



MARKET UPDATE

Tomatoes: Round tomato numbers are increasing in the East as VA, TN, NC and AL move past first picks and get further into crops. TN and NC's crops are running big while VA's fruit is on the small side. However, quality has been nice from all areas. Roma production is also picking up with TN having a few quality challenges, but the strongest numbers. Grape tomatoes are also looking good with some of the best quality coming from VA. Look for volume from NJ, especially on romas, over the next week or so.

California's San Joaquin Valley continues to have strong production on rounds and romas but farms are limiting production due to a lack of demand. Quality is varied with more challenges on romas than rounds, but there is nice fruit available. Eastern Mexico expects to have consistent supply through the rest of the month, but Baja is beginning to see volumes dip as some shippers finish up. With Oceanside, CA also in the mix now, Western tomato supply is more than adequate to meet market needs.

Bell Peppers: Bell peppers continue to be challenging in the East, as we wait for MI to get up and running. There is fruit available in a number of local areas, but no real strong spot of volume at this time. Early crops from the mountains of NC are having some color and quality issues due to poor vegetation. This should improve as growers move into the next set of plantings. Western markets are also snug as production transitions to Gilroy and Fresno and Eastern demand is strong. Look for volume to pick up and ease the situation somewhat next week.

Cucumbers: Baja's production has started to increase, in part, due to some really nice weather. With a few more growers still to start up, we expect volume to at least remain steady or possibly increase next week. The East has a different situation with not much product around. Michigan has been very slow to come with

volume and most local deals have minimal volumes.

Summer Squash: Yellow and zucchini squash numbers are adequate in both the East and West. Santa Maria has moved into 2nd plantings and are seeing increases which is, so far, covering demand while Baja works through a 2-3 week gap. In the East, there are some strong spots of production (MI, NJ), as well as plenty of local deals to meet demand. Quality is mostly good, but as always, there are still some spotty challenges with yellow squash scarring.

Eggplant: California's Fresno area continues to harvest fresh eggplant fields with firm, dark, and polished fruit. Although quality remains nice, production will decrease as they move toward the end of the season. The Stockton/Lodi area will get underway within the next 7-10 days so no significant gap is expected. Eastern markets have adequate volumes as well, with SC, NC, NJ and several local programs in the mix.

Green Beans: Eastern bean supply continues to be snug this week as the active growing areas (VA, TN, MI, NJ) are taking turns with production gaps and quality concerns. Supply is solid in the West with 5 different areas in CA expecting good numbers for the next several weeks.

Chili Peppers: Chili pepper quality and production will increase out of Baja and California over the next 7-10 days helping to round out supply in the West. There's still some fruit coming from older fields in Mainland Mexico, but quality struggles have minimized orders from this area. In the East, MI has now started some chilies adding to what NC and other local deals have to offer.

Hard Squash: Although demand is in its typical summertime lull, the East has strong volumes of hard squash available. Fruit is coming out of NC and KY now, but other states/growers (NY, VA, PA) will be starting up over the next few weeks.

TRANSPORTATION FACTS

*The national average price for diesel fuel remained steady, coming in at \$3.24 per gallon for the third week in a row.

* The average price for a gallon of diesel fuel is \$.75 higher than the same time last year.

* The West Coast saw prices dip \$.015 per gallon, but changes were very minimal (less than 1/2 cent per gallon) in all other reporting zones.

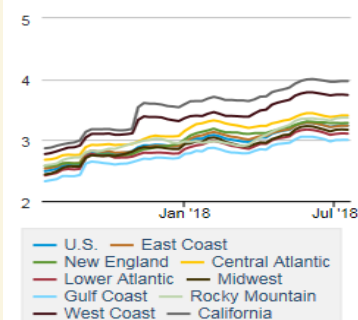
*California maintains its role as the high-price leader at \$3.97 per gallon. The Gulf Coast region offers the best bargain at an even \$3.00 per gallon.

*The WTI Crude Oil price fell dramatically (down 7.2%), moving from \$74.11 to \$68.76 per barrel.

*The transportation report is mixed this week. There are shortages in SC, GA, and in the San Joaquin Valley of CA. Truck levels are adequate or in excess in remaining areas and at Mexico crossing points.

On-Highway Diesel Fuel Prices

(dollars per gallon)



eia Source: Energy Information Administration

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GOVERNMENT AND POLICY UPDATE

What's in the Farm Bill for the Produce Industry?

By: SPW Staff, www.southeastproduceweekly.com, July 16, 2018

After years of discussion and debate the House and Senate both passed versions of the 2018 Farm Bill earlier this summer. Now those two bodies have to come up with a coordinated version of the bill to send to President Trump for approval.

Debate over immigration is one of those key issues, and in fact that very topic stalled the Farm Bill in the House before a couple of tweaks and a re-vote led to a narrow victory in late June. It's been an arduous road. No one has gotten everything they wanted. But everybody's gotten something.

So just what did the produce industry get out of it all? It's hard to winnow it down on your own. Fortunately, Dr. Bob Whitaker, Chief Science & Technology Officer of the DC-based Produce Marketing Association (PMA), has taken the guesswork out of the process. Here Whitaker highlights key considerations of the Farm Bill and immigration issues and how they will impact the produce industry.

U.S. House Completes Consideration of Second Immigration Bill

The U.S. House of Representatives on June 27 rejected a broad "consensus" immigration bill. The bill would have provided a pathway to citizenship for recipients of the Deferred Action for Childhood Arrivals (DACA) program and \$25 billion for border security.

House Republican lawmakers pushed to include a requirement for employers to electronically check the immigration status of workers and another that would overhaul the current guest worker program.

House negotiators initially incorporated provisions of the AG Act, an immigration reform bill aimed at addressing the agriculture industry's interests, in the consensus bill to attract additional votes. Some organizations – including some produce interests – expressed concerns with the AG Act.

The AG Act would have authorized a new H-2C agricultural guestworker program that would provide three-year visas, increase

the standard visa to for seasonal workers to 24 months, and provide limited liability protection for farmers and workers. However, the AG Act was not included in the final immigration package.

The recent vote capped a month of Republican efforts to pass wide-ranging immigration legislation. It's still possible that House members could reconsider the idea of using a discharge petition to force votes on immigration bills. However, given the obscure legislative process, they needed to rally 218 signatures by July 10 – a threshold that neither of the immigration bills considered in recent weeks could reach. Instead, leadership will likely take up a narrow bill to address family separation, asylum, and immigration judges. The fate of such a bill in the Senate is unclear.

U.S. Senate Advances Farm Bill

Just a week after the U.S. House of Representatives gave final approval to its version of the 2018 Farm Bill, on June 28, the U.S. Senate approved its version of the legislation by a vote of 81-11. The next step in the legislative process will be a conference committee to resolve differences between the respective versions of the bill adopted by the House and Senate.

Key produce industry priorities can be found in the chart on page 3.

SNAP Work Requirements Will Likely Strengthen

The same amount of funding is expended in both bills over the 5 years covered by each. One of the biggest obstacles to reaching agreement on a final bill will be addressing the changes in the Supplemental Nutrition Assistance Program (SNAP) that the House of Representatives included, particularly those to strengthen the work requirements which apply to working age (18-59), able-bodied individuals without dependents to continue receiving SNAP benefits.

While the Senate also addresses work requirements, it does not do so in the same manner. Some nutrition advocacy groups have come out in opposition to the House provisions, in large part leading to the opposition to the bill

by all House Democrats. Resolving these issues in a manner which results in a conference agreement which can satisfy conservatives in the House while still garnering enough votes in the Senate will be a challenge for Agriculture Committee leaders from both sides of the Capitol.

Trump Proposes Government Reorganization

President Trump proposed a major reorganization of U.S. government programs and functions on June 21. The plan would significantly revamp several cabinet agencies and departments.

Important to the produce and floral industries, the proposal would move the food safety functions of the Food and Drug Administration to the U.S. Department of Agriculture, combining it with the Food Safety and Inspection Service to create the new Federal Food Safety Agency with consolidated responsibility for the safety of virtually all foods.

The proposal would also move the non-commodity nutrition assistance programs currently in the U.S. Department of Agriculture's Food and Nutrition Service into the Department of Health and Human Services—which will be renamed the Department of Health and Public Welfare.

The functions of the U.S. Army Corps of Engineers would be reassigned to the Department of Transportation for navigation and the Department of Interior for water supply.

There have been proposals by previous Presidential administrations, as well as bills introduced in Congress, to reorganize federal agencies. These proposals have failed due to a variety of reasons, including labor union opposition, constituencies, and internal turf battles in Congress. It is difficult to see how President Trump accomplishes this task without investing significant personal political capital in the effort, which he has thus far chosen to expend elsewhere.

Government and Policy Update- continued

What's in the Farm Bill for the Produce Industry?

By: SPW Staff, www.southeastproduceweekly.com, July 16, 2018

Key produce industry priorities in each bill are:

Issue	House	Senate
Trade Promotion Programs	Minimum annual funding for the Market Access Program (MAP) at \$200 million, the Foreign Market Development Program at \$34.5 million and the Technical Assistance for Specialty Crops (TASC) at \$9 million.	Minimum annual funding for the Market Access Program (MAP) at \$200 million, the Foreign Market Development Program at \$34.5 million and the Technical Assistance for Specialty Crops (TASC) at \$9 million.
Specialty Crop Research Initiative	\$80 million per year, includes \$25 million for citrus disease research	\$80 million per year
Specialty Crop Block Grants	\$85 million per year	\$85 million per year
APHIS Pest and Disease Programs	\$75 million per year, including \$5 million for National Clean Plant Network	\$75 million per year, including \$5 million for National Clean Plant Network
Emergency Citrus Disease Trust Fund	See Specialty Crop Research Initiative	\$125 million over 5 years
Food Insecurity and Nutrition Incentive Program (FINI)	\$285 million over 5 years	\$250 million over 5 years

***Please note:** Any opinions expressed in this article are not necessarily endorsed by Lipman Family Farms, its staff, and On the Horizon. This article was selected to share based its informational value.

PRODUCE BAROMETER

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



JULY CALENDAR

July-All Month

National Grilling Month

National Watermelon Month

July 23rd

Hot Enough for Ya Day

July 24th

National Drive-Thru Day

July 26th

National Intern Day

Hendersonville, NC Weather

Fri Jul 20	Sat Jul 21	Sun Jul 22	Mon Jul 23	Tue Jul 24
80°F	80°F	81°F	80°F	80°F
64°F	65°F	66°F	67°F	68°F
E 6 MPH	SSW 7 MPH	WNW 6 MPH	E 3 MPH	E 5 MPH
Precip 40%	Precip 60%	Precip 70%	Precip 70%	Precip 70%

KEEP YOUR EYE ON THE CONSUMER

What's Driving Organic Sales?

By: Tom Linden, www.theproducenews.com, July 16, 2018

Though the rapid growth of organic sales at retail has slowed down, the consumers driving these sales are a committed group and remain passionate about what they eat.

That was one of the takeaways at an educational session during the recent Organic Produce Summit titled "Deep Dive – Organic Sales Analysis and Why Behind the Buy." Presenters Melissa Abbott of Hartman Retainer Services and Jordan Rost of Nielsen, both consumer research firms, discussed consumers and the motivating factors in their buying decisions of fresh produce.

Abbott said in analyzing the motivations of today's shopper, one thing is crystal clear: trends are evolving much more quickly than they have ever before. In the social media era, trends can rise and spread as fast as the speed of a text. She noted that in general consumers are more mindful of what they eat. They want transparency, are concerned about the environment and want to know what's in their food, who made it and how it is grown. In fact, her company's research has determined that among the next big things that they will be asking about are glyphosate herbicides and the health of the soil.

Moderator Kevin Coupe of The Morning Beat pushed back on the soil concept stating that "dirt was dirt" and didn't believe that consumers would be concerned about that. But Abbott said that the core group of foodies are thought leaders. What they were thinking about five years ago, main stream consumers are worried about today. And right now, she says, that core group (13 percent of organic buyers) are concerned about the health of the soil.

She added that food literacy is expanding exponentially, with consumers much more knowledgeable. She indicated concern about soil health is consistent with that knowledge expansion. She also relayed that about 50 percent of organic purchasers believe organic products are more nutritious. She said the top attributes affiliated with organic products are that they are grown without pesticides, made without chemicals and that their producers grow these crop with more "care" than their conventional counterparts.

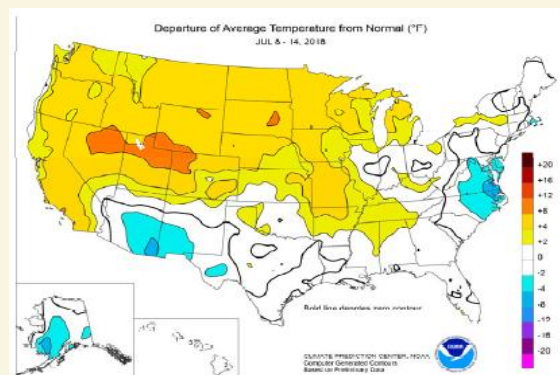
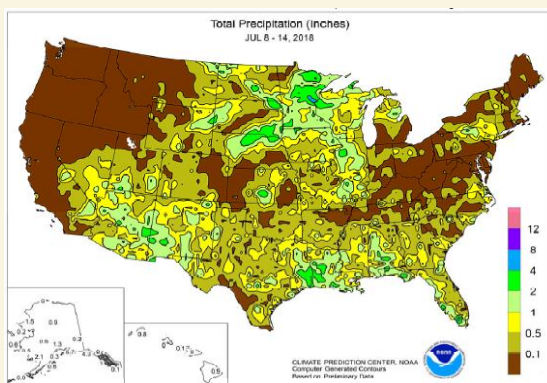
Rost spent some time talking about the changing dynamics of food marketing and how that is creating challenges in selling to consumers and tracking their preferences. He said consumers have many choices in picking a retail item that is deemed healthier. It may be organic, but it might also be labeled in another way such as "natural", "gluten-free", or a reduction in other elements such as fat or cholesterol. It could be labeled "free trade" or "local" both of which conjure up a positive image in the minds of consumers. "What does cleaner, healthier eating mean," he asked. "Consumers have lots of choices."

He said there is also a trend to have healthier choices in center store. For example, cauliflower is being used as a grain substitute, and spiralized vegetables are starring as vegetables.

During a question-and-answer period, Abbott and Rost touched on many other subjects as well. She noted that consumers come to the store with much more food knowledge than they once had doing research online and garnering information elsewhere — such as food shows — before coming into a store. So while it might be true that they only spend six to eight seconds making a choice at retail, that choice is informed by pre-loaded data points. Rost said the growing food culture in the United States which sees much more information generally available, gives consumers much more "passive education" than they ever had before.

NATIONAL WEATHER SPOTLIGHT

Weekly Precipitation and Temperature Deviation



NEWS IN THE GROCERY TRADE

Don't Stereotype Your Shoppers

By: Amelia Freidline, www.thepacker.com, July 13, 2018

"Grocery stores are discovering what women have known for years," begins a recent article in *The Wall Street Journal*. "Men shop ... different."

The story, headlined "Supermarkets lure in male shoppers," cites data from a Hartman Group study on men's shopping habits and examines efforts retailers have made to appeal to their new male customer base. And it interviews a couple of couples on the differences between how the wife and husband shop.

"I buy more meat than I should and too little produce," executive creative director Jonathan Schoenberg is quoted toward the end of the article. "I'll forget yogurt and granola. I'll definitely remember sausage and bacon."

I don't doubt Schoenberg's analysis of his own shopping habits, but the majority of the *WSJ*'s article reads like a stereotype: Emphasize meat and beer and snacks and beard oil to keep the men coming back for more (the article is even illustrated by a shopping cart filled with meat, soda, beer and a doughnut).

Where's the room for produce in this manly meat fest?

Some of the Hartman Group info the article cites says men are less price-sensitive and health-conscious while shopping than women tend to be. A couple of other studies on men's shopping habits I found online (one from a *Men's Health* magazine survey, another also from Hartman) said men especially value flavor and quality.

This reminded me of recent efforts by the Produce for Better Health Foundation to increase produce consumption. In a January webinar from the group, behavioral scientist Jason Riis suggested marketers emphasize happiness over health benefits in the produce aisle, focusing on positive emotions rather than vitamin tallies. Similarly, at PBH's annual meeting in April, Ahold USA's Chris Keetch said the company likes to let high-quality produce speak for itself. "We use 'eye appeal is buy appeal,'" he said.

Toward the end of the *Journal* piece there's some balance from researcher Stephanie Coontz of the Council on Contemporary Families. Coontz said younger shoppers, male or female, are less likely to find heavily gendered marketing relevant.

Also, most millennial women weren't raised with the same cooking and shopping assumptions that previous generations were, Coontz said, so they are more likely to appreciate low-key, humorous messaging that also appeals to men.

In other words, switch the sign on your asparagus display from "Packed with vitamin A" to "Steak's best friend." (Hey, women eat steak too.)

It's true that more men are grocery shopping — whether for themselves or for their families — than ever before. But that doesn't mean women are out of the picture, either. Choose messaging and product placement that's likely to appeal to both halves of your customer base rather than alienating one to favor the other. And remember — no shopper likes being stereotyped.

<p>MARK YOUR CALENDAR PACK YOUR BAGS!</p> <p>July 27-29, 2018 PMA Foodservice Conference & Expo Portola Hotel & Spa and Monterey Conference Center Monterey, CA www.pma.com/events/foodservice Come join Team Lipman at Booth 206!</p> <p>August 27, 2018 2018 Tip Murphy Legacy Golf Tournament Oasis Golf Club Loveland, OH www.unitedfreshstart.org</p>	<p>CREATED BY LIPMAN FOR OUR VALUABLE CUSTOMERS</p> <p>Visit our website... www.lipmanfamilyfarms.com</p> <p>Follow us</p> <div> </div> <p>Questions or comments about the newsletter? Contact: joanna.hazel@lipmanfamilyfarms.com</p>