

MARKET UPDATE

Tomatoes: Several factors are contributing to the light tomato supplies available in the East this week. Local tomato deals in most areas are seeing quality, volume, and size decline as they head toward the end of the season. Virginia farms are harvesting Fallcrop rounds and romas, but are seeing lighter than usual volumes due to extremely hot Summer weather. Quincy and South Carolina may bring some improvement in availability when they move through first picks and get into better volumes during the first ten days of October. Overall quality is fair to good, but is improving, particularly on grape tomatoes.

In the West, California is working through the seasonal decline on mature green rounds and romas. Product is available daily, but sizing is toward the small end of the spectrum. As for vine-ripes, Baja and Eastern Mexico are moving into Full crops and expect increased volume in another 2-3 weeks. Grape tomato availability and quality is improving from both Baja and Central Mexico. Baja anticipates having promotable volumes of grapes by October 1st.

Bell Peppers: South Carolina has gotten started with Fall bell pepper crops and so far, quality has been nice. Michigan, New Jersey and other local deals are winding down, some a bit ahead of schedule due to various weather conditions in the growing regions. Availability should continue to improve when Georgia gets going in two weeks. In California, Fresno, Salinas, and Gilroy continue to have a steady supply of bells with very nice quality for Western customers. Harvests are expected to continue in these areas until the California desert starts at the end of October, paving the way for a smooth transition between growing areas.

ON THE HORIZON CONTENTS

An Apple a Day- page 2 Spotlight on Lipman- page 3 News in the Grocery Trade- page 4 Restaurant Industry News- page 5 Cucumbers: Baja, Mexico will move into peak cucumber production over the next two weeks and has excellent quality available thus far. As well, Sonora has gotten started on Fall harvests and expects increases in the coming weeks. The East is looking to Georgia and North Carolina for cuc supply now and overall availability and quality have been nice. We could see a dip in production out of North Carolina in a few weeks, as cloudy/rainy weather will likely create pollinaton issues.

Summer Squash: With some local deals holding on and Georgia and North Carolina in Fall production, the East has strong supply of zucchini available. Yellow squash remains tight, but there should be more supply when Georgia steps up production in 7-10 days. With both domestic and Mexican deals in the squash business, Western markets have nice supply of zucchini this week. Yellow squash is on the short side, which is normal for early Fall crops in the West.

Eggplant: In the East, Michigan and New Jersey are wrapping up eggs, just as Georgia and North Carolina get started with Fall crops. Supply should be adequate for at least the next few weeks. The West's primary production area for eggplant is Fresno, where they expect steady production and good quality through mid-October.

Hard Squash: In the East, Michigan in working through storage crops while local growers continue with fresh-crop volumes as they ramp up for heavy Fall demand. As usual, good-quality spaghetti seems to be short.

Chili Peppers: There are scattered chili peppers available in the East, but varieties and volumes vary by farm. Although rain has slowed them down, chili pepper growers in Baja expect to see more volume as they get deeper into Fall production. Quality has been very nice thus far.

Produce Barometer-page 3 September Calendar- page 3 National Weather Spotlight- page 4 Pack Your Bags - page 5

TRANSPORTATION FACTS

* The National Diesel Average dipped \$.01 lower this week and now stands at \$2.39 per gallon.

* The average price for a gallon of diesel fuel is \$.10 less than the same time last year.

* Prices declined in all areas of the country, with the most significant decrease occurring on the West Coast (-\$.03).

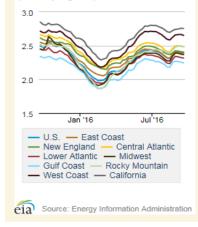
*California has the highest-priced diesel fuel at \$2.75 and the Gulf Coast region offers the best bargain at \$2.24 per gallon.

* The WTI Crude Oil price rose 4.0% this week, moving from \$43.58 to \$45.34 per barrel.

* With the exception of some shortages in onion and potato shipping areas, transportation is available in adequate supply throughout the country.

On-Highway Diesel Fuel Prices

(dollars per gallon)



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An Apple a Day Getting Heart Healthy: It's a Family Affair By: Judith Thalheimer, <u>www.todaysdietician.com</u>, September 2016 Issue

About 85.6 million Americans are living with some form of cardiovascular disease (CVD) or aftereffects of stroke.1 Nearly onehalf of all Americans have at least one of the three key risk factors for CVD: smoking, high LDL cholesterol, and high blood pressure.2 About 69% are overweight or obese. 9% have diabetes, and 35% have prediabetes-conditions that also raise the risk of CVD.1,3 In addition to not smoking and engaging in physical activity, dietary modifications are essential to addressing these CVD risk factors. But the latest data from the American Heart Association (AHA) indicate that only 1.5% of adults and fewer than 1% of children consume an ideal healthful diet.

Breaking old eating habits and learning new behaviors is difficult; doing so with children in the house is even more so. Many children have strong food preferences and strong wills and seem to have an aversion to trying new things. Adults may believe that children have different dietary needs or that they don't need to worry about what they eat. But the fact is health habits in childhood and young adulthood are directly related to adult heart health. A 2016 study in PLoS One found that high (diastolic) blood pressure and high LDL cholesterol in young adulthood are independently linked to coronary heart disease in later life, and autopsy studies have shown that atherosclerosis has its origins in childhood.

Research shows that children eat like their parents. A 2016 study in the Journal of the Academy of Nutrition and Dietetics found that children's diet quality and energy intake were closely related to their parents'.5 The authors attribute this to a shared food environment, shared meals, and the influence of parent modeling. "Exposure to healthful foods during childhood leads to developing a preference for those foods," Johnson says. "Healthful eating habits are picked up at an early age and can be maintained throughout adulthood."

In this article, *Today's Dietitian* speaks with experts who provide their best strategies for getting the entire family to eat healthfully.

Creating Household Change

A heart-healthy diet is safe for all members of a family. "Younger kids need to eat more frequently because they're still growing, but whatever is good for the adults to eat is good for the children as well," says Lori Enriquez, MPH, RDN, LDN, CHES, FAND, founder of Eat Fit Health, a nutrition and health consulting company. "People don't need to cook separate foods for children. The only exception is children under age 2 who need more fat in their diet to support their rapid brain growth and development." But effecting household change is a challenge for dietitians, especially if contact is brief and limited to only one member of the household.

Heart-Healthy Focus

The first step in changing the family dietary dynamic is, of course, for the dietitian to teach the basics of hearthealthy eating. "The foundation of a heart-healthy diet is an overall healthy dietary pattern," Johnson says, "one that emphasizes a variety of fruits and vegetables, whole grains, low-fat dairy products. skinless poultry and fish, nuts and legumes, and nontropical vegetable oils, and limits saturated fat, trans fat, sodium, red meat, sweets, and sugar-sweetened beverages One approach often advocated to improve the healthfulness of a dietary pattern is to encourage clients to think in terms of a plantbased diet. "If you think plant first, you automatically include a lot of fruits and vegetables, along with beans, nuts, legumes, and alternative protein sources like quinoa, which are all really heart healthy," says Natalie Monson, RD, CD, owner of Super Healthy Kids, a subscription meal-plan website that helps families with organizing, planning, and preparing familyfriendly healthful meals.

Try New Things Together

Before offering new cooking techniques or tips, RDs often need to get families into the kitchen and to the table together. In Enriquez's experience working at The Children's Hospital of Philadelphia, and now in private practice, she has found that "a lot of families are so busy that they don't sit down for meals. I encourage families to eat together at night and to offer the same foods."

Make It Fun

Making all of these changes on the road to more heart-healthy eating habits is plenty of work. Enriquez suggests encouraging families to find ways to make new foods fun. "Suggest healthful activities the family can do together. It's a great way to improve eating habits, as well as build quality family time," Enriquez says. "Suggest the family go to a farmers' market or pick-yourown farm on the weekend. Seeing the gorgeous colors of fresh fruits and vegetables stimulates interest in these foods. Let the kids search the internet for new recipes. Make time for meal prep together. There are many different tasks that children of all ages can assist with. I suggest people try making foods from another country at home. Food is a cheap way to travel. Or, make a healthier version of a restaurant favorite at home like baked wings with different dipping sauces."

And remind clients that changes don't have to be all or nothing. Zumpano says that many of her clients experience resistance from their families when trying to introduce foods like whole wheat pasta, brown rice, and whole grain bread. "In these cases, I recommend mixing the whole grain product in with the refined grain to start. Families want their comfort foods, and that's OK. If you make a refined, full-fat version of a favorite food, like macaroni and cheese for example, the heart patient should have a much smaller portion, and make sure there's a large salad, a ton of veggies, and a lean protein to fill the rest of the plate."

Patients with CVD may be more likely to change their eating habits if the whole family changes with them, and those household changes can only be good for their children. Enriquez points out that children of parents with CVD or CVD risk factors may be genetically predisposed to the same problems. Even if they are not, establishing good habits may be easier than breaking bad ones. "It's really important to develop healthful habits in kids while they're young so that by the time they leave the house they know how to make healthful choices on their own," Monson says.



SPOTLIGHT ON LIPMAN Team Lipman Shouts Out

Mike Shier Eastern FOB Vegetable Sales Manager Immokalee, FL/ Clinton, NC

As the Eastern FOB Sales Manager for Lipman, Mike "follows the fruit," spending time in both Immokalee, FL and Clinton, NC throughout the year. He appreciates working with a professional group of successful individuals with opportunity for future personal growth. We're glad he is a part of Team Lipman!





Bob Lamere Facility Operations Hendersonville, NC

Bob is involved in a wide variety of areas each day at our North Carolina facility. A few of those include purchasing, inventory management, production planning, sales, and customer relations. He enjoys the fast pace and the fact that each day brings a different challenge, with different solutions to those challenges. Bob says, "I greatly enjoy the people I work with in the North Carolina operation and the other facilities across the company. Lipman is a remarkable company to work for, and I look forward to the future."

PRODUCE BAROMETER

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

All Month

National Fruit & Veggie Month Hunger Action Month September 24th Family Health & Fitness Day September 25th Food Service Workers Day September 28th National Good Neighbor Day

Exmore, VA Weather						
Fri	Sat	Sun	Mon	Tue	Wed	
Sep 23	Sep 24	Sep 25	Sep 26	Sep 27	Sep 28	
4	4	4	4		4	
81°F	79°F	73°F	73°F	75°F	77°F	
68°F	63°F	61°F	61°F	64°F	72°F	
NNE 9 MPH	NE 11 MPH	ENE 8 MPH	E 9 MPH	S 10 MPH	S 11 MPH	
Averages 78°F/60°F	Averages 78° F/59° F	Averages 77°F/59°F	Averages 77°F/58°F	Averages 76°F/58°F	Averages	

News in the Grocery Trade

The New Swipe Economy By: Chris Morley, <u>www.retailleader.com</u>, September 2016

There has been a lot of industry chatter about what to make of the recent high-profile digital acquisitions by "traditional" CPG manufacturers and retailers. While it's true that only 9 percent of Americans would consider buying consumer goods online today according to Nielsen's research, digital technologies and behaviors have transformed nearly every facet of our lives. We've never had more control over when, where and how we connect with information, people, brands and products.

Even dating, arguably one of the most "analog" of human interactions, has gone digital, with millions of people connecting via mobile dating apps every day. Everything is just a swipe away. So it makes sense that retailers and manufacturers feel the need to be everywhere, and it's easy to see how digital platforms might help get there faster.

In a digital world, every product, service and experience must be excellent, personalized and available at a moment's notice. When it's not, consumers are even more willing and able than ever to find a replacement. This is especially true for millennials and Gen Z, who are the most likely generations to try new products at the grocery store.

CPG manufacturers and retailers can learn from the tech world about how to best build and maintain consumer connections in a rapidly changing environment. Better systems, scale, experiences, and experimentation are the keys to growth for brands and retailers when the *best* choice is just a swipe away.

Retailers and manufacturers need to build intelligence on top of their data, by embedding smarter machines and algorithms into the consumer experience. The latest round of acquisitions may be seen as an attempt to capture data across more consumer touchpoints. But a connected view of consumer data is table stakes at this point. Paradoxically, in order to connect more deeply with consumers, retail must involve fewer, smarter touchpoints. Tomorrow's consumer may well expect a smarter retail system that knows to order more detergent before they do.

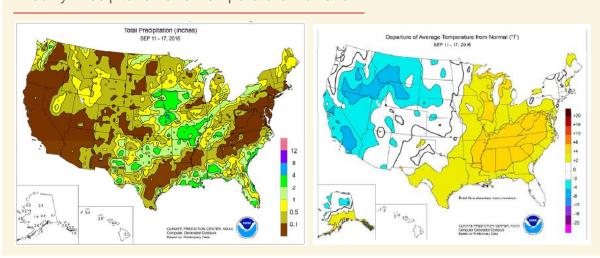
Digital channels afford retailers the ability to customize the experience they provide to every customer, at scale. But, that scale needs to be developed sustainably. Promotions drive growth as unsustainably online as they do offline. While you can "growth hack" your way towards new customers, the path to sustainable growth in digital retail is via basket expansion and growing your share of wallet.

The future of digital retail has always been about making life easy and giving consumers choice. But e-commerce 2.0 will be more experiential as well. Consumers want goods to be more than just products that deliver on price and value. Consumers expect convenience, but they also want a curated and magical experience. We see this in the growth of services, from ondemand ride sharing to meal kit delivery, that deliver a seamless experience beyond getting you to your destination or putting food on your table.

Companies need to be willing to iterate through new technologies and strategies in order to identify the right solution. We're seeing the beginnings of this with webrooms and drone-based delivery. It's anyone's guess what retail will look like in ten years. But drone deliveries will not become viable technology overnight. The path towards that future is only achievable by embracing constant experimentation and optimization.

Competition is only going to make growth more scarce. The companies that don't swipe *right* on the opportunities in the digital space, either via acquisition, partnership or adaptation of their model, risk getting left behind. Tomorrow's consumer has never known a world from which they only had one option to choose. They expect all of the best options available at the swipe of a finger.

Chris Morley is President USA at Nielsen.



NATIONAL WEATHER SPOTLIGHT Weekly Precipitation and Temperature Deviation

RESTAURANT INDUSTRY NEWS

How Does Household Income Growth Affect Restaurants? www.restaurant.org , September 14, 2016

Household income registered a solid increase in 2015, according to new figures from the U.S. Census Bureau. Real median household income was \$56,516 in 2015, up 5.2 percent from 2014 and the strongest annual increase since data reporting began back in 1967.

Despite the healthy gain, 2015 median household income remained 1.6 percent below its pre-recession high of \$57,423 in 2007, and 2.4 percent below the record high of \$57,909 in 1999.

In addition to the growth in median household income, the number of higher-income households rose sharply in 2015, which continued the positive post-recession trajectory. The number of households with annual income above \$75,000 numbered 48.4 million in 2015 – the highest level on record. Moreover, there were 6.9 million more households with income above \$75,000 in 2015 than there were in 2011, after adjusting for inflation.

The strong growth during the last four years followed a sharp decline in higher-income households during the Great Recession. Between 2007 and 2011, the number of households with annual income above \$75,000 fell 5.2 percent, or 2.3 million households.

Higher-income households also make up a larger share of total households than they ever have. Households with income above \$75,000 represented 38.5 percent of all households in 2015, which surpassed 2000 (38.1 percent) as the highest proportion on record.

Growth in the number of higher-income households is a positive sign for restaurants, as this demographic group represents the majority of spending in the industry. According to data from the Bureau of Labor Statistics, households with incomes of \$100,000 or higher are responsible for 42 percent of the total spending on food away from home, while households with incomes between \$70,000 and \$99,999 account for 18 percent of industry spending.

MARK YOUR CALENDAR & PACK YOUR BAGS

October 14-16, 2016

PMA's Fresh Summit Convention & Expo Orange County Convention Center Orlando, FL www.pma.com/events/freshsummit Come see what Lipman's up to at booth 2155!

November 14-16, 2016 The Restaurant Finance & Development Conference Bellagio Las Vegas, NV www.restfinance.com/RFDC

