



MARKET UPDATE

Tomatoes: Florida's tomato production is light this week as the industry enters Spring growing transitions. Current round harvests are bringing lighter yields due to weather during the growing cycle but there's still a decent amount of product available. Quality is nice on crown picks but 2nds and later picks have some shape, scarring and sunburn concerns here and there to grade out. With growers and fields in different phases of their harvests, there's a nice range of sizing available. Roma and grape numbers are also on the light side but quality has been nice on both items. Overall tomato volumes are expected to stay at reduced levels for 2-3 more weeks until new crops start in South Florida and some growers get started in the Palmetto/Ruskin area.

Like Florida, Mexico's round and roma numbers are in a slight lull as growers wait for new plantings to begin later this month. West Mexico's roma crops are a little slow due to recent cool weather and crop transitions but we anticipate better volumes late this month/early next month. Although many grape tomato growers expect to be in production through the month, some are starting to see the seasonal decline in volume. However, there should be ample supply for the next few weeks.

Bell Peppers: Limited acreage in South Florida is producing mostly jumbo and 2XL fruit but there's not nearly enough fruit to go around. Crops aren't yielding strongly due to weather during the time plants were setting fruit. We are also seeing some scarring and mis-shape on the fruit due to wind. As more growers (particularly in the Plant City area) gradually come online with Spring acreage in 2-3 weeks, we'll see availability improve, but it's going to be a challenge until then. As for the West, growers in Sonora are experiencing warmer weather but now have gone through some rain. Sinaloa is warmer as well with good sunlight which should help bring volume eventually. However,

quality has been a challenge mainly because of prior weather. We are seeing more going into XL/L choice packs mainly due to scarring and lack of uniformity in the bell itself. The next 7 days will be better from a yield perspective but slow as well. It will take a solid 3 weeks to really recover and even then, we will see a strong market going into the Coachella season.

Cucumbers: Warm weather has brought on Mexico's production and supply already exceeds demand. Quality has been strong out of the Mainland and we don't see any issues in the near future. One shipper in Baja has already started and should pick up in volume over the next couple of weeks with a couple other growers right behind them. In the East, the Honduras crop is winding down quickly and will likely finish up next week. Although there are a few SS's, the majority of the remaining volume is lesser grades and sizes. A few early Florida Spring cucs have begun on the east coast of South FL. There's a little scarring on the fruit from initial harvests, which is pretty normal, but we should see both quality and volume improve as farms move further into the season and other area get up and running.

Summer Squash: Warmer weather and new fields in Immokalee and Plant City have bumped up Florida's squash production this week. Although new crops are yielding light, there should be light to moderate increases in volume for the next few weeks. Zucchini quality has been very nice and varied on yellow. Some of the newer fields (especially in the Immokalee area) have better quality on both colors than we've been seeing. Mexico's squash production had picked up a little due to last week's warmer weather. However we are seeing a slight dip in production this week from a short cool front that hit the growing areas during the front part of the week. The slight dip should be short lived, as a warming trend is expected along with more growers

beginning their spring crops from the northern growing areas.

Chili Peppers: With more players getting in the chili pepper game, production levels are improved this week. Good weather in Sinaloa with optimal heat levels in the forecast, should bring more volume soon. Escuinapa is pumping out volume, and Culiacan is getting stronger as well. New crops have started in South Florida bringing light to moderate volumes of select items to the table. (There haven't been any serrano or tomatillos.) Volume will strengthen when Plant City gets rolling in about a month.

Eggplant: Florida's eggplant supply is tight as old fields are playing out and new fields are slow to come on. Current crops are making a lot of #2 product due to scarring which significantly reduces retail availability. Look for supply to remain short for a few weeks due to rain during the planting period and wind as the plants were setting fruit. Fortunately, Mexico's eggplant production continues with steady supplies. We expect good volume to continue for the next 10 -14 days.

Green Beans: Supply and quality continue to be strong in Florida and should remain solid for at least the next few weeks. While the Lake area and South Florida are still rolling along, new crops in central Florida are on tap to start this weekend. Mainland Mexico is also expected to provide steady volumes for the next few weeks, barring any weather issues.

Organic Cucumbers: Along with conventional, volumes have picked up on organic cucumbers. We anticipate excellent supply for the next 4+ weeks.

Organic Bell Pepper: Growers are struggling to produce good sizing with very little XL and large fruit available this week. However, medium and choice have good availability.

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Transportation Facts
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KEEP YOUR EYE ON THE CONSUMER

Power of Produce: Attitudes Toward Packaged Fruits and Vegetables

By: Ashley Nickle, www.produceretailer.com, March 8, 2019

ORLANDO, Fla. -- Whether shoppers prefer bulk or packaged fruits and vegetables often depends on age, gender and a number of other factors, according to the newest Power of Produce report from the Food Marketing Institute.

FMI debuted its report, which combines data from Nielsen and IRI with consumer survey results, at an education session March 8 at the Southeast Produce Council's Southern Exposure.

While 37% of survey respondents prefer picking their own items, 27% prefer all items to be packaged, while 36% said it depends on the item.

Millennials, however, especially those with kids, leaned toward packaged produce.

Forty-four percent of millennials surveyed said they preferred packaged, and that number jumped to 52% for millennials with kids.

Only 20% of Gen X shoppers said they preferred packaged, as did only 19% of respondents who named a supermarket as their primary produce store.

Among those with kids at home, 40% prefer packaged, as do 37% of primary supercenter shoppers and 36% of households with an income of \$75,000 or more.

Men also leaned toward packaging -- 37% said they preferred it over picking their own items, compared to just 21% of women.

Forty-one percent of women said they prefer to pick their own items, while 38% said it depends on the item.

FMI found in its survey that shoppers overwhelmingly list being able to see the product as the most important attribute of packaging.

That property is especially critical to boomers, shoppers who will switch channels, and small-town consumers, per the report.

Shelf life is another key consideration, particularly for people who are dedicated value-added buyers, people who make four or more weekly shopping trips, rural consumers, and those who buy local whenever possible.

Sustainable attributes rank lower of the list but are important for certain shopper groups.

"Packaging innovations may address shelf-life, presentation, buying/consumption/cooking ease and the ability to communicate important information to shoppers," FMI wrote in the report. "With the growing share of fixed weight and processed produce, exploring packaging innovations in core shopper groups may bring competitive advantages.

"Packaging material choices are closely related to brand image and ultimate purchase decisions," FMI wrote. "For instance, organic shoppers overindex for environmentally-friendly packaging — likely giving organic products with packaging using recycled plastic, recycled paper or wood products an added competitive advantage."

For more from the report, check out the following articles, and get the full report -- which has many additional insights -- from FMI at www.fmi.org/store/

TRANSPORTATION FACTS



*The national diesel average has stalled out at \$3.08 per gallon for the last 14 days.

* The average price for a gallon of diesel is \$.10 higher than the same time last year.

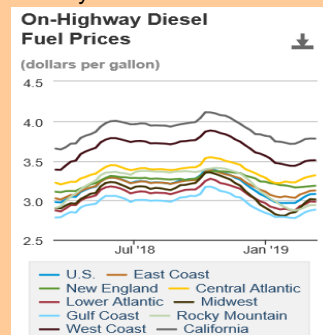
* Most areas of the country reported slight price increases this week, with the most significant in the Central Atlantic (up \$.014).

California, the Midwest, and the Lower Atlantic actually came in with lower prices, but the changes were less than a half a cent per gallon.

*California continues to have the highest diesel prices in the country at \$3.78 per gallon while the Gulf Coast is the low-price leader at \$2.88 per gallon.

*The WTI Crude Oil price rose 1.2% this week, moving from \$56.22 to \$56.87 per barrel.

*Trucks are available in adequate or surplus levels at all shipping points in the country this week.



eia Source: Energy Information Administration

EMPLOYEE SPOTLIGHT

Rick Agocs- Sales and Grower Procurement for Bell Peppers- Lipman/Huron Produce

How many years have you been at Huron/Lipman?

13 years

What is your favorite aspect of working for Huron/Lipman?

As many of us know, working in this industry provides many challenges on a daily basis. It is a fast-paced environment where decisions need to be made quickly which keeps the days interesting.



What is your favorite vegetable?

Brussel sprouts.

What is your favorite type of food?

You can never go wrong with pizza.

Tell us about your family.

I have been married to my wife Judy for 40 years. We have 2 beautiful girls and 2 of the best granddaughters you could wish for.

Where did you grow up?

I was born and raised in Leamington, Ontario, a small town dubbed the tomato capital of Canada.

What do you like to do when you aren't working?

Been trying for years to perfect my golf swing and enjoy playing pickle ball.

Ideal vacation spot?

The cold Winter weather hurts, so wherever it is warm is ideal.

What are your favorite sports teams?

One team, one dream, 'Go Leafs Go'

PRODUCE BAROMETER

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



MARCH CALENDAR

March All Month

Supply Management Month

March 17th

St. Patrick's Day

March 18th

National Sloppy Joe Day

March 20th

First Day of Spring

National Ravioli Day

March 21st

National Crunchy Taco Day

Immokalee, FL Weather

Fri Mar 15	Sat Mar 16	Sun Mar 17	Mon Mar 18	Tue Mar 19
87°F	84°F	81°F	79°F	74°F
78°F	62°F	61°F	61°F	64°F
E 7 MPH	W 2 MPH	NE 5 MPH	NNE 7 MPH	NNE 10 MPH
Precip 20%	Precip 50%	Precip 40%	Precip 30%	Precip 70%

NEWS IN THE GROCERY TRADE

Continued Demand for Meal Kits in 2019

By: Renee Sexton, www.theshelbyreport.com, March 6, 2019

The demand for meal kits took the U.S. grocery retail market by storm in 2018. Offering easy-to-use recipes with the ingredients necessary to prepare them, meal kits offered time-challenged consumers a convenient way to provide home-cooked meals with little effort.

Hundreds of companies serving both at the national and local levels now offer the service.

What started as a web-exclusive offering, aimed at delivering fresh, time-saving options, now has grown into a multi-billion dollar industry that stretches across retail's landscape on its variety of platforms. Over the past year, a deluge of acquisition and collaboration deals between kit manufacturers and retailers has created a groundswell of media conversation, consumer awareness and retail distribution points for meal kit offerings. And according to the latest [Nielsen](#) data, 187 new meal kit items were introduced within in-store retail outlets alone during the 52 weeks ended Dec. 29, 2018.

But as more and more meal kits come to market, is consumer demand keeping pace?

Today, millions of consumers have easy access to meal kits through both online and in-store retail, and despite chatter of instability within meal kit businesses, the data shows that consumer demand is strong. Meal kit users have increased by 36 percent over the past year. In fact, Nielsen panel data shows that 14.3 million households purchased meal kits in the last six months of 2018, reflecting a marked increase of 3.8 million households from the end of 2017. And there is still a lot more interest beyond that, with 23 percent of American households saying they would consider purchasing a meal kit within the next six months.

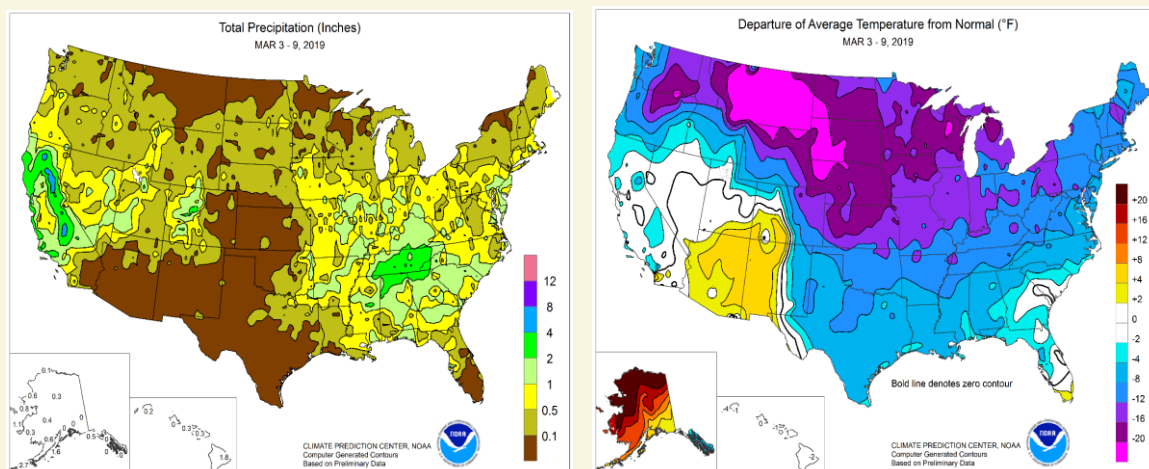
As more and more meal kits providers made their way into brick and mortar stores in 2018, sales of in-store full meal kit offerings garnered \$93 million over the 52-week period ending Dec. 29, 2018. At the same time, in-store meal kit users jumped by 2.2 million households in less than one year, accounting for 60 percent of growth in meal kit users. While the majority of meal kit sales did still occur online in 2018, growth occurred both exclusively in-store and within the combined online/offline space.

Overall, affluent consumers earning an income of more than \$100,000 drove meal kit growth across online and in-store in 2018. Compared to 2017, these consumers increased their online meal kit purchases by 6 points and their in-store purchases by 9 points. Across both outlets, growth also is being led by consumers between the ages of 35-44, who showed a 4.3 point increase in meal kit purchases online and a 9.2 point increase in those bought in-store. Meanwhile, meal kit purchases from older consumers aged 45-54 declined 2.8 points online and 7 points in-store over the past year. Meal kits ended 2018 on a high note, and since meal kits cater to the consumer need for fast and fresh, demand likely will endure into 2019. Consumers are showing a continued interest in meal kits, amid the diversification of distribution channels. However, retailer and meal kit players should take note of shifting purchasing preferences occurring as this category continues to grow and mature.

The insights in this article were derived from a Nielsen Homescan Panel Custom Survey, Oct. 22-Nov. 12, 2018, and Nov. 30-Dec. 25, 2018; U.S. Census 120 million households, December 2017.

NATIONAL WEATHER SPOTLIGHT

Last Week's Precipitation Totals and Average Temperature Deviations



RESTAURANT INDUSTRY NEWS

Trend Watch: Demand for More Delivery Options Conflicts with Push to Abandon Single-Use Packaging

By: Lynn Dyer, www.fastcasual.com, March 7, 2019

Being on top of developments in the foodservice industry is paramount, and that includes knowing the latest trends in packaging used for your foods and beverages. For that reason, FPI has conducted its annual Trends Report each year for the past 10 years.

In our most recent 2018 survey, we saw the two greatest trends in foodservice packaging — increased delivery and abandoning single-use packaging — being in direct conflict with each other, yet intertwined. Both affect how fast casual brands try to meet the needs of its customers and expand their businesses.

First, we saw an immense amount of push-back on all things single-use. So much so that, "single-use," was selected as the 2018 word of the year by Collins Dictionary. Certainly, single-use is a concept we live and breathe every day, but it's become so much a part of the public's lexicon, it's commonly recognized outside our industry. In fact, Collins says there's been a four-fold increase in its usage since 2013.

Plastic is the primary material catching criticism for being single-use. In 2018, the plastic straw was the poster child for this movement. But, paper isn't immune to scrutiny, either. The mere mention of single-use has many questioning its use. Is this item necessary or just a product of the overindulgent lifestyle we have all grown accustomed to? Can we replace it with a multi-use item? How do these products affect the environment?

To lessen these negative connotations surrounding single-use items, we see continued efforts to limit their environmental impact, whether it's through the use of renewable materials or recycled content. Plus, there is greater emphasis on the recyclable or compostable attributes of these products. FPI has several special interest groups working to increase the recovery of these products. The Paper Recovery Alliance and Plastics Recovery Group works with various stakeholders to recycle and compost more paper and plastic cups and take-out containers. The Foam Recycling Coalition provides grants to those interested in recycling foam polystyrene specifically.

Delivery, however, continues to be the sales driver for the foodservice industry, and what allows delivery to happen? Single-use foodservice packaging. It's not just for pizza anymore!

Delivery offerings have elevated the importance of single-use foodservice packaging for a few reasons. First, and most obviously, it keeps hot foods hot and cold foods cold as it's being delivered. Second, the package protects the food inside once in transport, leading to greater use of tamper-evident packs. Third, it creates the only opportunity to promote a foodservice brand when the customer doesn't interact with the brand itself, using any number of third-party apps to order his or her meal.

It remains to be seen how the industry, and those influencing it, reconcile these two opposing trends. What we do know is that the foodservice packaging industry will continue to deliver (yes, pun intended) new and innovative products to a hungry growing market, satisfying customers and consumers alike. This will enable you to make the final decision on what types of foodservice packaging you use in your fast-casual restaurant.

FRESH
TOMATOES


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MARK YOUR CALENDAR
PACK YOUR BAGS!

April 7-10, 2019
 Restaurant Leadership Conference
 JW Marriott Phoenix Desert Ridge Resort & Spa
 Phoenix, AZ
www.restaurantleadership.com

May 1, 2019
 New England Organic Produce Conference
 Gillette Stadium
 Foxboro, MA
www.newenglandproduceCouncil.com

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