dollars being spent, new research from Jacksonville, Fla.-based Acosta Sales & Marketing shows. And even though a growing number of shoppers (28 percent currently) prefer to purchase groceries online regularly, physical stores still have an edge in certain areas – the biggest being fresh foods.

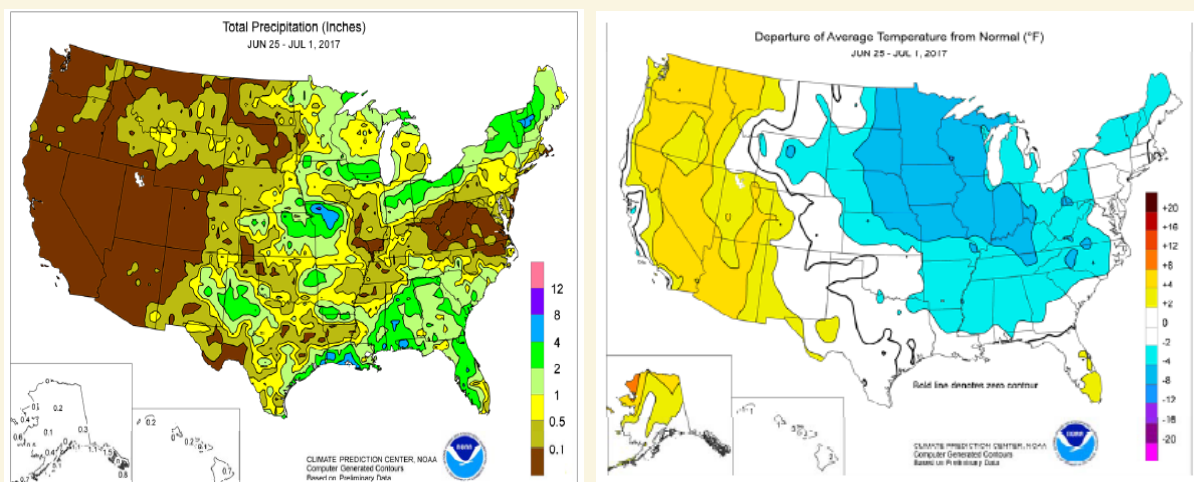
Trends show that while dry groceries, nonfoods, HBC and general merchandise show the percent of dollars sold online as 1.8 percent, 3.5 percent, 5.9 percent and 15.4 percent, respectively, in 2016 versus 2015, categories such as dairy, meat, produce and deli show minimal or no online presence whatsoever.

“While online sales have grown — specifically in dry goods categories, nonfoods, and health and beauty care — brick-and-mortar retail continues to be preferred when grocery shoppers want to personally select their produce and when they seek fresh meats, cheeses and other chilled categories,” noted “Bricks & Clicks – Understanding the Omni Channel Landscape.”

Additional reasons for shopping physical stores, respondents said, include using coupons and incentives, satisfying immediate needs, convenience, and to experience new and innovative products. Trial also matters, with 27 percent of Millennials who shop for groceries online listing sampling foods as a reason to shop in person.

## NATIONAL WEATHER SPOTLIGHT

### Weekly Precipitation and Temperature Deviation



## NEWS IN THE GROCERY TRADE

### Grocery Loyalty Program Memberships Continue Decline

[www.progressivegrocer.com](http://www.progressivegrocer.com), June 29, 2017

Although growth of loyalty program membership has continued, reaching 3.8 billion, this year's edition of Colloquy's Loyalty Census shows that it slowed 11 points to 15 percent since the 2015 edition. And while several factors have been at play, grocery program memberships have contributed to this, dropping to 142 million from 88 million in 2015, continuing a downward trend in three consecutive reports.

The findings, presented by Toronto-based loyalty program and analytics firm LoyaltyOne, show that the 24 percent decrease in grocery program memberships is actually due in part to the many mergers and acquisitions in the sector. It also shows a need to continue offering enticing reasons for consumers to become members.

"The membership growth slowdown signals the U.S. loyalty market is maturing and retailers need to up their game on how to attract and retain members within their loyalty programs," said Melissa Freund, LoyaltyOne global solutions partner and author of the Colloquy Census, put out by LoyaltyOne's independently operated Colloquy arm. "In order to improve loyalty marketing, brands must optimize the overall experience by creating more personalized and relevant experiences for their best customers.

"When looking at attributes that best keep consumers happy with and participating in a loyalty program, the 2017 research shows that 53 percent cite "easy to use" as the main one, even greater than "gives me discounts" (39 percent) and "easy to understand" (37 percent), both of which should also be considered by grocers, among other reasons. Conversely, grocers should take note of the greatest barrier to sticking with a program: "It took too long to earn points or miles" is the top reason for abandoning, with 57 percent of respondents citing that issue.

Additionally, the Colloquy Census shows that trust might not be as low as some think: Just more than half (51 percent) of Americans still trust loyalty programs with their personal information.

<p><b>MARK YOUR CALENDAR &amp; PACK YOUR BAGS!</b></p> <p><b>July 28-30, 2017</b>  PMA Foodservice Conference &amp; Expo  Portola Hotel and Spa  Monterey, CA  <a href="http://www.pma.com/events">www.pma.com/events</a>  <i>Come visit Team Lipman at Booth 217!</i></p> <p><b>October 1-3, 2017</b>  MUFSO (Multi-Unit Foodservice Operators) Conference  Hyatt Regency Reunion  Dallas, TX  <a href="http://www.musfso.com">www.musfso.com</a></p>	<p><b>CREATED BY LIPMAN FOR OUR VALUABLE CUSTOMERS</b></p> <p>Visit our website... <a href="http://www.lipmanfamilyfarms.com">www.lipmanfamilyfarms.com</a></p> <p>Follow us</p> <p>Questions or comments about the newsletter?  Contact: <a href="mailto:joanna.hazel@lipmanproduce.com">joanna.hazel@lipmanproduce.com</a></p>