



## MARKET UPDATE

**Round Tomatoes:** With TN farms running 2-3 weeks late, Eastern round tomato volume is still lighter than is usual for this time of year. Lipman's VA crops are up and running with moderate volume and there are also a few in AL and NC. But, we're still waiting for the TN crops to get rolling. One of the larger growers will start in a light way this weekend with the others to follow over the next 7-14 days. Meanwhile, our VA farms are harvesting several times a week. Despite some recent weather causing a slight reduction in yields of #1 fruit, our end-pack quality has been very nice. The size profile is in the sweet spot with the 40/40/20 mix that lines up well with market demands. The NC mountain program has really just gotten started in a light way but should move into stronger volumes over the next few weeks as well. Early quality has been really nice and sizing is on the bigger side of the spectrum. Moving to the West, vine-ripe tomato volumes continue in a light but steady way in Eastern Mexico. Baja's overall supply has been consistent, although the fruit is now beginning to size down a bit and more mid-sized fruit is available. Oceanside, CA is on tap to add to the mix by the end of the week as they begin their vine-ripe season. Meanwhile, CA growers continue to offer steady numbers on mature green fruit. There's not a lot of big tomatoes in CA as the heat has kept the sizing profile down for all growers, including Lipman. Our quality has been nice during our first full week of harvesting, but there are some ups and downs in quality from other growers in the area.

**Roma Tomatoes:** As with rounds, the East is waiting for the volume to start flowing from TN. So far, there's only a grower or two with minimal volumes of romas, but more are expected to come online next week. The NC mountain program harvested its first fruit early this week and should see volume

gradually build over the next few weeks. We should also begin to see NJ fruit very soon. Mexico's roma volumes seem to be a little lighter this week for a few reasons: 1) Eastern Mexico has been slow to see increases and their supply has been below average thus far, 2) West Mexico is at the tail end of the season with only a handful of growers still in production and 3) Baja's new acreage has been slow to materialize. Quality has been hit or miss, particularly out of Baja. Moving to the domestic side of things, there is some new acreage that started last week in Oceanside, CA that will provide light to moderate numbers to add to the San Joaquin Valley volume. Crops in the Valley have been a little inconsistent over the past week due to the effects of the recent heat, but we should see more average numbers next week. Lipman hasn't harvested romas in several days but will be back into the fields next week. Our end-product quality has been nice due to good sorting, but the early runs resulted in a more-than-preferred portion of #2 product due to some wind scar and blossom end rot.

**Grape Tomatoes:** Lipman's VA crops are providing the strongest grape tomato numbers in the East. We are into a steady production mode and the VA quality has been an improvement over the latter stages of our now-finished SC crops. Other areas with availability on grape tomatoes include TN and NC- both of which should see gradual volume increases over the next week or two. Baja's grape tomato production is still on the lighter side as there only a couple of growers in harvest at this time. Quality has declined from the older crops, but is improved in harvests from new acreage.

**Bell Peppers:** Our Eastern NC farm is rolling along with steady volumes. The XL size is still a bit snug, as

we're in the crown-pick phase of new plantings and the 2<sup>nd</sup> picks from older blocks haven't really sized down much. We had a few bruising issues recently due to last week's storm, but we've worked through that fruit and are seeing nice product at this point. We expect to go another 2-3 weeks as weather/quality permits, but other areas are at the ready to pick up the slack. Our NC mountain grower is working relatively strong volumes of mostly jumbo and XL fruit, NJ has started in a light way and will ramp up over the next 5-7 days, and other areas, including MI and VA are on tap to start up next week. Pending no major weather, Eastern bell pepper supply looks promising for the next several weeks. The heatwave that has been going through Northern CA ended the season about a week early for Bakersfield. This has left a gap in supply as new fields in Fresno are just getting started. A grower out of Somis, CA, which is a little further south, has also lightened up in supply. The market has reacted quickly and Western peppers may remain snug for the balance of July.

**Cucumbers:** Eastern cucumber production is moving right along, with the stronger volumes still coming out of Michigan and New Jersey. New York is also in the game now and will see volume increase as they move closer to August. Smaller deals are going in NC, VA, and TN, among other areas. MI volume should see a boost in 2 weeks, as one of the larger growers gets off to a late start. Overall, quality is good from most areas. Baja has good cucumber numbers this week with load volumes on supers and larges. Quality continues to be strong from this area, as is the norm. Eastern Washington's heat-damaged cucumber crops are providing only light volumes thus far. With slightly cooler weather in store, there's hope the plants will rebound

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## MARKET UPDATE Continued...

**Cucumbers...continued:** but volume could remain light until the western part of the state gets going in about 2 weeks.

**Yellow/Zucchini Squash:** Squash is status quo in the East this week. There are a number of states in production (NY, NJ, MI, KY, NC, VA, TN, IN and PA, among others) with volume and quality fluctuating by area/week. Two of the higher volume states- NJ and MI- have been a little lighter recently, but should pick up the pace as they move into new plantings. There's more zucchini around than yellow, in part due to recent weather's effects on the yellow squash quality. However, there are pockets of really nice product in certain spots like TN. As with the East, there are a number of local programs in the West, providing additional availability to supplement the traditional growing areas in Santa Maria, Fresno, and Baja. Yellow squash is on the lighter side this week as Baja waits for new fields and CA farms are in a lighter mode. Quality and volumes have been strong on zucchini and should continue barring and major weather disturbances. Quality on yellow squash is just okay in Santa Maria, but is better from other regions/areas. Washington state's growers have moved into some new plantings this week, providing a boost to their volume. Despite some ups and downs, there should continue to be promotional opportunities in the coming weeks.

**Eggplant:** Although eggplant production has started regionalizing for the Summer, there are a couple of areas with stronger volumes - Eastern NC and NJ. Our Eastern NC program is about mid-way through crops and production is peaking. We expect to go through the rest of July, then we'll cut the crops back in early August to prepare for the late Summer/early Fall season. NJ has ramped up production quickly and has plenty of fruit available. Add smaller local deals in VA, NC, etc. to the mix and supply is adequate. Looking to the West, CA's Central Valley will continue with good production on eggplant. Larger-sized fruit continues to be plentiful, as we're seeing the heat bringing on the size. Supplies will remain steady over the next 10-14 days, with 18 count being the more promotable size. Volume out of our Baja, MX fields has slowed down from its flush in supplies last week. We will see lighter supplies over the next 7-10 days on Mexican fruit. And finally, Eastern WA is expected to start their summer eggplant season within the next 5-7 days.

**Colored Bell Peppers:** Eastern Canada's colored bell production continues at a mostly steady pace with good quality and all sizes available, although there are a lot of larges coming off right now. Orange is the shorter of the three colors, but availability is adequate to meet demand. Western Canada, having recently experienced a heatwave, is seeing a flush of product but quality is not so great due to heat damage. Central Mexico's production has been steady and should remain so until the first week of August, when some growers anticipate a gap. Some of the Mexico product has quality issues, but there are new growers coming online with new crops/better quality.

**Chili Peppers:** Georgia has officially finished its season, leaving the chili deal to local and regional programs in the East. We're at the point that it can be challenging to find the whole mix in one spot, but NC is the closest of any area to providing the full offering. We will see more options over the next few weeks as NJ and MI get started and a few other smaller local deals add to the mix. Jalapeno availability is, of course, the best. There are decent numbers of poblanos, Cubanelles and tomatillos but serranos are hard to come by in the East. Baja continues to supply all chili varieties in the West. CA farms are also in good production, with generally better pricing and great quality. The heat in the Northwest has put a halt on local production, so we are seeing their usual demand down south.

**Organic Grape Tomatoes:** Volume is still limited on organic grape tomatoes as less growers chose to plant this crop due to high costs. This item may remain on the snug side for most of the summer season.

**Organic Romas:** Supplies are steady and adequate out of the Baja area, but there's definitely not an oversupply of product. We should see the currently light production levels in Central Mexico pick up in 3-4 weeks.



### TRANSPORTATION FACTS

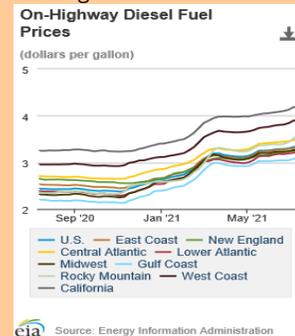
\*This week's national average diesel price eased up \$.01, moving from \$3.33 to \$3.34 per gallon.

\*This year's pricing is \$.90 higher than the same time period in 2020.

\*All areas reported rising prices except for the Midwest, where pricing remained steady. For the third week in a row, the Rocky Mountain region experienced the most significant increase (up another \$.08 this week).

\*California comes in with the most expensive fuel at \$4.19 while the Gulf Coast has the lowest price at \$3.08.

\*Trucks continue to be a factor and are at least slightly short in most areas. South Georgia, Southeast Missouri, South Carolina and Eastern North Carolina report more significant shortages.



**FOOD SAFETY FOR THOUGHT**

**Food Safety Lessons of the COVID-19 Pandemic**

By: Max Teplitski, [www.producemarketguide.com](http://www.producemarketguide.com), July 15, 2021

While it is, perhaps, premature to look at the COVID-19 pandemic through the rearview mirror only, there is enough data to extract some useful lessons.

Over the past few weeks, I came across several interesting reports, one highlighting an 80-95% drop-off in the cases of norovirus infections in the U.S. (and a similar trend in England and Wales) during the COVID-19 pandemic, and another focusing on a decline in foodborne bacterial infections. Similarly, studies in Israel and Spain report a 30-80% decline in reported cases of salmonella, shigella and campylobacter infections. Even though the healthcare system was stressed, authors point out that under-reporting of cases could be ruled out.

While it is beyond doubt that SARS-CoV2 is not a foodborne pathogen, what can we learn from the measures that were put in place to control COVID-19 that also had a positive impact on food safety? Even though we cannot eliminate the possibility that lockdowns minimized interpersonal interactions and that limited the spread of some foodborne illnesses, other factors were also likely at play.

From the first days of the pandemic we were all reminded of the importance of hygiene: washing hands, using alcohol-based sanitizers and doing so often. While hand hygiene is something that is commonplace in the produce and, more broadly, food industry, it was the first time that consumers went to great lengths to sanitize hands before coming into public places and after leaving them.

The authors of the Israeli study, in fact, make a direct link between an increase in handwashing and a reduction in shigella infections. I firmly believe that continuing handwashing and hand sanitizing habits learned over the past 18 months is the single most effective intervention that the food industry and consumers can implement to reduce the burden of foodborne illness.

Disinfecting shopping carts was a new practice implemented during the pandemic. While it was put in place to sanitize high-touch surfaces (such as cart handlebars), I have no doubt that this was the second most effective practice in reducing transmission of foodborne pathogens. For almost a decade data pointed at shopping carts as the place where cross-contamination between packaged animal products (that often leak “juices” potentially harboring human pathogens) and foods that don’t undergo thermal processing takes place. Continuing to make sanitizing wipes and disinfectant sprays available to shoppers as they enter the store will go a long way to reduce the risk of cross-contamination while shopping.

In the rush to shed everything that reminds us of the dark days of the pandemic, let’s keep an eye on the data that can help make the “new normal” a safer and healthier one.



**PRODUCE BAROMETER**

ITEM	QUALITY	PRICING
Bell Pepper	Good	E-Steady; W-Higher
Cucumber	Good	E-Steady; W-Lower
Eggplant	Good	E-Steady; W-Steady
Green Beans	Good	E-Steady; W-Lower
Jalapenos	Mostly Good	E-Steady; W-Lower
Squash-Hard	Good	E-Steady; W-Steady
Squash-Soft	Good	E-Steady; W-Steady
Tomatoes	Good	E-Steady; W-Steady



***Did you know?***

\*Green beans are sometimes called snap beans because when people first grew them years ago they had a fibrous string that ran along the seam of the bean. The string was noticeable when you snapped off the ends. The snapping noise is the reason for its most common nickname.



**Hendersonville, NC Weather**

Fri Jul 16	Sat Jul 17	Sun Jul 18	Mon Jul 19	Tue Jul 20	Wed Jul 21
85° F	84° F	81° F	78° F	79° F	82° F
66° F	65° F	65° F	63° F	63° F	64° F
NW 6 MPH	W 7 MPH	W 6 MPH	WNW 5 MPH	WNW 5 MPH	NW 5 MPH
Precip 50%	Precip 70%	Precip 50%	Precip 60%	Precip 80%	

**NEWS IN THE GROCERY TRADE****Is Nation's Labor Shortage Temporary Phenomenon or Long-Term Issue?****By: John Ross, [www.theshelbyreport.com](http://www.theshelbyreport.com), June 21, 2021**

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The news is filled with reports of America's labor shortage. Liberals claim people aren't working because labor rates are too low; conservatives contend that COVID stimulus has made it better to stay home and collect unemployment benefits. But the arguments don't fix the problem facing the grocery industry: There aren't enough feet on the floor. And suppliers don't have enough hands on the forklift or behind the wheel of a truck. Political or social feelings about the cause of the labor shortage don't matter when owners and store managers are working 100 hours a week to fill in for understaffed departments. What really matters is how to fix it and how long it will last.

In parts of the country, unemployment benefits resulting from COVID relief have legitimately given some people a disincentive to go back to work. But the grocery business did not lay off thousands of workers, as happened in restaurants. In fact, we have been hiring all along. If the issue is truly that some low-income workers make more on unemployment plus subsidy than taking a job, then the problem is temporary. When those funds run out, people will return to work. Simple. But emerging data suggest that it is way more complicated than that.

***America's state of fear***

COVID is not over. For many people, fears of the infection, news of emerging strains coming from India and other countries and fears of vaccine side effects have them sitting at home. In reality, the grocery industry has done an incredible job of keeping associates safe. On an "hours-exposed-to-the-public versus percent-of works-infected" ranking – if such a thing existed – we likely would lead the American work force in safety.

If fear is one of root causes, then at least we know. And knowing, we can adjust recruiting. Do we add the word "safe" to job postings? Are we talking about worker safety in recruiting materials and live interviews? If workers believe safety is important to owners and managers, then it is easier to recruit and retain them.

***Ripple effects***

We must look at the workforce and all of the ways employees have been stressed. When schools were closed, many workers had to stay home with their kids. But now with summer here, many rely on daycare as a solution. Yet the daycare industry has been hit harder than others. Most states have a mandated child-to-caregiver ratio. If there's not enough staff, they have to turn kids away. The crisis in that industry likely is hurting grocers' ability to get two-income families or single parents back to work, especially this summer. Retailers who are more flexible on schedules and understanding of the plight of families dependent on summer day care will be more attractive than those who are more rigid.

Look in the mirror and ask if you are parent-friendly employer. Most family-owned retailers are but may not do a good job promoting it. Or they would like to be, but don't know how. Turns out there are organizations that promote family / parent friendly workplaces. Visit [brightbeginningsmc.org/how-to-become-a-family-friendly-employer/](http://brightbeginningsmc.org/how-to-become-a-family-friendly-employer/) and take the quiz.

***Rethinking recruiting as marketing***

Think about all the energy that's put into a weekly ad – the media buy, deals and in-store signage. Now imagine the effort put into recruiting. Big difference, huh?

The reality is that finding good people isn't something new. We have been suffering with talent and labor shortages way before COVID and likely will suffer for a while. Part of the cause is pure demographics. Baby Boomers and Gen X-ers didn't have as many kids as their parents. Long after the COVID unemployment subsidies and health crisis are gone, we still will be recruiting from a smaller entry level pool.

That means, employers in the next decade will need to be savvy, cleverer and way more creative to attract people into retail. A couple of examples:

- Target shoppers, based on their passion food and grocery. "If you love our stores, we would love to hire you!" is a friendly way to recruit. Or a sign that says, "Join our team and share your love of wine every day."
- Target former restaurant workers. Moving from a high-stress, late-hour restaurant kitchen to a retail bakery or deli is a much better gig. Plus they will bring restaurant skills, a win-win for everyone.

While it is true that the effects of COVID changed the world profoundly, what it did not change is the need to attract talent. Blaming disease or government won't make for better recruiters. But learning how to improve recruitment marketing – to make stores and warehouses friendly places to work – will serve us well into the future.

**RESTAURANT INDUSTRY NEWS****Americans Want to Get Out of their Houses and Eat Out**By: Tom Karst, [www.thepacker.com](http://www.thepacker.com), June 29, 2021

Americans are ready to leave their homes and are spending money at restaurants when they are out.

JP Frossard, New York-based analyst with RaboResearch, said that retail spending data from U.S. Census in mid-June confirms that “after 15 months of home-cooking, home-office, home-schooling, home-everything, all the consumer wants is to be away from home.”

Spending with food-away-from-home (foodservice) has continuously expanded, he said. May expenditures for food away from home came 1.8% higher than April, and the past three months combined resulted 21% above the previous three months (December through February). The increases are on the back of restrictions being lifted, vaccination ramping up, and cases dropping.

“Foodservice spending returned to pre-pandemic levels in May,” he said. Last year, most industry analysts expected pre-pandemic levels could only be reached in 2022.

Frossard said QSR (quick-service restaurants) and limited-service restaurants were the first to start rebounding last year. “They always counted with cheaper items, drive-through structure (mostly QSR), and a younger audience that was less afraid of the virus,” he said. Full service started rebounding earlier this year, first boosted by the two stimulus packages and now that families are getting together again, he said.

“Suburban restaurants have benefitted much earlier than downtown restaurants; there was some news a few months ago mentioning lunch time is the new rush hour in the suburbs,” he said.

Inflation is playing a role on total spending numbers, Frossard said. Inflation in food started along with the COVID-19 outbreak back in the second quarter of 2020.

Surging demand for food-at-home and spot disruptions on certain food manufacturing segments in early stages of COVID-19 pushed prices substantially above the general Consumer Price Index throughout the pandemic year. “News headlines now are all about inflation, but mostly attributed to non-food items, such as used cars and trucks (+29.7% year over year), energy (+28.5% year over year), and transportation (+11.2% year over year), i.e., those categories that most dropped early-pandemic.” The food complex under-indexed (for inflation) at 2.2% year over year, 0.7% for food at home and 4% for food away from home.

The “return to normal life” movement should support higher menu prices in foodservice, Frossard said. “During COVID, despite dropping demand, restaurants have consistently increased prices as a way to compensate for rising ingredient prices and losses with capacity restriction and other sanitary measures,” he said.

“Now we have a shortage in labor market and consequently higher labor costs. Stimulus checks have also supported the sector (for) food away from home — inflation has remained elevated as food at home has recently dropped, compared with the volatile second quarter of 2020.”

For food retail, Frossard said Rabobank is seeing consumers heading back to brick-and-mortar retail, and online grocery ordering’s share of wallet is dropping for the first time.

**INDUSTRY EVENT CALENDAR****July 21-22, 2021**

PMA Foodservice  
Monterey Conference Center/Portola Hotel and Spa  
Monterey, CA

[www.pma.com/events/foodservice](http://www.pma.com/events/foodservice)

Team Lipman will be at Booth #219. Come see us!

**August 5-6, 2021**

Global Organic Produce Expo Golf  
Sawgrass Marriott Golf Resort & Spa  
Ponte Vedra Beach, FL

[www.thepacker.com/events](http://www.thepacker.com/events)

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