



MARKET UPDATE

Tomatoes: Although Palmetto/Ruskin growers still have steady volumes, they will begin to wind down over the next week or so. Both Quincy and South Carolina farms are on tap to start up next week, which should help ensure a steady supply of rounds to the East. Grape tomatoes are also on the downhill slide in Florida, but will start up in South Carolina over the weekend. Recent rains have only affected quality slightly and most fruit continues to be acceptable.

Mainland Mexico will continue to ship rounds and romas for a few more weeks, but has finished field production of grapes. Quality is challenging and sizing is limited as they get closer to the end of crops. Eastern Mexico is increasing round tomato production but will see lighter volumes on romas for the next 7-14 days as they transition between Spring and Summer plantings. Baja's roma production is moving North and will offer somewhat lighter volumes through the transition. Their rounds are just up and running with mostly large fruit available. Grape tomato volumes and quality have really picked up out of Baja- just in time for the holiday.

Bell Peppers: Plant City's pepper crops are winding down on both size and volume, shifting demand toward Georgia. Crown picks are producing mostly larger fruit with very little choice product coming from the Peach State. Quality has been good thus far. The West is working through a transition period on bells for the next 10-14 days, as the California desert and Mainland Mexico wind down and Bakersfield gets up and running. Fruit from older growing areas is limited in sizing and has no legs for travel.

Green Beans: Bean availability is

expected to tighten up out of Georgia for the next two weeks, as growers work through a planting skip. Quality reports are just okay. In the West, cooler weather has slowed production out of Brentwood and Fresno, while Watsonville/Salinas is just getting started.

Cucumbers: Georgia farms are producing steady volumes of cucs with variable quality. Eastern North Carolina will begin harvesting after the holiday, which will kick off several local deals. Despite quality and condition concerns (soft ends and shriveled tips), Mainland Mexico growers continue to cross cucs. Better quality can be found in Baja, where more shippers are coming online each week and crossings are consistent.

Summer Squash: Although squash has been plentiful in the East for several weeks, supply has tightened up as several Florida growers have dropped out due to quality and low markets. Georgia is shipping steady supply and local deals are starting up. In the West, Mainland Mexico will finish up next week reducing available volume. Santa Maria and Fresno-area growers are ramping up production, but are relatively small deals. New production areas are on tap to start over the next two weeks which should put the West back in a favorable supply situation.

Chili Peppers: As the norm for this time of year, chili pepper production is transitioning from Mainland Mexico to Baja and California local deals. Jalapeno supply is sporadic out of all shipping areas, but Baja has been shipping poblanos, tomatillos and Anaheims consistently.

Hard Squash: All hard squash varieties are available this week from both Florida and Mexico. Quality is good on all except Eastern spaghetti, which has scarring concerns.

TRANSPORTATION FACTS

* The National Diesel Average jumped \$.06 this week, moving from \$2.30 to \$2.36 per gallon.

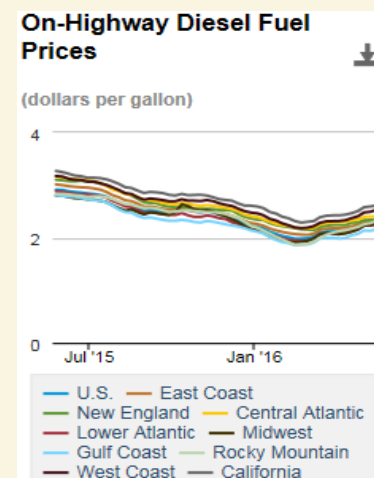
* The average price for a gallon of diesel fuel is \$.56 lower than the same time last year.

* Diesel prices increased throughout the country, with the largest hike coming from the West Coast (+\$.07 per gallon).

* On again, California has the highest-priced diesel fuel at \$2.67. The fuel bargain in the nation can be found in the Gulf Coast region where a gallon of fuel costs \$2.23.

* The WTI Crude Oil Price edged a little higher this week, moving from \$48.31 to \$48.62 per barrel.

* Transportation is in good shape this week, with all shipping areas reporting adequate numbers of trucks available.



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NEWS IN THE GROCERY TRADE

Survey: Post-Recession, Only 8% of Millennials Willing to Cut Grocery Spend

By: Craig Levitt, www.groceryheadquarters.com, May 23, 2016

Retale, a location-based mobile advertising platform for retailers and brands, announced the results of its first annual "**Retale Millennial Grocery Report**" – a commissioned study examining grocery shopping preferences among millennial (18-34 years old) consumers. 1,000 millennials across the U.S. were polled for the study between May 2-6, 2016.

Only 8% have cut their grocery spending

According to Nielsen, the Great Recession has "fundamentally changed" consumer shopping and saving habits, and many in the country continue to feel the recession's effects long after the 2009 bailouts. With this in mind, Retale evaluated recessionary impact on grocery buying, specifically, among survey respondents.

57% of millennials polled agreed that they had been personally affected by the recession. 43% disagreed. When comparing older millennials to younger millennials, the older group felt more affected: 64% of those 26-34 answered "yes," while only 46% of those 18-25 agreed.

When asked which activity they were most likely to cut spending on, as a result of the recession's impact, 36% cited "eating out," 30% said "entertainment," and 21% said "buying clothes." Only 8% said they would cut spending on "buying groceries."

"Like most age groups, millennial consumers have felt the recession's impact," said Pat Dermody, President of Retale. "According to our data, to counteract it and save, they're dining out less and opting to eat at home more. This is why there hasn't been a sizable decline in grocery shopping, post-recession. Lost restaurant trips should ultimately benefit grocery retailers."

When asked how often they shop for groceries, "2-3 trips a month" was the most popular choice (34%), followed by "once a week" (29%); "once a month" (15%); "2-4 trips a week" (14%); "less than once a month" (6%); and "every day" (3%). For each trip, on average, 20% of millennials spend 0-\$49; 37% spend

\$50-99; 35% spend \$100-200; and only 9% spend more than \$200.

34% call their grocery shopping style "thrifty"

Despite the ways the economy has managed to recover since the recession, consumers are still taking a practical and cost-conscious approach to buying. When asked to choose the three most likely factors in picking a grocery store, the top response was "lower costs or opportunities to save" (50%). "Availability of locally-grown or organic products" (38%) was the runner-up, followed by "store is close to my house or workplace" (34%); "technology that makes research and shopping easier" (31%); and "I shop based on specific recipes I'm interested in making" (28%).

Similarly, when asked to describe their "grocery shopping style" in one word, "thrifty" was the most popular choice (34%). "Local" (24%) and "foodie" (23%) rounded out the top-three.

"At the end of the day, when it comes to buying groceries, millennial consumers value cost above all else," added Dermody. "Local or organic, store proximity or technology for convenience – they all come in second to savings. Grocers need to keep this in mind when considering how to best market and sell to this audience." When millennials were asked when they would be "most likely" to go grocery shopping, practicality and cost were the top reasons. 57% said they were most likely to shop when they "needed to restock on supplies" and 25% said when "deals and discounts are available." 17% said they were most likely to shop when they were "planning meals or a recipe."

43% use mobile for clipping and browsing coupons

Today, 92% of millennials own a smartphone. When asked if they used their mobile device before grocery shopping to help with their trip, the majority (52%) of millennials polled said "yes." 48% said "no." When comparing older millennials, 26-34, versus younger millennials, 18-25, older millennials were more likely to use their mobile device (62%), whereas only 36% of

younger millennials had used their device before shopping.

Similar to other data points that found millennials to be cost-conscious buyers, the most popular reason to use a smartphone before they went shopping was to "clip mobile coupons" and "browse weekly ads" (43%). Rounding out the top-five are: "create and manage shopping lists" (27%); "find recipe inspiration" (12%); "find store locations and hours" (10%); and "look up loyalty account information or my points balance" (7%).

Once millennials entered a grocery store, 58% said they use their mobile device while shopping compared to 42% who don't. This was more prevalent among older millennials, 26-34, 64% use their mobile device while shopping, compared to 47% of younger millennials. 40% of those who used their mobile device in-store said they used it "to find coupons and compare prices." Respondents also used mobile in-store to "consult shopping lists" (29%); "call or text another member of their household for information or recommendations" (15%); or "to find a recipe" (11%).

When asked to identify what would most enhance their grocery shopping experience, 41% said they would like "offers, like coupons, sent to their smartphone when they enter a store." 18% want "more self-serve checkout"; 14% want "in-store kiosks that offer product information or coupons"; 12% cited "the ability to scan an item on my mobile device to get more information about it"; and 10% said "mobile pay options at checkout."

"Mobile is an integral part of the millennial experience, making smartphones the perfect shopping companion for this group," added Dermody. "Mobile is especially and increasingly seen as a key tool to drive store savings with each trip. We also saw that older millennials tended to use their phone more than younger millennials, perhaps indicating a more concerted effort to save among those most affected by the recession."

SPOTLIGHT ON LIPMAN

Traditional Tomato Bruschetta



This recipe was created by one of our team members and has been in the Lipman family for generations. Since it includes only tomatoes and seasoning, it's the perfect base for a more complex bruschetta. Consider adding onions, olives, or capers.

Ingredients

- Crusty baguette
- 2 cups assorted chopped tomatoes (Vintage Ripes and cherry tomatoes work well)
- Fresh basil, cut into thin strips
- 2 Tbsp. olive oil
- 2 Tbsp. balsamic vinegar
- Salt
- Pepper
- Grated Parmesan cheese

Directions

- Cut the baguette into thin slices and place on a baking sheet to toast.
- Finely chop tomatoes to resemble a salsa and add thin strips of basil.
- Toss the tomato mixture with olive oil and balsamic vinegar; season to taste.
- Gently heat the mixture on the stovetop.
- Spoon mixture onto each slice of bread, being sure to include the liquid.

PRODUCE BAROMETER

ITEM	QUALITY	PRICING
Bell Pepper	Fair-Good	Steady
Cucumber	Good	Steady
Eggplant	Good-Excellent	Steady
Green Beans	Good	Steady
Lettuce-Iceberg	Fair	Steady
Jalapenos	Good	Steady
Onions	Good	Higher
Tomatoes	Good	Steady



MAY CALENDAR

All Month

National Salsa Month
National Family Month

Fourth Week

National Pickle Week

May 26

Eat More Fruits & Vegetables Day

May 28

National Hamburger Day

Clinton, NC Weather

Fri May 27	Sat May 28	Sun May 29	Mon May 30	Tue May 31	Wed Jun 1
86° F	84° F	82° F	82° F	82° F	82° F
68° F	70° F	70° F	70° F	68° F	68° F
SSE 6 MPH	ESE 4 MPH	E 6 MPH	E 6 MPH	SSE 7 MPH	SE 6 MPH
Averages	Precip 40%	Precip 50%	Precip 50%	Precip 50%	Precip 20%
83° F/60° F	83° F/61° F	83° F/61° F	83° F/61° F	84° F/62° F	84° F/62° F

RESTAURANT INDUSTRY NEWS

4 Ways to Drive Midweek Restaurant Traffic

www.restaurant.org, May 2016

Weekends can be big business for restaurants. During the week, the flow of traffic into your establishment may slow, but courting business diners can help you fill those gaps.

Many on their company's dime, business diners are interested in a variety of dining experiences: ordering takeout, catering events or meetings, and sitting down for meals in restaurants. They can be alone or with their coworkers or clients. Depending on their needs, private dining rooms or large tables may be appealing to them. And when they get back to the office, they'll likely expense their purchase.

According to Dinova's restaurant network data, business diners spend an average of 50 percent more per transaction. Here are four ways this group can positively impact your business:

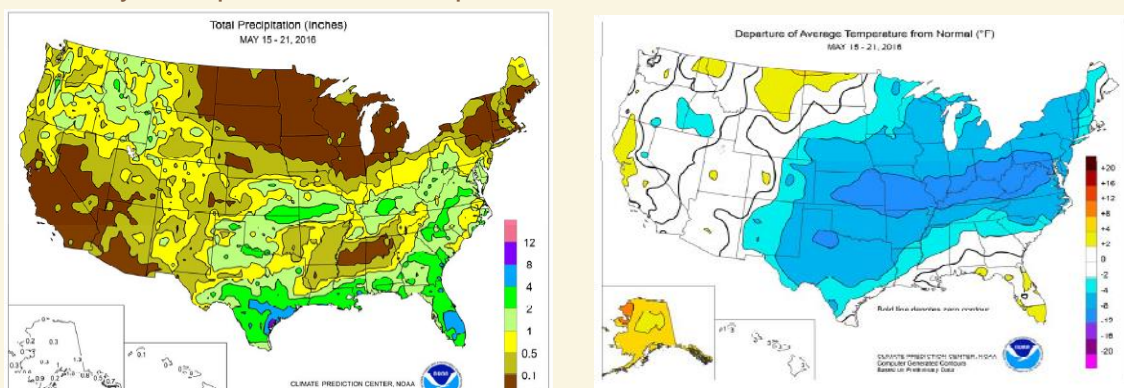
- **Incremental traffic.** Up to 70 percent of business diners are away from their home base, according to Dinova's data. Consider becoming a part of a corporate dining network to get in front of these guests and build buzz from afar.
- **Odd-hours traffic.** Business diners may be inclined to dine at nonpeak times during the week, due to travel or otherwise hectic schedules. Create a welcoming atmosphere when they arrive, and be attentive to their needs. Ask if they are celebrating an occasion or have any special requests. Make note of their responses and deliver top-notch service every step of the way.

Connect with event planners and others who handle large groups and organized events. Share what amenities and cuisine your restaurant offers and consistently make good on your promises. This can deepen your relationships and build trust, which can lead to you becoming their go-to restaurant.

- **Group dining traffic.** To consistently accommodate large groups or events, consider offering a private party room or creating an ideal place for large tables. If you arrange seasonal or holiday décor to liven up the space, promote this and provide photography in your materials.
- **High-margin traffic.** When entertaining, customers can be more attracted to appetizers, alcohol and desserts. Tell them about your specials, most popular and most unusual items.

NATIONAL WEATHER SPOTLIGHT

Weekly Precipitation and Temperature Deviation



AN APPLE A DAY

Kids' Meal Offers a Playground of Foodservice Opportunities

By: Renee Lee, www.smartblogs.com, May 23, 2016

As the kids' menu changes, whether it's at home or in restaurants, Datassential has all the latest insights in our latest MenuTrends Keynote Report: Kids' Meals, which surveyed parents and guardians for insights into what they already buy and what they *want* to buy. Here's just a spoonful of what's included in the full report:

While there has been plenty of coverage of restaurant chains adapting their menus for kids' palates, parents are, for the most part, feeding children at home. In line with the insights we uncovered in our recent MenuTrends Keynote Report on the "New Healthy," the majority of consumers are at least somewhat conscious of healthy eating, with 80% of parents saying they actively monitor what their kids eat and 85% saying their kids eat healthiest at home.

That doesn't necessarily mean they are cooking every from scratch, however – only about 1 in 5 consumers say they prepare all of their meals from scratch. This presents an opportunity for manufacturers who can help parents with kid-friendly, healthy pre-made or semi-scratch products or ingredients. Healthy kids' meals are the focus at San Francisco-based Peas of Mind, whose mantra, "All Natural Eats for Growing Kids," is applied to products like an "Uncured Pepperoni Peas of Pie" made with veggie dough and yielding 1.5 servings of vegetables in every pizza, plus milkshake smoothie kits with a full serving of fruits and vegetables in every shake and nearly 10 grams of protein.

Three out of four consumers eat out with their kids at least once a week and, when choosing a restaurant, an overwhelming 93% of parents say they take their kids' preferences into consideration. Keeping this veto vote in mind, it should be no surprise that restaurants across the country are becoming more conscious of what's being menued to kids. Some operators are starting to differentiate themselves and get out of the chicken strip rut (found on 60% of kids' menus) by following overall trends in the industry and offering health-conscious options, like apple slices or yogurt, or more adventurous proteins, including Angus beef and tuna, two of the top trending proteins on kids' menus today. Yet many operators are failing to market their kid-friendly options. Eight of ten operators say families are a very important way to drive repeat visits, but only three in ten actively market toward families – operators may need assistance with marketing strategies and materials to engage both parents and kids.

This is just a peek into our full report, which also gives you an overview of the constantly evolving K-12 schools segment (did you know 100% of schools serve chicken?), along with extensive insights from parents on what their kids want to eat across wide-ranging categories, from whole grains to fruits – are trendy Brussels sprouts still as nightmarish to kids as they once were? We also dive deep into the operator mindset — offering insights on what factors are most important to operators when creating kids' menus, what specific challenges they face with trying to please both children and their parents, and much more. We also compare how perceptions of K-12 menus differ between operators and parents — for instance, operators generally rate school meals higher than parents, but both parties believe variety and creativity could be improved upon.

MARK YOUR CALENDAR & PACK YOUR BAGS

June 20-23, 2016

United Fresh Produce Association Convention
McCormick Place Convention Center
Chicago, IL
www.unitedfresh.org

July 29-31, 2016

PMA Foodservice Conference & Expo
Hyatt Regency Monterey Hotel & Spa
Monterey, CA
www.pma.com/events/foodservice
Come visit Lipman at Booth #122!

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