

AUGUST 30, 2024

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ON THE H O R I Z O N

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updates

CROP & MARKET

INDUSTRY INFO





MARKET UPDATES

ROMA TOMATOES

Lipman's Tennessee roma crops are maintaining steady production with excellent quality. Our North Carolina program has experienced a lighter production week, but a new field is expected to come online in the coming days, which should bring them back to expected levels. Looking ahead, production will transition back to Florida in October for the Winter season. In the West, production has been mostly steady with contributions from California, Baja, and Central/Eastern Mexico. Baja's production is anticipated to remain steady into September, although sizing will shift toward smaller fruit. Central and Eastern Mexico are gradually improving their roma tomato numbers despite occasional interruptions from sporadic rains. Domestically, California's production has been relatively stable. Lipman's quality remains quite nice, while other growers are experiencing varied quality depending on their growing locations and crop phase.

ROUND TOMATOES

Tennessee continues to produce round tomatoes steadily this week, with a higher proportion of vine-ripes compared to mature greens. Quality remains good, benefiting from a period of dry weather. Lipman's Virginia farms are expected to transition into Fall round tomato crops in the coming week, with volume increases anticipated by the following week. Other local and regional programs, including our Western North Carolina partner, are also providing fruit with steady numbers and good quality. In the West, California's production has been steady overall, though Lipman's output is lighter due to the effects of heat from 4-6 weeks ago. Sizing has been well distributed, and quality is generally good, although quality from other growers varies. Baja's growers are focusing on existing fields, with a shift towards more mid-sized fruit and fewer large tomatoes. Volumes are expected to remain steady at these lighter levels into September. Central and Eastern Mexico are seeing slight improvements in volumes, but sporadic rain showers could impact production.

GRAPE TOMATOES

Cooler weather has reduced grape tomato production in Virginia this week, but supply remains adequate. Additional grape tomatoes are coming from Tennessee and North Carolina, helping to balance overall supply. Quality on the final pack has been good, although there has been some loss of fruit during the packout process. Production in these areas is expected to continue, potentially into October, depending on weather conditions. The Palmetto/Ruskin area crops are expected to come in just before Virginia's season ends. In the West, Baja continues to provide light but consistent volumes, with new crops projected to start in mid-October.

GREEN BEANS

Cooler weather and the seasonal transition have led to a reduction in green bean supply in the Eastern regions. With New York and Michigan wrapping up their seasons, Pennsylvania, Tennessee, and Virginia are now the primary sources, though they are experiencing lighter supplies. In the West, supply is also limited. Several California growers are facing gaps due to the prior hot temperatures, and Washington State is encountering a week-long gap as well. However, Oregon has been providing some beans to help mitigate the supply shortfall. Overall, green bean availability is constrained, with both Eastern and Western regions dealing with production challenges.

COLOR BELL PEPPERS

The supply situation for red, yellow, and orange peppers remains similar to last week. In Canada, production continues to be light as the season winds down and acreage is reduced. Central Mexico is maintaining a light to moderate volume, with a mostly steady supply. Quality and sizing have been good from both areas.

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GREEN BELL PEPPERS

Bell peppers are consistently available in both the East and West this week. In the Eastern regions, fruit is being supplied from New Jersey and New York, with lighter volumes from Michigan, Tennessee, and North Carolina, among others. Most areas are reporting no major issues related to quality or size. In the West, supply is moderate to strong, with growers in the Oxnard and Arroyo Grande areas starting their harvests. The quality is good, though the newer growing areas are producing more jumbo sizing. Additionally, the Washington State program is in full swing, offering nice quality and a steady supply.

YELLOW & ZUCCHINI SQUASH

Squash production is beginning to wind down in several regions as we transition into Fall. While most areas still have some product available, the pace of production is noticeably slowing. Leading the transition is our farm in Eastern North Carolina, which will begin harvesting Fall crops in the next 7-10 days. In the West, Santa Maria, California, and Baja, Mexico, are currently leading in squash volumes, with very good quality reported from both regions. Mainland Mexico is anticipated to resume production by late September or early October, contingent on weather conditions.

CUCUMBERS

Cucumber supply is notably short in the Eastern regions this week. New York and Michigan have experienced wet and cool conditions, pushing them closer to the end of their seasons, and New Jersey has also concluded its cucumber production. Southern areas are providing only light supplies. Relief is anticipated in the next 7-10 days as our Eastern North Carolina program begins, with expectations for moderate to strong volumes. Meanwhile, the West is also seeing a reduction in supply, with both Baja and Central Mexico in lighter production. Overall, cucumber availability is constrained, though improvements are on the horizon.

HARD SQUASH

Hard squash production is poised to increase as we approach the Fall season. Early crops are already being harvested in New York and Pennsylvania, with more regions and growers expected to come online in the next few weeks. In Kentucky, production continues at a light to moderate pace, with overall quality reported as good. Out West, the primary sources of hard squash remain Stockton and Fresno, both of which are providing consistent supply. Washington State is also in season and anticipates maintaining volume through November.

CHILI PEPPERS

Chili pepper supply in the East remains scattered, with pockets of product available across various regions. Cooler weather in more northern areas like New York and Pennsylvania has caused a slight slowdown in production. This light and dispersed supply pattern is expected to continue until Georgia's harvest starts up later in the Fall. Out West, supply is adequate across all items. Chili peppers are available from Baja, Central Mexico, Washington State, and California, with overall quality holding up well as long as the product is fresh. Notably, Washington's chili peppers have had excellent quality so far this season.

EGGPLANT

Cooler weather in some of the East has slowed eggplant production, leading to a lighter supply across areas such as New York and New Jersey. Small pockets of product are also available in more southern areas. Our Eastern NC program is scheduled to be up and running with Fall crops in a few weeks and should help stabilize supply. Despite the reduced volumes, quality is good from most all areas. In the West, California's production remains light with fruit coming from the Fresno and Selma areas. However, our Washington State partner is experiencing good volumes with excellent quality, especially in larger-sized fruit. This should help balance the overall supply, ensuring availability despite California's shortfall.

ORGANIC ROMA

Organic Roma tomatoes are available from both Baja and Central Mexico. However, Baja's quality issues prevent the tomatoes from traveling, so the primary source is Central Mexico. Currently, production is still on the light side, but an increase is anticipated in the coming weeks as an additional grower is expected to start production. This should help improve supply and meet demand more effectively.

ORGANIC GRAPE TOMATOES

This week, organic grape tomato supply has slightly improved, with fruit available from both Baja and Central Mexico. Overall quality is good, although there have been occasional issues with splits and shrivel on some high-color product.

ORGANIC MINI CUCUMBERS

Organic mini cucumber supply from Baja continues to be on the lighter side. Quality has been varied, especially on anything packaged at the farm level, but is better on bulk.

ORGANIC MINI SWEET PEPPERS

Availability of organic mini sweet peppers has improved this week, with a slight increase in production from Baja. Recent concerns about green cast have been resolved, and the quality is now reported as good.

WATERMELON

The watermelon season is winding down in most current production areas, including Kentucky, Indiana, and the Delmarva region. As the season reaches its end, the quality of the watermelons is holding steady but is not exceptional. With the Labor Day push soon behind us, supply will transition into a lighter Fall mode. However, Lipman will begin harvesting in South Carolina around September 25th, which should help maintain a steady, though reduced, supply of watermelons until Florida gets started.



REPORT EXAMINES GROCERY E-COMMERCE GROWTH AND AUDIENCE

[PRODUCEMARKETGUIDE.COM](https://www.producemarketguide.com)

U.S. grocery e-commerce sales grew 26.4% annually from 2019 to 2023, and long-term growth prospects remain bright despite inflation headwinds, according to a [new report](#) from Agriculture Canada.

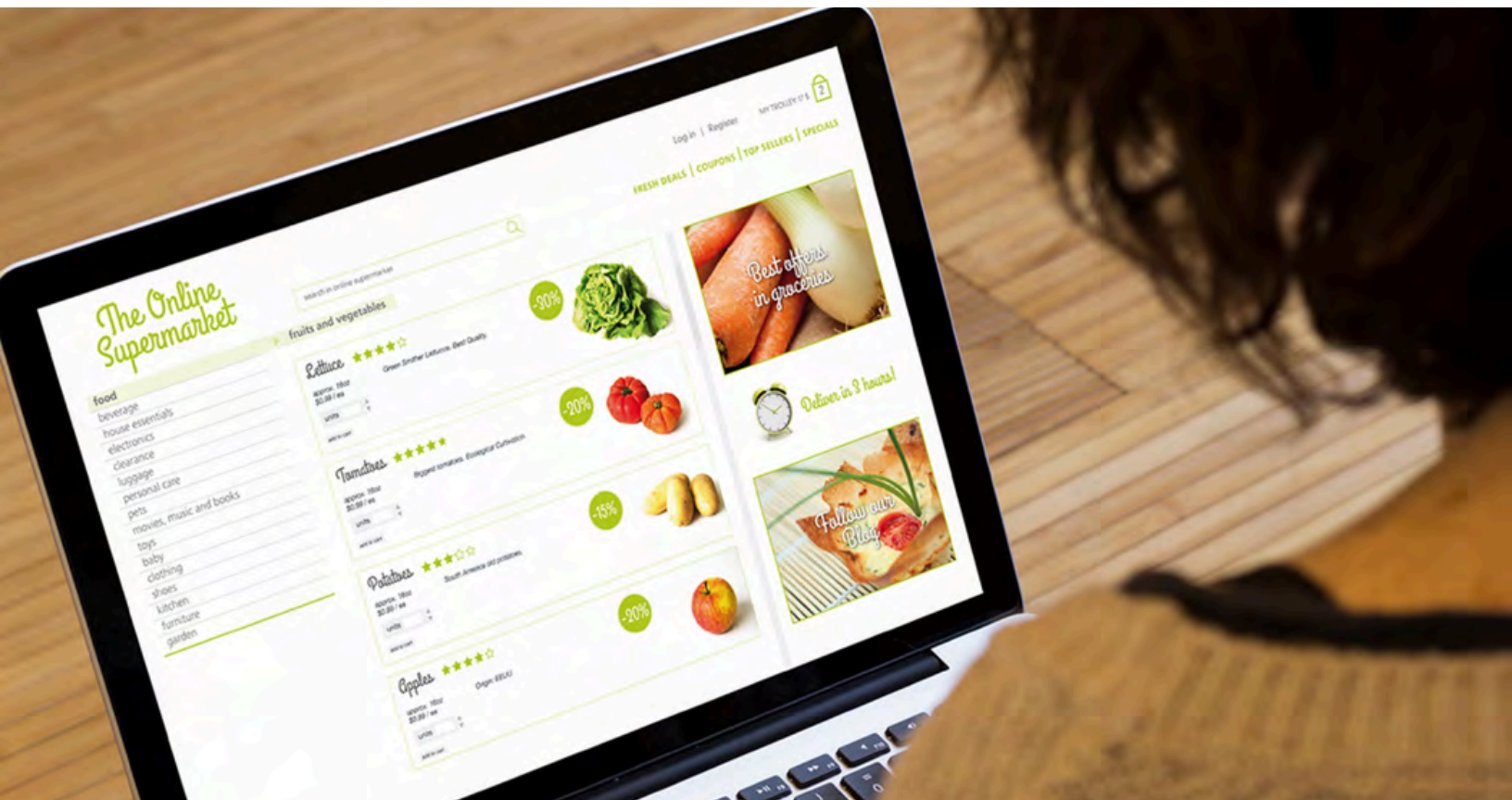
“Expansion has slowed considerably under the pressure of food inflation and U.S. consumers cutting their grocery bills,” the report said. “How well online grocery players can convince consumers to make the money for time trade-off will determine the rate of uptake for the channel overall.”

Like the traditional grocery business, the report said e-commerce sales are highly consolidated, with Walmart at the leader position.

“Amazon is Walmart's most direct competition in grocery e-commerce but is well behind Walmart in both online and offline grocery, lagging in perishables and staple foods,” the report said. However, Amazon has the advantage in warehouses and logistics network that allows it to stock more SKUs and shelf-stable categories where variety matters most, such as drinks and snacks.

Large grocery retailers expanded their online food and drink products ordering options in response to overwhelming demand during the pandemic, according to the report.

“Walmart has a massive presence in outlets that put in-store pick-up or quick delivery within range of most of the U.S. population,” the report said.



FOOD PRICE INFLATION EXPECTED TO REMAIN LOW IN 2025, USDA SAYS

[PRODUCEMARKETGUIDE.COM](https://www.producemarketguide.com)

BY [TOM KARST](#), AUG 27, 2024

Grocery prices are expected to increase only 1.2% in 2024 and 1.1% in 2025, according to the latest USDA Food Price Outlook.

The late August report incorporates the latest Consumer Price Index and updated USDA projections.

In 2024, the USDA said prices for all food are predicted to increase by 2.3%, with a prediction interval of 1.7% to 2.8%.

Food-at-home (grocery) prices are predicted to increase by 1.2% in 2024, with a prediction interval of 0.4% to 2%. The USDA said food-away-from-home (restaurant) prices are predicted to increase by 4.1% for all of 2024, with a prediction interval of 3.8% to 4.5%.

In 2025, food prices are expected to increase more slowly than the historical average rate of growth. The USDA said 2025 prices for all food are predicted to increase by 2%, with a prediction interval from down 3.2% to up 7.5%. Grocery prices are predicted to increase by 1.1%, with a prediction interval from down 6.6% to up 9.4%. The USDA said restaurant prices are predicted to increase by 3.1%, with a prediction interval from 0.3% to up 5.9%.

In 2023, the USDA said grocery prices rose 5%, compared with 11.4% in 2022. Restaurant prices climbed 7.1% in 2023, compared with an increase of 7.7% in 2022.



UPCOMING EVENTS:

SEPTEMBER 12-14, 2024

SOUTHERN INNOVATIONS

NASHVILLE, TN

OCTOBER 17-19, 2024

THE GLOBAL PRODUCE & FLORAL SHOW

ATLANTA, GA

IN THE HEAT OF AUGUST,
THERE'S NO BETTER WAY TO
CELEBRATE THE END OF
SUMMER THAN WITH A LIGHT,
CRISP, AND FRESH
WATERMELON FETA SALAD!
TRY OUR REFRESHING LIPMAN
FAMILY FARMS RECIPE.

