

NOVEMBER 8, 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

The Quincy/South Georgia area's roma production is winding down and volumes are now minimal, which will leave only salvage crops in the Ruskin/Palmetto area until South Florida's production gets started in late December. The salvage harvests look to be mostly small fruit with lots of scarring, making it unsuitable for retail. This situation will shift retail roma demand to what's available in Mexico for the next 6-7 weeks. Although Central Mexico is past its peak of production, there are fair to moderate volumes still available with mostly fair quality and condition. There is some better quality available from protected growing environments, but that volume is light. Baja is still in production as well but their production has waned as existing fields are playing out. Some new fields are in production but the acreage is less and they won't see the volumes they did from Summer plantings. Mexican supply is likely to remain in high demand until late December/early January when both Florida and the Culiacan area begin harvests.

## ROUND TOMATOES

Eastern round tomato volumes continue to be extremely limited. The majority of Quincy/South Georgia growers have finished crown picks but will go as long as weather permits with 2nd's and 3rd's, maybe another 10-14 days. There's been a little fruit around this week from Ruskin/Palmetto salvage harvests, but it's all smaller fruit with significant scarring, making it most appropriate for processing needs. With no further weather disturbances, we should see production levels return to more normal levels at the end of December/early January when South Florida comes online. Moving to the West, Baja's major growers are finishing up although a few others will continue through November with lighter volumes. Condition has been pretty good on this fruit, but there have been reports of scarring, irregular color and mis-shaped fruit. East/Central Mexico has light supply as cooler weather and seasonal decline take hold. We're hearing that some growers in Mainland Mexico (Culiacan area) may try to come online early, but we don't expect significant volumes until late December/early January.

## TOV (Tomato-on-the-Vine)

Canada's TOV production is very limited as they wind down the season. However, Central Mexico and South Texas have had strong harvests this week and have been able to provide consistent availability with good quality and sizing. Look for this continue for the next 2-3 weeks.

## GRAPE TOMATOES

As with other tomato items, Florida's grape tomato volumes are light. Palmetto/Ruskin salvage harvests have been completed by most growers but there are light pockets of production in a few other areas. New crops further south will start in 3-4 weeks, but initial volumes are also expected to be lighter due to damages to early plantings. With no further weather disturbances, more normal volumes should be available in Florida in the latter part of December. Mexico has had moderate volumes to offer this week with fruit coming from Baja and Central Mexico. Quality has been in the fair to good range, varying by grower and lot. Baja's grape production is in transition between Summer and Fall crops. So far, volume increases from the new crops have been slowed by cooler weather but we should see a slight improvement in their numbers in the next 7-10 days as warmer weather is predicted.

## GREEN BELL PEPPERS

Eastern bell pepper supply is very limited and mostly coming from Georgia. Quality is mixed but there has been a lot of scarring and some stem concerns, providing challenges in meeting some retail specs. Georgia's crops are definitely nearing the end of the season, but they'll likely push to harvest up to Thanksgiving if weather allows. There have been a few growers in Florida scrapping from hurricane-damaged crops but the quality is rough with a lot of zipper-type scarring. It looks like another 3-4 weeks before we will see some new, healthier crops in Florida. In the West, Coachella has become the main area of production where they now have moderate volumes and overall nice quality. Fresno and Oxnard also have light volumes this week, but they are expected to finish up the season sometime in the next 5-7 days. Nogales is starting to see a handful of bells here and there, but significant supply won't emerge until Sinaloa starts production in December.

## WATERMELONS

Domestic watermelon production is at a light point of the season. Immokalee's acreage has been limited on the earliest harvests and we're now nearing the end of this production block. Sizing is mostly 60 ct rather than 45 ct and quality is average. We do expect to see new plantings/acreage come online in 2 weeks with better yields and quality.

## CUCUMBERS

Georgia continues to work cucumber fields but volumes are limited and quality is marginal as they near the end of the season. There have been a few available in South Florida as well this week. These harvests have been affected by Hurricane Milton, so we're seeing a higher than normal percentage of offgrades but quality on #1 fruit has been mostly acceptable. This area should have light volumes of cucumbers until Thanksgiving. Then, we'll be looking for the Honduran imports to start sometime in mid to late December. Mexico's supply has increased this week as Baja, Central Mexico, and Sonora have better volumes available. We've even seen a few coming out of Sinaloa already. Quality is fair to good, depending on area, grower and lot.

## GREEN BEANS

Eastern bean supply is limited to a few in Georgia and a few in North Florida, with supply coming in somewhat sporadically. The Lake area and much of South Florida were severely impacted by the Hurricane Milton, resulting in lost acreage and plantings on what would normally be coming online over the next few weeks. Recovery isn't expected until mid-December, although we may see some out of Homestead in about 3 weeks. In the West, supply is very light out of Central Mexico and California. We expect to see better availability around Thanksgiving or the 1st week of December when Sinaloa growers get started.

## YELLOW AND ZUCCHINI SQUASH

The East has plentiful supplies of yellow and zucchini squash, as both Florida and Georgia growers replanted lost fields of other items in squash after the weather events. Georgia looks to be in the game until near Thanksgiving, while Florida farms will continue through the Winter season. Quality has been good overall, but there are some occasional trouble spots with scarring and scuffing. In the West, supplies have lightened up out of Sonora due to a shot of cooler weather but supply remains adequate. Sinaloa expects to get started in the next 10-14 days with full volumes by the 1st of December.

## RED, YELLOW, & ORANGE BELL PEPPERS

Several factors are impacting the supply of red, yellow and orange bell peppers: 1) Canada's production is finished for all practical purposes, 2) Central Mexico's production is relatively steady, but light due to disease and Summer crops being pulled out, and 3) Supply has been reduced as some growers have harvested as green bells to capitalize on the super-high market prices and demand. Availability is expected to remain very limited until Mainland Mexico's crops get started. They will start in a light way in mid-December, gradually increasing until they hit full stride in late December/early January.

## EGGPLANT

Eastern eggplant supply continues at a light pace with small volumes available in Georgia and South Florida. Despite the storm's impact, there have also been a few in the Plant City area. We anticipate that South Florida will see a few more eggplants coming online in the next few weeks, which should help bolster supply to some extent. The Western situation is improving now that Coachella is fully in production with good-quality fruit. Sinaloa's volume is gradually picking up, adding more product to the market. Quality continues to improve as farms get further into the crops and is quite nice. We expect full production levels by the end of November when shadehouse growers start.

## MINI SWEET PEPPERS

Light volumes of mini sweet peppers are available in both Baja and Central Mexico this week, but the overall supply situation is becoming more challenging. Baja is projected to run through November before finishing up for the season. Although there may continue to be some Central Mexican fruit, we're expecting availability to remain snug until the Sinaloan deals start in late December/early January. Quality continues to be good, although there has been some small sizing on the Central Mexico product.

## CHILI PEPPERS

Georgia and Florida have very light supplies of chili peppers with not all varieties available in one location. Plant City, which is usually the primary area of supply at this time, experienced significant damage from Milton but may have some salvage harvest fruit in the next few weeks. We do expect to see more volume in South Florida starting next week as at least one new grower comes online. In the West, chili pepper availability is moderate with product coming from Baja, Central Mexico and a few just starting in Sinaloa. Baja's volumes are slowing as their crops begin to wind down but quality is still okay at this point. Sinaloa growers are getting started in a light way with seasonal volumes expected by December. Quality has been acceptable on all items, but we continue to see some occasional concerns with tomatillos.

## ORGANIC ROMA

Organic roma tomato supply is primarily in the hands of a few growers in Central Mexico. Quality has been good but color upon arrival has been a bit inconsistent. Expect lighter supply for the next 6 weeks until the Culiacan area gets started.

## ORGANIC BELL PEPPERS

Coachella's new crops are in full production, but quality isn't as strong as usual. This thinner-walled pepper isn't traveling as well as normal, limiting the distribution. There have been a few organic bells trickling in from Mexico already, but sizing is on the small side. We expect more product from new Mexican crops in 10-14 days.

## ORGANIC CUCUMBERS

Organic cucumbers are available in strong supply this week with fruit coming from Baja and Sonora. Overall quality is good although there have been some sizing issues here and there.

## ORGANIC SQUASH

Availability of organic squash is still strong out of Sonora. There have been some reports of scarring on zucchini and dry stems on yellows, but overall quality is still good. Look for production to transition to Sinaloa over the coming weeks.

## ENGLISH CUCUMBERS

With Canada's Summer production nearly finished, most are now looking to Mexico for supply of English cucumbers. Supply has picked up from Mexico's houses although it's not as strong as last year's levels. Quality and sizing options are good from these newer crops.



## SURVEY HIGHLIGHTS HOW GROCERY STORES CAN IMPROVE IN-STORE EXPERIENCE

[THESHELBYREPORT.COM](https://theshelbyreport.com)

NOVEMBER 1, 2024

Experience agency ChangeUp has published results from a nationwide survey that highlights how grocery stores can better meet and exceed customer expectations.

ChangeUp's team of retail experts and strategists surveyed 800 grocery shoppers to explore the growing disconnect between today's sophisticated shoppers and grocery stores. The report, "[How Shoppers are Outpacing Store Evolution](#)," was conducted to provide retailers with critical insight into how to approach store design and the customer experience.

"While grocery stores have traditionally aimed to serve everyone, this broad approach is no longer sufficient in today's rapidly evolving retail landscape," said Bill Chidley, executive director of strategy at ChangeUp.

"Consumers who seamlessly switch between online and in-store shopping demand dynamic, value-adding experiences that complement their digital habits and provide compelling reasons to visit physical locations. The possibilities for the grocery industry, and

all sectors for that matter, are limitless when it comes to transforming and innovating the in-store experience."

Key findings from the report highlight that physical stores still hold distinct benefits, with 66 percent of shoppers feeling more in control of their purchases in-store and 51 percent believing they get better quality items. In addition, 43 percent report finding in-store shopping enjoyable, highlighting the irreplaceable tactile and visual aspects of the experience.

The survey also explores the evolution of omnichannel shoppers to what ChangeUp has defined as "Power Users" – modern grocery shoppers who have mastered both online and in-store environments. The report reveals that 47 percent of grocery shoppers now fall under this category.

Key findings about Power Users include:

- Seventy-seven percent of Power Users are in the physical store weekly;
- Sixty-one percent of younger shoppers (aged 25-44) are Power Users, relying on the blend of in-store and digital channels.

The "How Shoppers are Outpacing Store Evolution" study highlights how grocery stores can better connect with this shopper type and evolve beyond mere functional spaces.

ChangeUp conducted the survey of 800 people across the U.S. All respondents were primary grocery decision-makers who had shopped at a physical grocery store within the past month. The study was designed to represent a diverse cross-section of shoppers, balanced by age, gender, region and income.





## THE BIGGEST BARRIERS PREVENTING QSR'S FROM PROFITABILITY

[QSRMAGAZINE.COM](http://QSRMAGAZINE.COM)

NOVEMBER 6, 2024

Over the last year, the QSR industry has had a rough time. Prices keep rising, and customers are seeing less of a benefit in eating out. This means business is not booming for many QSRs, and there is no easy solution to rising operating costs and a consumer base with constant sticker shock. However, there are things that QSR owners can do to mitigate these challenges. Here are the biggest barriers preventing QSR owners from profitability and how they can navigate them.

### Costs of labor

Ask any restaurant owner about their biggest challenge, and they will discuss labor costs. The cost of hiring an hourly employee is significantly higher than it was pre-2020, and for most restaurant owners, the labor costs have gone up faster than their pricing. You need the employees you need, and wages are what the market dictates, but you can proactively reduce labor costs in a few ways. Scheduling efficiently is a big one. You know when you are busy, so bring on more employees during the busiest hours and schedule fewer employees during off hours.

Your staff should be trained to be jacks of all trades. Everyone should know how to do every task regarding prep and working on the line. This means you don't have to hire extra people since everyone shares similar responsibilities. Remember, hiring fewer people who can do everything is better than a bunch of staff who can only do one thing. Lastly, good scheduling and payroll software should be implemented. This will help you streamline these operations and reduce administrative labor costs.

### Cost of goods

We all know that the cost of ingredients has exceeded control over the last three years. If your QSR needs a good to operate, it is almost guaranteed that the good has increased in price. The rule of price elasticity states there is a ceiling to the cost of any good. The sticker shock for food is too much, and customers decide to eat at home. It is a challenging position because restaurant owners are used to keeping food costs between 28-35 percent of revenue and not 40 percent. You can try increasing customer volume to make up for increased cost, but if customers are worried about cost, you have to do food deals, which often don't increase volume enough to offset the increased

cost. It is tough to increase profit margins in this industry right now, and the best way QSR owners can overcome the cost of goods is to penny-pinch and learn how to market their business efficiently.

An excellent way to combat the increased cost of goods is to simplify your menu. Only included high-selling items or food options that require simple, inexpensive, and easy-to-use ingredients. Identify high-margin food items and focus on selling those. Get rid of low-margin items. Portion control is also crucial. When your margins are razor thin, you have to ensure every customer gets the same amount of food when they order a particular menu item.

Lastly, continue to build relationships with suppliers. Prices might not be ideal, but we still live in a market where you can negotiate better pricing or bulk discounts.

### Rough retention

Cost of labor and cost of goods relative to QSR margins are two factors contributing to the third reason QSRs face profitability challenges: an inability to find and retain good employees. When you find good employees, it is hard to keep them because other industries with better margins can pay them more. QSR owners should focus their efforts on keeping their best people. It is better to keep a few good men than newer employees who require training and don't usually stay. Keeping your best people means providing employees with incentives and benefits. Something as simple as a 401k plan can keep employees long-term. Providing a retirement plan puts you ahead of most small restaurant owners. You can also start a bonus pool. This pool will take a percentage of the profit your restaurant receives each month, quarter, or year and pay out a bonus to all your established employees. You can even go as far as offering a buy-in program for your best managers. Good managers are likelier to stay if you give them a vested interest in your restaurant.

QSR owners are dealing with a lot right now. The cost of goods, labor, and employee retention difficulties make profitability a challenge in our industry. However, restaurant owners can find success in the industry today. Market well, get creative, and improve efficiency, and you will overcome a difficult market.

# UPCOMING EVENTS:

**NOVEMBER 7-9, 2024**

## **SOUTHWEST INTERNATIONAL PRODUCE SHOW**

**JW MARRIOTT STARR PASS  
TUCSON, AZ**

**[www.swipeexpo.com](http://www.swipeexpo.com)**

**DECEMBER 10-12, 2024**

## **NEW YORK PRODUCE SHOW & CONFERENCE**

**SHERATON NEW YORK TIMES SQUARE HOTEL  
NEW YORK, NY**

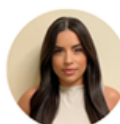
**[www.nyproduceshow.com](http://www.nyproduceshow.com)**

This year 21 Lipman locations across North America performed acts of service in their local communities on November 7th and 8th. We look forward to sharing the results of our efforts!



Each Lipman location has a Community Champion or Community Team that leads their location in service projects. Thanks to this group for going above and beyond!

## COMMUNITY CHAMPIONS



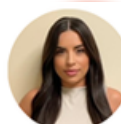
**Maritza Gonzalez & Marcos Diaz**  
Manteca, CA



**Susie Cerezo & Miranda Elam**  
Phoenix, AZ



**Carmen Zavala & Faye Yount**  
Portland, OR



**Maritza Gonzalez & Marcos Diaz**  
Manteca, CA



**Susie Cerezo & Miranda Elam**  
Phoenix, AZ



**Carmen Zavala & Faye Yount**  
Portland, OR



**Kelly & Pina**  
Lipman New Jersey



**Raquel Chagas & Nick Dachman**  
Fort Lupton, CO



**Crystal Smith**  
Tukwila, WA



**Blanca Hernandez**  
Farm Virginia



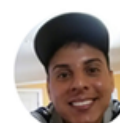
**Alejandra Felix**  
Nogales, AZ



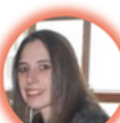
**Marlene Hokanson**  
Livermore, CA



**Katie Lamb**  
Hendersonville, NC



**Anthony Marquez**  
South Carolina



**Mikayala O'Donnell**  
Knoxville, TN



**Lisa Hampton**  
Clarksville, AR



**Linda Garcia**  
Farm 7 - Naples, FL



**Tina Laird**  
Farm 15 - Deutle, FL



**Maria Munguia**  
Immokalee, FL



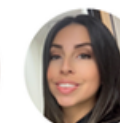
**Karim Ortiz & Karla Barraza**  
Hermosillo, MX



**Diego Cervantes**  
Jalisco, México



**Kimberly Banks & Chris Garcia**  
Dallas, TX



**John Lloyd**  
Exeter, OH



**Adriana Diaz**  
Edinburg, TX