



MARKET UPDATE

Tomatoes: Florida tomato production is primarily from the Naples/Immokalee and Homestead areas although there is still a little fruit coming out of Palmetto. Volumes are strong now, but could be lighter as soon as next week, with numbers declining toward the end of the month. Late February harvests are the ones that will show the most significant impact of bloom drop and cold weather effects from the near freezing temps several weeks ago. Larger-sized rounds are more prevalent, as most growers are harvesting from newer fields and crown picks. Roma numbers are light to moderate and overall grape availability is strong. Quality on all varieties is very nice, particularly from new fields. There have been a few reports of less-than-great quality from older fields but there's plenty of nice product available to meet market demand.

Mexico continues to provide strong and steady volumes of round and roma tomatoes, mostly from the Culiacan/West Mexico region. Barring a weather event, supply should continue to be solid through the month of February. Warming weather is also bringing nice numbers of grape tomatoes from the Central and Western Mexico growing zones. Quality is good on all varieties.

Bell Peppers: Florida's pepper crops are churning out moderate volumes or good-quality product. Fruit is on the larger side, with more jumbo and XL available than smaller sizes and offgrades. With Mexico growers into some new plantings, peppers are readily available in the West. Quality varies by lot and grower- fruit from older fields can have thinner walls, mixed sizing, etc. while new-field peppers are strong with thick walls, excellent color and fresh stems.

Cucumbers: Honduras continues to bring a strong supply of cucumbers into the states. Quality is good- no major complaints. Florida will start

back in the cuc business in mid-March. Mexican cucumber volumes and quality remain strong which should continue for at least the next 7-10 days.

Summer Squash: Yellow squash is an extremely difficult item this week as Florida, Honduras, and Mexico all have scarring challenges that won't work for retail business. Florida farms expect to get into some new fields in 10-14 days, which should bring some better quality to the table. Zucchini availability is better than yellow, mostly due to better quality. Mexico growers are also expected to get into some new blocks over the next few weeks, so we should see quality improve on yellow squash in the near future.

Green Beans: Both Florida and Mexico continue to provide consistent volumes of green beans with nice quality.

Eggplant: Depressed markets are causing some Mexico growers to walk away from older, open-field production. These decisions, as well as increased demand for upcoming Lent, could tighten up supply soon. Much of the East's eggplant has quality concerns, as Florida growers continue harvesting in older fields. New plantings will start in a few weeks, providing more good-quality fruit to market.

Hard Squash: Good weather in Mexico has brought a slight increase in hard squash production. Quality and color have improved in the new crops. Honduras growers are now importing somewhat steady volumes of butternut and spaghetti, but no acorn to speak of.

Chili Peppers: With the Lenten season upon us and a stronger National market, Mexico's chili pepper crossings have lightened up. Anaheim and poblanos are the varieties with the lightest availability. We anticipate this situation to continue for several weeks, until after the Easter holiday.

TRANSPORTATION FACTS

*The National Diesel Average continued its climb this week (up \$.016), moving from \$3.07 to \$3.09 per gallon.

* The average price for a gallon of diesel fuel is \$.53 higher than the same time last year.

* All ten reporting zones saw price increases with the most significant changes coming from New England and California (up \$.028 per gallon).

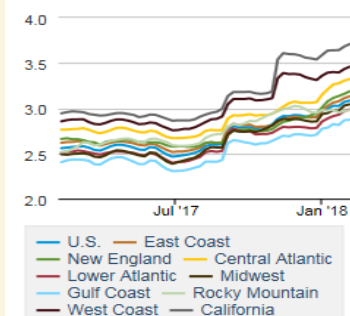
*California maintains its role as the high price leader for diesel fuel at \$3.71 while the Gulf Coast region continues to offer the best bargain at \$2.87 per gallon.

*The WTI Crude Oil dropped 2.1% over the last seven days, moving from \$64.73 to \$63.39 per barrel.

* Central and South Florida shippers report a slight shortage of trucks while Mexico crossing points report adequate levels of transportation.

On-Highway Diesel Fuel Prices

(dollars per gallon)



Source: Energy Information Administration

ON THE HORIZON CONTENTS

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KEEP YOUR EYE ON THE CONSUMER

Nielsen and OPN Announce Organic Fresh Produce Retail Sales Reach Nearly \$5 Billion in 2017

www.organicproducenetwork.com, February 8, 2018

Buoyed by strong consumer demand, sales of organic fresh produce items reached nearly \$5 billion in 2017, an 8 percent increase from the previous year according to data released by the Organic Produce Network (OPN) and Nielsen. Overall, nearly two billion pounds of organic produce were sold in grocery stores last year, which is a 10 percent volume increase from 2016.

Partnering with Nielsen, OPN's review of 2017 organic fresh produce sales at retail stores across the US shows dollar sales of organic fresh vegetables were \$2.4 billion, while organic fresh fruit sales topped \$1.6 billion. A near \$1 billion in organic value added produce items brought total sales to \$4.8 billion in 2017.

Overall from last year, 2017 sales of organic fruit volume and dollar sales were up 12.6 percent from 2016, while organic fresh vegetables sales showed a four percent increase in dollar sales and a six percent increase in overall volume.

Organic packaged salad was again the leading organic fresh produce item sold last year, approaching \$1 billion in sales. Packaged salad still accounts for one in five organic dollars, but the 2.3 percent growth rate was below the department average.

The most notable growth occurred within organic fruits, led by the 22% increase in organic berry volume sales. Not far behind was

the growth of bananas and apples. Organic berry sales, which include strawberries, blueberries & blackberries, topped \$586 million in 2017, with volume up 22 percent from last year. Organic apple and banana volume increased 11 and 17.5 percent respectively last year, while the average retail prices for each category went down eight and three percent.

"What's most impressive about these two categories is the growth they were able to achieve in organic despite stagnant or declining conventional fresh produce sales. This also highlights that even the most mature categories have opportunity to grow the consumer base and sales through an organic offering," said Matt Seeley, co-founder and CEO, of Organic Produce Network. "Not many product groups can claim double-digit growth in

today's competitive environment which reinforces the power and importance of organic produce."

Rounding out the top five was double-digit growth from organic fresh produce beverages and the herb and spices segment.

"Potatoes, grapes and citrus all rank in the top 10 for conventional sales but fail to crack the top 10 in organic sales which shows that some categories still have opportunity for an increased market presence," said Matt Lally, an associate director at Nielsen. "Understanding and setting pricing strategies between conventional and organic varieties is critical for success. People will pay a premium for organic, but at some point they will trade to conventional or out of the category all together."

Category	2017 Dollar Share of Organic Produce	2017 Dollar Share of Organic Produce	Dollars % Change	Volume % Change
Packaged Salad	18.6%	19.6%	2.3%	4.5%
Berries	12.1%	10.7%	21.9%	21.6%
Herbs, Spices and Seasonings	6.2%	5.9%	14.7%	15.2%
Apples	6.1%	6.4%	2.4%	11.4%
Beverages	5.9%	5.8%	8.8%	11.2%
Bananas	5.4%	5.1%	13.9%	17.5%
Carrots	5.2%	5.5%	1.5%	2.8%
Value-Added Vegetables	3.6%	3.7%	2.5%	3.1%
Lettuce	3.4%	3.6%	2.2%	-0.1%
Tomatoes	3.1%	3.5%	-2.1%	3.1%

Source: Nielsen FreshFacts® 52 Weeks Ending 12/30/2017. Nielsen FreshFacts coverage includes census sales data from traditional



January Lipman Photo Contest Winners!

Congratulations to our Grand Prize Winner, Kimberly DeLeon,
& our other finalists! Thank you to all who shared their
awesome photos of Lipman in action.



FINALIST
Photo Submitted by
Evan Gusar



GRAND PRIZE WINNER
Photo Submitted by Kimberly DeLeon



FINALIST
Photo Submitted by
Dave Esplin



FINALIST
Photo Submitted by Juan Fong



FINALIST
Photo Submitted by Dave Esplin

PRODUCE BAROMETER

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



FEBRUARY CALENDAR

February-All Month

Return Shopping Carts to the
Supermarket Month

February 11th- 17th

Random Acts of Kindness Week

February 12th

Clean Out Your Computer Day

February 13th

Mardi Gras Day

February 14th

Valentine's Day

Estero, FL Weather

Fri Feb 9	Sat Feb 10	Sun Feb 11	Mon Feb 12	Tue Feb 13
81° F	84° F	84° F	84° F	83° F
65° F	66° F	65° F	65° F	68° F
ENE 10 MPH	E 11 MPH	SE 10 MPH	ESE 7 MPH	E 9 MPH
Precip 20%	Precip 20%	Precip 30%	Precip 40%	Precip 20%

NEWS IN THE GROCERY TRADE

Working the Late Shift: Produce Manager Learning Experience

By: Armand Lobato, www.thepacker.com, February 7, 2018

"What is your late night?"

Some grocery chains ask this of their department managers. Including the produce manager. Many others don't press the issue. After all, it's a tough order.

Produce managers by nature tend to be early risers. They will say they need to be in the department long before the first customer darkens their door. There are displays to build, inventory to assess, and orders written and transmitted by strict deadlines. To suggest a produce manager work late pulls him or her away from some pretty important tasks.

Hurt as it might, working an occasional late shift is a real eye-opener for the produce manager. For starters, it helps to pick a good late day to work. Planning on working a late Tuesday, for example? That won't be much of a challenge, as this is typically a quiet night. Unless, of course, you use the time to build your Wednesday ad displays in the process.

A better night? Try Friday. Going into the weekend, a Friday late shift (at least after the dinner rush is through, or later) is a good day to set the pace for the busy weekend. When a produce manager works late on a Friday night, you can bet that the displays he wants to be topped off for Saturday will happen. All the little extra display touches will certainly have the follow-through that he envisions.

In short, the produce department will be dialed in for Saturday morning. By working a late shift, the produce manager can also use the opportunity to spend time with the closing part-timers who otherwise have minimal face time with the boss. This is a great period for the produce manager to include a bit of training, show the closing clerks exactly what is expected, and working alongside them generally keeps them on their toes too. The most memorable remark I heard while working late with the closing shift? "Thanks for showing some interest and spending time in my world." That world, after all, was once part of the produce manager's routine.

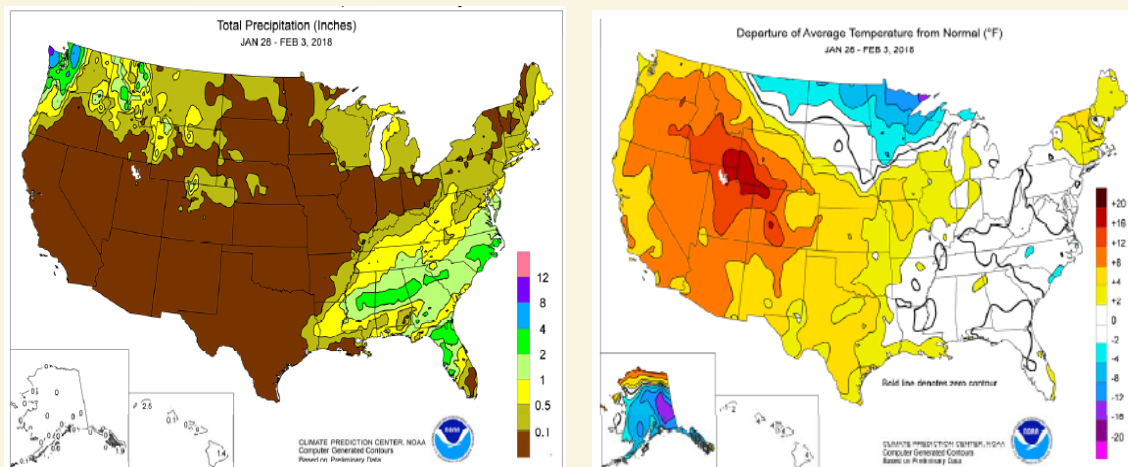
Working the late shift also opens the produce manager's eyes. Perhaps he'll discover there isn't enough prep work done to support the late shift. Or he may see there isn't enough inventory, or labor hours to get it all done. He sees a different kind of customer, and they in turn see him.

I don't advocate a produce manager has to work a late night every week. That may be asking too much, and he is a vital presence in the early going. Given my druthers, I'd suggest the late night duty happen once a month. It's a humbling, interesting and learning experience.

Armand Lobato works for the Idaho Potato Commission. His 40 years' experience in the produce business span a range of foodservice and retail positions. E-mail him at lobatoarmand@gmail.com.

NATIONAL WEATHER SPOTLIGHT

Weekly Precipitation and Temperature Deviation



RESTAURANT INDUSTRY NEWS

Data: The Optimal Table Turnover Time is 45 Minutes

By: Lisa Jennings, www.nrn.com, January 24, 2018

A 45-minute table-turnover time is ideal for maximizing revenue and tips, according to a new report from point-of-sale provider Upserve, released Tuesday. Looking at data from thousands of restaurants and millions of transactions in 2017, the software analytics firm released an inaugural report on industry trends. Among those trends is tipping, which was a hot-button issue last year.

Upserve found that the average tip increased with time spent at the table, up until about the 40- to 50-minute mark. Likewise, meal costs tended to flatline after guests had spent around 30 to 40 minutes at the table. "Campers," or guests who linger, can result in an increase in average check and average tip, but not if it goes on too long, the data indicated.

While the average check grew from \$88.39 at 40 minutes to \$123.45 at 80 minutes, the amount of revenue per minute the restaurant collects drops from \$2.21 per minute to \$1.54 per minute between the 40- to 80-minute mark, the report said.

Region	Average tip	Average check size	Average tip as percentage of check
Northeast	\$11.17	\$68.80	16.24%
West	\$8.41	\$54.19	15.51%
Midwest	\$9.19	\$61.20	15.01%
South	\$8.37	\$51.46	16.27%

Source: Upserve

Similarly, the average tip as a percentage of the overall check begins to drop. At 110 minutes, the average tip is only \$3 more than it is at 50 minutes, and the percentage of the check is just under 10 percent. A server working that table may wish they had worked more tables at half the time by then, the report said.

On average, tips were highest in the Northeast, at \$11.17, Upserve found, a rate of about 16 percent of the total check. In the West, the tip average was \$8.41, about 15.5 percent of the total check. Many states in the West do not allow a tip credit, so the base server pay rate was \$10.42 in the West, compared with \$7.42 in the Northeast. Across the U.S., the tip rate remained around 15 percent. It was slightly higher in the Northeast, at 16.24 percent, and the South, at 16.27 percent.

FRESH

TOMATOES



*the best
of nature*

**MARK YOUR CALENDAR
PACK YOUR BAGS!**

March 1-3, 2018
Southeast Produce Council's
Southern Exposure
Tampa Convention Center
Tampa, FL
www.southernexposure.seproducecouncil.com
Come see Lipman at Booth 535!

April 9-11, 2018
United Fresh Revolutionary Leadership Conference
The Alexandrian Hotel/ Mount Vernon Estate
Alexandria, VA
www.unitedfresh.org/events

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CUSTOMERS**



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