



MARKET UPDATE

Tomatoes: Eastern tomato volumes remain light this week, but should pick up a little steam over the next 7-10 days. VA has begun Fall harvests on rounds and TN is a few days away from starting with new crops of rounds and romas. Both areas expect Fall crop yields to be less than those that came from Summer plantings, but quality and harvest numbers will improve over those from recent weeks. Growers in the NC mountains are starting to move into their final crown picks and will likely finish up by the end of the month. With VA's flush, new crops out of TN, and steady, light volumes out of Western NC, grape tomato supply has been solid this week. However, VA's grapes are ahead of schedule due to heat and we will likely see volume drop noticeably in the next week or so.

Overall, Western markets have an adequate supply of tomatoes. Growers in CA's San Joaquin Valley have finally worked through crops affected by bloom drop and are into better volumes on rounds and romas. Eastern Mexico continues to work existing acreage as they await Fall production in October. Baja is beginning to see increased volumes on romas as growers break into Fall plantings with rounds to follow in a few weeks. Grape tomato numbers are also improving as Baja's fall acreage begins to come on. There are still quality problems in some lots (gold flecking, translucent fruit), but much of the new crop fruit looks good.

Bell Peppers: With various areas still in the mix (MI, NY, NC, VA, KY, PA, NJ), the East has adequate bell pepper volumes to meet market demand. Quality and sizing varies by area, as most are moving into the latter stages of their seasons. SC will be starting up over the next week which signals the beginning of the transition into more Southern growing areas. In the West, California's strong production is showing signs of slacking up a bit, but quality is still very nice from several growing areas.

Cucumbers: Cucumbers remain snug in the West. Although there are a few new fields starting next week, overcast conditions have made crops slow to grow. Quality has been good and shelf life is strong on what's available though. Nogales expects to see its first shipments around September 20th which should improve the supply situation. Light to moderate volumes are available in the East from MI, NY, NC, NJ and others, but some of the more Northern crops are beginning to tire. Production will begin to slowly migrate to the South, starting with Georgia's Fall crop in 7-10 days.

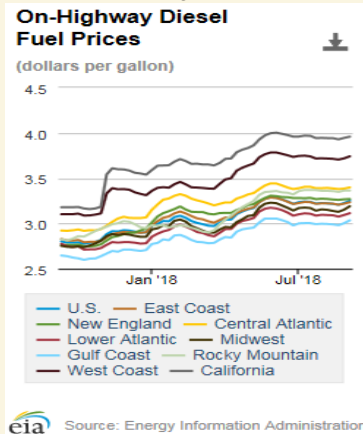
Summer Squash: The East has an adequate amount of yellow and zucchini squash available from a variety of areas. There is a mixture of product from older and newer plantings, resulting in a wide range of quality. Georgia has started Fall production and should become a factor over the next week or so. In the West, Santa Maria, CA's production is dipping as growers battle plant disease and move into the seasonal decline. Baja is starting new fields this week and should have volume on zucchini in 5-7 days. Hopefully, current supply will be adequate until Mainland Mexico gets underway in mid to late September.

Eggplant: Despite the start of growing area transitions, eggplant availability is adequate in both Eastern and Western markets this week.

Chili Peppers: With the exception of tomatillos, chili peppers are available in good supply from both Mexico and CA this week. Tomatillo producers are on the tail end of older blocks as they wait for new plantings to mature. Quality is less than desirable on tomatillos, but very nice on the other chili items. The East continues to putter along with light volumes from NJ, MI, NC and a few scattered local deals. Volumes and quality are hit or miss, which is sending much of the business to the West.

TRANSPORTATION FACTS

- *The national average price for diesel fuel rose almost \$.03 this week, coming in at \$3.25 per gallon.
- * The average price for a gallon of diesel is \$.49 higher than the same time last year.
- * All areas except for the Rocky Mountain zone reported price increases with the most notable in the Midwest, where a gallon of diesel fuel is \$.038 per gallon higher than it was last week.
- *California maintains its role as the high-price leader at \$3.96 per gallon. As usual, the Gulf Coast region offers the lowest price at \$3.04.
- *The WTI Crude Oil price rose again this week, moving from \$68.53 to \$69.87 per barrel (up 1.9%).
- *Although melon shippers are still coming up short, transportation availability in the Eastern US is at adequate levels. Trucks on the West Coast are also available in good supply with surpluses at Mexican crossing points.



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RESTAURANT INDUSTRY NEWS

What are the Best and Worst States for Servers?

By: Peter Romeo, www.restaurantbusinessonline.com, August 30, 2018

Requiring restaurants to pay servers and bartenders the full minimum wage may not deliver the compensation advantages touted by opponents of a tip credit, a new study suggests. The report ranked the five best and worst states for tipped employees to work, based on a combination of the wages employers are mandated to pay the workers and the typical percentages restaurant customers add to their bills as a gratuity for the staff.

Only one of the five best states, Minnesota, does not allow restaurants to count servers' tips as a portion of the minimum wages the staffers are due. The state, one of only seven that don't currently have a tip credit on the books, was ranked No. 5, with servers there typically collecting \$7.87 an hour directly from their employers and tips averaging 17.57% of customers' bills.

Included among the other four are Maine, where a tip credit was scuttled by voters in a 2016 ballot referendum, then reinstated last year after servers in the state formed a group to lobby for restoring it. Members of the group, which has since become a national lobbying force called Restaurant Workers of America, complained that their incomes declined; many customers stopped tipping, presuming the servers were paid a handsome salary because of the rule change, and the higher wages paid by employers failed to offset the decline in gratuities.

The new study, "The Best and Worst States to be a Tipped Worker," found that waiters, waitresses and bartenders in Maine are now collecting gratuities averaging 19.36% of customers' tabs, in addition to the \$5 an hour that employers

are mandated to pay them directly. The combination earned the state the second slot on the ranking of the best places for servers to work.

Best and worst states for tipped employees

The No. 1 slot went to Connecticut, where restaurants and other employers are obliged to pay tipped employees at least \$10.10 an hour, considerably more than the \$2.13 mandated by the federal government as the minimum for employees who are customarily left a gratuity. On top of that wage, servers there tend to collect tips equal to 18.58% of customers' tabs.

The worst state for tipped workers is Tennessee, according to the study, which found consumers there tend to leave a tip of 16.38%. The minimum wage required of employers for servers is \$2.13. Rounding out the worst workplaces for tip earners, in ascending order, were Wisconsin, Nebraska, North Carolina and Wyoming. All but Wisconsin require employers to pay servers a minimum of \$2.13 an hour, regardless of their tips. Wisconsin mandates \$2.33.



The report was based on interviews with 208 consumers in each of the 50 states. The research was conducted for TSheets, a division of Intuit that sells employee scheduling and tracking software. It was released amid a push by union-backed groups such as One Fair Wage to overturn the tip credit of the 43 states that allow restaurants to count tips as a portion of servers' minimum compensation levels.

The advocates recently succeeded in their demands that an initiative to overturn Michigan's tip credit be included on the state's ballot in November. They also scored a victory with the June decision by voters in Washington, D.C., to overturn that jurisdiction's tip credit.

Best and worst states for tipped employees

Rank	Best states	Average tip rate	Minimum cash wage
1	Connecticut	18.58%	\$10.10/hour
2	Maine	19.36%	\$5.00/hour
3	Vermont	18.32%	\$5.25/hour
4	Florida	18.21%	\$5.23/hour
5	Minnesota	17.57%	\$7.87/hour

Rank	Worst states	Average tip rate	Minimum cash wage
1	Tennessee	16.38%	\$2.13/hour
2	Wisconsin	16.18%	\$2.33/hour
3	Nebraska	16.49%	\$2.13/hour
4	North Carolina	16.08%	\$2.13/hour
5	Wyoming	15.91%	\$2.13/hour

Sustainability Scoop

A Peek Inside the Future of Food Waste

By: Lisa Giovannelli, www.gsrmagazine.com, August 2018

With over a third of the world's food going in the trash, food waste has become a major problem. Carbon emissions and methane gas caused by decomposing food waste in landfills, not to mention the impact of trucking significant amounts of waste, is contributing to climate change and environmental decay. Food waste is also creating problems in urban environments with pests. Pest control has been an ongoing losing battle for most major cities for centuries. Solutions like better waste containers and more frequent garbage pickups have been largely ineffective at curbing the alarming growth rate in urban pest populations.

New York City passed legislation in 2016 requiring certain high volume businesses, like food manufacturers, arenas, and hotels to divert organic waste from the traditional waste stream destined for landfill. This year, the city expanded that legislation to include large footprint food retailers and restaurant chains. By diverting more organic waste, New York City hopes to solve a number of issues associated with food waste disposal and technology is lending a hand. Many cities are following suit, but the impacted businesses are only starting to learn their options.

An aerobic digester is an on-site food waste disposal solution that may be the key to achieving significantly reduced costs, pests and environmental impact for food businesses. An aerobic digester can be as small and compact as a dishwasher or larger for institutional applications. The food waste is added directly to the digester, and with the aid of microorganisms, water and oxygen can be "digested" into a safe, liquid form.

By addressing the organic waste at the point of generation, it is possible to remove it from landfills, reducing or eliminating the cost of hauling away food waste. It is also possible to significantly reduce negative environmental impact and pest populations. Food businesses, grocery stores, universities, nonprofits and other groups dealing with food waste can address organic waste at the point of generation with an aerobic food digester.

Using a digester for food scraps and most organic waste, bypasses the traditional trip to the dumpster or curb for pickup. Additionally, if those sewer lines lead to an advanced wastewater treatment facility the discharge can ultimately be used as a fuel source to generate renewable energy or to produce compost.

An added benefit to using a digester are the insights it can provide. A technology-driven solution can utilize its internet connection to track the disposal process in real-time to ensure all of the food waste generated is properly disposed of. This helps users become smarter about what they are throwing out to make the appropriate changes that will positively affect their supply chain process.

Waste management is one of the most time-intensive and frustrating tasks endured by the food industry. It's difficult, messy, and expensive. Digesters can remove food waste from dumpsters or the curb, eliminating unwanted vermin and odors as well as relieving many of the demands on housekeeping. As more and more businesses, cities and neighborhoods seek to become more sustainable with their food waste, reduce their carbon footprint, save costs on disposal and help combat rodent infestation, digesters are a safe, green way to give food waste a bright future.

PRODUCE BAROMETER

ITEM	QUALITY	PRICING
Bell Pepper	Wide Range	Steady
Cucumber	Fair to Good	Steady
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-All Month**
- Food Safety Education Month
- September 9th-15th**
- Truck Driver Appreciation Week
- September 7th**
- National Acorn Squash Day
- National Food Bank Day
- September 13th**
- Kids Take Over the Kitchen Day
- September 14th**
- National Eat a Hoagie Day

Clinton, NC Weather

Fri Sep 7	Sat Sep 8	Sun Sep 9	Mon Sep 10	Tue Sep 11
92° F	91° F	88° F	88° F	88° F
75° F	73° F	73° F	74° F	74° F
NNE 6 MPH	N 5 MPH	ENE 7 MPH	E 5 MPH	S 5 MPH
Precip 20%	Precip 30%	Precip 50%	Precip 40%	Precip 20%

KEEP YOUR EYE ON THE CONSUMER

Why Assuming Gen Zers are Younger Versions of Millennials Will Cost You

By: S.A. Whitehead, www.fastcasual.com, August 30, 2018

Members of Gen Z, those born between 1996 and 2010, are a perplexing bunch, as you learned Tuesday from ResearchandMarkets' most recent report on the youngsters. They are just as likely to head to the new restaurant down the street as to order online, for example.

Another survey of 22,000 U.S. college students is echoing that somewhat split-brain approach to the digital and physical worlds. Student affinity network — Unidays — partnered with Ad Age to poll 16- to 25-year-old students about their favorite brands and how they engage with them. And we'll just put it this way, restaurant brand communications and marketing teams have their work cut out for them.

Take, for instance, survey findings like the fact that these young adults were often more attracted to billboard ads than digital promotions, love hard copy books (77 percent) and preferred to engage with brands via email (40 percent) . Also, they rarely listen to podcasts or watch Facebook Live, and while 98 percent own smartphones and nearly as many own laptops (93 percent), few (14 percent) have smartwatches and fewer still have virtual reality gear (3 percent).

Unidays CMO Alex Gallagher said restaurant brands should understand that while this 16- to 25-year-old age group clearly chooses digital mediums first, they do not completely reject more traditional sources of information. He said wise marketers would do well to remember this and design their approaches accordingly.

"This blending of the physical and digital — which we've coined "phygital" — is necessary to drive understanding and acceptance with the Gen Z generation," he said in an interview with this website about the survey.

As an example of how this manifests, he used the information from the survey about Gen Z shopping habits, which might not be so different from those of any other generation. He said the survey found that while these young adults love to look for products online, they also love to shop in physical stores and sometimes hard copy advertising.

"They like 'bricks and clicks,'" he said referring to physical stores and online shopping channels. "The research revealed they didn't like to click on ads, but did notice billboard advertising. ...It's critical for brands to develop a cohesive strategy, across both online and offline, that caters to their unique preferences."

Other findings from the survey, are equally eye-opening. For instance, a majority (56 percent) don't click on ads when browsing websites. Likewise, a quarter of those surveyed said they still subscribe to cable, and in the U.S., 38 percent watch streaming services on that good ol' television set.

Here are a few other findings from the survey:

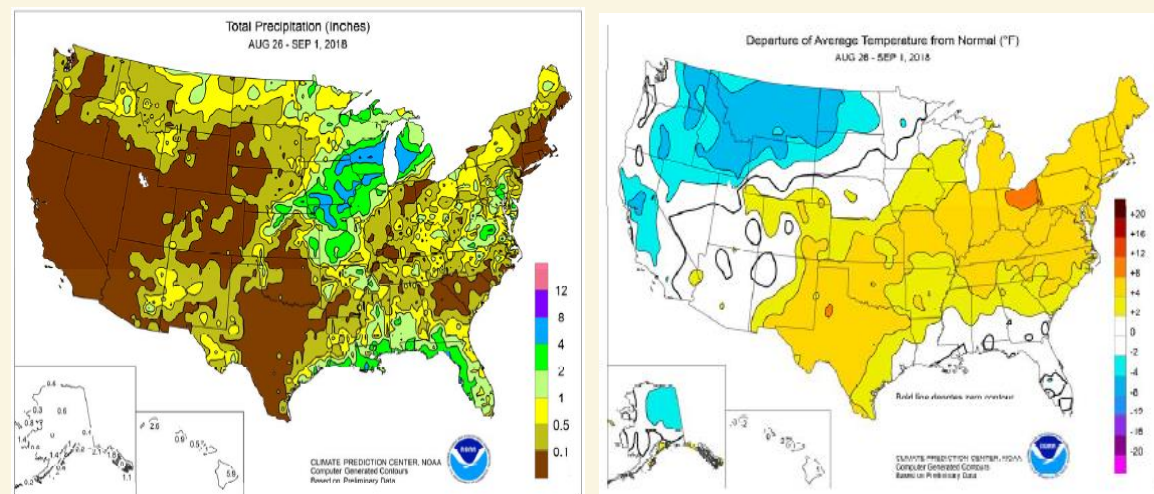
- For brand inquiries, these "millennials of tomorrow" still send emails (38.2 percent).
- 63 percent of U.S. respondents "don't trust Facebook with their personal data."
- 79 percent allow some, but not all apps, to know geo-locations.

"It's critical for brands to develop a cohesive strategy, across both online and offline, that caters to their (Gen Z's) unique preferences," Gallagher said.

Lest any brand leader doubt that pursuit is worth its while, Gallagher also reminded us that by 2020, Gen Z will be 40 percent of the U.S. population with \$144 billion in spending power. He said the leaders who get out in front with their communications and engagement strategies now are clearly better positioned for tomorrow.

NATIONAL WEATHER SPOTLIGHT

Weekly Precipitation and Temperature Deviation



NEWS IN THE GROCERY TRADE

Forecast: Consumers' Use of Grocery Apps to Nearly Double this Year

By: Deena M. Amato-McCoy, www.chainstoreage.com, September 5, 2018

Grocery apps are among the fastest-growing apps in the United States, and their momentum shows no sign of slowing. This year, 18.0 million U.S. adults will use a grocery app at least once a month, up 49.6% over last year. This is based on smartphone users who have at least one grocery app on their phone, according to a forecast from eMarketer.

When analyzing the adoption of apps that primarily deliver produce and perishable items, including meal kit services, more than one in five adult smartphone m-commerce buyers will use a grocery app to order food by next year.

"Shoppers are becoming more comfortable with ordering online in general, and grocery is a part of that," said eMarketer senior analyst Patricia Orsini.

The key hurdles for ordering fresh produce and other perishable items online typically has been delivery time, and the desire to hand-select produce and meat. The good news is more retailers are overcoming these hurdles.

"Retailers have been able to transcend these barriers with click-and-collect models of delivery — order online, pick up in-store. And if the shopper is ordering from their regular grocery store, familiarity helps them trust that the products will be of the quality they expect," Orsini added. "A bad experience, however, could turn consumers off for good, so retailers need to ensure they provide a good experience from day one."

According to the report, there is robust growth for grocery apps. Yet, the general food and beverage category (which includes non-perishables) is one of the most under-penetrated within the U.S. e-commerce market. At \$14.94 billion, food and beverage retail e-commerce sales will represent just 2.8% of all U.S. e-commerce sales this year.

"The percentage of online grocery sales remains small, [but] it is one of the fastest-growing online categories," Orsini said.

"While no one expects the number of brick-and-mortar grocery stores to seriously decline, the options consumers will have to purchase groceries will increase," she said. "Retailers recognize this; they are improving their online offerings in order to retain market share."

FRESH
TOMATOES

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MARK YOUR CALENDAR

PACK YOUR BAGS!

October 19-20, 2018

PMA Fresh Summit Convention & Expo
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Orlando, FL
www.pma.com/events/freshsummit
Come join #TeamLipman at Booth 1728!

November 7-8, 2018

National Restaurant Association's
Restaurant Innovation Summit
The Empire Room
Dallas, TX
www.restaurant.org

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