

# On The Horizon



## Market Update

**Tomatoes:** There's still not a whole lot of tomatoes in Florida. With windy and rainy patterns continuing to add to the prior weather effects, yields on rounds, romas and grapes are very low. There is light volume on rounds and romas, but grapes and cherries are extremely sparse. Quality will continue to be suspect as farms "grow through" the weather-affected fruit.

Mexico has been seeing better weather and expects solid volumes on rounds and romas over the next three weeks. Larger-sized rounds are more readily available, with small fruit limited in availability. Overall quality reports are good, although there is some puffiness on romas. Grape tomato production is beginning to pick up and quality has improved.

**Bell Peppers:** Adverse weather has limited supply on bell peppers in Florida to critical levels this week. Pepper plants and fruit were severely damaged by rains and winds and disease pressure is on the rise. Although there may be a slight increase in a few weeks, we look to have longer-term effects on availability due to bloom drop. Quality and condition vary, but much of the fruit has challenges. Mexican growing areas expect light production over the next 7-10 days as growers experience longer gaps between picks to let the fruit mature. Aside from weather impacting yields, another factor adding to the shortage is that overall plantings are down 40% -vs- the same time last year. Growers cite increased input costs as the primary reason. Quality is reported as average.

**Green Beans:** Adverse weather continues to limit supply in Florida.

There could be slight increases next week, but these will be minimal, at best. Mexico's harvests are also very light this week, but quality has been nice.

**Cucumbers:** Honduran cucumbers continue to import in strong volumes this week. With low markets, growers may begin to limit their harvests in the coming weeks. Overall quality has been good, although some lots have come in with concerns are grower inventories back up. Although demand has been light, Mexico has strong volumes of cucumbers available with nice quality.

**Eggplant:** With less acreage in production and the weather challenges, eggplant is in limited supply in Florida. Mexican growers are seeing brisk demand with somewhat reduced production. We may see the effects of windy and cool weather on the fruit quality in the coming weeks.

**Summer Squash:** Florida is still recovering from past weather and is shipping limited volumes on squashes. Full volumes of zucchini are crossing from Mexico, as both Northern and Southern growing areas hit their strides. Yellow remains as the short suite, with quality and condition being a factor.

**Hard Squash:** The first butternut of the season has arrived from Honduras. Other varieties and increased production are expected by the end of the month. Mexico continues to provide consistent volume on hard squashes. Quality and color continue to improve.

## Transportation Facts

\*Dropping another \$.02 this week, the National Diesel Average slid to the \$2.00 a gallon mark.

\*The average price for a gallon of diesel fuel is \$.83 lower than the same time last year.

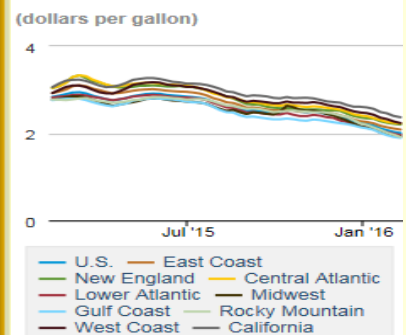
\*Diesel prices dropped in all areas of the country with the most notable decrease in the Rocky Mountain Region (down \$.06 per gallon).

\*Despite the week's price decrease, California reported the highest-priced diesel fuel at \$2.37. The fuel bargain in the nation can be found in the Gulf Coast area at \$1.90.

\*The WTI Crude Oil Price continues to slide downward this week, reaching \$27.45 per barrel. This is an 8.1% decrease from last week's \$29.88 per barrel.

\*All areas of the country report that adequate levels of transportation are available.

### On-Highway Diesel Fuel Prices



eia Source: Energy Information Administration

### ON THE HORIZON CONTENTS



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**Keep Your Eye on the Consumer**  
**REPORT: HOW BUYING TRENDS ARE IMPACTING THE GROCERY SEGMENT**  
[www.groceryheadquarters.com](http://www.groceryheadquarters.com), February 10, 2016

American grocery shoppers are strapped for time yet willing to work for the very best value, according to new research from Blackhawk Engagement Solutions. The new shopper data shows that consumers are well prepared, and arrive at the grocery store knowing exactly what they're going to buy—and most importantly—why (value).

"Brands can no longer take grocery customers for granted. Price sensitivity, customer time deficiency, and instant access to promotions and product information are putting greater pressure on retail and product companies to shift with consumer demands," says Rodney Mason, general vice president of marketing at Blackhawk Engagement Solutions, an international incentives and engagement company.

Blackhawk Engagement Solutions' "How Grocery Shoppers Shop: Changing Trends in Grocery Shopping" report summarizes the findings from two distinct studies: the first was a study conducted in September 2015 that surveyed more than 1,500 Americans and focused on how they shop for groceries. The second surveyed more than 2,500 Americans in October 2015 about their use of shopping apps. Together, these surveys identified grocery shopping path-to-purchase behaviors. Key findings include:

**It's about the bottom line:** When asked to rank the factors in selecting a grocery store by order of importance, shoppers placed the convenience of location behind the attraction of price: 70 percent said price was the leading factor, 59 percent said products/brands I specifically need, 48 percent said store location and 31 percent said faster checkout. Additionally, 60 percent of shoppers report being loyal to a particular grocery store.

**Grocery shoppers do their money-saving homework:** Fifty-eight percent of shoppers actively look for deals and promotions before going to the grocery store; 68 percent belong to at least two grocery store loyalty programs; 68 percent always use deals, promotions and coupons on grocery store items, and the rest do sometimes.

**Consumers aren't always brand loyal:** Ninety one percent of shoppers believe store brands are a great value, and 72 percent believe store brands are the same quality as national brands. Only half (52 percent) of shoppers report buying brand-name products always or in certain categories.

**Consumers prefer larger values from rebates:** Shoppers don't mind jumping through a hoop for bigger savings. By a large margin, the majority prefer richer rebate rewards over instant discounts for single-item purchases across all grocery

store departments, including gift cards, cooking and baking supplies, cleaning supplies, pet supplies, baby supplies, paper products, meat and deli items and more.

**Shoppers embrace grocery store apps, not third-party shopping apps:** Consumers are becoming increasingly more comfortable using apps for grocery shopping; the top used apps are: Amazon (71 percent), grocery store apps (28 percent), Walmart (26 percent) and Target (25 percent). Third-party savings apps are not used much, with use in the low single digits for the grocery channel.

A full report exploring the findings of Blackhawk Engagement Solutions' "How Grocery Shoppers Shop: Changing Trends in Grocery Shopping" research can be downloaded at [www.bhengagement.com](http://www.bhengagement.com).





## SPOTLIGHT ON LIPMAN Lipman North Carolina

One of Lipman's busiest repacking/distribution centers is nestled in the beautiful Blue Ridge Mountains of Western North Carolina. The cool mountain air creates a great Summer time environment for growing quality tomatoes and vegetables. This, coupled with the proximity to a large number of major Eastern markets, made Hendersonville, NC an easy choice for Lipman when looking to expand its distribution almost 20 years ago.

This facility was originally a green bean packing shed and later served as an apple-processing facility for Gerber before Lipman/Custom Pak came to town. What started as one building, has been expanded and upgraded several times to include over 80,000 square feet under roof with more expansion and renovation plans in the works.

Led by Paul Peek, the location's General Manager, over 200 full-time employees work year-round to pack, grade, and repack tomatoes and vegetables for our retail and foodservice customers. Over nine states are serviced by this site each week.

### PRODUCE BAROMETER

ITEM	QUALITY	PRICING
Bell Pepper	Fair	Higher
Cucumber	Good	Steady
Eggplant	Fair-Good	Steady
Green Beans	Varied	Higher
Lettuce-Iceberg	Fair	Higher
Jalapenos	Varied	Higher
Onions	Fair-Good	Steady
Potatoes	Good	Steady
Squash	Poor-Good	Steady
Tomatoes	Good	Steady

### February Calendar

**All Month**  
Return Shopping Carts to the Supermarket Month  
National Time Management Month  
**February 13<sup>th</sup>**  
National Italian Food Day  
**February 14<sup>th</sup>**  
Valentine's Day

### Estero, FL Weather

Thu Feb 11	Fri Feb 12	Sat Feb 13	Sun Feb 14	Mon Feb 15	Tue Feb 16	Wed Feb 17
68° F	73° F	72° F	70° F	73° F	72° F	72° F
46° F	54° F	50° F	57° F	61° F	52° F	55° F
NE 9 MPH	W 6 MPH	NNW 11 MPH	E 12 MPH	ESE 12 MPH	VNW 14 MPH	NNE 9 MPH
Averages 76° F/55° F	Averages 76° F/55° F	Averages 77° F/56° F	Averages 77° F/56° F	Averages 77° F/56° F	Averages 77° F/56° F	Averages 77° F/56° F
				Precip 20%	Precip 40%	







**Restaurant Industry News**  
**3 STEPS TO IMPLEMENT PREDICTIVE ORDERING TECHNOLOGY**  
[www.restaurant.org](http://www.restaurant.org), February 2016

Netflix suggests content based on subscribers' viewing preferences. Google Now notifies travelers, based on traffic, of the ideal time to head to the airport. To satisfy customers' desires for streamlined experiences, some restaurants, such as Panera, are utilizing predictive ordering technology.

Imagine the following scenario: It's 11:45 a.m. and Sara, one of your restaurant customers, hasn't even thought about lunch yet. You know she loves your salads, hasn't visited this week and tends to come in around noon when your line is long. At 11:46 a.m. through your app, you send Sara this push notification that displays on her phone: "Hi Sara. Coming for lunch today? Want us to have your Greek salad ready when you get here at noon?" With a screen swipe, she places her order, heads over to your restaurant, and picks up her salad. Sara may not have planned on buying your Greek salad for lunch that morning, but by tracking her preferences, you gained an extra sale.

Here are the three steps you can take to prepare your business for predictive ordering:

**1. Set up online ordering.**

To predict and remotely receive customer orders, you'll need to have a reliable online ordering platform in place. Select a provider that directly integrates with your point-of-sale.

**2. Develop a mobile solution.**

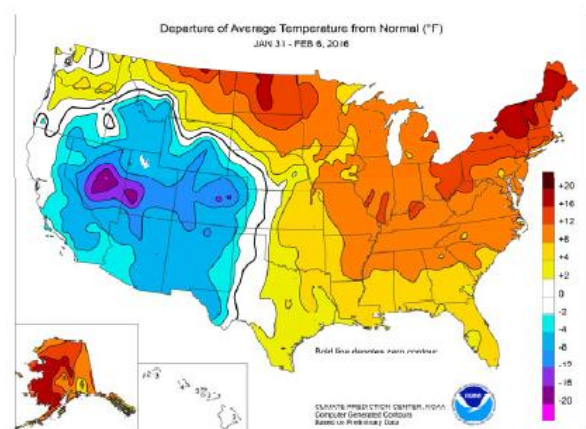
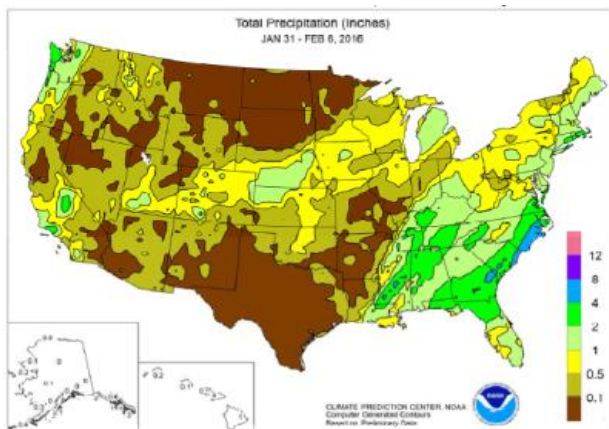
Offer a mobile app or website that places the power of online ordering in customers' hands. Your online ordering provider can build a stand-alone solution or a centralized digital hub with ordering, loyalty program and mobile payments capabilities. Determine what mobile capabilities best fit your business.

**3. Analyze data and suggest orders.**

With these two pieces in place, plus some order history, you can predict customers' orders and tailor your marketing accordingly. Some providers offer predictive suggestions as add-ons to customers' orders; for example, when a customer orders a cheeseburger, the app may suggest also ordering a milkshake. Others providers are building mobile payment solutions that suggest items based on preexisting purchasing patterns.

To streamline the predictive process, assign each menu item with a unique SKU number. When a customer places an order, information about that individual (his or her name, age and address), the item (SKU number) and situation (time of day and location) is recorded. This data is processed by the predictive ordering system, and, over time, behavioral patterns are recognized. This information can then be used to more accurately target your customers.

**NATIONAL WEATHER SPOTLIGHT**  
**Weekly Precipitation and Temperature Deviation**





**News in the Grocery Trade**  
**SMARTER SHOPPERS: SOCIAL MEDIA AND CONVENIENCE**  
**SHAPE NEW REALITY**

By: Sarah Mahoney, [www.mediapost.com](http://www.mediapost.com), February 4, 2016

It's been well over five years since the Great Recession upended the way America grocery shops, and many of those "permanent frugalities" are long gone.

But a new analysis from the Integer Group finds that the post-recession shopper is indeed a different creature: The rise of social media has made them three times more likely to ask others' opinions before buying, and time-saving is emerging as the ultimate luxury.

The study, which tracks changing attitudes from 2009, also finds that people are much more focused. The number who routinely make lists before shopping has doubled, from 29% to 63%. And the value they place on their own time has increased sharply, with 52% saying their main goal now is to get in and out of stores as fast as possible, compared with 38% in 2009. And 36% say they are willing to pay more if doing so makes their lives easier somehow, compared with 21% in 2009.

Yet they're still fiercely focused on price. It remains a top driver of where they shop. And 45% now say they seek out and use coupons, compared with 36% in 2009.

The study also finds a decided shift away from private labels and toward brand names, as people again have the free time to care more about what other people think. Increasingly, the Omnicom-owned shopper agency reports, consumers feel these choices define them in some way, with 28% believing that what they buy says something about them, up from 19% in 2009.

But they're not blinded by labels, and in fact, are *more* skeptical about the benefit of buying brand-name goods. While 28% say brand names are "extremely important" — almost double the number who believed that in 2009 — they are less likely to think brands are any higher in quality, more reliable or more innovative than private-label goods. "There is clearly something intangible about buying name brands that makes shoppers feel better, more successful, or that they are better homemakers," the report says.

"The value equation has gotten much more complex than it was five years ago. Although price is still king, it's become more the cost of entry than it is a point of differentiation....shoppers look beyond price toward quality and other desired benefits from stores and brands. The definition of quality could vary from healthier to local to more artisanal to natural/organic, but shoppers are looking to stores to supply what their version of better is."

**Mark Your Calendar & Pack Your Bags**

March 3<sup>rd</sup>-5<sup>th</sup>, 2016  
SEPC 2016 Southern Exposure  
Curio Diplomat  
Hollywood, FL

[www.southernexposure.seproducecouncil.com](http://www.southernexposure.seproducecouncil.com)

Come see Lipman at Booth 1023!



March 13<sup>th</sup>-16<sup>th</sup>, 2016  
Women's Foodservice Forum Conference  
Omni Dallas Hotel  
Dallas, TX

<http://aldc.womensfoodserviceforum.com>

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