



MARKET UPDATE

Round Tomatoes: Freezing temperatures have put an end to the Quincy crops for all practical purposes, leaving the Eastern tomato deal to Palmetto/Ruskin and South FL. Most growers will harvest in P/R for the next several weeks, but Lipman has moved south a little ahead of most growers and is harvesting in the Labelle area currently. The sizing profile has picked up a bit and is closer to normal levels where more than 50% of the crop is 5x6 or bigger. Quality is also improving in all areas as we get further into crops and past those that were affected by the major heat wave. Vine-ripe supply out of Baja and Mainland Mexico has been steady with only a few quality issues here and there. Look for Mexico's volume to build over the next several weeks, weather permitting.

Roma Tomatoes: Demand is brisk for FL romas, but supply is light as only a few players have devoted acreage to romas. We don't look for any big uptick in supply, as FL plantings are traditionally limited to accommodate for Mexico's winter production, but light supply will continue. As with rounds, the quality and sizing has improved slightly on the Eastern product. Looking to Mexico, we're seeing consistent availability and expect more to come over the next few weeks.

Grape Tomatoes: Steady volumes of grape tomatoes are available in Ruskin/Palmetto and South Florida this week. Quality is nice, especially when the fruit is picked and packed to order. Lipman is harvesting in Labelle and Naples and has completely finished grapes in Palmetto/Ruskin. However, other growers will continue in P/R for a few more weeks. The West has good supply coming from several areas in Mexico with overall good quality.

Bell Peppers: GA farms were busy ahead of Tuesday night's freeze, trying to harvest everything they could. We anticipate they will have product to sell through this week and then maybe bits and pieces next week as growers scrap pick fields. FL is slowly ramping up production through the month of November with volume working its way up to normal Winter levels by the first of December. There's not been a lot of

size out of FL due to the heat but we look for both sizing and quality to improve over the next few weeks. Both GA and FL's product have had a good amount of bruising, creating challenges and waste at the repack level. With both the CA desert and Nogales going, pepper supply is mostly steady for those in the West. Volume is expected to increase out of Mexico as more growers get up and running. Current harvests are from newer fields, so quality is good.

Cucumbers: GA cucs are all finished up due to the freeze, what shifts Eastern supply to a totally FL deal for the next few weeks. Florida has fruit available in Plant City and South FL, but the acreage is light. Early FL product quality was just okay due to heat, but should improve moving forward since the weather has become more moderate. The earliest Honduras product is expected around the 1st of December, but volume won't be rolling until mid-December. In the West production is shifting from Baja to the mainland. Baja is down to just a few growers and will only ship another week with very low volume. However, more growers are starting up in several mainland areas and volume is expected to steadily increase for the next few weeks. There's been a little bit of rain in Sinaloa but overall we're seeing good quality with nice color.

Summer Squash: Although production has lightened up in Sonora due to cool temps and seasonal decline, the Sinaloa area has begun and we are expecting to see increases over the next few weeks. Quality has been solid on both colors. Eastern squash is now a FL program with several areas in production (Plant City, Homestead, South FL). Overall quality has been nice.

Green Beans: With Thanksgiving less than 2 weeks away, all eyes and ears are on green beans. With GA crops freezing out this week, Florida's production is in the spotlight. Both the lake area and South FL have gotten started but have seen light yields from early picks. Supply is slowly and gradually building but won't be at strong levels until after the holiday. In the West, coastal CA is winding down quickly and will finish up within the

next 7-10 days. The CA desert is coming in with steady but light numbers to help with demand but Mexico will need to carry the load for the holiday. Northern production has been light due to cool temps and rain so there's not much uncommitted product available. Sinaloa doesn't really have many beans yet, but we could see a few growers come in this weekend or early next week to help with holiday business.

Hard Squash: Hard squash supply is scattered in the East, with light volume coming from GA and bigger numbers available from storage crops in the NE. In the West there's still hard squash available in CA but Nogales shippers are starting to bring more product across with nice quality and sizing.

Organic Squash: There's still a few organic squash in CA and Baja, but most of the supply is moving through Nogales now. There's a bit less around this week than last, especially on yellow, but our Grown True fields have started and should pick up the pace over the next week.

Organic Cucumbers: Baja's organic cucumbers are mostly done, but there's good, consistent volume crossing at Nogales.

Organic Green Bells: Coachella is harvesting light volumes almost every day but their pricey product is moving fast. There's been a bit more volume coming in at Nogales, but larger sizing is still limited. Our Grown True fields are 7-10 days out to help with supply.

Mini Sweet Peppers: With Canada pretty much wrapped up for the season and Mainland Mexico crops slow to come on, both organic and conventional mini sweets are in very short supply this week. Growers are trying to cover commitments, but in doing so they are packing a lot of small fruit with extra greening. The next few weeks look to be challenging on this item.

Chili Peppers: Poor weather and strong national demand are squeezing Mexico's chili supply, especially on jalapenos, this week. However, Plant City, FL has strong supply on most varieties to help the East.

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KEEP YOUR EYE ON THE CONSUMER

Survey: Boomers Don't Say "OK" to this Grocery Service

By: Dan Berthiaume, www.chainstoreage.com, November 11, 2019

Baby boomers are much less likely than younger consumers to participate in a particular omnichannel grocery activity.

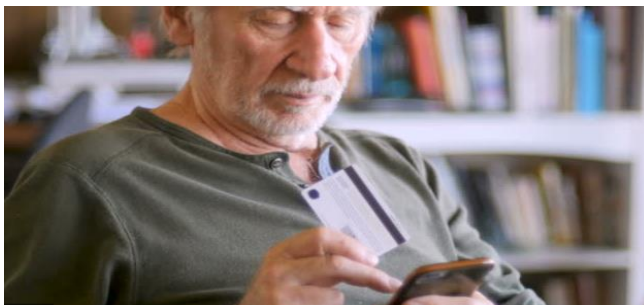
According to a recent survey of 1,000 U.S. consumers from advertising platform Criteo, 48% of millennial and Gen Z respondents use online grocery delivery services, compared to 37% of Gen X respondents and only 30% of baby boomer respondents.

Different generations of consumers also have very different reasons for browsing different grocery websites. Overall, 19% browse multiple sites for a better selection, 11% for more product information, 5% to compare shipping options, 7% for product reviews, 29% due to unavailable products, and 28% for none of these reasons.

However, 23% of Gen Z and millennials browse multiple sites for a better selection, compared to 20% of Gen X and only 10% of baby boomer/silent generation. Wanting more product information also skews young – 18% of Gen Z/millennial compared to 7% of Gen X and 6% of baby boomers/silent. Eight percent of Gen Z millennial want to compare shipping options, but only 3% of Gen X and 2% of baby boomers/silent.

Results for browsing multiple sites to read product reviews are essentially the same across generations. But Gen X consumers are much more likely to browse multiple sites if a product they want is unavailable (37%) than Gen Z/millennial (28%) or baby boomer/silent generation consumers (22%). And more than half (51%) of baby boomer/silent generation consumers will browse multiple sites for none of these reasons, compared to 27% of Gen X and 15% of Gen Z/millennial consumers.

In another interesting finding, Criteo found that while mobile devices only account for 26% of all digital U.S. CPG sales, beauty (37%) and healthcare (31%) products significantly over-represent for mobile share of digital CPG sales.



TRANSPORTATION FACTS

*The national diesel average price rose \$.01 this week, moving from \$3.06 to \$3.07 per gallon.

* The average price for a gallon of diesel is \$.24 less than the same time last year.

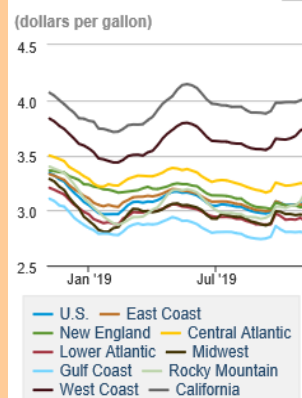
* Prices increased in all areas except the Gulf Coast, where the cost of diesel remained stable. The Rocky Mountain zone reported the stiffest price hike of almost \$.04 per gallon.

*California's fuel price tops the charts at \$4.01 per gallon while the Gulf Coast remains the low-price leader at \$2.80 per gallon.

*The WTI Crude Oil price held relatively stable this week, only moving from \$57.15 to \$57.12 per barrel.

*Transportation availability is adequate throughout the country with a slight surplus in most parts of Florida.

On-Highway Diesel Fuel Prices



Source: Energy Information Administration



FRESH CUT FOCUS

For Your Thanksgiving Table

By: Johnathan Maldonado, Manager of Innovation/Product Development

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 some delicious ways that our coin-cut zucchini can grace your holiday 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.



Zucchini gratin with fontina, parmesan, and panko bread crumbs



Mini grilled zucchini burger sliders with sliced tomato and cheddar



Coin-cut zucchini with melted mozzarella, halved cherry tomatoes, and basil



Coin-cut zucchini chicken bake with mozzarella, bacon, and chives

Coin Cut Zucchini

LIPMAN INGREDIENTS:

- Coin-Cut Zucchini
- Halved Cherry Tomatoes

KIT VERSATILITY:

- Foodservice items
- National accounts
- Salad bars
- Behind the glass deli
- Kits sold for repack at store level



PRODUCE BAROMETER

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



NOVEMBER CALENDAR

All Month

National Gratitude Month

November 16th

National Fast Food Day

November 19th

National Entrepreneurship Day

November 25th

Eat with a Friend Day

November 28th

Thanksgiving

Labelle, FL Weather

Sat Nov 16	Sun Nov 17	Mon Nov 18	Tue Nov 19	Wed Nov 20
72° F	74° F	74° F	77° F	77° F
52° F	54° F	56° F	55° F	53° F
NNW 10 MPH	N 8 MPH	NW 6 MPH	N 6 MPH	NNE 7 MPH
			Precip 20%	

NEWS IN THE GROCERY TRADE

In the Trenches: How to Beat Last Year's Produce Sales

By: Ron Pelger, www.producenews.com, November 8, 2019

"How are produce sales?" Those are usually the first words spoken when starting out the day. We want to know where we stand in sales as the week progresses.

Many produce directors and managers say that it's getting more and more challenging trying to beat the produce sales from the previous year. Adding to that squeeze is the heightened gross profit rate strongly imposed by management.

One of the biggest difficulties a produce director faces is that of weekly ad spending. Competition is brutal these days and opponents are constantly chipping away at the sales pie. This forces more attractive pricing on specials and raises the cost of the overall ad. Lowering ad retails puts the pressure on the gross profit rate, making it even more complicated in achieving budget, especially if the front page feature is priced below cost.

Too often, the selling concentration is only on the feature ad items. A merchandising plan is usually sent to stores with instructions on where and how to display each item. Most retailers pile the big hitters right up in front of the produce department — all at "give-away" prices. That's traditionally how it has always been promoted.

Don't misunderstand me. Promoting the ad items at the foot of the produce department is good merchandising strategy. The first impression has to highlight attractive values in order to capture the shoppers and draw them further into the department to make other purchases.

If the combined ad specials are projected to be around 30 percent of the total produce sales, that leaves 70 percent of non-advertised items available to sell. That 70 percent has to help pay a large portion of the weekly ad cost plus generate sufficient profit dollars towards the margin.

Meanwhile, produce directors are constantly engaged in assembling the right combination of product mix in the calculations to satisfy the targeted gross profit. This is not as easy a task as most people think. Senior management expects produce sales to meet or exceed the numbers. Above all, sales must show an increase over the previous year if the company expects growth.

Everyone is a master at selling boundless amounts of the advertised items. That's easy. We spend a lot of time restocking displays to keep it loaded up with the low profit ad specials. Those sales will usually come naturally because consumers are drawn to them from the weekly ad flyer and the items are front and center as they walk into the store.

Chances are that last year's ad items were just as strong making it even more pressing just to match those sales numbers. So what else can be done to put sales over that previous year? The additional boost has to come from "in-store promoting" of the top selling high-volume items that are not advertised. Items such as potatoes, onions, asparagus, tomatoes, peppers, bananas, grapes, apples, oranges, berries and melons will yield the most sales volume.

Rather than confining those items in the everyday normal location, select two or three and set up an off-shelf display in a good location at the regular price. Anytime you take a produce item and give it greater exposure outside of its home position, the sales will more than double. Building displays of non-advertised items will help generate those additional sales. However, the items must be of high sales volume choices in order to benefit the favorable results.

There are three basic components that drive most produce sales. Each level has its own set of requirements to accomplish it.

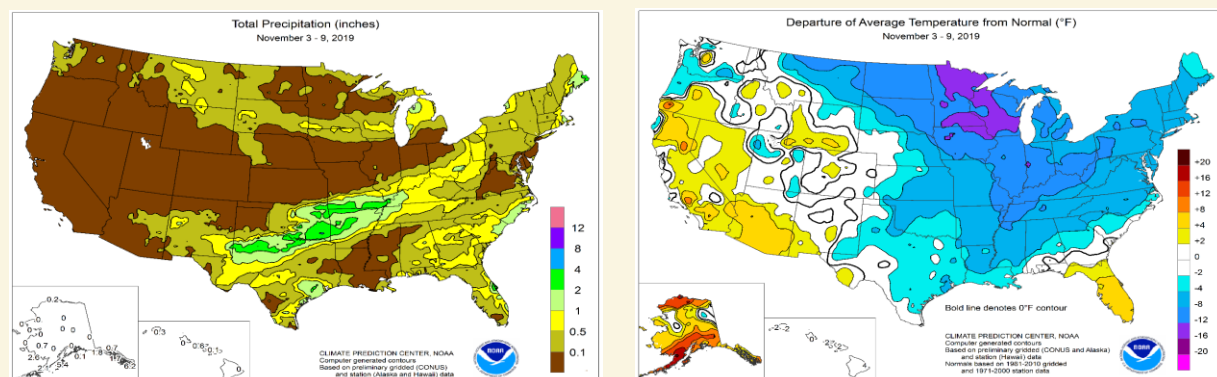
The ad program: Hot front page specials and attractive inner page specials. Calculate the ad projection to assure meeting budgeted margin.

The non-advertised high volume items: Drive sales of the top 10 items by selecting the most popular tonnage movers. Promote off-shelf displays for additional exposure and impulse purchasing.

The store merchandising plan: Proper instructions for placement of ad and non-ad items in specific department locations. Primary ad specials highlighted at the department entrance with non-advertised high volume items tied into the mix.

NATIONAL WEATHER SPOTLIGHT

Last Week's Precipitation Totals and Average Temperature Deviations



RESTAURANT INDUSTRY NEWS

10-Year Outlook: Commercial Foodservice Poised for Growth as Away-From-Home Dining Expands

www.fastcasual.com, November 5, 2019

The commercial foodservice industry will continue to expand as Americans eat more meals away from home, but operators face a host of challenges from a more demanding consumer, according to a 10-year outlook report from the National Restaurant Association.

The report, "Restaurant Industry 2030: Actionable Insights for the Future," examines the key indicators shaping the future of the industry, identifies the most and least likely developments over the upcoming decade, and considers possible disrupters outside the industry that could transform it. The findings are based on input from a variety of restaurant sector experts, futurists and government statistics.

Definition changes

Over the next decade, technology and data will become a greater focus for restaurants as they adapt to growing consumer expectations in the on-demand world. Guests will expect a seamless digital experience and want their preferences known at each interaction with a restaurant. As off-premises traffic and sales continue to accelerate, consumers will place a heightened importance on experiential dining for on-premises occasions. Areas to watch include:

- A greater proportion of meals will no longer be cooked at home, lending to the continued rise in delivery, virtual restaurants, subscription services and grab-and-go at retail locations.
- Cloud kitchens will continue to grow, fueled by the expansion of centralized kitchens and the growth of online, delivery-only brands.
- Consumers may grow increasingly loyal to third-party delivery apps, impacting loyalty to individual restaurants.
- Governments are likely to impose further regulation on third-party delivery.
- Drive-thrus could need to accommodate interactions with self-driving vehicles.

The restaurant of the future will be smaller in size. Smaller restaurants could incorporate more automated kitchen equipment and the typical kitchen layout may change.

Nutrition and sustainability

Sustainable sourcing and transparency will continue to grow in focus for consumers over the next decade. In order to remain competitive, restaurants will need to adapt to evolving dietary restrictions and consumer preferences. Food trends and menus will naturally evolve to reflect the increasingly health-conscious, ecological mindset of the consumer. Areas to watch include:

- Single-use restaurant packaging, including in delivery, will evolve.
- Artificial intelligence with knowledge of cooking techniques, food chemistry, recipes and alcohol could produce unexpected new culinary and beverage experiences.
- Advanced genetic knowledge and the rising incidence of lifestyle diseases are likely to create growing demand for meals that provide specific health benefits to diners.

A changing workforce

Population growth at an expected annual rate of 0.7% between 2018 and 2030, accompanied by changing demographics in the next decade, are expected to lead to an average labor growth rate of 0.5% annually between 2018 and 2028. With slower labor-force growth, restaurants will continue to compete against other industries for talent, making recruitment and retention vital to success in the coming decade. Restaurant employers will adopt career-focused mentalities as operators enhance retention by offering benefits and long-term career paths to success. Key statistics and areas to watch include:

- The number of adults in the labor force 65 and older is expected to reach a record high of 16.1 million by 2028.
- The number of teenagers in the labor force is expected to decline to 5.1 million by 2028, its lowest level in 65 years.
- Operators will automate more routine back-of-house tasks to enhance productivity and efficiency.

This article has been edited for content and space. To read the article in its entirety, please go to www.fastcasual.com

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