



MARKET UPDATE

Tomatoes: Most Palmetto/Ruskin farms are finished for the season, but the remaining growers/fields will wrap up over the next week or so. Quincy, FL and South Carolina have gotten started with rounds, grapes, and minimal volumes of romas. Early quality is good from both areas, although South Carolina's fruit has seen less rain and might have a slight edge. Grapes are still being harvesting out of the Ruskin area, but quality and packouts have declined significantly as they near the finish line.

In the West, mature green tomato availability is snug as we wait for California's San Joaquin Valley to get started in 7-10 days. However, vine-ripe rounds and romas are in good supply from Baja and Eastern Mexico. Grape tomato volumes are still on the light side but should improve as Baja growers get further into new acreage.

Bell Peppers: Georgia farms are churning out strong numbers of bell peppers this week. There is a mixture of quality, but overall, it is much better than the remaining fruit from Florida. Georgia expects to have product for another 3 weeks, but look for supply to begin the transition to North Carolina and other local areas in 10-14 days. In the West, Coachella is winding down while Bakersfield is increasing in supply. New crop fruit has excellent quality, color and shape but there are some challenges from older growing areas that are still shipping, including Mexico.

Cucumbers: With Georgia and North Carolina both in the cucumber business this week, the East has an adequate supply of fruit to meet market needs. Some Georgia lots have weather-related quality issues, but nice fruit is also available. Eastern North Carolina's new-crop fruit quality is very nice so far. The West continues to work through the harvest transition from Mainland Mexico to Baja. Volume is still light

out of Baja, but should pick up next week as more growers get up and running.

Summer Squash: Georgia's yellow and zucchini squash volumes are slowing down significantly as weather-related product quality has caused farms to walk away from remaining fields. Fortunately, local programs in several states (NJ, NC, SC, KY, TN, VA) are getting started and expect volumes to build over the next few weeks. The West is in good shape on squash, as Baja, Santa Maria and Fresno are all in production.

Green Beans: Five different areas in California have beans to offer, with the most significant volume coming from Watsonville/Salinas. Supply is still somewhat light as several growing areas are currently in skips. Eastern bean supply is very snug this week as Georgia growers struggle with quality concerns. There are a few beans in North Carolina with better quality, but volume is relatively light at this point in the season.

Eggplant: South Georgia has finally started eggplant harvests and has adequate volume to meet market needs. Western supply remains fairly steady as harvest areas transition in California.

Chili Peppers: Western chili supply in working through transitions in both Baja and Mainland Mexico. Although heat could become a factor in the future, current quality has improved significantly over recent weeks. In the East, production has mostly transitioned from Florida to Georgia, where they have the full line to offer. Tomatillos, Anaheims and habaneros are the only items with any availability concerns.

Hard Squash: Mexico's hard squash storage crops are winding down, but California areas are now going with excellent quality, color and shape. Georgia has started to provide new crop hard squash for the East although volumes have not yet ramped up.

TRANSPORTATION FACTS

*For the first time in several weeks, the National Diesel Average remained steady, holding at \$3.29 per gallon.

* The average price for a gallon of diesel fuel is \$.72 higher than the same time last year.

* The majority of reporting zones reported very small price declines of less than \$.01 but there were three areas (Gulf Coast, Rocky Mountains, and California) where the price increased by the same slight measure.

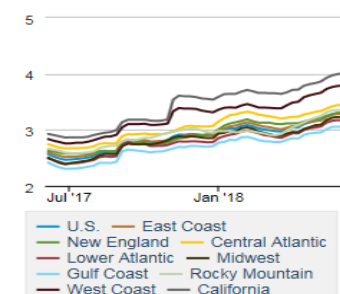
*Still at \$4.00 per gallon, California comes in with the highest diesel fuel price this week. The Gulf Coast region offers the lowest price at \$3.06 per gallon.

*The WTI Crude Oil price dropped 1.8% this week, moving from \$66.73 to \$65.52 per barrel

* Most potato and onion shipping areas have enough trucks to meet demand, but all other veg and tomato productions areas report transportation shortages.

On-Highway Diesel Fuel Prices

(dollars per gallon)



Source: Energy Information Administration

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RESTAURANT INDUSTRY NEWS

Operators Work to Get the Experience Right

By: Fern Glazer, www.restaurant-hospitality.com, May 30, 2018

From mobile ordering apps to in-store digital kiosks, technology has enabled restaurants to increase the speed of service for guests, but often at the expense of the dining experience. However, that may be changing as the latest research from The NPD Group reveals that today's consumers are more interested than ever in memorable food and beverage experiences.

"The trend has been all towards speed, get in and out and turn the table," said Warren Solochek, NPD vice president of industry relations. "People put more value on experience than they have in the past."

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Additionally, 48 percent of consumers surveyed by NPD in 2017 said they planned to purchase food and beverage experiences as holiday gifts. The experiential purchase intent is strongest among Gen Z, Millennials, high-income households and households with kids.

Digital spending also skews experiential. Restaurant meals and snacks accounted for the second-highest percentage of mobile app purchases, after music.

Restaurant revisits can become experiential when operators use one of three levers: experts, eater-tainment or evolving technology, according to NPD. For example, club dinners, chef-created specialties and sommeliers all add an expert touch to the dining experience; food is the eater-tainment experience

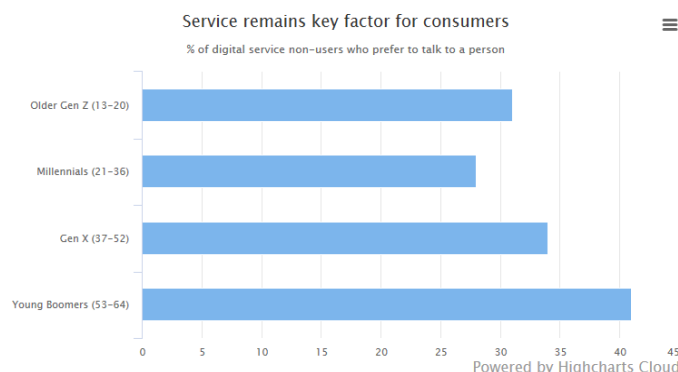
when customers stand in line for access to a buzzworthy restaurant; and dishes that are social-media-worthy align with evolving technology.

No matter the lever used, service is critical to the value proposition of restaurants.

"Service, how people are treated once they come into your store, is still really important," Solochek said. "Restaurants can't forget that human interaction is important."

While those who want to talk to a real person at a restaurant have historically tended to be older generations, NPD found that younger generations are also craving more human interaction. Thirty percent of older Gen Z-ers (ages 13-20), 28 percent of Millennials (ages 21-26), 34 percent of Gen X-ers (ages 37-52) and 41 percent of younger Boomers (ages 53-64) preferred to talk to a person.

"There's a very close relationship between service and how [consumers] rate their food and beverage," Solochek said.



Source: The NPD Group/Digital Evolution of Foodservice 2018

Merchandising Minute

A Produce Toolbox Wish-List

By: Armand Lobato, www.thepacker.com, June 4, 2018

We turn once again to the Produce Aisle reader's inbox. This followed last week's column: What specifically are the tools a produce manager should have (from store or corporate management)? Great question. While this list isn't complete, the following are some of the more important tools.

- > **A strong path of training and development:** This means requiring meaningful experience in all phases of managing the department, from stocking to safety, merchandising, ordering, product knowledge and training. The path of clerk>assistant produce manager>produce manager is sound, tried and true.
- > **Consistent produce quality:** Use reputable suppliers and provide consistency in variety, sizing and availability and combine this with strong promotions and ads.
- > **Merchandising control:** A set schematic is all right for lesser-skilled produce managers, but, if you have superstar merchandisers, turn them loose and watch your sales and profits rise.
- > **Room:** Produce is a bulk business, so ample room to receive, store, prep, and display produce is another key success tool.
- > **Fixtures:** Provide high-quality fixtures (dry and refrigerated) that are easy to stock, re-arrange and clean, yet provide options to add secondary or tie-in items.
- > **Signs:** A superior signing program can make a manager's life much easier, especially if it is attractive and high quality, with parts that are readily available for reorder.
- > **Adequate labor:** Many produce managers say they're understaffed. This will always be the case, I suspect. However, the best store managers at least gave me the opportunity to infuse the extra man-hours I asked for with the caveat that I back up the labor spent with increased sales and profits to match.
- > **Placement tools:** Accessibility to available outdoor, lobby or covered sidewalk areas for seasonal marketing periods.
- > **Sanitation:** If an organization has dedicated sanitation staffing, why not assign them to help with chores such as case cleaning, fixture cleaning, regular store sweeps and spot-mops? Any help that keeps produce clerks on the sales floor is welcomed.
- > **Training:** Proper training time develops clerks with a strong work ethic, customer service skills, product knowledge, quality and speed of work with minimal shrink.
- > **Technology:** Does a chain offer a streamlined or a cumbersome ordering system? Any time saved helps managing the produce department. Same goes for systems that help track sales, price integrity or manage inventory.
- > **Sampling program:** I encourage stores to regularly include produce sampling in their demo programs, be it with mainstream or specialty produce.

Providing tools is a two-way street: Management offers resources to succeed and it's up the produce manager to make the best of the support; to execute plans, train and hold people accountable. This maximizes sales and profit margins, keeps shrink in check and makes for happy customers.

And when it all comes together, a well-run produce department is indeed the jewel of the store.

PRODUCE BAROMETER

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



JUNE CALENDAR

June-All Month

Country Cooking Month

National Safety Month

Second Week (June 11th-17th)

Men's Health Week

June 9th

Companies that Care Day

Family Fitness & Health Day

June 11th

Corn on the Cob Day

St. Helena Island, SC Weather

Fri Jun 8	Sat Jun 9	Sun Jun 10	Mon Jun 11	Tue Jun 12
84° F	86° F	86° F	86° F	87° F
74° F	76° F	76° F	76° F	76° F
ENE 7 MPH	WSW 10 MPH	WSW 9 MPH	W 9 MPH	W 10 MPH
Precip 40%	Precip 40%	Precip 20%	Precip 50%	Precip 30%

KEEP YOUR EYE ON THE CONSUMER

Study: Gen Z Craves Novelty and Experience

By: Deena M. Amato-McCoy, www.chainstoreage.com, June 5, 2018

Generation Z shoppers share a love of real-world retail experiences, as long as they are augmented by technology. Gen Z, also called the Instagram generation, lives by visuals and expects retailers to make experiences cool and aesthetic, show how products are used, and feature them in their best light. This requires their favorite brands to empower the use of mobile, the Web, and apps, according to "Gen Z Report," from Criteo.

According to data, this generation has significant spending power, both online and off. The amount Gen Z spends across categories is strong, particularly in consumer electronics where they spend an average of \$182 online, and \$125 offline over a six-month period. Gen Z values real-world retail for experience and discovery. While 75% prefer to do as much shopping as possible online, 80% look forward to shopping in-store when they have time. The retailers that ultimately win their loyalty offer personalized experiences, limited-edition merchandise, uncommon products, good-looking stores and authentic brand stories, according to the study.

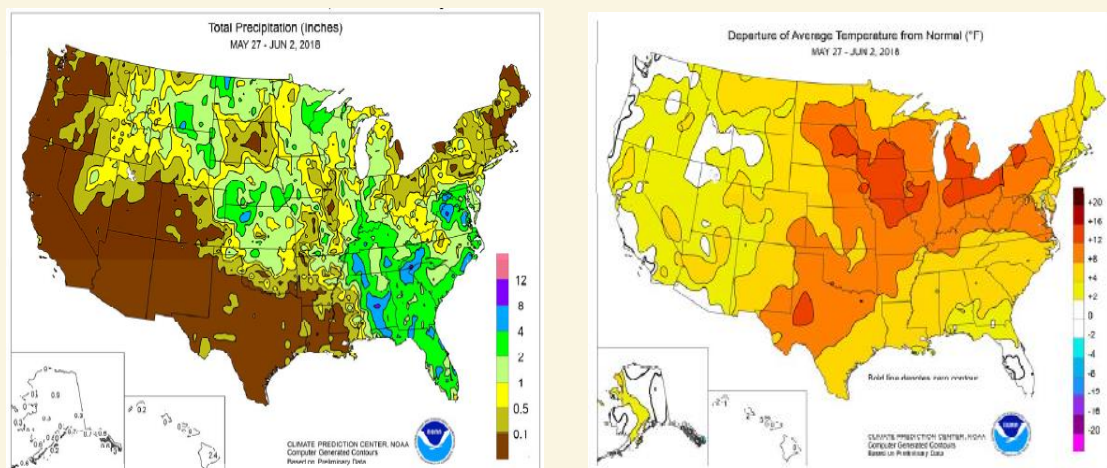
Mobility is one technology that influences their shopping journey. In fact, Gen Z spends more time on their mobile devices than any other generation, clocking in 11 hours of mobile online access per week (not counting work and email). From TV shows and online videos to music and podcasts, Gen Z loves to watch and listen from the web. This group streams 23 hours of video content per week.

When it comes to the sources that are influencing purchase decisions, more than 50% of Gen Z indicated that retail websites and apps are more influential in the purchasing process than search, TV ads or online banner ads. Social media follows as a close second for influence. Gen Z is also more likely to research merchandise online but buy in store, with 34% engaging in webrooming (research online, buy in-store) and 18% engaging in showrooming (see it in store, buy it online).

"Gen Z is at the forefront of the mobile commerce revolution, and represents a crucial opportunity for marketers as they develop lifelong brand loyalties," said Jonathan Opdyke, chief strategy officer, Criteo. "While specific shopping habits may vary, Gen Zers are native omnishoppers who like to visit stores but still prefer to take care of their shopping needs online," he said. "In order to deliver a personalized experience on all touch-points, brands and retailers need to employ a data-driven approach to connect Gen Z customers with unique, on-trend products."

NATIONAL WEATHER SPOTLIGHT

Weekly Precipitation and Temperature Deviation



ON THE ROAD AGAIN....**Administration Clarifies Agricultural Trucking Issues**By: Tom Karst, www.thepacker.com, June 1, 2018

Truckers carrying fresh produce and other agriculture commodities aren't bound by hours-of-service rules if they're within a 150-mile radius of where they picked up the load. Also, truckers whose clocks run out while waiting to be loaded or unloaded can use "personal conveyance" (counted as off-duty) while seeking a place to sleep without violating the hours-of-service rules.

Since a federal mandate to use electronic logging devices went into effect in December, questions about those two situations were rife in the transportation industry. The Department of Transportation's Federal Motor Carrier Safety Administration on May 31 cleared the air with two documents clarifying the rules. "It clarifies quite a bit, which we were glad to see," said Ken Gilliland, director of international trade and transportation for Western Growers.

He said the FMCSA confirmed that even if a load is a long-distance shipment of fruits and vegetables, hours-of-service (HOS) rules kick in only after the truck passes a 150-mile air radius. Then the ELD starts counting. The federal guidance also gives a broad definition to "source" of agricultural commodities, including fields, coolers and packing sheds, Gilliland said.

Gilliland said empty trucks driving to a loading spot qualify for the 150-mile air-radius exemption.

"These documents provide much-needed clarification on the rules surrounding transportation of ag cargo and the rules around the ag exemptions for electronic logging devices," Dante Galeazzi, president and CEO of the Texas International Produce Association, said in an e-mail to members.

Clarity and flexibility

"Due to input from commercial vehicle stakeholders and the public, the Department (of Transportation) has taken steps to provide greater clarity and flexibility regarding the intent and effect of these regulations, for the agricultural and other sectors," Secretary of Transportation Elaine Chao said in a news release on the documents released May 31. Under a summary provided by the agency, the regulatory guidance clarifies the applicability of the "agricultural commodity" exemption.

It clarifies when the exception applies in regard to:

- Drivers in unladen vehicles traveling to pick up an agricultural commodity or returning from a delivery;
- Drivers on trips beyond 150 air-miles from the source of the commodity;
- Determining the "source" of agricultural commodities under the exemptions; and
- How exceptions apply when commodities are loaded at multiple sources during a trip.

The documents are available at the FMCSA website.

FRESH
TOMATOES

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of nature™

**MARK YOUR CALENDAR
PACK YOUR BAGS!**

June 25-27, 2018

United FreshMKT Expo
South Hall- McCormick Place
Chicago, IL
www.unitedfreshshow.org

July 27-29, 2018

PMA Foodservice Conference & Expo
Portola Hotel & Spa and Monterey Conference Center
Monterey, CA
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