

SEPTEMBER 20, 2024

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# ON THE H O R I Z O N

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weekly industry  
updates

# CROP & MARKET

INDUSTRY INFO







# MARKET UPDATES

## ROMA TOMATOES

Eastern roma tomato production is lightening up as we move into the latter stages of the Summer season. Lipman's Tennessee farms are providing decent volumes still but programs in other areas are definitely beginning to see lighter harvests and/or are dropping out. Our fruit quality has been very nice, with mostly larger romas (J-L sizes). In the West, California's roma volumes have been moderate and quality is mostly good. Baja's yields remain on the lighter side as they continue working existing fields and wait for new plantings to begin in mid-to-late October. Central and Eastern Mexico farms have fairly steady supplies but we have seen a few weather-related quality challenges.

## ROUND TOMATOES

The Tennessee and North Carolina mountain zone has experienced some rain this week, but is back in production on round tomatoes. Sizing is still on the bigger side with a large percentage of the fruit being in the 5x6 range. Our Virginia farm is also in production, working around rain events as well. Sizing is more varied there, with all options available. Virginia, Tennessee, and North Carolina should each continue until mid-October (weather permitting) when production will start to transition to Florida. In the West, California's overall volume is light to moderate, as many growers are transitioning into the final acreage of the season. Lipman has had a nice mix of sizes and good quality this week and will be moving down to Los Banos in the coming days where we'll finish out the season in another 4 weeks or so. Looking to Mexico, Baja will continue with light-to-moderate volumes until Fall crops begin in mid-late October. Central/East Mexico should also see consistent volumes through this month and into October.

## GRAPE TOMATOES

Lipman's Virginia farm continues to produce grape tomatoes in a steady mode now, but we do expect things to lighten up as we approach the lighter, late-season plantings in the next few weeks. Despite rain, we're still seeing nice-quality packs after grading. We should continue there and have some overlap with the start of our Ruskin/Palmetto crops in mid-October. In the West, grape tomatoes are available in both the Baja and Jalisco areas. Baja's volume is low to moderate now and is likely to continue at current levels until new crops start in mid-October. The Jalisco area has seen some improvement in supply as they've moved past weather, but their volumes remain light.

## GREEN BEANS

Green beans are on the snug side throughout the country this week. Small amounts are coming from each of the California growing areas, but no big volumes are available. Our local partners in Oregon and Washington have been able to provide consistent supply to help meet demands despite an occasional gap between plantings. In the East, most current production areas- Michigan, Tennessee, Virginia- are nearing the end of the season with lighter volumes. Normally we see a decent-sized crop in the Coastal North Carolina area about this time, but have heard there's been significant damage from the 6+-inch rain event from earlier this week. That means it will be up to Georgia to bring bean volumes back to better working levels. We're hearing there could be a delay to starting the season, as prior weather/rains look to push off Georgia's start date for a few more weeks.

## COLOR BELL PEPPERS

The colored bell pepper situation is rolling along similarly to recent weeks. Canada's supply is limited and much lighter than usual after growers pulled crops a few months ago. As we edge up to the end of the season, we are seeing fruit size down, especially on reds. Central Mexico has moderate production now and has been able to meet needs with their supply. However, we are anticipating a period of lighter production in the next 2 weeks due to prior weather.

## GREEN BELL PEPPERS

Although supply remains adequate, green bell pepper volumes are slightly lighter in the East as cooler weather, precipitation, and seasonal decline affect various growing regions. Northern regions are expected to harvest until early October, while southern areas may extend until mid-October, though gradual volume declines are anticipated, and the first frost could become a concern. Georgia is set to begin harvests in about two weeks, marking the transition to southern production for the winter months. Quality in the East remains good overall, though areas with significant rainfall have reported some bruising and decay. In the West, moderate supplies are available, with steady

[CONTINUED ON THE NEXT PAGE](#)



production from California and Washington. While jumbo-sized peppers from California have been limited, availability of this size has slightly improved this week. By mid-October, western harvests will shift to the CA desert region. In the meantime, both California and Washington have great quality.

## YELLOW & ZUCCHINI SQUASH

There are still squash coming from several of the regional programs but the numbers are slowing down for most. North Carolina and Tennessee crops were damaged by recent rains and Michigan is winding down. New Jersey still has decent volumes for another few weeks, but the bulk of production is moving south. Our Eastern North Carolina program has had good volumes to offer on zucchini and lighter numbers on yellow squash with good quality on both. Meanwhile, we are starting to see a little come out of Georgia. Other growers should join in and provide more significant volumes over the next few weeks. Moving to the West, Santa Maria is still the area of strongest production and quality. Baja and Central Mexico also have fruit to offer, but volume is lighter and less consistent. Sonora has just started with some light zucchini volumes and expect yellows to start in the next week. So far, quality has just been marginal, which is normal at the start of the season. Both volume and quality should increase as production continues to transition to this area.

## CUCUMBERS

As with bell peppers, many of the local/regional cucumber programs are in the process of winding down for the season. MI only has another week or so to go, NY is pretty much finished, and others are seeing volume drop off. However, our Eastern NC farm is in the midst of its Fall program and has been harvesting good volumes with nice quality. We're currently working through the latter part of the 1st plantings and may see a light spot before the 2nd plantings get fully rolling but production should level back out. This week's significant rain event did not seem to cause any immediate quality issues, but could impact yields later due to potential bloom drop. We've seen a few cucumbers out of GA so far, but we're a week or two from market-impacting volumes from this area. Western volumes have rebounded back to moderate levels over the past few weeks as new sets have come online. Baja and Central MX both have nice quality and dark green fruit. Sonora also has cucumbers, but quality has not been as sharp as that from other areas.

## HARD SQUASH

Hard squash supply is a bit lighter than usual in the East. We've heard of some crop failure, but the lighter volumes are mostly due to lighter acreage. Fortunately, additional growers in the Northeast should be coming online just in time to help with the heavier pulls of the Fall and holiday season. And, we should see some fruit out of Georgia as well. The Stockton, CA and Washington State areas continue to be the primary sources of hard squash in the West. Overall quality has been clean although we have seen some light ground spot on the acorn out of California. Stockton usually has fruit through the New Year and Washington could go through October, but Sonora will get started in mid-October to kick off the transition to the south.

## CHILI PEPPERS

Eastern chili pepper supply is lightening up as Michigan and various local programs are winding down for the season. We anticipate supply to gradually become more snug until Georgia and Florida get started in mid-October. The West has multiple production areas working: Baja, Central Mexico, California, and Washington.

Baja's quality has started to decline, so many are looking locally or to Central Mexico for fruit. Central Mexico growers have had good quality and fairly consistent volumes, but we could see a few hiccups in the future due to the recent rainfall in the area. Tomatillos have become a bit snug, but all other varieties are available in decent supply. Of note, our Washington partner has strong volumes and great quality on all the mainline chilies except for tomatillos, which have ended early this year.

## EGGPLANT

Although there are a few light spots of production in New Jersey, Michigan, North Carolina, Kentucky, and Virginia, eggplant remains snug in the East. The Eastern North Carolina farm is expected to begin in the 3rd week of September, which should provide enough supply to bridge the gap until Georgia ramps up in October. The West has light to moderate supply in California with mostly good quality. Our partner in Washington State is rolling with strong eggplant production and excellent quality, providing for much of our needs.

## ORGANIC ROMA

Central Mexico is the place for organic romas this week. They've gotten started with decent volumes and quality. Baja also has fruit but quality is marginal, at best, and won't travel well.

## ORGANIC GRAPE TOMATOES

Baja is providing steady supplies of organic grape tomatoes with mostly good quality. Central Mexico also has light volumes although we have seen a few more quality concerns from this area.

## ORGANIC MINI CUCUMBERS

Availability is limited on organic mini cucumbers with the majority of what's available coming out of Baja. Quality has been good, but sizing has been on the bigger side, causing some shrink in the packing process.

## ORGANIC MINI SWEET PEPPERS

Organic mini sweet pepper supply remains steady and adequate from Baja, with generally good quality when the product is fresh. Orange minis are a little shy, leading to a poor color mix from some growers.

## WATERMELON

Although there are still a few melons coming out of Indiana, Michigan, and the Eastern shore, most of the Summer programs have finished up for the season. Good news- our South Carolina fields will start next week. At this point, we are anticipating good quality and yields.



## AUGUST E-GROCERY SALES ROSE TO \$9.9B

### [PRODUCEMARKETGUIDE.COM](https://www.producemarketguide.com)

According to the Brick Meets Click/Mercatus Grocery Shopper Survey fielded Aug. 30-31, the U.S. online grocery market ended August with \$9.9 billion in monthly sales, a 7% increase over last year as all three fulfillment methods posted year-over-year sales growth.

August also marked the third straight month of high-single-digit sales gains for e-grocery in 2024, primarily driven by strong promotional efforts for subscription and membership programs that started in May, according to a news release.

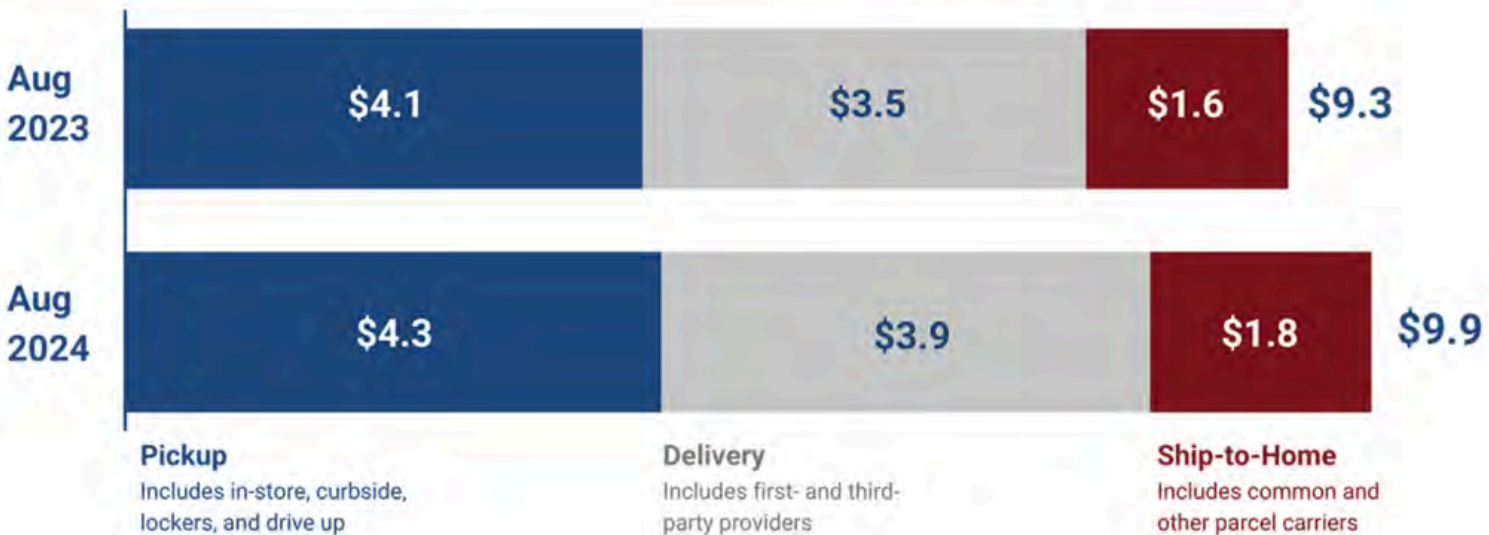
While each fulfillment method grew, delivery contributed more than half of the overall sales gains for the month, increasing 10.2% versus last year to \$3.9 billion, propelled by a continued surge in the number of monthly active users, the company said. Ship-to-home accounted for over one-fifth of the sales gains, climbing 8.9% year over year to \$1.8 billion as significantly higher average order values more than offset flat monthly-active-users growth and a drop in order frequency. Pickup finished the month up 3.5% to \$4.3 billion as moderate MAU expansion countered a pullback in order frequency and average order value finished up by 3.5% compared to last year.

Compared to August 2023, delivery and Walmart are the primary beneficiaries of the various promotional activities and have experienced larger gains in their respective MAU bases than the general trend, the company said. While the MAU base for overall e-grocery grew by 6% year over year in August, delivery's MAU base expanded by nearly 16% (almost three times faster than pickup's MAU base), and Walmart's MAU base expanded by approximately 9% year over year, according to the release.

"Achieving growth will only get more challenging for grocers that don't have a competitive offering or ways to offset the discounts," said David Bishop, partner at Brick Meets Click. "Converting a customer into a member/subscriber motivates them to buy more frequently, especially given that most firms are promoting 'free' delivery. Even though there's a cost to join, explicit fees are an on-going source of friction that many shoppers want to avoid."

### Monthly U.S. Online Grocery Sales: August 2024

Billions, USD



brick meets click

Source: Brick Meets Click/Mercatus Grocery Shopping Survey, August 2023 and 2024.

Note: Segment sales may not equal total due to rounding.



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## IS SUSTAINABILITY AFFORDABLE? PACKAGING COMPANIES WEIGH COSTS AND EXPECTATIONS

[THE PACKER.COM](https://www.thepacker.com)

BY TOM BURFIELD AUGUST 22, 2024

Sustainability remains a buzzword in the packaging industry, and most packaging suppliers tout myriad “sustainable” innovations they’ve adopted. But the concept begs the question: At what cost?

At a time when prices are at all-time highs, is revenue available to meet customer or consumer requests — or demands — for sustainable solutions?

Rachel Kenyon, senior vice president for the Itasca, Ill.-based Fibre Box Association, said there’s no way to measure the cost of sustainability initiatives for brands, packaging suppliers and supply chain partners.

“We need to think more in terms of the cost of not addressing key issues that matter to consumers, trading partners, regulators and investors,” she said. “Environmental, social and governance reporting has become an essential part of corporate due diligence.”

The corrugated industry may be the only one that is based on a circular economy, Kenyon added. “We grow and harvest trees in sustainably managed forests to make corrugated and other paper products,” she said. “These are used to package products and transport them through the supply chain, all the way to point of purchase or use, and when that is done, they are recycled to make new boxes.”

Drew Merrill, senior vice president of sales and customer experience for Alpharetta, Ga.-based CHEP U.S., said that, for him, the simplest way to think about sustainability from an economic perspective is to look at how a company can positively impact the planet through better business practices.

“Our customers tell us they want to be more sustainable but also need to increase revenue and reduce costs,” he said. “And they want to do business with partners who share the same sustainability values.”



# UPCOMING EVENTS:

OCTOBER 17-19, 2024

**THE GLOBAL PRODUCE & FLORAL SHOW**  
ATLANTA, GA

GATHER THE FAMILY AND STIR UP A FRESH MICHELADA WITH INGREDIENTS STRAIGHT FROM THE FIELD. RAISE A GLASS TO INDEPENDANCE, AND A TOAST TO TRADITION, BECAUSE EVERY FIESTA STARTS WITH THE RIGHT MIX. 🍷🍅

