



MARKET UPDATE

Tomatoes: With persistent rains affecting the ability to harvest in current production areas (VA, TN, AL and NC), Eastern round and roma tomato supplies have been lighter this week, but are still adequate. As rain has its way with the fruit, expect lower packouts/yields and less-than-perfect quality until the recurrent weather stops and farms move into new plantings. Grape tomato availability is also lighter, but will also improve as the weather does.

Although California's San Joaquin Valley is scorching hot, round and roma volumes remain strong and consistent. Quality is mostly good on rounds, but only marginal on romas. Mexican farms continue to cross light to moderate volumes of vine-ripe rounds and romas but are beginning to slow down as growers taper off for the season. Western grape tomatoes are mostly coming from Baja where supply has been limited as growers transition between older and newer acreage.

Bell Peppers: With weather affecting multiple growing areas, bell peppers have been very limited in the East this week. Volumes remain very light from local deals in NJ and NC and have been minimal from MI so far. Look for supply to improve next week as MI and other Midwestern programs get up and running. In the West, pepper production has transitioned from Bakersfield to points north like Gilroy, Fresno and Oxnard with more to come. The Northeast has also started in a light way, but early fruit is extremely large. As a whole, West Coast pepper quality has been excellent, but color is light due to the heat. The current heat wave may also show itself in fruit quality in the near future.

Cucumbers: Even with overcast weather, Baja's cucumber production is off to the races with volumes expected to continue increasing over the next couple of weeks. Quality has been strong and we don't anticipate any issues at this time. In the East,

cuc supply is now improving as MI begins to see more product and other local areas grow past early crop concerns.

Summer Squash: Yellow and zucchini squashes are readily available throughout the country with major production in CA and MI and many other local/regional players in the mix. Overall, quality is nice but scarring concerns persist on yellow from certain lots/shippers.

Eggplant: With GA still working light volumes, NJ up and running and the Carolinas going strong, Eastern eggplant supply is solid. Fresno, CA continues to be the spot for eggplant in the West. Their fruit is very firm, dark, and fresh. Production has been somewhat limited this week but is expected to increase over the next 14-21 days.

Green Beans: Eastern green beans are still tight as each production area seems to have its own concerns. Both TN and VA are in a significant gap while NC and MI deal with weather-related problems. NY farms are beginning to bring a few beans to market but there's not enough volume as of yet to have a big impact on availability. Despite having 5 different areas going in California, Western supply is light as each area only has a limited supply to offer.

Chili Peppers: The hot pepper market out of Mexico has fully transitioned to Baja and newer regions in Mainland Mexico. Quality has improved but extreme heat is impacting shelf life. Santa Maria, CA is rolling with great quality on tomatillos and jalapenos but is waiting on other varieties to start. Eastern chili pepper production is finishing up in Eastern NC but starting in MI and steadily rolling along in NJ and in scattered local deals.

Hard Squash: Storage crop hard squash is winding down out of Nogales with typical end-of-season quality. Both CA and the Northwest are now up and running with good color, nice shape and all sizes

TRANSPORTATION FACTS

*The national average price for diesel fuel dropped \$.02 this week, moving from \$3.24 to \$3.22 per gallon.

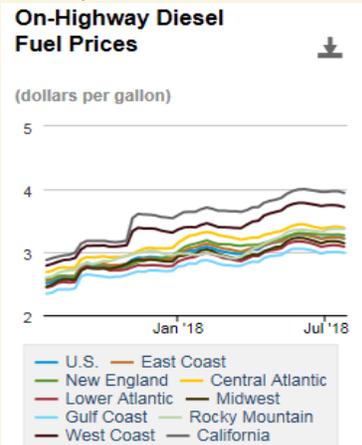
* The average price for a gallon of diesel fuel is \$.71 higher than the same time last year.

* All areas reported declines in pricing with the most notable coming from the Midwest (down \$.03).

*California maintains its role as the high-price leader at \$3.94 per gallon. The Gulf Coast region is finally back below the \$3.00 mark at \$2.99.

*The WTI Crude Oil price rose slightly (up 0.8%), moving from \$68.76 to \$69.30 per barrel.

*The transportation report is mixed this week. There are shortages in potato, onion and melon shipping areas but truck levels are adequate or in excess in remaining areas and at Mexico crossing points.



Source: Energy Information Administration

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KEEP YOUR EYE ON THE CONSUMER

Influential Gen Z'ers Having Big Impact on Food and Beverage Trends

By: Cathy Siegner, www.fooddive.com, July 19, 2018

Dive Brief:

**U.S. consumers between the ages of 11 and 22 have already started shaping food and beverage trends because of the healthier influences they grew up with, according to a Mintel presentation at IFT2018 reported by Food Navigator.

**Many kids and teens tend to see soda as unhealthy after their parents nixed sugary food and drink options, Mintel research showed. One-quarter of teens between 15 and 17 years of age said they're concerned about remaining healthy, and almost half (49%) believe that drinking sodas is not healthy.

***"Generation Z has come of age at a time when health and wellness is a major consideration. Many younger members of Generation Z follow their parents' healthy ways and it seems health-consciousness only gets stronger as they approach adulthood," Dana Macke, Mintel's associate director of Lifestyles and Leisure Reports, said during the presentation.

Dive Insight:

While there is some crossover, Generation Z differs from millennials, Gen Xers and baby boomers by looking for personalization in food as an expression of who they are. They like ethnic food, natural and clean-label products and brick-and-mortar stores to online shopping — although they also use social media

platforms to engage with brands. According to Mintel, Gen Zers also like to test international recipes at home more than older generations.

Even though many Generation Z consumers are young, their shopping and consuming habits may be more likely to stay the same as they get older since they were influenced by their parents from a very early age toward health and wellness products. Chances are they will continue to seek out transparent, clean-label brands as they make purchasing decisions as heads of households.

Soda manufacturers might take note now that Gen Zers are consuming less sugar-laden soft drinks. However, this demographic may be interested in the low- and no-sugar offerings soda firms are introducing, as well as some healthier cereals and clean-label snack items.

Major CPG companies such as General Mills and Kellogg that are debuting cereal loaded with sugar could face challenges as Gen Zers come of age. They may be less likely to buy these items, let alone purchase them for their own kids. If they haven't already, it might be wise for food and beverage makers to take a close look at their formulations and change anything that has high fructose corn syrup to cane sugar, for example, and phase out artificial colors and

flavors. If nothing else, CPG companies could look for ways, when possible, to offer consumers choice.

General Mills did just that after consumers shunned a new version of its popular Trix cereal without artificial colors and flavors. The Minneapolis company kept the reformulated version and brought back the original to store shelves last fall.

Those manufacturers that have already cleaned up their labels, come out with healthier energy drinks and/or debuted sparkling waters and functional snack foods could be in a good position when the Generation Z demographic comes of age. PepsiCo launched a premium soda line in 2016 made with cane sugar instead of high fructose corn syrup. The company also produces cane sugar-based craft soda lines such as Stubborn Soda and Caleb's Kola to cater to health-conscious shoppers.

The bottom line is that food and beverage companies have a lot to gain by paying attention to this demographic. That's because Gen Zers account for between \$29 billion and \$143 billion in direct spending, according to Forbes, while Nielsen reports that Generation Z now makes up 26% of the U.S. population.

Merchandising Minute Chumming for Produce Sales

By: Armand Lobato, www.thepacker.com, July 25, 2018

When I was young I'd occasionally join up with some of my newspaper delivery pals after our morning routes were complete and we'd go fishing. When the fishing was slow we'd "chum" the lake. It always helped us catch more fish.

"Chumming," for the uninitiated, is animal or vegetable matter such as chopped fish or corn thrown overboard to attract fish. It's closer to those videos on cable TV during Shark Week — where chumming the water creates more than mere attraction, but an all-out feeding frenzy. Such a reaction can also occur in the produce aisle.

You've no doubt heard me ramble on over the years about the importance of sampling fresh produce to build sales. But no time is more applicable than now. At the midsummer point, you're more than aware what items are starting to peak. Items that are the peak of quality in terms of maturity, appearance, variety, and best of all — flavor. The problem? Many of your customers don't know this.

"I'd like a nice watermelon, but the last one I bought wasn't that good," I heard a customer say, about this time of summer. Upon listening this, I couldn't help but chime in. "When was that, ma'am?" I said. "Oh, about two months ago," she answered. I politely pointed out that the watermelon sourcing had gone through several growing regions since that time. I sliced off a chunk from a cut melon on display and offered it to her. Going a step further, I gave her a half, cut melon at no charge to see if she liked this batch any better. This is the produce version of chumming.

Of course, I knew she'd love the watermelon. By midsummer the fruit eats like candy, as we say in the trade. A regular customer, she was back again the next week, and every subsequent week a nice whole watermelon graced her shopping cart, and at full price to boot. A small sample morphed into so many sales. I'll take that trade any day.

Give your customers a taste of those wonderful melons, peaches, grapes, berries, pluots, cherries and nectarines. By sacrificing a tiny bit of samples (aka "good" shrink, as it generates sales) and a small labor investment, you'll reap these "chumming" rewards with increased sales and gross profit. Oh, and happy, repeat customers.

Mix it up too. Try sampling a bit of the well-known — cantaloupe, honeydew — with the lesser-known commodities such as crenshaw, casaba, persian or canary melons, for just one example. Your customers will say things like "I didn't know honeydew tasted this good! ... So that's a casaba, the soft texture, what flavor!"

Chum away, my fellow post-harvest specialists.

PRODUCE BAROMETER

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



AUGUST CALENDAR

August-All Month
National Panini Month
Family Fun Month
August 1st-7th
Simplify Your Life Week
August 3rd
National Watermelon Day
August 5th
American Family Day

Hendersonville, NC Weather

Fri Jul 27	Sat Jul 28	Sun Jul 29	Mon Jul 30	Tue Jul 31
84° F	82° F	82° F	79° F	77° F
65° F	67° F	67° F	66° F	66° F
NW 7 MPH	NNW 2 MPH	NNW 2 MPH	SSW 3 MPH	S 7 MPH
Precip 20%	Precip 30%	Precip 40%	Precip 50%	Precip 70%

RESTAURANT INDUSTRY NEWS

NPD Sees Restaurant Opportunities in Growth of “Blended Meals”

www.pizzamarketplace.com, July 25, 2018

Although an NPD Group recent study found that more Americans are eating at home, the good news is that they're often adding restaurant foods to home-cooked meals.

The research and data analysis firm said that its daily research of U.S. consumers' eating behaviors indicated that Americans prepare four out of five meals at home, a news release said. The company added that although the comparison of home-prepared meals versus those sourced out of the home has been relatively stable in recent years, Americans prepare more meals at home now than they did a decade ago. In fact, last year, more than 80 percent of meals were prepared and eaten at home.

That doesn't mean foodservice spending hasn't been increasing, however. For the year period that ended this May, restaurant spend nationally was up 2 percent, but foodservice visits were flat for that period compared with the previous year. NPD said that the number of restaurant visits — onsite, drive-thru or ordered for delivery — acts as a more accurate measure of foodservice growth than spending.

The researchers said restaurant spend is up mostly because restaurant meal costs are growing faster than those for home-prepped meals. Likewise, restaurant meals historically cost more than those eaten in the home, often as much as three times the cost of eating foods prepared in consumers' own kitchens.

It's not all bad though

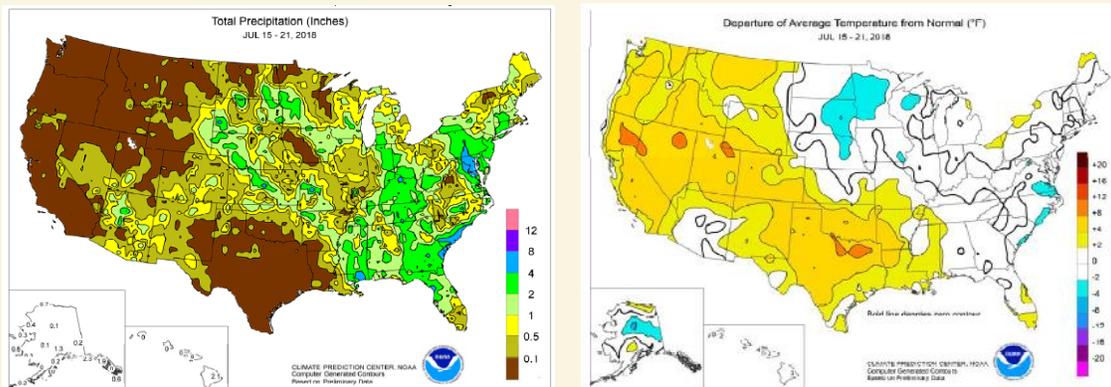
While U.S. consumers might not be dining out more, they turn to restaurants for shortcuts to meals prepared at home, the company said. Nearly half of restaurant-purchased meals are eaten at home and interestingly, a growing number of in-home meals are a blend of things consumers make at home and those they purchase ready-to-eat from a restaurant.

In its Future of Dinner study, NPD found that those types of blended meals will grow over the next five years thanks in some part to the conveniences offered by grocery delivery, meal prep kits, restaurant-quality foods from grocers, online ordering and technology-enabled kitchen appliances and tools.

"Due to a changing workforce, the ease of online shopping, and the boom in streaming entertainment, there are fewer reasons than ever to leave the house," NPD Food Industry Advisor David Portalatin, said in the release. "Even with consumers eating more of their meals at home, there are opportunities for both food companies and foodservice operators. It's not a matter of where consumers are eating but rather what they're eating."

NATIONAL WEATHER SPOTLIGHT

Weekly Precipitation and Temperature Deviation



AN APPLE A DAY**A Prescription for Nutrition: Doctors Write Rx for Fruits and Veggies**By: Michael Brun, www.hastingsstargazette.com, July 11, 2018

In an effort to get children to eat more fruits and vegetables, doctors at HealthPartners clinics in the Twin Cities and St. Croix Valley areas are busting out their prescribing pads. Through July 31 children getting a wellness exam can receive a "prescription" good for \$10 of fresh produce at local grocers. The aim is to get kids excited about fruits and vegetables.

Dr. Paavani Komanduri practices internal medicine at HealthPartners Woodbury Clinic. We asked her to explain the Fruits and Veggie Rx program and why it is important for children to eat a variety of fresh produce.

What's the thinking behind a "prescription" for fruits and vegetables? How powerful is that Rx sheet?

By providing a "prescription," it emphasizes that fruits and veggies are not just a good idea but a needed part of every child's diet. In addition to giving the recommendations weight, the Rx sheet can add an element of excitement for children to seek out fruits and vegetables which is especially helpful for picky eaters. By adding a prescription along with the conversation, it also helps to keep the message in the front of people's minds while shopping.

Why is it important for children to eat fruits and vegetables?

Whole fruits and veggie add essential fiber, vitamins and minerals to a diet. By having fiber, they add a sense of fullness and satisfaction that more processed foods and juices may lack. The relatively lower calories mean that kids can enjoy larger helpings without worrying about overeating. Starting kids out with a variety of options when they are young can help to establish healthy habits from a young age that set the stage for healthy eating as an adult.

What are some good produce options, especially for children who are picky eaters?

Generally, kids like salty and sweet. Like all of us, more bitter foods can be an acquired taste. Starting out with roasted veggies can help add that salty satisfaction. Sweeter veggies like carrots and squash are also a nice choice for children. Picky eaters may have one or two foods that really speak to them. Trying to branch out to similar foods can be a way to expand their variety. For example, if they enjoy lettuce, adding a small amount of spinach can get them used to a new taste while still having a taste they enjoy. Purees added to favorite foods are a good option as well if they are very picky to pack in the extra nutrition.

What else can parents do to ensure their children are getting enough nutrition?

Giving kids a variety is really key. This applies to all foods. With fruits and veggies, adding a variety of colors over the week can help ensure the right mix of nutrition. Offering kids foods they did not enjoy previously can also help to add variety. Kids can go through stages of taste and might enjoy foods at an older age that they rejected before. In addition to fruits and veggies, making sure they get a variety of foods is important. The only restriction is sugar-sweetened beverages (soda, juice, etc.) which are firmly in the special treat category with candy.

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PMA Foodservice Conference & Expo
Portola Hotel & Spa and Monterey Conference Center
Monterey, CA
www.pma.com/events/foodservice
Come join Team Lipman at Booth 206!

October 9-11, 2018

National Restaurant Association
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