MARKET UPDATE

Round Tomatoes: Harvests are slowing down in the Palmetto/Ruskin area as many crops are running 1-2 weeks ahead of schedule. There will still be a few growers with crown picks going into next week, but after then harvests will be down to 2nds and 3rds. Attractive markets will keep these in the system as long as possible, but yields, quality and packouts will dictate the season's end. Sizing is big on the crown picks that remain, but the overall profile is working its way down quickly as more 2nds and 3rds are in the mix. Quality is still very nice on crown fruit but not as great on 2nds and 3rds due to scarring and misshape concerns. However, good packing practices can still produce a nice box. Neither Quincy nor SC looks to start before June 1st, so we could see a few weeks of light supply in the East. Western round tomatoes are in transition with a lot of moving pieces. West Mexico's mature greens and vine-ripes are both in seasonal decline and will wrap up soon. East Mexico farms are harvesting vine-ripes from older plantings this week, but will also move into new summer crops over the next 7-10 days. The CA desert's short season for mature greens has begun and we'll start to see Baja's vine-ripes next week. With new growing areas and crops underway, availability should gain some ground in the West over the next few weeks.

Roma Tomatoes: Roma volume remains light in the East and looks to lessen over the next month. Crown picks will finish in the R/P area next week then growers will continue with later picks as markets, quality and yields allow. Current quality is good, but not excellent. We've reached the time of year that frequent afternoon showers are beginning to affect quality, with romas being very susceptible. Once the P/R crops finish up, there will be a few romas in Quincy but no significant volume until the TN/NC mountains, NJ and other local deals start in July. This will put the focus on Western supply which should be adequate to meet demand. There are several new crops and growing areas that have just gotten started and there's more to come over the next few weeks. With some older crops in play this week, quality has varied.

Grape Tomatoes: With lighter demand for the past few months, FL farms are limiting grape tomato picks to the first 7 or 8 and not continuing to harvest beyond that as they usually would. This is maintaining nice quality, but has lightened supply to match demand. As more businesses reopen this week, demand has increased which has caused supply to be a little snug for the short term. In the West, supply is transitioning from Nogales shippers to new crops from central Mexico and Baja.

Bell Peppers: There are still some bells in Plant City/Central FL for the next 7-10 days but volume is light, and quality and sizing are declining. Fortunately, GA has gotten started but isn't into strong volume yet. Since they are in crown picks, it's mostly big pepper available and quality is nice. We'll see more volume and sizing options as growers get further into their crops. Coachella is the primary growing region for the West and has good quality fruit to offer with thick walls and good color. This area should harvest until June, when the Bakersfield area gets up and running. A few growers will have Mexican peppers through the month of May but quality is starting to be an issue with day after day of extreme heat.

Cucumbers: Mainland Mexico cucs are going strong with a lot of production. However, we're starting to see fruit with shrivel to the touch which is caused by the high temps in the growing region. They will continue to ship through Nogales the rest of the month. A 4th grower has started out of Baja as we transition over for the summer. So far quality is good and we'll make a full transition to Baja cucs over the next 3 weeks. There are still a few cucs in the Plant City area, but the majority of Eastern production is coming from GA. Early quality has been nice. More fruit is coming to the East as coastal NC and other local deals are on tap to begin the season around June 1st.

Green Beans: There's plenty of beans available in GA/North FL and quality is very nice. Western beans are transitioning. Our Guasave crops are past the peak in supply and will continue with limited volumes for the next 2-3 weeks. The CA desert is also winding down but the central valley of CA has started and should see volume accelerate over the coming days.

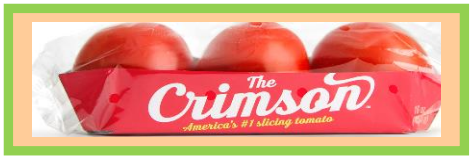
Summer Squash: FL and GA are this week's spots for Eastern squash sourcing with the largest portion of volume in GA now. There's a big variety of quality especially on yellow. GA's volume is a little lighter as we move into the weekend as some cool weather has passed through the growing areas. The northern area of Mexico has passed its peak in production and is now on the decline in supply. This area will continue for another 2-3 weeks with moderate volume. Both Baja and the Fresno, CA area have begun and should continue to increase over the next 2 weeks. The Santa Maria area has also started in a very limited way and should be a player in about 7-10 days.

Eggplant: Mainland Mexico eggplant will finish this week. We have been seeing quality issues, with a majority of the fruit being #2's. The CA desert has started in a very light way but expects to see better volume by the middle of next week. Eggplant is also limited in the East. The Plant City crop isn't real strong in quality or quantity but there is some fruit available. Looking forward, GA will see its first eggs in 10-14 days with volume coming as we move into June.

Chili Peppers: We are starting to feel the transition on hot peppers. With the national market back in, Mainland kicking back in, Sonora limping along, and Baja just starting out, the market has gained some strength. Specialty chilies (habanero/fresno) and serranos will be very tight for the next 7 days. Quality is hit and miss out of Mainland, but excellent out of Baja. June could be challenging as Western production works through the various transitions. In the East, there are still some chilies in South FL with a bit more coming out of Plant City. Overall, Eastern volume is light and serranos and Cubanelles are few and far between. GA expects to harvest its first hot peppers in 10-14 days.

Organic Veg: Organic green bells remain very snug as volume and quality continue to fall off in Nogales. Although the CA desert has fruit, there's only one grower with significant volume. We should see a bit more fruit in the next few weeks, but supply will be snug until Bakersfield is in business in 3 weeks. Cucumber volumes are strong as new crops hit their stride. New squash crops have also started to help with supply.

ON THE HORIZON CONTENTS



NEWS IN THE GROCERY TRADE

Choice or Necessity? E-Commerce Gaining Trust with Fresh Produce Shoppers

By: Craig Levitt, www.theproducenews.com, May 12, 2020

It has been two months since COVID-19 has shut down the country. While nothing has been normal in that time, clear shopping patterns have emerged. Visits to the supermarket are down, basket sizes are up, and online shopping is gaining popularity — all of which affect fresh produce sales.

The effects have mostly been positive. For the week ended May 3, fresh produce dollar sales were up 17.2 percent compared to the similar week last year, according to IRI and 210 Analytics. That 17.2 percent increase represented $205 million more in sales. This was the fourth-best selling week since the onset of the pandemic.

“The changed everyday demand is driving sizeable sales but the where and when is significantly different as well,” said Jonna Parker, team lead, fresh for IRI. “Grocery stores have greatly increased their share of fresh dollars in recent weeks, jumping from 60.2 percent the week of March 8 to 64.2 percent the week of April 12, for instance. This is directly related to shoppers wanting to reduce the number of trips. Likewise, after a few years of stagnant engagement, grocery e-commerce jumped years ahead on its growth trajectory. In a way, it is 2025, now.”

Since the week of March 15, fresh e-commerce gains versus last year did not drop below +68 percent and peaked as high as +105 percent.

“The gains in fresh foods e-commerce are accelerating, driven by two factors,” said Parker. “First, many retailers and third-party grocery delivery companies had to very quickly ramp up their online capacity, which resulted in great pressure on slot availability early on during the pandemic. Second, there are many shoppers who ordered online for the first time as a result of the pandemic. They may have started off with smaller baskets and avoided fresh. But as their comfort with online ordering grows, it is very likely we will see order frequency, basket size and inclusion of fresh items, grow along with it.”

As has been the case since the onset of the pandemic, fresh vegetables continue to outsell fresh fruit. The week ended May 3 saw fresh vegetables up 24 percent while fresh fruit was up 11.1 percent.

On the fruit side, oranges and lemons continue to rise, up 68 and 42.4 percent, respectively compared to last year. Dollar wise, berries, apples and bananas were the most popular fruits, with sales of $168 million, $77 million, and $66 million, respectively for the week.

All of the vegetables in the top 10 enjoyed double-digit growth for the week, paced again by potatoes, up 47.1 percent. Mushrooms (up 37.8 percent) and peppers (up 31.1 percent) rounded out the top three. In terms of dollars, lettuce ($172 million), tomatoes ($87 million) and potatoes ($72 million) generated the most.

“The summer vegetable season is upon us and while not a top 10 item in sales, I always found sweet corn to be a good indicator of summer demand,” said Joe Watson, vice president of membership and engagement for the Produce Marketing Association. “I’m encouraged to see corn dollar sales gains rising each week to reach +26.8 percent the week of May 3, though dollars are tracking well ahead of volume that was up 18.5 percent. We have to be cognizant of the different nature of gatherings, but corn remains a great summer cookout opportunity.”

TRANSPORTATION FACTS

*The National Diesel Average fell only $.01 this week, moving from $2.40 to $2.39 per gallon.

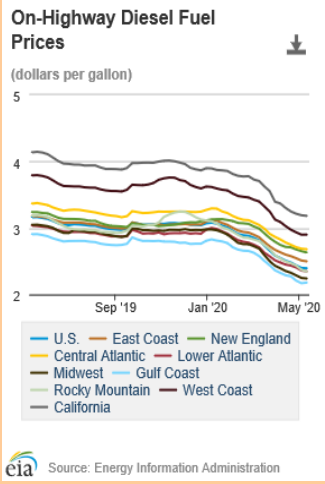
*The average price for a gallon of diesel is $.77 lower than the same time last year.

*Although the majority of reporting areas came in with price declines of around $.01, the Gulf Coast and the West Coast (less California) actual saw prices rise by $.01 per gallon.

*As usual, California has the highest price at $3.18 per gallon while the Gulf Coast remains the low-price leader at $2.18 per gallon.

*The WTI Crude Oil price rose 6.9% this week, moving from $23.99 to $25.78 per barrel.

*There are slight shortages of transportation in California and Florida this week but all other areas, including Georgia, McAllen and Nogales, have adequate numbers of trucks available.



NEWS BITES

From Chef Wil

A Look on the Bright Side: As we move into warmer weather, we prepare our menus and offerings to adapt. Cold dishes with refreshing, summer fruits and vegetables, family-sized, large parties, and BBQ buffets are all the good things of summertime. You can almost smell the charcoal heating up!

Sweet heat has had a 121.9% menu growth over the last four years.
(Datassential)

"Fruit-based salsas brighten the items they accompany" - *Nations Restaurant News*

SPICY WATERMELON PICO

Recipe Highlights

- Lipman watermelon
- Lipman diced jalapeno
- Lipman diced cucumber
- fresh squeezed lime juice
- sugar
- salt

FRUIT SALSA FRESCA

Recipe Highlights

- pineapple
- Lipman tomato
- Lipman yellow onion
- fresh squeezed lime juice
- fresh chopped cilantro
- Lipman diced jalapeno
- cane sugar

CARAMELIZED PEACH DESSERT SALSA

Recipe Highlights

- peaches
- Lipman onion
- strawberry
- Lipman tomato
- balsamic vinegar

Great as an ice cream topping!

FRESH FRESH CUT *the best of nature*™

PRODUCE BAROMETER

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

MAY CALENDAR

All Month
National Barbecue Month
May 18th-22nd
National Bike to Work Week
May 18th
Supply Chain Professional Day
May 21st
National Wait Staff Day
Eat More Fruits & Veggies Day
May 22nd
National Don't Fry Day

Ruskin, FL Weather

Sat	Sun	Mon	Tue	Wed
May 16	May 17	May 18	May 19	May 20
87°F	87°F	87°F	84°F	84°F
68°F	69°F	71°F	71°F	68°F
NNE 10 MPH	NE 7 MPH	NNW 10 MPH	WSW 13 MPH	SW 10 MPH
Precip 20%			Precip 20%	Precip 10%

RESTAURANT INDUSTRY NEWS

What Customers Want from Restaurants as They Reopen- Part 2

By: Danny Klein, www.qsrmagazine.com, May 2020

Note: This selection is part 2 of an article first shared in the May 8th issue.

"What's the most effective way restaurants can market their offers to you?

Social media: 23.2 percent; Text message marketing: 27.1 percent; Emails: 14.7 percent; Loyalty/rewards program: 35 percent

"A restaurant's ability to market itself and earn its customer base back is more important than ever, and specifically, knowing how customers want to receive the offers is crucial. According to this survey, they no longer want emails and social media won't do the trick like it once did," Sitter said. This comes back to the trust factor. There's not a ton of discovery going on among consumers looking for dinner. But people are undoubtedly leaning on the restaurants they're comfortable with. And rewards programs also tend to involve some sort of order functionality, which caters to another powerful contactless COVID-19 tool. Frictionless operations haven't gone away in light of the crisis. In some cases, they've become even more important. One of the setbacks with digital ordering, however, especially as it pertains to full-service restaurants, is the beverage attachment. There isn't as much room to upsell at one checkout point as there is throughout a sit-down meal. This is where rewards incentives could come in handy, and check-backs to generate business from infrequent users.

"What price range are you looking for when you dine out again?"

$10–$15 entrée range: 42.8 percent; $15–$25 entrée range: 26 percent; $25–$40 entrée range: 2.6 percent

Doesn't matter: 28.6 percent

"Has this price range changed due to the recent events?"

Yes: 21.3 percent; No: 78.7 percent

This is simply a dynamic that needs to be monitored closely as the economy emerges out of COVID-19. How much will it hurt discretionary income? Will we be in a recession? All of these notions are fluid, and will affect restaurants' menu and marketing calendars for months to come. Perhaps years. Restaurants have proven adept at adjusting to recession-like trends—more so than retail and other industries. Just what that means exactly for a post-coronavirus world, we're not sure. McDonald's said last week it's seeing heightened focus on value and convenience. Additionally, larger checks as people order for groups and not just themselves.

COVID-19 could redraw value lines between segments that were starting to blur before the crisis. Fine dining, for example, might get more expensive given the changing competitive set and shift in demand. Some fast casuals might take that route, too. Others might pull closer to quick service. It's a monitor-and-adapt situation.

"After restaurants reopen, how likely are you to use curbside delivery as a service"

Not so likely: 15.5 percent; Somewhat likely: 34.4 percent; Very likely: 31.9 percent; Extremely likely: 18.2 percent

This is a data point that speaks for itself. We don't know if the "new normal," will take hold forever. Curbside, though, doesn't seem to be going anywhere. For a lot of restaurants, especially full-serves with parking, it might sustain for good.

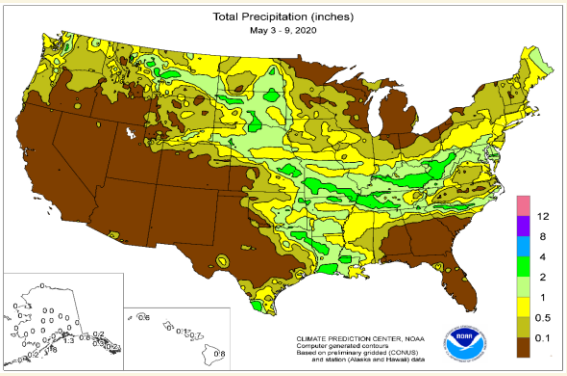
"Do you agree the restaurant shutdown was necessary and we should do it again if another outbreak occurs?"

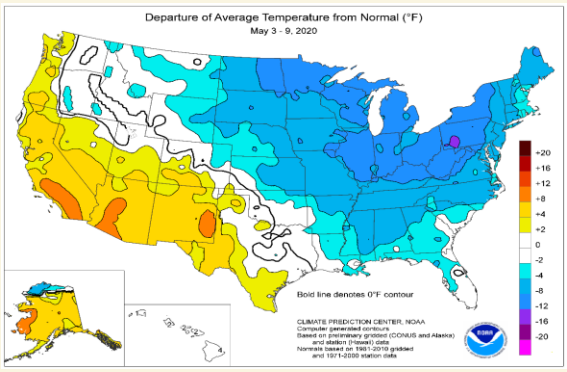
Very disagreeable: 1.6 percent; Disagreeable: 2.7 percent; Somewhat disagreeable: 6 percent; Somewhat agreeable: 16.5 percent; Agreeable: 22.2 percent; Very agreeable: 51.1 percent

It's difficult to fathom a second wave and hopefully that day never arrives in force. Or if does, there's ample safeguards in place to make dining-room business still viable. But if COVID-19 round two takes football season with it, it could be a catastrophic turn for many. ***Continued on page 5***

NATIONAL WEATHER SPOTLIGHT

Last Week's Precipitation Totals and Average Temperature Deviations





RESTAURANT INDUSTRY NEWS…Continued

What Customers Want from Restaurants as They Reopen- Part 2

By: Danny Klein, www.qsrmagazine.com, May 2020

"What would you like disposable after reopening [for the next 90 days]?"

Plastic ware: 22.1 percent; Plates: 6.4 percent; Cups: 10.6 percent; Menus: 18.7 percent; Single-use condiments: 17 percent; None of the above: 14.1 percent; All of the above: 22.1 percent

Despite all the precautions and concerns and operational changes ahead, there's another, more positive reality to pull from. People miss dining out. Not just for the food, but also for the psychological benefits. "When dining rooms reopen, there will be a heightened appreciation for them and the sense of normalcy they evoke," Datassential said. Americans links restaurants with better pre-COVID-19 days and milestone moments. They're the connective tissue people miss and want to bring back into their lives.

These are the responses from a May released 1,000-consumer study:

Eating at restaurants reminds me of better times: 71 percent
Eating at restaurants will help me feel normal again: 70 percent
Dining in will feel more special once restaurants reopen: 70 percent
Dining out lets me to do my part in helping the community: 63 percent
Celebrations at home haven't been the same: 62 percent
Dining out will make me feel connected to community again: 60 percent
Local restaurants feel like part of my home/community: 53 percent
It's a big part of how I socialize: 51 percent
Ordering from restaurants is an escape/treat during COVID: 50 percent
I have missed dining in restaurants more than other things: 50 percent

Why will people return to restaurants? These are the emotional benefits people are most looking forward to:

Relaxation: 41 percent
Joy: 38 percent
Satisfaction: 35 percent
Indulgence/rewards: 34 percent
Warmth/comfort: 24 percent
Appreciation/gratitude: 22 percent
Peace/contentment: 22 percent
Excitement/anticipation: 21 percent
Relief: 21 percent
Inspiration: 9 percent
Curiosity: 7 percent
None: 12 percent

Put plainly, there are no shortage of reasons customers will flock back. It comes down to a few things for restaurants: Getting through the crisis, being ready for what's on the other side, and building loyalty through differentiation and familiarity.

Not easy tasks, but light at the end of the very long COVID-19 tunnel.

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MARK YOUR CALENDAR & PACK YOUR BAGS?

July 23-24, 2020
PMA Foodservice Conference & Expo- Monterey, CA
Rescheduled as an online event
PMA Foodservice Delivered- July 20-24, 2020
www.pma.com/events/foodservice-delivered

October 15-17, 2020
PMA's Fresh Summit
Kay Bailey Hutchison Convention Center
Dallas, TX
www.pma.com/events/freshsummit

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