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CROP & MARKET

INDUSTRY INFO



As this report was written, Hurricane Helene was still impacting multiple growing areas. We anticipate learning about the extent of crop damages from this powerful storm and how these will affect supply and quality both in the short and long term. Once the storm has passed and fields have dried out, farmers will conduct post-storm crop assessments. We expect to have more detailed information early next week and will provide updates as they become available.

MARKET UPDATES

ROMA TOMATOES

Much of the East's current roma tomato supply comes from Eastern Tennessee and, to a lesser extent, Western North Carolina, areas that are currently experiencing Hurricane Helene. As the storm progresses, the full impact on crops won't be known until the rain stops, the fields dry out, and assessments can be made, likely early next week. Prior to the storm, production in these areas had been steady at light to moderate levels, with good quality. In the West, California's roma production remains moderate and stable, with Lipman shifting operations south to Los Banos for the remainder of the season. Baja is short on romas this week as growers transition between summer and fall crops, but new fields should start producing in the next 7-10 days. Central Mexico has better availability, though quality has been inconsistent across different lots.

ROUND TOMATOES

Eastern round tomato production remains concentrated in Tennessee, North Carolina, and Virginia this week. Lipman's Virginia harvests have been steady, offering a good mix of sizes and high-quality fruit. This region should continue producing for another 3-4 weeks, depending on weather conditions. Eastern Tennessee and Western North Carolina are currently facing the heavy rainfall brought by Hurricane Helene. Before the storm, production in these areas was consistent, with excellent quality and larger-sized fruit. Post-storm assessments will be made once the fields dry out. Looking ahead, Quincy, Florida, and southern Georgia's Fall harvests usually support supply through October, but impacts from the storm are expected. Out West, California's round tomato production is slightly lighter this week due to split sets from previous weather conditions. Lipman has transitioned to the Los Banos fields, which will carry the season through to the end. In Mexico, Baja's production and sizing are down, with smaller fruit (mostly 5x5's and 5x6's), but new fall plantings should improve availability and sizing soon.

GRAPE TOMATOES

Aside from a few scattered local deals still in production, Lipman's Virginia farms are the primary source for Eastern round tomatoes this week. Volumes have decreased slightly due to cooler temperatures, but harvesting is expected to continue for another 3-4 weeks. This will overlap with the start of Lipman's Duetto

crops, which are scheduled to begin in a light way in 10-14 days. In Mexico, supply remains steady with consistent production from Baja and Central Mexico. Similar levels of availability are expected until new crops begin in mid-October.

GREEN BEANS

Eastern green bean production remains light, with a few beans available from Michigan and the eastern shore of Virginia. Georgia was expected to begin harvest in the next week or so, but the full impact of the storm will need to be assessed before relying on this crop. In the West, supply is also limited, with light production in California, Washington, and Oregon. California's acreage is notably reduced this year, leading to a slight gap in supply for the next 7-10 days. Similarly, Washington State is experiencing a short gap between fields but is expected to resume production in the next few days.

COLOR BELL PEPPERS

Eastern Canada's red, yellow, and orange bell pepper volumes remain light. With 6-7 weeks left in the season, gradual volume decreases are expected to begin in the coming weeks. Western Canada's supply has been tight this week, but production is expected to continue through October. Quality in both regions has been acceptable, though not exceptional. Meanwhile, Central Mexico has maintained a steady supply of bell peppers with good quality, providing a good option.

GREEN BELL PEPPERS

The East has had a solid supply of bell peppers over the past week, with fruit available from New York, Pennsylvania, Ohio, New Jersey, Kentucky, and other regions. Canada and Michigan are in the final stages of their seasons and will finish up soon. Georgia has seen some early bell peppers, but the majority of production was expected to start in the next week. The impact of Hurricane Helene will be closely monitored, with post-storm damage assessments pending. South Florida is expected to begin bell pepper production in about four weeks. In the West, bell pepper supply remains steady from Fresno, Oxnard, and Washington State. Quality has been good across these areas, though the fruit is sizing down with fewer jumbos available. California's production will soon transition from current areas to the desert regions, while the Washington program should continue through most of October, weather permitting.

YELLOW & ZUCCHINI SQUASH

Summer squash, especially zucchini, is still available in many Eastern growing areas. Ohio, New Jersey, Michigan and others up north are still in production while newer crops are online in North Carolina and Georgia. Most areas further north will be finishing up soon as temperatures drop and first frost comes sooner there. As they begin to drop out, much of the East depends on Georgia for supply. We expect to hear of storm damages once the reports are in, as squash is especially susceptible to weather. Quality has been mostly good on zucchinis, but there have been challenges with yellow squash, as usual. The West expects to see continued good supply from the Santa Maria area for the next 3-4 weeks. Mainland Mexico has now started in a light way and will gradually increase volumes over the next few weeks.

CUCUMBERS

With most local programs wrapping up for the season, Eastern cucumber production is primarily coming from Georgia and Eastern North Carolina. Georgia managed to harvest as much as possible before Hurricane Helene, but the storm will likely impact the future of the crop. Fortunately, Lipman's Eastern North Carolina farm only experienced a few inches of rain, and the crops remain in good condition. A new planting has just started, which should improve supply and help meet next week's demand. In the West, cucumber supply remains moderate with ongoing production from Baja and Central Mexico. However, quality has not been as sharp as usual, with some cucumbers showing scarring. Sizing is also a concern, with a significant percentage of cucumbers being slimmer than desired.

HARD SQUASH

Hard squash is still available in MI, KY, NY, NJ, and PA. While a few areas are starting to wind down, there are new crops in NJ and NY just coming online. Acorn seems to be the short suite but there are adequate supplies of butternut, buttercup and spaghetti. 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

In the East, chili supply remains scattered, with no region offering a full range of products and most local deals winding down. Georgia is expected to be the next major production area, but the timing and volume could be affected by Hurricane Helene. Updates will be provided as more information becomes available. In the West, Central Mexico and Baja are providing adequate volumes of chilies. Meanwhile, our local partner in Washington State has excellent volumes and quality across all items, except tomatillos which have ended for the year. Their season should extend well into October, which will help ensure top-quality fruit, especially as quality from other production areas has seen a slight decline.

EGGPLANT

Eastern eggplant availability has improved as new fall crops from Georgia and Eastern North Carolina have come online. Despite some uncertainty with Georgia's crop due to the hurricane, our North Carolina program is ramping up and will see increased volumes next week, with excellent quality reported. In the West, supply is primarily from the Fresno and Stockton areas, where

quality issues have been noted. Our Washington partner is providing steady supply, although fruit sizing has been affected slightly by cooler nighttime temperatures.

ORGANIC ROMA

Both Baja and Central Mexico have organic romas available, providing overall adequate supplies. Baja had been experiencing some quality issues, but that has cleaned up now that harvests are focused on shadehouse rather than open field crops.

ORGANIC GRAPE TOMATOES

Baja is providing steady supplies of organic grape tomatoes with good quality. Central Mexico also has fruit but the quality hasn't been as sharp.

ORGANIC MINI CUCUMBERS

Availability continues to be very 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.

ORGANIC COLORED PEPPERS

Organic colored bell pepper availability remains strong this week, with the majority of supply coming from Central Mexico. Canada is still producing but is beginning to wind down, with the season expected to conclude in the next few weeks. Quality has been good, especially when the fruit is fresh,

WATERMELON

There are still a few stragglers with watermelons in the Delmarva area, but most others have now finished for the season. Lipman has just started its South Carolina crop this week. So far yields and quality look good. We'll see a little more volume in the coming week as we move into the 2nd cutting.



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."



MAKING UGLY PRODUCE MORE ATTRACTIVE WITH 'GOOGLY EYES'

PRODUCEMARKETGUIDE

BY TOM KARST, SEP 10, 2024

With some shoppers hesitant to look beyond the unusual shape of imperfect produce — because it's what's inside that counts — perhaps a makeover could help.

Putting “googly eyes” on ugly produce may be one way to increase demand, according to a new study.

Called “From ugly to attractive: Leveraging anthropomorphism to increase demand for irregular-appearing produce,” the paper was published in May in the journal *Psychology and Marketing* and was authored by Kacy Kim, Yuhosua Ryoo, Danae Manika, Nathan Yoon and Sukki Yoon.

Recognizing that the waste of imperfect produce contributes to the global environmental crisis, the authors conducted three studies examining whether retailers can use anthropomorphizing — that is, to attribute human form or personality — marketing techniques to make irregular-appearing produce more attractive and increase purchase intentions.

Based on the exemplar model theory (a cognitive theory that explains how people categorize objects and ideas by comparing new stimuli to stored memories) the first part of the study showed that when retailers place googly eyes on pictures of irregular-appearing produce, consumers judge the product according to multiple exemplars as they do when they evaluate humans.

“The multiple esthetic cues cause them to perceive irregular produce as more attractive,” the study abstract said.

The second part of the study used human names as the anthropomorphic cues, demonstrating that anthropomorphism can increase purchase intentions toward irregular-appearing produce. The third part of the study showed that anthropomorphism effects hold for irregular-appearing produce from corporate farms and not from local farms.

“The differences occur because consumers expect corporate farms to conform to standardized esthetic norms but expect local farms to market irregular-appearing produce,” the abstract said.



UPCOMING EVENTS:

OCTOBER 17-19, 2024

BOOTH #B2955

THE GLOBAL PRODUCE & FLORAL SHOW

ATLANTA, GA


HOMEMADE PIZZA
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