



On The Horizon

MARKET UPDATE

Round Tomatoes: New Summer crops in TN, NJ, VA and NC have been delayed from cool and wet weather during earlier points in the planting/growing cycle. There may be a few tomatoes from early starters in these areas, but most won't see any volume until the 3rd week of July. With SC finishing crowns this weekend and working some 2nds next week before they end the season, round tomatoes may be snug for 7-10 days in the East. SC's quality has been very nice but could decline a notch as they move into next week's final harvests. Fortunately, Western volume is on the upswing. Baja's vine-ripenes are available in good supply from new field production. Size is shifting down slightly, providing a few more options this week. Mature green numbers are also rising as more growers in CA's San Joaquin Valley come online.

Roma Tomatoes: Other than a few dribbles in NC and TN, there are no romas in the East. A couple of growers in TN will scratch fields next week, but don't expect significant volume for another 2-3 weeks. By that time, NJ and the NC mountains should also be up and running. Until then, CA and Mexico will cover the entire country's demand. We've started our CA romas as have several other growers. Despite some extreme heat and wind-scarring (that can easily be sorted out), early quality is pretty good and volume will gradually increase. Both Baja and Eastern Mexico are crossing decent roma volumes with good quality.

Grape Tomatoes: SC will continue to harvest grape tomatoes for another 2-3 weeks which is when VA and the TN/NC mountains should come along with some fruit. Volume has been on the light side but there's enough to meet commitments. Our crops in Central Mexico are at their peak of production and should continue with steady volume for the next few weeks. Baja's numbers are increasing and will rise another notch when our crops start late next week.

Bell Peppers: Bell peppers continue to be the hot item. Our Eastern NC farm s working crown picks with nice quality but is seeing lighter yields than usual

because of earlier rains that affected the fruit set. With only a small amount of SC acreage in production and most other local deals running late, Eastern pepper volume will stay limited for another week or two. The West is still looking to Bakersfield, CA as the main growing region for bells. This product has been in high demand and has moved quickly each day.

Cucumbers: NJ's cucumber production is ramping up with good volume and quality, providing steady supply while other areas transition in and out of season. Eastern NC will finish up today and GA's last new blocks will come to an end next week. Meanwhile, MI has started in a light way and NY is on tap to start a few next week. Central Mexico is also up and running with good volume, crossing through McAllen. Baja is currently providing for most of the west and supply has been limited around the holiday. Two more growers are scheduled to start in the next few weeks which will provide availability with a boost. Also, more WA state farms will add to the mix. Overall quality is strong and we don't anticipate any issues for at least the next few weeks.

Green Beans: Eastern bean availability has improved significantly since last week. VA's crops have finally kicked in gear, both TN and IN have started, and there are even a few beans showing up in MI. Quality has been good from all areas so far. Western supply has also improved. Our Baja farms are seeing stronger harvests as they get further into the season. Brentwood and the Watsonville/Salinas areas are both back in production with adequate supplies. There are also steady numbers from Fresno and Santa Maria.

Summer Squash: The spread of squash production to local and regional deals is well underway in the East. NJ, VA, OH, MI, TN, KY and others have product to offer which has greatly improved volume and sourcing options. Although there haven't been any significant quality issues reported, it always pays to keep a close eye on yellow squash since it is so susceptible to weather elements. In the West, Baja, Santa Maria and the CA Central Valley are all experiencing increases in production as they get into newer fields.

With the Watsonville / Salinas area also seeing stronger numbers, there should be plenty of product in the West.

Eggplant GA still has good-quality eggplant available, but volumes are beginning to lighten up. Our Eastern NC program has just started but should see more fruit next week. Hopefully these deals will carry the East until NJ, MI and other local/regional areas get started in a few weeks. Now, to the West- Coachella is winding down quickly and will finish up over the weekend. But, the CA Central Valley is getting into better volume with the continuous warm weather and should take up the slack. Baja, Mexico fruit has also started up, and so far, we are receiving a few pallets daily.

Chili Peppers: Western chili pepper supply and quality have improved as Baja crops hit their stride and CA farms get rolling. Anaheim volumes are a little sparse but all other varieties are readily available. Eastern availability has tightened up as GA moves into the short rows before most local and regional deals have started.

Hard Squash: CA's hard squash is ramping up and quality is getting better each day. After the 4th, we should see an ample supply of domestic product in the Western US. There's only a limited amount of product in the East, with most of this week's fruit coming from GA. Our KY partner has really just gotten started with acorn and a few spaghetti, but will see significant volumes and we move through the Summer.

Organic Veg: At long last, we are beginning to see some relief in the organic green bell situation. Bakersfield's production has finally picked up and our Grown True fields in Baja have now started. Yellow squash volume is a bit lighter than zucchini's but there's an adequate amount of product available out of CA and Baja. Organic cucumber numbers continue on a nice, steady path with consistent availability. Eastern programs have started in VA with squash and cucs shipping this week and bells coming along next week. NY is also looking to ship as early as next week.

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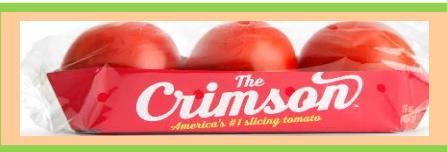
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RESTAURANT INDUSTRY NEWS

Restaurant Industry Added 1.5 Million Jobs in June

By: Ben Coley, www.qsrmagazine.com, July 2020

Approximately 4.8 million jobs were added in June, including 1.5 million in the food and drink industry, according to the Bureau of Labor Statistics (BLS).

The restaurant industry saw a similar increase in May, meaning about 3 million jobs have been added in the past couple of months. More than 9.1 million were on payroll in June, up from 6.2 million in April.

The BLS said the unemployment rate dropped to 11.1 percent in June, down from 13.3 percent in May. The number of unemployed citizens decreased by 3.2 million to 17.8 million. The figures have greatly improved from April when 20.7 million jobs were cut and the unemployment rate was 14.7 percent. In April and March, the restaurant industry lost 6.1 million jobs.

"These improvements in the labor market reflected the continued resumption of economic activity that had been curtailed in March and April due to the coronavirus [COVID-19] pandemic and efforts to contain it," the BLS said in a statement.

The monthly unemployment rate requires context. The BLS has noted in the past few months that data has misclassified workers who should have been counted as unemployed or temporarily laid off. If that error didn't exist, the unemployment for June would have been about 1 percentage point higher. However, the BLS clarified that the "degree of misclassification declined considerably in June" and that the roughly 1 percent point increase "represents the upper bound of our estimate of misclassification and probably overstates the size of the misclassification error."

The restaurant industry is still a long way from recovery. Overall employment is still down 3.1 million from what it was in February.

Additionally, the BLS data comes from mid-June, so it doesn't take into account the effect of the growing number of COVID cases across the country. Many states have rolled back reopening plans. California closed dining rooms in more than a dozen counties for at least three weeks, New York delayed the return of in-restaurant dining, and Texas closed bars and reduced capacity limits in restaurants from 75 percent to 50 percent.

The NYC Hospitality Alliance released a survey this week showing that 80 percent of operators aren't paying full rent, which indicates that restaurants are still in deep financial stress.

"Restaurants and bars have been making enormous financial sacrifices for four months, and their survival now depends on compensation reflective of those losses," said NYC Hospitality Alliance Director Andrew Rigue in a statement. "We respect the government and public health officials' decision to postpone the anticipated July 6th reopening of indoor dining, but the longer neighborhood restaurants and bars are forced to be closed, the harder it will be for them to ever successfully reopen. This makes it even more urgent to forgive rent, expand outdoor dining and enact other responsive policies to save our city's beloved small businesses and jobs."

Meanwhile, the U.S. Department of Labor reported 1.4 million people filed initial unemployment claims in the week ending June 27, a decrease of just 55,000 from the prior week. Weekly initial unemployment claims have been over one million since March. Around 45 million have filed claims in that timeframe.



TRANSPORTATION FACTS

*The national average diesel fuel price rose a half a penny this week, moving from \$2.42 to \$2.43 per gallon.

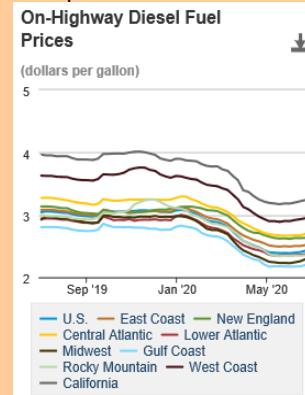
*The average price for a gallon of diesel is \$.61 lower than the same time last year.

*More than half the reporting areas saw prices rise with only the Gulf Coast, Rocky Mountains and West Coast seeing slight declines in the pricing of diesel fuel.

*As usual, California has the highest price at \$3.25 per gallon while the Gulf Coast remains the low-price leader at \$2.19 per gallon.

*The WTI Crude Oil rose almost 5% this week, moving from \$38.01 to \$39.82 per barrel.

*Trucks are slightly short in CO, NM, WA, and ID but moderately short in SC and Eastern NC. All other areas report adequate levels of transportation.



eia Source: Energy Information Administration



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PRODUCE BAROMETER

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



JULY CALENDAR

All Month

National Culinary Arts Month

National Picnic Month

July 5th-11th

Be Nice to New Jersey Week

July 6th

Fried Chicken Day

July 10th

Pina Colada Day

July 11th

Vegetarian Food Day

Thorofare, NJ Weather

Sat Jul 4	Sun Jul 5	Mon Jul 6	Tue Jul 7	Wed Jul 8
 87°F	 91°F	 93°F	 93°F	 93°F
68°F	70°F	71°F	72°F	73°F
ENE 6 MPH	E 4 MPH	SW 6 MPH	SW 7 MPH	SSW 8 MPH
Precip 30%	Precip 30%	Precip 30%	Precip 20%	Precip 20%

NEWS IN THE GROCERY TRADE

Inflation Ticks Higher for Groceries

By: Tom Karst, www.producemarketguide.com, June 30, 2020

U.S. retail grocery prices increased 0.8% in May and are running nearly 5% above a year ago, according to the U.S. Department of Agriculture.

The USDA's June Food Price report said retail grocery prices were increasing faster than prices for food sold at restaurants. Prices for food sold at restaurants increased by 0.4% from April to May, and stood 2.9% higher than May 2019. For food sold at grocery stores, prices jumped 0.8% from April to May. Compared with a year ago, retail grocery prices in May were 4.8% higher than a year ago.

For all of 2020, the USDA now predicts that retail grocery prices will increase 2.5% to 3.5%. Restaurant food prices are projected to increase in a range from 1.5% and 2.5% in 2020, according to the agency.

Inflation for fruits and vegetables increased 0.7% from April 2020 to May 2020 and is up 1.5% compared with a year ago. The USDA said labor costs have risen because of COVID-19.

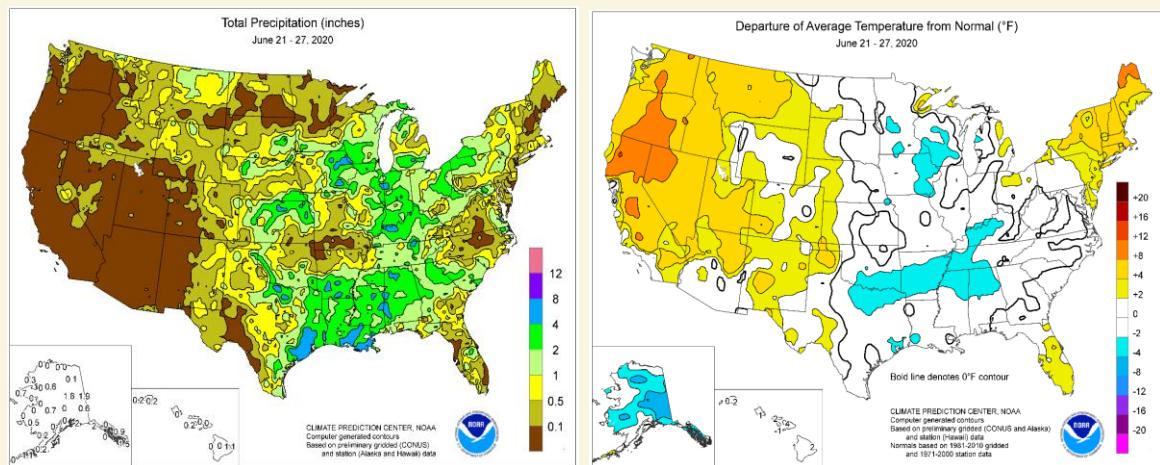
"With some exceptions, most fresh-market vegetable growers rely on human labor to produce and place a crop into supply channels," the USDA report said. "It is anticipated that skilled labor will be scarcer and procedural changes to comply with recommended social distancing may reduce productivity."

Inflation for fresh vegetables rose 0.9% from April to May, while fresh fruit increased 0.2%.

For the year, retail inflation for fruits and vegetables is projected to increase as much as 1%, according to the report.

NATIONAL WEATHER SPOTLIGHT

Last Week's Precipitation Totals and Average Temperature Deviations



KEEP AN EYE ON THE CONSUMER

Shoppers are Stressed, Appreciative of Retail Workers

By: Thad Rueter, www.progressivegrocer.com, June 29, 2020

Retailers usually want to surprise and delight shoppers, but thanks to COVID-19, those emotions have been replaced by stress and anxiety, which are less conducive to sales.

New research from Kelton Global shows that 81% of in-store shoppers during these extraordinary times want additional information to assess whether it's safe to visit a store, and that 64% of consumers are trying to touch as few items as possible when searching retail aisles. As well, 59% of shoppers would rather use self-service instead of employee interaction.

The survey report also found that consumers "value the essential contributions of store employees more than ever before, with 7 in 10 saying they've been feeling more appreciation since the start of the outbreak." That could be good news for food retail employees hoping for continued pay raises and bonuses from their employers.

Even so, retailers might take note that consumers still have relatively little money to waste. The report found that the percentage of those on a "strict budget" remains high at 74%. "We believe this means that while consumers are starting to feel better, they're still watching spending and being cautious. In other words, their optimistic attitudes aren't yet converting into actions," the report stated. But as time passes during the pandemic, fewer consumers report being extremely or very concerned about the virus — down to 59% compared with 74% near the start of the pandemic.

"Collectively, our data suggest some key takeaways for retail brands trying to find the way forward right now," said Martin Eichholz, Kelton's chief insights officer. "Reassure people that it's not all on them individually to navigate this new world. Ease tension over the unpredictability of other shoppers. Demonstrate that you care, and that you're putting people ahead of profits."

FRESH
TOMATOES
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MARK YOUR CALENDAR & PACK YOUR BAGS?

July 20-24, 2020
PMA Foodservice: Delivered- Online Tradeshow
www.pma.com/events/foodservice-delivered

November 2-6, 2020
United Fresh Produce Inspection Training Program
USDA SCI Training & Development Center
Fredericksburg, VA
www.unitedfresh.org

October 15-17, 2020
PMA Fresh Summit – Changed to Online Tradeshow
www.pma.com/events/freshsummit

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