



On The Horizon

MARKET UPDATE

Round Tomatoes: Florida's round volume has been steady overall, but seems to be in an up and down pattern every other week.... a little more this week, a little less next week... which is tied into the planting cycle and weather. Although net sizing has been smaller this season, last week's size profile was evenly spread as many farms were in crown picks. Quality is varied- very nice from most but a few scarring-type issues on fruit from the Homestead area. Barring any major weather events, we expect harvests to remain similar to current levels for another 3-4 weeks. Meanwhile, Mexico's persistent rain-cold-warm-repeat weather patterns are taking a toll on normal yields. Add the new inspection procedures to the mix, and crossings are down significantly from what is normal for this time of year. The prior and current weather will affect availability for the next several weeks, possibly through April.

Roma Tomatoes: With the rains in Sinaloa and the freezing weather in Sonora, the roma supply situation is critical. Unfortunately, the weather has impacted supply in all regions through disease, mildew, bloom drop, and quality defects, causing a 65-70% reduction of supply. With minimal acreage and volume in Florida this time of year, romas will continue to be in a short supply situation for at least the next 6 weeks.

Grape Tomatoes: Although grape tomatoes have fared better than their round and roma counterparts, Mexico's yields are also down on grapes. Florida farms have been very light on product due to a combination of factors but better weather and new crops should come on in 3-4 weeks to bring some help.

Bell Peppers: Mexico has been providing steady volumes of bell peppers but we're now seeing quality issues from the previous weather. Bruising, broken pepper, and wet stems are concerns which means lots of grading and repacking are necessary throughout the distribution process. The steady, light volume coming out of South Florida offers better quality as growers began

harvests from new plantings this week. The recent sizing profile has favored jumbo/XL pepper as most have been in crown picks.

Cucumbers: The Honduran import cucumber volume continues at a pretty steady pace, but will be working its way down as growers move toward the season's end in mid-March. Current crop assessments put Florida's fruit to come online at about that time, hopefully providing for a smooth transition. Meanwhile, in Mexico many growers were affected by mildew after the rains and hundreds of hectares have been damaged. Cool nights have slowed down growth and overall volume is down significantly. Volume will continue to be limited until spring crop starts in March and even those plants were affected with the rain and will not have the volume or quality that they should. Expect low volume until Baja season starts in April-May.

Green Beans: Mexico's bean producers have hit some weather-related hiccups and had very light volume over the past week. More product is coming over the next 7-10 days, but quality issues may come into play. Florida farms have steady numbers to offer which should continue through the Spring season.

Summer Squash: Zucchini squash supply has improved somewhat as more growers are back into fields in Mexico. However, yellow squash continues to be a struggle. With previous weather issues, recent rain and cold weather, yellow is likely to remain limited until production transitions back into Hermosillo, Mexico fields which is currently projected to be sometime around mid-March. Although volumes are minimal in comparison, Florida has a similar story- improving volume on zucchini but not much available in the way of yellow squash. Quality is challenging out of Homestead which is where most of Florida's product is coming from now. Look for new crops and stronger volumes in the East when production transitions north to Plant City and other areas in mid to late March.

Eggplant: Florida's eggplant supply remains light and quality is less than stellar. We should see improvement in a few weeks when newer crops get

started. Mexico's supply is slightly down because of cooler weather and rain in the Culiacan area. There's ample product available, but volume deals have dried up. We should see more supply over the next 10 days as warmer weather sets in.

Hard Squash: With only a few butternut and spaghetti coming out of Honduras this year, hard squash is mostly a Mexican deal and it's become challenging due to the unfavorable weather patterns. Major bloom drop and crop loss occurred during the early part of the growing cycle, which has affected acorn availability the most. Then, a lot of the fruit was under water for several days causing discoloration, eventually dry rot, stem end mold, and, of course, heavy scarring. Butternut has fared better than spaghetti, as its skin is not quite as susceptible to damages. With additional weather issues and some new fields in Sonora incurring freeze damage, we expect quality to remain an issue for the intermediate term.

Colored Bell Peppers: Colored bell pepper volume has been flat this week. Several growers are reporting that their next set won't be ready for another 5-7 days as the fruit is still too green to pick. Warmer weather is anticipated which should help bring more peppers on by the latter part of next week. Orange is still the most limited color.

Organic Squash: Both yellow and zucchini are in light supplies due to previous weather, but our Grown True fields have been providing consistent volumes for us.

Organic Cucumbers: Organic cucumbers have taken a pretty big hit from the recent rain and weather as some growers lost a portion of their crops to mildew. Availability is very tight, but there is some fruit available.

Organic Bell Peppers: The industry's supply has been relatively steady despite the weather. However, our Grown True crops are in "go mode" and we have plenty of product.

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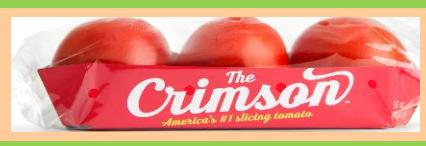
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KEEP YOUR EYE ON THE CONSUMER

Campus Dining Trends: Today's Students, Tomorrow's Customers

www.restaurant.org, February 12, 2020

What are high school and university students looking for in their dining programs?

- they love to customize
- more of them are choosing vegan food
- many enjoy the ease and flavors of the entire meal in one plate or bowl

Customization

"Students arrive at Penn wanting food prepared to their individual preferences," says Pam Lampitt, who, as director of business services at University of Pennsylvania, Philadelphia, oversees campus dining as part of her responsibilities. This trend toward 'finished to-order' has led to specialized stations in campus serveries. "Today, our dining halls feature Mongolian grills and power bowls stations, where customers choose their ingredients and our chefs finish the cooking."

Vegan

"We're seeing more and more students who have *grown up* eating vegan food, as opposed to choosing a vegan diet at a certain age," Lampitt says. "These days, students have come to expect a choice of several vegan dishes, not just one token selection. We've also made a point to serve at least one vegetable on the line *au naturel*—perfectly steamed, zero seasonings. Finding dairy alternatives that fit the diet and that students enjoy has been an ongoing challenge."

One-dish dining

In the National Restaurant Association's What's Hot 2020 Culinary Forecast, healthy bowls ranked 4th out of 133 items rated as hot trends by more than 600 American Culinary Federation chefs. Power bowls are definitely popular with younger diners; many bowl meals also are perceived as healthy. Updated "blue-plate specials" are popular, too. "Some of our students want something more special than the usual rotisserie chicken or brisket," Lampitt says. "For them, we opened a cafe that serves a daily dinner entree. It's a pre-set dish, beautifully plated, with all the food groups." Recent offerings include hangar steak with horseradish potatoes and greens; and jerk-spice-seasoned mahi-mahi over dirty rice pilaf, plantains and peas, finished with smoked avocado sauce. And yes, a vegan entree plate is featured in the weekly schedule.

Sourcing locally

Montana State University, an agricultural school in Bozeman, takes "locally sourced" seriously. MSU Culinary Services features food from local growers, processors and distributors — more than 100 vendors total — at all its food outlets as part of its Farm to Campus program. In 2018, this comprised about 25% of food purchases, including pork and beef that comes from the university's agricultural curriculum. A new program, rolled out in 2019, involves beekeeping. "The honey we collected last year is being used at our campus coffee shops as sweetener," says Mike Kosevich, MSU associate director of culinary services.

Whole ingredients

"Since MSU has its own bakery and commissary, we're able to offer fewer ingredients in our pre-packaged items, compared with commercially prepared items," Kosevich says. "Labeling on our to-go foods reflect that as well — each ingredient is an actual food name. Students are looking for that." Nutrition info displays are becoming the norm, even at the high-school level. At Alexandria Public Schools, Alexandria, Minn., the goal is to be "nutrition educators," says Food and Nutrition Services Director Janeen Peterson, RD, SNS. "We put nutritional info at students' and parents' fingertips with online apps and digital menu board displays. And at MSU serveries, iPads mounted at each station show all the ingredients," Kosevich adds.

Ethnic, always

Ethnic continues to be a crowd-pleaser for all ages. "Even in this rural area of Minnesota, where meatloaf, mashed potatoes and hotdish [Minnesotan for casserole] top the charts, our students enjoy trying, and loving, the different flavors we're offering in our ethnic entrees," Peterson says. To expand students' culinary horizons, Alexandria schools have launched "Try It Tuesdays," in which once a week, the dining halls "offer a fruit or vegetable that may be new to students or prepared in a way they may find more appealing," Peterson adds.

At Penn, an increase in students of Muslim faith has led campus dining services to convert one dining hall to specialize in Halal food. "All the chicken we serve is certified Halal, and about half the beef. And none of the recipes use cooking wine," Lampitt says.



TRANSPORTATION FACTS

*The National Diesel Average tumbled another \$.05 this week, moving from \$2.96 to \$2.91 per gallon.

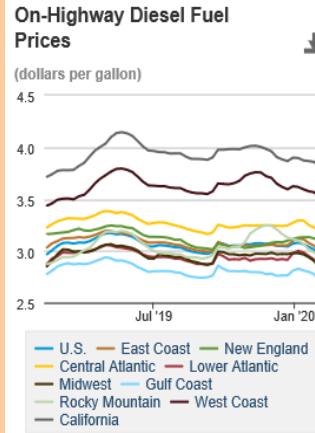
* The average price for a gallon of diesel is \$.06 lower than the same time last year.

* All regions of the country reported price decreases ranging from \$.03-\$06 lower than last week's markers. The Midwest came in with the biggest drop of over \$.06 per gallon.

*As usual, California's fuel price tops the charts at \$3.78 per gallon while the Gulf Coast remains the low-price leader at \$2.68 per gallon.

*The WTI Crude Oil rose 3.5% this week, moving from \$49.61 to \$51.42 per barrel.

*Trucks continue to be short in Central and South Florida but other shipping points report adequate availability this week.



 Source: Energy Information Administration

FRESH CUT FOCUS

Lipman Family Farms Announces New Director of Culinary Development

By: Chandler James, www.andnowyouknow.com, February 11, 2020

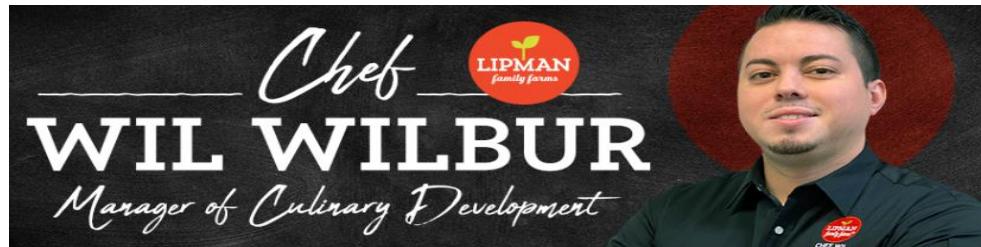
Lipman Family Farms is taking strides to target the foodservice sector, recently appointing Chef Wil Wilbur as Manager of Culinary Development. In his new position, Wilbur will collaborate with Lipman's innovation, sales, and marketing departments to create solutions pertaining to ingredient ideation, food trends, and product development.

"We are excited for our customers to benefit from Chef Wil's culinary expertise through collaborations in both the retail and foodservice sectors," said Kent Shoemaker, CEO. "With our shared passion for fresh ingredients and making the family table an enriched, cherished experience, we are excited to have Wil join our family."

According to a press release, Wilbur brings extensive culinary knowledge to Lipman with over 10 years of experience in the field. With a background in new product innovation and menu building, Chef Wil has a passion for thinking creatively about food. The feeling of comfort from delicious food on the table, making people happy, and curating bold flavors are what have inspired him to successfully develop over 150 regionally or nationally launched products throughout his career.

"People want increased customization in their meals. This includes the ways products are grown, handled, and even the type of cut they like for their vegetables," said Wilbur. "We have capabilities and forward-thinking minds at Lipman that are meeting these needs for our consumers. I am thrilled to implement a program that will grow who we are as a full solutions expert from a culinary and innovation standpoint."

In addition to his culinary experience, Wilbur has earned three degrees over his educational career: an Associate Degree in culinary arts, a Bachelor of Arts in culinary science and foodservice management, and a Master of Arts in management from Texas A&M University. Congratulations to Chef Wil Wilbur on this exciting new role!



PRODUCE BAROMETER

ITEM	QUALITY	PRICING
Bell Pepper	Fair to Good	Steady
Cucumber	Fair to Good	Steady
Eggplant	Varied	Steady
Green Beans	Varied	Higher
Jalapenos	Fair to Good	Steady
Onions	Good	Steady
Squash	Fair to Good	Elevated
Tomatoes	Fair to Good	Elevated



FEBRUARY CALENDAR

All Month

National Time Management Month

February 16th-22nd

Random Acts of Kindness Week

February 16th

Do a Grouch a Favor Day

February 18th

President's Day

February 22nd

National Margarita Day

Naples, FL Weather

Sat	Sun	Mon	Tue	Wed
Feb 15	Feb 16	Feb 17	Feb 18	Feb 19
80°F	80°F	80°F	82°F	82°F
66°F	65°F	66°F	66°F	66°F
NE 11 MPH	ENE 6 MPH	E 6 MPH	E 9 MPH	E 6 MPH

NEWS IN THE GROCERY TRADE

Growing Emphasis on Convenience for Consumers

www.theshelbyreport.com, February 10, 2020

Today's consumers increasingly prioritize convenience when it comes to purchases, and expect retailers to continue to offer innovative ways to save them time and effort, according to the Jan. 14 issue of the Consumer View report by the National Retail Federation.

"Time is a precious commodity for today's consumers," said Mark Mathews, NRF VP for research development and industry analysis. "Shoppers are busier with commuting to work, dealing with family obligations or catching up on schoolwork, among other things. Naturally, convenience factors are playing a larger role in their shopping experience."

According to the report, 83 percent of consumers say convenience while shopping is more important to them today compared with five years ago. While consumers opt for quality and price in purchasing decisions, convenience offers retailers an advantage. The report found 97 percent of respondents have backed out of a purchase because it was inconvenient.

The popularity of delivery services reinforce consumers' willingness to pay – often at a premium—or convenience. Sixty-six percent of shoppers pay for at least one type of delivery service, and one-quarter say they pay for more than one.

The report also found that how consumers are shopping and where they are in the purchase process can dictate how much convenience matters. For example, 38 percent said convenience matters most during the beginning of the online shopping experience, when consumers are researching products and trying to determine which option is best for them.

Alternatively, 40 percent of in-store shoppers said checkout is when convenience is most important. In addition, consumers prioritize convenience for certain types of purchases, specifically when it comes to everyday items such as groceries, personal care items and pet supplies.

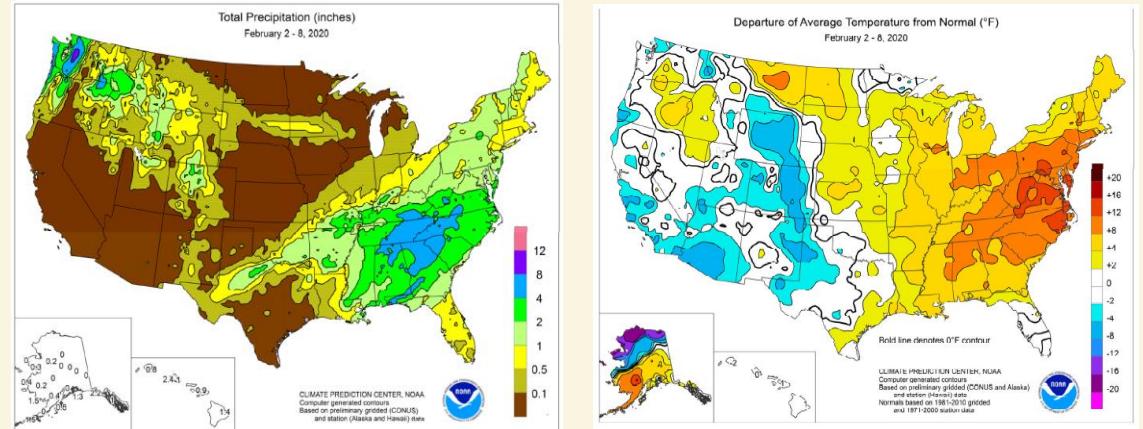
Retailers have anticipated consumers' needs in these areas by offering a variety of innovations such as buy online, pick up in store and two-day shipping. These options can contribute to brand loyalty, as 93 percent say they are more likely to choose to shop at a specific retailer based on convenience.

"While convenience continues to grow in importance for consumers, there is not a one-size-fits-all solution," Mathews said. "As the industry evolves, retailers will look to identify additional ways to save consumers time and effort."

Consumer View is a recurring report issued by Washington, D.C.-based NRF that gauges consumer behavior and shopping trends related to stores, online channels, customer loyalty, technology and other topics. Using Toluna Analytics, the study surveyed 2,949 U.S. adults 18 or older Oct. 2-29. The consumer poll has a margin of error of plus or minus 2 percentage points.

NATIONAL WEATHER SPOTLIGHT

Last Week's Precipitation Totals and Average Temperature Deviations



RESTAURANT INDUSTRY NEWS

Restaurant Sales Robust Thanks to Warm Weather Conditions

www.fastcasual.com, February 7, 2020

Same-store restaurant sales increased 2.3% in January, the best growth in over four years, and it was all due to mild weather conditions and historic warm temperatures. That's a prime finding of a Black Box Intelligence report tracking weekly sales at over 47,000 restaurants.

Yet the sales boost isn't an accurate view of the strength of the industry, according to Victor Fernandez, vice president of insights and knowledge at Black Box Intelligence. "Winter has been mild during the first month of the year and headlines from different parts of the country mention historically warm temperatures for January. This seems to be the factor most responsible for the boost in restaurant sales experienced during the month," said Fernandez in a press release on the report.

According to the report, five regions achieved same-store sales growth over 4% and all are areas that typically would have experienced extreme weather during January: the Mid-Atlantic, New England, the Midwest, New York-New Jersey and Mountain Plains.

Yet while warm weather is clearly boosting industry sales, guest counts are not as healthy, noted the release. Same-store traffic growth was down minus 0.7% in January.

The top performing segments, in sales growth, were upscale casual, casual dining and fine dining. The lone two segments experiencing same-store sales less than 1% were fast casual and quick service, according to the report.

The current coronavirus outbreak may play a factor in the next few months, according to the release.

"The wild card in the outlook is the uncertainty over the impact on world economic growth of the coronavirus. It will slow global activity as long as it remains unchecked," said Joel Naroff, president of Naroff Economic Advisors and Black Box Intelligence economist, in the release.

"Thus, the next quarter or two could be soft. But that doesn't mean consumer demand, including eating out, will fade. Consumer confidence remains extremely high, the unemployment rate is at historic lows and while wage increases are moderating, they are still decent. Thus, the forecast for modest gains this year in restaurant demand remains in place."

The report also noted that a top concern for restaurant operators is staffing and pressure in recruiting in a tight labor market. Restaurant employment grew by 2.3% year over year during December.

That's a critical element given staff customer service is viewed as the prime competitive factor among top performing restaurant brands — well ahead of value, food options and even restaurant setting ambiance, according to the release.

FRESH TOMATOES the best of nature™

MARK YOUR CALENDAR & PACK YOUR BAGS!

February 27-29, 2020
 SEPC's Southern Exposure 2020
 Tampa Convention Center
 Tampa, FL
www.seproducouncil.com

Come see the Lipman team at booth #436!

March 16-18, 2020
 Restaurant Franchising & Innovation Summit
 The Westin Buckhead
 Atlanta, GA
www.franchisinginnovation.com

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