



MARKET UPDATE

Tomatoes: Tomato crop yields continue to be strong in Florida as farms transition between Winter and Spring crops. Round and grape volumes are more than adequate to meet demand while roma numbers are slightly less than they have been. Overall quality is good but there are some occasional rain effects seen on fruit from older crops that have been through previous winds.

Mexico continues to have an abundance of fruit to bring to market. Round tomato supply is expected to remain steady and strong through March and into April. Romas are working smoothly through the transition from southern to northern growing areas, with larger sizes more prevalent from new northern crops. Multiple area are harvesting grape tomatoes with an abundant supply available at most crossing points. Overall, quality and condition are good as growing conditions continue to be optimal.

Bell Peppers: Florida's bell pepper farms are enjoying consistent production numbers, enabling them to meet market demand. There are some wind-related quality concerns, but growers expect to "grow through" these over the next week or so. In Mexico, there are two main areas of pepper production coming from Sonora. One is in its decline, while the other is just ramping up. Therefore, quality and condition are mixed. Sizing is geared toward large and smaller this week, but should improve as new fields get further into harvests.

Cucumbers: Eastern supply is transitioning from Honduran imports to Florida Spring crops. Quality is waning from the imports, but new crop cucs from Florida are looking very nice so far. Florida's volume will begin to increase over the next 7-10 days as more growers come to

the table and farms get further into crops. In Mexico, production has been limited this week as many Western Mainland growers are just breaking into Spring production. Look for supply to increase and sizing options to improve as we move further into March.

Summer Squash: Northern Mexico has finally gotten into squash crops in earnest, with volumes and quality on the upswing. This brings welcome supply relief as Florida continues to be on the light side due to pollination and wind-scar issues.

Green Beans: Although Florida green bean volumes have been lighter recently, we expect to see stronger production going into next week. Mexico farms expect steady production for another 5-7 days, then a slow down as Western production begins to transition to domestic areas. Quality is mixed out of Mexico and good from Florida.

Eggplant: Florida farms have been steady with eggplant harvests, although quality varies by grower and the amount of weather the fruit has been exposed to. The West is pulling eggs from Sinaloa where production is plentiful and fruit quality is strong.

Hard Squash: Sonora, Mexico is still the primary source for hard squash. Expect Sonora to carry on with good quality and availability up to/through June, when the Central Valley of California gets up and running. Light volumes should start up in Florida within the month as well.

Chili Peppers: There are more chili peppers planted than usual in the current production areas in Mexico, which seems to be easing the typical shortage we see this time of year. Quality varies by variety and grower with scarring, pitting and decay showing up on fruit from older fields.

TRANSPORTATION FACTS

* The National Diesel Average dipped \$.015 this week, moving from \$2.58 to \$2.56 per gallon.

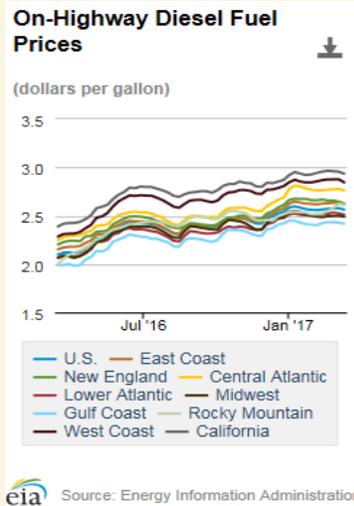
* The average price for a gallon of diesel fuel is \$.47 higher than the same time last year.

* Prices declined in all reporting regions of the country with the most noticeable drop coming from the West Coast (down \$.04).

* California remains the high price leader for diesel fuel at \$2.94 while the Gulf Coast region continues to offer the best bargain at \$2.42 per gallon.

* The WTI Crude Oil fell 5.1% this week, moving from \$50.28 to \$47.72 per barrel.

* Central and South Florida have slight truck shortages this week while the rest of the country has adequate or slightly surplus levels of transportation available.



ON THE HORIZON CONTENTS

- Keep Your Eye on the Consumer- page 2
- Lipman in Pictures- page 3
- News in the Grocery Trade - page 4
- Restaurant Industry News- page 5

- Produce Barometer-page 3
- March Calendar- page 3
- National Weather Spotlight- page 4
- Pack Your Bags - page 5

KEEP YOUR EYE ON THE CONSUMER

The Benefits of Tracking Shoppers' Paths to Purchase

By: John Karolefski, www.progressivegrocer.com, March 15, 2017

Why track shoppers?

Technologies that anonymously track shoppers can help in optimizing almost all aspects of store design, merchandising and marketing, says Rajeev Sharma, founder and CEO of State College, Pa.-based VideoMining Corp., which studies in-store shopper behavior for retailers and brands.

"Given the changing competitive landscape that is spilling over from the brick and mortar to online channels, it is especially important for grocery retailers to develop capabilities for understanding the in-store behavior of their shoppers," explains Sharma. "In essence, these new technologies enable traditional grocery retailers to have the same level of understanding about their shoppers as online retailers such as Amazon."

According to research by the Chicago-based trade association Shop! (formerly POPAI North America), three out of four of all purchase decisions (76 percent) are made in the store. Obviously, engaging shoppers along the path to purchase is one of the most important challenges facing retailers and consumer packaged goods manufacturers. Many analysts believe that the best way to do so is to start by tracking the shoppers' paths, which provide clues about where to place products and displays in the store's layout.

"Understanding a shopper's path through the store highlights opportunities to cross-merchandise products and allows retailers and potentially branded CPGs the opportunity to tailor offers based on a shopper's in-store behavior," says Randy Burt, who leads the Americas grocery practice at New York-based consultancy A.T. Kearney. "Video analytics and direct observation are the more mature methods to determine the path shoppers are taking."

"The path of your shopper can tell you what areas you need to grow or reduce, and provide insight into the motivations and interests of your customers," notes Bharat Rupani, president of San Diego-based Interactions Marketing, a firm specializing in product demonstrations and experience

marketing. "For example, if you're finding most shoppers shop the perimeter of the store in the evenings for dinner and never touch the center store, you likely have a location in an area of the store with busy shoppers who respond best to convenience. There are several ways to determine this path, including department and category analyses, shopper intercept surveys, and mystery shops.

"Understanding how a shopper interacts with the store — which aisles they enter, how long they spend in different aisles, which types of products they spend time reading labels — can help retailers determine, for example, optimal placement of demos and special display locations, where to place product to encourage impulse purchases, cross-merchandising opportunities, and overall flow," adds Rupani.

Benefits of Tracking

Julie Schlack, SVP of innovation and design at Boston- and New York-based brand adviser C Space, believes in the strategic use of shopping-path data that let grocers identify all of the discrete factors that precede a product purchase. For example, video tracking and beacons can create heat maps depicting how many people are walking through each aisle, where they're pausing, how long they're spending in front of each product category, and the like.

Schlack and Curtis Tingle, chief marketing officer of Livonia, Mich.-based Valassis, list several benefits of tracking the paths of shoppers other than the proper placement of displays and sampling stations:

Helping grocers reorganize the product layout to boost traffic in undervisited aisles

Knowing where shoppers go in-store — and don't go — and how often they visit specific departments

Understanding where in the store they linger versus where they breeze by, which assists retailers in making layout, planogram and assortment decisions

"Knowing a typical shopper's path informs the store of what shoppers want and need," says Interactions' Rupani. "If they're shopping the perimeter and you want to grow center store, enticing end cap displays or product demonstrations

featuring center store items can help alter the shopper path to improve areas with flat or declining sales. Additionally, the knowledge of what drives shoppers — be it value, convenience, health and wellness, or luxury — must be a key part in planning any store set or refresh. There is a positive correlation between how well a store reflects the needs and behaviors of the community it serves and its sales, shopper satisfaction and loyalty."

Not everyone agrees on the use and value of sophisticated technology to track the paths of shoppers through a grocery store. Dr. Billie Blair, an organizational psychologist and president/CEO of Murrieta, Calif.-based Change Strategists, a large international management consulting firm, opts for the simple approach.

"If a grocer wants to know about which store layouts are preferred by customers, then ask them," Blair says. "Don't do anything ridiculous like 'tracking customer trips.' How could that possibly tell them anything, other than the customer is forgetful or the store layout is confusing? How could this possibly be known without asking the customer? It's a very simple matter to design a quick questionnaire for querying customers. Good grief! Why all the pseudoscience guesswork? Just ask the customers already!"

While such opinions have value in the overall discussion of tracking shopper paths, they're outliers among grocery analysts. Most of them see the value of using technology to depict how many people are walking through each aisle, where they're pausing, how long they're spending in front of each product category, and so on.

"While these methods may help grocers boost category sales," says C Space's Schlack, "they're only beneficial if they enhance the overall shopper experience."





LIPMAN IN PICTURES

Team Lipman took Southeast Produce Council by storm last weekend! Here are a few pics of the team and booth.



PRODUCE BAROMETER

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



MARCH CALENDAR

All Month
National Hamburger & Pickle Month

3rd Week
National Agriculture Week

March 21st
National Crunchy Taco Day
National Agriculture Day

March 23rd
National Tamale Day

Esterro, FL Weather

Fri Mar 17	Sat Mar 18	Sun Mar 19	Mon Mar 20	Tue Mar 21	Wed Mar 22
75° F	79° F	79° F	79° F	79° F	81° F
55° F	61° F	59° F	61° F	63° F	64° F
NE 13 MPH	NNE 8 MPH	N 9 MPH	NE 7 MPH	E 5 MPH	NNE 7 MPH

NEWS IN THE GROCERY TRADE

Social Media a Top Investment for Grocers: Report

www.progressivegrocer.com, March 8, 2017

Although they have many established and up-and-coming media vehicles to fund, food retailers are making their most significant investments – both time- and money-wise – in social media outreach, according to a new report from Tampa, Fla.-based marketing and promotions management company Aptaris and Cincinnati-based analytics firm Dunnhumby.

Among retailers surveyed for the report, “2017 Advertising & Promotional Practices Among U.S. Grocery Retailers,” three-quarters are making significant or moderate investments in social media outreach, while only one-quarter are doing so at a minimal level. Companies running upwards of 50 stores are more likely to drive technology in their promotions and advertising, and are more willing to make significant investments here.

“When comparing retailer presence versus total shopper usage of various platforms, grocers have an important opportunity to grow social engagement across vehicles,” the report notes.

Whether handling social media in-house or in partnership with an outside agency, grocers mostly focus on Facebook and Twitter for outreach, with more engaged companies also using Instagram, Pinterest and YouTube. Measuring likes, shares and click-through rates is the chief way to test success.

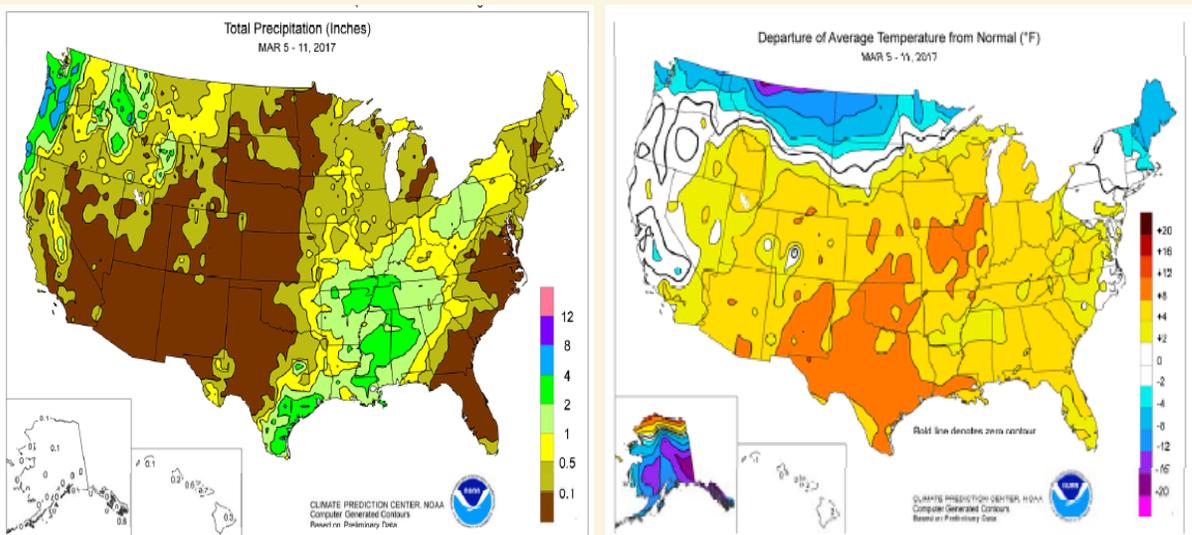
Next to social media, building digital lists gets the most investment, with six in 10 (60 percent) respondents devoting significant or moderate attention here. This leaves little surprise, as it isn’t easy to acquire and maintain emails or other digital information.

“We have a long way to go, as the penetration is quite low,” one respondent said. “[We] can’t buy lists, so we have to prove ourselves for being relevant so shoppers find value in sharing their information.”

Trailing these two as areas receiving either significant or moderate investment are mobile outreach (52 percent), digital coupons (46 percent) and original video content (33 percent).

NATIONAL WEATHER SPOTLIGHT

Weekly Precipitation and Temperature Deviation



RESTAURANT INDUSTRY NEWS

Hospitality Employee Turnover Rate Edged Higher in 2016

www.restaurant.org, March 16, 2017

Many of the available job opportunities in the restaurant industry are created by the natural churn in the workforce. In fact, restaurant industry turnover tends to be higher than overall private sector turnover for a number of reasons.

First, the restaurant industry is the economy's largest employer of teenagers, as one-third of all working teenagers in the U.S. are employed in a restaurant, according to data from the Bureau of Labor Statistics. Many of these 1.6 million teenage restaurant workers are getting their first job experience, and will go on to start a career with a different employer, either inside or outside the restaurant industry.

Second, the restaurant industry employs a high proportion of students, who typically don't work on a full-year schedule. Twenty-seven percent of eating and drinking place employees are enrolled in school, versus just 11 percent of the total U.S. employed labor force, according to the U.S. Census Bureau's 2015 American Community Survey (ACS).

The restaurant industry also boosts seasonal staffing levels at various points throughout the year, which adds to the normal cyclical turnover numbers. For example, the restaurant industry is one of the economy's largest creators of seasonal jobs during the summer months, adding more than 500,000 jobs during an average summer season. Overall, 31 percent of the eating and drinking place workforce are part-year employees, compared to 18 percent of the total U.S. workforce, according to the ACS.

Full-year employees also contribute to the industry's comparatively higher turnover rate, as upward mobility in the restaurant industry often happens when employees move from one restaurant to another. More than any other industry in the economy, the existence of multiple restaurants in nearly every community gives employees additional opportunities for upward mobility and career growth.

In 2016, the turnover rate in the hospitality sector topped 70 percent for the second consecutive year, according to data from the Bureau of Labor Statistics' Job Openings and Labor Turnover (JOLTS) program. The overall turnover rate in the restaurants-and-accommodations* sector was 72.9 percent in 2016, up slightly from a rate of 72.2 percent in 2015. It also represented the sixth consecutive annual increase, after falling to a cyclical low of 56.4 percent in 2010.

Despite the recent gains, the turnover rate remains below the historical average during non-recession years. In 2007, prior to the economic downturn, the turnover rate in the restaurants-and-accommodations sector was 80.7 percent. This was generally on par with turnover in the previous five years (2002-2006), when the annual rate averaged 80 percent.

In comparison, the average turnover rate for all private sector workers stood at 46.1 percent in 2016, up nearly six percentage points from the 2010 low but still below the average turnover rate of 50 percent during the 2002 – 2006 period. The JOLTS program breaks turnover into three components, with the sum of the parts representing the overall turnover rate. The quits rate in the restaurants-and-accommodations sector was 53.5 percent in 2016, while the layoffs-and-discharges rate was 16.7 percent. Other separations, which include retirements, transfers, deaths, and separations due to disability, comprised 2.7 percent of the sector's turnover rate in 2016.

Most sectors of the economy saw their overall turnover rates decline during the challenging economic environment of 2008 - 2010, as people were less likely to quit their jobs with fewer other employment opportunities available. However, the quit rate rose in recent years, which indicates that workers are increasingly confident in the labor market and are willing to move to another job.

MARK YOUR CALENDAR & PACK YOUR BAGS!

March 28-30, 2017

Restaurant Franchising & Innovation Summit 2017
The Highland
Dallas, TX
<https://franchisinginnovation.com>

April 23-25, 2017

PMA's Women's Fresh Perspectives Conference
Miami Marriott Biscayne Bay
Miami, FL
www.growingtalentbypma.org

CREATED BY LIPMAN
FOR OUR VALUABLE
CUSTOMERS



Visit our website... www.lipmanfamilyfarms.com

Follow us



Questions or comments about the newsletter?
Contact: joanna.hazel@lipmanproduce.com