



MARKET UPDATE

Tomatoes: Overall tomato volume is fairly light in the East. The transition from larger growing areas to more localized production is moving slowly. North Carolina and Tennessee are getting a slightly late start to harvests, as weather during the growing cycle held fruit maturity back. Round and roma volumes will increase as more local deals come on board and current producers get further into harvests. Grape tomatoes are very tight this week, only being available in a few pockets of production.

With Central Mexico in a down cycle and Baja down to only the Northern area of production, vine-ripe and roma volumes are lightening up. Growers are picking quickly to fill orders, so we're seeing lighter color and less big fruit available. California's mature green production is in full swing but they are seeing a lot of Eastern demand. Overall quality is good on this fruit, but there are some occasional concerns. There are a few small grape tomato deals in California, but the majority of volume is coming out of Baja, where they are selling out daily.

Bell Peppers: Extreme heat and weather has affected pepper harvests in Eastern North Carolina, where they will begin to wrap things up in another 10-14 days. Fortunately, New Jersey and several small, local deals have begun. With Michigan on tap to start in 7-10 days, Eastern pepper availability and quality should improve over the coming weeks. In the West, we expect consistent availability for the immediate future. Although Bakersfield has finished up, the LeGrande area anticipates good volume and quality through July. With Gilroy and Stockton set to start over the next 10-14 days, the transition should be fairly smooth.

Green Beans: Watsonville/Salinas

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will have steady production and nice quality for the rest of July, then will lighten up as we go into August. The West may see a tight spot at the end of the month as we wait for new blocks to come online. Green bean volume is finally beginning to pick up in the East, as Michigan has started shipping. Tennessee, the Carolinas, and Virginia are also picking more beans, as they've worked their way through the rough start to the season.

Cucumbers: With cucs shipping from Michigan, New Jersey, Canada and New York, there is solid supply in the East. However, the West is experiencing some challenges. Baja's early July heat flush brought fruit on quickly. Now, production is off by 30-50% and overcast weather is not allowing fruit to size up. There have also been a number of quality challenges such as soft tips and scarring due to the excessive heat. There is fruit on the vine, so volume should improve somewhat when the weather does.

Summer Squash: California's Central Coast area continues to provide great volume and quality on Summer squash. Eastern markets are beginning to clean up a bit, as some growers have plowed fields under due to low market prices. However, both yellow and zucchini remain readily available, as there are many regional and local deals in production.

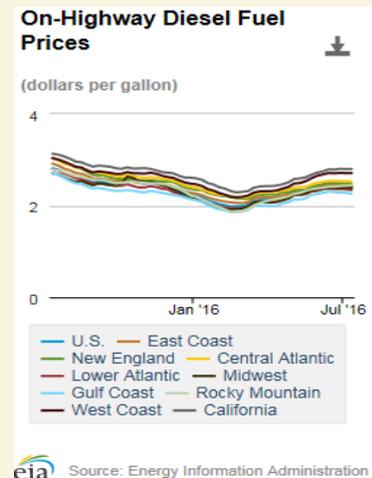
Eggplant: Georgia finished the eggplant season over the weekend, moving demand mostly to the Carolinas. Production is on the light side, as the fruit has been through weather. In the West, Fresno expects to continue with good quality and production through the month of July.

Hard Squash: With demand low & plenty of growers in action, hard squash availability is good throughout the country.

TRANSPORTATION FACTS

- * The National Diesel Average dropped \$.01 this week, moving from \$2.42 to \$2.41 per gallon.
- * The average price for a gallon of diesel fuel is \$.40 lower than the same time last year.
- * For the second week in a row, diesel prices dipped in all parts of the country except for the Rocky Mountain region, where the price rose \$.01 per gallon.
- * California continues to have the highest-priced diesel fuel at \$2.80. The Gulf Coast region keeps rolling with the best price in the nation (\$2.26 per gallon).
- * The WTI Crude Oil Price continued to drop this week (-1.4%), moving from \$47.43 to \$46.80.

* Transportation is available in adequate supply throughout the country's shipping regions this week



Restaurant Industry News

How Restaurants Can Capture Pokemon Go Traffic

By: Ron Ruggless, www.nrn.com, July 11, 2016

The 20-year-old Pokémon in this past week became the hottest smartphone game on the planet with Pokémon Go luring thousands of people out of their homes and into public spaces to capture little monsters.

Pokémon Go, created by Niantic Inc. and The Pokemon Co., was the top free app Monday in both the Google Play store for Android phones and iTunes store for iPhones. It was introduced on July 6th in the United States, Australia and New Zealand, and by last Thursday, according to Similar Web, it had already been installed on more U.S. Android phones than Tinder and was rivaling Twitter in the number of daily users. Pokémon Go players walk around with their smartphones and the game, using global positioning and the device's clock, leads them to various Pocket Monsters that they can capture by throwing a red and white ball. The name Pokémon is the romanized contraction of the Japanese Pokéto Monsutā, or Pocket Monsters.

"The game's developers have a gold mine on their hands," said Ryan Goff, social media marketing director at Baltimore, Md.-based MGH, a marketing and communications agency, that represents such foodservice clients as California Tortilla, Great American Cookies, Hot Dog on a Stick, Marble Slab Creamery and Pretzelmaker. "They've found a way to get consumers to actually do something," Goff said in an email exchange. "And they're doing it in droves. Once the developers start talking to advertisers, you're going to see a world of marketing possibilities open up: in-game ads; specials for visiting locations; competitor targeting."

What can restaurant operators do today to capitalize on the intense Pokémon Go interest?

Goff's answer is simple: "The biggest thing you need to do today is to set up an account and start playing. If you've never experienced the game, you're not going to understand how to speak to its users. Immerse yourself in the experience and start thinking of reasons why a Pokémon user would

not only visit your location, but would then make a purchase."

The secret to drawing foot traffic to a business is to set up a "Lure Module" at the location, Goff said.

"It attracts Pokémon to a PokeStop for 30 minutes, benefiting anyone in proximity to that location. Users are naturally drawn to those locations through a graphic that notifies them of the PokeStop and promise of catching new Pokémon."

A Lure Module is an in-game item that can either be earned or purchased using real-world dollars.

"Once a user has acquired a Module, he/she must visit a PokeStop to activate the item," Goff explained. "Once placed, Pokémon are attracted to the module for 30 minutes. To my knowledge, there is no limit to the number of times a Lure Module can be placed in a single day."

Lure Modules can be purchased for \$1, and they last 30 minutes. Packs of eight Lure Modules are about \$7, Goff said.

Goff said the Lure Modules could be promoted, but in a way that Pokémon Go players will understand. "Make sure you're speaking the language of the game's players," he said. That might include: "Get 10% off your check if you're Team Mystic!" or "There may or may not be a Pikachu hiding in or around our restaurant today."

In addition, Goff said promotions might include the restaurant:

- Offering a 10-percent discount based on the team they've selected.
- Giving a Pokémon Go player a free appetizer if they've captured a rare Pokemon, like Pikachu.
- Letting them know you'll be setting up a Lure Module around lunchtime or other daypart that could use additional traffic.

Pokémon Go has skyrocketed to popularity, unlike the slow and then stagnant growth of other location-based smartphone apps like Foursquare.

"Foursquare took some time to take off, whereas Pokémon has seen the opposite. Its growth has been instantaneous, with Internet users across the web sharing fun stories

of their Pokémon adventures," Goff said. "Foursquare was largely driven by marketers, whereas Pokémon's growth has been all through word of mouth."

Pokémon Go also appeals to a broad demographic base.

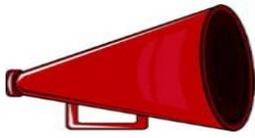
"Pokémon has two things going for it: 1) nostalgia, 2) memorable fun characters," Goff said. "The game appeals to Millennials, who remember playing Pokemon on their Game Boys, in addition to a new crop of gamers who are always looking for something new. Aside from Super Mario, Barbie and the Ninja Turtles, there are few cultural icons with such staying power." Pokémon Go users are also spending a large amount of time on the app.

As of July 8, "the app was being used for an average of 43 minutes, 23 seconds a day, higher than Whatsapp, Instagram, Snapchat and [Facebook] Messenger," wrote Joseph Schwartz, digital insights and content manager at SimilarWeb.

"It's not just on installs where Pokémon Go is killing it, on app engagement as well, the app's usage has been unbelievably high," Schwartz noted. "Over 60 percent of those who have downloaded the app in the U.S.

Schwartz speculated that within a few days Pokémon Go would have more daily active users than the well-established Twitter social network.



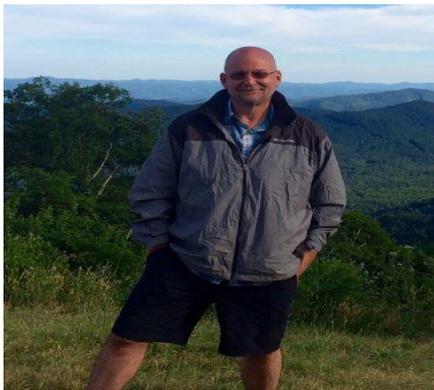


SPOTLIGHT ON LIPMAN Team Lipman Shouts Out

Wayne Walling
Performance Manager
Corporate- Based out of Dallas, TX

Wayne is responsible for operational improvements, automation of processes, employee safety, packaging, facilities and facility design. He spends most of his time on the road working at one of Lipman’s many facilities throughout the country.

He likes being part of the Lipman team because:
 - The people at Lipman are actually more than a team- we are a family. We all work together toward common goals and look out for each other along the way.
 -At Lipman, I’m given the freedom & responsibility to execute in my areas of focus. We are very results-based, so having this freedom to do what needs to be done makes my job a lot of fun.



Cheryl Wright
Sales Assistant
Hendersonville, NC

Cheryl’s responsibilities include verifying pricing, entering sales orders, sending sales confirmations & providing assistance to retail and foodservice customers. She also oversees and orders all RPCs & pallets that go through our facility and/or are delivered to local growers.

“I enjoy being a part of an organization that continues to improve their service both within the company & with our customers.”



PRODUCE BAROMETER

ITEM	QUALITY	PRICING
Bell Pepper	Good	Steady
Cucumber	Good	Steady
Eggplant	Good	Steady
Green Beans	Varied	Higher
Lettuce-Iceberg	Fair	Higher
Jalapenos	Varied	Higher
Onions	Good	Hlgher
Tomatoes	Good	Steady



JULY CALENDAR

All Month
National Grilling Month
July 16th
National Personal Chef’s Day
July 19th
Ride Your Motorcycle to Work Day
July 21st
National Get to Know Your Customers Day

Hendersonville, NC Weather

Fri Jul 15	Sat Jul 16	Sun Jul 17	Mon Jul 18	Tue Jul 19
86° F	86° F	86° F	86° F	84° F
70° F	70° F	70° F	68° F	68° F
WNW 6 MPH	SW 6 MPH	W 4 MPH	NNW 4 MPH	WSW 4 MPH
Precip 20%	Precip 50%	Precip 40%	Precip 40%	Precip 40%
Averages	Averages	Averages	Averages	Averages
85° F/66° F				

KEEP YOUR EYE ON THE CONSUMER

Hispanics Enjoy Grocery Shopping More than Other Groups

www.multiculturalretail360.com, July 1, 2016

An Acosta/Univision study found that 68 percent of Latinos like visiting supermarkets compared to 59 percent of the general population. Hispanic shoppers enjoy grocery shopping “significantly more” than U.S. shoppers, in part because they consider the experience to be a social endeavor, according to new research from Acosta Sales & Marketing and Univision Communications Inc.

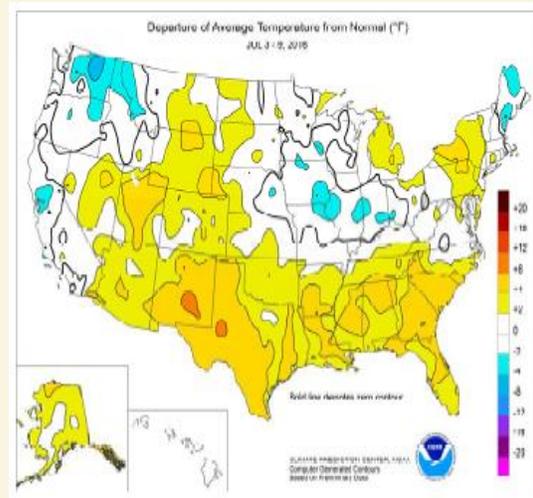
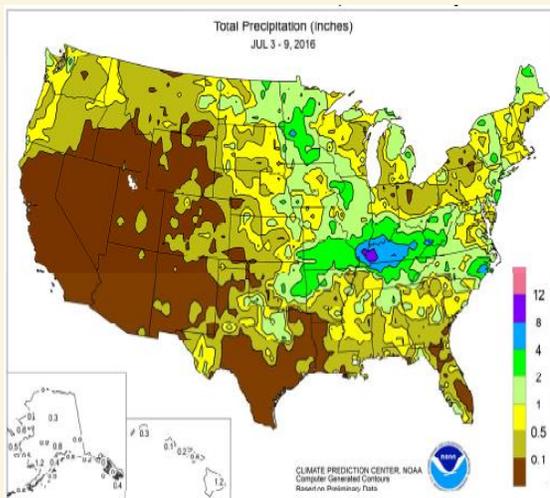
More than two-thirds (68 percent) of Hispanic shoppers and seven in 10 Hispanic Millennials said they enjoy grocery shopping, compared to 59 percent of total U.S. shoppers, indicated the fifth edition of “The Why? Behind the Buy,” a study on U.S. Hispanic shoppers. And while 39 percent of U.S. shoppers said they shop alone, 79 percent of Hispanic shoppers stated that they go grocery shopping with someone else, such as a spouse, child or friend. Among Hispanic Millennials, 88 do the same, making them the most likely of all generations to go grocery shopping with companions.

Additionally, Hispanic shoppers are highly engaged in-store and digitally along the path to purchase. With a positive outlook, Hispanic shoppers are more interactive and take better advantage of opportunities to enhance their experience before, during and after grocery shopping. They use stores’ special departments, services and areas more than total U.S. shoppers, with 38 percent using the in-store cafeteria, 34 percent visiting the coffee bar, and 22 percent participating in cooking demonstrations or lessons, compared respectively to 27 percent, 10 percent and 16 percent of total U.S. shoppers.

In-store promotions impact Hispanic shoppers’ purchases significantly more than those of their total U.S. counterparts. Specifically, at-shelf coupons (26 percent vs. 21 percent) and product tastings or demonstrations (18 percent vs. 11 percent) affect Hispanic shoppers more. Digital tools are also more attractive U.S. Hispanic shoppers, with 33 percent researching a new grocery item online, 35 percent reading their grocery retailer’s digital circular and 32 percent signing up for contest and sweepstakes online after shopping, compared respectively to 22 percent, 30 percent and 21 percent of total U.S. shoppers.

NATIONAL WEATHER SPOTLIGHT

Weekly Precipitation and Temperature Deviation



NEWS IN THE GROCERY TRADE

Supermarkets Fight to Retain Top Shopping Spot

www.progressivegrocer.com, July 11, 2016

Shoppers would prefer a one-stop grocery shop, but feel forced to visit several retailers to satisfy their growing wants and needs, according to findings from *Progressive Grocer's* 69th Annual Consumer Expenditures Study.

While differentiation has been heralded for replacing the failed “all things to all people” approach to supermarkets, emerging tiers – including fresh, value, and premium – have resulted in “curated” assortments that leave many shoppers making multiple stops throughout the week.

Supermarkets' share of the grocery dollar continues to slip, down more than six percentage points since 2007, to 54.5 percent of total grocery sales. Supercenters and warehouse clubs, with their large footprints and value positioning, are the big gainers, with a combined 31.3 percent share of the grocery dollar, up from 25.1 percent in 2007. These channels benefited from a combination of strategic geographic growth and the recession, the latter of which forced dramatic changes in buying behavior.

“Shoppers don't conscientiously define which channel they want to shop – they're just going where the products they want are available,” said Meg Major, *PG* chief content editor. Noting the dramatic shift across the grocery landscape during the past decade that underscore *PG's* 2016 CES research report, Major affirmed: “Supermarkets are in direct competition with every retail channel, including restaurants and subscription services like Blue Apron.”

The good news, however, is that food retailers are extremely resilient. Buoyed by population shifts back to metro areas (80 percent of the population is considered urban), growing adoption of healthier eating, and a willingness to experiment with new formats, footprints and e-commerce solutions, retailers have hardly given up the fight. With more than \$2 trillion in total U.S. grocery sales, a slice of the food pie is a battle well worth fighting for. Food is a major expenditure, trailing only housing and transportation. In total, food accounts for 13 percent of total consumer expenditures, with food at home accounting for 7.8 percent and food away from home accounting for 5.1 percent, according to the Bureau of Labor Statistics. This gap is also narrowing, and there's strong evidence that grocery retailers understand that they're vying with restaurants for share of stomach.

The amount of money being spent – and on which products – is also changing. Evidence exists that shoppers are spending more money on fresh and convenient items, with more than half of total store sales coming from the perimeter and adjacent fresh categories, according to *PG's* 2016 CES results. Sales in the service deli, home to a growing array of fresh-prepared products, are increasing ahead of the rate for the total store.

Health-and-wellness trends are evident throughout the store, including center store, where healthier versions of items such as salty snacks, New Age beverages and nuts are enjoying increased sales. Shoppers are also demonstrating a greater willingness to loosen purse strings for such nonessential items as health and beauty products and alcoholic beverages, both of which have enjoyed sales gains that outpace total store.

The full report will be available in the July issue of *Progressive Grocer*, print and digital editions of which will be available later this month.

MARK YOUR CALENDAR & PACK YOUR BAGS

July 29-31, 2016

PMA Foodservice Convention & Expo
Hyatt Regency Monterrey Hotel & Spa
Monterey, CA
www.pma.com/events/foodservice
Come see the Lipman team at Booth #122!

September 19-22, 2016

PMA's High Performance Management Conference
Hyatt Regency Schaumburg
Schaumburg, IL (Chicago area)
www.growingtalentbypma.org

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CUSTOMERS



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