



# On The Horizon

## MARKET UPDATE

**Round Tomatoes:** Round tomato harvests have been light to moderate in most Eastern production areas this week. With VA out of the picture for a few weeks, that leaves TN, NC, MI, and NJ and a few other local deals to handle demand. Small fruit is on the short side and quality can vary from really good to just okay. Eastern supply may remain somewhat snug for the next couple of weeks. The CA deal is also shipping less cases this week as farms work through plantings affected by June's heat wave. East Mexico and Baja continue with steady numbers on vine-ripenes. Small fruit is also short in the West, as the three major production areas are currently heavier to larger sizes.

**Roma Tomatoes:** As with rounds, roma volumes are adequate but lighter in CA and most Eastern areas. Mexico's production has also lightened up since much of Baja's early acreage has played out and Eastern Mexico's numbers are light. We expect to see a little more fruit in a few weeks when Baja starts new plantings and domestic growers work through yield issues on current plantings.

**Grape Tomatoes:** There are grapes coming out of the Carolinas, VA, AL and TN, but there's not a lot of volume in any one location. Overall, Eastern shippers are able to put out a good pack but some lots/areas may see a little less shelf life due to weather on the fields. There's not a lot of grapes in the West either. Between some cool and rainy weather, planned decreases and quality concerns from a few shippers, Baja's numbers have dropped off. The transition to new crops has been slow, but is coming.

**Bell Peppers:** Bell pepper availability has improved this week in the East. The NC mountains, NJ, MI and TN all have good volumes to offer and quality has been nice from all areas. Western markets are seeing volume increases as well. Stockton, Fresno, Gilroy and LeGrand are each shipping on a steady basis with all sizing and grades available as we go into the weekend.

**Cucumbers:** Mexico's cucumber production has decreased significantly as growers transition to new shade houses. We are expecting lower volumes for the rest of the month which will put more pressure on WA state and the East for product. Baja's quality has been hit or miss based on the grower but is decent overall. The East is seeing good numbers out of MI, although quality is variable depending on the amount of rain on the crops. There are also some smaller local deals rolling with product to help the cause. Look for the Eastern NC program to be back into Fall plantings later this month.

**Summer Squash:** Summer squash volumes have ramped up in the East. There are a lot of areas in production, many of which have moved into new plantings with more and nicer fruit. MI is putting out higher volumes than most, but their quality is just average, particularly on yellow. Availability should continue to be strong for the short term, pending no major weather. Just as the East kicks in higher gear, Western production has slowed this week. Santa Maria is on the lighter side with cool evening temps along with finishing up their 2<sup>nd</sup> of 3 plantings. We should see the last of their new fields within the next two weeks which will take them through September. Baja is also on the limited side and is anticipating increases within the next 10-14 days. The Watsonville/Salinas and Fresno areas continue with limited supplies and should remain that way for the near future.

**Green Beans:** After a few weeks of lackluster harvests, several Eastern bean areas are back in business with good volumes. Quality is mostly good, just not beautiful. If big volume is what you're looking for then Watsonville / Salinas area is for you for the next several weeks! They expect to hit peak production over the next couple weeks and are looking to promote during this time frame. Western markets also have product coming from the Brentwood / Stockton areas in limited volumes and light to moderate numbers of beautiful beans in WA state.

**Eggplant:** Eggplant is readily available in Fresno and WA state for the West and in several states in the East. Quality has been good on both sides of the country, but Fresno's fruit has sized down a notch.

**Chili Peppers:** Both Santa Maria and Baja have good volumes of chilies available this week. A new grower with good-sized acreage has begun in Baja, which will hopefully help on the occasional quality issues we've been seeing on larger cavity chilies like poblanos and Anaheims. The East is puttering along with small local deals with hit or miss availability.

**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:** Baja's organic cucumber numbers have dropped off just as conventional numbers have. There's still an adequate supply but no excess. The Northwest has consistent volumes this week but there are some typical local issues such as yellow bellies and scarring which won't work for all customers. Organic cuc production has been very light in the East, mostly from small local deals.

**Organic Green Bell:** There are a few more green bells in CA this week but it's not a lot. WA and OR have started up which will help to meet demand as we wait for new Baja crops and Fall plantings to come online in CA. There is light production from VA, KY, and NY available in the East.

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Please Note:  
On the Horizon will not be published on August 15, 2019.

## NEWS IN THE GROCERY TRADE

### Moving the Consumption Needle Higher

By: Cathy Burns, [www.thepacker.com](http://www.thepacker.com), August 5, 2019

When one thinks about the many changes produce marketers have witnessed throughout the past 25 to 30 years, one of our biggest ongoing challenges is moving the consumption needle upward. Data from the U.S. Department of Agriculture consistently finds that consumers have not been eating enough fresh fruits and vegetables.

In the late 1980s and throughout the 90s, our industry's focus was on marketing health and nutrition. That has since shifted to emphasize the tastes, textures, and sensory delights inherent in fresh fruits and vegetables that consumers are seeking in meal experiences.

More and more suppliers are developing innovative ways to showcase the full flavor potential of fruits and vegetables through strategic marketing approaches that combine merchandising, advertising, and engaging online content. This is one of the many reasons I enjoy spending time with exhibitors during PMA's Fresh Summit Expo in October: to see our industry's creativity come to life.

Yet, while some marketing approaches have shifted away from health, the ever-growing plant-based foods movement provides our industry with a new opportunity to educate consumers that fruits and vegetables are a key part of this lifestyle. While plant-based can certainly include fruits and vegetables, it cannot replace them in consumer diets and eating habits.

Another cultural change produce marketers have responded to is the advent of social media and the multitude of channels from which consumers can receive information. Twenty-five years ago, the Internet was in its infancy and the smartest phone of the age might be able to just capture a picture.

Today, three-quarters of U.S. consumers say they have purchased a product they discovered in a brand's social media post, while 40% shop online at least once per week, a number that rises to 52% for 18-34-year olds.

And while platforms such as Instagram, Facebook, Pinterest, Twitter, and Snapchat are popular, what is certain is the power of video. Studies have found that viewers retain 95% of a message when they watch it on video, compared to 10% when reading it.

As marketers, think about what that means for your video content and social channels. It is on these platforms that our hyper-connected consumers are seeking more information about the foods they eat, how those foods are produced, and who produces them.

According to Nielsen, transparency remains one of the top issues consumers care about and they are looking for brands that align with their values. A few years ago, research conducted by the Hartman Group for PMA found consumers are getting information about industry practices from consumer advocacy groups first, followed by the government, and then the company itself.

Through leveraging technology and digital media to tell our stories, produce and floral marketers can transform and strengthen not only their brand communication, but also their consumer connections.

As we look ahead to the next 25 years, one thing is certain: Consumers will continue to become more informed as society and technology becomes more interconnected, be it online or in the store or restaurant.

Our job as marketers is to ensure they have the utmost trust in the fresh fruits and vegetables they eat – be that in terms of safety, product quality, consistent and delightful flavors, etc.

This is how we will grow a healthier world.



#### TRANSPORTATION FACTS

\*The national diesel average held steady this week at \$3.03 per gallon.

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

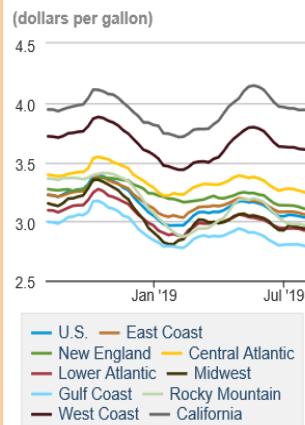
\* All regions except the Central Atlantic (where the price rose \$.01) held the same prices this week.

\*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 fell sharply this week (down 9.5%), moving from \$58.05 to \$52.54 per barrel.

\* Trucks are slightly short on the Eastern shore, but all other areas report adequate or surplus levels of transportation available.

#### On-Highway Diesel Fuel Prices



Source: Energy Information Administration



## FRESH CUT FOCUS

### Zucchini- Coin and Half Moon Cuts

Contributed By: Johnathan Maldonado, Manager of Innovation/Product Development- Lipman Dallas, TX

Lipman's fresh cut product line provides you with the best of nature, cut fresh and packed for convenience.... year round. Our product-specific processing and patented packaging drives optimal shelf life – meaning you'll receive only the best product, every time. And this produce not only tastes good... it helps customers save valuable time in the kitchen, and the convenient packaging also reduces the risk of foodborne illness, by decreasing the opportunity for cross-contamination.

Because our fresh cut products are so versatile in both foodservice and retail applications, we'd like to share some of our ideas on how they can be incorporated into your operation. This week, we're featuring our fresh-cut zucchini! For more information, please reach out to your usual Lipman contact or one of our fresh cut specialists: Johnathan Maldonado at 214.907.0695, Chris Daulerio- East at 215.870.8956 or Brian Arbini- West at 209.402.5184.



Zucchini and Ricotta tart of buttery puff pastry with lemon and pine nut

## Zucchini: Coin Cut & Half Moon Cut

**Ingredients:**

- Sliced & Half Moon Cut Zucchini

**Menu Applications:**

- Flavorful topping on bake goods and flatbreads
- Skillet and hearty dishes
- Salads
- Great replacement for chips or bread

**Kit Versatility:**

- Foodservice items
- Behind the glass deli
- National accounts
- Kits sold for repack at store level



Half moon zucchini with fresh cut corn, diced red onions in a light lemon and dill dressing



Zucchini Nachos – sliced zucchini topped with cumin scented black beans, diced avocado and tomato pico de gallo finished with scallions, cilantro and fresh lime.

## PRODUCE BAROMETER

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



## AUGUST CALENDAR

### August All Month

National Wellness Month

**August 18<sup>th</sup>-24<sup>th</sup>**

National Chef's Appreciation Week

**August 10<sup>th</sup>**

Shop Online for Groceries Day

**August 15<sup>th</sup>**

National Relaxation Day

**August 18<sup>th</sup>**

Chef Appreciation Day

National Fajita Day

## HENDERSONVILLE, NC Weather

Fri Aug 9	Sat Aug 10	Sun Aug 11	Mon Aug 12	Tue Aug 13
85°F 66°F NW 6 MPH Precip 20%	85°F 66°F NNW 5 MPH Precip 40%	85°F 68°F N 3 MPH Precip 20%	87°F 70°F NW 3 MPH Precip 20%	87°F 71°F WNW 6 MPH Precip 40%

## KEEP YOUR EYE ON THE CONSUMER

### More Than Half of Americans Will Change Shopping Habits Because of Tariffs

[www.progressivegrocer.com](http://www.progressivegrocer.com), August 5, 2019

Retailers often argue that tariffs on imported goods will have an adverse effect on consumers, and the results of a recent survey add support to that view: 60 percent of American consumers say they will change the retailers where they shop on account of tariffs, according to shopping rewards app Shopkick, which polled more than 30,000 U.S. shoppers on the subject.

Of that percentage that's aware of tariffs, almost 40 percent reported having already seen higher prices in stores. Further, 38 percent of shoppers said that they expected a household cost increase of up to \$500, and 30 percent anticipated an increase of more than \$1,000.

Other survey findings included:

- 44 percent said they planned to cut down on shopping
- 29 percent said they were stocking up on goods now
- 25 percent said they would switch to U.S.-made goods

When it came to the various generations:

-34 percent of Gen Z respondents are aware of tariffs, compared with 74 percent of Boomers

-50 percent of Millennials plan to cut down on spending versus 38 percent of Boomers; the majority 62 percent of whom said that they would seek alternative options to cutting costs

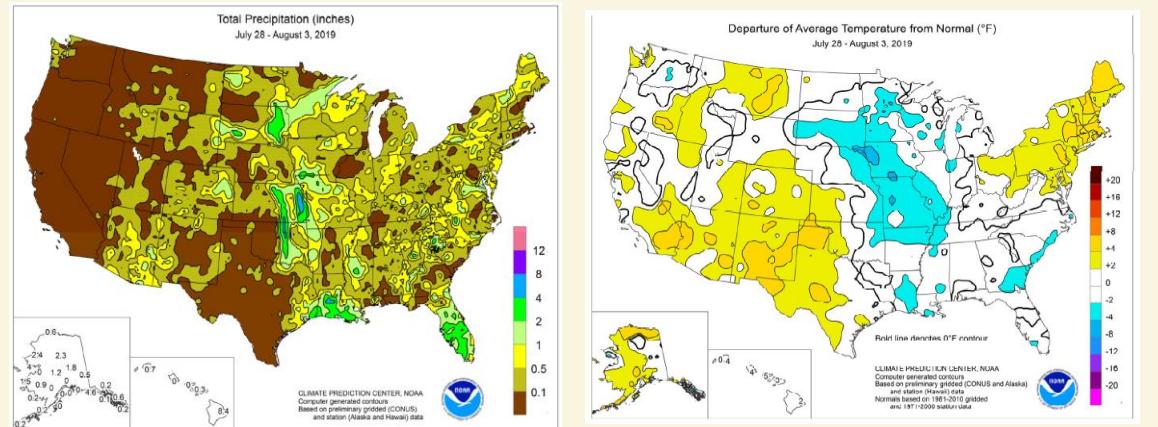
-40 percent of Millennials expect that tariffs would cost their household up to \$500 annually, while 31 percent of Gen Z respondents estimated the same monetary impact

If the latest round of tariffs unveiled by the Trump administration – a 10 percent tax on \$300 billion worth of goods imported from China – are imposed, annualized consumer cost is likely to double, noted Redwood City, Calif.-based Shopkick, adding, “[I]t's clear that consumers are thinking ahead and plan to adjust their shopping habits and destinations, ushering in a new age of consumer shopping habits that American retailers will be forced to adapt to.”

Shopkick's survey was conducted in late June.

## NATIONAL WEATHER SPOTLIGHT

Last Week's Precipitation Totals and Average Temperature Deviations



## RESTAURANT INDUSTRY NEWS

### Why is Restaurant Traffic Down? Look to Men

By: Jonathan Maze, [www.restaurantbusinessonline.com](http://www.restaurantbusinessonline.com), August 2, 2019

Observers have had a hard time explaining why restaurant traffic has declined over the past few years, but we have at least figured out who is eating out less. Men.

According to Technomic Ignite consumer data, the percentage of men who say they eat out once or more per week has declined each of the past two years. In the second quarter of 2017, nearly 75% of men said they ate out once a week. This year, that's down to 73%. By comparison, women have been pretty consistent at between 67% and 68%.

Exactly why this is happening is uncertain, but Robert Byrne, senior manager of consumer insights for Technomic, has an idea. "It's price," he said. "What we're looking at is a price-based inflection point." (Technomic is a sister company of *Restaurant Business*.)

Numerous restaurant chains have struggled to generate traffic, and many believe that higher prices and an overt focus on premiumization, along with strategies such as kiosks and delivery that increase average check, are ultimately reducing visits. This is notably true in the fast-food space.

Men tend to be big users of fast-food chains. If they are using restaurants less often, it can help explain such chains' difficulty in generating traffic growth.

Byrne believes that it's men ages 25 to 34 who are reducing their visits the most, and he believes that's the age where price-consciousness really kicks in. "They're not just feeding themselves," he said. "They have families, kids, significant others. You can only take price so far before it impacts trips."

To be sure, there could be other reasons men are reducing their restaurant visits. Maybe they're more likely to shop online, and thus don't make shopping-related convenience visits. Maybe more of these men are burdened with college loans and are just cutting back.

But price could be a big factor, particularly as grocery prices have remained relatively stable in recent years. The real problem, Byrne said, is that these consumers have somewhere to go. While people aren't cutting back on eating, they do have numerous convenience options, from prepared food offerings at grocers to new higher-quality frozen meal options.

"It's a lot easier to put together something satisfying," Byrne said. "You can feed more people at a better price point."

This article has been edited for content. To view the article in its entirety, please go to  
[www.restaurantbusinessonline.com](http://www.restaurantbusinessonline.com)

FRESH
TOMATOES
 *the best of nature™*

**MARK YOUR CALENDAR  
PACK YOUR BAGS!**

**September 18-19, 2019**  
 NEPC Produce, Floral & Food Service Expo  
 Hynes Convention Center  
 Boston, MA  
[www.newenglandproduceouncil.com/expo](http://www.newenglandproduceouncil.com/expo)

**September 25-27, 2019**  
 Retail Foodservice Summit  
 Marriott O'Hare  
 Chicago, IL  
[www.winsightgrocerybusiness.com/events](http://www.winsightgrocerybusiness.com/events)

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