



MARKET UPDATE

Tomatoes: Florida's tomato supply has lightened up slightly this week, but there are still adequate volumes available and excellent quality on all varieties. However, overall supply will begin to decrease over the next few weeks as we move into Florida's Winter season, when less acreage is planted. Production is now focused in South Florida, where there are rounds, romas and grapes available daily.

Western Mainland Mexico growers continue to add to the mix on rounds and romas, increasing available supplies of fruit. As many are in crown picks, sizing is heavier to larger fruit. Anticipate volumes to increase and quality to remain very nice for at least the next few weeks, barring any unfavorable weather events. Although Eastern and Central Mexico are at their lightest production point of the season on grape tomatoes, Mainland Mexico is in full swing and has an abundance of product available. Quality is generally good, but there have been color and split issues where growers are picking from older fields.

Bell Peppers: Bell pepper availability remains solid in South Florida despite a slight decrease in acreage as growers work through the transition between Fall and Winter plantings. Overall quality is good, but there are still some concerns with bruising. The West continues to have an abundance of bells, as the Northern and Southern growing areas are currently overlapping. Production volumes are expected to remain strong through the month of January.

Cucumbers: Mexico's cucumber production has lightened up a bit as larger growers work through the production cycle and are waiting on new blocks to start. But, there's still plenty of fruit available to meet the market's demand and quality continues to be excellent. Eastern

cucumbers are primarily an offshore deal now, with Honduran imports moving into the spotlight. Volumes are steady and should increase as we move closer to February. Overall quality and condition have been nice in recent days.

Summer Squash: Eastern squash supply is very limited this week for several reasons: cool weather has decreased production; windy weather has caused scarring and quality issues; growers plowed fields under due to previous low markets; and Plant City has finished up its season. Conditions and availability should improve in 7-10 days when South Florida growers get into new blocks of fruit. The West is also experiencing a shortage of squash, as Mexican growers have walked away from fields due to market conditions. Cooler weather is predicted over the next week, which could delay the start of new plantings.

Green Beans: Florida growers continue to offer reliable volumes of green beans, despite numbers being slightly off this week. Bean volumes remain strong and steady out of Mexico.

Eggplant: Although Florida farms are in their lightest production time frame of the year, there are adequate volumes of nice-quality fruit to meet market demand. Mexican growers continue to have good volumes & strong fruit quality.

Chili Peppers: Both Sonora and Sinaloa are working chili pepper crops. Quality is nice from both areas, although Sinaloa's fruit has more size. Florida chili production has lightened up as Plant City winds down, leaving just a few growers in South Florida.

Hard Squash: Sonora, Mexico has enjoyed strong production of hard squash and there is a lot of fruit available. However, inventories have backed up and quality is challenged on many lots.

TRANSPORTATION FACTS

* The National Diesel Average rose \$.01 this week, edging up to \$2.60 per gallon.

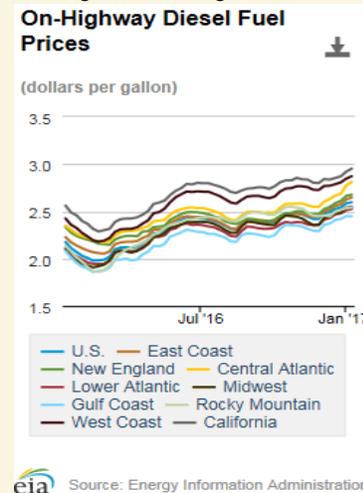
* The average price for a gallon of diesel fuel is \$.42 higher than the same time last year.

* With the exception of the Gulf Coast (where pricing remained steady), all areas of the country reported price increases of up to \$.03 per gallon.

* California remains the high-price leader for diesel fuel at \$2.95 while the Gulf Coast region still offers the best bargain at \$2.45 per gallon.

* The WTI Crude Oil price fell 2.9% this week, moving from \$52.33 to \$50.82 per barrel.

* An adequate transportation supply is available in most parts of the country, although Mexico/Texas crossings and onion/potato shipping areas are dealing with shortages.



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KEEP YOUR EYE ON THE CONSUMER

How Consumers Define “Premium” in Contemporary Food Culture

By: Laurie Demeritt, www.smartbrief.com, December 29, 2016

There is a transformation happening in the food and beverage marketplace today. The fancy imported goods and gourmet products that were experienced on rare or special occasions once typically associated with premium quality are not exactly relevant to today’s modern consumer.

Why? Because today’s definition and expectations of quality is being defined by the contemporary consumer. There has never been a time as now in which consumers have been more engaged. They have amazing access to information about food and drink, and food production more than ever before. For today’s consumers, food is now a cultural product to discover, share, make and trade. This reconnection with food and its origins is encouraging a new level of participation.

Think about this food cultural shift: not that long ago, chefs and their staff and all food production were kept in the kitchen, in the back off the restaurant out of view from diners. Today, it’s about open production and seeing chefs in action because food, cooking and the artisans behind the craft now take center stage. Now it’s hand-thrown pottery, having a front row seat to the magic in the kitchen and casual quality with hand-stitched aprons and plaid shirts.

In essence, America’s foodways are becoming more sophisticated and diverse as consumers increasingly aspire to higher quality food experiences they simply did not grow up with.

With this consumer-driven redefinition of quality playing out in food culture today, what, then, does “premium” mean and

how should brands express quality? This was the question at the heart of The Hartman Group’s A.C.T. (Anthropology. Culture. Trends.) Seattle symposium in September 2016: Deep Dive Into the Premium Food & Beverage Marketplace. Throughout the session, we engaged in a thought-provoking discussion to hone in on what today’s “premium” looks, smells, tastes and feels like. Here are some key thoughts about what premium means:

- It starts with finding the most premium and simple ingredients available and optimizing for taste above all else. Then it comes down to the brand aesthetic and being sure that you’re offering something more like an experience to the customer versus just solving a need state.
- “Premium” often times may sound to consumers like an industry term used by CPG companies. The idea of it as a great product along with full transparency about how it’s made, why it’s made and the values of the people who are making it, is what resonates with consumers.
- Premium is about the integrity of your brand. Talk about the brand’s values, which include full transparency in the supply chain; talk about the highest product quality and how you can achieve those things and communicate them effectively to consumers.
- For food retailers and restaurants, look at how you can enhance the eating experience for your customers through the brands, products and services you offer. Share the stories behind the great foods and beverages you

sell; be a source of inspiration.

Winning in the new premium marketplace is as much about thinking differently about a category as much as it is about selling different products. Product quality is implicit, while being authentic, transparent and passionate are key building blocks. Consumers will increasingly bring premium into their households and premium will continue to evolve in meaning.

Marketers should pay attention to which products are showing growth in the natural and specialty channels and ask, “what attributes do they have that will mainstream in the next two to three years?” They should look to other categories for inspiration as well. Staying on top of what premium means will be essential. Food and beverage stakeholders should:

- Understand how consumers interpret premium via attributes, ingredients, packaging, location in store, etc.
- Invest in premium strategically as some premium categories will evolve more quickly than others.
- Know that categories in which health is a key usage driver will move faster.
- Know that the acceleration of premium puts retailers and QSRs in more direct competition than ever before.
- Know that refrigerated packaged premium products offer the most white space opportunities moving ahead.



LIPMAN IN PICTURES

Here are some of the other great photos that were submitted for the December Lipman Photo Contest!



Jasmine Lopez, Associate Breeder, on her first fishing trip
Submitted By: Gerry O'Dell



Scott Rush Photobombing Himself
Submitted By: Scott Rush



Ready to eat some Lipman grape tomatoes!
Submitted By: Cheryl Wright



Crop scouting on Farm 2 in Estero, FL
Submitted By: Noel Rodriguez



New York Produce Show Setup
Submitted By: Don Martin

PRODUCE BAROMETER

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



JANUARY CALENDAR

All Month
Be Kind to Food Servers Month
Third Week
Healthy Weight Week
January 16th
International Hot & Spicy Food Day
National Day of Service
January 19th
Get to Know Your Customers Day

Naples, FL Weather

Fri Jan 13	Sat Jan 14	Sun Jan 15	Mon Jan 16	Tue Jan 17
79°F	79°F	79°F	79°F	79°F
64°F	63°F	64°F	64°F	66°F
ENE 13 MPH	NE 13 MPH	ENE 9 MPH	ENE 9 MPH	E 10 MPH

RESTAURANT INDUSTRY NEWS

4 Ways to Attract Consumers in 2017

By: Fern Glazer, www.nrn.com, January 3, 2017

Last year, restaurants faced significant challenges in attracting consumer visits, and 2017 isn't looking much different, according to The NPD Group, which forecasts little to no traffic growth this year. But NPD says there are still opportunities for restaurant operators to capture customers. "It's becoming more and more competitive," said NPD analyst Bonnie Riggs. "[Operators] have to give consumers a compelling reason to visit."

Here are four methods Riggs said operators will likely use to entice consumers to visit — and potentially change the forecasted traffic future.

1. Increase innovation. The world is changing — fast — and consumers expect restaurants to keep up, to provide innovation and to be relevant not only on the menu, but in the overall restaurant experience. Operators that fail to innovate risk being overlooked by a significant portion of consumers, according to NPD's 2017 Outlook. "Nothing has been appealing enough to overcome the price issue and the at-home issue," Riggs said of higher restaurant menu prices as compared with grocery prices. "We're really going to have to step out of the box — be innovative — if we want to get customers back into restaurants."

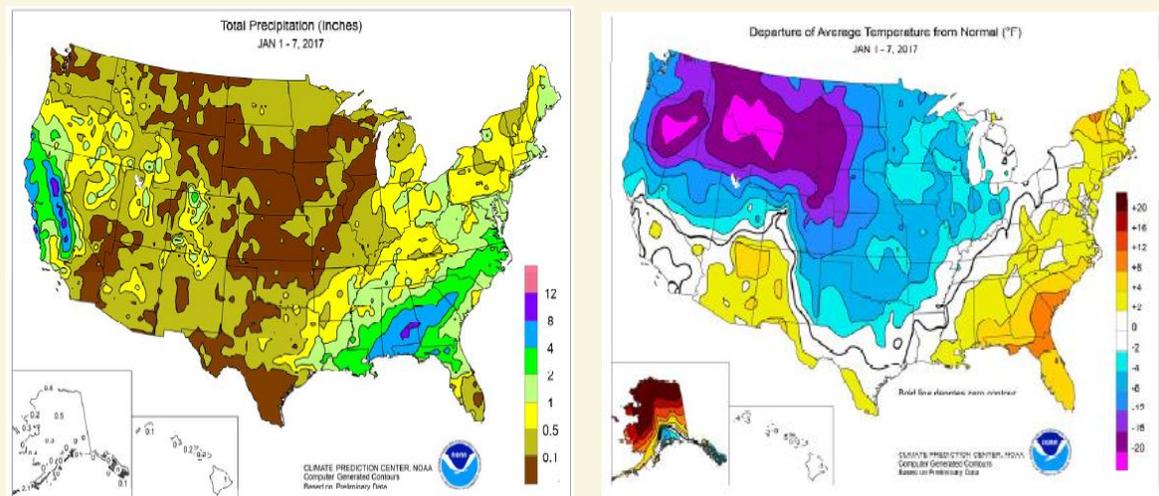
2. Offer delivery. Consumers' growing interest in delivery will provide restaurant operators with another vehicle to drive traffic. "This is an opportunity for full-service operators to drive traffic, especially independents," Riggs said. The question for many operators won't be whether or not to deliver, but which solution is best for their brand: outsourcing delivery to a third-party, on-demand service, or tackling it themselves. No matter which direction operators take, if the cost is too high, consumers won't bite, Riggs said, citing a recent NPD report that reveals consumers prefer to pay a flat rate of no more than \$5 for delivery.

3. Let consumers have it their way. As the marketplace continues to be highly competitive, NPD expects more operators to offer not only the foods customers crave, but also the option for customization. While fast-casual and casual-dining chains have already begun to develop customization, it's starting to show up at traditional quick-serve chains as well, NPD found. "Fast food — traditional, especially — they're big, rules are set," Riggs said. "They're not very accommodating, and they're going to have to be." One way Riggs says operators will accommodate consumers' have-it-my-way demand is by offering digital menus and touchscreen technology.

4. Reward lighter users. To drive traffic amid a stagnant market, operators are likely to develop or expand reward and loyalty programs to entice all kinds of users — not just the heaviest users. This includes lighter users who have historically been neglected due to the higher cost of attracting and retaining them, NPD found. "Right now, there are a lot of things out there that aren't compelling," Riggs said. Additionally, operators will likely move away from offering set rewards and instead offer targeted rewards aimed at what specific consumers actually want.

NATIONAL WEATHER SPOTLIGHT

Weekly Precipitation and Temperature Deviation



NEWS IN THE GROCERY TRADE

Americans Increasing Consumption of Fresh Products

By: Craig Levitt, www.groceryheadquarterst.com, January 10, 2017

A survey of more than 1,000 U.S. consumers showed that, compared to three years ago, Americans are consuming more fresh products, including fruits, vegetables, meats and cheeses. The nationwide trend away from processed foods is driven by healthier diets and lifestyles, according to data gathered in December 2016 by the OpinionWay institute for [Bizerba](#) and [Invatron](#), leaders of technology solutions dedicated to fresh food departments. The survey was released in conjunction with the kick-off of the Retail's Big Show 2017 organized by the National Retail Federation (January 15-17 in New York #NRF17).

The study shows that nearly half of Americans (48%) consume more fresh products than they did three years ago and 41% say their consumption has remained stable over that period. Respondents strongly associate fresh products with high quality, better flavor, and less waste. Their preference for fresh products is driven by a desire for a healthier lifestyle and diet.

Key findings of the survey include:

- Age is a determining factor in the preference for fresh products. Young people under the age of 35 are far more likely to choose fresh items than people aged 50 and older (58% vs 38%).
- Income is also a contributor. Only 45% of individuals in the lowest income group (less than \$50,000/year) said their consumption of fresh products had increased over the last three years, as opposed to 53% of people in the highest income group (over \$75,000).
- The pursuit of healthier lifestyles is driving purchasing habits. Nearly 60% of respondents said they are more conscious of what they eat and prefer a healthier diet.
- Fresh is strongly associated with quality. Respondents said fresh products are more flavorful (75%), healthier (74%), better quality (74%), and contain more healthy ingredients (74%).

"Americans are more conscious than ever of the benefits of eating fresh, unprocessed foods and making healthier choices for their families," said Rob Weisz, Vice President Retail, Bizerba North America. "People are cooking more at home and the products they are finding in stores are high quality and increasingly easier to access in regular supermarkets."

Traditional supermarkets as the preferred shopping medium

Specialty grocery stores and online retailers often associated with the 35 and under demographic lag far behind traditional supermarkets as the preferred shopping medium. Supermarkets were rated as the best across all categories for buying fresh products, thanks to the variety of product offerings, the overall shopping experience and the best value for the money. The majority of respondents (63%) say they opt to shop at supermarkets ahead of natural and organic grocery stores (14%), wholesale clubs (9%), and discount stores (8%). Amazon and other online retailers are breaking into the market, but are the preferred medium of only 5% of Americans.

Cost as a barrier

Cost is a key concern for the 11% of Americans who are eating less fresh food than they have historically. More than a quarter of respondents (26%) say they eat fewer fresh products because they are less well-off financially, and 24% say they think that fresh products are more expensive than before. Additionally, 21% of respondents who consume fewer fresh products say they cook less than before, and 14% say they have less time to prepare meals at home, so they no longer purchase fresh products because of the concern over spoilage (24%). Only a small subset (11%) of those consuming fewer fresh items say they are no longer interested in a healthy diet, and 8% say the stores selling quality fresh products have closed near where they live.

Three key purchasing triggers

Appearance, quality, and price are the three key purchase triggers for consumers buying fresh products across all categories. The one exception is cheese, for which price is the deciding factor. For all other products, appearance is the primary driver, inciting consumers to purchase fresh products even if they were not planning to.

"The factors that trigger purchase of fresh products seem to be universal, with appearance, quality, and price as the key trio for all stakeholders in fresh product consumption," said Axel Doerwald, Founder and CEO at Invatron Systems Corp. "For retailers, and particularly the supermarkets that are the primary venue for the majority of consumers, highlighting these different qualities is essential in order to encourage purchasing decisions, an area where there is room to improve."

MARK YOUR CALENDAR & PACK YOUR BAGS!

March 9-11, 2017

Southeast Produce Council's Southern Exposure 2017
Walt Disney World's Dolphin Resort
Orlando, FL
www.southernexposure.seproducecouncil.com
Join Lipman at Booth 1400!

April 20-22, 2017

2017 Viva Fresh Expo
Austin Convention Center
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