



MARKET UPDATE

Round Tomatoes: Other than a few scattered in NC and TN, round tomato harvests have been minimal in the East. However, Lipman's VA crops will start over the weekend or early next week depending on rain. The crops look healthy, fruit quality looks good, and sizing for the first round will be heavier to XL tomatoes. We expect a little ebb and flow for the first few weeks of harvest as our planting cycle was interrupted by rain back in late April, but volume should level out as we move past the earliest plantings. As for the growers in the TN and NC mountains, we're getting a few tomatoes but the bulk of volume is yet to come. A couple of the larger growers have reported they won't be into anything significant until the first of August. We should also begin to see some fruit out of NJ in the next few weeks as well. Out in CA, all growers, including Lipman, have now started with mature green rounds and good supply is available. Our first round of picks were on the smaller side but should size up as we move into the next sets. Much of the CA fruit has some wind-scarring, but the internal fruit quality is good. Gradeouts for these defects have reduced yields, but should improve as we move deeper into the season. If vine-ripes are what you're looking for, Eastern Mexico and Baja have them in moderate supply.

Roma Tomatoes: Eastern volume is still very light comparatively, but some of the TN farms have started their roma fields ahead of rounds. We'll see more growers hop on board and more volume as we move closer to August. We also have a few already coming in from our NC mountain deal and expect to see light but more volume there as well. Baja's numbers will remain steady as growers phase in and out of production while East Mexico is increasing from new acreage. CA's San Joaquin Valley is seeing steady volume on mostly XL fruit. The earlier problems with scarring have improved as growers move into new fields/plantings.

Grape Tomatoes: Eastern grape tomato numbers remain light but are adequate to meet demand. We've been in our new VA crops for about 10 days now and are seeing nice quality and light, but steady production. There's also some light volume in NC and TN as farms just get

started. As for the West, our crops in Central Mexico continue to have strong volumes and good quality. With our Baja farms also bringing steady supply, grape tomatoes are looking good in the West.

Bell Peppers: At long last, the bell pepper situation is shaping up in the East. Although our coastal NC crop is winding down, several new areas have finally started including NJ, TN, VA, and western NC. MI will bring another boost to the numbers as they get started this weekend as will IN when they get rolling next week. There have been some mild quality issues in the coastal NC crops but most other areas have average to good quality. As for the West, Bakersfield is all but finished for the season. Production has transitioned into fresh crops in the Fresno/Merced area where quality and volumes are expected to be good for at least the next few weeks.

Cucumbers: Although supply is a little lighter at the end of the week (especially on SS), cucumbers are available in a lot of Eastern growing areas- NJ, NC, TN, KY, IN, and MI- with the stronger volumes coming from NJ and MI. As the hot temperatures of August affect southern crops, NY and Canada will be in business, so there should continue to be product available. Eastern quality is mostly good, although there are a few spots where heat is causing some minor quality issues. In the West, Baja's numbers are increasing as the last of the growers comes into production. There are also some central Mexico growers that are bringing large volume in through Nogales and McAllen so expect good availability to continue. Quality remains strong and we shouldn't see any production gaps the rest of the month.

Green Beans: With IN, TN, VA, MI and NY in the bean business, there's plenty of supply available in the East. There have been some spotty quality issues out of IN, but TN and VA's quality have been nice. MI just got started this week so we could see even more product as they come along. Western markets also have ample green beans as all five of the major production areas during this time of year (Baja, Fresno, Santa Maria, Brentwood and Watsonville/Salinas) have fruit available.

Summer Squash: Squash is everywhere in the East. With product available in at least 10 states and from many growers, there's enough product to meet demand. While yellow quality can be varied by grower/field/lot, there haven't been any major issues from any of the current growing areas. Baja, Santa Maria and CA's Central Valley all have stronger squash production as they have moved into new fields. With the Watsonville/Salinas area also seeing stronger harvests, promotional opportunities are available for the next few weeks.

Eggplant Eggplant is the hot item this week. Our NC crops are light, only picking once per week, and NJ has just gotten started. There are a few bits and pieces available as new crops begin with local deals, but no significant volume in any one spot. That will change as NJ gets further into the season and as MI gets started in the next few weeks. Looking to the West, the Fresno/Central Valley area is the primary production area right now and volumes are limited.

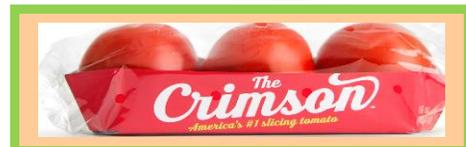
Hard Squash: Hard squash is still a bit challenging in the West due to a slower start to the central CA season. The Fresno/Selma areas are steady, and hope to increase by the end of July as the weather warms up. With more growers coming on in Linden and Lodi, we should see better availability in the next 10-14 days. Eastern hard squash is also a little tricky. The only current production of any significance is from our local partner in KY and a little in eastern NC. At this point, the KY program is still in lighter, early-season levels. We're still a few weeks away from welcoming crop starts in NY, PA, NJ, MI and other points north. But..... it will come!

Organic Veg: Our Grown True Baja crops have good volumes of organic cucumbers and strong, promotable numbers on both squashes. Green bell production is on the lighter side but there is fruit available from our Baja farms and in CA. Our summertime Eastern programs in VA and NY are rolling along with consistent volume on cukes and squash. And, we now have organic bells available out of VA. NY will follow in the next two weeks to complete their product offerings.

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RESTAURANT INDUSTRY NEWS

How Restaurants Can Maintain Customer Loyalty Post-Pandemic

By: Vince Crimaldi, www.qsmagazine.com, July 2020

The challenges the restaurant industry currently faces are unprecedented. On March 21, as the pandemic's impacts fully struck the U.S., restaurant sales were down more than 81 percent. At the same time, the resilient response to the crisis has birthed an innovative, motivated mindset that may have positive and lasting impacts. Large, medium, and small chains in both the quick service and full-service spaces are navigating through a mix of interests, concerns, and anxieties. How those feelings are addressed going forward, given the uncertainty that the COVID-19 pandemic has created, will be critical to restaurant recovery.

One of the things that has changed (among many) is how people are now ordering and consuming food from restaurants, with heavy restrictions and limits on dining-in. Restaurant delivery has increased by more than 100 percent since March. The process of ordering online, which may be new for many consumers, is not particularly streamlined, as delivery service providers require each restaurant to use a separate tablet to receive orders, with each order manually entered into a system by a restaurant employee. This manual process can result in errors and missed orders, leading to lost revenue and negative customer experiences. At a time when customer loyalty is more important than ever, those negative experiences could have harsh consequences.

With this surge of online ordering during the current crisis, a spotlight is now shining on each restaurant's ability to fulfill these orders accurately and quickly. Those who are pivoting to new online ordering formats have an opportunity to create memorable customer experiences, but if executed incorrectly, they could risk making subpar first impressions. It's even more impactful if delivery and takeout models become mainstays even after the pandemic is over.

Re-Creating the Dine-In Experience

To capitalize on this opportunity, restaurants need to recreate their customers' brand experiences on a consistent basis outside of the restaurant walls. In the current situation, how do restaurants take the loyalty they've established with their customers previously, and carry it over to an online ordering model through takeout and delivery? That includes the food, the ambiance, and the way customers are used to experiencing the brand within the restaurant.

Many restaurants have been thinking about this concept over the past few years with the rise of delivery and curbside pickup. But a good majority of restaurants today, and maybe over the next few months or even the next few years, are going to be experienced in this way. With that, there will likely be a rise in demand for additional capabilities to deliver food and menu items in different ways. Restaurants have already acknowledged this as portion of their businesses. Now, they may need to accept that it could be the primary way they complete transactions.

For food, the experience with temperature and freshness must be carried forward into a remote setting. Investments in technology may be necessary to ensure a restaurant is maintaining the brand expectation around "hot and fresh." There may also be packaging created that allows takeout and delivery to be done sustainably—not only environmentally, but also financially.

Technology Empowering Safety

Companies will have to make their pickup and delivery models more efficient to hold on to profitability targets. Automation and efficiency in the order assembly, packaging, and fulfillment functions will be key. However, the priority will likely shift toward how to keep employees and customers healthy and safe. Restaurants will have to make investments to drive cleanliness and

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TRANSPORTATION FACTS

*The average US diesel fuel price remained steady this week at \$2.44 per gallon.

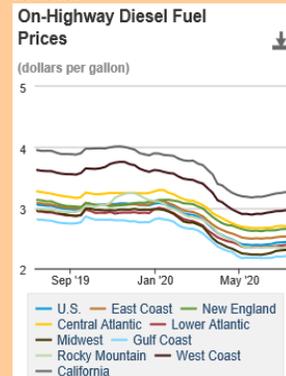
*The average price for a gallon of diesel is \$.61 lower than the same time last year.

*Three reporting areas came in with price increases, while the remaining zones reported fuel costs declining \$.01 or less per gallon.

*As usual, California has the highest price at \$3.25 per gallon while the Gulf Coast remains the low-price leader at \$2.20 per gallon.

*The WTI Crude Oil held relatively steady this week, only moving from \$40.90 to \$40.75 per barrel.

* There are slight truck shortages in the Carolinas and at Texas/Mexico crossing points, but all other areas report adequate transportation levels.



Source: Energy Information Administration

Good from the Ground Up!



FRESH CUT
CLIPPED & CLEANED
GREEN BEANS



PACKAGE SIZE	UNITS PER CASE	CASE DIMENSIONS	CASE WEIGHT	TI X HI
5 LBS.	2 BAGS	12.5 X 10.5 X 8.25	10 LBS.	12 X 8

SIGNATURE DISHES MADE EASY

Lipman is bringing our high-quality green beans straight from our family of farms to your signature dishes. We're excited to offer clipped and clean green beans, brought to you with a level of care, safety and quality only Lipman can guarantee. These fresh cut green beans eliminate prep time, help you save on costs, and stay in healthy supply no matter the season, simplifying your ability to serve up your customers' favorite meals.

DEPENDABLE AND SAFE

Our vertical integration ensures product quality and safety

PICKED WITH CARE

Our hand-selected process promises a longer shelf life

RELIABILITY YEAR-ROUND

Always available and priced right, no matter the season



PRODUCE BAROMETER

ITEM	QUALITY	PRICING
Bell Pepper	Mostly Good	Lower
Cucumber	Good	Steady
Eggplant	Good	Higher
Green Beans	Mostly Good	Steady
Jalapenos	Good	Steady
Onions	Good	Steady
Squash	Good	Lower
Tomatoes	Good	Steady



JULY CALENDAR

- All Month
 - National Watermelon Month
 - Cell Phone Courtesy Month
- July 19th
 - National Daiquiri Day
- July 23rd
 - National Intern Day
- July 24th
 - National Drive Through Day
- July 25th
 - Hire a Veteran Day

Hendersonville, NC Weather

Sat Jul 18	Sun Jul 19	Mon Jul 20	Tue Jul 21	Wed Jul 22
88° F	88° F	90° F	87° F	85° F
69° F	68° F	69° F	69° F	68° F
NW 3 MPH	NW 3 MPH	W 3 MPH	WSW 3 MPH	WSW 4 MPH
Precip 60%	Precip 40%	Precip 60%	Precip 80%	Precip 70%

NEWS IN THE GROCERY TRADE

Perimeter Sales Gains Fall Back to Week-By-Week Decline

By: Emily Park, www.supermarketperimeter.com, July 8, 2020

After a successful Father's Day sales weekend, sales in the grocery perimeter fell below the double digit rise over 2019 sales the week of June 28. According to the latest data from 210 Analytics and IRI, the total fresh perimeter experienced an 8.2% bump in sales over the same timeframe in 2019.

"We expected that the non-holiday week would mean a return to the small erosion of week-to-week sales gains," said Jeremy Johnson, vice president of education for the International Dairy Deli Bakery Association (IDDBA). "And there is an important lesson in that. While next week's report covers July 4th, which we expect to be big, we have many non-holiday weeks between Independence and Labor Day. It will be imperative to go back to retailing fundamentals to drive dairy, deli and bakery sales through optimized household engagement, trip frequency and basket size within the new normal."

The dairy department experienced a 12.7% gain in dollar sales compared to 2019. Top performers in the category were whipped toppings (up 25.3%), eggs (up 24.1%) and natural cheese (up 19.1%).

The deli department went back to continued mixed results the week of June 28, with the entire department down 11.3%. Deli cheese sales were up 8.4%, deli meat sales were up 5.8% and deli prepared was down 23.1%.

"During the final week of June, deli prepared assortment remained down about 16% versus normal levels," said Eric Richard, industry relations coordinator with IDDBA. "Prepackaged means we have to take very careful decisions on assortment, focusing on high velocity, highly profitable items that help us differentiate from the competition. As restaurant business is gearing up, now is the time to be very visible with deli offerings and make access very easy."

After Father's Day weekend gave the instore bakery its first boost into the above-2019-sales category, sales the week of June 28 fell back into negative gains at 8% below 2019 sales. Holding down the category were donuts (down 42%), rolls (down 15.8%) and breakfast items (down 7.5%). Croissants were the best performer in the category, up 12.9%.

Still in double digit dollar sales gains, the meat department totaled sales 15.8% above sales in the same timeframe of 2019. Volume sales gains, however, fell into the negative, down 0.6% for the category. The heightened dollar sales continue to stem from enhanced meat prices across the category.

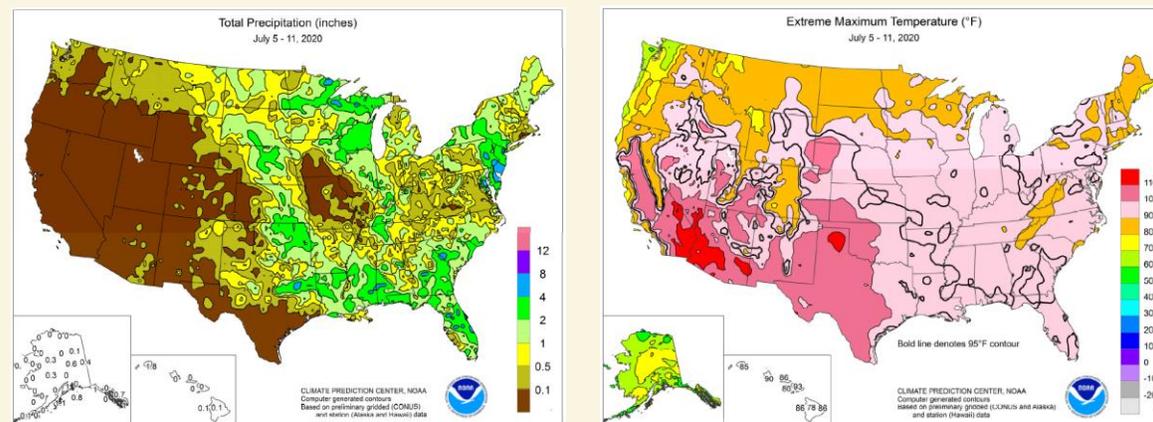
Dollar wise, lamb (up 39.1%), beef (25.7%) and pork (up 21.8%) were the top performing meats. Chicken was up 11.8% and turkey was up 20.4%.

In the produce category dollar sales gains fell to 5.8%. Fresh vegetables are still outperforming fresh fruit, with vegetable sales up 12.5% and fruit sales retaining a slight gain of 0.2%. The top performers in the department were oranges (up 51.8%), mushrooms (up 26.5%) and lemons (up 23.2%).

"Banking on elevated everyday demand alone, we expected this week to be down from the prior week," said Joe Watson, vice president of membership and engagement for the Produce Marketing Association (PMA). "However, the decline to single-digit gains shows that we need to continue to work hard to stay ahead of last year. Next week, we will have the benefit of the July 4th holiday, but after that, we have many regular weeks until Labor Day and going back to our basic merchandising principles to optimize planned and impulse purchases is key."

NATIONAL WEATHER SPOTLIGHT

Last Week's Precipitation Totals and Extreme Maximum Temperatures



RESTAURANT INDUSTRY NEWS...CONTINUED**How Restaurants Can Maintain Customer Loyalty Post-Pandemic**By: Vince Crimaldi, www.qsrmagazine.com, July 2020*This selection is continued from page 2.....*

allow customers to feel safe when they purchase and eat their food. Contactless grab and go models will likely be an emerging option.

Combating Demand with Agility

That agility is crucial to allow restaurants to anticipate developing conditions and make necessary changes. Many already do this today when they vary their menus based on local tastes or certain geographies, or adjust the way ordering and fulfillment takes place. These restaurants are now implementing that agility in a more structured way, creating it within the operational controls from facility, to supply chain, to labor, as well as technology. All these factors will then depend on what is occurring that day or week, such as an event, to determine which features will be offered along the customer journey. Will a restaurant be allowing dine-in? Can it handle the demand that may be surging due to a holiday?

The restaurants that can implement that agility are going to succeed in this unpredictable environment. The ones that were already doing it back in March were having more success because of that ability to vary based on things like demand, weather, events, and conditions that were already occurring pre-COVID. For example, some quick-serves were doing 75 percent of their sales from the drive-thru and delivery. There could be a scenario where restaurants may not be ready to accept shifting demand, both from a supply chain and a labor perspective, without the agility to anticipate it. It will be essential to have the capability to create "burst" capacity, meaning scalability without necessarily having to add more restaurants or waitstaff, but rather, more kitchen capacity that can be flexible based on demand.

Ghost Kitchens, already trending before shelter-in-place orders were implemented, will continue to experience growth. According to Technomic, ghost restaurant sales are projected to rise 25 percent each year for the next five years, offering the industry a new area for focus and investment.

Seizing the Opportunity

In the past, restaurants worried about pickup and delivery diluting their brands. However, they may realize this as a great opportunity to grow a new revenue stream without harming their historical in-dining models. It can allow the brand to sustain itself around the variability of other events, not just this pandemic. For quick service, this is also an opportunity to take advantage of curbside as an option with increasing demand.

While the way they do business has drastically changed, restaurants must continue to engage with their customers. They want to eat at establishments, even though many of them can't right now. The key is to find the best way to maintain a connection with them to ensure their brand loyalty lasts well beyond the current situation, as many of its impacts could be permanent.

FRESH
TOMATOES

the best
of nature™

MARK YOUR CALENDAR
& PACK YOUR BAGS?

July 20-24, 2020

PMA Foodservice: Delivered- Online Tradeshow
www.pma.com/events/foodservice-delivered

September 17-19, 2020

SEPC Southern Innovations
Savannah Convention Center
Savannah, GA
www.seproducecouncil.com

October 15-17, 2020

PMA Fresh Summit – Changed to Online Tradeshow
www.pma.com/events/freshsummit

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VALUED CUSTOMERS

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