



MARKET UPDATE

Round Tomatoes: Florida's round tomato production continues to be on the light side this week. Several Quincy growers are wrapping up. Yields have been low and quality has been just okay, which may motivate some to end harvests as we move into next week. Palmetto/Ruskin volumes have been steady but light thus far. Lipman and most other growers will see volume slowly but steadily increase over the next two weeks. Current harvests from both areas are on the smaller side, in part due to heat stress on the plants. By mid-November growers should be through the crops that have been affected and we should see sizing options improve. With northern CA growers wrapped up (for all practical purposes), Western supply is now focused in Mexico. There's fruit available in Baja, where new fields will start over the next few weeks, Central Mexico where production is in the hands of a few, and Eastern Mexico where numbers have been moderate and mostly steady. These areas will continue to be the primary spots for supply until mid-late December, when Sinaloa gets up and running.

Roma Tomatoes: There have been a few romas coming out of AL over the past week but not enough to impact markets or supply. Lipman's first romas from the Palmetto/Ruskin area came out this week. There's not a lot of product yet, but we will see more volume from this area as we head toward mid-November. Quality looks pretty good at this stage, but as with rounds, sizing is on the smaller side. Although supply has been pretty snug out of Mexico, look for the numbers to improve over the next few weeks as Baja's new fields get started and more growers in Eastern Mexico come online. Central Mexico is also contributing to the cause. Overall quality is a mixed bag depending on the grower and area as some are seeing the repercussions of the tropical storm that came through a few weeks ago.

Grape Tomatoes: Grape volumes have picked up in FL this week as several growers experienced a mini flush due to heat bringing the fruit on sooner than planned. Quality has been very nice. Mexico also has good-quality product available from Baja and Central Mexico

with more to come as additional growers get started in the next few weeks.

Bell Peppers: GA continues to harvest bells and expects to go another 3-4 weeks if weather permits. However, there's been bruising on some of the fruit and other defects are starting to show up. Quality is better, but not perfect, from new crops in Plant City and south Florida where weather has been unseasonably hot so far this season. Look for quality and volume to improve as temps moderate and more growers come online in the Sunshine State. As for the West, northern and coastal California are winding down, while Coachella and Nogales are ramping up. Areas that are winding down are getting hit by cold weather and are seeing more and more bruising, knocking them out more than likely after this week or next. As for Coachella and Nogales, more product will be available by next week. Quality has been nice and sizing is suitable for retail.

Cucumbers: Baja's cucumber production is coming to an end but a few more growers will go until mid-November. Quality out of Baja has been strong and we don't see any issues. Mainland Mexico's volume continues to increase as more growers get started. As of right now, only about half the growers have started so expect really good volume this season. Quality has been strong and we don't see any issues in the next couple of weeks. In the East, heat has affected quality and yields in both GA and FL. Both areas have decent production but due to weather effects there seems to be less supers than desired. Although it varies by lot/grower, some like the GA product better. Look for FL product quality to improve as the weather cools down to the 80's over the next week.

Summer Squash: With both GA and several parts of FL in production, squash availability is good in the East. Most are harvesting from new crops this week, so quality has been nice...even on yellow! There actually seems to be a little less zucchini than yellow, but there's plenty of both to meet demand. Nogales also has more than adequate volumes of nice-quality product available.

Green Beans: GA farms continue to harvest green beans, but several are in skips due to heat during the growing cycle. Recent rains have also kept harvesters out of the fields, so volume has been pretty light this week. Harvests should improve next week, but there have been a few quality concerns as they near the end of the season. A few Florida farms have started up with more to come. Lipman's crop in Estero is scheduled to begin around November 13th, just in time for Thanksgiving demand. Coastal CA production is winding down quickly and should be done within the next 7-10 days. Baja is on the increase and should remain in good numbers for the next few weeks. The CA desert is up and running in a limited way and should see steady supplies for the next few weeks. Mainland Mexico has gotten started with northern crops which could go for about 3 weeks. The southern areas project a startup date sometime around the 10th- 15th of November.

Organic Squash: Although supply has lightened up in Baja and CA is near the end of the season, good volumes of organic squashes are available in Nogales with no serious quality issues.

Organic Cucumbers: Our Baja crop continues to offer steady numbers on organic cucs and Nogales shippers are building volume

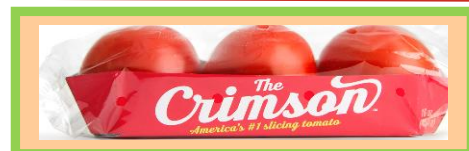
Organic Green Bells: Although Coachella and Nogales shippers have gotten started, volume is still on the light side this week. Look for better numbers as farms get deeper into new crops in the next week or two.

Colored Bell Peppers: Colored bell pepper quality passing through McAllen from Central Mexico farms is excellent. Sizing and color is ideal and the winter crops are off to a strong start. XXL/XL are the most popular from a demand stand point which works nicely due to the limited small fruit coming off the plants. Product in Nogales is lesser quality as their summer season is just coming to an end. Canadian production will be light for the remaining weeks of the season, as cloudy weather and limited sun will reduce picks.

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ON THE ROAD

Why Humans are Better than Robots in Produce Transportation...for Now

By: Jordan Strawn & Mike Ryan, www.producenews.com, October 31, 2019

Digital freight brokerages have been getting a lot of coverage recently, in part, due to their association with big brand names (including a rather large ride hailing app), large venture capital investments and substantial revenue growth. Like all new and shiny things that hit the market with large amounts of capital to burn and a techy angle, they are making a splash. Whether they are more of a threat than a signal to other more traditional, established freight brokerages is an open question. For produce shippers, automation for efficiency is good, but keeping humans in the freight brokerage loop might be for the best.

Transactional interactions will be the biggest difference you will see between a digital freight brokerage and a traditional freight brokerage today. If you want to get a "live freight rate" instead of sending an email or making a call, you can get the price and book online with a digital brokerage. Shippers have had this option before; it's not certain how this will change things now. Contractual interactions (most transactions in freight transportation are contractual) won't see much of a change to how business is done. You will still negotiate a price and volume over a period. You may be able to do that online someday; however, where hundreds of thousands of dollars are negotiated, it might sense to have a meeting or phone call first.

For larger shippers that operate on electronic data interchange (EDI) already (which is most enterprise level shippers), there won't be much change, as most shippers at that level require third-party tracking apps already. For smaller and midsize shippers that have never had minute-by-minute tracking ability, digital freight brokerages have a slicker customer interface edge for now. Most mid-size brokerages and larger offer at least periodic tracking through third-party tracking software.

Most data that digital freight brokerages are collecting isn't new. There is a greater emphasis on data and transparency in today's markets. Again, shippers on EDI most likely wouldn't see a big difference between data from a digital versus traditional freight brokerage. Produce shippers may receive even less utility from reporting due to higher volatility, sensitivity to externalities (like weather), and seasonality changes year-to-year decreasing the usefulness of projections.

Produce season can be a hectic time. Digital freight brokerages pride themselves on their ability to save money by taking the human out of the equation as much as possible, and to run on 3 percent margins for the foreseeable future, it makes it hard for digital freight brokerage to assign personnel to make your problems their problems. Things as simple as communication with multiple sheds and coordination of pick up times will make working without a human partner a difficult proposition. What about if you need to change a pick-up location at the last minute? What if the product isn't ready to pick up yet? It might be easier to just be able to pick up the phone and talk to your tried and true human partner who is responsive, timely and flexible.

Part of the reason there needs to be such trust between produce shippers and transportation providers is that produce is a commodity that you don't get second chances with if the something goes wrong. If the product shifts or the refrigerated trailer isn't set to the right temperature or any other number of reasons, there will be a freight claim. Without the human element involved in this ever-changing section of transportation, the integrity of the shipment may be at risk. Reputation and track record down to the driver level need to be carefully considered. Is that driver going to be empty with enough time to make you picks, or is he at a previous receiver that is notorious for holding drivers? Does that driver sound new or inexperienced to the carrier for your load? It often takes a conversation with a human to uncover if there are any potential issues that might need to get resolved.



TRANSPORTATION FACTS

*The national diesel average rose \$.01 this week, moving from \$3.05 to \$3.06 per gallon.

* The average price for a gallon of diesel is \$.29 less than the same time last year.

* With the exception of New England (down \$.02), all regions reported price increases of \$.01-\$.09 per gallon.

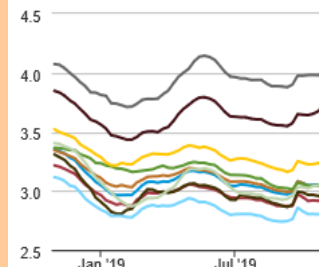
*As usual, California's price tops the charts at \$4.00 per gallon while the Gulf Coast remains the low-price leader at \$2.81 per gallon.

*The WTI Crude Oil price is down 3.2% since last week, moving from \$55.97 to \$54.18 per barrel.

*Other than a slight shortage in eastern North Carolina, truck availability is adequate throughout the country.

On-Highway Diesel Fuel Prices

(dollars per gallon)



cia Source: Energy Information Administration



FRESH CUT FOCUS

For Your Thanksgiving Table

Contributed By: Johnathan Maldonado, Manager of Innovation/Product Development- Lipman Dallas, TX

Lipman's fresh cut product line provides you with the best of nature, cut fresh and packed for convenience year round. Our product-specific processing and patented packaging drives optimal shelf life – meaning you'll receive only the best product, every time. And this produce not only tastes good... it helps customers save valuable time in the kitchen, and the convenient packaging also reduces the risk of foodborne illness, by decreasing the opportunity for cross-contamination.

This month, we'll focus on ways that our fresh-cut products can grace your Thanksgiving table. For more information, please reach out to your usual Lipman contact or one of our fresh cut specialists: Johnathan Maldonado at 214.907.0695, Chris Daulerio- East at 215.870.8956 or Brian Arbini- West at 209.402.5184.



Bringing it Back to the Family Table

With explosive trends in healthier substitutions and alternatives this year, we look forward to seeing the creativity continue through the holiday season. Comfort food staples typically include hearty meats, warm cheeses, and lots of butter, but with trends such as veganism and the paleo-diet, we predict vegetables will be taking the dinner spotlight.

Whether you choose to get creative with veggie substitutions for bread, such as zucchini burger sliders (pictured top left), or just adding vegetable ingredients to classic recipes, you will find many options for autumn-themed comfort foods.

We offer many fresh-cut hard squash, zucchini, and yellow squash options, just in time for the family table festivities. Join our family table, and learn more about our fresh, homegrown offerings.



We offer:

- ✓ Diced Butternut Squash
- ✓ Coin Cut Zucchini Squash
- ✓ Coin Cut Yellow Squash

Ask your sales representative about our different pack sizes and current prices

PRODUCE BAROMETER

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



NOVEMBER CALENDAR

All Month

National Pepper Month

First Week

Vegetarian Awareness Week

November 3rd

National Sandwich Day

Daylight Savings Time Ends

November 6th

National Nachos Day

November 7th

National Men Make Dinner Day

Ruskin, FL Weather

Sat Nov 2	Sun Nov 3	Mon Nov 4	Tue Nov 5	Wed Nov 6
82° F	80° F	86° F	87° F	87° F
61° F	67° F	70° F	70° F	69° F
NE 10 MPH	NE 10 MPH	NE 7 MPH	E 4 MPH	ENE 10 MPH
			Precip 20%	Precip 20%

RESTAURANT INDUSTRY NEWS

How Restaurants Can Identify and Engage with Generation Z

By: Michelle Tenpesta, www.qsrmagazine.com, October 2019

100,000 students can leave their ID cards at home and simply hold up their mobile devices to enter the library, their dormitory or the big game. And, because the student ID is located near their debit card, credit card, Apple Card, or any other rewards cards, their Wallet app also becomes the single, digital location for getting into buildings and paying for things. In essence, Apple has authorized a digital wallet for students that streamlines shopping and other campus activities.

We can all learn a lot from Apple. Fully cognizant of the fact that college-age people, "Generation Z," and their slightly older counterparts, the millennials, are more likely to forget their wallets than their phones, Apple has replaced the once all-important accessory with either a smart phone or a smart watch. In fact, the mobile device has become both a digital wallet and an ID.

Apple's strategy with its NFC technology is one best adopted by brands who want to attract Generation Z and make them loyal customers. But to market successfully to Gen Z, brands need to first understand who these individuals are, what motivates them, and how they like to shop.

Who are Generation Z?

By 2020, Generation Z—people born between 1996 and 2012—will be responsible for up to 40 percent of consumer spending. For restaurants, Gen Z is the next new market. Getting Gen Zers in the door and then keeping them coming back should be a priority. We already know that, on average, Gen Zers spend \$1 out of every \$5 on food. With the ability to impact so much of a brand's bottom line, "Gen Z" is a force to be reckoned with. Here are some of the most definitive attributes of Gen Z:

Tech-Native—The first technology-native generation, Gen Zers have no recollection of a world without cell phones, computers, or the Internet. They have been educated in tech-saturated schools and are most comfortable communicating with each other via technology. If brands are going to capture this market, they need to have a strong digital presence.

Diversity—Gen Zers have grown up in a multicultural world and embrace food diversity. A sushi burrito? Korea BBQ sandwiches? Bring it on. This generation wants to try ethnic foods. If the menu offers a mash-up from multiple cultures, all the better.

Social Justice Warriors—Gen Zers are health conscious and demand transparency around food. While this does not mean they always eat clean, they do appreciate brands that align themselves with causes that impact the planet. For instance, they are more likely to visit brands like Starbucks and MacDonald's, which have eliminated plastic straws. They also like the way Ben & Jerry's treats its employees and the NFL's affiliation with the American Cancer Society.

Immediacy—Gen Zers want things now. Strategies most likely associated with fast-casual restaurants, such as a mobile presence or pay-at-table, will help attract this generation.

Individuality—Finally, Gen Z wants to feel special. One size does not fit all. Therefore, one-to-one outreach is the most effective way to appeal to this generation.

Getting it Right

With better insights into who Generation Z is and what they like and want, brands can build a marketing strategy that will get them in the door. Just as Apple pollenizes its brand among Gen Z by making its NFC ID available on campuses, restaurants should adopt a mobile strategy as the key to interacting with these individuals. They should expand their abilities on both the IOS and Android platforms to communicate and to facilitate digital commerce with Gen Zers. Here are some "must have" capabilities that appeal to Gen Zers.

Mobile App—First and foremost, brands need a mobile app to interact with Gen Zers. A good example is the custom-built California Pizza Kitchen app. With features like save your favorite, order ahead, and pay by mobile, the CPK app plays to Gen Z's need for speed as well as their desire to be treated as individuals.

Social Media—Because Gen Zers are heavy consumers of social media, brands need to be all over it with daily posts, giveaways, and contests. They also need to listen to guests and solicit feedback there. After all, a one-point improvement in a restaurant's Yelp review can mean a corresponding nine to 10 percent increase in sales. And, 82 percent of Gen Zers look online before deciding where to eat.

Pay by Mobile—Appealing to the Gen Zer's sense of immediacy, Pay by Mobile can save as much as 12 minutes at the end of a meal. When fully integrated with the restaurant POS, Pay by Mobile enables the customer to settle the bill and leave on a high note, rather than wasting valuable time waiting for staff to take care of them.

NFC Loyalty—Mobile payment that is secure and fast is particularly attractive to Gen Z. Like Pay by Mobile, it's a quick, secure way to pay at counter services spots. With the loyalty program connected to Apple Pay or Google Pay, guests stay active in the program and visit 6 percent more frequently. They simply tap their phone for payment and ID in one motion.

Online Ordering—Providing a streamlined experience for Gen Zers who want takeout food to eat at home or the office, digital ordering also opens an entirely new channel for restaurants. When integrated with both the POS and the brand loyalty program, digital ordering becomes another way to engage with guests and capture their behavioral and purchasing habits.

Loyalty—Guest engagement programs could be key to winning over Gen Z. A well-designed and executed loyalty program will help a brand collect data, understand their guests, and engage with them on a one-to-one level. It also enables discounts and other promotions that will motivate repeat Gen Zer visits.

In summary, the faster brands get to know Generation Z, the quicker they'll have the upper hand against competition. Fast, frictionless, technology is required to interact with this tech-native generation that expects brands to recognize and reward on an individual, one-to-one basis.

MERCHANDISING MINUTE

Time Management for Produce Supervisors

By: Armand Lobato, www.produceretailer.com, October 30, 2019

"I hardly ever see you." Whenever a produce manager said that, as a chain supervisor I would always answer, "That's because you do a great job and need little direction. You don't need me hanging around much." It's the highest compliment a produce manager can hope to get, next to "How do you have such a great fantasy football team every year?"

It's the old 80/20 rule. Eighty percent of a produce supervisor's time is typically spent with 20% of the produce managers. These are the department heads who are newly-promoted, or in some way wrestling with any number of issues: gross profit, shrink, merchandising, scheduling. The list goes on, but these are among the red flags.

As any produce supervisor will attest, it's these "squeaky wheels" that get the grease, the attention. Supervisor intervention is usually prompted by data, or by a simple call from a district or store manager. "Hey, could you spend some time with Store #24? Mike needs help." That's where it all starts.

"Help" often means a department reset. It turns into spending nearly daily time coaching the struggling produce manager and taking him or her through the basics: writing effective orders; planning for daily, weekly, and monthly merchandising; training; and writing effective labor schedules to match.

It takes time. And, mostly, it is time well-spent — the produce department usually starts to run more efficiently, and the produce manager is usually more confident for the time spent with their "super." And what of the more accomplished yet alienated produce manager in the sister store across town? The produce supervisor can't just ignore his good produce managers.

Supervisors should break away as much as possible and meet with those produce managers who don't have as many problems. As much as possible, a supervisor should regularly stop into the better-run operations, even if it's just to check in, to buy coffee for the crew, and thank them for their efforts. It's also a good time to take a hard look around. After all, the better-run produce operations usually have something good going on.

Perhaps it's how they manage their ad placement, how they double-team receiving or breaking down a load, schedule a night prep clerk, or whatever they do to set themselves apart — it's probably a good idea.

That's just as valuable a time spent as resetting a struggling produce operation. If a supervisor can glean something productive from the flagships, and share the good ideas elsewhere, that's also time well spent.

If nothing else, a supervisor can say to the struggling manager, "Hey, I'd like you to join me for a few hours visiting some stores whose standards are pretty consistent. Let's schedule something next week."

FRESH
TOMATOES


the best
of nature™

MARK YOUR CALENDAR
& PACK YOUR BAGS!

November 13-14, 2019

2019 Growing Innovations
Las Vegas Convention Center
Las Vegas, NV
www.growinginnovations.com

February 27-29, 2020

SEPC's Southern Exposure
Tampa Convention Center
Tampa, FL
www.seproducecouncil.com

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