



Market Update

Tomatoes: As expected, Florida's tomato production remains relatively light this week. Yields remain low due to previous and continuing weather patterns. However, quality does seem to be improving overall. Look to late March/early April for production and availability to return to normal levels.

The "heat wave" that Mainland Mexico growers experienced in the past few weeks has brought on a lot of round tomatoes with size. Although smaller fruit is on the short side, that will change as size drops off over the next few weeks. Roma growers are seeing somewhat less production and quality concerns on fruit. For both romas and rounds, crossings are expected to gently decrease as we move into March. However, grape tomato availability is improving as Mexican growers see increases in volume and California hothouse growers have begun their season. Quality varies by lot, as fruit is crossing from both older and newer fields.

Bell Peppers: Florida's pepper supply continues to be short with average quality on the fruit that's available. This is shifting a lot of demand to Mainland Mexico, which has worked through the flush created by the extremely warm weather of past weeks. Larger, retail sizes are in high demand and are commanding a premium. Quality and condition are hit and miss, as growers continue to pick from older fields.

Green Beans: Mexican growers

are working through the bean planting skips they experienced last week and should begin to see more product by the end of next week. Fruit quality is improving. There are a few more beans in Florida this week, but nowhere near market demand levels. Since most crops have and continue to experience weather, there are reports of brown tips and decay in some shipments.

Cucumbers: Honduran import numbers are slowing as growers begin their seasonal decline, with some dropping out early. Over the next few weeks, this will shift Eastern demand to Mexico until Florida comes to the table at the end of March/ beginning of April. Mainland Mexico just finished its final product flush of the Winter season. Crossings are likely to lighten up for a few weeks until Spring crops begin in mid-to-late March.

Eggplant: Florida's eggplant crops remain in light supply. Quality is just fair, with a lot of offgrades available. Mainland Mexico is crossing adequate numbers of eggplant and quality is improving. Availability is better on small fruit.

Summer Squash: With the low markets of the last few weeks, some of the southern growers in Mexico are walking away from marginal squash crops. Growers in more central areas continue to harvest, but overall crossings are expected to decrease next week. Florida has steady supply on zucchini and light supply on yellow squash. Quality and condition are concerns.

Transportation Facts

*The National Diesel Average stands steady at \$1.98 this week, although the price did show a minute increase of \$.003 per gallon.

*The average price for a gallon of diesel fuel is \$.92 lower than the same time last year.

*Diesel prices are beginning to show mixed signals, with three areas reporting slight price increases. However, the majority of the nation's regions saw prices drop another \$.01- \$.02 per gallon.

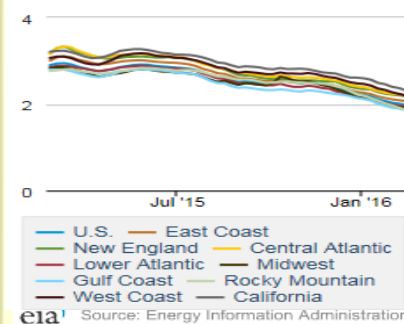
*California comes in with the priciest fuel in the nation at \$2.29 per gallon. The Rocky Mountain area edged out the Gulf Coast for lowest fuel prices, reporting \$1.86 for a gallon of fuel.

*The WTI Crude Oil Price continues to increase slowly, reaching \$32.15 per barrel. This is a 4.9% increase from last week's \$30.66 per barrel.

*Florida and Mexican crossing points are reporting a surplus of transportation availability this week.

On-Highway Diesel Fuel Prices

(dollars per gallon)



eia¹ Source: Energy Information Administration

ON THE HORIZON CONTENTS



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Restaurant Industry News NRA PROJECTS RECORD SALES IN 2016

By: Jonathan Maze, www.nrn.com, February 17, 2016

The National Restaurant Association is projecting record foodservice sales in 2016 as consumers eat out more often — their finances improved by years of saving, an improving economy and lower gas prices.

The trade group is projecting sales of \$782.7 billion in 2016, according to the forecast. That's a 5 percent increase over 2015's sales volume of \$745.6 billion. Assuming that projection holds, that would be a 2.1-percent increase when adjusted for inflation — the first time in more than a decade that industry sales rose by more than 2 percent in adjusted terms in consecutive years. That sales growth is expected to be largely broad based and split evenly between full-service and limited-service restaurants.

The restaurant industry has been adding jobs at a rapid clip over the past two years, and that continued into 2016 — the industry added 46,700 workers in January, or close to one out of three jobs the economy created that month.

Despite the growth, the association noted that the industry faces its share of challenges, notably in the form of labor demand. "Though the overall economy is trending in the right direction, the operating environment isn't without challenges going into 2016," Hudson Riehle, senior vice president of research for the restaurant association, said in a prepared statement. "With overall tightening in some labor markets, we're seeing recruitment and retention making a comeback as a top challenge for restaurant operators."

The association's economic forecast said that the labor pool is not as deep as it was in the aftermath of the recession and so openings are taking longer to fill. The restaurants and accommodations sector averaged more than 660,000 openings in 2015 — the highest rate in at least 16 years. "Recruitment and retention of employees will re-emerge as a top challenge for restaurant operators, as a tighter national labor market means greater competition with other industries for employees," the NRA said. "Workforce demographics are shifting to include a greater

proportion of older workers while the younger labor pool is shrinking." Indeed, in 2007, teens 16 through 19 represented 20.9 percent of the restaurant workforce. By 2014, that percentage fell to 16.6 percent. Fewer teens are working: Teenage labor force participation rate fell from 41.3 percent in 2007 to 34 percent in 2014.

Turnover rate is increasing, meanwhile. Restaurant industry turnover increased in 2014, to 66.3 percent from 62.5 percent, though the hospitality industry turnover in 2014 remained lower than average, historically. In 2007, for instance, turnover was 80.9 percent in the restaurant industry.

A growing number of consumers consider technology an expectation, rather than a novelty, at their local restaurant, and consumers want to use kiosks and mobile ordering technology. But two in five consumers say that technology makes restaurant visits more complicated, suggesting that many of these efforts are not as user-friendly as they should be, the NRA said.

The restaurant industry is benefiting from an improving economy. Low interest rates and low gas prices coupled with rising employment led to growing demand for restaurants in 2015 and that's expected to continue this year — though the NRA's projected growth this year would represent a slight slowdown from 2015, when the industry's growth hit post-recession highs.

The restaurant industry's share of consumers' food dollar is up to 47 percent, from 25 percent back in 1955. Still, the NRA says that many consumers are still holding back on spending as they work to shore up their finances. Seven in 10 consumers are still holding back spending, according to a survey done for the association, and less than three in 10 consumers are confident enough in their financial situation that they are not holding back.

The diminished spending, the NRA says, means there is still plenty of "pent-up demand" for restaurant use among consumers. According to the

association, 40 percent of adults say they are not eating at restaurants as much as they'd like, and 41 percent aren't ordering takeout or delivery as frequently. According to the association, 57 percent of adults, and 65 percent of young adults, would spend an extra \$60 per month at restaurants if they had it.

The pent-up demand is especially acute for lower-income consumers, but 24 percent of adults with incomes \$75,000 to \$99,999, and 28 percent of consumers with incomes \$100,000 or more, say they are not using restaurants as often as they'd like.

Full-service restaurant sales are expected to grow 4.9 percent, or 2.1 percent when adjusted for inflation, to \$259.2 billion from \$247.1 billion a year ago. That's similar to the 2.2 percent the full-service sector grew in 2015.

Table-service restaurant operators are optimistic about their expansion potential for the coming year, with operators of family-dining restaurants most bullish of all: 69 percent of such operators expect their business to improve this year; only 4 percent expect a decline. Quick-service restaurant sales are expected to grow faster, at 5.9 percent or 2.7 percent adjusted for inflation, to \$223.3 billion from \$210.9 billion a year ago, according to the forecast. That would match the 2.7 percent real sales growth the sector received in 2015.

One interesting nugget: Consumers want their limited-service restaurant to deliver. Sixty percent of adults would likely use delivery if it was offered, but among younger consumers that percentage rises to 76 percent.

Off-premise consumption has long been vital for quick-service chains' sales, but it's a growing part of fast-casual chains' sales: 29 percent of fast-casual operators said that off-premise customers made up a larger percentage of sales in 2015; only 8 percent said that percentage fell. But cafeterias and buffet restaurants continue to decline. Sales are expected to grow 2.8 percent to \$7.2 billion from \$7 billion, but in real terms that's a decline of 0.2 percent.



SPOTLIGHT ON LIPMAN

Lipman New Jersey- The Thomas Colace Co.

There's a lot that goes on at Lipman New Jersey- from tomato and vegetable repacking to processing ready-to-use fresh produce. The West Deptford, NJ location is just across the river from downtown Philadelphia and serves retail, foodservice, and wholesale customers from Atlanta to Maine to Ohio. A team of approximately 200 people work hard each day to get the job done.

This location has a rich history which began in the 1940's when Vince Colace started up the Thomas Colace Company on the Dock Street market in Philadelphia. From there, he expanded into repacking and bought a new plant in south Philly. For years, the Thomas Colace Company was a large customer of Sixl's, Lipman's farming side of the company. In 2001, the two joined forces and Lipman/Colace began to develop the pre-cut veg processing product line, which was named Ultrafresh.

The brand name Ultrafresh still stands today, as does involvement of the founding family. Thomas Colace Jr., grandson of the founding father Vince Colace, leads this vibrant team as this locations' general manager. His zest for the industry and extensive experience is part of what makes this location such a valuable asset to Lipman.

The New Jersey team is active in its community and participates in several events to help others. Each year, they lead a team of customers, suppliers, and employees in the Multiple Sclerosis City to Shore Bike Ride, which ends with fun festivities in Atlantic City. They have also donated time and financial resources to the Little Sisters of the Poor in Philadelphia, helping to paint and improve this nursing home facility. Hats off to this team for their efforts!

PRODUCE BAROMETER

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



March Calendar

All Month

National Nutrition Month

March 1st

World Compliment Day

March 4th

National Employee Appreciation Day

March 5th & 6th

National Day of Unplugging

Estero, FL Weather

Fri Feb 26	Sat Feb 27	Sun Feb 28	Mon Feb 29	Tue Mar 1	Wed Mar 2
68°F	68°F	72°F	77°F	77°F	79°F
45°F	46°F	55°F	57°F	61°F	61°F
WNW 12 MPH	NNW 9 MPH	NNE 7 MPH	E 4 MPH	ESE 6 MPH	SE 9 MPH



News in the Grocery Trade

US LAGS EMERGING MARKETS FOR MOBILE PURCHASING

www.progressivegrocer.com, February 25, 2016

U.S. retailers are racing to stay relevant in a rapidly changing shopping environment led by growth of e-commerce, the ubiquity of mobile devices, and the demanding expectations of consumers, according to PwC's annual online shopper survey, "Total Retail: The Race for Relevance." Based on a survey of more than 23,000 online consumers globally, the report reveals the changing behaviors of consumers, driven by convenience, price, social media and brand trust.

In the U.S., mobile is only a part of the purchase journey: PwC's survey found that only 22 percent of American shoppers make a mobile purchase at least monthly, compared to 35 percent in emerging markets. Specifically in China, 66 percent of consumers say they shop online via their mobile at least once a month. Looking ahead, only 26 percent of U.S. shoppers say their mobile phones will become their main purchasing tool in the future. The reason why the U.S. lags other countries in mobile shopping adoption could be due to the fact that many emerging countries have leapfrogged past computers directly to mobile phones.

Millennials shop via mobile more than any other group. As the generation enters its prime consumer years, 40 percent of Millennials in PwC's survey said they buy products online monthly while close to 30 percent shop online weekly. Additionally, more than a third of Millennials agree that their smartphones will become their main purchasing tool in the future. Already more than 80 percent use their mobile devices while shopping in-store – versus 55 percent of shoppers over 35 – to access digital coupons, research products, check prices, and pay for purchases. The "I Want it Now" generation is also willing to pay more for next-day delivery, sometimes up to four times more, far higher than older shoppers.

The physical store still matters but is evolving. As retailers also work hard to get shoppers in the door, lifestyle shopping centers that combine entertainment, food and shopping are taking off, creating destinations for shoppers. Successful retailers are also investing heavily in their in-store technology as consumers demand a more exceptional in-store experience. When asked about the top three ways to make their in-store shopping experience better, shoppers chose: sales associates with deep product knowledge (40 percent), self-service checkout (33 percent) and ability to check other store or online stock quickly (32 percent). Malls are also evolving to make the in-store experience more like being online, using technology to beam out a message or a coupon as a consumer approaches or passes by the shopping center.

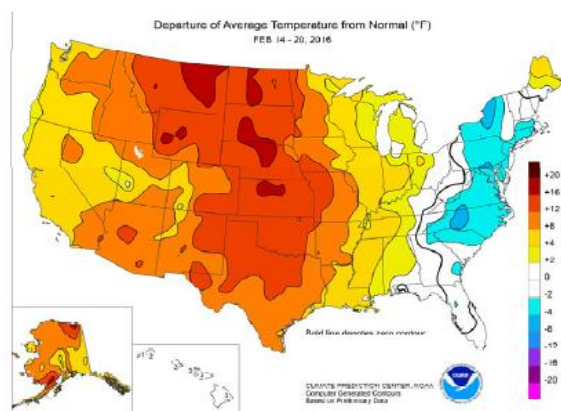
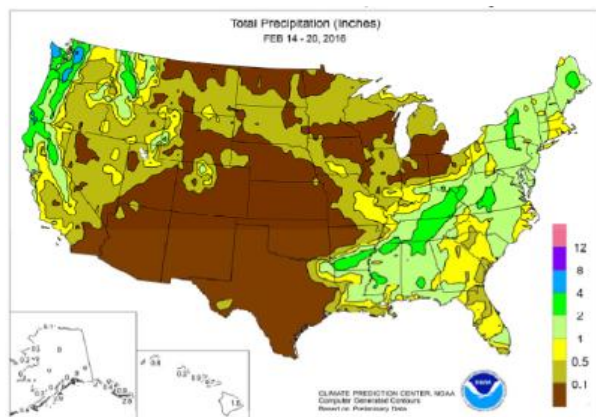
PwC's survey says brand trust is among the top three reasons consumers shop at their favorite retailers. There is a tremendous amount of trust built by leading brands and their offerings, and they are providing an overall experience that is much more important than just price alone. Consumers are looking for brand leaders to be trustworthy, authentic, reliable and visionary, and at the heart of the matter, digital commerce is about customer trust. As consumers demand a more seamless shopping experience, they trust their favorite brands to provide a "friction-free" experience across devices and channels.

While affordability is indeed a major driver for shopping behavior, it's just part of the larger value story. When asked why they shop online, 58 percent of American consumers said it was for convenience, with 32 percent naming price. This is a shift from 2014, when more consumers went online to shop for lower prices (52 percent) than convenience (47 percent). In fact, in keeping with how much more value they place on convenience, U.S. shoppers ranked innovative delivery options high on the list of the key attributes of their favorite retailers, including crowdsourced last-mile delivery, free shipping and returns, delivery within hours of ordering a product, and click-and-collect options.

"Buy Buttons" in the U.S. are growing in adoption but are still fairly new as only 10 percent of survey respondents say they shop directly on social media platforms (a 6 percent increase from 2014). In emerging markets such as China, 27 percent of respondents say they purchase directly via a social media channel. In the U.S., social is only an influencer at the moment, as more than two-thirds of respondents in PwC's survey said social media influences their online shopping behavior, ranking reviews and feedback their primary activity at 40 percent.

NATIONAL WEATHER SPOTLIGHT

Weekly Precipitation and Temperature Deviation





Keep Your Eye on the Consumer SURVEY: TRADITION OF DINNERTIME REMAINS PRIORITY FOR TODAY'S FAMILIES

www.groceryheadquarters.com, February 24, 2016

Most American parents eat dinner with their children at home five days a week, while almost a third (32 percent) do this every night in a typical week, on average, according to a nationwide study. The online survey, commissioned by home appliance manufacturer LG Electronics, polled more than 800 parents of children ages 4-17 reveals that the tradition of dinnertime is becoming more prevalent, reinforcing the priority of family togetherness.

Involving kids in the kitchen to assist in the meal prep is also on the uptick, according to the research. Nearly all (93 percent) parents report that their child helps them with cooking, and over three in four (76 percent) say that this happens at least a few times a week in their households.

Helping parents in the kitchen is not just another household chore like taking out the trash. Almost two in three (64 percent) parents believe that one of the benefits of children helping to prepare food at home is the ability to spend more quality time as a family.

In addition to surfacing new insights on families coming together at the dinner table, the survey also reveals a number of noteworthy benefits that children reap for their development as a result of their involvement in meal preparation, including:

Almost half of parents agree that when their children help cook, they are more apt to eat new things (49 percent) and finish the meal (44 percent).

Some of the most common tasks that children are responsible for in the kitchen are basic activities like stirring (66 percent), rinsing (57 percent) and measuring (53 percent). Almost two-thirds of parents (63 percent) report that their kids help them clean up after the meal too.

Most parents report that their children are proud (68 percent) or excited (64 percent) about the meal if they've helped to prepare it.

When children help make the meal, they're often more engaged at the family dinner table. Around four in 10 parents report that in this situation, their kids are more apt to participate in conversations during the meal (39 percent) and likely to stay longer at the table (35 percent).

When their children help cook, more than half of parents boast that their child gets a boost of confidence. Numerous parents also believe that when kids cook, they are learning about responsibility (63 percent), improving their focus (47 percent) and becoming better communicators (42 percent).

Mark Your Calendar & Pack Your Bags

March 3rd-5th, 2016
SEPC 2016 Southern Exposure
Curio Diplomat
Hollywood, FL



www.southernexposure.seproducecouncil.com

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The Culinary Institute of America Campus
Hyde Park, NY

www.menusofchange.org

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