MARKET UPDATE

Tomatoes: South Florida growing areas continue to have consistent production of round, roma, and grape tomatoes despite a weather system that passed through the area in the past week. All sizes of rounds are available, although some growers are heavy into crown picks and are short on smaller sizes. Quality remains good, but effects of recent weather may show on fruit in the coming weeks. Cooler temperatures this weekend will slow production for next week, but volumes should pick back up as the temperatures return to more normal levels. As we look forward into March, fruit sets may be lighter due to bloom drop from the recent winds.

Western Mainland Mexico's weather is back to normal, allowing growers to offer good supply and production of all field tomato varieties. Round availability is heavier to bigger fruit, as many growers are picking from new fields. Romas are plentiful and quality is good, as long as the fruit is fresh. Grape tomato volumes are strong, but quality is varied from grower to grower. Inconsistent color and black spots are some of the concerns that have been reported. Barring any unexpected weather, tomato supply out of Mexico should remain steady through mid-late February.

Bell Peppers: Bell peppers remain plentiful throughout the country this week, as both Florida and Mexico have good volumes and all sizes available daily. Florida's fruit quality is good now, but may begin to show weather effects in another 7-10 days. Supply is expected to tighten up somewhat in 2-3 weeks due to bloom drop from the recent weather system. Overall quality is nice out of Mexico, but there are a few turners and some bruising in lots crossing this week.

Cucumbers: Mexico's cucumber supplies have increased this week as growers enter new production blocks. Overall quality has been very nice and the supply outlook is good for the next few months. The East is pulling cucs from Honduras, where volume was a little lighter than normal this week. Quality is average on the import product.

Summer Squash: Squash remains very snug this week, as new crops in both Florida and Mexico have been slow to come on. Florida's squash production is likely to remain less than desired for the immediate future as plants were damaged in the recent wind event. Quality is fair on the limited amount of available fruit, primarily due to wind scarring. Mexico should be back to more normal production levels sometime in the next 7-14 days.

Green Beans: Florida's green bean numbers continue to be good, although wind scar and decay are starting to be concerns on some lots. Mexican growers are offering a steady supply of product despite depressed market conditions.

Eggplant: Eggplant supplies are light in the East as there are less growers in the mix. Like other veg items, quality is good now, but may show weather impacts in the near future. Steady supply and good quality is available daily from Mainland Mexico.

Chili Peppers: With more acreage planted and optimal growing conditions, there is a plentiful supply of all chili pepper varieties available this week out of Mainland Mexico. Quality is very nice as long as the fruit is fresh.

Hard Squash: Mexico's hard squash crops continue to flourish with a consistent supply of acorn, butternut and spaghetti. Inventories have finally cleaned up, improving quality significantly. The only product concern now seems to be light color on acorn and spaghetti.

TRANSPORTATION FACTS

* The National Diesel Average fell almost $.02 this week, moving from $2.59 to $2.57 per gallon.

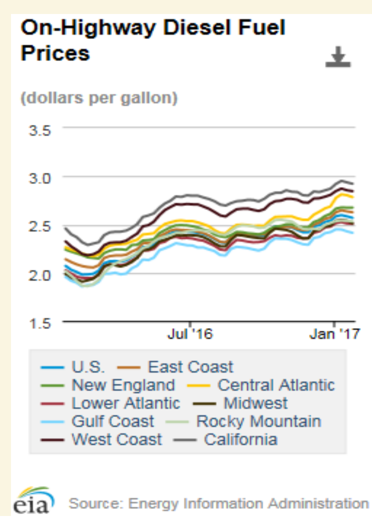
* The average price for a gallon of diesel fuel is $.50 higher than the same time last year.

* New England's diesel price remained stable, while all other reporting areas enjoyed decreases of up to $.02 per gallon.

*California remains the high-price leader for diesel fuel at $2.92 while the Gulf Coast region continues to offer the best bargain at $2.41 per gallon.

* The WTI Crude Oil price dropped slightly (less than 1.0%) this week, moving from $52.48 to $52.75 per barrel.

* Overall, there are adequate numbers of trucks to meet transportation needs throughout the country this week.



ON THE HORIZON CONTENTS

NEWS IN THE GROCERY TRADE

The Rise of New Retail Models

By: David Diamond, www.progressivegrocer.com, January 25, 2017

A variety of entrepreneurs have taken credit for the invention of the supermarket in the late 1920's and early 1930's. I will let the various historians and marketers stake their claims (for the record, the FMI recognizes Michael Cullen's first King Kullen store in Queens, New York in 1930 as the first supermarket, but others, using different criteria, disagree), but what seems clear is that the combined pressures of modernization and the great depression moved retailers to move from a high-service, goods behind the counter environment to a more diverse, self-service model. By the end of World War II the self-service model had established itself and become the standard approach for modern retailers.

The remarkable thing is how durable this model has been. While it is true that much changed in the retail world between 1945 and 2005, the essential model of each store becoming larger and more self-service continued unabated. Over that 60-year period stores became bigger, came to include more categories, and asked their customers to do more and more of the work, all in exchange for offering a greater variety of products and significantly lower prices. These trade-offs were generally quite appealing to consumers, who liked the convenience of one-stop shopping and loved the significantly lower prices offered by stores as they grew in size.

But starting around the turn of the last century, a variety of changes started to change the retail model in very fundamental ways. And for the first time in many years, we are now looking at changes in the retail landscape, which not only build on the current model, but also undermine it in certain ways. I recently spent some time at the NRF trade show in New York City, and was struck at how some of the proposed new products for retailers didn't just move the process of innovation forward but actually changed its direction.

An important place to begin this discussion is to recognize the reappearance of smaller, more specialized stores. Across the country, one-stop shopping is beginning to fade, as shoppers supplement their primary supermarket shopping with visits to the Farmer's Market, the local Butcher and other specialty stores. In the last 20 years, the momentum has shifted away from the consolidation of all departments into the giant mega-store and towards the appreciation of the value of specialists -- great farmers, butchers, bakers and artisanal craftspeople of all kinds. I may still go to the supermarket or super-center for canned tuna and laundry soap, but I may look elsewhere for homemade bread and local seafood.

Return of Specialty Stores

However, this return of specialty stores is just the beginning. Once consumers begin to look beyond the mega-store for everything, many options arise, and the advent of e-commerce plays neatly into this instinct. It has taken a long time for e-commerce to make significant inroads into the grocery business, but that dam seems about to break in a number of ways.

First, the two biggest issues related to "internet groceries" are very effectively solved by the "click and collect" model now becoming popular. Since the first manifestations of online groceries in the mid-1990s, the two biggest hurdles to mass success have been the cost of home delivery and the desire of consumers to select certain goods themselves. They may trust their grocer to select Pepsi, but they want to pick out their own steaks. Click and collect solves both of these problems. The customer pick-up greatly reduces the costs while allowing the consumer to reserve a few items for self-selection. It appears that this model has some real momentum and could be the long awaited way to make Internet grocery ordering a mainstream activity.

Beyond click and collect, there are a variety of other new, technology driven approaches, which leverage both technology, and the emerging willingness of shoppers to buy different things in different places. Foremost among these is Amazon Subscribe and Save, which allows the consumer to identify the few items they know that they want every month, and "subscribe" to them at a discounted rate. I have done this for about six items, and I have become a real believer in the approach, especially for hard-to-find items.

At the NRF show, I saw an even newer technology, being offered by a company called Smart Commerce, which allows product manufacturers to embed in their ads a click through button, which directly deposits the advertised product into the shopping cart of the consumer on the consumer's preferred e-commerce site, cutting about three steps out of the ordering process. It is another approach that serves to drive consumers away from "one-stop" shopping and toward "best of breed" shopping, by product and by category.

New Definition of 'Progress'

And this is all just a sampling of all of the various new ways of shopping. The point is not to discuss them all, but rather to comment on the reality that the definition of "progress" has really changed.

From 1945 until about 1995, "progress" in retail could be measured along a straight line from small stores to big stores, from smaller assortments to larger ones, from fewer departments and categories to more departments and categories. From the first King Kullen to the latest Walmart Supercenter, progress has manifested itself in far more diverse ways, including new stores, specialized stores, web-based stores and hybrid retail models.

The critical take-away is that not only does retail continue to evolve, but that this evolution has become a more diverse, disorganized process.

LIPMAN IN PICTURES

Here are some of the fantastic photos that have been submitted for the January Lipman Photo Contest!

Lipman's Angels
Submitted By: Claudia Rivera

Employee Appreciation Lunch at Tomato Packing House
Submitted By: Kimberly DeLeon

Rise and Shine
Submitted By: Jesus Gutierrez

Cravo Eggplant is Ready to Roll
Submitted By: Scott Rush

PRODUCE BAROMETER

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

FEBRUARY CALENDAR

All Month
American Heart Month
First Week
Solo Diners Eat Out Week
Pride in Food Service Week
February 4th
National Homemade Soup Day
February 5th
Super Bowl Sunday

Immokalee, FL Weather

Fri Jan 27	Sat Jan 28	Sun Jan 29	Mon Jan 30	Tue Jan 31	Wed Feb 1
75°F	66°F	64°F	70°F	72°F	75°F
48°F	46°F	48°F	45°F	50°F	54°F
W 9 MPH	N 11 MPH	NNE 6 MPH	NNW 8 MPH	N 8 MPH	NNE 5 MPH
Precip 20%		Precip 40%			

RESTAURANT INDUSTRY NEWS

Study: Getting Lightest Restaurant Users to Visit More is Key to Increasing Sales

www.qsrmagazine.com, January 26, 2017

If just half of the country's lightest restaurant users made one more visit per year, the industry would see a $1.1 billion increase in sales, according to a report from NPD Group.

The report is based on NPD's receipt mining service and its ongoing foodservice market research. It delves into the reasons consumers have cut back on restaurant visits and which frequency of user has cut their number of dinners out the most. According to the research, 75 percent of consumers who have cut back on eating out say they watch how they spend their money on most or all purchases. Many of these respondents think restaurant prices are too high, according to the report.

Heavy restaurant users who typically visit restaurants three or more times per week, cut back visits most, according to the study. This user group's visit reduction was a major factor in traffic growth coming to a halt, said the news release.

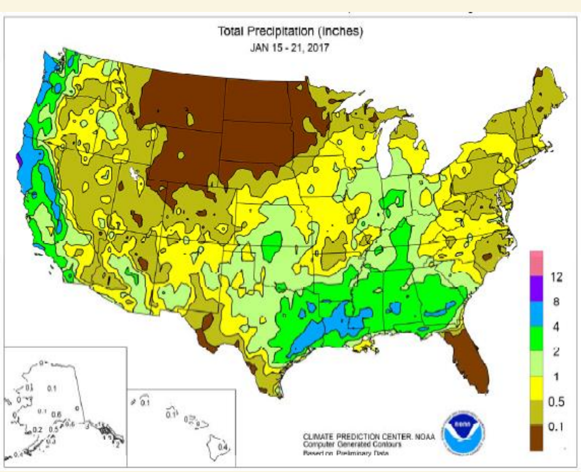
Super-light and light users, who visit restaurants once or less a week, were cited as extremely valuable customers in the report. Combined, the two groups account for 47 percent of all restaurant customers in a year, and they spend more per visit than heavy users.

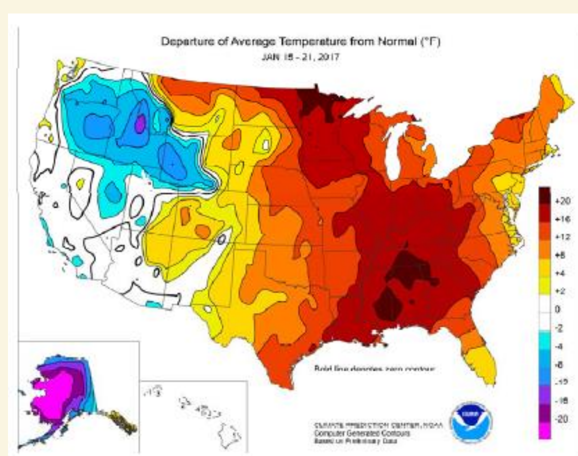
In the news release, NPD Group said that its determined that if half of light users made just one more restaurant visit each year, it would drive an incremental sales increase of $1.1 billion. NPD said restaurants can entice these users to visit more with regular discounts and, more importantly, discounts of their choosing.

"Many restaurant operators have spent much of their resources and time in rewarding heavy buyers," NPD restaurant industry analyst and report author, Bonnie Riggs, said in the news release. "It's important to continue recognizing heavy buyers, but to grow their business operators need to increase visit frequency from all user groups, including light and super light users."

NATIONAL WEATHER SPOTLIGHT

Weekly Precipitation and Temperature Deviation





KEEP YOUR EYE ON THE CONSUMER

NRF Says Consumers Will Spend $14.1 Billion on 2017 Super Bowl

By: Rebekah Marcarelli, www.groceryheadquarters.com, January 25, 2017

American consumers will spend an average of $75 for a total of $14.1 billion as an estimated 188.5 million watch the Atlanta Falcons face the New England Patriots in Super Bowl LI on Feb. 5, according to the National Retail Federation's annual Super Bowl Spending Survey conducted by Prosper Insights & Analytics. Viewership is about the same as last year's 188.9 million but the spending is down from an average of $82 and a total of $15.5 billion.

"With the holidays past us, consumers are looking forward to spending time with friends and family for some good old-fashioned fun to celebrate the big game," NRF president and CEO Matthew Shay says. "Retailers will help fans prepare by making sure they are well stocked on decorations, party food, accessories and other Super Bowl necessities."

Of the 76 percent of those surveyed who plan to watch the game, 80 percent say they will purchase food and beverages, 11 percent will buy team apparel or accessories and 8 percent will splurge on new televisions to watch the game at home.

According to the survey, the 45 million people hosting a Super Bowl party should expect a full house, with 27 percent of those surveyed planning to attend a party to celebrate the big game. Bars and restaurants can also expect a good turnout with 12.4 million people planning to head out to watch at their favorite local spot. Over 43 percent of viewers say the most important part is the game itself, 24 percent cite the commercials,15 percent want to hanging out with friends, and 12 percent of say the half-time show is their top highlight.

The survey also found that 78 percent of viewers watch the commercials for entertainment and 18 percent say they make them more aware of the advertiser's brand, but only 10 percent say the commercials influence them to purchase products. Sixteen percent say advertisers should save their money and pass the savings along to the consumers, and 10 percent say the commercials make the game last too long.

"As a favorite American past-time, the Super Bowl is a great chance for viewers to reconnect with friends and family after having a nice break after the holiday season," prosper principal analyst Pam Goodfellow says. "Even though the number of viewers is slightly down this year, plenty are still planning to enjoy the day by watching it at their favorite bar or friend's place, wearing their lucky jerseys and hoping their favorite team wins.

The survey, which asked 7,591 consumers about their Super Bowl plans, was conducted Jan. 4 -11 and has a margin of error of plus or minus 1.1 percentage points.

MARK YOUR CALENDAR & PACK YOUR BAGS!

March 5-10, 2017
United Fresh's
Produce Executive Development Program
Cornell University
Ithaca, NY
www.unitedfresh.org/events

March 9-11, 2017
Southeast Produce Council's Southern Exposure 2017
Walt Disney World's Dolphin Resort
Orlando, FL
www.southernexposure.seproducecouncil.com
Join Lipman at Booth 1400!

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