



MARKET UPDATE

Tomatoes: Growers in the Palmetto/Ruskin area continue to harvest from 2nd, 3rd and even 4th picks. Fruit is definitely on the small side with 5x6's or larger very short. A shot of cooler weather last week has slowed things a bit as well, contributing to the mediocre supply situation. However, quality remains nice from these later picks. Lipman has migrated south a bit quicker than most other growers, and is harvesting in Labelle and Naples with some crown, but mostly 2nd and 3rd picks. The roma story is the same as last week....limited acreage and last week's shot of cool weather has romas particularly short in Florida. Grape tomato volumes are mostly steady but cooler weather has slowed the turnaround between plantings a little.

Baja and Eastern Mexico's Fall round and roma tomato acreage is on the decline but growers will continue to harvest through at least the rest of this month. Although one grower has started in Mainland Mexico with some mature greens, volumes from this area are expected to be light until January. More growers will gradually come online as we move into mid-late December, providing a gradual increase in volume. Grape tomato quality has become challenging in Baja, but we are beginning to see a little more fruit come into Nogales. Cool weather and rain will keep increases slow for at least the next week or so.

Bell Peppers: Even though acreage is down significantly this year, we should see more product next week as a few growers on the east coast of FL begin pepper harvests. Plant City's numbers have slowed due to cool weather and quality has been varied as most growers are harvesting from older plantings. In the West, CA's Coachella farms are winding down and have begun to see the effects of tired plants with softer walls, more misshape and color not holding on the fruit. Mexico's production is trying to gather steam but supply has been slow to come on due to prior weather, late starts, and the current cool and wet weather. However, quality is nice.

ON THE HORIZON CONTENTS

- Merchandising Minute- [page 2](#)
- Keep Your Eye on the Consumer- [page 3](#)
- Restaurant Industry News - [page 4](#)
- Technology Touches- [page 5](#)

Cucumbers: Cool weather has slowed cuke production in Mexico. With rain in the forecast and heavy Eastern demand, supply could come up short over the next week or so. Fortunately, quality is good on the Mexican fruit. Florida growers are seeing lighter yields this week due to a shot of cool weather. Quality is okay, but there are a few more offgrades in the market as growers work through older fields. Honduran cukes are slowly but surely coming, but most growers and volume won't start until after the 1st of the new year.

Summer Squash: Yellow and zucchini squashes are available in several Florida areas this week, but cool weather has slowed down the production cycle. Quality on yellow has become a challenge especially from the older fields in Plant City. Mexico's weather forecast could play havoc with expected production increases from new southern growing areas over the next 7-10 days

Green Beans: With demand rebounding after the holiday lull and cooler weather slowing crops, FL's bean supply is now adequate rather than abundant. Quality continues to be nice on the product coming from the lake and south FL areas. Mainland Mexico is slowly increasing in volume, but cool weather and rain possibilities will likely delay the anticipated supply increases.

Eggplant: Florida growers continue to provide good supply and quality on eggplant despite the cooler weather. Expect to see more choice fruit over the next few weeks as farms work older fields. In the West, Mexico's supply is coming on strong while the CA desert is in its last week of production.

Hard Squash: CA growers anticipate being able to harvest hard squash through March, which is almost 3 months longer than normal. This is good news for the West, as Mexico's current production is showing the effects of prior rains with pin molding in stems, ground lay and lack of color. There are light numbers on new crop acorn and butternut in FL, but no spaghetti to speak of.

- Produce Barometer-[page 3](#)
- December Calendar- [page 3](#)
- National Weather Spotlight- [page 4](#)
- Pack Your Bags - [page 5](#)

TRANSPORTATION FACTS

*The national average diesel price fell significantly this week (down \$.05), moving from \$3.26 to \$3.21 per gallon.

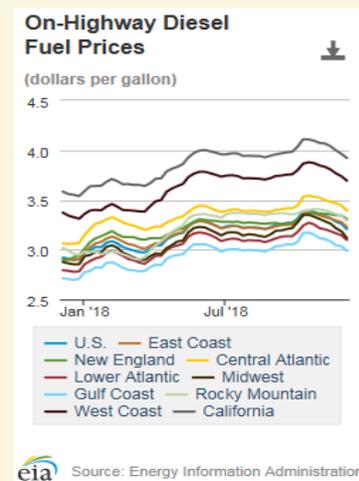
* The average price for a gallon of diesel is \$.29 higher than the same time last year.

* All areas reported price declines, with the most significant coming from the Midwest where the price fell \$.07 per gallon.

*California continues to have the highest diesel prices in the country at \$3.92 per gallon while the Gulf Coast is the low-price leader at \$2.99 per gallon.

*The WTI Crude Oil price rebounded from last week's \$51.56 per barrel to \$53.25, up 3%.

*Other than slight shortages in select potato, onion and apple shipping areas, transportation levels are adequate throughout the country.



MERCHANDISING MINUTE

There's No Place Like Produce for the Holidays

By: Ashley Nickle and Armand Lobato, www.produceretailer.com, December 3, 2018

It's the holiday season. Those words are enough to strike some level of fear in most people as they sort through busy schedules, gift lists, travel plans and encounters with family that are not far removed from the chaotic but memorable scenes from the popular 1989 film "National Lampoon's Christmas Vacation."

The difference? In the produce aisle we are the last stop on holiday plans. Customers flood into the grocery store with mere days or even hours to spare.

Planning

The entire store will be in overdrive mode for the holidays. However, you can argue successfully for added display space in the produce department perimeters, lobby or outdoors since fresh produce is in high demand and profitable yet bulky and requiring plenty of room for added sales.

Draw up an aggressive holiday-themed merchandising plan a few weeks ahead of time and discuss with your store manager to secure that additional display space.

Vegetables to consider

Vegetables are the hot button for holiday needs and require careful, anticipated orders. Keep in mind that items such as green onions, parsley, celery, carrots, tomatoes, summer squashes, mushrooms and more will be in high demand. It is hard to be long on these relish-tray staples, so it is safe to widen out and stay one day ahead on orders.

As for side-dish vegetables, consider that potatoes, broccoli, green beans, carrots, sweet potatoes, cauliflower and more will require spillover or large secondary display space to accommodate the added demand.

Green salads will require added leafy greens, cucumbers, radishes

and tomato displays be expanded, too.

Fruits to consider

Fruits such as berries for desserts, cranberries, melons and apples for Waldorf salad, citrus for libations or zest, mangos, kiwi and pineapple are just a few examples of fresh fruit that will provide increased sales during the holidays, especially if you build added display space.

Quality thoughts? Show some confidence. As with all produce, order expecting the best, not fearing the worst.

Herbs and specialty produce

One of the overlooked holiday categories is fresh herbs. Sales will spike, especially with poultry herbs such as sage, savory and thyme, tarragon for potato side dishes, and chives, mint and basil for garnish and pesto. Stay ahead when ordering this category to minimize out-of-stocks. Specialty produce sales will also increase for gourmet touches and visual appeal.

Miscellaneous added sales

Value-added salads and other vegetable offerings will move exceptionally well for the holidays, and incremental sales will increase on items like dry package dips and refrigerated jar dressings as well as fruit and vegetable trays and of course fruit baskets. In-shell nuts, nut meats and glaze-candied fruit remain steady and popular holiday items, too.

Labor needs

Leading up to the holidays, develop an aggressive labor plan. Write your schedules well ahead of time, and work with your store manager to ensure you have enough hands on deck to keep up with stocking needs.

Also, consider bringing in an overnight shift or two each day leading up to the holiday to stay ahead. These shifts are invaluable to take care of tasks such as breaking down loads, rotating the cooler, building displays, and doing vital prep work such as crisping and trimming for each day's needs.

This will keep your produce clerks on the sales floor during the day when every minute counts, instead of falling behind or digging through pallets in the back room.

A topic all its own, the fruit basket continues to be a welcome and popular last-minute fresh gift. The more planning and labor you devote to it, the better the sales.

Other notes

At the end of each holiday, many chains recommend that their produce managers put together a list of what worked, what did not, and what could be improved for next year's holiday season. Do it.

Assemble things such as a copy of the ad, a copy of your labor schedule (with notes as to what worked or what could be improved upon), a copy of your order guide (also with notations of what you were short or long on per day), and of course a copy of your merchandising plan. Include your exit strategy to reduce orders and clean up post-holiday.

The more detailed the notes, the better off you'll be next season when you retrieve them from your files to make next year's marketing plan.

Holidays in the produce aisle can be overwhelming and stressful. But with careful planning, ordering, merchandising, and scheduling, 'yule' be able to handle it in stride.

KEEP YOUR EYE ON THE CONSUMER
Survey: 45% of Adults Say Organic Produce is Healthier
 By: Ashley Nickle, www.produceretailer.com, November 30, 2018

Forty-five percent of U.S. adults believe organic fruits and vegetables are healthier than conventional produce, according to a Pew Research Center survey. That share has fallen from two years ago, when 55% of people responded that they viewed organic produce as better for them. Groups that more heavily favor organic fruits and vegetables include younger people, people who care about the topic of genetic modification of food, and people who buy organic.

“About four in ten U.S. adults (39%) estimate that most (7%) or some (32%) of the food they eat is organic,” the Pew Research Center wrote in a report on the survey. “A majority of this group (68%) believes that organic fruits and vegetables are better for health than conventionally grown options.

“By comparison, 32% of those who report eating no organic foods or not too much believe that organic produce is better for one’s health,” Pew stated.

Age also continues to be a key predictor of perception on organic, with 54% of people 18-29 saying organic produce is healthier. That perception is shared by 47% of people 30-49, 42% of people 50-64, and 39% of people 65 or older.

Among people who say they care a great deal about the topic of genetic modification of food, 65% believe organic produce is healthier. Among people who care about the topic some, 52% say organic is healthier. Among people who say they do not care at all about the issue, 29% say organic is healthier.

“These latest findings come as consumers sort through ongoing public debates over how the foods we eat can affect our health,” Pew noted in its report. “Today, the perception of what constitutes a ‘healthy’ diet can be in the eye of the beholder, as even the Food and Drug Administration wrestles with new guidelines for which food products can legally have ‘healthy’ printed on their labels.”

PRODUCE BAROMETER

| ITEM | QUALITY | PRICING |
|-------------|--------------|--------------------|
| Bell Pepper | Mostly Good | Lower |
| Cucumber | Good | Higher |
| Eggplant | Good | Steady |
| Green Beans | Good | Steady |
| Jalapenos | Fair to Good | Higher |
| Onions | Excellent | Steady |
| Squash | Varied | Higher |
| Tomatoes | Fair to Good | Lower but Elevated |



DECEMBER CALENDAR

December All Month
 National Food Service Safety Month
December 7th
 National Salesperson Day
December 9th
 International Children’s Day
 Christmas Card Day
 National Pastry Day
December 10th
 Human Rights Day

Immokalee, FL Weather

| Fri Dec 7 | Sat Dec 8 | Sun Dec 9 | Mon Dec 10 | Tue Dec 11 |
|--------------|--------------|--------------|---------------|---------------|
| | | | | |
| 79° F | 80° F | 81° F | 72° F | 67° F |
| 58° F | 64° F | 60° F | 49° F | 52° F |
| N 7 MPH | E 9 MPH | S 16 MPH | WNW 13 MPH | NNW 13 MPH |
| | | Precip 50% | | |

RESTAURANT INDUSTRY NEWS

7 Insights for Reaching Gen Z

www.restaurant.org . November 27, 2018

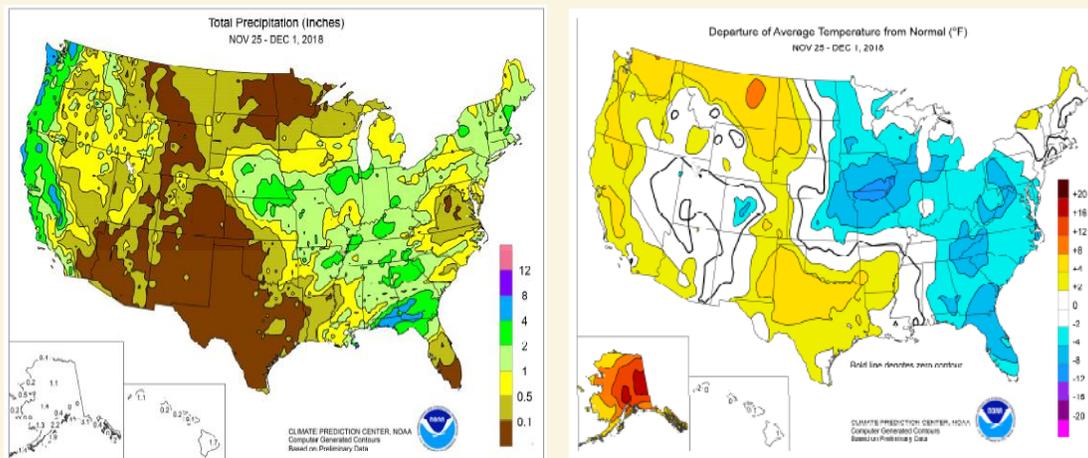
If you're tired of hearing about millennials, here's some good news: There's a new group of consumers to study. Members of Generation Z, currently aged 13 to 22, have billions in spending power – and that doesn't include the influence they have on what their parents buy. Some defining qualities: They have a short attention span; they're the most likely generation to volunteer; and they're the most likely to protest a cause they believe in.

Four Gen Z consumers, all of whom work in restaurants, sat on a panel at our recent Restaurant Innovation Summit to offer some insights into how restaurants can engage with Gen Z. Seven takeaways:

1. **Instagram is the platform of choice.** Gen Zers follow their favorite chefs, check out where their friends are eating and share their experiences on Instagram. Make sure your Instagram posts match your restaurant's vibe, they advised. That way, "you know what you're getting into."
2. **Email is out.** "Nobody checks their email," said one 19-year-old panelist. "Text. We're already on our phones."
3. **Loyalty games are good.** These panelists liked the gaming aspect of loyalty punch cards, including knowing when they are going to get their next loyalty reward. But they want the cards to be fun and the rewards easy to collect.
4. **They care about sustainability.** "I'm into ocean-friendly right now," one panelist said. From another: "You're going to get more Gen Zs if you have eco-friendly packaging." They advise asking customers if they want straws or utensils before giving these automatically.
5. **Employer ideals are important.** When asked why they took their jobs, they cited manager role models, wanting to work for the best, looking for a challenge, giving back to the community, and what their friends think of the restaurant.
6. **They're interested in on-site dining.** Takeout is important but the experience can be mixed, they said. "I've had good and bad experiences with takeout," noted one. "The food can be tepid or cold. It's a more enjoyable experience to eat at the restaurant."
7. **Don't assume they'll read training manuals.** When it comes to training, panelists advised against assuming Gen Z will read manuals. One panelist recommended that trainers demonstrate a task – then watch as the employee does the task. When trained this way, "[the employee] got it most of the time," one panelist said. One Gen Z manager said she prefers to test her staff in front of the bosses "so they take it seriously." And don't assume everyone likes interactive training games: "That kind of thing is targeting younger people," one Gen Zer said.

NATIONAL WEATHER SPOTLIGHT

Weekly Precipitation and Temperature Deviation



TECHNOLOGY TOUCHES

Opportunities are Ripe for Grocery Delivery Apps

By: Phil Lempert, www.winsightgrocerybusiness.com, December 3, 2018

According to a new forecast from eMarketer, in 2019 more than one in five adults will use a grocery app to order food at least once a month. That's nearly 23 million people, up about 25%.

The company also goes on to say that more than 30 million adults may use an app to order groceries by 2022. eMarketer senior analyst Patricia Orsini says online grocery sales represent just 2.8% of all U.S. e-commerce sales, but she adds that grocery is one of the fastest-growing categories.

Instacart, which has now raised more than \$1.5 billion, offers easy checkout and has revised its "tipping" and service fee to make it much clearer for users. And Shipt, my personal favorite, puts customer service first and tries to match shoppers with the same person who picks their groceries and delivers them for every order—a huge benefit for building a relationship.

Now, many retailers want to eliminate the middleman and provide the delivery service themselves in order to protect the shopper relationship. A report says that grocers may not need to extensively promote their apps as much as they simply need to let people know they exist. This could be as easy as a one-time discount for downloading the store's app. As the technology gets better and retailers can integrate more features, there are also in-store opportunities that may increase app use, such as customized in-store offers, the ability to check prices or locate items and possibly even mobile checkout, the report says. Apps can also be used in an in-between manner as consumers preplan purchases or search coupons ahead of time, using an app before they head to the store.

FRESH
TOMATOES

the best
of nature™

MARK YOUR CALENDAR
PACK YOUR BAGS!

January 10-13, 2019

Southeast Regional Fruit & Vegetable Conference
Savannah International Trade & Convention
Center
Savannah, GA
www.seregionalconference.com

March 7-9, 2019

Southeast Produce Council's Southern Exposure
Walt Disney World Swan & Dolphin Resort
Orlando, FL
www.seproducecouncil.com
Come join #TeamLipman at Booth #1125!

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