MAY 19, 2023

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CROP & MARKET

INDUSTRY INFO

LIPMAN family farms

MARKET UPDATES

ROMA TOMATOES

Eastern roma production has become very limited very quickly. Most growers in the Ruskin/Palmetto area have finished up ahead of schedule due to warm weather and Lipman is not far behind. We have another week of crown picks, then will be limited to 2nds and 3rds (non-retail) until the crop finishes. Our quality is still very nice and the crown picks are mostly XXL and XL sized. There will be a handful of fruit in Quincy and south GA in early June, but Eastern supply will be light and limited until the TN/NC mountains get started after July 4th. Meanwhile, transition is underway in the West. As current acreage in Culiacan, La Cruz, Guasave and Obregon continues to play out, both quality and volume are declining. There's light acreage of some new fields that have started in Hermosillo and Guaymas but so far, quality has been poor and volume light. Nogales volume will continue to drop as overall supply declines. Eastern Mexico, has been in light supplies and poor quality from existing fields. New spring acreage from Jalisco, San Luis Potosi and Michiocan is just getting started over the next couple weeks and volume will be better by mid-June. Baja (La Paz and Vizcaino) has started the season in a light way but yields have been low and quality is challenged due to previous weather. Additional fields from San Quentin, Constitution and Vizcaino will be getting started over the next couple of weeks, hoepfully providing a boost to quality and volume by the middle of next month.

ROUND TOMATOES

FL's R/P area looks to be coming to an end about 10 days ahead of schedule this year due to heat. Most growers, including Lipman, are finishing up crown picks this week and will harvest mostly 2nds and 3rds next week , with very little fruit remaining for the last few days of May. Quality and sizing have held steady on crown-pick fruit but as farms move into 2nds, we're likely to see more cosmetic defects such as scarring. By early June, it will be left to SC, south GA and Quincy to hold the fort down until the TN/NC mountains, NJ and various local deals get started in July . Lipman expects to begin in SC on/around June 1st, with Quincy following a few days later. Things are definitely lighter in Nogales, as West Mexico's existing acreage winds down with size and volume dropping. New fields from Hermosillo have just started and will be slowly increasing, but this volume is a drop in the bucket compared to what we see in the Winter out of Culiacan. East MX and Baja should provide some volume improvement over the next few weeks though. East MX is just beginning to break into new fields from Jalisco and they expect more significant volumes by the second week of June. Baja has also started harvesting in a light way with mostly big fruit. New growers/areas are still another 7-10 days out, but there are more tomatoes to come.

GRAPE TOMATOES

Central FL (the R/P and Plant City areas) is on the downhill side of grape tomato production for the season. Some are winding down faster, but Lipman should continue to harvest for another 3 weeks. As we move into June, most will be harvested for bulk pack, as our new crops in SC will be underway. Our quality and packouts have continued to be strong, but we are hearing of a few issues here and there from others. In the West, Mainland MX is in a similar position- winding down, with hopes to continue into June. Quality is still decent although one must be choosier and move it more quickly. There's a little fruit in Eastern MX and Baja has just gotten started but no big volume from either area. It may be another week or two before we see consistent production out of Baja, as they've been slow to get rolling this year.

COLORED BELL PEPPERS

Eastern CAN 's production has been light this week and will continue to be until June 1st when product will flush due to weather and the normal growing cycle pattern. Quality is currently very good and sizing is more in the XL range/count. Western CAN is seeing consistent volume this week and should continue in that mode. Down in Western and Central MX, production is spotty as growers finish out their Winter crops with mostly smaller fruit and questionable quality. This will remain the case until the 2nd week of June when new high-tech crops get rolling in Central MX.

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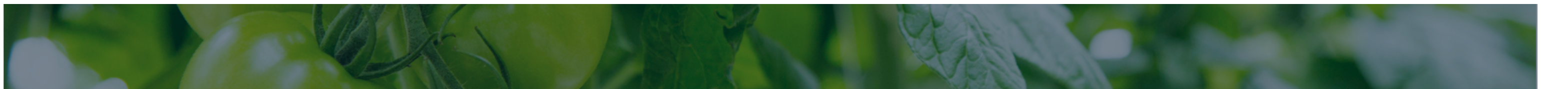

GREEN BELL PEPPERS

South FL has wrapped up the season for all practical purposes, leaving pepper supply to the Plant City area and GA. Plant City's yields are about average this year, providing light to moderate volumes on a steady basis. They will have fruit for another 2-3 weeks before stepping out of GA's way. GA has started in a light way with mostly jumbo and 2X crown picks so far. Expect more volume in the coming 7-10 days. Eastern quality is good with no major issues reported. Supply is adequate in the West this week. Although Mainland MX is winding down, there will still be fruit available in Nogales for the next week or so. Quality is a bit weak as the fruit has thinner walls, which is typical at the end of the season. Nicer quality is available from the CA desert where supply is expected to be adequate for the next two weeks. Quality is great but there's not a whole lot of big fruit available and the color is a little lighter than the fruit we've been used to seeing from MX. Weather could have an impact either way, but there may be a gap in production between the desert and Central Valley areas like Bakersfield.

GREEN BEANS

Now that north FL and GA are both up and running, the green bean supply situation has eased a bit in the East. They are not quite at full volume but should be ramping up over the next 7-10 days. Western supply is still quite limited but there are hints of improvement on the way. Mainland MX looks to finish up by the end of next week although we could see a little bump in supply from the final plantings between now and then. Production is shifting to CA where prior weather has impacted the transition. The desert area will have limited supplies for the next few weeks and there are some beans in Orange County but russeting issues have limited availability. The Fresno area has been projecting a late start but upcoming warm weather may bring on the crop by the last week of May. This should tide supply over until Brentwood and Watsonville/Salinas get started in the 2nd week of June.

YELLOW & ZUCCHINI SQUASH

There's plenty of squash available in the East, with the largest portion of volume coming out of GA. Plant City also has fruit but will see the seasonal decline over the next few weeks. Overall, both yellow and zucchini quality are good despite some of the normal concerns on yellows. Our Eastern NC deal looks to start sometime next week and NJ is on tap to begin the following week so there should be plenty of supply for the immediate future. In the West, Hermosillo is still projecting to go for another 2-3 weeks and finish up around the end of May/ beginning of June. Both Santa Maria and the northwest (WA) project to get underway during the first week of June, as weather has been ideal . It looks like we'll miss the gap that we originally expected during the transition!

HARD SQUASH

With no current production, the East continues to look to MX and Honduras for hard squash. There's not much left on the Honduran front and quality is waning, but there are a few butternuts and spaghettis around. Western supply is coming from re-plants from the Sonora area, which should carry us through the month and hopefully go into June if demand permits. CA growing areas won't be a factor until mid-late June, but may have some fruit earlier to help minimize any potential gap. Overall quality is pretty good, but there are some occasional concerns with ground scar on acorn and, of course, scarring on spaghetti.

CUCUMBERS

FL still has a few cucumbers around in the central part of the state, but the bulk of Eastern production is now coming out of GA. They have yet to move into seasonally strong volumes but should do so within the next week. Quality is good from both GA and FL. Look for our Eastern NC program to get rolling in early June as production begins the transition to the north. The West continues to have steady supplies with product available from Sonora, Sinaloa and Baja. We anticipate good volumes from our ranch in Mainland MX through the month, and could even see the Nogales season continue through June and into July. Generally, Baja provides the bulk of Summer volumes. They have started and should ramp up to seasonal supply levels soon. Overall, quality is good from all areas especially when the fruit is fresh.

CHILI PEPPERS

Plant City is in the thick of the chili pepper season and has most chili varieties available. There's definitely no oversupply but enough to get the job done. We've seen just a few coming out of GA so far, but should see more in 7-10 days as additional growers get started. In the West, Sinaloa is winding down the season, but other pockets of product in MX should help bridge the gap until Baja and CA get going in early June. As the weather heats up and crops wind down, quality and production are limited on Anaheims and poblanos, the thinner-walled chilies. We're also on the lookout for concerns on jalapenos and tomatillos.

ORGANIC MINI SWEET PEPPER

Mainland MX is at the end of current crops and we're seeing some quality issues such as shrivel and softness as the plant energy is depleted. Once Mainland finishes up, it could be a tough go until Baja gets started in July.

ORGANIC GRAPE TOMATOES

Older fields in Mainland MX still have product, but they are wrapping up with high color and some shrivel issues. The transition to Baja production is underway as they just got started this week. We should see more volume from the new crops over the next 7-10 days.

ORGANIC ROMA

Organic roma availability remains pretty steady with mostly XL and L fruit available. There's some nice-quality new crop fruit in Sonora which should go until the end of June. This should overlap with the start of Baja's production in early-mid June.

ORGANIC MINI CUCUMBERS

Baja is up and running with organic mini cucs. Sizing is on the larger end of the spectrum with more fruit in the 5-7" range than desired, but quality is acceptable.

NEWS IN THE PRODUCE INDUSTRY

Key grocery categories are resisting downward inflation trends

By **Russell Redman**

WINSIGHTGROCERYBUSINESS.COM

May 17, 2023

Much to the relief of U.S. consumers, grocery price inflation has declined steadily since last summer. But in some popular product segments, pricing remains stubbornly high, according to digital marketing and media firm Catalina.

The Catalina Shopping Basket Index, leveraging real-time insights from the company's Shopper Intelligence Platform, shows that 10 common food and personal care categories topped the overall inflation rate—at mostly double-digit levels—for the past 12 months through the 2023 first-quarter.

Leading the pack in the United States are yogurt and cereal, whose Q1 2023 inflation rates were up 21% apiece versus Q1 2022. Also seeing double-digit price growth during that time span were soft drinks and water (+19%), frozen foods (+17%), hand and bath soaps (+17%), frozen vegetables (+16%), coffee (+16%) and deodorant (+12%). Inflation was high as well in paper products (+9%) and soaps and detergents (+8%).

St. Petersburg, Florida-based Catalina noted that the U.S. inflation rate as of first-quarter 2023 slowed across categories from third-quarter 2022, with product segments fluctuating no more than two percentage points. The Shopping Basket Index for the 10 categories averaged 16% inflation growth compared with 7% for the Q1 2023 Consumer Price Index (CPI) inflation rate for food-at-home.

Year over year, the food-at-home CPI was up 7.1% in April, the U.S. Bureau of Labor Statistics (BLS) reported May 10. That continued sizable drops this year from 8.4% in March, 10.2% in February and 11.3% in January and, going back into 2022, extended a downtrend trend from 11.8% in December, 12% in November, 12.4% in October, 13% in September and 13.5% in August.

The overall April CPI rose 4.9% over the previous 12 months, marking the 10th straight month of year-over-year declines in the CPI and the lowest annual gain since April 2021, according to BLS.

Catalina also tracked high inflation across Europe through the Shopping Basket Index. For the 10 product categories, inflation was up an average of 12% in the United Kingdom, 12% in Italy, 13% in France and 14% in Germany year over year in the 2023 first quarter. In comparison, the Q1 inflation rate for food-at-home was up 7% in the U.K., 5% in France, 5% in Germany and 6% in Italy.

"A number of factors have been driving up prices in Europe and the U.S., including the war in Ukraine, lingering supply-chain disruptions, and rising aluminum, ingredient, labor and energy costs," Sean Murphy, chief data and analytics officer at Catalina, said in a statement. "In response, we're seeing CPG marketers and retailers place more emphasis on promotions and price incentives, and we're working more closely with them to earn the loyalty of value-conscious shoppers with highly personalized offers."

For all nations surveyed, food prices climbed by an average of 1% in Q1 2023 compared with Q3 2022 but have essentially stabilized in Italy, France and Germany, Catalina said. U.K. food prices have edged up, while in the U.S. food pricing dipped from 7.4% in Q4 2022 to 7.2% in Q1 2023.

"With the worldwide increase in inflation starting back in mid-2021, our insights about traditionally price-sensitive and value-seeking shoppers apply to even more consumers now," Murphy added. "We continue to advise our customers that these challenging economic times are an opportunity for brands to fine-tune their omnichannel approach to deliver relevant offers and valuable incentives to help shoppers make the most of their dollars."

Among categories across countries, yogurt saw the biggest annual price gain in Q1 2023, up 18% on average, followed by frozen food (+17%) and frozen vegetables (+16%). The largest category price hikes by nation were for cereal in the U.S. (+21% year over year) and deodorant in Germany (+27%).

Continue to read the rest here

GROCERY STORE SALES DIP AGAIN IN APRIL

By Russell Redman

WWW.WINSIGHTGROCERYBUSINESS.COM
May 16, 2023

Against a backdrop of declining inflation, grocery store sales dipped in April amid narrow growth for overall U.S. retail sales.

April retail and foodservice sales came in at $686.05 billion (seasonally adjusted), up 0.4% from $683.18 billion in revised sales numbers for March and 1.6% in updated figures for April 2022, the U.S. Census Bureau reported in advance estimates on Tuesday.

Retail trade sales for April—excluding motor vehicles, parts stores, gas stations and repair shops—inched up 0.4% month to month to $597.99 billion and gained 0.5% year over year.

The April retail sales result ended two months of sequential decreases. U.S retail sales fell by 0.7% month over month (+2.4% over 12 months) in March and were down by 0.2% on a monthly basis (+5.9% over 12 months) in February. Revised retail trade sales data from the Census Bureau showed a 0.8% monthly decline (+1.1% year over year) for March and flat monthly results (+4.5% year over year) for February.

Grocery store sales were down 0.4% to $73.45 billion (seasonally adjusted) in April from $73.74 billion in updated figures for March, when sales dipped 0.2% sequentially, the Census Bureau said. For the 12-month comparison, April grocery retail sales grew 3.7%, versus an annual gain of 4.9% in March. In February, grocery store sales had edged up 1% month over month and advanced 6.5% year over year.

Sales at all food and beverage stores for April fell 0.2% monthly to $81.78 billion but rose 3.7% over 12 months. That compared with a 0.3% decline sequentially and growth of 4.4% annually to $81.91 billion in March's revised data, the Census Bureau reported.

"April's retail sales (excluding fuel and auto) came in line with expectations, offering a rebound after two months of decline," Claire Tassin, retail and e-commerce analyst at data intelligence firm Morning Consult, said in an email. "While this is good news, inflation's persistent impact on consumers is apparent in the year-on-year comparisons, with significant drops in discretionary categories like home furnishings (down 6.4%) and electronics (down 7.3%)."

Falling inflation is reflected in retail sales numbers. The Consumer Price Index (CPI) ticked up 4.9% year over year and 0.4% month to month in April, continuing a steady decline, the U.S. Bureau of Labor Statistics (BLS) reported last week. Food-at-home price inflation dipped 0.2% month over month for April after a 0.3% decline in March—the first decrease since September 2020, BLS reported. Year over year, the food-at-home CPI was up 7.1% in April, compared with a 8.4% uptick in March

The National Retail Federation (NRF) on Tuesday reported a 0.6% monthly gain (seasonally adjusted) and a 2% year-over-year uptick (unadjusted) for April retail sales, compared with a 0.7% monthly decrease and a 3.4% yearly increase in March.

CONTINUE TO READ ARTICLE HERE

UPCOMING EVENTS:

July 12-13, 2023
Organic Produce Show
Monterey, California
organicproducesummit.com

PRODUCE BAROMETER:

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

LIPMAN MAKES HISTORIC DONATION

"We are delighted to support RCMA, a dedicated organization providing quality childcare, education, and resources to children in the Immokalee community in Florida, a community that feels like family to us," said Jaime Weisinger, director of community and government relations for Lipman Family Farms. "We look forward to seeing how RCMA will use these funds to positively impact the education and welfare of the children of our community."

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