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CROP & MARKET

INDUSTRY INFO





MARKET UPDATES

ROUND TOMATOES

Despite a number of farming operations working through growing-area transitions, there are good numbers of round tomatoes in FL. There's actually a little more fruit available this week, as some growers that have been sitting out for a few weeks have gotten back into the swing of things. Lipman is harvesting mostly crown picks in Estero and still has some 2nds to go in Naples. We won't move north to Palmetto/Ruskin for 4-5 more weeks, but we should begin to see other growers harvest in R/P in about 2 weeks. The industry's sizing is heavy to larger fruit and most all have good quality. The West also has solid supplies this week. West Mexico (Culiacan and La Cruz) anticipates steady supplies through the balance of March and into April with volume slowing down late next month. East Mexico farms continue with moderate supplies from winter plantings in Jalisco and expect to see Spring acreage start in mid to late May. Baja will be the next major area of production. A small deal from La Paz will start late this week or early next, with the bulk of volume coming in mid-May from San Quentin and Vizcaino.

ROMA TOMATOES

Although FL's overall production is light as we wait for Palmetto/Ruskin to get rolling in a few weeks, volume has been pretty steady. Lipman's Estero crops are faring well and we're getting nice-quality, larger fruit. We are also still harvesting some 2nd in Naples where sizing and "stature" are a notch smaller. Mexico's volume has rebounded after somewhat lighter production last week. West Mexico (Culiacan, La Cruz, Guasave and Obregon) are once again seeing volumes increase as they work a mix of existing fields and new Spring acreage. East Mexico continues with lighter volumes but anticipates new Spring acreage from Jalisco, San Luis Potosi and Michoacán to start in mid-May to early June. Baja could see very light supplies coming from La Paz early next week, with the majority of the crop from Vizcaino to start May.

TOV

There are plenty of TOV's at southern border and now Canada's volumes are starting to kick in. We're also seeing some CA and other domestic programs get up and running for the season. Good volume and quality are anticipated for the next 4-6 weeks.

GRAPE TOMATOES

There are lots of grape tomatoes in FL! Good volumes are coming out of south FL, Plant City, and soon-to-be R/P. Lipman is harvesting in Estero now where we're focusing on the earlier picks to ensure great quality. Mexico is swimming in grape tomatoes as well. Plenty of fruit is available from La Cruz, Culiacan, Guasave, and even from La Paz in Baja. It's a great time to promote this item!

COLOR BELL PEPPERS

Colored bell pepper production is in the midst of transition. Western Mexico is now in the seasonal decline and quality is all over the board. However, Canada has started in a light way and expects to have good volumes over the next few weeks. Red picks have been strong so far. Oranges should be ready next week, with yellows to follow shortly thereafter. Canada's quality is excellent so far with sizing to the bigger side. Central Mexico is also transitioning between Winter and Spring crops. Current crossings are mostly from older crops and the quality is not the best, but new crops will be the norm in 2-3 weeks and quality should be much better.

GREEN BELL PEPPERS

South FL's Spring crops are bringing moderate volumes of green bells to market this week. Most farms are in crown picks, so the majority of the volume is in jumbo and 2X fruit, leaving the XL size and smaller a bit snug. Look for Plant City to start in mid-April, with Georgia to follow in May. Weather has been great in FL, so fruit quality is good. The West continues to struggle with sizing on the current crops in Mexico. Growers have new plantings that endured some cold weather, which put the plants in shock and stunted fruit growth. They were hoping the warmer weather would reactivate the fruit growth, but they have not rebounded and may not. So, the vast majority of the fruit that's available is large or smaller sizing. The pepper is nice, but shelf life is a little less as growers are leaving fruit on the vine longer in hopes to gain size. These crops will wind down toward the end of April, which is when the delayed CA desert program should start.

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CUCUMBERS

South FL farms are still harvesting strong and steady volumes of Spring cucumbers and now central FL has joined in. This should continue for the next 3-4 weeks, as additional plantings are scheduled to come online to replace those that are finished. Quality has been really nice, but the ground-crop Eastern cucs do have some lighter bellies when compared to the pole-grown product that comes out of Mexico. The Honduran program is on its last legs and will likely finish up next week, as they are down to mostly select fruit. Cucumber supply out West continues to be plentiful with product coming from multiple areas. Quality remains strong. This pattern should continue for the next 3-4 weeks, weather permitting. Baja has started in a limited way, but won't be in the full swing of Summer supplies until May/June.

GREEN BEANS

After having a flush of new Spring beans for the last couple of weeks, FL's volume has declined as growers plowed crops under due to market pricing below production costs. There should still be an adequate amount of product going into the Easter holiday but not the excess level that we've been experiencing. Mexico's bean supplies continue to be somewhat of a roller coaster ride but there are good supplies this week. Plantings are scheduled to have production through the month of April and, if weather permits, into May.

YELLOW & ZUCCHINI SQUASH

South FL's Spring production is rolling with adequate volumes of zucchini, but they are coming up short on yellow squash, in large part, due to quality concerns. South FL plantings will continue for another 2-3 weeks, then the bulk of supply will move to Plant City and other spots further north. There's already been a few squash in Plant City, but we expect to see the volume start to build in the next 7-10 days. In the West, supplies are finally increasing from the northern area of Mexico (Hermosillo). This will give us some great quality and volumes for the next several weeks. Growers in the southern areas have either pulled the plug or will do so by next week.

HARD SQUASH

Honduras will continue to bring butternut and spaghetti into the US for another 2-3 weeks, but things are winding down. Quality is just okay. We've seen some pollination/dry weather issues on the butternut and, of course, scarring on spaghetti. We won't see a significant change until GA comes online in May and then others follow suit in June/July. Unfortunately, Mexican supplies are limited to Sinaloa's dwindling storage crops right now. Strong Eastern demand, cool weather and lighter acreage have all been factors in depleting those reserves out of Sinaloa, especially on butternut and buttercup. Sizing is a major issue on butternuts, as the larger fruit was the first to go. Acorn and spaghetti quality are mostly good in spite of the normal cosmetic issues of ground spot and scarring. The buttercup situation is especially critical as Mexico's acreage is very limited on this item. New crops in Sonora were originally projected to start around April 1st but have been pushed off until mid-April due to cool weather.

MINI SWEET PEPPERS

There are a few more mini sweets available, but certainly no excess of supply. Fruit remains on smaller side with all fresh arrivals showing green cast.

CHILI PEPPERS

There are scattered supplies of select chilies in south FL. Acreage is light on these new crops, with mostly jalapenos, poblanos and Cubanelles available. Look for Plant City to start in mid-late April with stronger numbers and a more complete offering in the category. Mexico has adequate volumes on most chilies as there's steady supply coming from Obregon (Southern Sonora), Central Mexico and Sinaloa. The gradual transition (over a 6-8 week period) to Baja will start soon, although there will continue to be product in Mainland Mexico beyond that. Tomatillos are tightening up as some have already finished current crops and National demand has been very strong during Lent. There have been some brown husk issues caused by inconsistent weather patterns, but the fruit is solid. Quality has been pretty consistent on all the other varieties, although there are some occasional issues from older-crop product.

EGGPLANT

Spring crops are underway in south FL, but volumes are light as acreage is minimal. Quality is average right now, as there are some occasional cosmetic concerns and soft fruit around. Look for Eastern supply to change once Plant City gets going in mid-late April. Mexico continues to have steady and consistent eggplant production, as growers are still seeing good volumes and quality in both West and Central Mexico. Supplies will continue through most of April, then transition into Fresno and the CA Desert for the summer months.

CALABACITA

Supply remains light as we work through the Spring transition from Sinaloa to Sonora. Quality has been challenging on the older crops but should improve once Sonora's fields are fully in action. Farms in the northern growing areas have more acreage in the ground this season, so once they get rolling supply and quality should be very consistent.

ORGANIC GRAPE TOMATOES

There's still plenty of organic grape tomatoes coming out of Culiacan. Quality has been good but business has been slow and you have to look out for aging inventoried product with high color.

ORGANIC ROMA TOMATOES

There are more organic romas available this week and supply is adequate to meet demand. Growers expect to have fairly steady production for the next few months. Quality is mostly good aside from a few light color issues.

ORGANIC MINI CUCUMBERS

Mexico's organic mini cucumber volumes are improving as some new crops get rolling to add to the current production. Quality has taken a dip on the older crops, but new-crop fruit is nice.

ORGANIC MINI SWEET PEPPERS

Organic mini sweets are a little more snug this week, possibly due to some product being sold and shipped as conventional. A few quality concerns are starting to rear their ugly heads, especially from older crops. New crops are coming in green, but do have the size required by retail.



NEWS IN THE PRODUCE INDUSTRY

Food and agriculture's economic impact packs punch

By **Russell Redman**

Mar. 23, 2023

WINSIGHTGROCERYBUSINESS.COM

The U.S. food and agricultural sector—including food retailers—contributes about 18.5%, or \$8.61 trillion, to national gross domestic product (GDP), according to the 2023 “Feeding the Economy” economic impact report, sponsored by FMI-The Food Industry Association and 24 other industry trade groups.

Overall, the food/ag industry's total economic output grew 21.8% since the Feeding the Economy study for 2019, covering the pre-pandemic period, FMI said. The annual report measures the food/ag sector's impact on local and nationwide economic activity year over year.

FMI noted that all 50 states boosted food/ag economic output compared with the 2022 report, reflecting a rebound in U.S. economic activity. The biggest gains in total output were generated by Hawaii (31%), North Dakota (26%), New York (23%), Nevada (22%), and Florida (21%). California led with total food/ag economic output of \$1.1 trillion, followed by Texas (\$733.5 billion), Florida (\$433.8 billion), New York (\$420 billion) and Illinois (\$413.7 billion).

Aside from dollar output, food and agriculture accounted for 46.3 million jobs (+1.5% since the 2019 report), \$2.61 trillion in wages (+26.2%), \$947.93 billion in taxes (+3.8%) and \$202.2 billion in exports (+24.4%).

“FMI is proud to sponsor this research to help shed light on U.S. food and agriculture's \$8.6 trillion contribution to the American economy, which has increased nearly 22% since 2019,” FMI-The Food Industry Association President and CEO Leslie Sarasin said in a statement.

Of total food and agriculture dollar output in this year's Feeding the Economy report, retailing represented \$1.54 trillion, or about 17.9%, in direct economic impact. That includes \$1.26 trillion for on-premise and \$279.45 billion for off-premise retailing. In addition, retail accounted for \$559.35 billion in wages and nearly 17 million jobs in the food/ag arena. The study's research, conducted by John Dunham & Associates, also examined supplier and induced economic impact for food and agriculture. For retail, supplier economic impact totaled \$28.12 billion in output, \$9.65 billion in wages and nearly 202,828 jobs. Retail's induced impact for food and agriculture—i.e. how it affects other parts of the economy—was reckoned at \$176.5 billion in output, \$62.72 billion in wages and 1.4 million jobs.

“Americans say that farmers (53%) and primary food stores (46%) are on their side when it comes to helping them stay healthy, according to our most recent national survey among grocery shoppers,” Sarasin added. “The food supply chain remains committed to doing everything it can to keep food price volatility at bay. We all play a role in improving food access and affordability across this nation, and this research conveys the important role that food retailers, food makers and agriculture play in our nation's economic prosperity to both policymakers and consumers.”

In assessing the direct impact of other food/ag industry segments, the Feeding the Economy report pegged wholesaling as contributing \$278.35 billion in output, \$99.03 billion in wages and 1.05 million jobs. Meanwhile, manufacturing generated total output of \$1.14 trillion, wages of \$158.69 billion and 2.4 million jobs. Agriculture contributed \$458.7 billion in output, \$110.34 billion in wages and almost 2.5 million jobs.

[Continue to read the rest here](#)



NEWS IN THE GROCERY WORLD

FMI: SHOPPERS 'NOT OUT OF THE WOODS YET' WITH GROCERY PRICE INFLATION

By **Russell Redman**

Mar. 20, 2023

WWW.WINSIGHTGROCERYBUSINESS.COM

Despite recently relaxed inflation, high food pricing is likely to linger throughout 2023, an expert panel said in an FMI-The Food Industry Association press call. The food-at-home Consumer Price Index (CPI) rose 0.3% in February, the smallest monthly gain—along with the 0.4% uptick for January—since December 2021 (0.4%), the U.S. Bureau of Labor Statistics reported. Year over year, the food-at-home CPI was up 10.2%, down from 11.3% in January and continuing a steady decline since August.

However, a recent FMI grocery shopper trends poll found that 48% of consumers are extremely concerned about high grocery pricing, up from 40% in October. Likewise, 43% of shoppers said they're concerned about having enough money to pay for food (versus 35% in October), and 76% are concerned about climbing prices for preferred foods (versus 61% in October). The average weekly grocery shopper spend came in at \$151 for February, up from \$148 in October.

"The latest CPI data illustrates that inflationary pricing increases are not resetting as quickly or as uniformly as consumers would like after a really tough 2022," Andy Harig, vice president of tax, trade and sustainability at FMI, said last week in the "Impact of Inflation on Grocery Shopper Buying Habits: Looking Inside Inflation's Black Box" video call. "We anticipate that there could be further volatility in terms of inflation rising and falling in the coming months, and it's likely that food prices will remain elevated in the short term."

Shoppers seem to agree. An FMI survey revealed that consumers perceive grocery price inflation at 23.3% versus an actual level of 12%.

"There are positive signs in play that make us cautiously optimistic that, hopefully, the worst of food price inflation is behind us," Harig said. "But it's clear we aren't out of the woods yet."

Instability in commodity pricing

Price indicators for food commodities are trending positive but remain unstable. In 2023, the ongoing impact of the avian flu stands to keep consumer egg pricing well above normal, at an estimated 37.8% increase versus upticks of 32.2% in 2022 and 4.5% in 2021, according to FMI. Field corn is projected to decline from a commodity price of \$6.80 per bushel in 2022-23 to \$5.70 in 2023-24 and \$4.30 in 2026-27. Also, 2023 consumer pricing is expected to rise just 1.3% for meat (versus 8.2% in 2022 and 7.7% in 2021) and only 2.9% for fruit and vegetables (versus 8.5% in 2022 and 3.2% in 2021).

"As everybody knows, we're coming out of a period of historical inflation. In 2022, we saw the highest year-over-year food price inflation since the 1970s, and everybody's waiting for it to come down. It is coming down, but it's coming down very slowly," said Dr. Ricky Volpe, professor of agribusiness at California Polytechnic State University. "It's coming down slower than a lot of us thought. As a result, if you look at the USDA food price outlook for the year, they're still projecting significantly higher food price inflation than average."

The USDA's range of grocery inflation forecasts for 2023 has a midpoint of over 8% but goes as low as 5.5%, according to Volpe.

"And I will say that, based on my own current outlook and the trends that I'm watching, I think that's probably closer to the mark, barring more surprises," he said. "The reason I'm kind of optimistic for inflation to fall rather than increase as the year goes on is because if you look at most upstream big-picture indicators, we're looking at relative normalcy."

Pricing for core commodities like corn, soybeans, rice and barley are largely flat or coming down, Volpe noted. "Commodity-level food price pressure is abetting, but if the pressure valve comes off at the very start of the food supply chain, that really takes time to transmit through the supply chain and onto the retail shelf." Uncertainties such as weather, climate change and the war in Ukraine, as well as structural issues in transportation and labor, also are impacting the food supply chain, he added.

"The cost of doing business has gone up, and it's another reason why inflation and prices aren't really coming down in a meaningful way," Volpe said. "So we're really hoping for some relief in those regards for food companies of all stripes, from producers to manufacturers to retailers."

[READ ARTICLE HERE](#)



UPCOMING EVENTS:

March 2-4, 2023

Southern Exposure Produce Show
Orlando, Florida

seproducecouncil.com

July 12-13, 2023

Organic Produce Show
Monterey, California

organicproducesummit.com

PRODUCE BAROMETER:

ITEM	QUALITY	PRICING
Bell Pepper	Good	Steady
Cucumber	Good	Steady to Lower
Eggplant	Varied	Lower
Green Beans	Good	Higher to Lower
Chili's	Varied	Steady
Squash-Hard	Good	Higher
Squash-Soft	Good	Steady
Tomatoes	Good	Steady

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