



## MARKET UPDATE

**Round Tomatoes:** Quincy's tomato crop is running at about 50% yields due to earlier heat, then later rains. Since this is the primary area of supply for the East during this time period, this has affected overall availability in the East. Quincy farms will continue to harvest as long as weather permits, but most are more than halfway through crops. Lipman has started harvesting in a light way in Ruskin/Palmetto this week. Although volume is light, the quality is nice (nicer than what's coming out of Quincy). In the early going, the size profile has been pretty evenly spread out with an almost equal amount of 5x6, 6x6 and 6x7. Other growers will begin to come on in Ruskin/Palmetto over the next few weeks, one or two at a time, with volume building through the month of November. CA's numbers are fading fast as all but a few growers finish up this week and the remainder will call it quits next week. This will put the focus on Eastern Mexico and Baja where supplies are moderate. More acreage is expected to come into production over the next few weeks as growers move into the wintertime groove.

**Roma Tomatoes:** There's only a handful of romas in Quincy and Ruskin/Palmetto won't be into fields until the 1<sup>st</sup> or 2<sup>nd</sup> week of November, depending on the grower, so availability is almost non-existent in the East this week. With CA out of the picture now, this has put pressure on the Mexican supply. Eastern Mexico and Baja are working light to moderate supplies but this product is in high demand. More growers are expected to break new fields over the next few weeks bringing supply to better levels.

**Grape Tomatoes:** There are a few grapes in Quincy, but acreage is minimal so the volume is as well. Palmetto/Ruskin is up and running but volume remains on the lighter side for the earliest plantings. Aside from Lipman, there are a couple other growers getting started so we should begin to see volume ramp up in a couple of weeks. Quality and packouts have been favorable, especially since working through the first picks which are usually a bit larger than desired. The West is looking to Baja and Mainland Mexico for grapes where supply is slowly building.

**Bell Peppers:** Supply remains steady out of SC and GA but each area is having some quality issues. Expect to see pepper from both of these areas until mid-November unless weather or quality concerns nix that plan. New crop pepper has just started in Plant City where we should see more volume soon. As for the West, the CA valley and coast continue to wind down, while the CA desert and Mainland Mexico are under way. Quality out of CA has been excellent with good color, strong walls, and good shape. However, we will begin to see bruising and some pitting issues once the weather cools down. The desert has good size on its pepper and Mainland Mexico is following in the same direction.

**Cucumbers:** Baja's cucumber production will remain light the rest of the season as some growers have already pulled the plug leaving only 4-5 shippers that will continue for a few more weeks. Quality remains strong and should not be an issue. Better supplies are crossing at Nogales with all sizes and packs available. With more growers starting weekly, volume should continue to grow out of Mexico. In the East, but both GA and FL have product but there's not an overabundance of cucs. GA is past the halfway point in the season and will see volume and quality decline as they long as they stay in the game. They hope to enjoy the stronger markets as long as weather allows, but usually wrap up by Nov 1<sup>st</sup>. Plant City and Central Florida have started Fall cucumber harvests in a light way. Quality has been very nice according to early reports. Look for more growers to come online over the next week or two.

**Summer Squash:** GA and SC are winding down on squash. Volume has been declining and could even more quickly as cool temperatures move into these areas in the next few days. Fortunately, several areas in Florida have started up with squash. Product is already available from Central Florida all the way down to Homestead. Look for volume to pick up over the next 5-7 days as more growers get started. Quality is mostly good but you have to pick and choose as some fields/farms have been shipping squash with a good amount of scarring. Although CA

still has squash from multiple districts, they'll be wrapping up in the next week or so. Nogales shippers are building steam as more farms and fields come online. Quality has been very strong out of Mexico so far.

**Green Beans:** GA's low yields and production levels are gradually beginning to pick up as growers move past the plantings that were impacted by heat. We'll continue to see better output from GA in the next week or so. It's looking like FL beans will begin during the 1<sup>st</sup> week of November...just in time for the Thanksgiving pulls. In the West, CA's production is dwindling but we are seeing better numbers out of Baja now. With the CA desert on tap to start Nov 4<sup>th</sup> and Nogales shippers coming into play in mid-November, we hope for a smooth holiday season.

**Hard Squash:** There's still a few local deals rolling in the East but one of the bigger ones in KY is wrapping up a little earlier than usual, shipping only locally now. We also have a VA program which will finish up over the next 10-14 days. Both are struggling a little with size, especially on butternut, due to the very dry September and early October they experienced. The majority of hard squash available in the East is coming from storage crops in the Northeast now. NY, PA, ME, and others are where the truckload volumes are now. Overall quality is pretty good, but the ever-present scarring issues with spaghetti are always a factor. Hard squash is still in full swing in the West. Acorn is getting a little tight in CA but with Mainland Mexico starting, the pressure should come off. Quality is still good, but a lot of grading is required on CA's spaghetti.

**Organic Squash:** Baja and Nogales have strong supplies of both colors available this week with nice quality. GA and SC also have small volumes to contribute to the market.

**Organic Cucumbers:** Baja continues to offer steady numbers on organic cucs while Nogales is building volume. Limited numbers are also coming from a few shippers in the East.

**Organic Green Bells:** Production is still light in Mexico but should begin to ramp up over the next 2-3 weeks. Coachella will come online in a few weeks as well.

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## RESTAURANT INDUSTRY NEWS

### Teens in the Labor Force Expected to Fall to a 65-Year Low

[www.restaurant.org](http://www.restaurant.org), October 24, 2019

As of September 2019, the U.S. economy had added jobs in 108 consecutive months. That's the longest uninterrupted streak of job growth on record, and resulted in an addition of more than 21 million jobs. Despite the steady gains, the current expansion contained only one year (2015) in which the economy posted job growth above 2 percent.

As a result, the current decade is on pace to be the second-weakest since the 1930s, in percentage terms. If the trend continues, the 1.7 percent average annual employment growth would only outpace the 2000-to-2010 period – a decade that included two recessions.

One of the reasons that job growth has been somewhat tempered during the current economic expansion was relatively slow growth in the labor force. Between 2010 and 2018, the total U.S. civilian labor force increased at an average annual rate of 0.6 percent, according to data from the Bureau of Labor Statistics (BLS). If the current trend continues, the 2010-to-2020 period will be the slowest decade of labor force expansion on record.

Looking ahead, the expectation is that labor force growth will remain modest over the next decade. According to BLS projections, the U.S. civilian labor force will grow at an average annual rate of just 0.5 percent between 2018 and 2028. This dampened growth will be due largely to slower population growth and changing demographics.

Looking inside the numbers, labor force trends are expected to vary significantly by age group. The number of 65-to-74-year-olds in the labor force is projected to rise by 4.2 million during the next decade. In addition, there are expected to be 1.9 million more adults age 75 and older in the labor force.

Of particular importance to the restaurant industry is the shrinking number of teenagers and young adults in the workforce. Nearly 40 percent of the restaurant workforce is made up of 16-to-24-year-olds, compared to just 12 percent of jobs in the overall economy. Looking ahead, this age cohort's representation in the labor force is expected to decline by 1.2 million during the next decade, according to BLS projections.

In 1978, there were 9.7 million teenagers in the U.S. labor force – the highest number ever recorded. At that time, there were 3.1 million adults age 65 and older in the labor force. The dynamics shifted over the next three decades. Teen representation in the labor force declined, while more older adults remained in the workforce beyond the typical retirement age.

By 2008, the U.S. labor force included 6.9 million teenagers and 6.2 million adults age 65 and older. That was the last year teenagers outnumbered their older counterparts in the labor force. The divergent trends accelerated during the next decade, and by 2018 older adults outnumbered teenagers by more than 4 million.

BLS expects this trend to continue over the next decade. By 2028, there are projected to be 16.1 million adults age 65 and older in the labor force – a record high. In contrast, BLS expects there to be only 5.1 million teenagers in the labor force in 2028. That would be the fewest number of teenagers in the labor force since 1963.

Teenagers comprised 9.4 percent of the total U.S. labor force in 1978, while their counterparts in the 65-and-older age cohort made up 3.0 percent of the labor force. Fast forward a half-century, and the script is expected to flip.

According to BLS projections, adults age 65 and older are expected to represent 9.4 percent of the labor force in 2028. Meanwhile, teenagers are expected to only make up 3.0 percent of the labor force.

Adults age 65 and older currently make up less than 3 percent of the restaurant workforce. Look for this proportion to rise in the years ahead, as the composition of the U.S. labor force continues to evolve.



#### TRANSPORTATION FACTS

\* Since our last report on October 11th, the national diesel average has remained steady at \$3.05 per gallon.

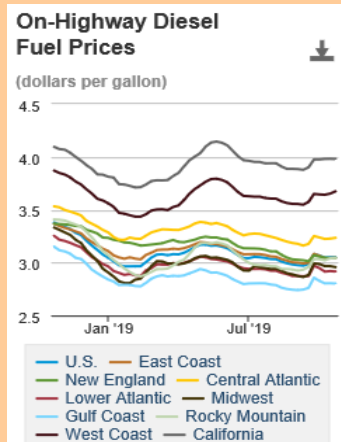
\* The average price for a gallon of diesel is \$.33 less than the same time last year.

\* There was a mix of price increases and decreases among reporting areas but most were less than \$.01 per gallon. The West Coast was an exception, coming in with a \$.05 per gallon price hike.

\* As usual, California's price tops the charts at \$3.98 per gallon while the Gulf Coast remains the low-price leader at \$2.80 per gallon.

\* The WTI Crude Oil price is up \$3.38 (6.4%) since our last report, moving from \$52.59 to \$55.97 per barrel.

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



eia Source: Energy Information Administration



## FRESH CUT FOCUS

Festive Ideas from the Cauldron

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.

We're having a little fun this month as we look at some spooky ways to spice up your menus with our fresh-cut products. 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.



Devil's Inferno spicy cocktail shrimp with sliced jalapenos



Red hot "bat" wings with sliced fresnos and serranos



Fiery hot buffalo chicken tacos with fajita-cut red and green bell peppers and sliced serranos

### Purple Pepper Eater Appetizers

**LIPMAN INGREDIENTS:**

- Sliced Jalapenos
- Sliced Fresno and Serrano Peppers
- Fresh-Cut Red and Green Bell Peppers

**MENU APPLICATIONS:**

- Great punch of spice to pair with a sweet tangy flavor such as barbeque
- Fresh, colorful crunch to add to hearty meat or fish dishes

**KIT VERSATILITY:**

- Foodservice items
- Behind the glass deli
- National accounts




## PRODUCE BAROMETER

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



## OCTOBER CALENDAR

### All Month

Eat Better, Eat Together Month

National Tomato Month

**October 26<sup>th</sup>**

National Make a Difference Day

**October 27<sup>th</sup>**

Cranky Co-Workers Day


**October 30<sup>th</sup>**

Speak Up for Service Day

**October 31<sup>st</sup>**

Halloween

### Quincy, FL Weather

Sat	Sun	Mon	Tue	Wed
Oct 26	Oct 27	Oct 28	Oct 29	Oct 30
				
82° F	83° F	81° F	78° F	75° F
69° F	67° F	66° F	64° F	49° F
ESE 10 MPH	S 5 MPH	E 3 MPH	ESE 5 MPH	N 6 MPH
Precip 60%	Precip 50%	Precip 40%	Precip 50%	Precip 20%



## NEWS IN THE GROCERY TRADE

### 2019 Retail Produce & Floral Review: The Primacy of Produce

By: D. Gail Fleenor, [www.progressivegrocer.com](http://www.progressivegrocer.com), October 23, 2019

Produce still stands strong as the main reason that customers select a primary store, according to *Progressive Grocer's* annual Retail Produce & Floral Review, which informs readers about what's going on in produce and floral departments across the United States. From CEOs to store managers, buyers to department specialists, this year's review contains opinions for 2019 and comparisons to the 2018 report.

In the survey, labor is always a top issue for produce department managers: hiring, training, supervising and, many times, repeating the process. As one retailer says in the 2019 survey: "People are the most important ingredient to a successful produce operation. If you have the right people, they can make the produce department look like gold."

Competition seems to be of somewhat greater concern this year, whether it's from other supermarkets, Walmart, limited-assortment stores like Aldi or Lidl, or online. Several retailers cite oversaturated markets. One respondent notes, "You have to maintain displays in the face of slower turns, with the increased competition." Another retailer observes, "Costs are higher to buy produce for our store than for bigger chain stores," and yet another says that because of competition, retail prices have had to be lowered, which affects gross profits. "Competition is brutal," one respondent concedes.

Although in the broad market, produce sales to date in 2019 were flat in comparison with the previous year, increasing only 1%, when asked how their produce sales had fared over the past six months, 53.7% of 2019 *Progressive Grocer* survey respondents said they had increased, versus 59% of respondents to the 2018 survey.

Further, when asked to project total same-store department sales for the entire year of 2019, 68.4% of survey respondents said that they would increase, down from last year's survey, in which 72% of respondents expected that same-store sales would rise. Like last year, roughly one-quarter of 2019 survey participants believed that same-store sales would stay the same.

Fresh produce continues to convert and keep customers by a large margin, according to the 2019 "Power of Produce" report from the Arlington, Va.-based Food Marketing Institute (FMI). This surpasses the meat department and even total-store price image as a lure for conversion.

#### The Challenges Continue

When 2019 *PG* survey participants were asked to rate the seriousness of issues facing their produce and floral departments, more than half of respondents cited three areas. The top response, labor and recruitment costs, received a rating of 4.45 out of 6, with profits right behind that, earning a rating of 4.44. Competition from other channels and from other supermarkets tied with ratings of 4.42, while quality of product rounded out the top five, at 4.37. Employee training was seventh, with a rating of 4.18, right behind price perception (4.22).

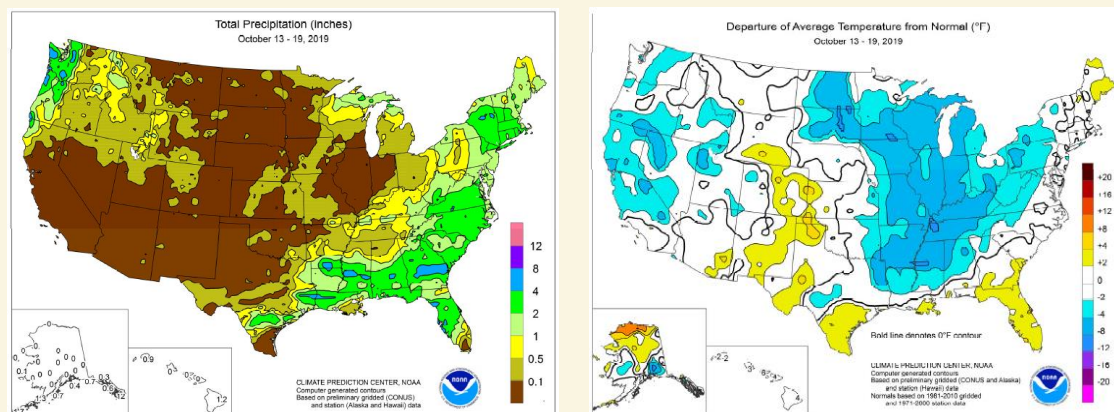
Shrink and profit are inextricably linked in produce departments, and both are a source of concern for department managers. As one survey respondent affirms, "Shrink is such a large percentage of cost and hits profits hard." Shrink and spoilage were concerns for 43% of those surveyed, down slightly from 47% last year. Several respondents mentioned poor-quality produce delivered to stores. Top efforts to reduce shrink ranked in the 2019 *PG* survey included use in prepared foods (57%, flat from last year); donation to food banks (51%, down from 56% last year); use in fresh-cut programs (49%, compared with 56% in 2018); and ugly produce (31%, a large drop from 42% last year).

In looking at departments' physical needs, managers and merchandisers highlighted a lack of space and display equipment for the many new products rolling out.

*This article is continued on page 5.*

## NATIONAL WEATHER SPOTLIGHT

Last Week's Precipitation Totals and Average Temperature Deviations



## NEWS IN THE GROCERY TRADE CONTINUED

### 2019 Retail Produce & Floral Review: The Primacy of Produce

By: D. Gail Fleenor, [www.progressivegrocer.com](http://www.progressivegrocer.com), October 23, 2019

#### Produce Components

The average gross margin percent reported in the 2019 PG survey was 33%, roughly the same as last year. Average net profit percent reported by respondents this year was 21%, the same as in 2018. Produce department average percent of total store sales was 17%, a very slight increase from last year.

Vegetables are the primary produce purchase for respondents, at 41.8%, a slight uptick from 41% in the 2018 survey. Fruits were up a bit in second place, at 36.1% versus 33% last year. Sales of nuts were slightly lower, according to respondents, at 4% in 2019, versus 6% in 2018. Premium juices, and refrigerated dressings and dips were mentioned by 4.5% and 6.4%, respectively, with little change since last year. The "all other" category, which includes exotics and mixes, also showed little change, coming in at 7.3% in 2019.

Sales of organic produce have increased, according to respondents in the 2019 survey, with 56.8% citing a larger percent of produce sold being organic, up from 46% in 2018. At the same time, 37.9% of respondents said there had been no change in organics sold, a large drop from 46% in 2019. Some produce managers are concerned about "changing over to organic," while others worry about "continued availability of high-quality organic local produce."

In the most recent "Fresh Facts on Retail" quarterly report from the Washington, D.C.-based United Fresh Produce Association, organic produce dollar sales reached nearly \$1.5 billion, which is 3.9% higher than the amount logged the same time last year. This represents 9.1% of all produce dollars in Q2 2019. Organic vegetables sold the most, but organic fruit also gained in sales.

Signage for weekly specials within the produce department remained the most popular form of promotion, the current survey showed. According to respondents, 81.1% place signage within the department and 44.2% use it elsewhere in the store. Signage promoting meal and eating suggestions is used elsewhere in the store by 39% of those surveyed, and in the department by 41.1%. Signage denoting the local origin of produce is used within the department by 80% of those surveyed, and elsewhere in the store by 34.7%, while signage identifying the country of origin is used in the department by 79% and elsewhere in the store by 21.1%.

Sampling items is also strong in the produce department, according to 60% of respondents, and elsewhere in the store, cited by 34.7%.

#### And the Future . . .

Looking to the future, there are many opportunities and challenges for the produce department. "One thing we are facing ... is sustainability in packaging, for stores and for the industry," says Savidan. Southern California is beginning the move toward bans on plastic containers. "We will be using 100% compostable containers eventually," he notes. "This will be huge for the industry. It's like going back to we started, with (pre-plastic) containers."

Another area that produce departments are dealing with, which is still fairly new, is product recalls. According to FMI's 2019 "Power of Produce" report, among the 97% of shoppers who would appreciate updates on major product recalls, email and in-store signage are the preferred contact. Twice as many shoppers simply want in-store signage to inform them of recalls, rather than having the store suggest alternatives. Many shoppers, in particular Millennials, are also interested in learning more about how to safely handle produce at home, especially in regard to safe storage and preparation.

NOTE: This article has been edited for content and length. To view the entire article, please visit [www.progressivegrocer.com](http://www.progressivegrocer.com).

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MARK YOUR CALENDAR  
& PACK YOUR BAGS!

**November 21, 2019**  
2019 Florida Ag Expo  
Gulf Coast Research & Education Center  
Wimauma, FL  
[www.floridaagexpo.net](http://www.floridaagexpo.net)

**December 5-6, 2019**  
United Fresh Produce Association  
Sales Training Programs  
Hyatt Regency Monterey  
Monterey, CA  
[www.unitedfresh.org/produce-sales-training](http://www.unitedfresh.org/produce-sales-training)

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