



MARKET UPDATE

Round Tomatoes: Palmetto/Ruskin farms will see size and volume decline as they finish up with crown picks this week and move into 2nds and 3rds for the remainder of the season. Quality continues to be nice on crowns, but we'll see lighter packouts next week as harvests come from later picks. South Carolina is on deck and will begin around May 30th and run through the month of June. The crop is looking good, especially on size. Quincy/South GA are targeting a start date of June 5th. We don't anticipate an overlap of the R/P and Quincy crops, but there shouldn't be a significant gap. Western round tomato supply is slowly increasing as growing areas and programs transition. West Mexico will be out of the picture by mid-June, but East Mexico farms have started new summer crops and will continue to harvest from older fields as long as feasible. The bulk of production is moving west to Baja where a few more growers are starting each week, to the CA desert for their short season, and by early-mid June, to the San Joaquin Valley. New fruit from East Mexico and Baja has been very nice, but there is lesser quality from older fields crossing as well.

Roma Tomatoes: Roma production is winding down in R/P with some farms harvesting their last blocks over the weekend. With limited acreage in SC and Quincy, there won't be any significant volume in the East until July when TN, NC, and NJ get rolling. There have been a few quality issues here and there on the Eastern product due to rain, but a good pack is still available. Western roma availability should continue to be strong for the immediate future as more growers get started in southern CA, Baja, and eventually (in 2-3 weeks) in the San Joaquin Valley. Fruit from new fields has been excellent, but the remaining Sonora product is getting tired.

Grape Tomatoes: Ruskin/Palmetto growers walked away from older plantings so the grape tomato deal is in fewer hands now and Eastern supply has tightened up. R/P has another 1-2 weeks left, then production will transition to SC for Lipman and a few small deals in the Quincy/South GA area. In the West, supply is also snug as Nogales shippers have wound down before new crops in Central Mexico and Baja have come on with increases.

Bell Peppers: Although Plant City still has peppers, they are winding down with smaller fruit and have more offgrades than retail fruit. This year's Spring crop hasn't been particularly strong and they'll likely stop shipping in 7-10 days. Fortunately, GA's volume has been pretty consistent despite some rain-related harvest interruptions this week. So far quality is good with only the occasional exception. While the Eastern situation has improved, Western supply has become more challenging. The CA desert crops have been brought on by heat and are past their peak with less volume and some heat-related quality concerns. With Mexico out of the picture for all practical purposes, things will be snug until Bakersfield gets up and running in 7-10 days.

Cucumbers: Although Sinaloa's production is winding down, cucumber growers in northern Mainland Mexico and Baja have plenty of product to meet market demand. Quality has been very good, but we could start to see issues on Mainland fruit as the heat takes a toll over the next few weeks. Eastern volume has been a little lighter this week, mostly because there's not much left in FL. There are a few new fields in FL for local purposes but no substantial volume. GA's crops will provide the majority of Eastern volume for at least the next week or so. Quality has been nice with that preferred dark green color. Look for regional and local deals to start as early as June 1st.

Green Beans: Although harvests were interrupted by rain at the front end of the week, 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: Plant City's squash crops are beginning to wind down with about ½ the growers in the area finished. Yellow volume is minimal. Fortunately, GA has had good volumes and good Quality, especially on zucchini. The yellow quality is a little more varied with

reports of really nice product and some with a lot of scarring, scuffing and mechanical injury. Western squash production is transitioning from Sonora over to Baja and Fresno, CA where we should see the numbers increase over the next few weeks.

Eggplant: Plant City continues to work light volumes on eggplant and should have fruit for another couple weeks if quality and markets allow. There are just a very few eggs that have shipped out of GA so far, but volume should come along over the next 1-2 weeks, providing relief to the month-long short supply situation. It's also looking better in the West, as the CA desert is into better numbers, and will continue to see more fruit as the warmer weather settles in.

Chili Peppers: With Southern Mexico winding down and Northern Mexico limping along, demand for Baja peppers will be strong for the next month. Quality out of Mainland Mexico is spotty at best, forcing us to be very diligent on arrivals. Baja's quality has been excellent, but there's not enough product to go around yet. In the East, Plant City has most varieties available, but volumes are fairly light overall. Plant City will run their season for a couple more weeks. A few jalapenos, Cubanelles and serranos have come out of GA so far and they expect more volume and varieties to come next week.

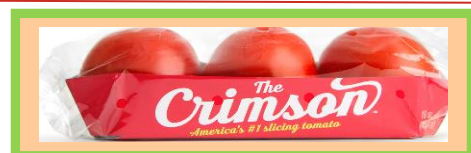
Colored Bell Peppers: Mexico's volume, quality and color selection have been very limited for the past few weeks as growers transition from Spring to Summer crops. The much-awaited new crops will start in a small way at the end of next week with more substantial volume coming in two weeks. Canada's product has been in high demand but dreary weather has kept production at light to moderate levels over the past week or so. Look for slightly better numbers next week on mostly big fruit.

Organic Veg: Organic green bells are still a tough item as both Nogales and CA desert shippers are days away from calling this season a wrap. With Bakersfield still 2-3 weeks away, the next few weeks could be a tough road. On a brighter note, new cucumber and squash crops are going in Baja with really strong numbers on the cucs.

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NEWS IN THE GROCERY TRADE

What Will the New Retail Normal Look Like?

By: Craig Carlson, www.thepacker.com, May 15, 2020

As a result of the unprecedented disruptions to today's produce supply chain, what can the industry plan for as the new normal? Here are some new practices and a number of open-ended questions to which the retail industry will need to respond as businesses re-open over the course of the next few months.

What new practices will become standard for the operation of the stores, offices, warehouses and packing operations to make consumers and employees feel safe?

These could include implementation of protective sanitary barriers; use of protective garments and masks; new office layouts to support the new social distancing norm; and strict new standard sanitation processes will need to be developed.

What retail shopping behaviors will continue to be a part of this new normal?

Shoppers are buying more during the week versus on the weekends; using lists and limiting impulse purchases; choosing bagged over bulk purchases; more frequently using online delivery and store pick-up options; and cooking at home more often and are interested in educational resources and recipe ideas for items like cooking vegetables, mushrooms and herbs.

What will change in retail go-to-market strategies?

Retail assortment strategies will need to evolve; and promotional strategies will change.

How will consumer purchases vary during a downturn in the economy?

How will the supply chains evolve?

Specifically, how will growers plan and forecast their planting for this new normal? What role will local suppliers support this new capacity? How will direct store delivery (DSD) solutions evolve? How will forward distribution and cross-dock models support growth? How can the retail and foodservice industries collaborate in the future?

All of this underscores what the new normal could be as we come out of the COVID-19 pandemic. As leaders, our responsibility is to provide a sense of security for both our staff and customers. Shopping for produce has changed and will need to permanently evolve to address the issues outlined above.

All of these factors will be critical in answering what the new normal will look like in the months ahead. The most important factor as leaders will be to ensure that both your customers and employees feel safe.

Additionally, there will need to be an intense focus on understanding your customer and how to satisfy their unique needs. Online shopping, both on the delivery and click-and-collect fronts, has gained significant traction and is here to stay.

Distribution to the online channel will be critical in ensuring the long-term health of the industry. Shopping behaviors, relationships and supply chains are changing.

Now is the time to implement all the necessary work streams for your organization to turn that disruption into sustained growth.

Craig Carlson is the CEO of Carlson Produce Consulting LLC.



TRANSPORTATION FACTS

*The National Diesel Average held stable this week at \$2.39 per gallon.

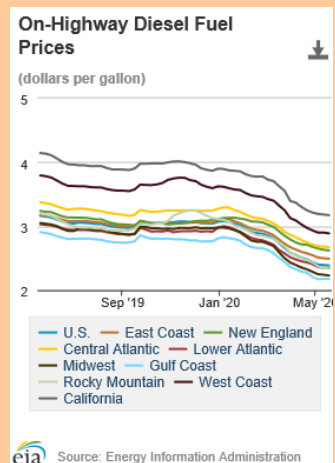
*The average price for a gallon of diesel is \$.78 lower than the same time last year.

*All areas of the country reported price declines of \$.01 or less per gallon.

*As usual, California has the highest price at \$3.17 per gallon while the Gulf Coast remains the low-price leader at \$2.18 per gallon.

*The WTI Crude Oil price soared significantly (up 26.1%) this week, moving from \$25.78 to \$32.50 per barrel.

*As multiple production zones in the state begin to harvest and ship fresh vegetables, California is coming up a bit short on trucks this week. All other areas, including Georgia, Florida, McAllen and Nogales, report adequate levels of transportation.





NEWS BITES

From Chef Wil



BLACK BEAN AVOCADO PICO

Recipe Highlights

- Lipman diced tomato
- black beans
- avocado, diced
- fresh lime juice
- fresh cilantro
- Lipman diced yellow onion
- Fresno chiles

Mexican food was the most popular cuisine ordered in 2019 (via DoorDash), increasing by a 314% rate - Food Business News

GET THE AVO-FACTS :

- Avocado has had a huge growth rate over the past four years, with 16% growth overall, 32% growth as a dip, and now presented on nearly half of all menus (Datassential)
- Most common avocado pairing?

Tomato!



ASIAN CUCUMBER RELISH

Recipe Highlights

- Lipman diced cucumber
- Lipman diced tomato
- rice vinegar
- sesame oil
- Fresno chiles
- shallots
- sesame seeds

Turn up the heat!

Fresno chiles are in the adoption stage of menus, but have had a 99.7% growth over the last four years! (Datassential)

With origins in California, this chili pepper pairs great in Mexican and South American dishes as a touch of heat, typically milder than a jalapeno pepper.

FRESH

FRESH CUT



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PRODUCE BAROMETER

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



MAY CALENDAR

All Month

National Hamburger Month

Military Appreciation Month

May 25th

Memorial Day

May 27th

Senior Health & Fitness Day

May 28th

National Hamburger Day

May 31st

National Smile Day

Lake Park, GA Weather

Sat	Sun	Mon	Tue	Wed	Thu
May 23	May 24	May 25	May 26	May 27	May 28
94°F	93°F	90°F	89°F	89°F	89°F
68°F	68°F	67°F	65°F	66°F	69°F
N 2 MPH	NE 3 MPH	ESE 6 MPH	E 6 MPH	E 6 MPH	E 7 MPH
Precip 40%	Precip 30%	Precip 30%	Precip 20%	Precip 20%	Precip 30%

RESTAURANT INDUSTRY NEWS

This On-Demand Food Delivery Platform Dominated in April

By: Dan Berthiaume, www.chainstorage.com, May 19, 2020

One company accounted for close to half of all on-demand food delivery orders in the U.S. in April 2020.

According to a study of a sample of anonymized and aggregated e-receipts from millions of U.S. consumers from Edison Trends, DoorDash (including its newly acquired company Caviar) took the lion's share of on-demand food delivery transactions in April, at 45%. UberEats followed with 28%, and Grubhub had 17%. Postmates took 7%, and other food delivery services 2%.

DoorDash has held the lead in market share of transactions since March 2019. The company has seen its share of transactions grow rapidly the past few months. After hovering at around 34% from June through December 2019, Edison Trends analysis indicates its share grew two percentage points into January and again into February, jumping three points to 41% in March and a further four points to 45% in April.

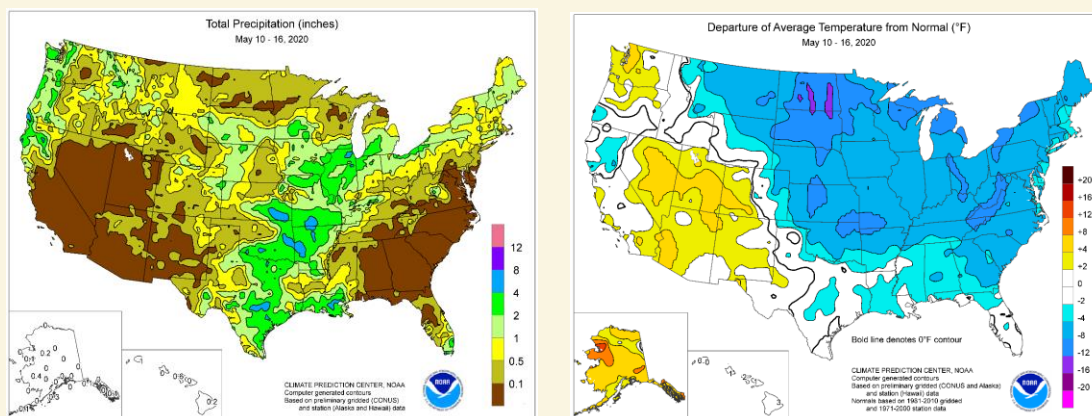
UberEats and Grubhub have held their positions in second and third since May 2019. If these two companies' share of transactions were to combine in the event of a potential (and rumored) acquisition, their combined April market share of transactions would put them at 45%.

However, Grubhub customers spent the highest average price per transaction at \$41. DoorDash customers followed at \$36, and for UberEats the figure was \$31. If an acquisition were to combine the companies, UberEats and Grubhub would average \$35 for average price per transaction in the month of April.

Recently, Edison Trends reported that overall food delivery industry sales increased by 51% since early March when a national emergency was declared in response to the COVID-19 pandemic.

NATIONAL WEATHER SPOTLIGHT

Last Week's Precipitation Totals and Average Temperature Deviations



KEEP YOUR EYE ON THE CONSUMER

Fresh Produce Posts Another Strong Week with 17% Sales Growth

By: Ashley Nickle, www.thepacker.com, May 19, 2020

Fresh produce dollar sales growth has exceeded 17% in back-to-back weeks, leveling out for the first time since the start of the coronavirus pandemic in the U.S. According to IRI, for the week ending May 10 fresh vegetable sales were up 23.1% compared to 2019, and fresh fruit sales were up 11.7% — numbers almost identical to the previous week.

"While tempting, it is still a little too early to make the call on how high the new normal lies above the old baseline," Jonna Parker, team lead for fresh for IRI, said in a news release. "I have no doubt about it, the changed everyday demand is driving sizable sales gains versus year ago." But we also saw that the meat supply chain issues drove more people to stores to stock up on meat and poultry, from which produce likely benefited as a complementary purchase," Parker said. "And importantly, the shift from dining out for Mother's Day to in-home cooking also benefited produce this week." Anne-Marie Roerink, principal of 210 Analytics, described that development as a key lesson for grocery retailers about holidays during the pandemic. Consumers are still celebrating occasions despite the pandemic; they are just going about those celebrations differently than they have in previous years, she said in the release.

While stay-at-home restrictions are now being lifted in some states and some businesses are reopening, Parker asserted that retailers still need to get better at selling produce online, as many people will still be doing a larger portion of their shopping in that channel than they did previously.

"This time of year, with all the summer fruits and vegetables coming out, many retailers set up eye-catching displays and powerful holiday cross-merchandising displays," Parker said in the release. "Knowing shoppers are rushing while in-store and are trying to minimize their trips, we need to challenge ourselves on how we can create virtual cross-merchandising and holiday displays in digital ads and online ordering platforms to support and inspire those purchases and celebrations. "Just received the best batch of watermelons in years? Talk about it on social media and prompt excitement among your shoppers to partake," Parker suggested.

Berries, lettuce, potatoes, tomatoes and oranges led the way in absolute dollar growth for the week ending May 10, with peppers, onions, avocados, mushrooms and melons rounding out the top 10. For some of these items, however, dollar sales were not as strong as volume sales. "On the fruit side, we saw significant decreases in the price per volume versus the same week last year for items such as pineapples (-17%), peaches (-14%), avocados (-13%) and melons (-10%)," Joe Watson, vice president of membership and engagement for the Produce Marketing Association, said in the release. "For each, we see volume sales far exceed dollar sales, so the consumer demand is there, but the market conditions are putting pressure on price. But we are starting to see a few areas with price increases too, including tangerines, up 11% in price per volume versus year ago."

On the vegetable side, items with large volume-dollar gaps included onions, celery, Brussels sprouts and cauliflower. Dollar sales remained strong, however, for potatoes, the produce item that throughout the pandemic has benefited more than any other from significantly increased retail sales.

All top 10 vegetables saw double-digit growth for the week ending May 10. *"This is elevated everyday demand at work," Parker said in the release. "Excellent and prolonged gains in items like lettuce, potatoes, peppers and onions can only mean one thing: America is cooking. And that will have positive impacts for a long time to come."*

Fresh-cut salads saw dollar sales up 11.7% from the same time in 2019.

"The strength of frozen meal solutions shows that consumers are still looking for convenient dinner options in addition to their 'quarantine cuisine' from-scratch cooking," Parker said in the release. "For convenient lunches and dinners, cross-promote rotisserie chicken and ready-made salads, particularly for online pickup or delivery orders taking place in the late afternoon and early evening."

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