



## MARKET UPDATE

**Tomatoes:** As Ruskin/ Palmetto winds down for the season, Florida's tomato production has migrated southward to the Immokalee/Naples area. Round volumes are expected to remain steady, but relatively light for the next few weeks. The size profile is small, with the strongest numbers on 6x6's and 6x7's. Roma volumes continue to be very light as planned acreage has decreased. Grape tomatoes are currently being harvested in the Naples and Labelle area where supply is down from normal volumes due to cooler weather.

Mexico's tomato production continues to be very limited, particularly on rounds and romas. Hurricane events during October impacted the central growing regions in Baja, primarily due to virus pressure affecting production. Cool and cloudy weather conditions in the northern regions during November slowed production as well, coupled with their seasonal decline. Central Mexico was impacted by a freeze event during the middle of November, affecting various regions to varying degrees. New crops from the Culiacan region will not start with any significant volume until late December and won't see consistent supply until after the New Year. With all these factors taken into account, it looks like supply will remain tight for the next several weeks. Grape tomatoes are also snug. Although we are seeing more shippers bring product through Nogales, cold and rainy weather is taking its toll on the numbers.

**Bell Peppers:** With Florida's pepper acreage down significantly, availability remains tight. One major grower has bowed out of the deal completely this year and most others have reduced acreage. However, there is some fruit in the state. Farms that are currently harvesting are in crown picks with mostly jumbo fruit coming off. Look for a little more fruit to start showing up in a couple of weeks as a few more growers come online with Winter plantings. In the West, the California desert will wind down over the next 2-3 weeks, leaving supply to Mexico. Unfortunately, significant rain events

in West Mexico and the Hermosillo area during October affected most farms to some degree. Many growers have had plant loss due to water and all will have at minimum higher #'s of offgrade pepper in the early harvests. Culiacan and Los Mochis typically start in mid-late November, but we are only seeing a few growers out of Culiacan just starting. Los Mochis farms now project a late start around 12/10 as 30-50% of their acreage had to be replanted due to rains. We expect to volume build slowly as farms catch up and work their way through weather-affected plantings.

**Cucumbers:** As Baja winds down through the month of December, Mainland Mexico is picking up the cucumber slack. Production has been strong although we do expect a short-lived dip in the numbers this weekend due to overcast and cool weather. Volumes should rebound next week and quality will continue to be nice. Eastern markets have enjoyed steady production out of Florida and are now seeing Honduran imports. Look for the import product to pick up steam in mid-December.

**Summer Squash:** Yellow and zucchini squashes are available in several Florida areas this week. With many growers in older crops, quality has been hit or miss on yellow. Expect a slight dip in production as some cooler weather moves through over the next week. Mainland Mexico's production has mostly migrated to more southern areas and growers look to see steady increases as they get rolling.

**Green Beans:** Florida has beans available in multiple areas this week and quality is very nice. Mainland Mexico is finally beginning to see volumes increase as more growers come online.

**Chili Peppers:** With California pretty much done and Mainland Mexico coming up short due to prior weather issues, supply and quality of Western chili peppers is less than desired. Florida does have some production in Plant City and South Florida which will help in the East.

## TRANSPORTATION FACTS

\*The national average diesel price dropped another \$.02 this week, moving from \$3.28 to \$3.26 per gallon.

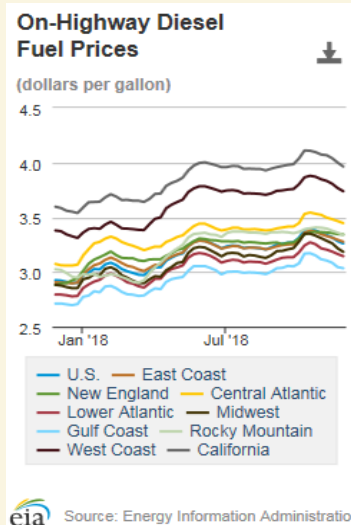
\* The average price for a gallon of diesel is \$.34 higher than the same time last year.

\* All areas reported price declines, with the most significant coming from California where the price fell \$.04 per gallon.

\*California continues to have the highest diesel prices in the country at \$3.96 per gallon while the Gulf Coast is the low-price leader at \$3.04 per gallon.

\*The WTI Crude Oil price dropped another 3% this week, moving from \$53.43 to \$51.56 per barrel.

\*Other than slight shortages in select potato, onion and apple shipping areas, transportation levels are adequate throughout the country.



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## NEWS IN THE GROCERY TRADE

### How Do Consumers Shop for Holiday Groceries?

[www.progressivegrocer.com](http://www.progressivegrocer.com), November 21, 2018

While conversations about the “grocery wars” today often center around price, a new study showed that consumers prefer to shop at food retailers that offer the best quality over those with the lowest price tags.

In fact, quality was the highest-ranking factor (31 percent) that consumers consider when choosing a food retailer, according to the State of Grocery Retail Report from Durham, N.C.-based heating and cooling solutions provider Phononic.

The study, which surveyed more than 2,000 U.S. consumers, uncovered insights into shoppers’ routine patterns, as well as specific trends during the busy holiday season. Additionally, the study looked to evaluate how preferences are evolving as younger Millennial and Gen Z consumers increasingly become a dominant buying cohort.

The report, released earlier this year, found that 89 percent of consumers want to shop in a grocery store that understands how to make buying groceries an easier or more efficient experience.

Convenience is even more critical during the often stressful and busy holiday months, with 55 percent of consumers feeling that grocery retailers could make their lives easier this holiday season by grouping holiday items in one area of the store. The youngest demographic polled (age 18 to 24) were especially drawn to convenience, with a quarter of

respondents in this age group wanting to see popular items at checkout (26 percent) and pre-made holiday meal offerings (24 percent).

The good news for retailers is that consumers – across age groups – are most often loyal to one grocery store for the majority of their shopping, with just under a third (29 percent) identifying themselves as loyal shoppers.

However, this trend shifts when looking at Millennial and Gen Z consumers. Thirty-four percent of 18- to 24-year-old respondents identify themselves as bargain hunters, demonstrating that food retailers must foster loyalty among this demographic. The study also found that the holiday season can impact loyalty, with 34 percent of consumers noting that during the holidays they make several trips to a variety of different stores for food shopping.

The report also revealed several additional key findings related to the holiday shopping season:

**Grocery stores should rethink the checkout line**, as one in four consumers (25 percent) would like to see more fresh produce offered at checkout this holiday season, even beating out alcohol, which came in third at 17 percent.

**The regional grocery store is still a staple for**

**consumers during the holidays**, with 43 percent of respondents noting they do most of their holiday food shopping at these stores.

**When it comes to holiday meal essentials, consumers want convenience**, with one in six respondents noting they want pre-made holiday meal offerings to make their lives easier during the holidays, and one in four wanting to see fresh produce such as vegetables at checkout. When it comes to favorite holiday meals that consumers may want to see more of from food retailers, more than half (51 percent) of consumers surveyed listed mashed potatoes as a must-have side dish on their holiday table followed by stuffing at 45 percent.

**Consumers want food retailers to make the holidays easier and more efficient**, with the majority of shoppers (57 percent) agreeing that the crowds and long lines are the most frustrating part of shopping during the holidays.

**Turkey trends haven’t changed with the times**, with the majority (57 percent) still buying their Thanksgiving turkey in a traditional grocery store, further solidifying the report’s finding that most consumers identify as loyal shoppers.



## KEEP YOUR EYE ON THE CONSUMER

### Fresh Trends Survey Looks at Consumer Preference for Packaged Produce

By: Tom Karst, [www.thepacker.com](http://www.thepacker.com), November 21, 2018

Newly available *Fresh Trends* data looks at consumer buying habits for bulk and fresh produce, showing both presentations have strong support. The Packer's *Fresh Trends* consumer survey polls 1,000 consumers every year, and allows fresh produce marketers to look at trends over time.

A sneak peek at 2019 *Fresh Trends* data shows that 77% of consumers indicated they purchased fresh produce in the produce department. That compares with 80% in the 2018 *Fresh Trends* survey.

Responding to the question, "Do you buy the majority of your fresh produce as bulk (loose or banded) or packaged?" the 2019 *Fresh Trends* survey revealed that the responses were nearly evenly weighted. Of consumers surveyed, 52% indicated they buy most of their produce bulk and 48% said they buy most of their produce packaged. The 2019 results compared with the 50% bulk/50% packaged responses in the 2018 *Fresh Trends* survey, and responses of 55% bulk/45% packaged in the 2017 *Fresh Trends* survey.

By demographic category, the 2019 *Fresh Trends* survey showed 54% of women said they purchased the majority of produce in packaged form, compared with 41% of men who said they bought the majority of produce in packaged form. In 2018, *Fresh Trends* data showed the gender difference was less pronounced, with 49% of males and 51% of females buying most of their produce in packaged form.

Higher-income consumers tend to buy bulk for most of their produce purchases, according to 2019 *Fresh Trends* data. For consumers making more than \$100,000 per year, *Fresh Trends* said 60% bought most of their produce bulk, up from 59% last year.

In contrast, 59% of consumers who earned less than \$25,000 per year said they bought most of their produce in packaged form, up from 53% reported in *Fresh Trends* in 2018.

## PRODUCE BAROMETER

ITEM	QUALITY	PRICING
Bell Pepper	Mostly Good	Steady but High
Cucumber	Good	Steady
Eggplant	Good	Steady
Green Beans	Good	Lower
Jalapenos	Fair to Good	Higher
Onions	Good	Steady
Squash	Varied	Steady
Tomatoes	Good	Steady but High



## DECEMBER CALENDAR

### December All Month

National Stress-Free Family  
Holiday Month

### December 2<sup>nd</sup>-8<sup>th</sup>

Handwashing Awareness Week

### December 2<sup>nd</sup>

Hanukkah Begins

### December 5<sup>th</sup>

National Comfort Food Day

### December 6<sup>th</sup>

National Gazpacho Day

### Immokalee, FL Weather

Fri Nov 30	Sat Dec 1	Sun Dec 2	Mon Dec 3	Tue Dec 4
79°F	83°F	87°F	86°F	83°F
63°F	68°F	68°F	66°F	71°F
NE 8 MPH	SE 13 MPH	S 9 MPH	ESE 7 MPH	S 8 MPH
	Precip 30%	Precip 30%	Precip 20%	



## SUSTAINABILITY SCOOP

### Lipman Sustainability Pillar: People

By: Kevin Yue, Lipman's Environmental Compliance Engineer, November 21, 2018

People are what makes all of what we do at Lipman possible, and we take pride in developing strong and considerate leaders who take care of the company with the passion of our founders and owners. Lipman's owners and management understands that the value of the company is derived from its people. In this final installment introducing Lipman's Sustainability Program, we will focus on the people who not only work here, but are part of the Lipman family. Their success is our success.

When we say that we value PEOPLE, it's because we believe the foundation of our success is the efforts and dedication of our PEOPLE. We grow exceptionally fresh products and we do an industry leading job of distributing them, but those are the "what" and the "how" of what we do. People are the WHY. This means that everything we do begins with PEOPLE. We treat each other with respect. We carefully select who is invited to join and stay on the team. We celebrate our diversity. We laugh whenever possible. We care for each other. We hold each other accountable. And this is not just for Lipman - we pursue the good of our customers, our suppliers, our shareholders and our communities because PEOPLE matter most. Lipman is committed to sustaining peace and quality of life of our employees by providing a clean, safe work place as well as fair wages. At all levels of our operations, we encourage our employees to be open in how they are being treated and we take each person's opinion seriously. We abide by the legal framework in which we have operations and this helps in developing the trust between our coworkers. By working closely with our employees and those who oversee them, Lipman ensures that we treat each everyone with respect.

Not only do we grow produce, we also work to grow leadership within Lipman Family Farms through a variety of training and development opportunities for the next generation. We have multiple opportunities for those who excel in their areas of operation to challenge themselves and take on additional responsibilities. Lipman's leadership development programs are set up to pair our current leaders with the up and coming generation of leaders. This helps to provide continuity in our operations, as well as ensure that each member of the program is supported by others within the company.

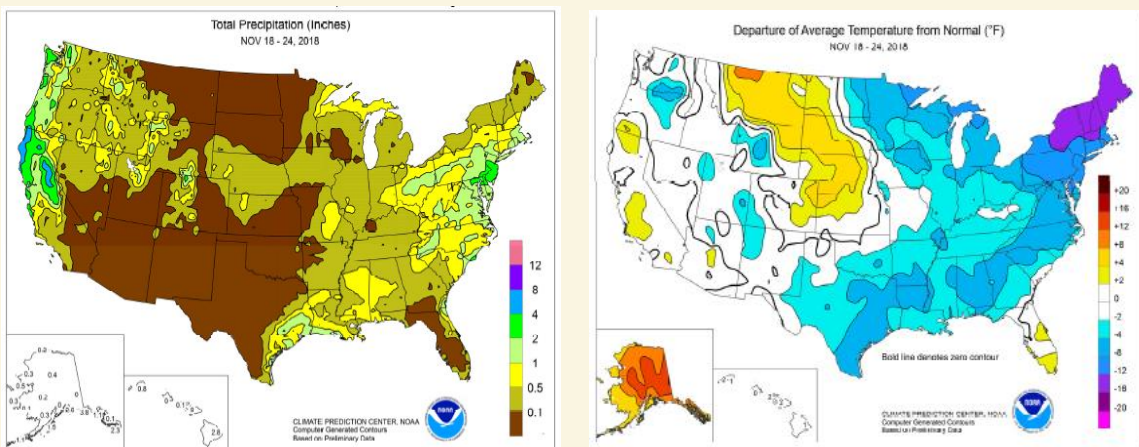
Looking outside of the company, Lipman is also actively involved with the communities we are located in, focusing on children, education, and hunger relief. Each area of our social responsibility program is tied to our heritage in farming and providing food to the public. We believe that an educated and fed society will provide growth to our nation's well-being. By participating in programs across the country, such as Brighter Bites and partnering with local food banks, we leverage our ability to connect people with produce.

People are what makes Lipman who we are. We cannot do all that we do without people.

We thank you for working with us and for giving us the opportunity to share with you these past few months about Lipman's Sustainability Program. We hope we have provided an opportunity to learn more about how Lipman is more than just a full-service vegetable supplier. Please do not hesitate to contact us in the future for further discussion about our Sustainability Program.

## NATIONAL WEATHER SPOTLIGHT

### Weekly Precipitation and Temperature Deviation



## RESTAURANT INDUSTRY NEWS

### Does Menu Size Matter?

By: Patricia Cobe, [www.restaurantbusinessonline.com](http://www.restaurantbusinessonline.com), November 21, 2018

At the beginning of 2015, it seemed that most chains had taken on the philosophy of the more menu items, the better. The average number of offerings at the top 500 restaurant chains, ranked by systemwide sales, then peaked at 137.7, according to Technomic's MenuMonitor. But by the end of that year, menus had hit a two-year low, dropping 5.3% to an average of 130.4 items.

So how is menu size trending as we enter 2019? In general, it looks like the downsizing has leveled off, with the average chain menu hitting a little over 132 items in mid-2018, per Technomic. That's an overall drop of only 0.3% in the last five years. But a closer look at specific menu categories reveals a different story.

#### *Where's the action?*

As appetizers and entrees have shrunk in number, add-ons have surged on menus. This category includes items such as specialty toppings, which consumers can opt to purchase at an additional cost. Adding grilled chicken or shrimp to a Caesar salad, for example, or topping a burger with guacamole or bacon jam. "We're starting to see a bucking against the customization trend that was so prominent just a few years ago, in favor of signature crafted items, but with the option for add-ons at an additional cost," says Lizzy Freier, menu analyst for Technomic.

Beverages are another hot category, with drinks both with and without alcohol trending up. Operators with bars are looking to capitalize on craft cocktail culture, while those without are trying to replace carbonated soft drinks with healthier, more flavor-forward options, such as fruit-infused waters and herbal iced teas.

Although overall growth in menu items has been flat, there's been a lot of activity in limited-time offers. LTO launches have increased 63.9% in the last five years. These promotions are especially appealing to younger consumers: 39% would visit a quick-service restaurant they typically don't visit and 38% would patronize a fast casual if a unique limited-time offer were available. LTOs also work in operators' favor, says Freier. "Purchasing unique or premium ingredients for only a short time requires less cost on the operator's part and puts them in the position to source seasonal fare when it's less expensive," she says.

#### *Shrinking labor = shrinking menus?*

Many chains seemed to have found the "sweet spot" in terms of menu size, balancing a reduced number of items with frequent LTOs to keep customers interested and provide plenty of options. Technomic expects that trend to continue in the short term.

And the ongoing labor shortage may result in even more consolidation, as operators work to maximize their menus and create operational efficiencies with minimal staff. Several chains have already shrunk their menus by 10% to 40%, and other brands have indicated that they, too, plan to reduce their number of selections.

FRESH TOMATOES

the best  
of nature™

MARK YOUR CALENDAR  
PACK YOUR BAGS!

March 7-9, 2019

Southeast Produce Council's Southern Exposure  
Walt Disney World Swan & Dolphin Resort  
Orlando, FL  
[www.seproducecouncil.com](http://www.seproducecouncil.com)  
Come join #TeamLipman at Booth #1125!

March 24-29, 2019

United Fresh Produce Executive Development Program  
Cornell University Statler Hotel  
Ithaca, NY  
[www.unitedfresh.org/events](http://www.unitedfresh.org/events)

CREATED BY LIPMAN FOR OUR  
VALUABLE CUSTOMERS

[www.lipmanfamilyfarms.com](http://www.lipmanfamilyfarms.com)

See what we're all about here:  
[https://www.dropbox.com/s/xk5zxttw3tco23a/Lipman\\_2018\\_11\\_09\\_1.mp4?dl=1](https://www.dropbox.com/s/xk5zxttw3tco23a/Lipman_2018_11_09_1.mp4?dl=1)

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