



MARKET UPDATE

Tomatoes: Cooler temperatures have slowed tomato production and limited volumes in the East. Rounds are still available from local deals, but are quickly wrapping up in more northern areas. Southern areas continue to harvest from Summer acreage but volumes are light and much of the fruit has been affected by rain. Pending weather, Virginia should be back in action on rounds next week with Fall crops. Roma availability is limited, with Tennessee and Alabama, having the most product available to ship. Grape volumes are light and scattered. North Florida is on tap to begin new crop grapes next week- pending the effects of Irma in the growing area.

With two weeks of 100-117 degree weather, California's mature green crops are down in both yields and quality. However, new plantings in northern areas that haven't experienced the heat extremes are faring better and should provide some nicer fruit. Overall volume is expected to remain lighter than usual through the rest of the California deal due to bloom drop and planting cycle interruptions. Eastern Mexico and Baja have been working existing acreage on vine-ripe rounds and romas with light to moderate volumes. A few Fall crops are just beginning to harvest, with the bulk of Fall production to kick in later this month. Grape tomatoes are super shy this week as large part of Western production has been coming from southern Baja, where Tropical Storm Lidia made its mark.

Bell Peppers: California's bell pepper season continues strong with promotable volumes, nice sizing options, and excellent quality. Eastern markets also have a plentiful supply of product available. Bells have been coming from many local areas for weeks, but are expected to slow down as cooler weather sets in. With rain causing quality concerns and inventories backing up for some, quality is varied. Georgia is expected to begin new crops in 2-3 weeks....pending weather.

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Cucumbers: The tropical storm in Baja caused lighter cucumber production over the past few days but no severe damage. New crop acreage will start early next week and be in much better supply by the third week of September. Mainland production will also get going in early October. As for the East, things are tightening up quickly. Cool temperatures will wrap things up in Michigan a little sooner than expected and slow down remaining local programs. North Carolina has been going with some consistent volume for the past week and Georgia is just beginning to break new fields. Quality has been very nice from new fields, but is a bit challenged from older crops.

Summer Squash: As cool weather moves in and local growers reach the end of Summer plantings, we're beginning to see squash production transition to more southern areas. Fall crops are available from the Carolinas, Virginia, and Georgia with light to moderate volumes. In the West, California's Summer crops are tapering off but there still seems to be ample fruit available. Fall crops are expected to begin in Fresno, CA and Hermosillo, Mexico in the next few weeks.

Eggplant: Eggplant is readily available in both Eastern and Western markets this week.

Green Beans: As Michigan begins to slow down, Tennessee has picked up the pace keeping green bean availability steady in the East. California still has beans coming from three areas and is keeping up with market demands as well.

Hard Squash: The East is finally in the swing of hard squash season, with stronger volumes coming out of Michigan, Kentucky and other local deals.

Weather Note: At the time of publication, we are still uncertain of the exact path that Hurricane Irma will follow. Markets and availability could change quickly after the storm

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TRANSPORTATION FACTS

* In large part due to the after-effects of Hurricane Harvey, the National Diesel Average jumped \$.15 this week and now stands at \$2.76 per gallon.

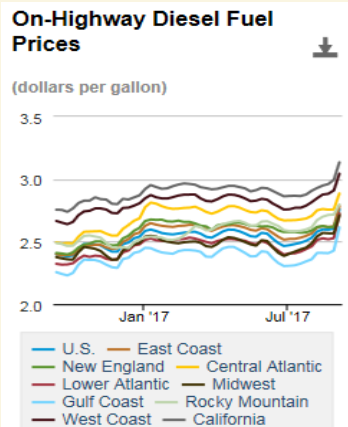
* The average price for a gallon of diesel fuel is \$.35 higher than the same time last year.

* Prices increased from \$.08 to \$.20 per gallon in all reporting areas with the most significant adjustment in the Lower Atlantic.

* California remains the high price leader for diesel fuel at \$3.14 while the Gulf Coast region continues to offer the best bargain at \$2.62 per gallon.

* The WTI Crude Oil price rose 6.96% this week, moving from \$45.96 to \$49.16 per barrel.

* Michigan shippers are still a bit short on trucks this week, but all other areas in the country have adequate transportation to meet shipping demands.



eia Source: Energy Information Administration

KEEP AN EYE ON THE CONSUMER

Growth in Organic Produce Signals Greater Consumer Desire for Healthy and Transparent Fresh Foods

www.nacsonline.com, September 5, 2017

Organic fresh produce accounted for \$1.25 billion dollars in sales at the end of the Q2 2017, an 8% increase in dollars and a 10% rise in volume from 2016, according to the Organic Produce Network (OPN).

Partnering with Nielsen, OPN's review of second quarter organic fresh produce sales at retail stores across the United States shows dollar sales of organic fresh vegetables were \$608 million while organic fresh fruit sales were \$425 million. Collectively, organic fresh fruits and vegetables represented nearly 10% of all produce dollars at the end of the second quarter.

Overall, from the previous 12-month period, sales of organic fruit were up 12.3%, while sales of organic vegetables rose 5.7%.

"Looking at these trends, there is a continued interest in organic produce and a movement toward transparency in general," said Matt Lally, client manager for Nielsen Fresh. "Today's consumer is interested in eating simpler, cleaner products and this is reflected in the continued growth we are seeing with organic fresh produce."

The \$234 million-dollar organic packaged salad category led the way in terms of sales during the second quarter this year, accounting for 19.5% of organic produce sales. The volume rise of 5.6% compared to a year ago could be an indication that lower retail prices are helping to boost sales in this convenience-based category.



During the second quarter, the \$175 million-dollar berry category accounted for the second highest share of organic sales and had an average retail price of \$4.19. Berries, which represented 14.6% of organic produce sales in the second quarter, saw a 22.1% jump in dollars and 16.6% increase in volume compared to a year ago. While berries have been on a strong upward trend for some time, organic growth continues to be at a faster pace than its conventional counterparts.

The \$59 million-dollar banana category, the third largest fruit segment behind berries and apples, experienced a 25% increase in volume over 2016, which is impressive considering conventional banana sales have struggled recently. Likewise, pineapples saw a 35% jump in volume during the same period.

"It's clear growers and shippers are clearly responding to continued interest in organic fresh produce by increasing production and availability of key commodities," said Matt Seeley, CEO of the Organic Produce Network. "For their part, it appears retailers are working harder as well to ensure that in-demand organic produce items are represented on their shelves."

Interestingly, 10 organic commodities account for nearly three-quarters of all organic produce dollars. In addition to packaged salads and berries, rounding out the list are herbs, spices and seasonings, apples, beverages, carrots, bananas, lettuce, tomatoes and citrus.

Within the \$47.5 million value-added organic produce category, (which includes baby peeled carrots, green beans and vegetable trays and medleys), the segment saw a 2.7% increase in dollar sales and a 4.5% jump in volume during

the second quarter of 2017 compared to last year, with overall retail prices about two percent lower than the same period last year. Consumer preference seems to lean more toward value-added vegetables than it does value-add fruit, which was down close to 6 percent in volume at the end of the second quarter.

More than likely, higher retail prices in this category segment, some 4% on average for organic fruit vs. a year ago, curtailed consumer interest. The impact was most dramatic with watermelons which saw a 13% rise in average retail price but a 67% decline in volume compared to a year ago and honeydew melons which had a 47% jump in price and saw a 60% decline in volume during the same period.

"Retailers we spoke with concurred that cost has been one of the biggest hurdles in growing sales of value-added organic fresh produce and fruit in particular. They point out that future growth will be dependent on finding the sweet spot between offering convenience-based organic fresh produce and fair pricing," Seeley said.



Ask your Lipman contact about our Grown True line of organic produce!



TEAM LIPMAN IN PICTURES

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For the next few weeks, we'd like to help you get to know #TeamLipman a little better. From the folks who take care of business behind the scenes to those you may see and talk to frequently, every individual plays an important role in providing you with the very best produce that nature has to offer...24/7/365. Check out these friendly faces!



Christopher Garcia
Production Manager
Dallas, TX



Monica Hernandez
Receptionist
North Carolina



Melvin McNeely
Sales
Livermore, CA



for

Jamie Williams
Director of Florida Farms
Florida

Stephanie Phillips
Customer Service Analyst
Arkansas



PRODUCE BAROMETER

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



SEPTEMBER CALENDAR

September 15- October 15

Hispanic Heritage Month

September 10th-16th

National Truck Driver Appreciation Week

September 15th

National Double Cheeseburger Day

September 13th

Kids Take Over the Kitchen Day

Hendersonville, NC Weather

Fri Sep 8	Sat Sep 9	Sun Sep 10	Mon Sep 11	Tue Sep 12	Wed Sep 13
75°F	73°F	73°F	73°F	77°F	79°F
61°F	61°F	64°F	68°F	70°F	70°F
N 8 MPH	NNE 13 MPH	NNE 16 MPH	ENE 19 MPH	E 22 MPH	SSW 15 MPH
			Precip 20%	Precip 50%	Precip 40%

RESTAURANT INDUSTRY NEWS

Appetizers: The Secret to Keeping Your Menu Fresh

By: Jeremy Lycan, www.qsrmagazine.com, September 2017

For restaurant operators, the menu is the heart of their business. It is their product. It is what brings people in the door. With some thoughtful strategy behind it, however, a menu can also be a tool for sustaining and growing a business for the long run.

Balancing a standard menu with rotating items has multiple benefits. For the customer, new items enhance the experience by adding an element of discovery to the visit. For operators, new items present an opportunity to pamper regulars, bring new people in, and continually develop and improve the menu using customer feedback.

The downside of changing the menu strategy is the cost associated by frequently introducing new items. The operation has to be aligned to the new dish, both in the kitchen and at the front of the house. Menus have to be reprinted, staff has to be trained, and space has to be made for new ingredients. Change can be expensive.

There's a way to reduce the costs, however, without losing the benefits of introducing new items to a menu. Appetizers are a great way to test out new flavors with customers without the full investment of adding a new entrée.

Rotating Appetizers

The greatest advantage of a rotating appetizer menu strategy is people are more willing to try them. Because appetizers can be shareable, consumers can venture into new culinary territory without risking the entrée. If they don't like it, no harm done.

For operators, developing and introducing a new appetizer is not as disruptive as introducing an entire entrée. For quick-service restaurants that don't have the financial flexibility of the major players, an appetizer allows for more experimentation and even more direct contact with the customer. To keep ingredient costs down, the same ones can be used, but with a new twist. Seasons and holidays are great drivers for rotating items, not only because they present a timely opportunity, but because they also come with their own unique flavor profiles. Ethnic flavors also can add an element of surprise and contrast, but that, of course, depends on the flavor palette of your menu.

The key is thinking of ways to expand the menu with something different, but making sure it fits with the restaurant's identity. A rotating schedule will give consumers a chance to get familiar with each new item. Overdoing it can be confusing for people, so changes should be made every four months or so.

It's important to keep in mind that many customers are coming to the restaurant with an idea of what it offers, or even with a particular dish in mind. The core menu has to be between 60 to 70 percent static, which leaves plenty of room for research and development. Keep in mind, rotating appetizers are not just to bring in more people. With customer feedback on which rotating appetizers work and which don't, a menu can be perfected so the restaurant is not getting stuck with a core menu that worked, but is getting tired.

Keeping things fresh

When a cook has been making the same recipe for a long time, the passion can get lost, and the task may become repetitive. Customers can tell when a dish wasn't made with excitement and pride. New recipes keeps things fresh in the kitchen and it gives staff a chance to use their creativity and contribute to the menu development process.

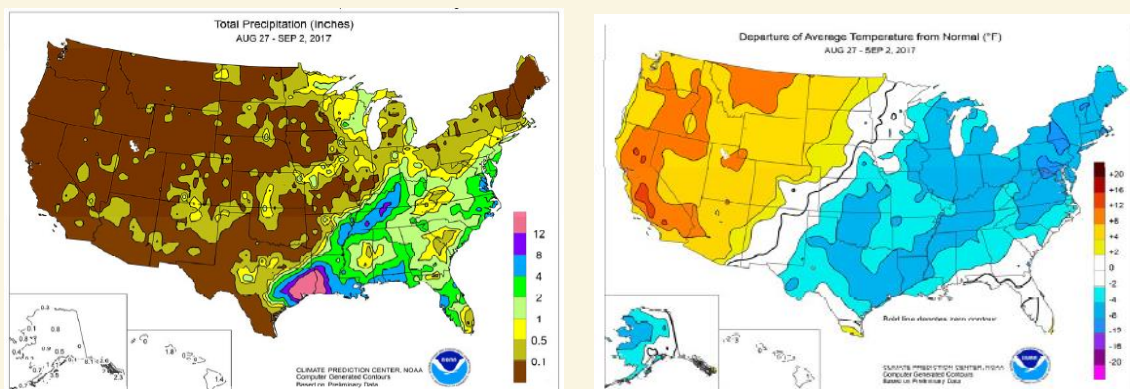
A fresh kitchen will put out a fresh menu, and people will be able to tell. Even though the menu should be mostly static, it should also feel dynamic. It is good practice to make regular updates at least every four months. The idea is not to make major changes, but to introduce one or two new dishes, at most, to the core menu, along with minor details.

This is where the appetizers can be a great resource for menu development in the long run. The menu items that were a hit with customers, or the ones asked for after they were taken off the menu, should be considered as new entrees. Sales should be good if the decision to introduce the new entrée to the menu was made with strong consumer feedback, so there is little risk there. Staff will be familiar with the ingredients and the recipes as well.

A rotating appetizer strategy makes sense as long as there is a strict and thoughtful schedule to the process. Adding appetizers on a whim or without any order will make it difficult to generate expectation with customers. If you want to have a comprehensive menu development strategy to ensure the future well-being of your operation, start with appetizers.

NATIONAL WEATHER SPOTLIGHT

Weekly Precipitation and Temperature Deviation



LIPMAN IN THE COMMUNITY

Hurricane Harvey Relief Efforts

It is in times of extreme distress when you figure out the true character of an organization. We'd like to send out a huge thank you to all of the people from the Lipman team that have taken it upon themselves to show genuine character in order to help the flood victims in Houston. It is clear that our team is made up of compassionate, focused individuals who care about their communities and their neighbors, especially in times of need.

A special thank you to **Christie Irwin** and **Marisela Lagunes** in our Dallas repack facility who organized a supply drive last weekend, collecting water, food, toiletries, diapers, canned goods, and a whole lot more to take down to the flood-stricken areas of Texas.

They donated all of their goods so far to an organization called Operation BBQ Relief. Operation BBQ Relief will serve 30,000 meals per day over the next 2 weeks to all of the first responders helping out in the area. They need more donations than ever due to the broad destruction from Hurricane Harvey and thank you to our Dallas-based employees for their help. In fact, Christie and her husband drove their own car down there this weekend in order to get supplies down there even faster. Our Dallas employees will continue to collect supplies and are sending a truck down to Houston to deliver even more supplies later this week. Lipman's Dallas facility will pack some fruit bags up and donate fresh produce to the cause as well.

Even Florida got into the action as our repack facility and our farm supply division (World Agriculture) in Immokalee donated supplies to the Captains For Clean Water organization who put together their own supply drive and drove their donations to Texas over the weekend.

Our thoughts and prayers go out to everyone in the path of Hurricane Irma. We hope you do everything you can to protect the ones you love!



FRESH

TOMATOES

the best
of nature™

MARK YOUR CALENDAR PACK YOUR BAGS!

September 28-30, 2017
SEPC's Southern Innovations Organics & Foodservice Expo
Westin Hilton Head Island Resort
Hilton Head Island, SC
www.seproducecouncil.com
Lipman will be at Booth 109- stop and see us!

October 19-21, 2017
PMA Fresh Summit Convention & Expo
Ernest N. Morial Convention Center
New Orleans, LA
www.pma.com/events/freshsummit
Join Team Lipman at Booth #219!

**CREATED BY LIPMAN
FOR OUR VALUABLE
CUSTOMERS**

Visit our website... www.lipmanfamilyfarms.com

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Questions or comments about the newsletter?
Contact: joanna.hazel@lipmanproduce.com