MARKET UPDATE

Round Tomatoes: Transition is the theme in the East. One grower is left in the Quincy/South GA area who may be able to go another 7-10 days if weather and quality permit, but SC is the primary spot for round tomatoes in the East. SC continues with light to moderate volume with only the occasional quality issue. They'll finish crown picks next week and will consider going back for the lighter 2nd harvests to help fill the gap if crops stay strong through next week's rain. There will be a few spots in NC and TN that may start scratch-picking at the end of next week, but VA, NJ, and most TN growers are still 2-3 weeks out. Fortunately, there should be enough fruit in the West to help the East get through its short spot. Mature green volumes are picking up in the San Joaquin Valley as more growers get started and heat brings crops on quickly. Baja's vine-ripe deal is rolling along with good production and there are still a few growers left to start. Baja's fruit is on the larger side as weather and crown-pick conditions are bringing nice, big tomatoes.

Roma Tomatoes: We've reached the Eastern gap in roma production. A few growers in TN, NJ and NC are set to get started in a light way after the 4th but volume will be minimal until the middle of July. In the West, San Joaquin Valley growers have started romas in a light way and will be increasing weekly as we move into/through July. First harvests have some quality ups and downs due to weather but proper sorting produces a nice pack. Baja and Eastern Mexico also have moderate volumes of romas available.

Grape Tomatoes: SC's grape tomatoes are still rolling along with limited volume but enough to meet commitments. There are a few weather-related quality issues (like splits) but extra efforts in the packing house are bringing a nice product to market. VA and TN are on the horizon and plan to begin harvests the week after the 4th. Our new crops in Central Mexico are coming on strong with good volume and quality. The fruit is still on the bigger side but will size down as we move into later picks. Baja rounds out the grape supply. Volume has been slow to increase as recent weather has been on the cooler side.

Bell Peppers: Bell peppers are in a snug spot. Although there have been a few loads out of GA that were of surprisingly decent quality this week, volume and quality are winding down quickly, forcing most growers to call it a wrap by next week. Our coastal NC farm's peppers are running behind because of prior weather affecting the fruit set but they project first harvests to start next week. With only a small SC deal in harvest and most other local deals 10-14 days away, next week could prove to be challenging. Bakersfield is the main growing region in the West right now. Quality is very good but supplies are limited due to extra demand from the East and larger orders for the 4th of July holiday pull. Fresno will be our next growing region which is slated to start around the middle of July.

Cucumbers: There are still a few cucumbers in GA but they'll be wrapping things up next week as will our Eastern NC deal. Quality has been okay, but not great, from both areas as rains have impacted the fruit. Jersey has gotten started with healthy new crops and expects to see volume build over the next few weeks. With Jersey's fruit and the bits and pieces coming from local deals, the East should have supply to carry them until mid-July when MI and NY get in the game. As for the West, Mainland Mexico is just about done, with only 1-2 growers still going. The majority of supply in now coming from Baja with a couple more growers still scheduled to start over the next few weeks. For the next week or so, availability will be limited due to high demand and volume commitments for the upcoming holiday. Overall quality is strong and we don't expect to see any issues.

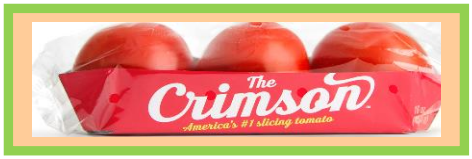
Green Beans: With the Eastern shores of NC and VA working through rain issues and GA pretty much finished for the season, green beans are very snug in the East. Hopefully this will be short-lived as IN and TN should have a few beans next week and VA's acreage and volume will eventually kick in. The West has several areas in production but no area has any significant volume. We are seeing limited numbers from the Watsonville, Baja and Santa Maria areas currently. Brentwood is in a small gap for the next few days but should return with harvests next week.

Summer Squash: Although squash is still fairly short in the East, there are signs of improvement. GA and Eastern NC are done for all practical purposes, but a few more local deals are up and running (TN, western NC, KY, VA) and NJ is starting to see more volume. Jersey's quality has been good so far but there are mixed reports from other areas, especially on yellow. As for the West, Baja, Santa Maria and the CA Central Valley are all experiencing lighter production due to recent excessive heat and winds which has caused them to lose many flowers from the plants. Cool weather has slowed down the production from Eastern Washington but the forecast looks favorable for a rebound next week.

Eggplant Eggplant has been plentiful with strong supply and nice quality coming out of GA. However, we are starting to see volume lighten up and prices rise as they near the end of the season. Our Eastern NC farm has cut a few early-bird eggs this week and should see more significant numbers next week. With other local areas set to begin over the next few weeks, eggplant supply should remain at least adequate in the East. Western supply is on the lighter side this week as eggplant production transitions. The CA desert will wind down by the 4th of July but be back in action for the Fall in mid-September. Both Baja and Fresno are in the early stages of their seasons and should see more volume as they get further into crops.

Chili Peppers: The hot pepper season is pretty much finished out of Sonora. There are still some jalapenos, Anaheims, and tomatillo but quality is dwindling with misshape, sunscald, decayed tips, etc. Baja is seeing better volumes and should hit its stride in another 5-6 days. Quality is excellent and keeps getting better as plants are manicured for the next sets. In the East, GA is winding down the chili pepper season but should ship through next week. Quality is declining as they near the finish line. Jalapenos are just okay and there have been some pretty significant issues on poblanos and Cubanelles. A few local deals in various parts of the East will begin with light volumes over the next few weeks.

ON THE HORIZON CONTENTS



KEEP AN EYE ON THE CONSUMER

Survey: Consumer Behavior Around COVID-19 is Evolving

www.theshelbyreport.com, **June 22, 2020**

Shopping rewards app Shopkick has conducted a series of consumer surveys throughout the COVID-19 pandemic to monitor shopping behavior as the crisis unfolds and, in the process, has uncovered new habits and trends. The latest findings show that general concern around the pandemic is on the decline, shopping frequency is rising, and consumers are increasingly looking forward to the reopening of non-essential retailers.

In its latest report, Shopkick surveyed more than 18,000 consumers across the country between May 27-June 2 to gain insights into how consumer behavior has evolved since COVID-19 initially hit and changed life as we know it.

Key findings include:

Less Coronavirus Concern: Most consumers (73 percent) say they feel equally or less concerned about COVID-19 than in May. Just last month, 82 percent of consumers said the pandemic was affecting how they shop, and now that number has dropped to 70 percent.

Influx of In-Store: 94 percent of consumers say that a member of their household is shopping in-store at least once a week, with 52 percent reporting multiple in-person trips per week. When asked to compare frequency of store visits with the prior month, 12 percent of consumers are visiting stores more often (versus 5 percent last month), 44 percent are visiting stores about as often (versus 21 percent last month), and 44 percent are visiting stores less often (versus 73 percent last month).

Expensive Essentials: The demand for essential items like toilet paper, disinfectants, bottled water and canned goods remains high, with 95 percent of consumers continuing to notice that certain brands and items have sold out over the past month. Furthermore, 76 percent of consumers (a significant increase from just 56 percent last month) have noticed price increases on these essentials.

No Rush on Non-Essentials: While 70 percent of consumers surveyed live in areas where non-essential retailers have reopened, 68 percent have not visited those stores yet. Regardless of whether they have visited any stores, 67 percent of consumers in those areas say they will make most of their non-essential purchases in-store, rather than online.

Lingering Concern: The reasons vary, but the majority (57 percent) of consumers who have not visited reopened non-essential retailers in their area report it is because they simply have not yet felt the need. Other reasons include: concern over behavior of shoppers, that they will not take safety precautions (38 percent); concern that retailers will be too crowded (27 percent); concern that retailers will not enforce safety precautions (22 percent); choosing instead to make non-essential purchases online (22 percent); and concern there will be long lines to enter or restrictions on the number of shoppers allowed in a store at once (16 percent). Of those who have not yet visited any reopened non-essential retailers in their area, 45 percent say they will likely wait more than one month before visiting.

Fashion First: Most consumers who have visited reopened retailers say they shopped in apparel, shoe and accessory stores (52 percent). The second most-visited retailers are home improvement stores (40 percent), followed by beauty and grooming stores (31 percent), home decor stores (25 percent), book and toy stores (21 percent), pet stores (18 percent), sporting goods stores (11 percent), electronics stores (9 percent), and wellness and fitness stores (7 percent).

Summer Spending: Although 48 percent of consumers say they are shopping online more frequently than one month prior, 65 percent still plan to make most of their summer purchases in-store. Consumers say they plan to spend most of their summer shopping budget on groceries (41 percent), home improvement projects (27 percent), vacations (10 percent), recreation and outdoor activities (7 percent), clothing and apparel (6 percent), back-to-school preparations (4 percent) and summer camps (1 percent).

"The pandemic continues to affect how and where American consumers are shopping, what they are buying and how much they are spending. And as more and more states ease restrictions and roll out plans for reopening, consumers are preparing themselves for a new retail reality," said Dave Fisch, general manager of Shopkick. "We are committed to continuing our consumer behavior reporting to guide brands and retailers on how to survive and thrive in this new reality."

TRANSPORTATION FACTS

*The national average diesel fuel price rose $.02 this week, moving from $2.40 to $2.42 per gallon.

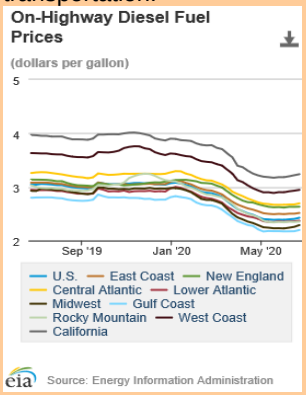
*The average price for a gallon of diesel is $.62 lower than the same time last year.

*All areas reported price increases that ranged from less than a penny to $.03 per gallon.

*As usual, California has the highest price at $3.24 per gallon while the Gulf Coast remains the low-price leader at $2.20 per gallon.

*The WTI Crude Oil fell just slightly (under 1%) this week, moving from $38.38 to $38.01 per barrel.

* Unrest in parts of Mexico held up trucks before they reached the border and created delivery issues this week, particularly for those that cross at Texas. In its first week on the USDA's report, South Carolina has a shortage of trucks. Fortunately, all other veg production areas report adequate levels of transportation.



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PRODUCE BAROMETER

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

JULY CALENDAR

All Month
National Grilling Month
National Watermelon Month

July 2nd
Made in the USA Day

July 3rd
National Eat Your Beans Day

July 4th
Independence Day
National Barbecue Day
Caesar Salad's Birthday

Clinton, NC Weather

Sat Jun 27	Sun Jun 28	Mon Jun 29	Tue Jun 30	Wed Jul 1
92°F	91°F	90°F	86°F	85°F
73°F	74°F	73°F	71°F	71°F
SW 8 MPH	8 MPH	WSW 6 MPH	WSW 3 MPH	SE 3 MPH
	Precip 40%	Precip 30%	Precip 40%	Precip 40%

NEWS IN THE GROCERY TRADE

Retail Produce Sales Remain Elevated, but Growth Slows

By: Ashley Nickle, www.producemarketguide.com, June 24, 2020

Fresh produce dollar sales growth fell below 10% for the first time in nearly two months as the timing of Father's Day produced unfavorable sales comparisons for some items.

For the week ending June 14, fresh produce sales were 9.8% higher than the same week in 2019, according to IRI. Vegetable sales were up 14.1%, fruit sales up 6.1%. Sales growth had been slowing gradually throughout the month of May, from 17% the week ending May 3 to 13% the week ending May 31. The second week of June saw lower sales for summer staples including melons (-8.2%), grapes (-10.8%), peaches (-4.9%) and corn (-20.8%).

"It is important to keep in mind that Father's Day 2019 fell on June 16, so sales gains for this week had to go up against last year's holiday bump," Jonna Parker, team lead for fresh for IRI, said in the release. "With Father's Day being a big grilling holiday, we would typically see big spikes in things like corn, melon and the fixings for fruit platters and salad to go along with the dad's favorites on the grill."

Joe Watson, vice president of membership and engagement for the Produce Marketing Association, noted that produce sales appear to be in a more consistent trend in the last month or so but that inflation is also rising for fresh, canned and frozen produce.

"While the two big summer holidays, Father's Day and Fourth of July, have the ability to significantly boost produce sales at retail, states are continuing to open more widely," Watson said in the release. "It will be interesting to see how consumers re-engage, and we will be watching demand on key items. Retailers are gearing up for the strong summer season, with fruit taking center stage now through Labor Day."

In the meantime, vegetables continue to outperform fruit in year-over-year growth. All but two items on the top 10 list for the category saw double-digit gains over 2019, with tomatoes (24.3%), peppers (24.2%), mushrooms (23.4%) and cucumbers (21.6%) experiencing the largest increases.

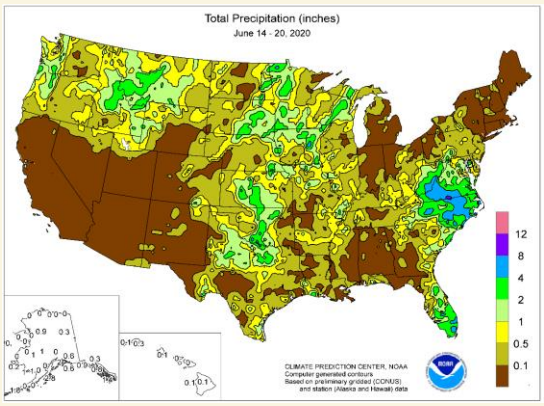
"More than three months since the two biggest panic buying weeks in the history of grocery retailing, vegetable gains are still in the mid-teens versus year ago, whereas the fruit performance is much more up and down," Parker said in the release. "Gains in vegetables illustrate that consumers are still engaging in a lot more at-home meal occasions, and the challenge now becomes how to keep those meals fun and varied. Provide tips and recipes on social media and in-store to help consumers with their meal lineup fatigue."

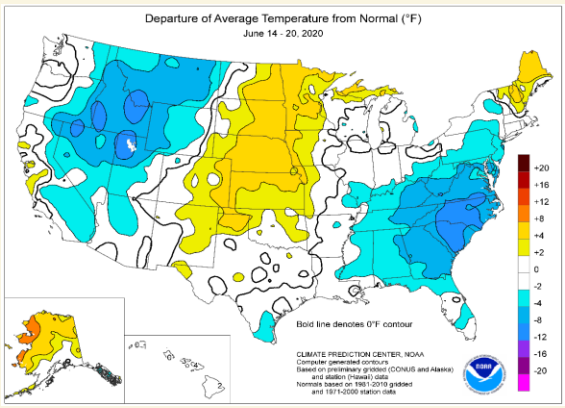
Oranges continued to lead the fruit category with staggering 63.9% growth compared to the same week in 2019, and cherries recorded a 45.7% increase, per IRI. Berry sales were 10.6% higher than last year, and avocados were 9.9% higher. The other top 10 fruit items saw much smaller increases over 2019 or saw sales lower than 2019 levels. "Looking at absolute dollar gains shows how quickly things change from week to week," Watson said in the release. "In the past two weeks, cherries jumped to the top in absolute dollar gains, but this week berries reclaimed their top three position, with cherries in fourth. Oranges climbed a few spots to fifth, and potatoes dropped out of the top five for the first time since the onset of coronavirus in early March. Cucumbers are a newcomer to the top 10 produce items in absolute dollar gain, pushing onions off the list."

It remains to be seen how far above the normal benchmark produce sales will remain as more businesses open across the U.S., including many restaurants. "Given the disproportionate impact of the virus and economic collapse over the past three months, it is highly likely that the recovery will be highly disproportionate as well," Anne-Marie Roerink, principal of 210 Analytics, wrote in the release. "The local speed of economic recovery along with any levels of latent social anxiety to re-engage with foodservice will drive the demand at retail in the upcoming weeks.

NATIONAL WEATHER SPOTLIGHT

Last Week's Precipitation Totals and Average Temperature Deviations





AN APPLE A DAY

Behavioral Science: The New Frontier for Higher Produce Consumption

By: Andy Nelson, www.supermarketperimeter.com, June 17, 2020

WASHINGTON, D.C. — Fresh produce consumption has been stagnant for years. The Brentwood, Mo.-based Produce for Better Health Foundation believes behavioral science can help get to the root of that problem and convince Americans to eat more fruits and vegetables.

Two PBH officials — Wendy Reinhardt Kapsak, president and CEO; and Jason Riis, chief behavioral scientist — made their case in a June 17 workshop during United Fresh Live!, the United Fresh Produce Association's virtual equivalent of its annual trade show.

In "The Feelings and Habits that Accelerate Fruit and Vegetable Consumption: Delivering on the Desires and Demands of Consumers," Kapsak and Riis said that by tapping into consumers' emotions and turning their behaviors into habits, produce consumption could finally start to tick up.

"People are only eating half of their recommended fruits and vegetables per day," Kapsak said. "They know they need to eat more to improve their health. Research also shows it can improve their happiness. Over the last year we've been on a journey to get people inspired to want to eat produce more often."

In 2017, PBH began looking at behavioral science and psychological literature to understand more about people's emotional connections with fruits and vegetables. Most people know that produce is good for their long-term health. What the latest research points out is that it's also good short-term, by immediately improving happiness, appealing to consumers' pride or making other emotional impacts.

Of course, the more produce consumers eat, the easier it is for them to start appreciating the benefits. And for that, Riis said, they need to turn their produce consumption into a habit.

"Forty-three percent of what people do every day is done while thinking of something else — it's a habit, it's automatic," he said. "Half of fruit and vegetable behaviors are done habitually, and there is lots for us to learn about that."
For a behavior to develop into a habit, several things are required, Riis said. It's best if it happens in a similar context, e.g. the same time and place. It must be repeated extensively, and there must be some element of reward or enjoyment involved.

"The lack of new habit formation can be part of what stalls consumption rises," Riis said. "The key to creating new habits is repetition, which leads to automaticity, which is the defining character of habit." As an example, Riis cited the making of a tossed salad for dinner. Many ingredients and actions are typically involved to make a salad. Add to that outside distractions (kids, for example), and it becomes a formidable challenge to produce just that one element of dinner — unless, that is, you've done it so often, and enjoyed the payoff, that it becomes automatic and you make it mostly without thinking about it, while doing other things.

Grocery retailers and their supplier partners, Riis said, can play a critical role in helping consumers build those habits. Is produce easy for consumers to remember to buy? Does it always taste the same? Can it always be found in the same place at the store? Does it look the same?

"Merchandising becomes critical" to habit formation, Riis said.

Once those habits are formed, they're hard to break. In one study, Riis said, more than 80% of parents reported that, after 14 days, their kids ate more of a certain fruit or vegetable than they did at the beginning of the two-week experiment — even if, at the outset, it wasn't even a fruit or vegetable that they actually liked.