



## MARKET UPDATE

**Round Tomatoes:** Thanks, in part, to favorable growing conditions, SC has been working steady volumes and has firm, nice quality and sized fruit. Although SC expects to continue status quo for the next 7-10 days, Quincy will finish up this week so supply will be lighter as we move toward the end of the month. However, the first week or two of July could present a short supply situation since many areas that normally start on or around July 4<sup>th</sup> have been delayed by weather. As of now NC and NJ are saying they'll start on time, but VA has pushed its start to July 10-15 and TN is talking about mid-July. Western tomato supply is improving. More growers in CA's San Joaquin Valley are starting which will provide a gradual build-up of supply on mature greens. Baja's new fields are now coming on with good numbers of vine-ripes. There are still a few more growers to start so volume should continue to improve for the next few weeks.

**Roma Tomatoes:** Quincy's light roma acreage will wrap up early next week, which will leave a gap in Eastern production until the regional deals get started between July 4<sup>th</sup> and 15<sup>th</sup>. Roma quality out of Quincy has been a little lesser than round quality but is still average or better. In the West, San Joaquin Valley growers have started romas in a light way and will be increasing weekly as we move into July. As with rounds, Baja growers are seeing volume increases as more acreage comes online and farms get further into harvests. Between CA, Baja and some Eastern Mexico crops, the West will carry the load of the entire US for the next few weeks.

**Grape Tomatoes:** Although there are a few grapes still coming from the South GA/ Quincy zone, SC is the primary area for Eastern grape production. Volume has been on the lighter side but quality is good. Now that we've moved into the harvest "sweet spot" of the 3<sup>rd</sup>-8<sup>th</sup> picks, sizing has dropped to the preferred level for retail packs. In the West, new crops in Central Mexico and Baja are finally seeing long-awaited production increases. Nogales has shipped fruit this week, but will be completely out of the picture by the weekend.

**Bell Peppers:** GA continues to be the only area in the East with any significant pepper production. There's been a lot of rain on the crops and the suspected quality issues of stem decay, wall decay, shriveling and bruising are beginning to show up on some lots. The next area of major supply will be coastal NC which will start around June 25<sup>th</sup>. By the 4<sup>th</sup> of July, we should see fruit from at least a few local areas like KY, VA, etc. with more adding to the mix as we get further into July. Western supply has transitioned to the Bakersfield area where quality has been excellent and volume is moderate. With the East moving toward a slight gap due to weather/quality concerns, this product is definitely in high demand. Fresno is scheduled to start around June 27<sup>th</sup> but may have some bits and pieces to help with before then.

**Cucumbers:** Both GA and NC are providing cucumbers for the East this week. Coastal NC has worked through much of its first planting and will move into the 2<sup>nd</sup> planting next week. Yields have been a bit light thus far but quality has been very nice. GA farms are now starting to see a few quality issues and yields decline from the recent rains. NJ and a few other local deals have started in a light way but aren't into any significant volume yet. As for the West, the remaining shippers in the Mainland will wrap up the season next week. However, Baja farms are coming along with good volumes and strong quality. With a few more growers yet to start, we expect to see solid volumes for at least the next several weeks. Eastern WA is also expected to come online around July 4<sup>th</sup>.

**Green Beans:** Green beans are in short supply on both sides of the country. GA crops had a ton of rain on them and look to finish up over the next few days but quality has been compromised significantly. Meanwhile, the coastal NC crops have minimal yields due to weather. The good news is that VA will be starting in a light way this week and there should be a few beans in TN over the weekend. The West has several areas in production but no area has any significant volume. Five of the six production areas are gapping, leaving Santa Maria's early crops to handle demand. A few areas will be back in

harvests next week, which should provide some relief to this week's shortage.

**Summer Squash:** With many areas and crops having yields and quality affected by weather, squash availability is looking dismal this week. Both GA and NC crops have taken a hit and have little to no availability as we move into the weekend. Our NC farm planted lightly this year due to uncertainty and weather has taken its toll, so they are pretty much finished up with retail product. NJ has started in a light way but is keeping product close until they see volume increases. There are a few local deals that have some product but mostly in pallet quantities. Things should begin to improve in 7-10 days as NJ moves into volume and more programs begin in TN, the Carolinas, etc. Western squash production remains light this week as well. Santa Maria and the CA Central Valley have less volume due to reduced acreage, labor concerns and bloom drop caused from past high temperatures. The winds have also caused some scarring and scuffing issues that create challenges in meeting retail grade. Eastern WA is into their 2<sup>nd</sup> week of production and are beginning to rebound from last week's cool snap that slowed production.

**Eggplant** GA has an adequate amount of product to meet demand and quality has stepped up despite the recent weather. We look to see coastal NC start in 2 weeks, with additional local programs in VA, TN, KY, NJ to begin shortly thereafter. In the West, Coachella is currently working through a light spot but will finish up in the next few weeks. Fresno has started, but only in a light way thus far.

**Chili Peppers:** As Sonora's chili pepper pile gets smaller and quality declines, Baja should be moving into stronger numbers as soon as next week. GA remains the East's go-to spot for chilies. Quality has been excellent, but we are now seeing some issues such as bruising and decay, especially on Cubanelles. As with all the other items, we'll see production regionalize over the next several weeks.

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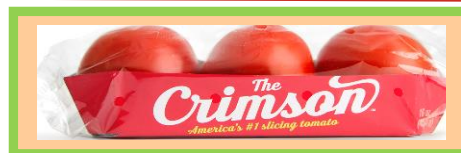
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## KEEP AN EYE ON THE CONSUMER

### How COVID-19 Will Lead to a New Promo Strategy Approach

By: Olivier Delangre and Laura Hoste, [www.progressivegrocer.com](http://www.progressivegrocer.com), June 18, 2020

It's clear that the pandemic has changed shopper behavior, and we expect that some of those changes will stick. The key question for retailers and brands is how they should adjust and capitalize on it. As this crisis is unprecedented, it's hard to predict which behaviors will stick. However, a couple of solid trends have emerged over the past few months and are likely to stay for a while.

**How shoppers shop:** They come less often and want to find everything in one efficient trip, while keeping their distance from fellow shoppers. Today, the number of stops per minute that a customer makes in-store, a strong indicator of shopper efficiency, is still up 17% versus pre-COVID. This has been the case since March, meaning that we're already past the standard 66 days it takes to form a new habit. On top of that, we also know that social distancing will be the norm, at least until a vaccine is widely available. For these reasons, we believe that fast and efficient shopping will stick.

**What shoppers shop:** A looming recession is creating a need for low prices. Amoobi found that in-store shopper engagement with typical low-price zones such as end caps and displays has risen during the pandemic, by 13 percentage points. With many expecting their household income to keep decreasing in the coming months, we can expect that they'll be drawn to grocers that are offering the best deals.

One retail mechanism that is, and will continue to be, highly affected by these two trends are promotions, and, more specifically, the secondary placements such as end caps, pallets or displays.

#### Why Promo End Caps and Displays Will Be Affected

We see a couple of key reasons that the pandemic will affect promotions and their secondary locations in store:

First, as we are sliding into a pandemic-driven recession, a large part of the population should become a lot more cost-conscious. While retailers and brands may have been able to successfully pull off cutting their promotions over the past months because elasticity was low, it will not make them win in the long run. Customers will be drawn to stores that offer competitive pricing; therefore, a strong positioning on low-price perception will be required and will involve a strategic use of end caps.

Second, efficient shoppers are typically fast shoppers who don't take time to browse and compare offers. What retailers put on an end cap will have to be straightforward, compelling and carefully selected. Does it make sense to feature a whole lot of one single item, making it very clear to shoppers and reducing the complexity of replenishment? Or is it more profitable to display a mix of related merchandising? Leveraging the numbers to prove which end caps fit in that efficient shopper trip will provide a competitive advantage.

Finally, the heavier demand from shoppers and social-distancing guidelines is creating additional pressure for in-store execution. Secondary placements are complex to manage and bring potential stock issues, which are detrimental to a convenient shopper experience. Now might be a good time to review the use of end caps and displays, and which promotions to offer. One possibility that can be considered is turning end caps into an extension of regular shelf space, to ease in-store execution.

#### Leverage the Numbers to Reset Promo Strategy

Shoppers are and will be more drawn to promotions, so what better signpost is there to create a low-price perception than end caps? They have a prime location in the perimeter of the store and benefit from high visibility. Therefore, retailers and brands should carefully evaluate which end caps and displays really create value, both from a location and a merchandising perspective. Amoobi's research shows that a properly selected and executed end cap strategy can have a very high stopping rate (>50% of passing traffic), but bad execution or choice of promotion can result in close to no engagement with the end cap. We also know that footfall in front of various end caps across the store can vary by a factor of eight between the highest and lowest footfall.

How should retailers and brands go about this process? By methodically measuring the performance of each promotion in terms of sales, but also its ability to stop customers and draw traffic into the category. An example is provided in the above chart, with one end cap analyzed across multiple weeks. It clearly shows a much better performance in week 24, with shopper engagement increasing by 41% compared with the average of the last five weeks. Retailers and brands that leverage this knowledge and proactively adjust their end cap and display strategy can have an immense impact on the sales performance of their stores.

*NOTE: This article has been edited for space and content. Please visit [www.progressivegrocer.com](http://www.progressivegrocer.com) to view the full selection.*



#### TRANSPORTATION FACTS

\*Diesel fuel pricing held steady this week at \$2.40 per gallon.

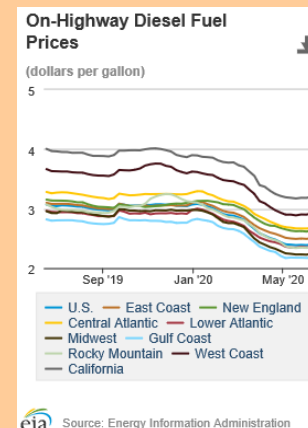
\*The average price for a gallon of diesel is \$.67 lower than the same time last year.

\*There was a mixture of increases and decreases in the country's pricing zones, but most areas reported movement of less than \$.01 per gallon. California and the Midwest were the exceptions, where the price rose \$.02.

\*As usual, California has the highest price at \$3.22 per gallon while the Gulf Coast remains the low-price leader at \$2.17 per gallon.

\*The WTI Crude Oil rose 5.6% this week, moving from \$36.34 to \$38.38 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.



## Coming Soon!



### *Nourished from Seed to Shelf*

We handle every part of the farm-to-table journey, ensuring safety and freshness.

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FRESH

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### PRODUCE BAROMETER

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



### JUNE CALENDAR

All Month

Great Outdoors Month

**June 21<sup>st</sup>**

Father's Day

**June 23<sup>rd</sup>**

National Eat at a Food Truck Day

**June 28<sup>th</sup>**

National Logistics Day

**June 30<sup>th</sup>**

Social Media Day

### Clinton, NC Weather

Sat Jun 20	Sun Jun 21	Mon Jun 22	Tue Jun 23	Wed Jun 24
85°F	87°F	92°F	91°F	90°F
67°F	71°F	73°F	74°F	73°F
SE 2 MPH	SW 6 MPH	SSW 8 MPH	SSW 10 MPH	SW 10 MPH
Precip 70%	Precip 40%	Precip 20%	Precip 40%	Precip 30%



## NEWS IN THE GROCERY TRADE

### Store Visits Increased in May, Report Reveals

By: Krishna Thakker, [www.grocerydive.com](http://www.grocerydive.com), June 15, 2020

#### Dive Brief:

- Placer.ai found that grocery store visits at the 12 top U.S. grocers declined 19.7% in April but improved in May, with visits down 10.1% year over year.
- February and March saw fairly normal levels of in-store foot traffic but by April, state and store restrictions came in full force and millions of consumers shifted their shopping online.

#### Dive Insight:

The boost in store foot traffic that grocers saw in May compared to April could stem from looser government regulations as well as cabin fever among consumers. In May, many states and cities began allowing non-essential businesses to open like restaurants for dine-in, hair salons and gyms — all signs of a cautious return to normal even as the virus continues to spread.

Customers may also be warming up to the safety precautions implemented by stores that may have made them uneasy at first, like plexiglass shields, mask requirements and extra cleaning procedures. Longer store hours at most major chains in May may have contributed to the boost as well.

After an initial round of in-store stock-up shopping in March, consumers turned to online grocery in April — many for the first time. Grocers at first struggled to meet demand in a timely fashion, but improved as they added more workers and refined their operational systems. Online sales eclipsed \$5 billion in April and have continued to rise even as store traffic has improved, with sales reaching \$6.6 billion in May, according to Brick Meets Click.

Placer's data shows fluctuations in store visits that could indicate a reluctance to shop around formerly busy holidays. One retailer saw a 7.4% increase of in-store visits across all its stores on May 9 year-over-year but just two weeks later on the Saturday before Memorial Day, the retailer's store visits declined 10%.

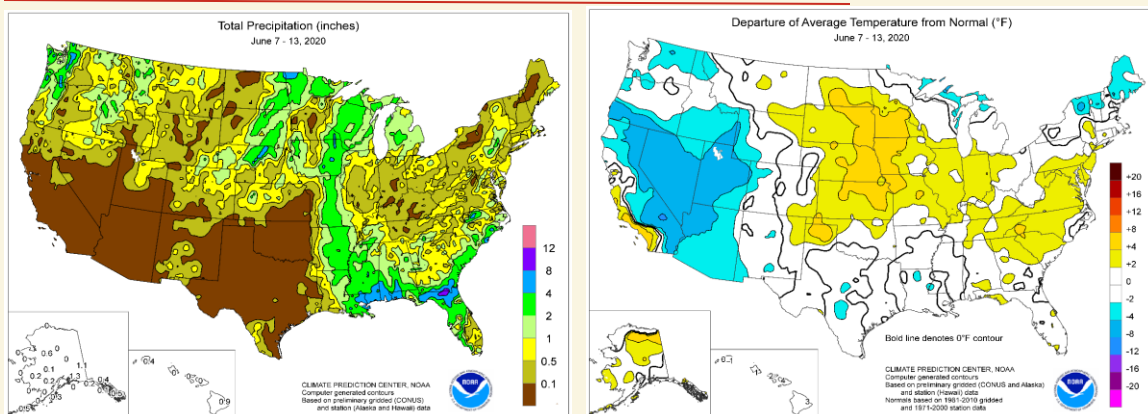
Similarly, on May 9 another major retailer's store visits were up 29% but were down the Saturday before Memorial Day by 3.4%. Placer noted in its blog post that these fluctuations could be due to a number of different reasons, including an "aversion to major shopping days." With many consumers working from home or out of work, shopping is now spread more evenly across the week rather than concentrated on weeknights, weekends and holidays.

The bounce back in store traffic grocers are seeing could be temporary. A new analysis by the Associated Press found that as states and cities roll back restrictions and reopen businesses, coronavirus cases have risen in 21 states, particularly in the South and West. A second surge in cases could reignite stay-at-home orders and the closures of non-essential businesses, pushing store traffic patterns back in line with what they experienced in April.

*Note: This article has been edited for content and space. To review the full selection, please visit [www.grocerydive.com](http://www.grocerydive.com)*

## NATIONAL WEATHER SPOTLIGHT

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



## RESTAURANT INDUSTRY NEWS

### Restaurant Transactions Continue to Improve, Especially for Fast Food

[www.qsrmagazine.com](http://www.qsrmagazine.com), June 15, 2020

U.S. major restaurant chain customer transactions were down 14 percent in the week ending June 7 versus the same week a year ago, a 29 point gain from the steepest decline during the COVID-19 pandemic of negative 43 percent in week ending April 12, reports The NPD Group. Sixty-nine percent of restaurant units are now in geographies that permit some level of on-premise dining and the number could increase to 74 percent in week ending June 14.

Major full service restaurant chains are still seeing the most improvement of restaurant segments as more dining rooms open and those already open increase capacity. The segment improved 7 percent in the week ending June 7 over last week and has improved 49 points since the industry hit bottom the week ending April 12. Even with the positive momentum, the segment is still down 30 percent versus year ago, according to CREST Performance Alerts, which provides a rapid weekly view of chain-specific transactions and share trends for 72 quick service, fast casual, midscale, and casual dining chains.

Quick service restaurant chains have fared better throughout the pandemic and continue to do so. Major chains were able to pivot operations to off-premises fast after the dine-in restrictions went into effect across the country since many have drive-thru windows and are set up to handle a high volume of takeout orders. Quick-service customer transactions were down 13 percent in the week ending June 7 versus year ago. Given the lesser dependence on dining room traffic than full-serves, counter-service week-over-week improvement in transaction declines was only 4 percent.

"The value of incremental on-premise sales isn't as important to quick service restaurants," says David Portalatin, NPD food industry advisor and author of Eating Patterns in America. "In fact, some have resisted reopening dining rooms preferring to forego the incremental cost of doing so and continue to optimize off-premise sales."

In terms of dayparts, lunch has historically been the strongest restaurant daypart, followed by dinner. Breakfast is still the daypart most likely to be prepared and eaten at home, but expanded restaurant offerings in recent years have started to move more morning meals from homes to drive-thru windows. When stay-at-home orders became widespread, breakfast was the restaurant meal most easily converted back to the home.

Throughout NPD's tracking of the COVID-19 pandemic's impact on the restaurant industry, the morning meal, which represents a breakfast or morning snack occasion, has suffered the steepest transaction declines. Morning meal customer transactions at major restaurant chains fell by 18 percent in the week ending June 7 compared to same week year ago. Lunch transactions declined by 11 percent in the week compared to same week year ago and customer transactions were down 12 percent at dinner, reports NPD.

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**October 15-17, 2020**  
PMA Fresh Summit Convention & Expo  
**Final format announcement to come on June 30**  
Kay Bailey Hutchison Convention Center  
Dallas, TX  
[www.pma.com/events/freshsummit](http://www.pma.com/events/freshsummit)

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