



## MARKET UPDATE

**Tomatoes:** Eastern tomato production is beginning to spread out, as is the norm for Summer months. Virginia is up and running with good quality and sizing options on mature greens. However, vine-ripe production areas (TN, NC, AL) have been slow to come into round and roma volumes due to sluggish weather. Grape tomatoes are just getting started in North Carolina and Virginia. We should see better production in these areas over the next week or so.

Western markets are looking to California farms for mature green fruit and Mexico's growing areas for vine-ripe tomatoes. California's round and roma volumes are expected to remain steady for the next few weeks before declining for a period in August due to bloom drop. Heat is taking a toll on fruit and operations, but overall quality remains up to par. Eastern Mexico continues to offer moderate volumes on both rounds and romas, while Baja is seeing lighter supply and smaller fruit this week as growers work through Summer acreage. Grape tomatoes are available in consistent volumes from Baja.

**Bell Peppers:** Despite local deals in several states working bell peppers, availability continues to be snug in the East. Michigan is expected to start in 10-14 days which will provide a much-needed influx of product to the market. Western supply is also short this week. Fresno farms have worked through 1<sup>st</sup> picks and are struggling with high cull rates and limited harvest hours on 2<sup>nd</sup> picks due to high temperatures. Brentwood and Gilroy are both on tap to begin next week but may face some of the same challenges.

**Cucumbers:** Baja's cucumber volume has strengthened with good quality and all sizes readily available. Eastern supply has also improved as we're now seeing stronger numbers

out of Michigan. New Jersey, New York, and other small local deals are also adding to the mix.

**Summer Squash:** With numerous areas in production, squash volumes are adequate in the East. However, good-quality yellow squash is quite challenging, as many areas have experienced weather-related crop concerns. The West has three California areas in production- Santa Maria, Fresno, and Watsonville. Supply should remain solid for at least the next few weeks.

**Eggplant:** Extremely hot temperatures are affecting eggplant production in Fresno. Stockton is expected to begin harvests within the next week, which should improve availability. Although there are a few in the Carolinas and New Jersey, eggplant volumes have lightened up in the East. There should be a little more product available in the next few weeks as small local deals and more Northern growing areas get started.

**Green Beans:** Green bean volumes are finally improving in the East. Virginia's farms have worked through skips and Michigan is now beginning to ship product. Tennessee and Carolina farms are also seeing better production. Western markets are seeing good numbers out of Brentwood, Watsonville and Orange County, California.

**Hard Squash:** Hard squash is tough this week in both Eastern and Western markets. The West is waiting for California's Central Valley to really get going, while the East has only a few local deals to source from until Michigan gets up and running in August.

**Chili Peppers:** With minimal volumes from California and Baja, Mexico in transition, chili peppers are especially short in the West this week. Eastern volumes are generally light this time of year, as supply is primarily based from small local deals that are spread out.

## TRANSPORTATION FACTS

\* The National Diesel Average rose slightly this week, moving from \$2.47 to \$2.48 per gallon.

\* The average price for a gallon of diesel fuel is \$.07 higher than the same time last year.

\* The Midwest and West Coast areas drove the average price increase this week. Other reporting zones remained relatively steady, with only slight increases or decreases of less than \$.01 per gallon.

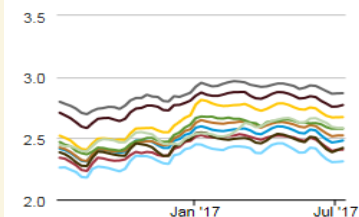
\* California remains the high price leader for diesel fuel at \$2.87 while the Gulf Coast region continues to offer the best bargain at \$2.31 per gallon.

\* The WTI Crude Oil price rose 2.1% this week, moving from \$45.13 to \$46.08 per barrel.

\* Adequate numbers of trucks are available in most active shipping areas throughout the country this week.

### On-Highway Diesel Fuel Prices

(dollars per gallon)



— U.S. — East Coast  
— New England — Central Atlantic  
— Lower Atlantic — Midwest  
— Gulf Coast — Rocky Mountain  
— West Coast — California

cia Source: Energy Information Administration

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## RESTAURANT INDUSTRY NEWS

### Study on Independent Brands: Only the Strong Survive, but They Also Thrive

[www.fastcasual.com](http://www.fastcasual.com), July 11, 2017

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Staying independent is a pretty rough game for U.S. restaurateurs. Still, survival is not only possible but also relatively profitable for solid concepts with equally solid leadership, according to global information company, NPD Group.

In its latest analysis of this relatively small segment of the food service industry, NPD found that independent restaurant visits dropped 3 percent in Q1 2017 compared with Q1 2016, a news release said.

The declining number of visits resulted from a 4 percent drop in independent restaurant unit count, NPD said, but added that since the number of visits fell only 3 percent over that same period, it's clear that the 323,456 stalwart U.S. independents remaining in the game are actually growing their domestic business.

To highlight the relative "wealth" of surviving independents, NPD

cited data showing that independents are doing well enough to boost their overall dollar spend with broadline food operators by 2 percent, with the number of cases ordered up slightly in Q1 2017 from last year.

"However you define 'independent' restaurants, the macro environment is not generating demand growth," NPD Vice President of Industry Analysis David Portalatin said in the release. "But even in this challenging environment there are many examples of major chains, microchains, and independents that are thriving because they have a differentiated experience, superior quality and excellence in execution. These fundamentals are key to restaurant success at every segment of the industry and in any macroeconomic environment."

In fact, NPD found that some independents are expanding into microchain status, defined as having between three and 19 units. And the number of microchains is growing, an important sign because these smaller

groups tend to innovate many new trends in areas of food served and customer experience, according to NPD. The research revealed that microchain case orders from broadline foodservice distributors grew 3 percent in Q1 2017 over the same period last year.

However, comparing the growth of independents with that of big chains provides little insight into the overall state of either category, according to NPD Group. Major chains comprise 64 percent of restaurant industry traffic, while those brands with one or two units are just a sliver at 22 percent of overall visits.

So while major chain visits grew 1 percent in Q1 2017 and independent visits dropped 3 percent, it's a David and Goliath comparison that is hard to draw any immediate conclusions from. For spending too, independents were flat, while major chain spending grew 3 percent over that same period, the company said.



## LIPMAN LOCAL IN PICTURES

This week's featured farm is Perez Brothers in beautiful Hendersonville, North Carolina! Their season has started off well and they are currently harvesting tomatoes, bell peppers, and jalapenos.



Ebilio Perez shows us the beautiful grape tomatoes from his fields.



Eggplant is coming on strong at Perez Brothers farm!



Perez's roma tomato plants are loaded with fruit.



What a beautiful pepper field!

### PRODUCE BAROMETER

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



### JULY CALENDAR

#### All Month

National Pickle Month  
Cell Phone Courtesy Month

#### July 16<sup>th</sup>

National Personal Chef's Day

#### July 20<sup>th</sup>

National Get to Know Your Customers Day

#### July 21<sup>st</sup>

National Junk Food Day

### Hendersonville, NC Weather

Fri Jul 14	Sat Jul 15	Sun Jul 16	Mon Jul 17	Tue Jul 18	Wed Jul 19
86°F	82°F	82°F	84°F	84°F	86°F
68°F	66°F	68°F	70°F	68°F	70°F
VNW 7 MPH	NNV 5 MPH	NNV 5 MPH	NV 2 MPH	NV 3 MPH	NNV 3 MPH
Precip 40%	Precip 50%	Precip 40%	Precip 40%	Precip 30%	Precip 10%



## KEEP YOUR EYE ON THE CONSUMER

### Survey Explores How Consumers Shop Online

By: Ashley Nickle, [www.thepacker.com](http://www.thepacker.com), July 12, 2017

Many consumers do not browse when they shop for groceries online, a dynamic that may be a challenge for retailers, a recent survey found. Search bars and order history take shoppers directly to the items they plan on purchasing, and consumers are taking advantage.

"In-store shoppers must necessarily move from one item to the next, browsing whether intentionally or not," market research firm TrendSource said in its 2017 Grocery Industry Report. "This provides grocers with ample opportunity to increase spend by strategically distributing promotions, similar items and impulse items throughout the store. The same is not true for many online shoppers."

Less than 15% of those surveyed said that browsing virtual aisles is their primary way to find items. Order history and the search bar were used most often.

Participants deemed recommendations by retailers as least useful — unless the prices on those items were lower than normal.

"Sales are basically recommendations coupled with a lower price point, but shoppers aren't going to settle for half the deal," TrendSource said in its report. "If you want them to take notice, you have to mark it down."

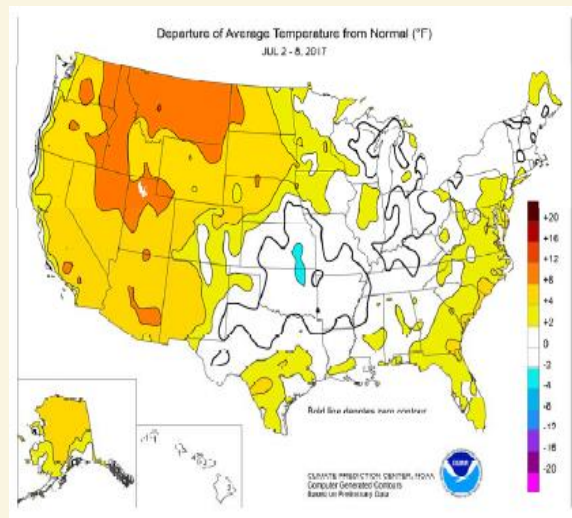
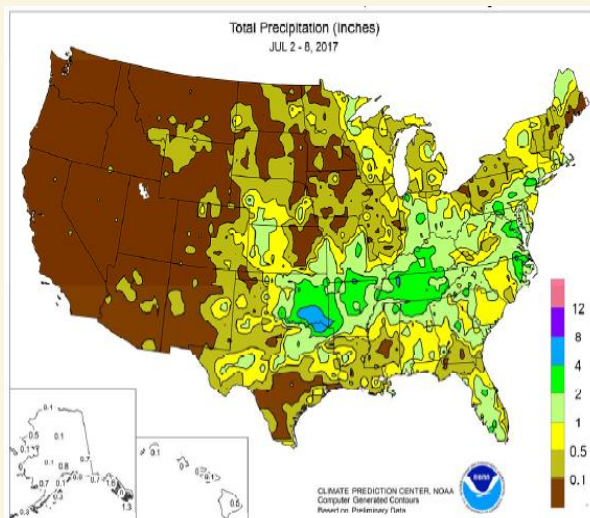
The survey found that shoppers are still much more willing to purchase dry goods online than they are to purchase perishables. However, consumers shopping online from their local grocer — as opposed to Amazon, Instacart, Jet or other third parties — were more willing to buy perishables.

"Perhaps shoppers find comfort in knowing their items are only traveling a short distance or perhaps they have more faith and trust in their familiar grocery vendors," TrendSource said in the report. "Regardless, across produce, dairy, meat/seafood, and baked goods, shoppers utilizing local grocery delivery options were twice as likely to order online."

In addition, more than half of those surveyed, across age groups, said they prefer to order groceries online from a local store versus an online-only vendor.

## NATIONAL WEATHER SPOTLIGHT

### Weekly Precipitation and Temperature Deviation



## NEWS IN THE GROCERY TRADE

### Digital Encourages Basket-Building: Report

[www.progressivegrocer.com](http://www.progressivegrocer.com), June 22, 2017

Digital adoption is growing in retail, and that's good news for retailers on the basket-building front: According to new research from New York-based firm WSL Strategic Retail, a quarter of shoppers who use digital devices add more products to their purchases.

The report, "The Shoppers' Guide to Restructure Retail," notes specifically that one-third of click-and-collect and digital coupon users said they buy more, while 39 percent of subscription service users said the same. Click-and-collect, digital coupons and subscription services are just two of the eight super-digital shopping tools that the report gauged in terms of shopper usage. While these tools make shopping easier, less stressful and faster, they also are restructuring shopper expectations.

"Retail and brand marketing have been forever disrupted by digital tools that have reshaped shopping trips. That's no surprise to many," said Wendy Liebmann, CEO of WSL Strategic Retail. "However, what is surprising is that they are also the foundation of how to restructure and improve retail because they solve fundamental issues that retailers have struggled with for decades."

The report goes on to note, however, that fewer than 20 percent of shoppers use such tools as click-and-collect (15 percent) and subscription services (12 percent). Fortunately, these services show the greatest potential for growth: Almost all digital shopping tools, with the exception of personalized offers, generated satisfaction ratings of nearly 80 percent or higher.

While many retailers are growing sales through digital channels, the research suggests that they also have the opportunity to "restructure sales" in physical stores as well, if they take advantage of these digital tools to influence behavior and generate loyalty among shoppers.

WSL identified six essential truths that retailers and manufacturers need to consider:

- Digital is not about disruption – it is about enabling and satisfying shoppers.
- Sales recovery opportunities are plentiful using digital tools. For example, 40 percent of click-and-collect shoppers said that they also go into the store to shop – often on the same trip.
- While a digital service appears to work for only some product categories for now, it has the potential to pull other categories along with it as shoppers' expectations change.
- Digital tools are reshaping the traditional trip framework. They've changed shoppers' view of what it means to stock up, fill in and make quick trips.
- Personalization needs to be better personalized. Most shoppers don't feel offers are truly for them.
- Nothing goes away. Sure, digital is the future, but lots of shoppers still prefer paper circulars and walking the aisles.

	
<p><b>MARK YOUR CALENDAR &amp; PACK YOUR BAGS!</b></p> <p><b>July 28-30, 2017</b>  PMA Foodservice Conference &amp; Expo  Portola Hotel and Spa  Monterey, CA  <a href="http://www.pma.com/events">www.pma.com/events</a>  <i>Come visit Team Lipman at Booth 217!</i></p> <p><b>September 28-30, 2017</b>  Southern Innovations Organics &amp; Foodservice Expo  Westin Hilton Head Island Resort  Hilton Head Island, SC  <a href="http://www.southerninnovations.seproduceecouncil.com">www.southerninnovations.seproduceecouncil.com</a></p>	<p>CREATED BY LIPMAN FOR OUR VALUABLE CUSTOMERS</p> <p>Visit our website... <a href="http://www.lipmanfamilyfarms.com">www.lipmanfamilyfarms.com</a></p> <p>Follow us</p> <div style="display: flex; align-items: center;">     </div> <p>Questions or comments about the newsletter?  Contact: <a href="mailto:joanna.hazel@lipmanproduce.com">joanna.hazel@lipmanproduce.com</a></p>