



**MARKET UPDATE**

**Tomatoes:** In several Eastern growing areas, heat has brought tomato plantings on ahead of schedule which is providing solid supply of all varieties for the next few weeks. Quality varies by the growing area and the amount of weather the plants and fruit have received. Overall, some of the best fruit is coming from Virginia this week.

Although round and roma supplies are at the lightest point of the season in Mexico, there is plenty of product to meet the market's sluggish demand. California mature green growers are seeing consistent production and expect it to continue for at least the next few weeks. Quality is good in all areas. Grape tomatoes are available in solid volumes from Central Mexico and domestic greenhouse growers. Baja also has grapes, but has lighter volumes until the Fall season begins in September. Quality is good on freshly-picked fruit, but there is a backlog of product with less desirable quality.

**Bell Peppers:** Multiple growing regions in the East (MI, NJ, NC, SC, VA, KY) report good bell pepper production and availability. Overall quality is good, although some areas are dealing with weather-related issues. The scenario is similar in the West- peppers are plentiful and available in multiple areas. Quality and condition have been excellent.

**Green Beans:** Michigan, Virginia, and New Jersey have consistent production and adequate supply of beans to meet Eastern market demands. Tennessee also has beans available, but shipments have been spotty due to rains. In the West, beans are status quo- Watsonville and Brentwood expect to have moderate supply through August while Santa Maria and

Fresno will have sporadic supply for the next few weeks, when they will wind down the season.

**Cucumbers:** The majority of Eastern cucumber supply is coming from Michigan this week. New Jersey and New York growers are also bringing cucs to the table, but have light supply as they work through weather and field transition concerns. In the West, the transition between Summer and Fall crops is underway, with availability and quality varying each day.

**Summer Squash:** Although there are many growing areas shipping squash in Eastern markets, availability is best classified as light to moderate. Heat, rain, and planting transitions seem to be hitting many of the areas at the same time. Quality continues to be challenging on yellow, but mostly good on zucchini. With Baja's production on the light side, Western markets are still looking to the California Central Coast for squash volume. Santa Maria growers anticipate decreasing supply through the month, so we could see markets firm up. As in the East, quality has been good on zucchini, but scarring and scuffing are evident on much of the yellow that's out there.

**Eggplant:** Eastern eggplant supply has regionalized, with good quality and supply to meet market demand. In the West, Fresno is finally seeing an increase in production and expects steady volume going forward. Stockton has just gotten started with some early-pick quality issues, but expects fruit to line out as they move forward into the crops.

**Hard Squash:** Michigan has begun hard squash harvests, which will add to the mix of local deals in the East. Stockton, Lodi, & Fresno are shipping all varieties in the West. Both sides of the country are having difficulty with scarring concerns on spaghetti, which limits retail volume.

**TRANSPORTATION FACTS**

\* The National Diesel Average fell another \$.03 this week, moving from \$2.35 to \$2.32 per gallon.

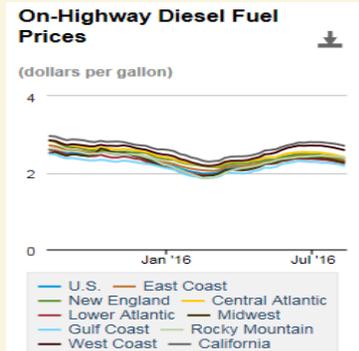
\* The average price for a gallon of diesel fuel is \$.30 lower than the same time last year.

\* Diesel prices dropped in all reporting areas this week. The Gulf Coast enjoyed the largest price decline (-\$.04).

\* As is the norm, California has the highest-priced diesel fuel at \$2.71 and the Gulf Coast region offers the best bargain in the nation (\$2.18 per gallon).

\* The WTI Crude Oil Price showed some life this week, rising 2.0%, from \$41.93 to \$42.77

\* With the exception of a few melon-shipping areas, trucks are available in adequate supply throughout the country. Mexican crossing points and Texas report slight surpluses in transportation availability.



Source: Energy Information Administration

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## Keep Your Eye on the Consumer Opportunities Vast for Personalized Food Products

By: Kristen Cloud, [www.theshelbyreport.com](http://www.theshelbyreport.com), August 5, 2016

In the U.S., folks know what they like, and usually they're willing to pay for it. This drive to personalize to suit lifestyles—to save time, live better and healthier, or indulge—extends to the food consumers buy in the grocery store, according to Nielsen. Consumers can purchase products free of gluten or chock full of it, products fortified and labeled with the nutrients or flavors of their choosing. Craving mocha-flavored chips? Sriracha popcorn? There's a packaged product for that.

In recent years, the perimeter of the store (meat, produce, deli, bakery and seafood departments) has been catching up with U.S. consumers' need to differentiate themselves. Consumers can choose from a dizzying number of products and buy them pre-cut, in varying pack-sizes or with a dip or some other food pairing. In fact, in departments like produce, certain fresh commodities that have yet to grow and change with consumers' demand—including bananas, pears and beans—are lagging behind sales of more innovative products like packaged salads and fresh-cut fruits and vegetables.

So while personalization is alive and well in certain perimeter departments, others still have the opportunity to evolve. But what does the future of personalization look like for products that can't necessarily be flavored with Sriracha?

### Produce

Pre-cut, packaged or seasoned products have been some of the biggest and most consistent sources of growth in the produce department over the past few years. From 2011-2015, the compound annual

growth rates (CAGR) for value-added vegetables and fruit were 15 percent and 12 percent, respectively. But opportunities for customized produce exist beyond value-add. In particular, branding is evolving and allows suppliers to tout the health benefits of products for consumers seeking specific vitamins and nutrients. As for the future? Vegetable butchers could be the next big thing in produce. These trained professionals wash, cut and dice—everything but cook your produce—before it goes to the checkout counter.

### Bakery

With consumers focused on health and wellness, it's not surprising that items that allow consumers to portion-control or customize their indulgence are driving growth in several bakery categories. In fact, mini pies have seen dollar sales increase 21 percent. In order to meet the demands of consumers of varying household sizes and preferences, some retailers are offering stand-alone brownie and dessert bar stands or cookie bars where consumers can mix, match and include flavors and portions that reflect the tastes of their whole household, no matter the size. The future of personalization in bakery is looking more experiential, with options to choose from made-to-order offerings, like donuts, dipped fruit and fudge. Consumers can watch live demonstrations, which enhance the perception of fresher food, and then curate their own selection of baked goods.

### Meat and Seafood

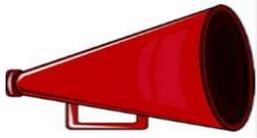
While fully cooked and prepared products exist in the meat and seafood departments today, these customized items are

experiencing comparatively slow sales gains vs. other perimeter departments. Fully cooked meat's dollar and volume sales each grew just 1 percent during the latest 52 weeks ending May 28, and had a CAGR of 3 percent from 2011 to 2015, and prepared seafood increased 5 percent during this time. Still, these departments have big opportunities to educate consumers on the preparation and health benefits of these products to take personalization to the next level. Retailers can offer services in-store for consumers to bring a fresh cut of meat to the counter and have a staff member prepare it for them as requested, down to the spices, seasonings and cooking method.

### Deli

From the salad bar to the sandwich counter, customers have long been able to personalize product in the deli. Consumers can mix and match entrees, sides and snacks, and also find restaurant-style in-store dining. Delis can continue to be relevant with consumers looking to personalize a prepared meal by truly understanding them at the store level. In terms of future innovation, the sky's the limit; Nielsen's experts says they expect to see more variety, more opportunities for personalization and more in-store dining options than ever before.

Not all departments have the ability to be fully functioning restaurants or chop vegetables in front of consumers. However, many are moving in the direction of offering more varied options. And having a firm grasp of the consumer and what they want at the store level is key for success across the fresh perimeter.



## SPOTLIGHT ON LIPMAN Team Lipman Shouts Out

### Geoff Noone Sales and Procurement Lipman- Dallas, TX

As a part of sales and procurement at Lipman Dallas, Geoff manages inventory levels and quality for a wide variety of products. "I take very good care of my sales accounts. I also do buys off the Dallas market for our team to complete orders and pick up products we may not have in stock."

Geoff likes the family feeling of working for Lipman even though it is a large corporation. "It is much better working with people you like. I think we are all good friends as well as coworkers. It is a good team."



### Ben Branscomb General Manager Lipman- Knoxville, TN

As General Manager of Lipman Knoxville, Ben's job consists of overseeing and driving the daily operating functions of the Tennessee location. He also serves as the dry veg buyer and as the primary point of contact for the national accounts serviced from this facility.

When asked what he likes best about being part of the Lipman team, Ben says, "It always starts and ends with people. I am going to spend more day hours with those I work with than anyone else in life; that can either be a blessing or a curse! I am blessed to thoroughly enjoy those I work with both in Knoxville and across the country, and consider it a privilege to be part of the Lipman team. It is also energizing to be part of a company with such a strong commitment to growth, the future, and the success of its people."

## PRODUCE BAROMETER

ITEM	QUALITY	PRICING
Bell Pepper	Good	Lower
Cucumber	Good	Steady
Eggplant	Varied	Lower
Green Beans	Good	Steady
Lettuce-Iceberg	Good	Steady
Jalapenos	Good	Steady
Onions	Good	Steady
Tomatoes	Good	Steady



## AUGUST CALENDAR

- All Month  
National Watermelon Month
- Third Week  
National Chef's Appreciation Week
- August 14<sup>th</sup>  
Chef Appreciation Day
- August 16<sup>th</sup>  
National Tell a Joke Day

## Exmore, VA Weather

Thu	Fri	Sat	Sun	Mon	Tue	Wed
Aug 11	Aug 12	Aug 13	Aug 14	Aug 15	Aug 16	Aug 17
86°F	88°F	91°F	91°F	88°F	88°F	88°F
79°F	81°F	81°F	79°F	79°F	77°F	75°F
S 14 MPH	S 14 MPH	SSW 14 MPH	S 13 MPH	S 12 MPH	WSW 7 MPH	SSW 6 MPH
Averages	Averages	Averages	Averages	Averages	Averages	Averages
86°F/69°F	86°F/69°F	86°F/69°F	86°F/68°F	86°F/68°F	85°F/68°F	85°F/68°F

## NEWS IN THE GROCERY TRADE

### Character Marketing: It Works

By: Kathy Means, [www.progressivegrocer.com](http://www.progressivegrocer.com), August 4, 2016

Have you ever seen this in your store: The tug from a preschooler followed by: “Mommy, mommy, I want that! (Character X) is on it. It’s the best. I want that!”

Parents – and all of us – know intuitively that character marketing works. Now we have proof. Are we using that to best advantage, using those characters to increase kids’ preference and consumption of fresh fruits and vegetables?

A couple of research items reinforce this: “Children develop emotional bonds with brand mascots and media characters as if they were their personal friends,” notes an issue brief from Healthy Eating Research, a national program of the Robert Wood Johnson Foundation. “These relationships are based on the attractiveness of the brand mascots and media characters, and they can influence children’s food choices and diet.”

The issue brief, “The Use of Brand Mascots and Media Characters: Opportunities for Responsible Food Marketing to Children,” looked at brand mascots, which are owned by food, beverage, and restaurant companies, and cartoon media characters, like the Sesame Street characters, which are owned by entertainment and media companies, in this case, Sesame Workshop.

Researchers reviewed 11 studies on the influence of media characters on kids’ diets and outcomes. They found that media characters can be used as a promising strategy to increase children’s preference, choice, and intake of fruits and vegetables compared to not using characters for branding.

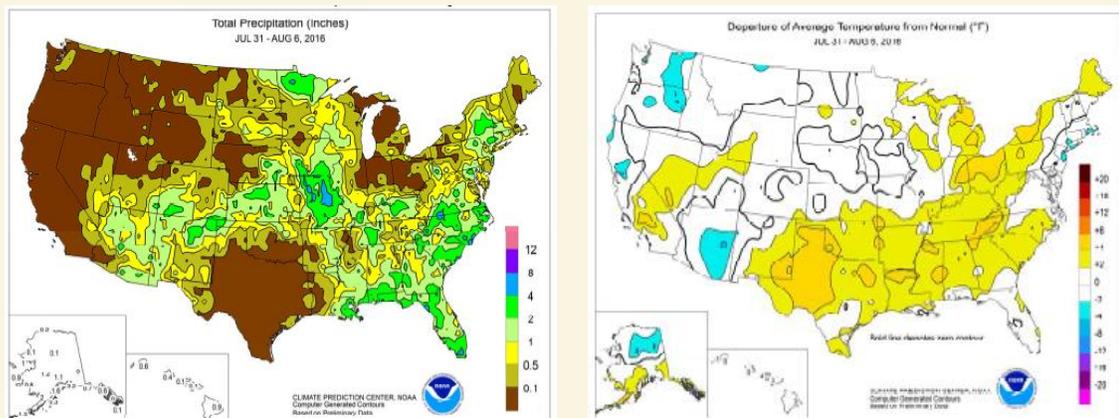
Here’s more: Non-profit Super Sprowtz created a posse of cartoon vegetable characters to make vegetables cool and appealing to children. David Just, a Cornell University behavioral economist, tested Super Sprowtz characters in elementary school cafeterias. Students in schools featuring a Super Sprowtz banner at the salad bar grabbed nearly twice as many vegetable servings as those in control schools. Students at schools with both the banner and Super Sprowtz video messages in the cafeteria grabbed three times as many vegetable servings.

PMA welcomes such research because the **eat brighter!** movement allows marketers to use popular Sesame Street characters royalty-free to market fresh produce. **eat brighter!** is a collaborative effort among PMA, Sesame Workshop and the Partnership for a Healthier America designed to drive produce consumption in kids 2-5 and their families. Suppliers already engaged are reporting sales increases (3 percent on average), and retailers have told us they create excitement in the department.

When marketers make it easier for parents to make the healthy choice the easy choice, they show that they care about their customers. And when kids eat more produce in their early years, they develop preferences that will make them consumers for life. When consumers, including the preschool set, eat more produce, the whole produce supply chain, including retailers, benefits in greater sales.

## NATIONAL WEATHER SPOTLIGHT

### Weekly Precipitation and Temperature Deviation



## RESTAURANT INDUSTRY NEWS

### NRA: Restauranters Want Technology Without Headaches

[www.fastcasual.com](http://www.fastcasual.com), August 3, 2016

Only 12 percent of restaurant operators consider themselves to be cutting-edge in implementing technology, according to a recent study conducted by the National Restaurant Association and sponsored by American Express.

"Research demonstrates the integral role technology can play in helping restaurants enhance the customer experience, increase efficiencies and drive their businesses forward," said Danielle Wallis, vice president of Merchant Services-U.S. Industry Development, American Express

Findings showed that limited-service restaurants ranked high in use of customer-facing technologies, such as online ordering, mobile apps and mobile payment.

Although operation interest is apparent, finding technology that is user-friendly is key. The survey reported that 37 percent of restaurants offer online ordering, 32 percent of restaurants accept mobile payment, and 32 percent of operators consider their operations to be lagging when it comes to technology use.

"Operators say that costs in various forms remain the primary barrier to implementing more technology in their operations. Cost-effective solutions and strong arguments for ROI are going to make all the difference going forward," said Annika Stensson, director of Research Communications for the National Restaurant Association

The survey polled 500 restaurant operators.



## MARK YOUR CALENDAR & PACK YOUR BAGS

### August 24-26, 2016

Multicultural Retail 360 Summit  
Hilton Bayfront  
San Diego, CA  
[www.multiculturalretail360.com/summit](http://www.multiculturalretail360.com/summit)

### October 23-25, 2016

Multi-Unit Foodservice Operators (MUFSSO)  
Conference  
Hyatt Regency at Reunion Tower  
Dallas, TX  
[www.mufso.com](http://www.mufso.com)

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