



MARKET UPDATE

Round Tomatoes: Florida's yields are starting to improve but overall volume remains light as we wait for Spring acreage to kick in. This week's size profile is on the larger side as most growers are working crown picks. Look for it to adjust down to more balanced sizing levels going into next week. Quality has been nice- much better than Mexico's fruit- so Florida rounds are in high demand. West Mexico's quality and volume have been curtailed significantly by previous weather and product is tight. Supply should gradually improve as crops get further past the weather but it will take some time to approach normal production levels.

Roma Tomatoes: Romas continue to be one of the crops most affected by Mexico's dismal weather patterns of the past few months. With a larger portion of crops in open field production, plant health, fruit quality and yields have been seriously impacted. Growers are packing whatever they can to salvage the season, which is bringing less than desirable quality to border crossings. Weather permitting, we should see supply and quality improve to an extent sometime in mid-late March.

Grape Tomatoes: Although grape tomatoes have fared better than their round and roma counterparts, Mexico's yields are also down on grapes. Supply and quality have been inconsistent and we look for more of the same until the end of February. Florida's numbers have been steady for the past week or so and demand is strong. Quality is nice, especially from newer plantings. Most of the later-pick fruit is going into bulk but it's still a pretty nice pack.

Bell Peppers: With improved weather, growers in Mexico are hitting high production levels on green bell peppers. As long as fruit is packed under the right conditions, the quality is nice with good color, strong walls and dry stems. However, there have been some lots with bruising and stem issues that worsen over time. With more seasonal weather in store, solid production levels should continue for at least the next few weeks. Florida growers started in some new fields last

week which has brought an improvement in quality. Since there's still a good bit of older fields in harvest, the sizing profile is spread out nicely and all options are available. However, one must keep a close eye on quality (bruising, scarring) on the fruit from older fields.

Cucumbers: Honduran cucumber volume is winding its way down as the crops move toward the season's end. While Honduras is anticipated to harvest through early-mid March, declining quality is making retail size and grade fruit short. We are already seeing more shriveled ends and sunken areas to go along with the scarring and bruising that's fairly normal for their fruit. Florida crops could have some fruit as early as March but it will be a while before there's significant volume. Meanwhile, Mexican ranches are struggling with reduced yields, bloom drop, mildew and crop loss that were brought about by the consistently bad weather patterns of the past few months. Volume will continue to be limited until spring crops start in March and even those plants have been affected by rain and won't have the volume or quality that they should. Expect low volume until Baja season starts in April.

Green Beans: Mexico's bean crops have been hurt by weather but there are some new fields coming on which should give volume a slight, but very welcome boost next week. Florida farms are seeing lighter yields but adequate supply is available.

Summer Squash: With the previous weather issues, along with recent rain and cold weather, Mexico's squash will continue to be hit and miss for the next several weeks on both quality and quantity. The situation should improve once production transitions north into Sonora sometime around mid-March. Homestead still has the bulk of Florida's squash volume but there is a little more zucchini on the East Coast and in the Immokalee area this week. Yellow is the tough one- there's no real volume in Florida or Mexico and much of what is available has quality issues. Although there may be a few ups and downs, the Eastern squash situation is likely to remain the same until mid-March when acreage increases and production begins in new areas.

Eggplant: Western eggplant supply is down slightly this week due to cooler weather and a few days of rain in Culiacan, MX but we should see more fruit over the next 7-10 days. Quality has been okay, but shelf life is less than desirable. There's not a lot of eggs in Florida, as has been the case for the past several weeks. With reduced acreage and some of those crops affected by weather, it's been a light Winter season in the Sunshine State. Quality is hit or miss, but there is some nice fruit available. Supply should improve as we move into March and more acreage comes online.

Hard Squash: Hard squash has been challenging, especially acorn. Prior weather issues, caused plants/squash to be submerged in water and in some cases fruit washing away from the plants. Quality issues are present on all three varieties with pale color, mechanical damage, dry rot, moldy stems, scarring, and misshape. With little fruit from Honduras this year, look for hard squash to remain challenging for the rest of the Mexican season.

Colored Bell Peppers: Colored bells are more readily available in both McAllen and Nogales this week as nicer weather has brought an increase in production. Orange availability is still the least, but it has improved.

Organic Squash: There's actually more organic yellow squash around than zucchini this week, but both are available in light to moderate volumes.

Organic Cucumbers: Organic cucumbers are coming up short this week as rain and mildew have caused lower yields and crop loss. New plantings will come online in 3-4 weeks but it will remain snug until then.

Organic Bell Peppers: As with conventional bells, organics are coming in good volume. Quality is good overall but we have seen some trouble lots with bruising.

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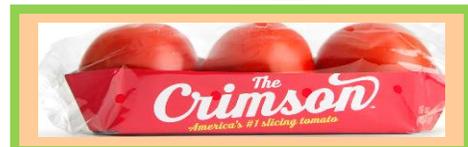
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MERCHANDISING MINUTE

What Do Produce Customers Really Want?

By: Armand Lobato, www.produceretailer.com, February 18, 2020

As produce retailers, we know what we want to sell to our customers: Ad items, seasonal produce, all the way down to more (shall we say) self-serving things such as items that were force-distributed from the warehouse, aging items or product that we're long on.

Those last items come to mind because produce managers are also business managers, trying to move tonnage and reduce shrink.

But what about your customers? What do you suppose they want when they carry their daily basket or steer their weekly shopping cart into the produce aisle? As a primary shopper for decades, a few things come to my mind (in no particular order).

A clean, organized produce department: Customers are at ease when fixtures are clean, and table surfaces, scale pans, rack mirrors, floors, etc., are free of spills, dirt and debris. A department that sticks to a scheduled sanitation schedule is inviting and helps accentuate the fresh produce within.

Signage: Everything should have an accurate, clean, informative and well-placed sign.

A produce aisle free of obstacles: Stop and take an honest look. How many roadblocks are you throwing in your customer's path? Excess empty boxes, shipper displays, unnecessary wet floor caution cones, multiple or abandoned stocking carts. When the message is "detour" you can bet the customer will oblige without trying too hard to shop.

Fresh, fresh, fresh produce: Customers want the benefit of the produce shelf life. After all, what is briefly yours becomes theirs once it drops in the cart. The fresher the better. They don't want the old stock you may be trying to push. The first loss is your least loss. Cull lesser-quality product and sell them your best.

Friendly, knowledgeable clerks: Produce clerks are always in the customer's view. They're on stage. Clerks must be productive, but it is important they look up from their work, smile and greet customers during the course of their shift and offer assistance. Most shoppers don't need much help, but a clerk's genuine effort and a "Thank you for shopping with us" never goes out of style.

Variety and selection: These are not the same. Think of it this way — Variety is carrying a dozen different kinds of apples. Selection is having ample volume of each variety to choose from.

No out-of-stocks: I know, it happens, especially with circumstances such as late deliveries or other factors beyond your control. However, as much as possible, always have enough product so your first customer has the same good impression as your last.

Of course, there's more, and price certainly plays an important role. But it's amazing how well customers respond when you've got the rest of the list dialed in.



TRANSPORTATION FACTS

*For the 6th week in a row, the National Diesel Average fell. This week's decline was a modest \$.02, which puts the price at \$2.89 per gallon.

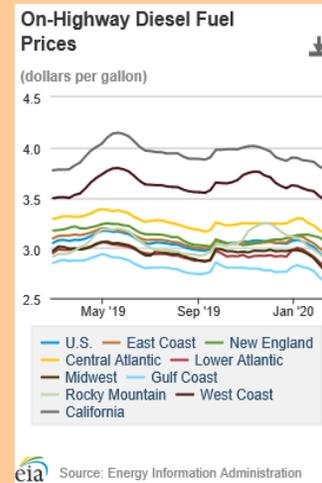
* The average price for a gallon of diesel is \$.12 lower than the same time last year.

* All regions of the country reported price decreases ranging from \$.01-\$.04 with the most significant drop in the Rocky Mountain area (down \$.04 per gallon).

*As usual, California's fuel price tops the charts at \$3.77 per gallon while the Gulf Coast remains the low-price leader at \$2.66 per gallon.

*The WTI Crude Oil rose 1.2% this week, moving from \$51.42 to \$52.05 per barrel.

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



CHEF'S CORNER

Contributed By: Wil Wilbur, Manager of Culinary Development

For the month of February we'll be featuring concepts that reflect the *Creatively Cognizant Consumer*. We will outline the key ingredients that inspire this mindset in our customers, as well as provide menu application options, versatility ideas, and photos.

Using 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. For more information, please reach out to your usual Lipman contact or one of our fresh cut specialists: Johnathan Maldonado at 214.907.0695, Wil Wilbur at 214.213.0559, Chris Daulerio- East at 215.870.8956 or Brian Arbini- West at 209.402.5184.



Mediterranean chicken kabobs with red bell peppers and red onion, topped with a Greek yogurt sauce



Pan-seared salmon with halved grape tomatoes, Mediterranean pico de gallo with cucumbers, olives, and yellow bell pepper

Mediterranean Style

With "diet season" in full production and people generally more interested in what they are consuming in 2020, new exotic trends and multi-cultural ingredients are becoming common participants in everyday meals. Mediterranean diets, being one of the trending meal plans, has been ranked one of the most wholesome diets for the average person.

Lipman Ingredients

Halved Grape Tomatoes
5lb, 10lb, 20lb



3/8" Diced Yellow Bell Peppers
10lb, 20lb

3/4" Kabob-cut/Wok Red Bell Peppers
8lb, 16lb

3/4" Kabob-cut/Wok Red Onion
8lb, 16lb

1/4" Sliced Red Onion
8lb, 16lb

3/8" Diced Cucumbers
5lb, 10lb, 20lb

1/4" Sliced Cucumbers
5lb, 8lb

Cucumber Pico de Gallo
5lb, 10lb, 20lb

65% cucumber, 20% tomato, 10% onion, 5% jalapeno



Four cheese pizza with sliced zucchini, yellow squash, and fajita cut bell peppers and red onion



Caprese sliders with balsamic glaze, mozzarella, and Crimson tomatoes on Hawaiian buns

PRODUCE BAROMETER

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



FEBRUARY CALENDAR

All Month

American Heart Month

February 24th

National Tortilla Chip Day

World Bartender Day

February 25th

Fat Tuesday

February 26th

National Personal Chef's Day

February 28th

National Chili Day

Estero, FL Weather

Sat	Sun	Mon	Tue	Wed
Feb 22	Feb 23	Feb 24	Feb 25	Feb 26
72° F	77° F	80° F	82° F	81° F
54° F	58° F	64° F	66° F	57° F
N 14 MPH	NNE 9 MPH	E 10 MPH	SSE 15 MPH	SSE 10 MPH
			Precip 10%	Precip 40%

NEWS IN THE GROCERY TRADE

What is “The Instacart Effect” Anyway?

By: Jessica Dumont, www.grocerydive.com, February 14, 2020

Dive Brief:

- The presence of Instacart in the grocery industry has delivered local economic benefits including job creation and revenue growth, according to a study Instacart commissioned from independent firm NERA Economic Consulting.
- Instacart’s entrance into a market is associated with a 4% increase, on average, in local retail grocery employment, the study found. More than 23,000 jobs in four states studied are directly attributed to the adoption of Instacart in 2019.
- The company’s presence also boosted incremental grocery revenue by \$620 million in 2019, the report said. Instacart is calling its economic impact “The Instacart Effect.”

Dive Insight:

The study suggests that Instacart has created a greater demand for grocery stores among consumers across the U.S. as it has helped build an e-commerce infrastructure for retailers.

“Instacart is changing the way customers engage with grocery stores by creating a complementary online service that would be prohibitively expensive for traditional retailers to offer on their own,” wrote study author Dr. Robert Kulick of NERA Economic Consulting in a statement. “The result is increased grocery demand, which translates into higher grocery store employment and revenue.”

The study further broke down jobs and revenue in four states including California, Illinois, New York and Washington. According to the study, “The Instacart Effect” created the most new jobs and revenue in California, with 11,500 jobs and \$337 million in incremental revenue. New York followed, with 6,600 jobs and \$154 million in revenue. The results of the study indicate that the effect is “statistically equivalent” for each state, meaning the company’s economic impact applies on a national scale.

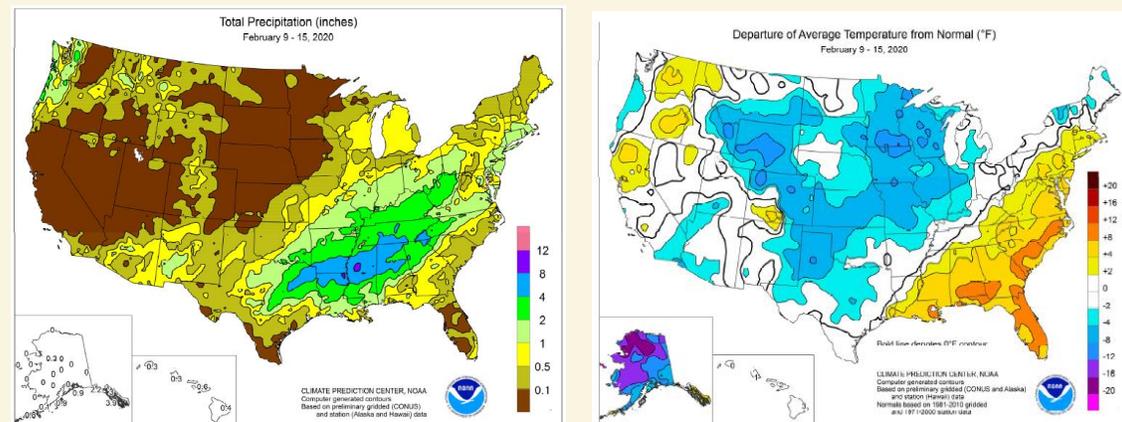
The study serves as an appeal to grocers and local lawmakers who might be weighing the impact of the service following a rapid expansion period. It’s also another way for Instacart to counterbalance negative reports about its employee and contractor relations. Earlier this month, part-time Instacart employees working in Skokie, Illinois, voted to unionize under a local United Food and Commercial Workers chapter. In January, gig workers renewed calls for a boycott in hopes of pressuring Instacart to reinstate a 10% default tip amount for grocery orders.

Outside of the study and recent labor unrest, Instacart has been working to improve its offerings. The company recently introduced Instacart Meals, which allows customers to add made-to-order food items alongside their Instacart grocery haul. It also added new features to its Instacart Pickup platform, including smart storefronts and a mapping tool.

**Note: This article has been edited for content. To review the entire selection, please go to <https://www.grocerydive.com/news/what-is-the-instacart-effect-anyway/572348/>*

NATIONAL WEATHER SPOTLIGHT

Last Week’s Precipitation Totals and Average Temperature Deviations



RESTAURANT INDUSTRY NEWS

4 Tech Trends Picking Up Steam in 2020

By: Granham Campbell, www.fastcasual.com, February 7, 2020

It is no secret that restaurant technology is evolving at a rapid pace. Whether it be A.I.-powered drive-thrus, third-party delivery apps or POS advancements, technology is becoming more and more integrated into the customer's daily food-service experience. Looking to the future, fast-casual restaurant owners would be wise to pay attention to emerging technologies and prepare for integration. Here are four of the hottest restaurant technology trends picking up steam in 2020.

1. Using delivery management technology

Nowadays, third-party delivery has become a mainstream part of the restaurant industry. While many fast-casual and QSR restaurants have partnered with third-party delivery platforms, not all owners and operators are on board. These services can eat into profits through high commission fees, create complications for employees and can potentially damage the reliability of the brand. To combat these complications, some brands have started to turn away from third-party aggregators in favor of building in-house delivery platforms of their own. Many brands have been realizing savings by adopting technology and delivery management systems that integrate into a restaurant's existing POS system and website.

Another strategy is to simply adapt to the growing trend. For example, a pizza company opened a high-tech pickup cubby location for carryout customers and third-party drivers. Guests are able to order through any channel, pay, then head to their personal cubby and tap twice to retrieve the pizza. The cubbies have digital displays that feature the guest's name to avoid order confusion. They're also designed with special linings to keep food hot and drinks cold.

2. Upselling, advertising and speeding up service via kiosks and digital displays

Digital and self-order kiosks not only provide business owners with a great way to optimize operational efficiency and boost sales, but they also streamline the ordering process and create robust customer relationships by gathering data. Since consumers are already interacting with the interface, digital kiosks are the perfect way for restaurant owners to leverage marketing analytics to serve up personalized offerings in the sales interaction, such as promotions, surveys and loyalty program sign-ups. By reinforcing quicker and easier POS experiences, digital kiosks turn one-time customers into recurring visitors who are much more willing to sign up for loyalty programs. Plus, the accuracy and privacy of the self-serve kiosk process and the ease with which the information is collected make consumers feel more comfortable participating.

3. Ordering by voice

Today 1 out of 6 adults in the U.S. own a voice-activated smart speaker—approximately 39 million people. Voice assistants are being adopted even faster than the smartphone was, and 65% of people claim that they will not go back to life without their voice assistant. As Siri, Alexa and Google Assistant gain popularity, consumers are demanding the same level of easy, voice-controlled ordering from their fast-food brands. Customers have come to expect the easiest ordering process possible, and franchisors in the QSR and fast-casual space are now leveraging voice technology as the new frontier.

4. Relying on branded currency and enhances gift card technology

In the past few years, gift card technology has evolved into a primary payment method, especially as restaurants prioritize mobile ordering, third-party delivery and consumer-facing loyalty programs. In 2019, 55% of consumers surveyed said that they would be interested in giving and receiving a digital stored-value card that could be added to a mobile app. The younger generations especially enjoy having the option to use their gift cards through their phone and easily make purchases in any environment or on any e-commerce platform. As digital gift cards with automatic reloads and top-ups become the principal means of payment for mobile apps, branded currency is set to be a major trend in the restaurant segment. The mobile wallet solutions created by digital gift cards work exclusively for each specific brand and promote repeat business by streamlining on-site transactions for guests and creating a better customer experience overall.

With the rise of branded currency, voice-assisted ordering, digital kiosks and delivery management systems, fast casual restaurant owners need to develop a business model that allows for the integration of new technology if they hope to keep up with the competition. A tech-forward approach will result in a boost to overall restaurant sales and position businesses for unprecedented success.

Note: this article has been edited for space purposes. Please visit www.fastcasual.com to read the entire selection.

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.seproducecouncil.com

Come see the Lipman team at booth #436!

March 22-25, 2020

Restaurant Leadership Conference
JW Marriott Phoenix Desert Ridge Resort & Spa
Phoenix, AZ
www.restaurantleadership.com

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VALUED CUSTOMERS



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