



MARKET UPDATE

Tomatoes: Palmetto/Ruskin farms have been inundated with rain, which has limited harvests and had a definite impact on tomato quality. Grading efforts have been ramped up to combat the rain check, softness, and decay that come about with rain. Growers hope to go another 10-14 days, but that will depend on weather and the resulting fruit quality. Both Quincy and South Carolina are on tap to start late next week.

Round and roma supplies are in good shape in the West, as Baja and Eastern Mexico expect steady volumes of both varieties for the next several weeks. Mature greens are winding down out of Nogales and the California desert, but should be up and running in the San Joaquin Valley around June 15th. Grape tomato supplies remain tight, as the slow transition takes place from Mainland Mexico to Baja.

Bell Peppers: Although there are still a few peppers coming out of Florida, quality is hit or miss and the weather is wrapping things up quickly. The majority of Eastern pepper is coming from Georgia where quality is definitely better, but has also been affected by weather. Although Mexico shippers are still hanging in the game with less-than-desirable quality, most of the West's bells are coming from Coachella or Bakersfield, CA. There have been some misshape, color and scarring issues reported from Coachella, but Bakersfield's fruit is very nice.

Cucumbers: With Florida finished up, Eastern cucumber production is centered in Georgia. There's a lot of 1st and 2nd pick fruit that is not making the grade for SS which is creating a snug market for retail cucs. We expect to see local deals start in Eastern North Carolina and other areas next week, which should bring quality and volume improvements to the table. In the West, Mainland Mexico is on the tail end of the season as quality declines due to high heat. Baja's up and running but

cool weather has slowed early volumes. Look for numbers to pick up next week as new growers get started for the season.

Summer Squash: With recent weather spreading through the Southeast, squash quality has been very challenging out of both Florida and Georgia. The volume's there, but the quality is not. Fortunately, new crops and local deals are starting up daily (in NC, KY, SC), but volumes are minimal at this point. Western squash production has shifted from Mexico to the Santa Maria and Fresno, CA areas. Volumes are building in both areas and quality is better than average.

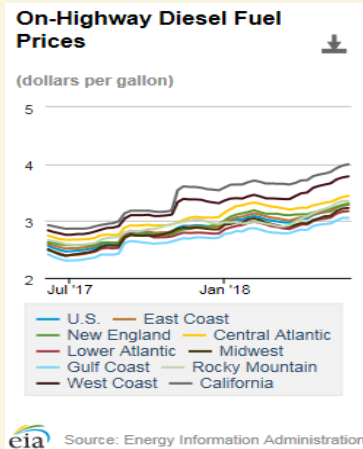
Green Beans: Light volumes of green beans are available in several California areas this week. Watsonville and Santa Maria will come online in the next 7-10 days, increasing Western availability. In the East, Georgia's bean quality has declined quickly. Rain has caused a lot of russetting and decay, leaving growers with an abundance of sub-par product to move and very light volumes of acceptable quality.

Eggplant: With Georgia farms still 7-10 days away from harvesting eggplant, Eastern supply is coming from the Plant City area where rain has affected quality. Mexico is finished for the season, so the West is now looking to the California desert for eggplant. Quality, condition and supply have been great. Even more is coming over the next week or so as Fresno and Stockton add to the mix.

Chili Peppers: Mainland Mexico's hot peppers are declining in quality and availability very quickly! Weak plants are producing fruit with early decay, black stems, etc. Fortunately, Baja is now into all varieties and has excellent quality to offer. As for the East, Plant City's chili pepper crops have been impacted by rain and quality is poor. There are just a few jalapenos and serranos beginning to come out of Georgia but the majority of volume and varieties is still two weeks away.

TRANSPORTATION FACTS

- *The National Diesel Average rose another \$.01, moving from \$3.28 to \$3.29 per gallon.
- * The average price for a gallon of diesel fuel is \$.72 higher than the same time last year.
- * Nine of the ten reporting zones reported price increases with the most significant jump coming from New England (up \$.025 per gallon). The Gulf Coast was the lone area where the price declined minimally.
- *Maintaining its role as the high price leader, California has hit the \$4.00 mark. The Gulf Coast region offers the lowest price at \$3.05 per gallon.
- *The WTI Crude Oil price dropped 7.5% this week, moving from \$72.13 to \$66.73 per barrel
- * Georgia has an adequate supply of transportation available to move crops, but many other areas, including Mexico crossing points, report slight to moderate shortages.



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NEWS IN THE GROCERY TRADE

Study: “Seamless Shopping” is Still a Pipe Dream

By: Deena M. Amato-McCoy, www.chainstoreage.com, May 24, 2018

Retailers know it is critical for shopping experiences to be seamless and frictionless, yet these experiences are still few and far between.

While most consumers expect the ability to shop effortlessly across channels, only 7% of retailers currently provide a complete unified commerce experience that allows a customer to “start the sale anywhere, finish the sale anywhere,” according to the “2018 Customer Experience/Unified Commerce Survey,” from Boston Retail Partners (BRP).

Knowing that consumers will often stop shopping a brand after just one bad customer moment, retailers are making big plans to converge digital and physical retail environments to facilitate a seamless experience across channels going forward. Within three years, 50% of companies plan to offer a complete unified commerce experience that allows a customer to start and finish the sale anywhere.

To help retailers prepare for this journey, BRP offers the “E5 of Customer Experience”:

1. Educate – Customers start the purchasing process by researching the brand and products, so it is critical to ensure they and the store

associates have information and tools that are easy to access and use. For example, 62% of consumers check reviews/ratings before visiting a store, and 61% of retailers offer consumer product reviews for research.

2. Engage – The first step in customer engagement is to identify the customer early in the process, and offer associates the ability to leverage customer information to allow personalized interaction. Currently, 64% of consumers are fine with retailers saving purchase history and personal preferences if more personalization is offered. Meanwhile, 61% of retailers make in-store and online shopping history available to associates to tailor the customer experience.

3. Execute – To meet and exceed today’s elevated customer expectations, retailers must deliver unified commerce capabilities and empower associates with the right tools to optimize the experience. For example, 73% of consumers want the ability to track orders across all points of interaction, while 42% of retailers offer the ability to track orders across channels.

4. Enhance – Gathering feedback to understand customers’ likes and dislikes allows for a

continuous improvement loop, and helps empower associates to create a desired customer experience. It is so important that 51% of consumers will stop shopping at a retailer after one-to-two poor in-store shopping trips. That said, 62% of retailers plan to improve their in-store customer experience within three years.

5. Enablers – Delivering a personalized customer experience requires the right technology and network. In fact, 68% of consumers are more likely to choose a store offering an automated returns process, and 13% of retailers offer an automated returns process.

“With customer expectations continuing to rise, it is promising to see how many retailers are focused on adding new capabilities to enhance the shopping experience,” said Perry Kramer, senior VP and practice lead at Boston Retail Partners.



Merchandising Minute

Produce Summer Lovin'

By: Armand Lobato, www.thepacker.com, May 30, 2018

"It's time for fresh produce." So said a favorite store manager about this time every year. It was his reminder that produce sales were on the verge of a sharp incline. As if I didn't already know.

Not to mention, retail produce is a year-round affair after all. It isn't like some remote farmers market that springs to life (as many do) only when the weather gets nice. In the produce aisle, we're open for business year-round.

However, there is something special about summertime produce. Customers take increased notice and embrace warm weather cuisine. They're thinking about eating tomatoes, leafy greens and potato salads, and bowls of grapes mixed with berries.

People want to sit out on the beach, on the patio or just their back stoop and enjoy the extra sweetness of summer melons. They look for these pre-cut but will buy whole melons, especially if the cuts on display are fresh and appealing. Customers crave summer fare. They gravitate to corn displays and load up an armload, be it planned or on a whim. Barbecue season is in full swing and every summer day is a good one to spend time outdoors, even if it's a work night.

And then there's stone fruit. It starts off with a teaser of California apricots and cherries, and it seems the next thing you know, we're in the middle of peak season peaches, plums, nectarines and all the cool sub-categories with enhanced sugar levels that proclaim summer love better than the Beach Boys. The store manager knows this from years of experience, as do produce professionals.

I suspect the mid-May remark was his way of deferring to the unspoken pointed questions: "Are you ready? Is your extra help in place to cover the extra volume and vacation coverage? Have you trained everyone adequately?" "Have you arranged for watermelon drop-ships to the store? Is your merchandising plan in place? How are your scheduled shifts different from winter hours? It takes twice as much time to set up a store in the summer than it does in the winter, and twice as much to close up shop. Again, are you prepared?"

Amid all this scrutiny, managing a produce department in the summer is indeed added pressure. Even without the boss throwing out a May reminder. With all the additional products, which require extra handling, which need additional time to plan, merchandise, order and monitor to limit shrink, summer can test anyone's resolve. But summer is also fun. It's a whirlwind and a challenge and prepared produce managers could answer their own store managers with a knowing smile. Summer is our time in the spotlight, after all.

PRODUCE BAROMETER

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



JUNE CALENDAR

June-All Month

National Fruit & Veggies Month

National Camping Month
First Week (June 3rd-9th)

National Business Etiquette Week
June 1st

Say Something Nice Day
June 5th

World Environment Day

Ruskin, FL Weather

Fri Jun 1	Sat Jun 2	Sun Jun 3	Mon Jun 4	Tue Jun 5
89° F	89° F	88° F	88° F	87° F
74° F	75° F	76° F	76° F	74° F
SSE 8 MPH	W 10 MPH	W 13 MPH	W 15 MPH	W 11 MPH
Precip 40%			Precip 30%	Precip 10%

KEEP YOUR EYE ON THE CONSUMER

Millennial Parents Make Unique Lifestyle and Shopping Choices

www.csnews.com, May 10, 2018

With more millennials becoming parents each year, new shopping trends are emerging.

The National Retail Federation's (NRF) latest quarterly *Consumer View* report provides insights on how millennial parents shop and spend, and how they engage with brands, according to a report from *Store Brands*.

As defined in the study, millennials are those born between 1981 and 1994. Members of this generation are currently parents to 50 percent of today's children — with more than 1 million millennial women becoming new mothers each year.

"The millennial generation has, at turns, confounded, inspired and challenged researchers and analysts with their spending habits," said Katherine Cullen, NRF's director of retail and consumer insights. "As many millennials move into parenthood, we are beginning to see how their expectations and shopping preferences compare with those of previous generations. Whether it's using a subscription service to make sure diapers don't run out or going online to research the best crib or car seat, millennials shop differently than other parents."

In addition to being more likely to use subscription services and comb through online reviews, millennial parents exhibit different relationships to brands than other parents. For instance, when millennial parents are impressed with a brand, they are more likely to remain loyal to it than parents from other generations.

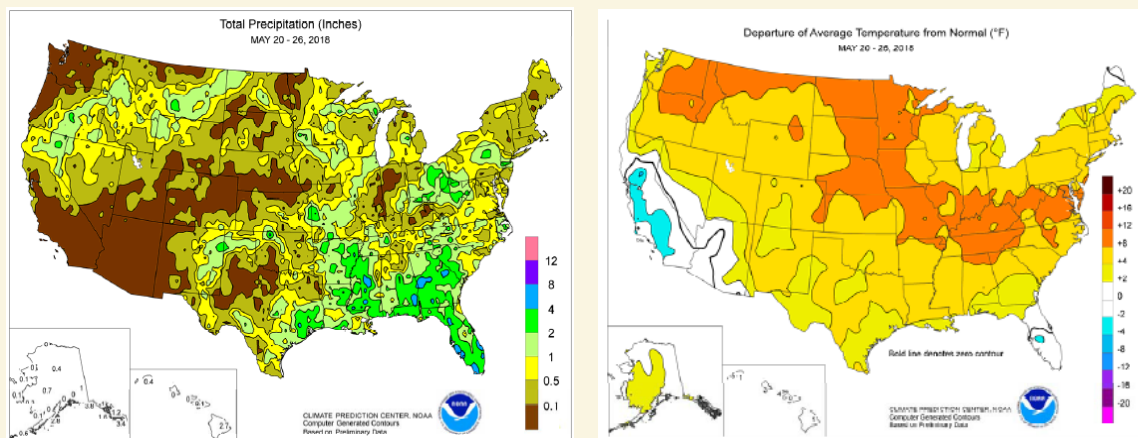
Forty-four percent of millennial parents report only shopping brands that reflect their social or political values, compared to 23 percent of parents from other generations.

Even when cheaper options are available, 49 percent of millennial parents will remain loyal to a brand they trust. Fifty-two percent will remain loyal to a trusted brand despite more convenient options, and 64 percent will default to the brand they are loyal to before even considering a competitor.

"To keep parents of any generation happy, brands and retailers must deliver on both price and quality," Cullen said. "But millennials are very concerned about good customer service and are twice as likely to back out of a purchase for lack of it. For millennials, service ranks ahead of convenience, selection and loyalty programs."

NATIONAL WEATHER SPOTLIGHT

Weekly Precipitation and Temperature Deviation



RESTAURANT INDUSTRY NEWS

Survey: Consumers Spending Less at Restaurants

www.pizzamarketplace.com, May 25, 2018

Americans are looking to not only spend less during restaurant visits, but also hope to dine out less frequently this year, according to a survey by AlixPartners. It polled 1,000 consumers about their current and planned frequency of dining occasions across convenience stores, restaurants and ready-to-eat grocery.

The survey, which also looked at expected spending on meals outside of the home, preferred types of restaurants and criteria for consumer preference in restaurant selection, found that consumers planned to spend \$14.95 per meal this year compared to last year's \$15.20.

The news wasn't great for fast casual restaurants with just 32 percent of millennials reporting that fast casuals were their preferred places to eat. That was a 5 percent drop from last year, and fast food is beating out the fast casual industry with an increase from 30 to 35 percent.

Those surveyed said spending less on dining out was because of other expenses and purchases.

"We're starting to see a shift in spending patterns among the Millennial generation, and restaurant operators need to be prepared," Global Co-head of AlixPartners Adam Werner said in the release.

The survey also revealed that technology may no longer have an influence on dining choices as 40 percent said they had never used any type of mobile technology linked to restaurants.

Results revealed that ready-to-go meals from the grocery store could be a threat to restaurants with 25 percent of consumers saying they helped to reduce meal spending, which has increased 6 percent since last year.

FRESH

TOMATOES


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MARK YOUR CALENDAR PACK YOUR BAGS!

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!

September 6-8, 2018
SEPC's Southern Innovations
Organics & Foodservice Expo
Gaylord Opryland Resort & Convention Center
Nashville, TN
www.southerninnovations.seproducecouncil.com

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