

MARCH 17, 2023

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CROP & MARKET

INDUSTRY INFO





MARKET UPDATES

ROUND TOMATOES

FL's round tomato production is holding steady even though the state's numbers are down about 20% from the same time last year. There's fruit in Homestead and the Immokalee area now, but most growers will transition to R/P over the next few weeks and we'll see volume strengthen. As for Lipman, we are currently harvesting in Estero, where we plan to be for the next 4-5 weeks before moving to P/R. Quality is excellent and most fruit is from crown picks so the profile is heavy to larger sizes. Mexico also has adequate and steady supplies to offer. West Mexico will stay steady through March with sizing dropping off, then move in April and May with lighter volumes. Eastern Mexico will remain in moderate supplies from winter plantings in Jalisco, with Spring acreage scheduled to start in mid to late May.

ROMA TOMATOES

FL's roma production is in a lighter season as we wait for Spring crops to come online in Palmetto/Ruskin. One of the larger growers has a disease issue in their current crops, so the state's overall volume is a few notches lighter than usual for this time of year. Lipman is harvesting from both new crops in Estero and older fields in Naples. Quality is good from both areas although the Naples fruit is not quite as elongated as preferred. Once Ruskin/Palmetto gets rolling in a few weeks there should be a little more volume available. Western volume is adequate, but lighter this week as West Mexico experiences a dip in production as growers transition from wintertime plantings to Spring acreage. Supplies should pick up in a week or two as the transition is completed. Looking ahead, Eastern Mexico will start new acreage in mid-May to early June. We could also see light supplies out of Baja in 1-2 weeks although the majority of the crops won't start until late April /mid May.

TOV

There is not a plethora of product, but supply is adequate coming out of Central Mexico. Look for volume to increase as domestic and Canadian programs get started in the next few weeks.

GRAPE TOMATOES

Warm FL weather continues to spur on grape tomato production. There are good volumes in south FL, Plant City, and soon-to-be R/P. Quality is good from all growers, although you can get high color from those who pick and pack ahead of orders. West Mexico's growers continue to have plenty of fruit to offer with no major quality issues on fresh product.

COLORLED BELL PEPPERS

New crops out of Central Mexico are coming on and there are good volumes of reds and yellow available. Orange is coming up shy, but will catch up to the other colors in a few weeks. Sizing and quality have been very nice on the new-crop fruit.

West Mexico's low and mid-tech growers have a decent amount of product available, but quality is varied so one must pick and choose carefully. Looking to the north, we're on the verge of the Canadian pepper season taking off in earnest. So far, it's been mostly reds and volume is light but we should see things kick in gear as we move into April. The crops are looking "sporty" so far.

GREEN BELL PEPPERS

New Spring bell pepper crops are underway in south FL but prior weather is keeping yields on the lighter side with a higher percentage of offgrades than normal. Winds blew the plant foliage open, leaving the fruit susceptible to damage from the elements. We're grading out some sunscald and occasional stem decay to meet customer specs but the overall finished pack quality is acceptable. Since most of the harvests are from crown picks, there is more jumbo pepper than XL right now. Look for Plant City to start in 3-4 weeks, the Georgia to follow in May. Western supply is extremely short this week, especially on anything with size. Even though weather patterns are starting to be warmer more consistently, the older fields in Culiacan are struggling with production and size. Jumbos and XL fruit is pretty much non-existent and even larges are snug. Some will be starting new fields in 7-10 days so we hope to see more size then. The longer term outlook is not the greatest. MX's Spring plantings are generally on the lighter side and the CA desert crops are likely going to be delayed. Traditionally, the desert starts in 4 weeks but CA's extreme weather has set things back and even kept some from putting in their 2nd round of plantings.

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CUCUMBERS

FL has good supplies of cucumbers from new Spring crops in the Immokalee area and East Coast. Quality and color have been nice with no major issues reported. There are still some due to begin new crops over the next week, so supply should remain favorable for at least the short term. The Honduran program is on the way out, likely finishing up in the next 7-10 days. Cucumber supply out West continues to be plentiful with product coming available from Sinaloa, Central Mexico and even a few from Sonora. 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 by May/June.

GREEN BEANS

There are plenty of green beans in the state of FL, available from Homestead to the Plant City area. There's almost an oversupply and a few growers have passed by/plowed fields due to cheap market prices. Despite this, we should continue to have ample supply through the rest of the month. Mexico's bean supplies have increased slightly as newer acreage has come online and warmer weather patterns develop. After a few months of ups and downs in supply caused by weather inconsistencies, production should become a little more steady. In addition to our Los Mochis crops, new fields are on tap to start in Culiacan in 7-10 days.

YELLOW & ZUCCHINI SQUASH

Squash production is on the verge of migrating from south FL to points north, namely Plant City. This week's volume is a little lighter out of south FL, but there is an adequate amount of zucchini with good quality. Yellow squash availability is lighter, being affected by scarring and scuffing issues. Although there's already been some light volume in Plant City, production will pick up the pace at the end of the month as more growers get started for the season. As Mexico works through the transition from Sinaloa to Sonora, supplies are still a bit on the limited side as we wait for the Hermosillo area to get started in earnest. We are seeing light volumes of new-field squash cross now, but the majority will get rolling in another 5-7 days. Quality has been good (even from the older fields) on zucchini, but yellow squash has been more challenging. Sinaloa's yellow squash has been pretty scarred and scuffed. So far, the new fruit out of Sonora has minimal scarring.

HARD SQUASH

There's not a lot of hard squash in the East. The Honduran butternut and spaghetti have been very light this year and will likely come to an end when the cucumbers do in another week or so. We won't see a significant change until GA comes online in May and then others follow suit in June/July. Until then, everyone will be looking to Mexico for supply. Unfortunately, supplies are limited, especially on butternuts. We're normally using Sinaloa's storage crops at this time. Strong Eastern demand, cool weather and lighter acreage have all been factors in depleting those butternut reserves out of Sinaloa. Sizing is especially an issue, as the larger fruit was the first to go. New crops in Sonora are projected to start around April 1st but there will be less volume as one larger grower in Guaymas has had crop failure.

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 3-4 weeks with stronger numbers and a more complete offering in the category. Mexico has mostly adequate volumes as there's product coming from both the western and central areas. National demand is strong for Lent, which is keeping a good portion of the product in Mexico instead of it crossing at Nogales but supply is adequate. There's a bit more product available in TX. Overall quality is good but we're seeing brown husks on tomatillos due to the weather fluctuations.

EGGPLANT

There are a few more eggs around in south FL as Spring crops have begun to come online. However, we don't expect any big volume until Plant City gets rolling in 3-4 weeks, as the acreage in south FL is minimal. Mexico has steady and consistent eggplant production, as growers are seeing good volume come on in in both West and Central Mexico. Supplies will continue through most of April, then transition into Fresno and the CA Desert into the summer months.

MINI SWEET PEPPERS

We have been expecting more volume on mini sweets as the weather warms in the growing areas, but it hasn't quite happened yet. Another 7-10 days of warm weather should spur things along. There are still some issues with fruit sizing (length) and green cast, as growers are stretching to meet commitments, but we look for that to improve as supply does.

CALABACITA

Supply is on the lighter side, but is adequate as we work through the Spring transition. 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

Organic roma availability is a bit lighter this week as growers transition from Winter to Spring crops, but there's adequate supply to meet demand. Quality is good, but we are seeing some shipments with lighter color as growers push to harvest from the newer fields.

ORGANIC MINI CUCUMBERS

Organic mini cuc availability is decent out of Sinaloa and quality is pretty good. We'll see production transition to Sonora in a few weeks, but the two areas should overlap so no gap in supply is expected.

ORGANIC MINI SWEET PEPPERS

There are now 3 or 4 growers with light to moderate supply of organic mini sweets so there is enough product to meet demand. Quality is good.



NEWS IN THE PRODUCE INDUSTRY

Grocery price inflation down again in February

By **Russell Redman**

Mar. 14, 2023

[WINSIGHTGROCERYBUSINESS.COM](https://winsightgrocerybusiness.com)

Grocery pricing continued a steady decline in February amid an ongoing relaxation in the Consumer Price Index (CPI).

The February CPI for All Urban Consumers gained 6.0% (unadjusted), down from a 12-month increase of 6.4% in January, the U.S. Bureau of Labor Statistics (BLS) reported Tuesday. That marked the eighth consecutive month of year-over-year decreases in the CPI and, according to BLS, the lowest yearly uptick since September 2021.

Going back a year, the CPI saw annual growth in 2022 of 6.5% for December, 7.1% for November, 7.7% for October, 8.2% for September, 8.3% for August, 8.5% for July, 9.1% for June, 8.6% for May, 8.3% for April, 8.5% for March and 7.9% for February 2022.

On a month-to-month basis, the February CPI was up 0.4% (seasonally adjusted), down from 0.5% in January, which had represented an increase from 0.1% in December. Sequential growth in the CPI during the past year, though up and down, has mostly remained below 1% since the summer, coming in at 0.2% in November, 0.5% in October and 0.4% in September, 0.2% in August, flat in July, 1.3% in June, 1% in May, 0.3% in April, 1.2% in March and 0.8% in February 2022.

The February CPI report should give a shot of confidence into the arms of consumers and businesses amid recent news of bank failures, providing a sign that at least costs may be on their way down.

That appears to be the case with food. Annually, the food CPI—including food-at-home and food-away-from-home—had 9.5% growth in February, down from 10.1% in January. The decrease marked the first time that year-over-year food inflation was below double digits since April 2022 and continued a steady decline from 10.4% in December, 10.6% in November, 10.9% in October, 11.2% in September and 11.4% in August. Those numbers followed a steady rise to 10.9% in July, 10.4% in June, 10.1% in May, 9.4% in April, 8.8% in March and 7.9% in February 2022.

The food index rose 0.4% on a monthly basis for February, lower than the 0.5% uptick in January and following a decline to 0.3% sequential growth in December from 0.5% in November, according to BLS. The food CPI remains down from monthly gains of 0.6% in October, 0.8% in September and August, 1.1% in July, 1% in June, 1.2% in May, 0.9% in April, 1% in March and 1% in February 2022.

For February, the food-at-home CPI was up 10.2% year over year, down from 11.3% in January. Though grocery inflation is still elevated, pricing continues to ease up, with the food-at-home index recording annual upticks of 11.8% in December, 12% in November, 12.4% in October, 13% in September and 13.5% in August. The end-of-summer months represented the end of increasing 12-month growth since the start of 2022, as the food-at-home CPI rose 13.1% for July, 12.2% for June, 11.9% for May, 10.8% for April, 10% for March and 8.6% for February.

[Continue to read the rest here](#)



NEWS IN THE GROCERY WORLD

FEBRUARY RETAIL SALES DIP DOESN'T INCLUDE GROCERY STORES

By **Russell Redman**

Mar. 15, 2023

WWW.WINSIGHTGROCERYBUSINESS.COM

Grocery store sales improved slightly in February amid an overall decrease for the U.S. retail marketplace. February retail and foodservice sales came in at \$697.88 billion (seasonally adjusted), down 0.4% from \$700.68 billion in January and up 5.4% from February 2022, the U.S. Census Bureau reported in advance estimates on Wednesday.

Retail trade sales for February—excluding motor vehicles, parts stores, gas stations and repair shops—dipped 0.1% month to month to \$605.14 billion and rose 4% year over year.

February's retail sales decline followed a 3.2% monthly gain in January and a 1.1% sequential decrease in December (in updated Census Bureau figures), although both months saw annual upticks of 7.7% and 5.9%, respectively. Retail trade sales grew 2.9% for January and fell 1.3% for December on a monthly basis yet advanced 5.5% and 4.8%, respectively, year over year. "Today's retail sales report reflects a pullback in consumer spending after a spike in January," Claire Tassin, retail and e-commerce analyst at data intelligence firm Morning Consult, said in an email. "The longer-term trend shows that retail growth is bolstered by inflation, and shoppers are pulling back on discretionary spending, with the strongest impacts on department stores and home furnishings retailers. This is consistent with what we heard in retailers' earnings reports in recent weeks, as essentials take priority in consumers' budgets."

Though the January-to-February period typically shows a modest retail sales increase, the downturn in February wasn't surprising because of still-elevated inflation and declined foot traffic, according to Naveen Jaggi, president of retail advisory services at commercial real estate firm Jones Lang LaSalle (JLL).

"While sales were mostly down from February 2023, we did see an improvement year over year as consumers focused more on experiences: restaurants, airlines and accommodations," Jaggi explained. "Notably, food services and drinking places were up 15.3%, general merchandise stores were up 10.5%, and health and personal care stores were up 8.0% from last year."

Grocery store sales edged up 0.6% in February to \$72.54 billion (seasonally adjusted) from \$72.14 billion in January, when month-to-month results declined 0.6% in updated estimates, the Census Bureau said. On a 12-month basis, February grocery retail sales climbed 5.8%, compared with an annual gain of 6.6% for January.

Sales at all food and beverage stores for February were in line with the grocery retail performance, up 0.5%

sequentially to \$81.01 billion (seasonally adjusted) and growing 5.5% year over year. January food and beverage store sales rose 0.1% on a monthly basis and 6.2% annually, the Census Bureau reported.

Food-at-home price inflation eased up again in February, and Morning Call food and beverage analyst Emily Moquin noted that consumer concerns about grocery costs are leveling off. In her latest Smart Appetite trends tracker, she spotlighted Morning Call research showing the share of shoppers "very concerned" about pricing across product categories as relatively stable during the last three months.

"For many categories, concerns are down from mid-2022 highs and consistent with levels seen in February 2022—with the exception of dairy and meat, which are higher and lower, respectively," Moquin stated. Of 2,200 U.S. adults polled, 26% said they spent more on groceries versus a month ago, while 12% reported spending less.

On Wednesday, National Retail Federation (NRF) reported February retail sales growth of 0.5% month to month (seasonally adjusted) and 6.5% year over year (unadjusted), compared with a 1.5% monthly uptick and 4.8% annual increase in January.

NRF's estimate focuses on core retail, excluding automobile dealers, gas stations and restaurants. The retail trade organization noted that its figures were up 6% unadjusted annually on a three-month moving average as of February.

[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
Eggplant	Varied	Lower
Green Beans	Good	Steady
Chili's	Varied	Steady
Squash-Hard	Good	Steady to Higher
Squash-Soft	Good	Steady
Tomatoes	Good	Higher

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QUESTIONS OR SUGGESTIONS FOR THE NEWSLETTER? EMAIL: MAGGIE.BARTHOLOW@LIPMANFAMILYFARMS.COM