

On The Horizon



Market Update

Tomatoes: This week's tomato report is very similar to last week's- product is short in both Western and Eastern markets. Past and current weather patterns continue to affect production, yields and quality. It's normal for Florida to have less acreage this time of year, which already shortens supply. The current production areas are experiencing alternating hot days, then cool rainy periods- which plays havoc with tomato yields and further lessens supply. Production has been off on rounds, romas, and grapes and is likely to stay sparse until March, when Ruskin/Palmetto is back in business.

Western Mainland Mexico continues to struggle with yields as well, but growers are seeing slight and slow increases on rounds. Based on the weather's previous effects on crops, near-normal yields are not expected until February, if weather permits. Romas may be the bright spot in the coming weeks, as there are more roma growers coming onboard every few days. In general, there is more roma acreage during this time frame, so supply should rebound a bit faster than rounds. Grapes are coming from both Central and Western Mexico, with the better quality from the Central region. Unfortunately, volume is shy, as they are in the light part of the production cycle. Western shippers are also experiencing light production and need some warm, dry weather for volume improvements on grapes.

Bell Peppers: The accumulation of weather problems has finally taken its toll on most of Florida's bell pepper crops, with very minimal volume and less-than-perfect quality on the fruit available this week. New crops will be slow to come on, so volume could be limited for the next few weeks. Mexico is also seeing reduced production. The northern area (Sonora) is dealing with

weather effects on both quality and yields with reports of thin walls and bruising on the fruit that's shipping. Culiacan, further south, has nice quality but has hit a lull in the production cycle.

Cucumbers: With Northern Mexico finishing early, the Western market is looking to southern growing areas for cucumbers. Sinaloa is just now coming into crops with nice quality but light production. They expect to see slight increases as they get further into crops but, overall production will be less than normal for this time of the season. Honduras is supplying cucumbers for the East. Quality varies by lot.

Eggplant: Eggplant availability is steady in Florida, although supply has been reduced by weather conditions. Mexico is also seeing lighter production, as fruit is not sizing up in the cooler weather. There have been quality concerns with reports of liver spotting and brown calyx. The Western picture should improve in a few weeks, weather permitting.

Summer Squash: Yellow and zucchini squash continue to reel from effects of past and current weather. The limited amount of fruit available from Mexico has lots of scarring and scuffing. Although the fruit is solid, much of it won't serve as retail product due to quality defects. Indications are that it will be mid-February until there is consistent, steady volume out of Mexico. Homestead is the only active production area in Florida and the area continues to be plagued by rainy weather patterns. There are some newer fields, but they are slow to grow and limited in acreage.

Chili Peppers: Both Sonora and Sinaloa have reduced production, but are shipping good-quality chilies. Specialty peppers are still a struggle, but volume is picking up slowly.

Transportation Facts

*The National Diesel Average dropped \$.03 this week, coming in at \$2.18 per gallon.

*The average price for a gallon of diesel fuel is \$.88 lower than the same time last year.

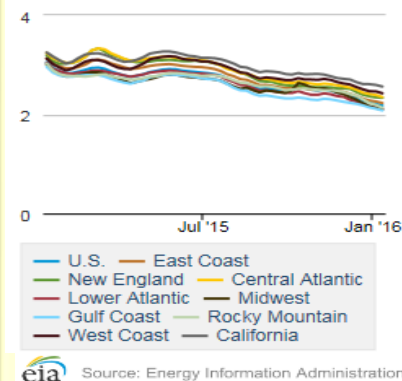
*Diesel prices dropped in all areas of the country this week with the most notable decrease in the Rocky Mountain region (down \$.06 per gallon).

*Once again, California reported the highest-priced diesel fuel of the week at \$2.56. The fuel bargain in the nation can be found in the Gulf Coast area at \$2.08.

*The WTI Crude Oil Price continues a downward descent, falling 10.4% from \$33.97 to \$30.44 per barrel.

On-Highway Diesel Fuel Prices

(dollars per gallon)



ON THE HORIZON CONTENTS



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Keep Your Eye on the Consumer SNACKIFICATION & THE MILLENNIAL CONSUMER

By: David Hyland, Daymon Worldwide, www.csnews.com, January 13, 2016

Consumers in the United States and around the world continue to snack more and more every day, with less room for traditional meals. While this trend is influenced by many factors, the key demographic driving it is millennials, the generation of Americans born roughly between 1977 and 1995 who account for nearly a quarter of the total U.S. population.

Some of the key millennial values influencing their food and beverage choices include authenticity, transparency, lack of formalized boundaries/greater creativity, and convenience — not to mention the technology-driven world that guides so much of the decision-making in their lives.

Some of the main trends impacting the snacking world are largely influenced by the millennial generation.

WELLNESS

Research shows that younger consumers are more likely than older consumers to embrace “healthier” snacks.

Nutrient Density — According to Nielsen, almost half of all consumers globally admit to using snacks to replace a main meal. As consumers are skipping more traditional meals, they are still looking for the nutrition and energy to sustain them through the day.

Snacks that can fill the nutrient void traditionally met by breakfast, lunch or dinner are seeing strong growth. This includes categories that are inherently nutrient dense (i.e., nuts), as well as categories that are able to authentically deliver nutrients with product formula changes (i.e., protein bars). Additional categories in this space that have shown very strong growth in recent years

Organic — According to the Organic Trade Association, organic snacking has grown by more than 15 percent per year since 2011, well ahead of the total organic market at 11 percent. Within organic snacking, salty snacks account for more than half of all organic snack dollar sales and grew 17 percent in 2014.

While organic may not be as developed in the convenience store channel, we look for this trend to stick and to continue to expand into this channel.

SNACKIFICATION

Categories traditionally not related to snacking are now seeing significant growth behind snack usage.

Yogurt — Historically used as a breakfast food primarily, yogurt is increasingly being eaten throughout the day as a snack. According to Datamonitor, this category has experienced the largest growth of any food category in the American diet from 2004 to 2014. Also, in the U.S., 25 percent of Americans who skip breakfast will snack on yogurt later in the day.

Vegetables — Consumers want to eat healthy, but they will not give up taste. Manufacturers have caught on to this trend and created new products to fill the opportunity.

Beverages — A professor of nutrition at Purdue University, Richard Mattes, noted that the U.S. consumers’ daily intake of calorie-rich beverages now accounts for up to 50 percent of the calories we consume outside of meals.

A recent study by the manufacturer FONA also found that 57 percent of millennial consumers are drinking health-oriented, functional beverages including sports drinks, weight

loss drinks and meal replacements, and much of this consumption is serving as a snack. This study also found that millennials are the group most likely to consume one or more functional beverages per day.

MULTI-SENSORY SNACKING

Millennials are also more racially and ethnically diverse than any previous generation, and that’s having a profound effect on their snacking habits.

Global Inspiration — Food producers are adding flavors and ingredients with local flair and going deeper into regional taste profiles. Rather than adding a generic “Asian” flavor or ingredient, manufacturers are providing authentic tastes from Korea, Thailand, Indonesia, the Philippines and other Asian countries.

Flavor Adventure — Many flavors are moving from obscurity just a few years ago into the U.S. mainstream today. This includes such flavors as sriracha, maple, ginger and coconut.

The world of snacking will continue to evolve over the coming years, but all indications show it will be driven most profoundly by the millennial consumer and the key trends of wellness, “snackification” of categories and multi-sensory /experiential snacking.

Editor’s note: The opinions expressed in this column are the author’s and do not necessarily reflect the views of *Convenience Store New or Lipman Produce*.



Lipman continues to expand its local programs and presence!



LIPMAN IN THE NEWS

Lipman partners with Phil Sandifer & Sons Farm
January 04, 2016

Lipman is expanding its local portfolio with the addition of Phil Sandifer & Sons Farm in Blackville, SC. Through this partnership, the two will work together to supply locally grown South Carolina produce to grocery stores, food service operators and other companies around the country.

Like Lipman, Phil Sandifer & Sons Farm takes pride in being a family business. The family farm is overseen by Phil Sandifer and his two sons, Chris and Scotty, with the assistance of grandchildren during school breaks. A third-generation produce farm, Sandifer & Sons is among the largest Eastern Athena cantaloupe grower-packer-shippers in the state of South Carolina.

Athena cantaloupe season runs the full months of June and July. In early spring, the operation harvests vegetables. During the months of July and August, Sandifer & Sons Farm also grows Caribbean King Cantaloupes and mini personal seedless watermelons. In September and October, the farm grows, packs and ships fall vegetables.

“Partnering with Lipman was a perfect fit for us,” Sandifer said in a press release. “Our company values are very similar. We both take tremendous pride in food quality and safety, as well as providing our customers with the freshest and best tasting produce available.”

PRODUCE BAROMETER

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

January Calendar

- All Month**
Be Kind to Food Servers Month
- Third Week**
Healthy Weight Week
- January 21st**
Get to Know Your Customers Day
- January 22nd**
National Southern Food Day

Homestead, FL Weather

Thu Jan 14	Fri Jan 15	Sat Jan 16	Sun Jan 17	Mon Jan 18	Tue Jan 19
73° F	82° F	77° F	73° F	72° F	70° F
68° F	66° F	64° F	57° F	57° F	55° F
E 13 MPH	SSW 17 MPH	W 8 MPH	NNW 17 MPH	NE 13 MPH	NNE 13 MPH
Precip 50%	Precip 70%	Averages	Precip 40%	Averages	Averages
76° F/55° F	76° F/55° F	76° F/55° F	76° F/55° F	77° F/55° F	77° F/55° F





An Apple a Day
5 WAYS YOU'RE SABOTAGING YOUR WEIGHT-LOSS RESOLUTIONS

By: Jennifer Van Allen, www.washingtonpost.com, January 1, 2016

CONTINUED FROM LAST WEEK'S EDITION OF *On the Horizon...*

Your eating and exercise habits don't work

Any diet must support your exercise routine so you get adequate amounts of nutrients. Coaches say they see a lot of people attempting low-carb diets while training for endurance events like marathons, which often backfires. Carbs are the nutrient the body can most efficiently convert into energy. So trying to exercise without carbs "is like trying to drive your car with zero gas," says White. "People go to exercise, they have no energy, they hate it and get discouraged." Once you pick a workout routine or a sports goal, meet with a dietitian to customize an eating plan that will complement it.

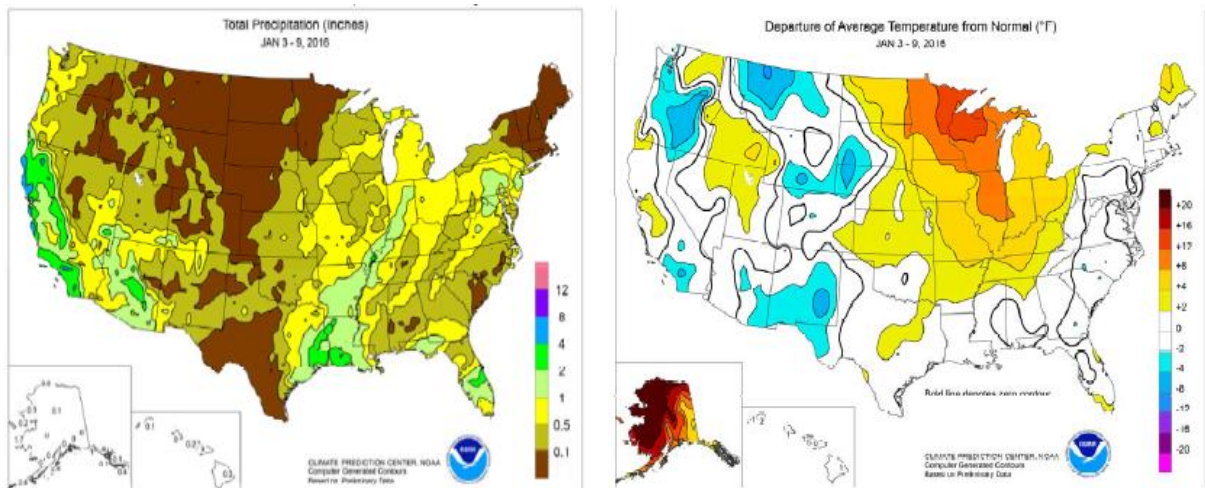
You go overboard with the energy bars

Grocery shelves are packed with sports bars that promise to deliver speed, strength and energy. Snack, nutrition and protein bars have become a \$6.2 billion market, according to Mintel, the Chicago research firm. And sales of performance bars geared to enhancing fitness and exercise have skyrocketed by 83% since 2009. Many of these products have calorie, sugar and fat profiles that rival conventional candy bars. Though these foods are designed for refueling during workouts of 60 minutes or longer, many people go overboard once they start working out. "People eat those products and figure 'that wasn't real food, now I have to go get a real meal,'" says McGlynn. "Meanwhile they just ate 500 calories." He encourages clients to focus on fruits, vegetables and grains for carbs; poultry, fish and lean red meat for protein; and nuts and avocados for fats. "Spend the calories on natural foods that we know have vitamins and nutrients that are beneficial," he says.

You overcompensate for calorie burn

Many people find that the more they exercise, the more they eat, either because the increased activity makes them hungrier or because they feel entitled to a donut after a tough workout. In a study published in the May 2014 issue of Marketing Letters, people who were told a two-kilometer walk was exercise ate 35 percent more chocolate pudding afterward than those who thought the same stroll was a "scenic walk." And it takes only minutes to eat back the calories burned on a 30-minute run. To avoid this, before your workout, prepare a post-workout snack that you can grab when you return — say some fat-free Greek yogurt and a piece of fruit, or some rice cakes with peanut butter. And find ways to make your calorie burn fun. Meet a friend for a run so your workout becomes a social hour. Download audiobooks and reserve your exercise time for entertainment. Most important, find a form of exercise that you genuinely enjoy. If you dread it, you're not going to do it.

NATIONAL WEATHER SPOTLIGHT
Weekly Precipitation and Temperature Deviation





Restaurant Industry News

6 WAYS TO ATTRACT MILLENNIALS TO YOUR RESTAURANT

By: Alison Leon, BFS Capital, www.fastcasual.com, January 7, 2016

You got to get 'em while they're young. The often-fickle, job-hopping Millennial generation is no less frenetic with their choices in restaurants as they are in their choices in careers. So getting them to try your restaurant isn't hard, but getting them to come back might be.

And as a recent Forbes article showed, Millennials have over \$200 billion in buying power, and will make up 75 percent of the workforce by 2025. The point is, attracting this picky generation now — before the stubbornness of old age sets in — is crucial. So how do you do it? Here are 6 ways to attract Millennials to your restaurant:

1. A creative menu

You don't necessarily have to put unheard-of combinations of ingredients on your menu. But you do need to use more interesting vocabulary in how you describe things. So instead of a "Burger with cheese, tomato, onion and mustard," describe it as "flame-broiled beef chuck/sirloin blend with fresh American cheese, local tomatoes and onions, and Dijon mustard."

2. High-quality ingredients

Millennials have shown they're willing to pay for quality ingredients. So if you are describing your menu with the verbiage above, make sure that's the true story. Put organic veggies and hormone/antibiotic free meats on your menu, and stress the origins so Millennials know they're buying local.

3. Customization

You know why every fast casual joint with franchising aspirations calls themselves "The Chipotle of Whatever?" Because that model works. Millennials love creativity, and nothing is more creative than being able to craft your own food. Chains like Counter Burger and Blaze Pizza have successfully banked on this, adding literally millions of combinations of proteins, veggies, cheeses and sauces to their own creations so Millennials can be fully involved in the culinary process. Keep a close eye on food trends to consider for your restaurant.

4. Social media hashtags

The quickest way to make sure your Millennial customers are promoting your restaurant on social media is by making it easy for them. Put your Twitter, Instagram and other social media handles clearly on every menu, along with any creative hashtags you might want to include.

5. Camera-ready food

The rise of technology has literally allowed us to share anything with anyone in the world at any given time. And what do most people choose to share? A picture of their lunch. But only if it looks good with an Instagram filter. So while presentation has always been important, you may want to take some shots yourself when preparing dishes to make sure they're the kind of thing that'll get at least, like, 50 likes

6. Tell a story

For better or for worse, to Millennials a restaurant isn't just a place to eat. It's like a friend you go and visit. And who wants a boring friend? Even if you're a former club DJ who's decided his life's passion is making donuts, let your customers know that. Your brand distinguishes your restaurant from its competitors, so make brand building a priority and a strength of your business. The more they have to say about your restaurant, the more they'll talk about it to their friends, and the more they will drive people to eat with you.

You want your restaurant to stay ahead of your competition, right? Well, keeping the preferences of the next generation of customers in mind is a great place to start. Depending on the type of restaurant business you run, some of these ideas may be a better fit than others. The most important thing is to show that you understand your customers and cater to their wants and needs. If you can do that, then the Millennials that visit your restaurant will eat, drink and be merry.

Mark Your Calendar & Pack Your Bags

April 3rd-6th, 2016

Restaurant Leadership Conference

JW Marriott Phoenix Desert Ridge Resort & Spa

Phoenix, AZ

www.restaurantleadership.com



April 17th-19th, 2016

PMA Women's Fresh Perspective Conference

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