



MARKET UPDATE

WEATHER UPDATE:

At this time, the projected path of Hurricane Hermine will include Northwest Florida, Southeast, Georgia, and the Carolinas. The hardest hit areas may see up to 20" of rain and winds of up to 75 mph. Crops will likely be affected on both a short and long term basis. Once the storm completes its path to the Atlantic this weekend, we will provide you with an update on the situation.

Tomatoes: Eastern tomato supply continues to remain light this week on all varieties. Quality is average as there has been a lot of heat and rain on the fruit in most growing areas. Fall crops are planned to begin in mid-September, which may provide the first sign of relief IF those crops are not significantly affected by Hermine.

With lighter plantings scheduled and the effects of bloom drop showing up, Western tomato availability has tightened up this week. Eastern Mexico growers have been hurt by rain, slowing round, grape and roma crossings at McAllen. California production and quality varies from shipper to shipper. Baja has a steady supply of romas, but it has not been enough to cover both the Eastern and Western demand coming their way.

Bell Peppers: Although bell peppers have been plentiful in the East, we could see that tighten up significantly over the next few weeks. Michigan, New Jersey and other more northern growing areas continue to pick, but the weather-affected fruit does not have strong quality. New crops in Georgia are expected to take a hit from the storm. Those effects could range from mildly significant to devastating. There are a few local deals scattered throughout the country that expect to have good

production throughout the next month and a half, but their volume will not cover the market's demand. California's bell pepper production remains steady out of Oxnard, Fresno and Salinas. They expect to continue with consistent production for another month before they wind down the season. Quality is very nice.

Cucumbers: Cucumbers are tough all over this week. Quality has been less than stellar out of Michigan and other Northern areas, as they battle the effects of weather. With Georgia's new crops expecting to see Hurricane Hermine pass through, cucumber availability could get dicey over the next few weeks. Eastern North Carolina farms have just gotten started in a light way and may see effects from the impending storm as well. Western markets are seeing light volume out of Baja this week, but don't expect any major improvement in availability until Fall crops come on in mid-September.

Summer Squash: The yellow and zucchini squash situation in the East is very similar to cucumbers. This situation bodes watching closely, as squash is one of the most susceptible to rain and wind injury. California's Central Coast squash production is a bit lighter this week, but should pick up over the 10-14 days as more areas and growers get into new Fall blocks.

Hard Squash: Stockton and Fresno continue to provide consistent supply and nice quality hard squash to Western markets. Eastern fruit availability is picking up as more local deals come to the table. It varies by region, but there are still scarring concerns on spaghetti.

Chili Peppers: Baja has finally broken the barrier and has good quality and availability on all chili peppers but poblanos. California's local deals are winding down, with Oxnard completely out and Santa Maria down to minimal availability.

TRANSPORTATION FACTS

* The National Diesel Average continues to climb this week, moving from \$2.37 to \$2.41 per gallon.

* The average price for a gallon of diesel fuel is \$.11 less than the same time last year.

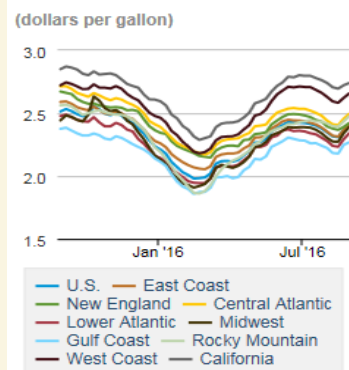
* All reporting regions saw diesel prices increase this week with the most significant jump coming from the West Coast (+\$.06).

* California has the highest-priced diesel fuel at \$2.74 and the Gulf Coast region offers the best bargain at \$2.27 per gallon.

* The WTI Crude Oil price decreased 7% this week, moving from \$48.10 to \$44.70 per barrel.

* Transportation is readily available this week, with a surplus supply reported at Texas-Mexico crossing points.

On-Highway Diesel Fuel Prices



Source: Energy Information Administration

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Keep Your Eye on the Consumer

Are You Ready for Gen Z?

By: Marygrace Taylor, www.restaurant-hospitality.com, August 25, 2016

Just when you've finally got your millennial customers figured out, a new generation—with new expectations and new tastes—starts showing up at your door. Meet Generation Z, the group of 23 million babies, kids and young adults born between 1996 and the present. They're practical, tech-driven and culturally diverse. And in plenty of ways, the complete opposite of their older cohort.

Sure, plenty of Gen Z'ers are still too young to buy their own meals and snacks — or even tie their own shoes. But the oldest among them are in high school and college. And within five years, they're predicted to become the fastest growing generation in the marketplace and workforce. "Members of Generation Z are now the trendsetters. They're the ones driving the trends that millennials will adopt," says Jason Dorsey, founder of the Center for Generational Kinetics, a millennial and Gen Z research firm.

Here's a look at what they're all about, and how to meet their mealtime expectations.

The anti-millennials

Unlike millennials, Gen Z'ers are too young to remember the changes brought about by 9/11 or the financial crash. Instead, they were born into a world where safety and security are no longer guarantees. That's made them shrewder and more practical than their older counterparts.

"Gen Z had the benefit of seeing what happened to millennials," Dorsey says. "They've seen them hit with the great recession, graduate with unprecedented college debt and see real wages not meet expectations." Unsurprisingly, they're driven to be more pragmatic about money. That

means choosing less expensive colleges in an effort to avoid taking out massive student loans, buying utilitarian goods over pricey name-brand ones and even being more likely to take home their leftovers for another meal. "Overspending on luxury is seen as a poor decision," Dorsey says.

Not to say that they're willing to skimp on quality. Gen Z'ers have high expectations when it comes to clean, organic food that's produced both ethically and sustainably (like cage-free eggs). "They've come of age at a time when these things are normal, not new," says Dorsey. Gen Z'ers simply expect that a menu will list where the apples or spinach were grown, or how many calories and sugar grams are in their chicken stir-fry. "To them, it's just the way things should be," Dorsey says.

They also assume that their dining options will offer plenty of variety. Having come of age in a time where it's possible to eat any cuisine — from Thai to vegan to Middle Eastern — on a budget, Gen Z'ers have highly diverse palates. "In the past, cafeterias might have had international day. Now, the expectation is that every day you'll have something international," Dorsey says.

Taking tech for granted

Most millennials remember their first experience with a smartphone or social media. But for Gen Z'ers, those things have always been as normal and unremarkable as eating a sandwich or strapping on a seatbelt. To them, tech is just a part of life — mealtime included. "Dining is a shared experience, even if they aren't physically with their friends," Dorsey says.

Still, Gen Z'ers don't just see tech as a way to share a picture of their burger or sushi. It's an

avenue toward customization and convenience. "Having the ability to craft their own meal, but still have a set price, is important," Dorsey says. So is efficiency. Gen Z'ers expect to be able to order food seamlessly via their smart phones rather than deal with the hassle of talking to a person, who's more likely to mess up their order. And they'd rather pay with debit cards, Venmo or Apple Pay than cash.

Catching new customers

Gen Z'ers are already heading off to college, and it won't be long before they start joining the workforce. Here's how to win them over.

- **Think clean and transparent.** Fresh, healthy, organic options are seen as the norm for Gen Z'ers.

- **Offer mix-and-match options.** Gen Z'ers use technology to customize every aspect of their lives. They expect to be able to do the same with their meals.

- **Forget about Facebook.** Connect with Gen Z customers on social media platforms like Instagram, Snapchat or Vine. "They think Facebook is for old people," Dorsey says.

- **Skip the fancy stuff.** Gen Z'ers are frugal and practical, so they're not looking for meals that are expensive or over the top. If you can offer money-saving perks, like a \$5 coupon code on social media, even better.

- **Get interactive.** Touch screens with games or videos make meals more fun for Gen Z'ers. Still, tech isn't a substitute for human contact. "A sterile experience doesn't work for them. They still want to see that there's a human connection," Dorsey says.



SPOTLIGHT ON LIPMAN Team Lipman Shouts Out

Suresh DeCosta
Director of Food Safety
Chicago, IL

As Director of Food Safety, Suresh’s main objective is to create a food safety culture within the enterprise.

When asked why he likes being a part of Lipman, Suresh says, “Everyone I have met over the last few months since joining the company has an incredible passion for the business. It’s great to be part of a high energy team. “



Brett Combs
General Manager
Lipman- Dallas, TX

As General Manager of Lipman’s Dallas facility, Brett spends his work days overseeing the entire operation, creating goals for each department and holding each department accountable to those goals

“Working for the Lipman team has been a great experience. People love working here and as a result people throughout the organization are friendly and always helpful. I will say from experience that working for a grower with a national distribution footprint makes my life easy. The Lipman model is working and I’m glad to be a part of it.”

PRODUCE BAROMETER

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



SEPTEMBER CALENDAR

- All Month
- Cholesterol Awareness Month
- National Potato Month
- September 7th**
- Acorn Squash Day
- September 9th**
- National I Love Food Day
- September 10th**
- Swap Ideas Day

Clinton, NC Weather

Fri Sep 2	Sat Sep 3	Sun Sep 4	Mon Sep 5	Tue Sep 6	Wed Sep 7
77° F	79° F	81° F	84° F	88° F	90° F
70° F	66° F	68° F	70° F	72° F	70° F
ENE 16 MPH	N 25 MPH	NW 10 MPH	NNW 6 MPH	SSW 3 MPH	SSW 5 MPH
Precip 70%	Precip 70%	Averages	Averages	Averages	Averages
86° F/67° F	86° F/66° F	86° F/66° F	86° F/66° F	86° F/66° F	85° F/65° F

NEWS IN THE GROCERY TRADE

Survey Finds that Most Parents Forget this Important Back to School Supply: Making Family Meals a Priority

www.yahoo.com/news, August 31, 2016

As families send their children back to school, some parents are forgetting the most important school supply: the family meal. A recent consumer survey of American grocery shoppers, conducted by the Food Marketing Institute (FMI) and Rodale Inc., underscores the infrequency of family meals in the U.S. and the critical need for more. The findings revealed that only 57% of parents eat dinner with their children every night.

"We already know the many benefits of family meals," said Sue Borra, RD, executive director of the FMI Foundation. "Just as notebooks and art supplies prepare our children for school, so does the family meal. Academic research shows that kids and teens who eat meals with their family four or more times a week earn better test scores and perform better in school."

However, 71% of parents in the survey say in their "ideal" world they would want to eat with their children every night. Borra added, "With such busy lives, it's easy to understand how American households struggle to make family meals a reality."

The good news is that the survey also identified solutions. For parents who did not eat dinner with their children nightly, the top-two recommendations were not surprising: 1) Serve more meals their kids enjoy (47%); 2) Ensure that everyone is home at dinner time (42%).

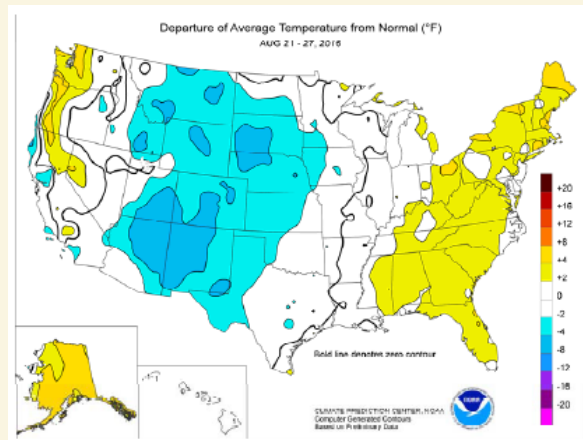
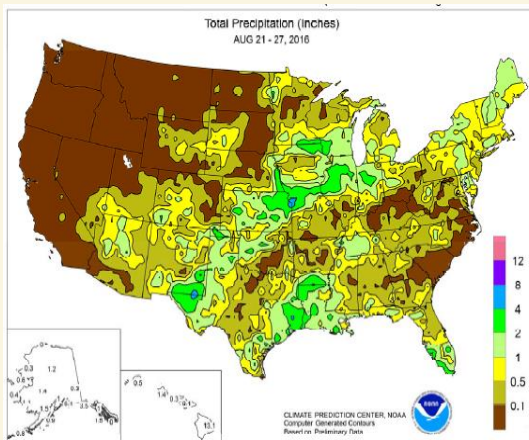
Parents also are looking to their grocery stores to provide solutions. The top three requests were: 1) Provide more kid-friendly recipes in store; 2) Display foods together than can be combined for an easy meal; 3) Provide more ready-to-eat foods that kids like.

Food retailers are responding – not only with individual offerings at a local level, but as an industry too. To help American families achieve the goal of one more meal at home each week, the food retailer industry has developed a website, www.NationalFamilyMealsMonth.org. It is filled with tools, tips, and meal-planning ideas to make it easier for families to have one more meal together per week – not just during National Family Meals Month, but all year long. The website also includes links to numerous partners – primarily food retailers and manufacturers – also committed to helping consumers achieve their increased family meals goal. In short, families can find support from their favorite local supermarket and food brands.

The FMI Foundation also is encouraging Americans to join the National Family Meals Month movement by pledging to one more breakfast, lunch or dinner at home per week. Shoppers can post pledge photos, mealtime pictures, favorite recipes and shopping tips or even post a selfie wearing a favorite oven mitt with the hashtag **#FamilyMealsMonth**.

NATIONAL WEATHER SPOTLIGHT

Weekly Precipitation and Temperature Deviation



RESTAURANT INDUSTRY NEWS

Tips for Driving Customer Loyalty in the Restaurant Industry

By: Geoff Smith, www.pizzamarketplace.com, August 29, 2016

According to Colloquy's 2015 Loyalty Census, 54.8 million Americans are enrolled in a restaurant loyalty program. Customers want to be rewarded for spending time and money on their favorite brands, and companies are ponying up to offer rewards that keep customers coming back. Restaurants are paving the way in this market space by developing innovative loyalty programs.

Since 2012, the industry has seen a 107 percent increase in loyalty membership. The prevalence of smartphones—owned by 88 percent of millennials (aged 18-34)—has encouraged restaurant marketers to trade in outdated punch cards for a loyalty program that appeals to this generation. Integrating technology allows restaurateurs to capture consumer data and send more relevant offers that entice patrons to increase dining frequency, share their experiences and ultimately spend more. Restaurant brands that adopt multi-channel loyalty and engagement strategies can change the way customers interact with their businesses and enhance their bottom line.

A multi-channel loyalty and engagement strategy seeks to place brands at the top of customers' minds. These programs leverage technology like smartphones, social media, and proximity detection capabilities to engage people where they shop, eat and live. When wisely implemented, a multi-channel loyalty and engagement program helps to better identify customers' behaviors, habits, likes, and dislikes, while offering a portal to branded experiences. Once collected, the data aids in segmenting customer profiles, helping brands entice customers with what they want, when they want it.

All restaurants should consider the following loyalty strategies:

- Build emotional connections: Customers are more likely to consistently interact with brands to which they feel a common emotional bond.
- Offer value: Brands should go beyond discounts and consider offering experiences to their customers. To offer greater value, the brand also includes tax and delivery fees as part of the freebie.
- Be social: Customers appreciate being rewarded for their brand interactions on social media.
- Engage patrons: Sometimes, customers just want to have fun with a brand. Beyond food purchases, members can earn points by participating in "challenges," such as trying the latest menu item or referring friends to the program.

Today, consumers expect brands to cater to them with specificity, exclusivity, and enthusiasm. To meet these expectations, restaurant brands must think about their customers and the way that they are interacting in the world today. They should develop branded experiences that interface with customers' needs everywhere and across the channels that matter most to them.

Only when brands respond to and participate in their customers' lives across channels can they take advantage of the myriad data and engagement opportunities that now exist. Restaurant companies that accomplish this will have the power to control the narrative about their brands and build a stronger rapport with their customers and strengthen loyalty.

MARK YOUR CALENDAR & PACK YOUR BAGS

September 13-15, 2016

NRA's 2016 Restaurant Innovation Summit
Hilton Austin
Austin, TX
www.restaurant.org/events

September 21-23, 2016

NEPC Floral & Foodservice Expo
Ocean Edge Resort & Golf Club
Brewster, MA
www.newenglandproduceCouncil.com/expo

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