



MARKET UPDATE

Tomatoes: There are still a few farms harvesting 2nd and 3rd picks on round tomatoes in the Ruskin/ Palmetto area but this looks to wrap up very soon. Sizing is small and quality is okay but not spectacular on this remaining fruit. Lipman and other growers in the Naples/Immokalee area continue to offer steady volumes, and the size profile is beginning to improve with a little more larger fruit becoming available. (Most growers are in crown picks) Quality is nice, despite some recent weather. Several of the current Ruskin/Palmetto growers will transition to production in the Homestead area around Jan 3rd-7th. Florida is, and will continue to be, very light in roma production for the Winter months due to reduced acreage. Grape tomato volumes are consistent in Florida for this time of year...steady and adequate. There's still some grapes in Palmetto/Ruskin but the majority of production has moved south to Naples/Immokalee and Homestead

Mexico's round and roma production is transitioning to West Mexico and other Mainland areas, where cool temps have slowed size and volume increases. With more cool weather expected (highs in the 70's and lows in the 30's), it could be a few weeks before volumes are at normal seasonal levels, particularly on rounds. Romas are off to a somewhat better start, as there are more growers and harvest schedules are generally earlier than rounds. Planned grape tomato increases have also been affected by cooler temps.

Bell Peppers: There are a few more bells in Florida than we've seen in the last month or so, but nowhere near the levels of production from previous years due to a significant reduction in acreage. A little weather last week has affected quality slightly, but there is nice fruit available. In the West, supply has lightened up this week due to cooler weather in the growing regions. Although quality has been nice for the most part, there are a few reports of misshapen fruit and weak

stems. Look for volume to pick up as temps rebound to warmer levels.

Cucumbers: There's an abundance of supply in Mexico this week but both Sonora and Sinaloa are projected to get cold this weekend which will significantly slow production for a few days and tighten up supply early next week. Quality has been strong so far this season. Florida's cucumber harvests are winding down but quality is still good. More Honduran farms have started the season and we expect volume to ramp up over the next few weeks.

Summer Squash: Plant City farms are slowing down, but South Florida growers have plenty of zucchini to meet market needs. Yellow squash is a slightly different story. Rain and wind had an impact on quality, so retail-grade yellow squash is hard to come by. Squash volumes out of Mexico have been solid, but we do expect lighter production next week due to the cooler weather.

Green Beans: Green beans are readily available in both Eastern and Western markets this week and quality is nice. Mainland Mexico's steady supply may encounter a hiccup next week as crops react to this weekend's cold weather.

Eggplant: Mainland Mexico is into great supplies with promotable volumes available. Weather permitting, expect volume to continue for the next few weeks. Florida farms are also experiencing good yields with plenty of volume and mostly good quality.

Chili Peppers: With growers in Mexico waiting to recover from previous storm damage, chili peppers are still in critical mode with orders on all varieties are being prorated daily and some of the highest pricing on record for some varieties. Quality has been hit and miss on what's available with reports of scarring, misshapen fruit, and small sizing. The extreme supply situation isn't expected to change until late January when re-planted crops come to harvest.

TRANSPORTATION FACTS

*The national average diesel price fell another \$.04 this week, moving from \$3.12 to \$3.08 per gallon.

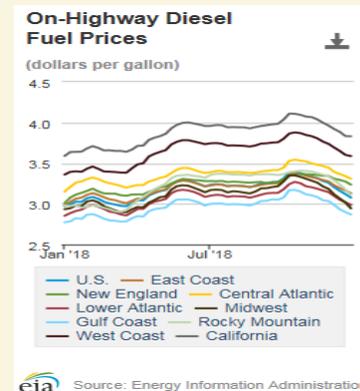
* The average price for a gallon of diesel is \$.17 higher than the same time last year.

* All areas reported price declines, with the most significant coming from the Midwest where the price fell more than \$.07 per gallon.

*California continues to have the highest diesel prices in the country at \$3.83 per gallon while the Gulf Coast is the low-price leader at \$2.87 per gallon.

*The WTI Crude Oil price held relatively steady this week, moving only slightly from \$46.24 to \$46.22 per barrel.

*Mexico crossing points are now reporting slight transportation shortages. There are also still some shortages in potato and onion shipping areas. All other areas, including Florida, have adequate numbers of trucks available.



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NEWS IN THE GROCERY TRADE

What 2019 Will Bring in Grocery Retail: A Q&A with Nielsen's New CEO

By: Randy Hofbauer, www.progressivegrocer.com, December 19, 2018

The grocery industry is far from boring, and 2018 offered definitive proof of that reality – from grocers' expansion of automation and robotics to their increasing leverage data to better target shoppers and their needs.

And speaking of data, to finish up the year, Chicago-based market research firm Nielsen named a major data expert, David Kenny, its CEO. Before joining the company, he served as VP of IBM's Watson & Cloud platform, as well as CEO of The Weather Company, which IBM acquired under his leadership. Under his leadership, Nielsen hopes to transform into a more technology-focused company that is fueled by data.

Progressive Grocer sat down with Kenny to talk grocery – what fascinated him in 2018, what he expects in 2019, and what grocers must do to survive growing forward. He also shared insights on what he sees as the future for the company he now helms.

Progressive Grocer: Retail altogether is changing, but we're seeing grocery, long the laggard, stepping up its game in an increasingly omnichannel world. Share with us what you see as some top happenings in grocery retail in the past year, and what made them so interesting.

David Kenny: The accelerated rate of change in the industry has been incredible, and it is exciting to see how many retailers have stepped up to the challenge. But, speed without a purpose is chaos. Instead, I'm a big believer in velocity, because velocity is speed toward a purpose. This past year, grocery retailers moved at lightning speed – took risks, displayed a bold willingness to quickly adopt new technologies, challenged the status quo and made changes that rocked the industry at its core – ultimately achieving great momentum and velocity towards a more tech and AI (artificial intelligence) -driven retail future.

In 2018, the race to win omnichannel also hit a fever pitch. Many grocers made investments in brick-and-mortar stores while also accelerating their entrance into ecommerce. And while many took a tech-first approach to online grocery, it was clear that the in-store experience is just as important as anything built online.

Lock step with the grocery industry's digital transformation, in 2018, grocers

(finally) embraced AI and machine learning in a more meaningful way. However, in my experience, machine learning and AI technology is only as good (or not) as the data behind it. A key element to useful data is labeling – something that I know Nielsen has mastered. Detailed, verified labeling means that data is more easily adapted to machine learning and AI, which, to me, is key for grocery retail's continued evolution. So, retailers, take note: The next wave of innovation will be driven by better data that can activate the full potential of AI.

Progressive Grocer: What are three or four main areas you see transforming in 2019 in the business of grocery retail, and how will they transform?

Kenny: As AI continues to unfold and advance the grocery retail industry, I believe that an AI-driven, data strategy will increasingly become a default setting for retailers and FMCG manufacturers – with AI and machine learning unlocking even more value. And while we have over 1,000 data scientists who solve our clients' thorniest problems, retailers looking to get ahead in 2019 should also be looking to develop their own understanding of this technology, too. Working together can make that happen, faster.

Another transformation on the horizon is the deconstruction of walled gardens. In 2018, grocery retailers and manufacturers didn't get the most out of their data due to disconnected systems. This is a critical element that will certainly need to change in 2019. For both the U.S. grocery retail and FMCG manufacturing industry, open platforms for smarter, faster activation of data and insights will become the clear path to success. History tells us that walled gardens, companies that try to go it alone, tend to fail if they don't change to an open policy where they embrace the community in which they operate. With so many third party data sets available, no one company will ever be in a position to provide all the data assets that are needed to be successful. And that's okay. Open platforms, set in cloud marketplaces, with clear data, enables previously disparate data sets to be shared, integrated and activated. This is a game changer and it's here.

The omnichannel landscape will continue to transform in 2019. For retailers, a holistic view of the omnichannel business landscape will be a crucial navigational tool to see market volume and share across online and offline, emerging trends and gaining full visibility into changes in buyer behavior to inform strategic decisions.

Finally, for grocery retailers, more success will come from gaining greater access to the lives of the consumers they serve, through data - in, of course, a safe and secure manner. However, at no other point in history has the consumer been more aware, curious and concerned about how data about them is being captured and used. Therefore, I strongly believe that with data comes huge responsibilities - to protect the consumer, the marketing ecosystem and to manage it all with integrity and transparency.

Progressive Grocer: What is key for grocery retailers to survive in this changing world?

Kenny: For too long, companies have been stuck in a mode of managing data versus creating a data strategy. To move forward, data should be treated as an enterprise asset. This is a new concept for the retail and consumer product landscape – and one that is being driven by Nielsen.

Quality data will continue to be key. Nielsen's commitment to high-quality, science-backed data is an essential service to the marketplace. The ability to provide useful data, independent of bias towards buyer or seller, will only become more crucial to the marketplace.

Lastly, collaboration is an important word for us - and a mindset that we hope we can continue to spread across the industry. It's our priority to make sure clients are maximizing their data assets, so through strategic alliances like the one we have with Microsoft, we are breaking down the silos of the status quo. I believe that adopting a holistic data strategy will be the only way to win in FMCG and retail.

This article has been abbreviated to fit in the available space. To see the entire article, please go to www.progressivegrocer.com/what-2019-will-bring-grocery-retail-qa-nielsens-new-ceo

TECH TALK

Why Teens Don't Want to Work for Your Restaurant

By: Joshua Ostrega, www.fastcasual.com, December 25, 2018

Known as "GenTech," this is the first generation to be raised in front of a screen; they're attached to their smartphones. They're using mobile devices at home, school and work, so if you're not communicating with your frontline workforce via mobile devices you aren't reaching them. Some restaurants are still using bulletin boards in a break room to share information. Are you?

Attracting teen workers

Restaurant brands can attract teen workers by modernizing their communications strategy. This means using digital messages, social media-like communication and applications that workers can access from their mobile devices. Another way to appeal to younger generations is by providing opportunities for career growth. Gen Y and Gen Z employees share similar expectations when it comes to working hourly restaurant jobs — both are looking for career advancement opportunities. It's important to remember that while the teen worker may only be managing the register today, he could be in a position to buy his own franchise tomorrow, which is why it's essential to nurture young talent.

Using a digital workplace solution, restaurant brands can seamlessly engage with employees on topics such as scheduling, task management and training. In addition to providing a modern means of communicating, these consistent interactions between management and team members that is made possible through a digital workplace platform can be foundational in helping young workers continue their career progression.

PRODUCE BAROMETER

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



DECEMBER CALENDAR

December All Month

Worldwide Food Service Safety Month

December 29th

National "Get on the Scales" Day
Pepper Pot Day

December 30th

National Bacon Day

December 31st

New Year's Eve

Immokalee, FL Weather

Sat Dec 29	Sun Dec 30	Mon Dec 31	Tue Jan 1	Wed Jan 2
86° F	85° F	84° F	84° F	84° F
66° F	64° F	64° F	65° F	63° F
ESE 6 MPH	ESE 7 MPH	ESE 9 MPH	SE 7 MPH	SE 10 MPH
Precip 20%				

MARKETING MINUTE

Convenience, Sustainability on Packaging “Collision Course”

By: Andy Nelson, www.foodbusinessnews.com , December 26, 2018

FALLS CHURCH, VA. — In the packaging world, there are two big trends that are on a “collision course” heading into 2019, said Lynn Dyer, president of the Foodservice Packaging Institute.

The first is convenience. “Consumers are increasingly interested in more convenient, prepared food and beverage options,” Ms. Dyer said. “These include more grab-and-go items, plus delivery and catering options.”

More convenience typically means more packaging. But for an increasing number of consumers, more packaging isn’t a good thing. That’s trend No. 2, and makes it easy to see why Ms. Dyer uses the “collision” metaphor. “There is a growing concern about single-use items, especially those made from plastics, which are seen as ‘wasteful’ by some,” she said. “How do you meet the trend toward more convenient food delivery without single-use items? It’s a dilemma more and more will face in the future.”

Given the concerns about single-use, expect to see growing interest in reusable packaging in 2019, Ms. Dyer said. That could take the form of customers bringing their own packaging into stores or systems that provide reusable packaging that can be returned to the store. “Whether customers are willing to play a more active role like this remains to be seen,” she said.

Another trend that will only ratchet up in 2019 is increased competitive pressure in an already-competitive retail industry,” Ms. Dyer said. “With increased competition for consumers’ food dollars, retailers will look for more opportunities to compete,” she said. “Their greatest competitor continues to be traditional food service outlets, like restaurants and cafes.”

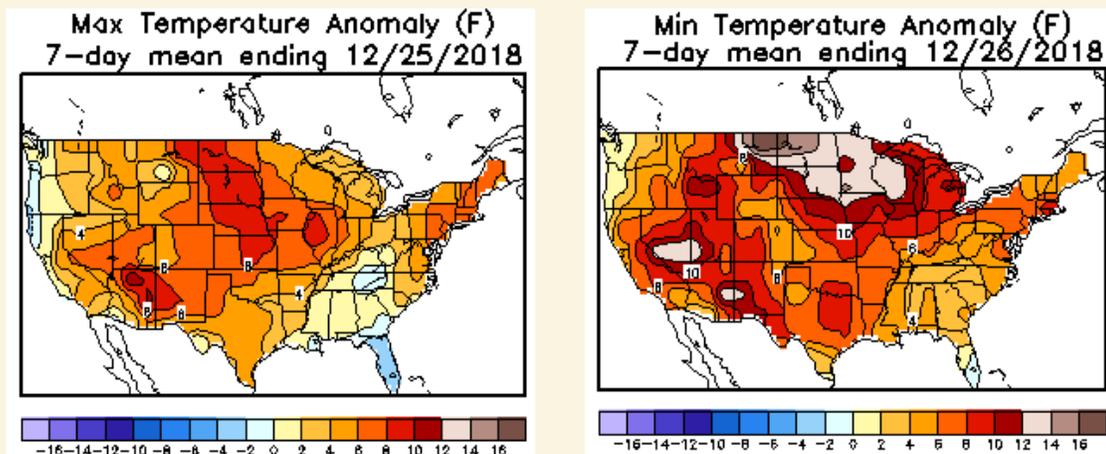
As millennials seek customized “just for them” food and beverage items, food service outlets are meeting those demands, Ms. Dyer said. Retailers also will need to be able to provide that same level of service, which means more “prepared just for you” items and fewer “already prepared for the masses” grab-and-go items.

Labeling — in particular, more of it —will be trending up in 2019, Ms. Dyer said. “I think we can expect more labelling as customers increasingly want to know what they’re eating, where it’s sourced and what allergens may be present,” she said.

Grab ‘n go products will continue to be in high demand next year, Ms. Dyer said. But the category will likely continue to undergo a bit of a facelift. “Customers are time-crunched, and they want to grab and go then head out the door,” she noted. “But they may not want it off the shelves, but instead made their way. Think about how many restaurants now offer apps so customers can pre-order and just grab and go.” That, Ms. Dyer said, could be what the next generation of grab ‘n go looks like. Retailers need to think carefully how to compete in this space, she said, since the option is also being offered by food service outlets.

NATIONAL WEATHER SPOTLIGHT

Weekly Max and Min Temperature Deviations



KEEP YOUR EYE ON THE CONSUMER

Survey: Customer Experience Matters More Than Stores Know

By: Sarah Mahoney, www.mediapost.com, December 25, 2018

It's the time of year when most people find plenty of reasons to hate shopping, whether it's the crowds and mayhem of physical stores or a slow-loading page in ecommerce.

But a new Retail Pain Index from Qualtrics, an experience management company, finds that an alarming 75% of people say that a single bad interaction is enough to make them defect from a brand.

That magnitude surprised Mike Maughan, head of global insights at Qualtrics. "We read or hear about poor customer experiences all the time in the age of social media, but to see it quantified in this study just solidified what we all know from these anecdotes: Every experience matters."

The survey, based on responses from 1,000 adults in the U.S., asked people to rank problems from most to least irritating, for both in-store and online shopping. If at least a third of respondents say they'd ditch a retailer if they encountered that problem, Qualtrics is classing it as a deal-breaker.

For shopping in physical stores, the only true deal-breaker is an interaction with a rude employee. For online shoppers, a package that never arrives, fake reviews and products that don't look like they did online are enough to cause a break-up.

Women are more troubled by rudeness than men are (42% vs. 37% respectively), as are those on the West Coast versus those on the East Coast (50% vs. 35%).

Maughan concedes that just because a consumer says they'd give up on a retailer because of a bad experience doesn't mean she'll follow through. After all, it's hard to break up with your supermarket -- or with Amazon.

"In the heat of the moment, people say or do things that they may not sustain over time," he tells *Marketing Daily*. "But people will spend more, be more loyal, recommend the brand more when experiences are good. Retailers who prioritize great customer experiences are growing faster and taking market share from those that don't."

The study also asked respondents what they like most about shopping. For physical retailers, the joy comes from the ability to try on or test an item, getting out of the house, an unexpectedly low price and spending time with friends and family. People were less enthusiastic about the joys of online shopping, but still cited the advantages of a larger product selection, qualifying for free shipping -- and *not* having to leave the house.

FRESH

TOMATOES


the best
of nature™

MARK YOUR CALENDAR PACK YOUR BAGS!

February 20-22, 2019
United Fresh's Brandstorm 2019
Hotel Nikko
San Francisco, CA
www.unitedfreshbrandstorm.org

March 7-9, 2019
Southeast Produce Council's Southern Exposure
Walt Disney World Swan & Dolphin Resort
Orlando, FL
www.seproducecouncil.com
Come join #TeamLipman at Booth #1125!

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