



MARKET UPDATE

Round Tomatoes: South Carolina and Quincy are harvesting moderate volumes of round tomatoes in the East. SC is enjoying good yields and nice quality as they work entirely crown picks this week. 50-55% of the tomatoes are 5x6's or better but there is fruit of all sizing since they harvest deeply and typically only once per set. Quincy crops have already hit their peak and most farms will harvest their last crowns next week. Quincy's quality has been getting mixed reviews due to the prior rain and weather that affected most of the area. With SC finishing up at the end of the month and VA, TN and the NC mountains delayed this year, we could see a snug spot in the first two weeks of July, which will send the demand West. The Western transition is rolling a little smoother than in the past few weeks as Baja and Eastern Mexico both begin to see volume increases on new crops of vine-ripe fruit. Sizing is on the larger side and quality is good so far. A few growers in CA's San Joaquin Valley have also begun mature green harvests with more to come over the next 3-4 weeks.

Roma Tomatoes: Eastern roma volume continues to be very light. The relatively small amount of Quincy acreage will fade away as we move through June, leaving a gap in Eastern supply until local/regional deals get up and running. Usually NC, TN, NJ and other areas start around the 4th of July but all except NJ are projected to start 1-2 weeks later than usual due to weather on the front end of the planting cycle. In the West, Nogales is cleaning up and will leave the deal to Eastern Mexico's new crops, Baja, and the San Joaquin Valley in CA by the end of next week. The new crops in Mexico are increasing in volume as more growers get up and running. A few farms have started romas in CA, but the majority will get going over the next two weeks. Quality is definitely stronger on the new fruit than what's available in Nogales.

Grape Tomatoes: Grape tomato volume is limited in the East. There are a few in north FL but the crop was damaged by rain and packouts have been light. SC has steady but light volume. Quality has been excellent but the sizing has been a little large on the first 3 picks. As we move into the most productive 4th-8th

picks, sizing should come down to more preferred levels and volume should pick up. We expect the majority of Eastern volume to come from SC until the end of June. In the West, Nogales shippers are winding down and should call it quits sometime next week. Fortunately, new crops in Central Mexico and Baja are finally seeing volume increases to help meet demand.

Bell Peppers: GA is really the only area in the East with any significant volume of pepper this week. Supply has been moderate despite the weather but the mix may change once farms move into the rain-affected harvests. Since rain generally brings quality concerns, we expect to see more offgrades and some issues with bruising, decay, and color over the next week. SC has started in a light way and coastal NC is another 10-14 days away. These areas should help bridge the gap until regional programs come online after the 1st of July. Western supply has been mostly limited to Coachella's crops until last week when a few Bakersfield farms began harvests. As the desert's volume and quality wind down, the Bakersfield area will gain some strength, bringing better availability and nice quality to market.

Cucumbers: GA has fruit available and has now been joined by our NC farm. We started in Clinton on Wednesday and expect to have a normal crop. Quality is nice and maybe a notch better than GA's, although there haven't been any major issues in GA. Local programs in KY, TN, etc are expected to start up over the next few weeks and NJ will get rolling within the next 7-10 days. As for the West, a few growers are still going out of northern Mexico but they will finish up over the next week or so. Baja is ready to take over, as more growers add volume of good-quality product to the mix. With eastern WA coming onboard in 2-3 weeks, Western cucumber supply looks to remain solid for the immediate future.

Green Beans: GA's bean crops have been hammered by rain with some areas getting as much as 10-12" over the past week. This has taken a toll on quality and they'll finish up this week. Some acreage in coastal NC has started but yields have been light so far. The VA deal is still a week or two away but should come with volume when they

get started. The West is looking to CA's Brentwood and Watsonville/Salinas areas for supply this week. Our Baja crops and the Santa Maria area will get started over the weekend which will help meet any demand coming from the East.

Summer Squash: Squash is snug in the East. Some GA growers have finished up for the season, while others are seeing decreased yields due to quality and the weather. Other areas, including NJ and our coastal NC deal, have started in a light way but volume is shy of demand at this point. Our NC crops have average to good quality but the crop was damaged by prior weather. Local programs in KY and VA will ship their first squash over the weekend. From here, we expect to see squash production regionalize, as is normal for this time of year. Western squash production has lightened up this week due to weather. Baja, Santa Maria and the CA Central Valley are experiencing lighter numbers due to some recent excessive heat and wind that caused bloom loss. Eastern WA's cool temps have also slowed down their harvest numbers. More temperate weather should help supply in most of these areas rebound over the next 7-10 days.

Eggplant Although Plant City is still harvesting eggplant, they are mostly down to offgrades which puts the pressure on GA to supply retail grade fruit. Quality is a mixed bag of tricks as some have quality issues and others have nice fruit. GA will continue to be the primary area to find eggplant in the East until coastal NC comes online at the end of the month and local deals get up and running in July. Coachella continues to offer good supply and quality to the West but will wind down in 2 weeks. Fresno has started in a light way and will bridge the gap until Baja and eastern WA get started in July.

Chili Peppers: Mexico's chili pepper transition is stumbling along, with quality all over the place. Sinaloa is finished for all practical purposes and intense heat in Sonora has minimized production and caused various quality concerns. Baja has excellent quality but is still in the lighter, early season production phase. In the East, GA has decent volumes & good quality to offer.

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RESTAURANT INDUSTRY NEWS

What Will Bring Customers Back?

By: Peter Romero and Patricia Cobe, www.restaurantbusinessonline.com, June 5, 2020

Now that restaurant dining rooms are reopening, what will get them filled with eager customers again? A flurry of new research reveals what hooks are most effective in pulling back dine-in customers. The "doh!" answer: It'll take more than assurances of safety and precaution to turn their heads.

Not that those factors aren't critical. Nearly three out of four (71%) of respondents are basing their decision to dine out again on assurances from government and local health officials that it's safe to enjoy a sit-down restaurant experience, according to a survey jointly conducted by Rewards Network, American Airlines and United Airlines. The 1,373 participants are members of the loyalty programs offered by the three parties, a presumably more upscale group than the population as a whole.

But pre-COVID considerations haven't been tossed, the survey revealed. For instance, 74% of the respondents said they will be as price-sensitive as they were before "social distancing" entered the national vocabulary, and 66% said it's important that they receive the same sort of frequency rewards that were extended before the crisis. More than a third (37%) said they expect special price enticements to pull them off the couch and back into restaurant dining rooms.

Overall, 60% of the participants said they'd be comfortable with dining out immediately or within a few weeks of restaurants reopening in their areas. And price considerations aside, 69% of the canvassed consumers said they'll return to their favorite spots for a night out.

But, the data shows, there has to be a comfort level. The strongest assurance of a place's safety is its adherence to social distancing in their seating plans, the overriding factor for 69% of the participants. A slightly lower proportion (62%) cited a policy of frequently sanitizing of all surfaces.

The study did reveal that a minority of consumers (14%) are reluctant to dine out before a vaccine against COVID-19 has been developed and distributed. Projections of having that defense in hand have varied from later this year to multiple years, and possibly never.

Families with young children also are understandably concerned about safety and sanitation protocols, but there are other factors that play into their dining-out decisions. Late last month, Revenue Management Solutions (RMS), a global research company, followed up its May survey of 1,800 consumers with in-depth interviews with moms and dads in Dallas, Seoul, Berlin and London. While families in different parts of the world may differ in their dining-out behavior, they share similar attitudes about returning to restaurants post-COVID, according to RMS.

In general, it found parents to be more set on buying restaurant meals for at-home consumption. The research verified that parents of children aged 6 to 12 have continued to use restaurants while sheltering at home, maintaining traditions such as Friday night pizza delivery. Three out of four (75%) families said they trust restaurants to safely produce and deliver meals, but parents voiced concerns about the safety of eating inside restaurants. The interviews revealed that moms and dads still prefer drive-thru and takeout over dine-in service.

However, the research also found pent-up demand among the parents. In South Korea, families use restaurants to meet up with relatives and friends and share communal meals. Since that's not an option right now, they are going out in smaller groups and choosing restaurants depending on how crowded they are, says Christina Norton, director, resource development for RMS.

Moms in the United States view dining out as a learning opportunity, she adds. Reading the menu, interacting with servers and fielding a warm welcome at a neighborhood spot are seen as educational experiences prized by the parents, according to the research.

In the United Kingdom, families expressed that they are more likely to risk dining out to order dishes they can't easily make at home, such as Indian curries or Chinese dim sum.

U.S. parents had a similar response. Easier-to-make dishes such as mac and cheese are diminishing in their popularity, according to RMS, with more unique items taking their place. Families prioritize restaurants with a varied menu to give kids more choice.

The RMS survey found that consumers around the globe are fairly optimistic that the restaurant industry will recover within 12 months. Respondents in the U.S., Taiwan and South Korea have the most positive outlook, believing recovery will occur in 3 to 6 months, while those in the UK and Singapore see 6 to 12 months as a more probable outcome.



TRANSPORTATION FACTS

*For the first time in several weeks, the price of diesel fuel rose, moving from \$2.39 to \$2.40 per gallon.

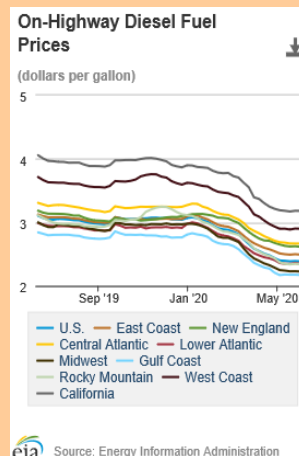
*The average price for a gallon of diesel is \$.71 lower than the same time last year.

*All areas of the country reported price increases which ranged from less than \$.01 to \$.02 per gallon. The most notable increases came from the West Coast and California.

*As usual, California has the highest price at \$3.20 per gallon while the Gulf Coast remains the low-price leader at \$2.17 per gallon.

*The WTI Crude Oil fell 2.9% this week, moving from \$37.41 to \$36.34 per barrel.

*There's a shortage of trucks in Central/South Florida, but all other areas have adequate levels of transportation to meet the current demand.





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As your trusted partner in the produce industry for over 60 years, we deliver fresh produce to ensure that our customers' needs are always met.

Our vertically integrated divisions include:

- Research & Development
- Farming
- Processing
- Repacking
- Procurement Solutions
- Logistics

Our capabilities and highlights include packing, repacking, and fresh cut for retail, foodservice, and QSR options. We are able to package based on customer specification preferences, including private labeling options. As the largest field tomato grower in North America, we partner with farmers on tens of thousands of acres of farmland to produce the highest-quality tomatoes, vegetables, and fruit on the market. We grow conventional and organic product in strategically placed growing regions so that we have the ability to offer our commodities 365 days a year to any region of North America within 24 hours. We are also proud to have acquired Huron Produce and their Suntastic brand, introducing greenhouse grown produce to the Lipman Family Farms family of brands. Since the first seed was planted, the times - and even our company's name - have changed, but our core values have always remained the same: building lasting relationships with our customers, being responsible with our natural resources, and caring for the health and wellbeing of our people and families.

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FRESH CUT



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PRODUCE BAROMETER

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



JUNE CALENDAR

All Month

Effective Communications Month

June 15-21

Men's Health Week

June 20th

Summer Begins

June 17th

National Eat Your Vegetables Day

June 18th

Bartender Day

International Picnic Day

Clinton, NC Weather

Sat Jun 13	Sun Jun 14	Mon Jun 15	Tue Jun 16	Wed Jun 17
85°F	76°F	74°F	75°F	81°F
63°F	64°F	61°F	64°F	65°F
N 10 MPH	NE 13 MPH	NNE 16 MPH	NNE 11 MPH	NNE 7 MPH
		Precip 70%		

NEWS IN THE GROCERY TRADE

Post-Pandemic Retail Comes Into Focus

By: Thad Rueter, www.progressivegrocer.com, June 9, 2020

The COVID-19 outbreak will eventually subside but food and other types of retail, as well as restaurant operations, will likely change forever, at least according to new survey data from Cambridge Retail Advisors.

On Tuesday, the Massachusetts-based consulting firm said that 83% of C-level executives feel that retail and dining will be changed forever by the pandemic.

Those changes include not only more online and mobile shopping but more consumer use of curbside and store pickup services, more retailer use of stores as "micro-fulfillment centers," and more restaurants using so-called "ghost kitchens" dedicated to the preparation of meals meant for delivery via digital services.

All those trends were on the upswing before the pandemic brought massive store closures and stay-at-home mandates. Now, a new retail and consumer reality could be emerging, at least according to this study. And retailers that don't latch on harder to those trends risk falling behind in the post-pandemic consumer and commerce landscape.

Retail Survival Keys

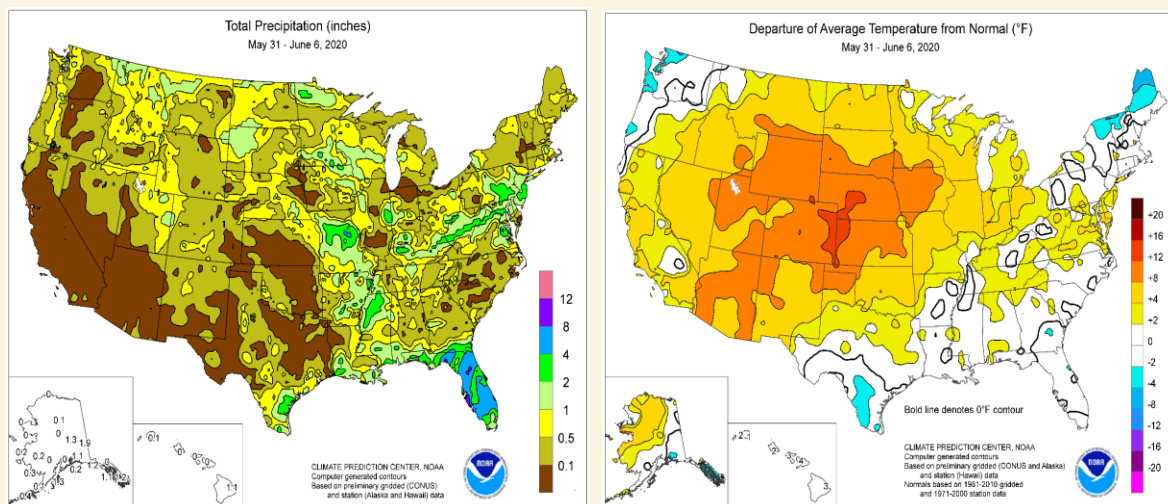
This new research from Cambridge Retail Advisors also found that while 65% of retailer and restaurant chains plan to reopen all their locations in the wake of the pandemic, 25% plan to open only some of their locations and 10% don't plan to return physical retail at all. Not only that, but 56% of C-level executives feel that the pandemic will permanently change the way people shop and most consumers will move exclusively to those store or curbside pickup services, preferring to make purchases via online or mobile channels.

"Retail and restaurant companies have quickly adapted their customer journeys and processes to respond to new expectations and safety requirements," said Marty Whitmore, managing partner at Cambridge Retail Advisors. "Enhancing online and omnichannel capabilities has been an imperative as consumers have rapidly shifted brick and mortar shopping to low-contact transactions like buy online, pick-up in-store (BOPIS), buy online, pick-up at curb (BOPAC) and home delivery. Retail and restaurant organizations that didn't previously offer BOPIS and BOPAC have quickly implemented these services to retain customers and maximize revenues."

Doing so successfully will require many retailers to invest in technology upgrades (including for inventory management) and associated staff training. That's because the post-pandemic world of commerce likely will involve "improving order visibility for associates and consumers," which the research report said "are imperatives for retail survival." After all, if customers cannot trust that their orders will be available quickly and efficiently, a retailer could easily lose out to a competitor that can offer such assurances.

NATIONAL WEATHER SPOTLIGHT

Last Week's Precipitation Totals and Average Temperature Deviations



KEEP YOUR EYE ON THE CONSUMER

Vegetables Continue to Outpace Fruit as Produce Sales Remain Elevated

By: Ashley Nickle, www.thepacker.com, June 9, 2020

Fresh produce dollar sales remained significantly higher than usual as the calendar flipped to June, with growth still driven by the vegetable category in particular. For the week ending May 31, fresh fruit sales were up 8.6% compared to the same period in 2019, and fresh vegetable sales were up 18.8%, according to IRI.

"Fresh produce has grown in double-digits for 11 out of the last 12 weeks," Joe Watson, vice president of membership and engagement for the Produce Marketing Association, said in a news release. "While gains eroded by about a point this week once more, demand is still well above 2019 levels. *'As an industry, we sold an additional \$2.7 billion in fresh produce since the beginning of the year at retail, or 944 million pounds.'*" Watson said. *'At the same time, restaurant demand is strengthening across the country with trucks full of fresh produce hitting the road once more.'*

Top-selling vegetables experiencing the most growth at retail have been mushrooms (30.5%), potatoes (26.9%), peppers (25.8%), tomatoes (22.8%), corn (21.6%) and cucumbers (20.7%).

Top 10 in weekly sales	Dollar sales increase over comparable week in 2019 for week ending...									Sales week ending
	3/1	March (w.e. 3/8-3-29)	April (w.e. 4/5-4/26)	5/3	5/10	5/17	5/24	5/31	5/31	
Fresh veg.	+1.7%	+25.8%	+21.5%	+24.5%	+23.6%	+21.6%	+20.0%	+18.8%	\$696M	
Lettuce	+3.3%	+13.1%	+11.0%	+12.4%	+14.4%	+13.4%	+14.7%	+14.1%	\$169M	
Tomatoes	+10.0%	+28.0%	+23.6%	+25.5%	+28.7%	+26.4%	+21.8%	+22.8%	\$89M	
Potatoes	+0.7%	+64.4%	+50.2%	+48.2%	+42.0%	+38.5%	+32.8%	+26.9%	\$64M	
Peppers	-2.0%	+21.9%	+26.8%	+31.7%	+28.8%	+26.9%	+27.8%	+25.8%	\$51M	
Onions	-0.7%	+42.0%	+32.4%	+29.4%	+25.3%	+22.1%	+17.2%	+14.5%	\$46M	
Mushrooms	+3.1%	+22.6%	+30.3%	+37.9%	+35.5%	+32.4%	+32.2%	+30.5%	\$27M	
Cucumber	+6.7%	+18.8%	+19.5%	+23.2%	+20.8%	+18.8%	+22.9%	+20.7%	\$26M	
Corn	+16.2%	+23.5%	+14.9%	+26.9%	+31.6%	+29.1%	+17.9%	+21.6%	\$26M	
Carrots	-2.5%	+28.3%	+18.6%	+14.5%	+12.3%	+9.7%	+11.3%	+9.5%	\$22M	
Broccoli	-2.0%	+19.2%	+18.9%	+29.7%	+21.0%	+18.0%	+17.1%	+18.5%	\$22M	


Source: Source: IRI, Total U.S., MUJO, 1 week % change vs. YA

On the fruit side, oranges recorded 73.9% growth, while cherry sales were up 57.3% and berry sales up 16.6%, per IRI. "It is great to see that despite all that is different in our lives amid the pandemic, summer fruit sales traditions are holding strong," Watson said in the release. "Week after week it had been lettuce and potatoes that led absolute dollar growth, but this week both cherries and berries jumped over the top of lettuce with a combined \$46 million in additional dollars versus year ago. That gives us some good indication that other summer vegetable and fruit trends are likely to hold up as well."

Jonna Parker, team lead for fresh for IRI, noted that marketing the presence of seasonal items to shoppers before they reach stores will help sustain that trend. "Fruit sales are typically highly reliant on impulse purchases," Parker said in the release. "Importantly, in our latest wave of consumer surveys, 42% of consumers said they are spending less time in the store when shopping for groceries than pre-pandemic. *'That means four in 10 consumers tend to hurry through the aisles, which undermines impulse tendencies.'*" Parker said. *'Making sure consumers are aware of a great new batch of cherries or watermelons before they even enter the store has become all the more important.'*

Though seasonal fruits are summer staples, retailers should also take care to lean into the popularity of vegetables, which are enjoying unprecedented attention at retail. "Vegetables had been outgrowing fruit for a few years, but that disparity got amplified amid the pandemic," Parker said in the release. "Fresh vegetables are still pacing nearly 20% above last year's levels nearly three months into the pandemic. Many more consumers are cooking, and 23% plan to cook from scratch more often going forward."

"Manufacturers and retailers have an opportunity to innovate around solutions to the top cooking challenges consumers say they are facing, including coming up with new meal ideas, finding inspiration to cook, having the right ingredients on-hand, and accessing more quick and healthy meal creation options," Parker said.

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TOMATOES
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MARK YOUR CALENDAR & PACK YOUR BAGS?





June 15-19, 2020
 United Fresh LIVE!
 Online Tradeshow and Conference
 Registration is free.
www.unitedfreshlive.org

October 15-17, 2020
 PMA Fresh Summit Convention & Expo
Final announcement to come June 30
 Kay Bailey Hutchison Convention Center
 Dallas, TX
www.pma.com/events/freshsummit

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