MARKET UPDATE

Round Tomatoes: TN is beginning to see better round tomato volumes as most growers have started shipping for the season now. Quality is good, although there are some occasional issues by field/lot/grower where they've been hit with sporadic afternoon showers. VA farms have been cruising along with steady volumes but will slow down after this week. They're picking the last crown from current plantings today and will then be limited to 2nds and 3rds until new crops/plantings start back up in late August. Farms in the NC mountains and AL are also shipping light to moderate amounts of product (mostly vine-ripes), depending on the day. Quality is similar to TN—mostly good but some occasional trouble lots. In the West, it's still a CA deal for mature greens. Quality and volumes have been very steady but we will start to see less from these areas due to high heat. Sizing is still on larger end of the spectrum (5x6 or bigger), but will become more balanced as farms work through the season. Baja and East Mexico's vine ripe programs are rolling along. They, too, are heavier to larger-sized fruit.

Roma Tomatoes: Although TN is in full swing on romas now and NC is also providing some fruit, overall volume is light to moderate. Quality has been all over the board on romas, so growers and lots must be chosen carefully. CA's roma volumes have been strong and steady with mostly big fruit but sizing and volume may decline slightly in the next week or so due to high temperatures. Baja and East Mexico also expect to have consistent numbers for the next several weeks.

Grape Tomatoes: There are grapes coming out of the Carolinas, AL and TN, but volume has slowed as some growers' harvests were accelerated due to heat. Lipman's VA farm will continue with steady grape tomato production for the next several weeks, providing a consistent source in the East. Quality has been affected somewhat by rain and heat, but the finished product is nice. Although there are a few growers in CA with grapes, the majority of West's volume is coming out of Baja. Production has been moderate but may drop off slightly as growers work through current plantings.

Bell Peppers: Although there are several areas in production in the East, no one area has big volume so things have been a little snug, especially early in the week. NC and TN have both had steady volumes, but these are not major production zones this time of year. Quality has been good from our partners in these areas, although there have been a few reports of bruising on fruit that went through rain showers. KY and VA farms are in a slight gap between plantings as older fields came on strong and finished a little early due to heat, and the newer plantings are just a week or so away from beginning. NJ is past its pepper peak but still has fruit to harvest, and MI has only started in a light way. We look for stronger availability next week as the different areas work through their respective concerns. Western markets are still looking to the Fresno and Legrand areas in CA for peppers. Retail sizing has been scarce but will hopefully improve as Stockton gets up and running with new crops.

Cucumbers: Cucumbers are available in good supply this week as several areas in the East are harvesting. MI and NY have the strongest volumes, but there's also fruit coming out of NC, TN, VA and KY. Quality has been good from most all areas and color has improved with recent lower temperatures in the more northern areas. The Eastern NC program will be back in their "Fall" cucs around August 22nd, just as many local programs finish up. Baja and Central Mexico continue to have the volume and quality to meet demand easily. WA state production is also going full force.

Summer Squash: Squash continues to be spread out in many growing areas in the East- TN, KY, NC, VA, NY, NJ, MI, and even FL and GA have new crops available to sell. Despite the many areas in season, good quality squash is not overly abundant, especially on yellow. Although MI has some of the stronger volumes, quality reports have been hit or miss. With cooler temperatures in the area, we look for an uptick in quality going into next week. The more southern production areas' quality is also hit or miss, mostly dependent on the heat and any rain showers that may have occurred. With Santa Maria, Salinas, Fresno, Baja and Eastern WA all in play, the West has promotable volumes of squash available. Quality has been top-notch, but the recent heat in CA will likely take a toll soon.

Organic Squash: Between Baja, the Northwest, and CA, there are solid amounts of organic zucchini and light to moderate numbers of yellow squash available in the West. Quality can be challenging on yellow, but most areas have nice zucchini to offer. Eastern organic squash production is spread out with small pockets of product in several states. As with conventional squash, quality is varied depending on the amount of Summer weather fields have experienced.

Organic Cucumbers: With Baja's strong numbers and the Northwest's consistent supply, the West has good availability on organic cucs this week. The East has minimal product available from small local deals.

Organic Green Bells: With only one grower in CA running and only a few in the East with minimal numbers, organic green bells continue to be extremely short. A few growers in the Northwest and Northeast are on tap to start next week, but logistics will hinder the ability to use this product throughout the country. Our Baja crops are still a good month out, so we look for supply to remain short for at least a few more weeks.

HH Colored Bell Pepper: Supply of colored bells has improved slightly this week in most of the current growing areas (Eastern Canada, Western Canada, and Mexico). Our Canada greenhouses have all colors and nice quality to offer, but fruit will size down as we move into next week. Mexico crossings are likely to decrease next week, but new growers are on tap to start later in August, bringing more supply to the table.

Mini Sweet Peppers: Mini sweet production has picked back up in Canada this week. With a couple more growers onboard in Baja, Mexico's supply has also strengthened. Fruit quality is good.

ON THE HORIZON CONTENTS

Look for Transportation Facts on Page 2 this week!

NEWS IN THE GROCERY TRADE

How Much More Will Shoppers Pay for Organic Produce?

By: Ashley Nickle, www.produceretailer.com, July 24, 2019

U.S. organic sales hit a record $52.5 billion in 2018, up 6.3% from the previous year, and The Packer's Fresh Trends 2019 consumer survey indicates the growth of organic produce in particular is poised to continue.

Fifty-seven percent of respondents said they would purchase organic produce if price were no object. Typically, however, price is a key consideration for consumers contemplating an organic purchase.

Sixty percent of shoppers who bought organic in the last 12 months said they weigh any extra cost versus the perceived advantage to their health. How much more consumers are willing to pay varies.

Roughly one-third of shoppers said they would pay less than 10% more for organic, and another 31% of shoppers said they would pay 10-24% more. Those numbers were fairly consistent between the different income brackets, from $25,000 or less at the low end to $100,000 or more at the high end.

Consumers across all age groups expressed a willingness to pay 10-24% more for organics, from shoppers 18-39 (32%) to 40-49 (40%) to shoppers 50-58 (27%) to shoppers 59-plus (26%).

Beyond that, younger consumers were most willing to pay more organic, with 19% saying they'd pay 25-49% more.

The top reasons given for purchasing organic produce were nutrient content/personal health (48%), environmental/social responsibility (34%), and food safety/avoiding chemicals (60%).

Organic category growth overall

Organic food sales last year were $47.9 billion, an increase of 5.9% from 2017, according to the Organic Trade Association. More than one-third of organic food sales come from fruits and vegetables. Produce sales — including all forms, not just fresh — were $17.4 billion in 2018, up 5.6%.

"Organic is now considered mainstream, but the attitudes surrounding organic are anything but status quo," OTA executive director and CEO Laura Batcha said in a news release. "In 2018, there was a notable shift in the mindset of those working in organic toward collaboration and activism to move the needle on the role organic can play in sustainability and tackling environmental initiatives.

"Activism is a natural reaction from an industry that is really close to the consumer," Batcha said. "When we are in an environment where government is not moving fast enough, the industry is choosing to move to meet the consumer rather than get stalled."

Fresh perspective

The United Fresh Produce Association, in its FreshFacts on Retail report about 2018, provided some context on the growth of organic fresh produce in particular.

Organic sales of fresh produce in 2018 were $5.6 billion, up 8.7%. Organic fresh vegetable sales were up 7.1%, organic fresh fruit sales were up 10.7%, and organic fresh herbs/spices sales were up 7.9%.

TRANSPORTATION FACTS

*The national diesel average dropped another $.01 this week, coming in at $3.03 per gallon.

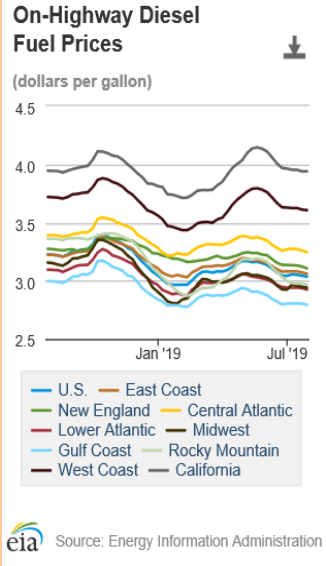
* The average price for a gallon of diesel is $.19 less than the same time last year.

* All regions except California (where the price remained steady) reported price declines of $.02 or less per gallon.

*California's price charts the highest at $3.94 per gallon while the Gulf Coast is the low-price leader at $2.79 per gallon.

*The WTI Crude Oil price rose 2.3% this week, moving from $56.77 to $58.05 per barrel.

* Shippers in NC, MO, IN, and IL are dealing with truck shortages this week but all other areas report adequate or surplus levels of transportation available.



THE LIPMAN FAMILY OF BRANDS

FIELD | HOTHOUSE | HERO BRAND | ORGANIC

Looking to simplify your buying process? Ask your Lipman/Huron contact how you can get both field and hothouse tomato and vegetable products from one convenient produce partner……Lipman Family Farms!

PRODUCE BAROMETER

ITEM	QUALITY	PRICING
Bell Pepper	Good	Steady
Cucumber	Good	Lower
Eggplant	Good	Steady
Green Beans	Good	Higher
Jalapenos	Good	Steady
Onions	Good	Lower
Squash	Varied	Steady
Tomatoes	Mostly Good	Steady

AUGUST CALENDAR

August All Month
National Sandwich Month
August 1st-7th
Simplify Your Life Week
August 3rd
National Watermelon Day
August 5th
Green Peppers Day
August 8th
Sneak Some Zucchini on Your Neighbor's Porch Night

Exeter, VA Weather

Fri	Sat	Sun	Mon	Tue
Aug 2	Aug 3	Aug 4	Aug 5	Aug 6
81°F	81°F	81°F	81°F	82°F
64°F	66°F	65°F	65°F	65°F
S 2 MPH	WSW 3 MPH	N 3 MPH	SE 3 MPH	SW 5 MPH
Precip 50%	Precip 50%	Precip 40%	Precip 30%	Precip 20%

KEEP YOUR EYE ON THE CONSUMER

Study: This is Who Consumers Trust Most for Shopping Recommendations

By: Marianne Wilson, www.chainstoreage.com , July 30, 2019

Despite their high-profile, influencers and bloggers are among the least trusted sources of shopping recommendations. So are tech-related sources such as Alexa. That's according to a study conducted by Oracle in partnership with Jeanne Bliss, customer experience pioneer and founder of Customer Bliss, which revealed that consumers are twice as likely to trust family members (77%) and friends (75%) than any other source for shopping recommendations. The next most trusted source is colleagues (38%).

The study found that it is getting increasingly difficult for brands to influence purchasing behavior as consumers. Politicians (2%), celebrities (7%), a company employee you engage with online (12%) and influencers/bloggers (14%) are among the least trusted sources of shopping recommendations, according to the report.

Consumer trust in technology is also limited. Ninety-two percent of consumers do not trust recommendations from chat or messaging pop-ups on websites, 89% of consumers do not trust voice-activated services like Alexa or Siri and 81% do not trust ads on mobile devices. The most trusted source of tech-driven recommendations was social media ads, which are trusted by just 23% of consumers.

The study, "One Size Doesn't Fit All," includes insights from over 1,100 U.S. consumers across four generations, also and found that 43% of people blacklist brands that fail to meet their expectations and that a lack of trust in brands is making it increasingly difficult to influence purchasing behavior. The majority of consumers (82%) have had an experience with a brand that is disappointing or upsetting and more than three-quarters of consumers (78%) say they have had an experience where they were not satisfied with the customer service provided. As brands fall short, consumers are taking decisive action. More than one third (34%) of consumers said they would never shop with a company again after just one bad experience.

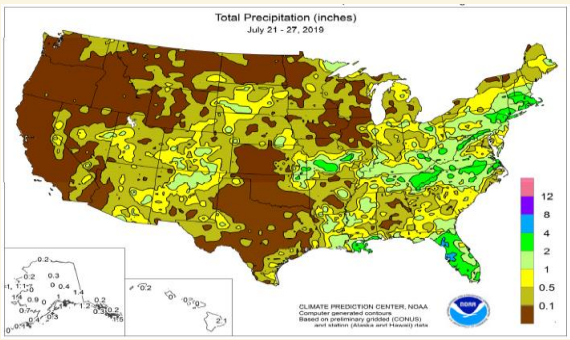
"As this study shows, consumers are attracted to brands that go the extra mile to deliver personalized experiences and are willing to take decisive action when their expectations are not met," said Bliss. "The key takeaway here is that one size doesn't fit all and if you invest in customer experience, your customers will invest in you."

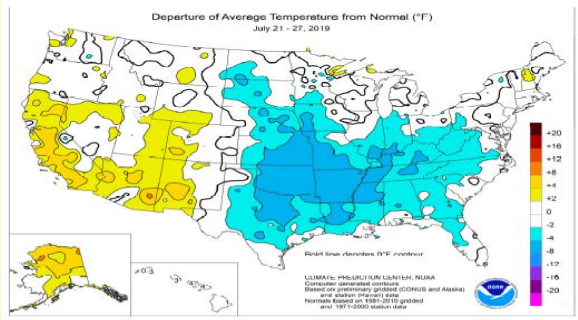
In other findings from the report:
• 88% of consumers share their negative experiences. The majority will tell their friends and family (59%), while only 35% will contact a company to give it the chance to resolve the issue.
• Only a small percentage (15%) of consumers expect a brand to have a social media presence, followed by a stance on social/environmental issues (9%) or political issues (4%).
• Consumers are willing to pay a premium for personalized and novel experiences and more than half of consumers (57%) are comfortable sharing personal information to receive a better experience. But the majority of consumers do not expect brands to deliver.
• 41% of consumers, and almost half of millennials (47%), are willing to pay as much as 20% more for an impressive customer experience.
• 68% of consumers think it is important for a store to tailor its experience based on their tastes and preferences.
• 42% of people are more likely to buy from a company that offers novel ways to experience its products and services. This is especially true for Gen Z (58%) and millennials (56%).
• Consumers from different age groups have very different attitudes toward sharing personal information. 64% of Gen Z and Millennial consumers are comfortable sharing personal information to receive better experiences compared to 50% of Gen X and 35% of Baby Boomers.
• Consumers expect to have the flexibility to return products for free (66%) and get a refund when a product or service does not meet expectations (64%).
• Consumers also want flexibility around when and where they purchase products. Respondents listed surprising places for buying products including standing in line to buy the product in-store (17%), while in a meeting at work (9%), while driving (9%), while on a date (6%) or in the shower (4%).

"True customer experience today is not a one-size-fits-all model and as this study shows, brands are increasingly having to operate in a world where customer understanding is at a premium and there is virtually no tolerance for mistakes," said Rob Tarkoff, executive VP and general manager, Oracle CX Cloud. "Brands are in a race against time to meet these ever-changing customer expectations and will need to take a data-driven approach to ensure they can make every customer interaction matter."

NATIONAL WEATHER SPOTLIGHT

Last Week's Precipitation Totals and Average Temperature Deviations





RESTAURANT INDUSTRY NEWS

Driving Lunch Traffic in a Work-From-Home World

By: Fern Glazer, www.nrn.com , July 29, 2019

More people working from home, online shopping and limited time are transforming lunch, the daypart that holds the industry's largest traffic share, according to market research firm The NPD Group.

"Lunch is changing," said David Portalatin, vice president and foodservice industry advisor at Port Washington, N.Y.-based NPD. "It really reflects all of the change we are seeing in the labor force."

Total foodservice lunch traffic was flat in the year ending March 2019, NPD reports. By segment, quick-service lunch visits were flat, and midscale/family dining and casual dining lunch visits were down three percent and one percent, respectively.

For context, the dinner and afternoon snack dayparts also saw flat traffic as well, with only breakfast seeing a 2% increase. But lunch has been slipping for a decade. The typical American consumer uses a restaurant for lunch 11 fewer times annually than a decade ago. Annual lunches purchased at a restaurants per person stood at 61 in 2018, down from 72 in 2008, according to NPD research.

Baby Boomers exiting the workforce and Millennials and younger generations working differently — remotely, with flexible schedules and on-demand — has created a lot more fluidity around the midday meal. "In the past, traditional patterns had a lot of sway over our behaviors," Portalatin said. "[Today's consumers are] very fluid in thinking about the time required for their work so it's no surprise there's no need for the old business lunch."

The majority of lunches, or 83%, still occur between noon and 2 p.m., but the components of the meal have changed, NPD found. Though sandwiches still dominate lunches eaten at home, more consumers are changing the makeup of their midday meal to include more snack-type foods — think fruit and a granola bar — the research shows. Top snack food choices include items that are portable, beneficial (for health or energy, for example) or are seen as permissible indulgences. "The way lunch is composed has been changing over time," said Portalatin. "It's an opportunity [for operators] to look at their menu and see how they can give consumers flexibility to compose lunch on their own terms."

Traditionally quick-service operators have had success driving lunch traffic with deals, such as combo meals or buy-one-get-one offers. But while visits on a deal were up 1 percent for the year ended March 2019, Portalatin says it has becoming harder and harder to stand out on price. "We may have dealed ourselves to full capacity," he said. "It's now standard pricing; it's what's expected."

This article has been edited for content and space. Please go to https://www.nrn.com/consumer-trends/driving-lunch-traffic-work-home-world for the entire article.