



MARKET UPDATE

Tomatoes: Florida farms are fully back on track and have consistent tomato volumes available. The round sizing profile is moving up, with 5x6's offering the best availability this week. Roma numbers are light to moderate, which is "normal" for this time of year. Grape tomato harvests continue to chug along with quality improvements as growers transition into new fields. In general, tomato quality is nice, especially as plantings grow past the effects of cold weather.

Western Mexico's round and roma production are at solid, stable levels as the weather becomes more moderate and growers work through existing acreage. Cold weather has slowed grape tomato production slightly this week, but there's plenty of product available. Good quality is crossing on all varieties.

Bell Peppers: With both coasts in different stages of production, Florida farmers have the full range of pepper sizes available in moderate volumes. Overall quality has been good, but there have been some bruising concerns from the previous cold weather. Availability out of Mexico is a bit lighter this week due to cooler temperatures and stronger Eastern demand. Quality has been excellent with good shape and color.

Cucumbers: Honduras is right at the midpoint in its cucumber season and is providing Eastern markets with adequate volumes. Fruit quality has improved and is mostly good. Although this week's production out of Mexico is lighter, there's still more than enough product available to meet demand. Quality and shelf life have been really good.

Summer Squash: Although there are several areas working squash fields in Florida, volumes are light. Quality is varied and somewhat compromised throughout the state by the previous cold weather. Homestead's product has been more challenged than that coming from the west side, but all areas are dealing

with skin issues due to cold weather, the quick change from cold to warm weather, and growth rate changes. In Mexico, squash has hit its peak in production but we could see a dip in supply over the next 4-6 days as cooler temperatures move in. Zucchini production should pick back up after the cold passes, but yellow squash supplies will be light through February. Expect to see significant quality challenges on yellow until harvests move into Sonora at the end of February/first of March.

Green Beans: Florida's bean harvests have been held back by previous cold weather and volumes remain light. Aside from the occasional wind scar, quality is nice. Steady bean supplies are expected from Mexico for at least the next 7-10 days.

Eggplant: Eggplant production continues to be strong in Mexico. There's a flush of #2 product available this week as farms finish up older fields, but there's still plenty of retail-grade fruit out there as new blocks get underway. Florida farms look to see a bit more eggplant production as temperatures stay warmer over the next few weeks, but do not expect an oversupply. Fruit quality is mostly good, but there have been some skin concerns as with squash.

Hard Squash: Eastern markets continue to see minimal amounts of butternut coming in from Honduras, but are mostly pulling hard squash out of Mexico. In Mexico, the transition between growing areas is taking longer than expected and supply is somewhat light. However, more growers are expected to start up over the next two weeks, which will bring more fruit to market. Quality has been excellent on acorn and butternut. Spaghetti, as usual, has some mild scarring challenges but overall fruit quality is good.

Chili Peppers: Mexico growers continue to provide strong numbers and good quality on chili peppers.

TRANSPORTATION FACTS

*The National Diesel Average remained steady this week, holding at \$3.03 per gallon.

* The average price for a gallon of diesel fuel is \$.46 higher than the same time last year.

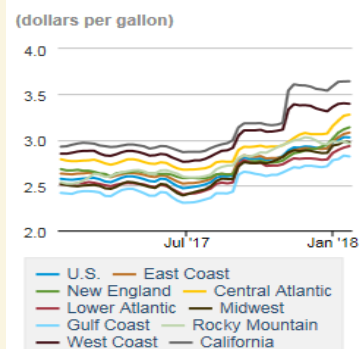
* Of the ten reporting zones, five saw price increases and five enjoyed lower costs. The most significant change came from the Rocky Mountains where diesel prices dropped almost \$.03 per gallon.

*California maintains its role as the high price leader for diesel fuel at \$3.64 while the Gulf Coast region continues to offer the best bargain at \$2.82 per gallon.

*The WTI Crude Oil price rose 0.78% this week, moving from \$63.97 to \$64.47 per barrel.

*Transportation remains challenging, expensive and short at Mexico crossing points but is adequate from Florida's shipping points.

On-Highway Diesel Fuel Prices



eia Source: Energy Information Administration

ON THE HORIZON CONTENTS

Restaurant Industry News- page 2

Veggie of the Week- page 3

News in the Grocery Trade - page 4

An Apple a Day- page 5

Produce Barometer- page 3

February Calendar- page 3

National Weather Spotlight- page 4

Pack Your Bags - page 5

RESTAURANT INDUSTRY NEWS

Why Now is the Time for Restaurants to Court Gen-Z

By: Kevin Valdez, www.qsrmagazine.com, January 2018

Recently, there has been a considerable push for restaurants to appeal to the millennial market in order to stay relevant and increase sales. While millennials dine out often, Gen Z (those born after 1995) should start taking more focus. These two groups are similar in their social media reliance, but there are certain aspects of Gen Z that make them prime targets for restaurants looking to build a loyal customer base.

Though young, Gen Z-ers spent \$78 billion at restaurants in 2016, and that's without spending a single dollar on alcohol (remember, they're not even of drinking age yet). A whopping 1/5 of Gen Z's budget goes to food at the moment, and they prefer to dine out in big groups, which means plenty of big-ticket tables for restaurants. It's not only that Gen Z likes to eat out, giving restaurants a boost in sales, they also share positive experiences, which is a free word-of-mouth campaign for restaurants.

Gen Z and the Sharing Culture

This generation follows food trends they see on social media. They don't experience a restaurant without their phone—whether it's to place an order ahead of time, read reviews, make a reservation, split the check, or post a post-meal review. Gen Z never experienced the day of walking into a restaurant not knowing what to expect.

Gen Z likes to simplify their dining experience using technology, and they enjoy experiences like ordering through tabletop tablets. Since this generation is more focused on Instagram, Twitter, SnapChat, and Tumblr (rather than Facebook), restaurants should know that good service and experience can spread quickly on those networks. Unfortunately, a Gen Z-er can

easily post a bad experience too, so owners should know that no matter what happens, this group will share on goings with corresponding photos to their massive lists of followers.

What does Gen Z Want in a Restaurant?

This generation is more adventurous than previous generations, and they enjoy fusions, global cuisines, and authentic ethnic foods. Gen Z-ers want to have an authentic experience with the culture, not just eat great authentic food—the atmosphere and service are equally important.

This group prefers fast-casual restaurants at a 50 percent greater rate than full-service restaurants.

Considering they grew up right behind penny-pinching millennials who graduated during the financial crisis, they are up for a bargain. But just because this generation wants a fast meal, doesn't mean they forget about nutrition. In fact, 67 percent of Gen Z care about the nutritional content of their food. "Fresh," "organic," and "sustainable" are great buzzwords to get Gen Z-ers in the door, but they expect full transparency when it comes to ingredients. They want to know exactly what they're digesting and care about the impact their meal has on the environment.

How to Reach the Gen Z Market

Gen Z cares about the food and the experience, so restaurants ready to capture this market should be sure to make eating out worthwhile. Part of that is using a dynamic, engaging social media campaign to get this market in the door. To really capture Gen Z's attention, marketing must directly appeal to them—and it's worthwhile since this group is definitely online following

new trends. In-restaurant technology options, such as using tablets to order from the table, also go over well with this generation.

Restaurants that want to cater to Gen Z should also try to diversify the menu. This generation is the most diverse in the United States yet, with only 54 percent of them identifying as Caucasian. The idea of "traditional American" food is changing, and for this generation "fusion" is absolutely booming.

Gen Z is socially conscious, so they are more likely to dine out at a place that has the same social conscious they do. Restaurants that give back or help to solve social problems in the local community will go over much better with these spenders.

Along with dining out in big groups, this is a sharing generation who loves snacks, appetizers, and street food; 42 percent of Gen Z-ers ask for street food on the menu where they go, so offering smaller portion options, especially ones that are authentic will most likely be popular. Restaurants that can give a trendy, fast, and inexpensive meal that offers full transparency to ingredients and calorie count are sure to succeed with Gen Z.

Gen Z is surprisingly already some of the biggest spenders in the food industry without spending anything on alcohol. With the love of creative fusion dishes that stay authentic to cultures, Gen Z should have the attention of all restaurants looking to bump up their social presence and in-house sales.

Veggie of the Week- Bell Peppers

Maturity Indices

Green Peppers: fruit size, firmness, color
Colored Peppers: minimum 50% coloration

Quality Indices

- Uniform shape, size and color typical of variety
- Firmness
- Freedom from defects such as cracks, decay, sunburn



Optimum Temperature

Peppers should be cooled as soon as possible to reduce water loss. Peppers stored above 7.5°C (45°F) suffer more water loss and shrivel. Storage at 7.5°C (45°F) is best for maximum shelf-life (3-5 weeks); peppers can be stored at 5°C (41°F) for 2 weeks, and although this reduces water loss, chilling injury will begin to appear after that period. Symptoms of chilling injury include pitting, decay, discoloration of the seed cavity, softening without water loss. Ripe or colored peppers are less chilling sensitive than green peppers.

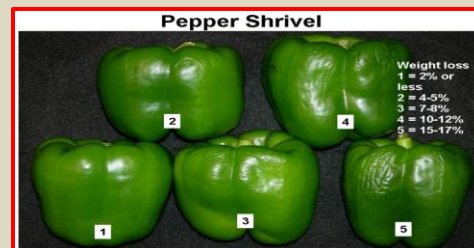
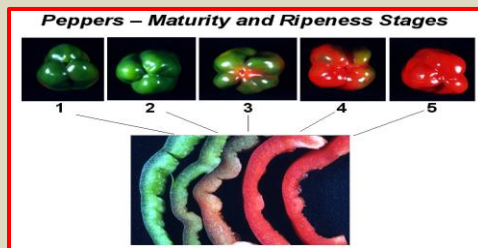
Physiological and Physical Disorders

Blossom End Rot. This disorder occurs as a slight discoloration or a severe dark sunken lesion at the blossom end; it is caused by temporary insufficiencies of water and calcium and may occur under high temperature conditions when the peppers are rapidly growing.

Pepper Speck. This disorder appears as spot-like lesions that penetrate the fruit wall; cause is unknown; some varieties are more susceptible than others.

Chilling Injury. Symptoms of chilling injury include surface pitting, water-soaked areas, decay (especially *Alternaria*), and discoloration of the seed cavity.

Mechanical damage. (crushing, stem punctures, cracks, etc.) This is very common on peppers; physical injury not only detracts from the visual quality of the peppers but also causes increased weight loss and decay.



Cantwell, M. 1996. Bell Pepper: Recommendations for Maintaining Postharvest Quality.
http://postharvest.ucdavis.edu/Commodity_Resources/Fact_Sheets/Datastores/Vegetables_English/?uid=&ds=799

PRODUCE BAROMETER

ITEM	QUALITY	PRICING
Bell Pepper	Good	Steady
Cucumber	Good	Steady
Eggplant	Good	Steady
Green Beans	Varied	Steady
Jalapenos	Good	Steady
Onions	Good	Steady
Squash	Varied	Steady
Tomatoes	Good	Steady



FEBRUARY CALENDAR

February-All Month

American Heart Month

February 1st-7th

Women's Heart Week

February 1st

Change Your Password Day

February 4th

Super Bowl LII

National Homemade Soup Day

Facebook's Birthday

Estero, FL Weather

Fri Jan 26	Sat Jan 27	Sun Jan 28	Mon Jan 29	Tue Jan 30
76°F	79°F	79°F	76°F	73°F
57°F	63°F	63°F	53°F	57°F
ENE 17 MPH	E 14 MPH	ESE 14 MPH Precip 60%	N 13 MPH Precip 40%	NNE 14 MPH

NEWS IN THE GROCERY TRADE

How Gen Z and Millennials are Driving Growth in Groceries

By: Gina Acosta, www.retailleader.com, January 19, 2018

Generation Z and Millennials are buying more groceries than other generations, according to a new report. New research from Acosta provides insight into how each generation is changing the grocery landscape and how brands and retailers should adapt. "Life stage dictates spending, putting Gen X on top for now, but Millennials will likely take over that spot within the next decade while Gen Z emerges as an influencer in grocery spending," said Colin Stewart, Senior Vice President at Acosta. "As we kick off 2018, it is vital that brands and retailers not only understand what influences each generation's shopping habits now, but how demand will change as generations move into different phases of life."

Acosta's *The Why? Behind The Buy* includes a comprehensive breakdown of each generation with key statistics from each life stage:

Gen Z: Emerging Influencers (Ages 12-21; Gen Z Shoppers Ages 18-21)

- Not being in the working world yet, Gen Z shoppers (18-21) reported spending the least on groceries each month, averaging \$269.
- Gen Z has never experienced life without the internet and 42 percent of Gen Z shoppers indicated they use a digital grocery list.
- Gen Z and Millennial shoppers averaged the most grocery shopping trips each month across generations, with Gen Z making 4.5 routine grocery trips a month.

Millennials: Selective Spenders (Ages 22-36)

- Millennial shoppers spend an average of \$298 monthly on groceries.
- This generation is not yet brand loyal — 48 percent agreed they don't care which brand they buy, and will switch when they find a better deal.
- Sixty percent of Millennial shoppers use mobile apps for grocery coupons or discounts, significantly higher than any other generation.
- Forty-six percent of Millennial shoppers have children under 18 in their household. Millennial parents spend an average of over \$100 more per month on groceries than Millennials without children.

Gen X: Spending Big & Digital Adapters (Ages 37-52)

- Gen X shoppers reported spending the most each month on groceries, averaging \$380.
- Many Gen X shoppers have embraced digital grocery tools — 70 percent reported redeeming a digital or mobile grocery coupon within the past month.
- Two-thirds of Gen X shoppers indicated they enjoys preparing new dishes and 60 percent agreed they often check out new items in a grocery store.

Boomers: Still Driving Change (Ages 53-71)

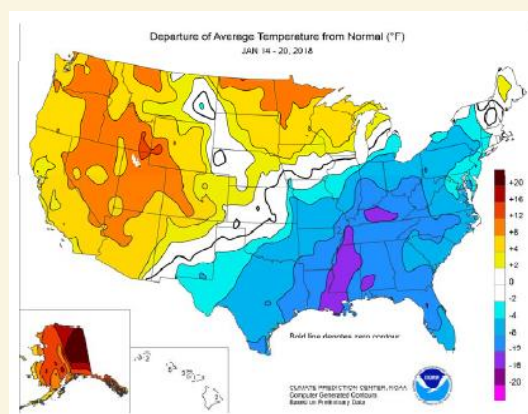
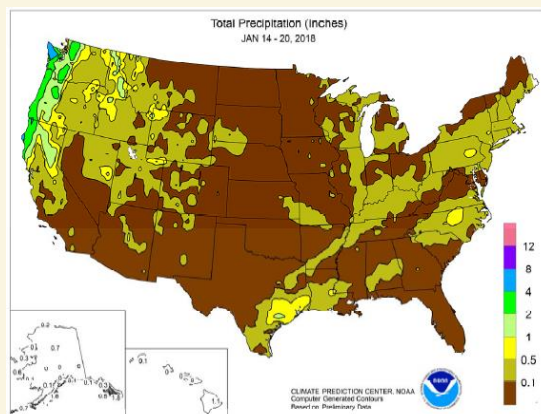
- While this generation is down-sizing, they still spend an average of \$314 each month on groceries.
- Boomer shoppers are brand loyal, and are buying 82 percent of the same brands that they bought in the prior year.
- These shoppers are also loyal to their grocery stores — 93 percent of Boomers reported shopping most often at the same grocery retailer as last year.

Silents: Spending on Groceries (Ages 72+)

- Silent shoppers reported spending an average of \$287 monthly on groceries, which also reflects the highest household grocery spending per person across all of the generations.
- This generation also spends the least amount of their total monthly food budget on eating out.
- Silent shoppers focus on value and are big redeemers of coupons, as nine in 10 reported redeeming a paper coupon for a grocery item within the past month.

NATIONAL WEATHER SPOTLIGHT

Weekly Precipitation and Temperature Deviation



AN APPLE A DAY

Webinar Suggests Produce Marketers Focus on Emotion

By: Ashley Nickle, www.thepacker.com, January 23, 2018

Focusing on happiness rather than health benefits could help marketers sell more fruits and vegetables, according to University of Pennsylvania behavioral scientist Jason Riis. When produce is positioned foremost as nutritious, duty rather than desire is generally the reason for eating — and that does not necessarily bode well for the category. “Health and health outcomes are great, but they are long-term benefits that can take decades to achieve,” Riis said Jan. 23 during a Produce for Better Health Foundation webinar on increasing produce consumption. “Emotion is immediate and as such provides immediate reward. Marketing and communications need immediate appeal.”

In the absence of emotional motivation, action is driven primarily by self-control, and discipline is possible but difficult. “Either in our marketing strategies or in our clinical strategies, we don’t want to impose so much self-control on our consumers,” Riis said. “Self-control is not the path to behavior change, but emotions might be, and this is where I think we have a real opportunity.”

Riis gave the example of a recent Coca-Cola commercial that asked how people measured happiness and showed clips of different fun activities with Coke along for the ride. “The point that they’re making here is that happiness is a vague thing, but that it can be measured and we know it when we see it,” Riis said.

Research points to the idea that attaching positive emotions to products is more effective than explaining that the products are good for consumers. “When people feel proud of things that they have done or tried, they are much more likely to persist in efforts to do those things again,” Riis said. “Creating those feelings of pride is easier to do than creating just raw willpower and self-denial.”

Connecting produce to positive emotions — love in sharing traditional dishes, satisfaction in preparing healthy food for loved ones, excitement in trying new or spicy dishes — can create motivation that is short-term rather than long-term. “They don’t have to wait,” Riis said. “These emotions are as far away as the next meal.”

New research from the PBH shows plenty of room for growth in consumption, with the average person falling short by about one cup per day. The organization also found a correlation between eating produce more frequently and reporting higher levels of happiness and life satisfaction. Benefits of fruit and vegetable consumption include pride in making healthy choices, feeling good in daily activities, avoiding physical ailments, having confidence in future health, and enjoying a more positive outlook, according to a summary of the research by PBH.

The organization plans to tap into emotions in its marketing by using the hashtag #morehappinesismatters, a nod to its trademark phrase Fruits & Veggies — More Matters, along with photos of happy-looking people with produce.

This article has been edited for content. To see the full article, go to <https://www.thepacker.com/article/webinar-suggests-produce-marketers-focus->

<p>MARK YOUR CALENDAR PACK YOUR BAGS!</p> <p>February 20, 2018 PMA Fresh Connections: Technology Hilton St. Petersburg Bayfront St. Petersburg, FL www.pma.com/events/fresh-connections-technology</p> <p>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!</p>	<p>CREATED BY LIPMAN FOR OUR VALUABLE CUSTOMERS</p> <p>Visit our website... www.lipmanfamilyfarms.com</p> <p>Follow us</p> <p>Questions or comments about the newsletter? Contact: joanna.hazel@lipmanproduce.com</p>