



MARKET UPDATE

Weather Update: Hurricane Florence and its projected path will undoubtedly have an effect on Eastern crops, particularly those in NC and SC. Its effects could be further reaching, depending on the length of time it stalls and the location of that stall. So, the best we can do is provide you with information about what crops are like today....and look for more information after the brunt of the storm has passed and damages have been assessed, which will likely be just in time for next week's report.

Tomatoes: New round and roma tomato crops in NC and TN are finally underway and are just now beginning to see consistent Fall-type volumes with good quality. VA is still in the mix as well, as they head into the home stretch with the last week of crown picks on rounds. Pending no major damages from Florence, VA farms will harvest another week or so while TN, AL & NC could go until first frost in early-mid October. Meanwhile, Quincy is on tap to start the last week of September/ first week of October with Ruskin to follow a few weeks later. Grape tomato numbers are adequate with product coming from 3rd & later VA picks as well as from a mix of older and newer plantings in NC and TN.

Western markets continue to have a fairly steady stream of tomatoes. The San Joaquin Valley expects consistent volumes of rounds and romas through the rest of the month, while Baja and Eastern Mexico each continue to harvest remaining Summer acreage and wait for Fall plantings to start in a few weeks. Grape tomato numbers out of Baja are increasing as growers move into new acreage. Quality is also improving as harvests have moved past problem fields.

Bell Peppers: Although bell pepper production is winding down in several Eastern areas (MI, NY), there seems to be enough product to go around this week. SC managed to get in 1st picks of new Fall crops before the storm comes ashore, but may be seriously

impacted...stay tuned. With volumes declining in other areas and GA on tap to start by October 1st, these next few weeks could see things tighten up. In the West, CA volumes are down slightly due to some crop failure in Stockton. However, new blocks in other areas are starting which should hopefully fill in the blanks. Quality continues to be excellent in CA with thick walls and beautiful color.

Cucumbers: Despite reports of new fields starting in Baja this week, Western cucumber volumes remain very light and are likely to until the last week of September when Mainland Mexico starts up. The East is faring only slightly better with cucs, as northern growing areas are winding down quickly and only light volumes are available from spotty local deals in the South. Numbers have been decent from Eastern NC, but most of the area is now under mandatory evacuation for at least the weekend. Fortunately, south GA will begin harvesting new crops next week, which should provide help.

Summer Squash: As we move deeper into September, more Eastern areas are bowing out of the Summer squash deal, leaving production to NC, SC, VA, TN, and GA. GA just got up and running and aren't into strong volumes yet. With weather set to affect most other production areas, it will be most helpful for GA to build volumes quickly. The Western squash scenario is the same as last week- CA is entering seasonal decline, Baja has just started with some zucchini, and Mainland Mexico is just a week or so away from new harvests.

Hard Squash: Acorn, butternut & spaghetti squashes are available in good numbers nationwide this week. CA farms are in mid-season, while many Eastern local programs have now joined the party. There are some hit-and-miss sizing and scarring concerns, but overall quality is good.

TRANSPORTATION FACTS

*The national average diesel price rose just under \$.01 per gallon this week, coming in at \$3.26.

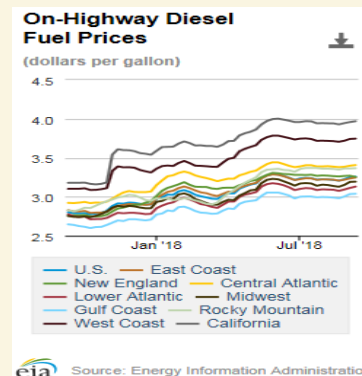
* The average price for a gallon of diesel is \$.46 higher than the same time last year.

* All areas except for New England and the West Coast reported price increases this week. The most notable price hike was in the Lower Atlantic, where a gallon of diesel fuel is \$.02 higher than it was last week.

*California maintains its role as the high-price leader at \$3.97 per gallon. As usual, the Gulf Coast region offers the lowest price at \$3.04.

*The WTI Crude Oil price rose slightly this week, moving from \$69.87 to \$70.37 per barrel (up 0.7%).

*Despite slight shortages in select potato, onion and melon shipping areas, truck availability is adequate throughout most of the country this week. There's still a slight surplus of transportation at Mexico crossing points, but that should take care of itself in a few weeks.



ON THE HORIZON CONTENTS

Sustainability Scoop- [page 2](#)

News in the Grocery Trade- [page 3](#)

Keep Your Eye on the Consumer - [page 4](#)

Restaurant Industry News- [page 5](#)

Produce Barometer-[page 3](#)

September Calendar- [page 3](#)

National Weather Spotlight- [page 4](#)

Pack Your Bags - [page 5](#)

SUSTAINABILITY SCOOP

Lipman Family Farms' Water Management

By: Kevin Yue, Environmental Compliance Engineer, September 5, 2018

In the August 30th edition of On the Horizon, we introduced you to the Lipman Family Farms Sustainability Program, which is comprised of five pillars: Water Management, Land Management and Soil Health, Waste Management, Energy, and People. In this article, we will focus on water management throughout our operations.

Whether it be tomatoes, oranges, cucumbers, or other vegetables, water is one of the key inputs that is used to grow a successful crop, alongside fertilizer and sunlight. Through effective and optimal management of water in our operations, Lipman strives to ensure that the water we use is not wasted. Familiarity with local climate and weather changes is vital when considering crop irrigation.

Florida has dry seasons as well as a lengthy tourist season where demand for water increases significantly. Lipman is conscious of this issue and works continuously to lower water usage and increase efficiency during our production season at the farms and packing houses.

In earlier times of farming, seepage irrigation, where the groundwater table is artificially raised, ensures the root zone of the plants can contact the water and transfer nutrients. However, this method of farming requires an intense volume of water (and use of fuel to power pumps, wear and tear

on motors, etc.), and as a result, the efficiency is typically less than 20% in tomatoes. Seepage irrigation is generally controlled by the evapotranspiration (ET) in the field and continued loss back into the ground over time, thereby requiring additional water to be pumped and balanced. Because this method is resource intensive, Lipman has continually looked at ways to move beyond seepage farming to improve our water use efficiency at our farms through precision applications of water using drip irrigation.

The majority of our fields are now using drip irrigation to grow our crops. We utilize computerized irrigation systems that cycles the equipment to move the water from the ground to our fields. The cycles are designed so that just the right amount of water is moved through the system (along with the nutrient amendments) to the plants. Once the cycle time has been reached, the system shuts down and prevents additional water from entering the system while ET sensors continuously ensure that we optimize our production. This minimizes the amount of water that creates runoff from our fields.

Agricultural runoff is a major contributor of pesticides and nutrients to surface water. Through proper planning, overall runoff can be reduced, greatly reducing

environmental impacts to surface water.

In addition to the water used at the farm, we also need to use chlorinated, warmed water to ensure that the produce is thoroughly cleansed of biological contaminants prior to packing. Although the quantity of water used at the packing houses is significantly less than at the farms, we strive to use only what we need to operate. In these facilities, we also look at our operations of toilets, handwashing stations, and cleaning activities to cut down on the amount of water that leaves the packing house while still maintaining a high quality of sanitation for our employees.

As you can see, water is taken very seriously at Lipman and we aim to optimize to use just the right amount of water to grow and pack our produce for our customers. This is just a brief look at the work that we do to monitor and track our usage to conserve this precious resource.

The next article will focus on land management and soil health, so if you have a particular focus you would like us to discuss, or would like more information about our water management program, please contact us!

a commitment to sustainability
**THE RIGHT
THING TO DO**

News in the Grocery Trade

Strengthen Your Brand and Draw Customers to Your Store

By: Christine Alamed, www.qsrmagazine.com, September 11, 2018

As Millennial and Generation Z customers become powerful drivers of consumer spending, it's unsurprising that their tastes and preferences differ from past generations. This is quite evident in the grocery space, and grocery store managers and owners must adapt their business practices to keep up with the current trends in the sector and satisfy customer demands. The good news for store managers is that there's room for growth despite these changes in customer preferences, and these changes offer store managers the opportunity to reorient their business processes with performance, flexibility and sustainability in mind.

GROCERY STORES AS A DESTINATION

Consumer tastes are changing such that grocery stores, to stay relevant, have begun offering more than just produce, meat and packaged foods. Now prepared food sections, as well as made-to-order cafés, are growing in popularity and reshaping the grocery store as a destination rather than as a place where customers quickly shop once or twice per week. This shift presents several operational challenges to store managers, but also offers a bright opportunity to create a brand that resonates with customers to ensure their return for groceries as well as for prepared meals.

Store managers are challenged to create or strengthen their store's brand and ensure that its message resonates with the local community to facilitate what appears to customers as a customized grocery shopping experience. One simple and cost-effective way for store managers to control their brand's messaging is by using napkins with custom-printed messages in dispensers in the prepared food section. Social media is also a simple and powerful tool that store managers can use to promote their brand, advertise weekly promotions and support community events.

INCREASED EMPHASIS ON FOOD SAFETY

More floor space devoted to prepared foods and cafés in grocery stores presents a new challenge for store managers to overcome. Food safety practices have always been important in traditional areas such as the deli or butcher shop, but now store managers must train staff on restaurant-style food safety practices to ensure that associates follow food-handling practices in back-of-house and front-of-house operations. These new services place an increased emphasis on the need for disposable food-grade wipers that don't leave behind lint and that inhibit the growth of odor-causing bacteria. Good hygiene is good for business, and it is a great point to highlight when promoting the store's brand.

GREATER FOCUS ON SUSTAINABILITY

A store's environmental footprint is of increasing importance to customers, and they expect stores to carry sustainable product lines. Store managers can pursue zero-waste and composting initiatives to ensure that their stores are part of the circular economy. Sustainability improvements, goals or measures are positive points store managers can highlight when promoting the store's brand.

Despite the customer-driven changes in the sector, there's room for profitability and growth as store managers carve a space in this new market. However, these trends put more pressure on store managers and store owners to create and maintain a strong brand to attract and retain younger customers. Staying ahead of these trends can help lead store managers and store owners to successfully navigate this new marketplace.

PRODUCE BAROMETER

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



SEPTEMBER CALENDAR

September 15th-October 15th

National Hispanic Heritage Month

September 16th-22nd

Farm Safety & Health Week

September 16^h

National Guacamole Day

Working Parents Day

September 18th

National Cheeseburger Day

September 20th

National Teach Ag Day

Clinton, NC Weather

Thu Sep 13	Fri Sep 14	Sat Sep 15	Sun Sep 16	Mon Sep 17	Tue Sep 18
86°F	80°F	80°F	82°F	85°F	87°F
74°F	73°F	73°F	74°F	74°F	74°F
NNE 34 MPH	NNE 52 MPH	ESE 35 MPH	E 25 MPH	ESE 11 MPH	SSE 10 MPH
Precip 60%	Precip 100%	Precip 100%	Precip 80%	Precip 50%	Precip 50%

KEEP YOUR EYE ON THE CONSUMER

Study: Consumers Looking for Personalized Expertise; Rewards

By: Marianne Wilson, www.chainstoreage.com, September 10, 2018

Consumers are willing to share their data — if it is in return for something they value. That's according to a new research report from the Retail Industry Leaders Association and Accenture. It found that consumers are most interested in exchanging their data for automatic credits for coupons and loyalty points (64%) and access to exclusive deals (60%), followed by the ability to gain points and rewards (56%) and special offers for items that interest them (53%).

The report, based on a survey of 3,000 consumers and 100 retail industry decision-makers, examines how retailers can capitalize on the moments that truly matter to consumers in the era of ubiquitous shopping. It found that the desire for a personalized, immersive and seamless shopping experience is reaching new heights and that retailers must be prepared to rethink what they do, become trusted advisors for their customers and curate truly meaningful consumer experiences.

The findings revealed a strong and growing desire among all consumers for personalized expertise. Sixty-three percent of consumers were looking for personalized recommendations, up from 57% in 2016; 61% were looking for design ideas, up from 46% two years ago; and 54% wanted recipe ideas, up from 44%.

In other findings:

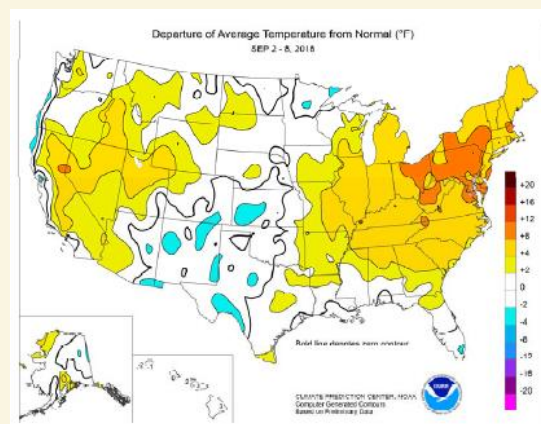
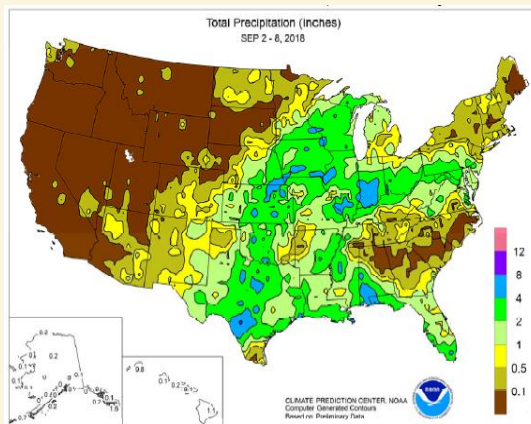
- The vast majority (94%) of retail executives believing ubiquitous shopping represents a complete transformation or significant change for the industry. And a similar proportion (93%) foresee the same degree of disruption for their own businesses.
- While two-thirds (65%) of industry executives view online commerce as the driving characteristic of ubiquitous shopping, and over half (53%) cite mobile purchases as key, a third (33%) say new technology like voice commerce is top of mind.
- Eighty-four percent of retailers see image commerce — i.e. the process of taking a picture, then using technology to identify and purchase the product — as important to success, and most consumers would shift at least half their purchases to retailers offering the experience. Fifty-six percent of consumers are interested in image commerce with 63% of consumers saying they would consider shifting at least half of their purchases to retailers offering it.
- The research shows immersive technology is of interest to consumers, especially in the area of design. Fifty-six percent of home décor and electronics consumers are already using immersive technology — or cannot wait to do so. Sixty-three percent of retailers think the technology is very important; 37% of executives said they are investing heavily.
- Blockchain, is still in the early stages for retailers with two-thirds not ranking it among their top five impactful technologies suggesting its potential to enable new customer experiences and disrupt commerce has yet to be harnessed.

"The data is clear," said Adam Siegel, senior VP, innovation, research, and sustainability, Retail Industry Leaders Association. "Whether it's in-store, on-the-go or from the comfort of their couch, consumers are expecting more from retail brands. Retailers must continue to innovate, personalize and enhance the in-store and online — the ubiquitous — shopping experience to meet consumers wants and needs."

The report notes that new business models should be centered around specific user needs and shopping styles. Product teams should be leveraging data-driven creativity to better understand the audiences they are actually designing for. And marketing promotions should be grounded in granular insights about the profitability of individual products and customers, according to the report.

NATIONAL WEATHER SPOTLIGHT

Weekly Precipitation and Temperature Deviation



RESTAURANT INDUSTRY NEWS

Hurricane Florence: Eight Emergency Response Tips

By: Nancy Luna, www.restaurant-hospitality.com, September 11, 2018

As residents in the South prepare for Hurricane Florence, scheduled to make landfall on Thursday, legal experts say restaurants should have an emergency response plan that covers everything from employee scheduling to understanding insurance coverage. Nation's Restaurant News talked to Ogletree Deakins, a South Carolina-based labor and employment law firm that represents employers. Here's what attorney Hal A. Shillingstad is suggesting restaurants consider before, during and after a major natural disaster.

Triage tasks: Review your emergency response plan. If you don't have one, "this isn't the week to write your response plan," Shillingstad said. But, you can triage tasks by dividing responsibilities among managers. One group, for example, should be responsible for operating the business during the storm (if the company decides to do that). Another group should be a crisis management team. That team deals directly with preparation and fallout tied to the storm, and its first consideration should be communication with employees.

Employees and scheduling: The restaurant should have a clear plan for communicating with their workforce. Regular messages should be sent updating staff on scheduling, hours of operation, and employee assistance programs (such as contact numbers for emotional support programs or counseling). If you're going to close the restaurant, prompt communication with hourly employees is especially important because restaurants "don't want hourly employees to show up and expect to be paid," Shillingstad said. A crisis phone number should be provided for employees to ask questions. Communicate by email, phone, text or through the company's scheduling app. "The key is to make sure they are notified promptly," Shillingstad said.

Notifying Customers: If you run a chain, let customers know which restaurants in the system will be closed during the storm. Inform them through your various platforms such as web sites and social media accounts. Multi-unit franchisees should do the same. Shillingstad recommended doing whatever you can to inform the public because "people will be using their phone to try and see what's open." If catering orders or other pre-scheduled events, such as private parties, are affected by the storm, notify customers in a reasonable amount of time. Also, check with your suppliers on deliveries. The restaurant might be prepared to get the job done, but if you can't get a delivery from suppliers, then the event might be impacted anyway. If a special events contract is written correctly, it will have an exclusion for lack of performance in the event of a natural disaster.

The Human Element: If you decide to stay open, be mindful of the human impact of a natural disaster. Your staff might need time off to care for their homes and loved ones. "The company should be mindful of the burden they place on managers. These employees will have their own obligations," Shillingstad said. Travelling to work might also be difficult. If an employee cannot make it to work due to disaster-related transportation issues, that may be considered an absence for personal reasons under the Fair Labor Standards Act if the employee doesn't work from home.

Access to electronic data: Check with your I.T. department to ensure that you have access to electronic data and back-up power to maintain operations. "Your information technology department should focus on ensuring that all electronic data is backed up, preserved, and accessible," Shillingstad said.

Insurance: Understand your coverage. Track all extra expenses incurred, such as renting generators or barricades, as they might be recoverable under certain policies. Inventory your perishables as any food losses will likely be covered by insurance.

Workplace Safety: If you're asking employees to work, make sure they are entering a safe premise. Employers are responsible for protecting their employees from unreasonable dangers.

Employment laws: Nonexempt, or hourly, employees are paid for work performed. Employers are not obligated to compensate them if they close the restaurant. Exempt employees — typically managers — who work a portion of the week must still be paid for an entire week. If the restaurant is closed for one week or more and no work is performed, the employer has no obligation to pay that employee if he or she does not perform any work. Some of your employees may be volunteer responders or members of the National Guard. Job protections are in place for those employees, so employers should be aware of that, Shillingstad said.



**MARK YOUR CALENDAR
PACK YOUR BAGS!**

October 1-3, 2018
National Restaurant News'
MUFSO (Multi-Unit Foodservice Operators)
Conference
Hyatt Regency Reunion
Dallas, TX
www.mufo.com

October 19-20, 2018
PMA Fresh Summit Convention & Expo
Orange County Convention Center
Orlando, FL
www.pma.com/events/freshsummit

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