



MARKET UPDATE

Tomatoes: Aside from some rain effects on the fruit, Eastern tomato production areas fared well through last week's storm. TN, AL and NC are just past the mid-point on Fall crops and expect to continue lighter, but steady production on all varieties until mid-October. VA farms will continue to harvest later picks on rounds and grapes through next week then will wrap things up. The transition to southern areas is underway, with initial round harvests starting in Quincy this week and Ruskin's first grapes on the way in 10-14 days.

The Western tomato situation is status quo. Growers in the San Joaquin Valley continue to harvest rounds and romas in mostly steady volumes and quality remains average or better. Still picking from Summer plantings, Eastern Mexico and Baja are on the lighter side as they wait for Fall production to begin. Grape tomato crossings are light, as the transition to Fall plantings is taking longer than expected. Barring any weather disturbances, we expect the usual Fall transition to a solely Mexican deal to take place fairly smoothly in mid-October.

Bell Peppers: The bell pepper transition continues in the East, as northern deals begin to wind down and we wait for GA to get up and running around October 1st. There are scattered spots of fruit available in the Carolinas, KY, VA, etc, but most of these deals will finish up in mid or late October. Quality is varied with rain-related issues on fruit from several areas. As for the West, CA's four production areas are experiencing cooler weather which is slowing fruit from sizing up and reducing harvest cycles. Quality has been excellent up to now, but we are beginning to see a few issues as we move into the tail end of some blocks.

Cucumbers: Although supers are still limited, Baja's cucumber volume is picking up as new shade houses come into production. Mainland Mexico has also gotten started in a light way and should see more significant numbers

over the next 2 weeks. So far, quality has been strong from both areas. Like with bell peppers, the Eastern deal is also in transition. Northern growers are mostly finished, while GA is just into early harvests and should build volume over the coming weeks. Hurricane Florence had a significant impact on the Eastern NC crop, Plantings that were at or near maturity when the storm hit are mostly a salvage deal with primarily offgrades available, but there are some later plantings that may grow out of storm damages. Availability of retail-quality fruit continues to be super snug, but could begin to show signs of improvement soon.

Summer Squash: GA's Fall squash crops are up and running with nice quality on the early shipments. There's also a decent amount of fruit available in the Carolinas and VA, but many of these areas have quality issues due to the recent storm's wind and rain. Western volumes are light this week as Santa Maria, CA 's season tapers off and Mainland Mexico is still a few days away from first harvests. Look for Nogales crossings to begin this weekend and volume to increase over the next 7-10 days.

Green Beans: With MI and other Northern areas in the last rows of the season, Eastern supply is primarily coming from TN and now, GA, where Fall crops started this week. Overall quality has been nice, but we could see some rain-affected fruit out of TN during the coming week. Western bean numbers are still limited from each of the CA growing districts. This situation looks to continue until Mexico farms get into the picture.

Eggplant: Eggplant numbers are light on both sides of the country this week. Fresno's crops have slowed, as have many of the local deals in the East. A couple of the larger growers in the Carolinas are working through storm damages, picking what they can now and re-staking for future harvests. Fortunately, GA Fall crops have started, which will help the quality/supply situation as their volumes grow.

TRANSPORTATION FACTS

*The national average diesel price rose another \$.01 per gallon this week, coming in at \$3.27.

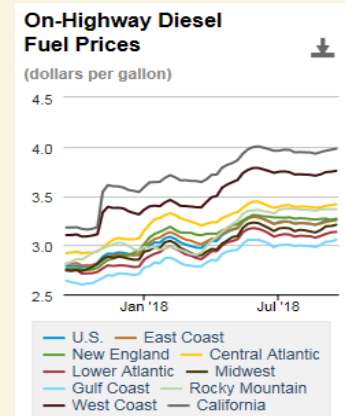
* The average price for a gallon of diesel is \$.48 higher than the same time last year.

* All areas except for the Rocky Mountains reported price increases this week. The most notable price hike was in the Gulf Coast region, where a gallon of diesel fuel is \$.02 higher than it was last week.

*California maintains its role as the high-price leader at \$3.98 per gallon. As usual, the Gulf Coast region offers the lowest price at \$3.06.

*The WTI Crude Oil price rose slightly this week, moving from \$70.37 to \$70.80 per barrel (up 0.6%).

*Overall transportation availability is adequate this week although potato and onion shipping areas are still coming up a bit short on trucks.



eia Source: Energy Information Administration

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NEWS IN THE GROCERY TRADE

The Curated Dinner Solution: Meal Kits' Emergence at Supermarkets

By: Charlie Baggs, www.progressivegocer.com September 12, 2018

As the transformation of food retail strategy continues, supermarket operators have an extraordinary opportunity to capture more meal occasions – for the simple reason that meal preparation at home is on the upswing.

In fact, according to Hartman Group's "Foodways of the Younger Generations" study, 71 percent of Millennials would prefer a home-cooked meal over any other option, and 63 percent of them say they truly enjoy cooking. Validating this insight, The NPD Group finds that 83 percent of Millennial consumers are cooking more at home and making fewer restaurant visits.

What's at Work Here?

The surging interest in home cooking is an outgrowth of efforts to assert greater control over ingredient quality, preparations and portion sizes, along with the ability to better manage household food spending.

There's also another explanation: The consumer's growing love affair with food and culinary inspiration continues. The desire to exercise that creative calling in the kitchen is strong, as it fulfills the No. 1 driver for food purchase and consumption: healthy lifestyle. Consumers tacitly believe that home-cooked food is healthier and better for them.

Additionally, at the most fundamental level, food choice is an expression of a person's identity, beliefs and desires, as well as a tool to manage wellness. In short, it's super-important to people. Thus,

food purchases are largely symbolic – like holding up a mirror to reveal what we want the world around us to know about ourselves and what we care about.

Insight to Behavior = Sound Business Strategy

Armed with this understanding, retailers can optimize their own strategic plans to place more emphasis on fresh products, sourcing stories and in-store experiences that fuel the desire for cooking at home.

But time, menu selection and ease of preparation remain as real barriers to what people want. Supermarkets can help solve this dilemma with the curated selection and simplified choice provided by meal kits.

While there's been mixed reviews for the meal-kit ecommerce subscription and delivery model, the case for kits at retail is compelling. The upside business opportunities are significant. Statista research reveals that the meal-kit category surpassed \$4.65 billion in sales in 2017, and is forecasted to reach \$11.6 billion by 2022. Separately, Nielsen is tracking performance at food retail and recently reported that in-store meal kits generated \$154.6 million in sales last year – leaving lots of headroom for growth.

Consumer complaints about onerous subscription models aside, the battle for share of this expanding business is on.

Food Adventures in a Box

Nielsen's "Meal Kit Opportunity" ebook notes that 72 percent of Millennial consumers like the meal-kit concept because it

lowers the risk for trying ethnic dishes.

It's the whole package that resonates:

- A curated menu requiring no added thinking or planning ahead
- Assembled from high-quality, fresh ingredients portioned to eliminate waste
- Step-by-step instructions to ease preparation
- Portable and fast for last-minute dinner decisions
- Affording low-risk experimentation with different cuisines
- The treasure hunt of culinary assortments
- Great storytelling around ingredients and sources of fresh items

Meal kits at food retail are an incremental business-generating category that beautifully solves an important and daily dilemma for shoppers: what to have for dinner, the most important meal decision of the day. With grab-and-go ease, properly priced to convey great value, meal kits can become an effective supermarket banner voice around the commitment to high quality, fresh food ingredients and healthier menus in a convenient form.

While some comfort-food standards might be in the mix, the demographics for meal-kit preference suggest that early adopters will be more culinarily-driven and interested in experimentation. Don't be shy about menu innovations. After all, the future of meal kits is at food retail.

An Apple a Day

Sensory-Based Food Education Helps Tots Choose Produce

By: Phil Lempert, www.winsightgrocerybusiness.com, September 17, 2018

A study from the University of Eastern Finland published in Public Health Nutrition reports that sensory-based food education given to 3- to 5-year-old kindergarten children increases their willingness to choose vegetables, berries and fruit.

The researchers used the sensory-based food education method Sapere, which makes use of children's natural way of relying on all of the five senses when learning new things: by looking at, smelling, tasting, touching and listening to new things. In the Sapere method, children are given an active role around food, and they are encouraged to share their sensory experiences. Sensory-based food education is well-suited to the everyday life of kindergartners, where children eat several meals every day and participate in pedagogically oriented group activities.

Kindergartens, the study reports, have a variety of methods to choose from when delivering food education. For example, they can introduce different vegetables, berries and fruit to children in hands-on sessions, they can involve children in baking and cooking and they can offer children opportunities for growing their own vegetables in the kindergarten backyard. Food-related themes can also be included in books and games.

The researchers compared children in different kindergarten groups. Some were offered sensory-based food education, while others weren't. Children were offered a snack buffet containing different vegetables, berries and fruit to choose from, and the researchers took photos of their plates to analyze their willingness to choose and eat these food items.

On average, children of lower educated parents tend to eat less vegetables, berries and fruit. This is how food education given in the kindergarten can help even out dietary differences between families.

Positive and personal food-related experiences gained in the kindergarten can help modify dietary preferences in a direction that is beneficial for health. Dietary preferences learned in early childhood often stick with a person all the way to adolescence and adulthood.

PRODUCE BAROMETER

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



SEPTEMBER CALENDAR

September All Month
National Courtesy Month
September 22nd
American Business Women's Day
September 24th
Family Day
September 25^h
Food Service Workers Day
September 26th
National Women's Health & Fitness Day

Hendersonville, NC Weather

Sat Sep 22	Sun Sep 23	Mon Sep 24	Tue Sep 25	Wed Sep 26
81° F	77° F	70° F	75° F	76° F
64° F	63° F	63° F	64° F	64° F
NW 5 MPH	W 5 MPH	ENE 5 MPH	E 4 MPH	SW 5 MPH
Precip 20%	Precip 40%	Precip 50%	Precip 50%	Precip 50%

KEEP YOUR EYE ON THE CONSUMER

Breaking Down Millennials' Dinner Planning Habits

www.qsrmagazine.com, September 11, 2018

There was a time when Millennials were referred to as one big generational group and their behaviors were attributed to their generation versus their age or life stage. Much like Gen Zs are currently being described. Now that Millennials are older and vary in their life stages — single, married, parents — some of their behaviors when it comes to dinner planning are similar to when the generations that preceded them were in that life stage and other behaviors are based on their generational attitudes and values, finds recent food market research by The NPD Group.

Parents with children in the household, whether Millennials or Gen Xers, invest more time in preparing the dinner meal. The majority of meals are prepared and consumed in-home and it takes between 10 and 59 minutes to prepare and cook a family dinner. These types of invested dinners are forecast to grow over the next five years, according to NPD's recent Future of Dinner study.

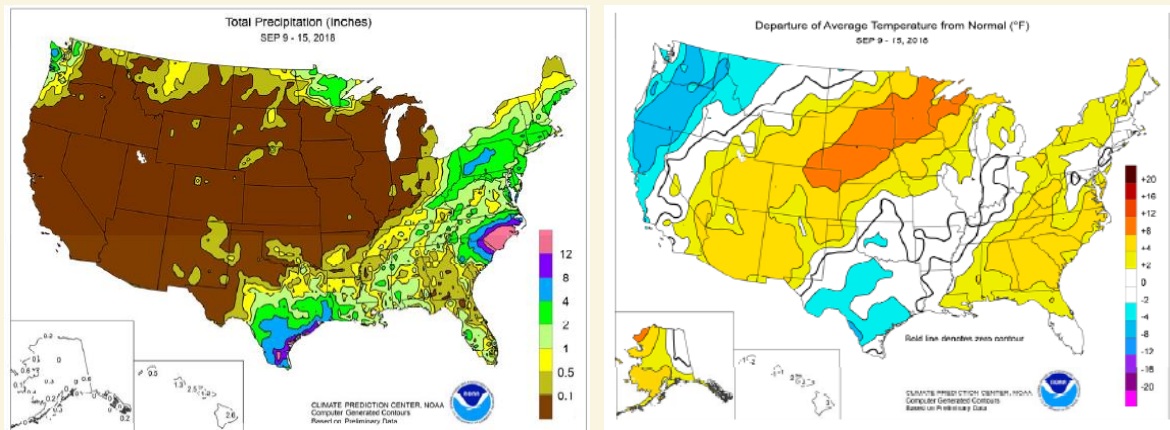
An example of a generational trait that sets Millennials apart from Gen Xers is that they believe that as long as they play a part in the meal preparation process, they made it. They don't have to literally make the whole thing from scratch for it to be homemade in their eyes. Gen Xers, on the other hand, having grown up exposed to in-home cooking from scratch, acknowledge the difference between a homemade and a partially prepared meal.

And now a new generation is being examined and observed, Generation Z, those born 1997 to present and a larger group than Millennials. Many Gen Zs, a cohort NPD recently studied for its Make It Happen for Gen Zs report, were raised by Gen X parents who taught them to understand the purpose of food and how it fits into a well-lived life. As a result, this generational cohort has set expectations that food and food brands will follow their needs and not the other way around. When older Gen Zs, now young adults, plan their dinner they exhibit the same life stage behaviors that Millennials and other generations did as young adults. They are constantly blurring the line between access (how fast it gets to them) and convenience (how easy it is to use). Where the Gen Z generation differs from other generations is that they are growing up in a globally connected and fast-paced world and they expect flavors of the world to be available. This is a generational behavior trait that will most likely follow them through their life stages.

"It's a common oversight not to age generations or recognize how life stage can impact behavior," says David Portalatin, NPD Food Industry Advisor. "To understand the difference between generational and life stage behaviors enables food companies and foodservice operators to develop products, menus, and marketing messages that are more relevant to their target consumer audiences."

NATIONAL WEATHER SPOTLIGHT

Weekly Precipitation and Temperature Deviation



RESTAURANT INDUSTRY NEWS

3 Simple Ways to Encourage Repeat Guests

By: Karen Kalis, www.qsrmagazine.com, September 18, 2018

Repeat and reward

In restaurant marketing, there is always a strong focus on getting new customers. But, the real “low hanging fruit” is the condition of the existing customer base. Existing customers are the most profitable part of any restaurant operation and marketing should be positioned to include them on a regular basis. In fact, a recent Harvard study showed that bringing back just 5 percent of your existing customer base could result in a surge in revenue of 25 percent to 125 percent. For savvy quick-service owners, knowing how to leverage that customer base can be the difference between a thriving business and one that is struggling.

Here are three ways to entice your existing quick-service customers to come back again and again:

Email Marketing

According to industry statistics, only 26 percent of B2C companies use email marketing. It is likely much lower for restaurants. In any case, it means 74 percent of companies are not actively using email marketing. And yet, the same research revealed that 77 percent of people prefer to receive promotions through email versus social media or text. In other words, restaurant consumers want to receive promotions through email, but are likely not getting them on a regular basis, if at all. That means a loss of opportunity and sales for quick-service restaurant owners.

Email can be a powerful way to stay in front of existing customers. It can also be an effective tool to encourage first time visitors to return, which will help them get into the habit of visiting on a regular basis. The most common question restaurant owners have about email marketing is: “What do I say in my emails?” Luckily, there are many options beyond coupons. Sharing staff stories, announcing new menus, business networking events, promoting charity fundraisers—the list goes on and on. Email marketing can be used to position a restaurant as THE place in the community to come and eat and can help to build a reputation of a community partner.

Coupons

Coupons are an obvious way to engage existing restaurant customers, but they only work with some cautions attached. Coupons can bring in customers that haven’t visited a restaurant in a while and that quick-service restaurant operators are attempting to reengage with. Providing a special offer to come in during a time when sales are needed (for most restaurants, this would be during the week), can help to bolster your cash flow. Another innovative way to use coupons is to give them to people who attempt to get a table on a weekend and have a long wait or for those who prefer to leave, rather than wait for a table to open up. A “try us again” coupon is a value-added piece for consumers who might not return if they feel like wait times are always too long.

That said, coupons should be used judiciously. Coupons can devalue the brand of a restaurant and can train customers to only come back where there is a special offer. Try offering coupons on a quarterly basis, at a maximum, to bring customers back with the change of seasons. And, there is an easy way leverage your coupons to find new customers, too. Create a “bring your friends” coupon and tell your existing customer that their coupon is only good when they bring two friends who have never been to your restaurant before.

Create a menu playoff

The reality is that everyone likes to be able to give their opinion—even your restaurant goers. Creating a menu playoff can be a powerful way to engage with your existing customers and test new menu items before committing to launching them. All you need to do is to choose an item—burgers or pasta, let’s say—and create a bracket. The first week, pasta and meatballs is up against your new gluten-free veggie fettuccini. Some promotion via email and social media, possibly a prize for someone who comes each week and chooses the winner each time and you have created some buzz, have tested new items for your menu and brought in new traffic. A three to four-week timeline on this works best.

Wrapping It Up

While every restaurant owner loves new customers, the reality is that your existing customer base is far more likely to push your profitability for a lower cost than marketing to new customers. By leveraging email marketing, coupons and menu playoffs, you can bring in your base to help drive revenue.

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October 19-20, 2018

PMA Fresh Summit Convention & Expo
Orange County Convention Center
Orlando, FL
www.pma.com/events/freshsummit
Come join #TeamLipman at Booth 1728!

December 3-7, 2018

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