

NOVEMBER 29, 2024

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# ON THE H O R I Z O N

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weekly industry  
updates

# CROP & MARKET

INDUSTRY INFO





# MARKET UPDATES

## ROMA TOMATOES

Florida's roma production is near non-existent this week as we enter the period when storm-affected harvests are pretty much finished and we wait for new crops to get started. By mid-December we expect to see a few growers/fields slowly come online, but normal production isn't expected until the 1st of the year when the Naples/Immokalee area gets going with new crops that haven't been affected by Hurricane Milton. Mexico's production has been sporadic over the past week. Both Baja and Central Mexico are in the seasonal decline stage with size and volumes diminishing. Quality can be hit or miss but is mostly average. Availability is expected to remain snug until Mainland Mexico's winter crops come online in mid-late December, with stronger numbers after January 1st.

## ROUND TOMATOES

Florida is coming into the tightest window of post-hurricane operations for the next few weeks, going almost dark on round tomato production. The only product out of Florida will be very light yields from the limited amount of storm-damaged plantings that survived, which will be minimal volumes. By mid-December we will start to see gradual improvements with normal levels of harvests after January 1st. Moving to the West, Baja's supplies are light as growers in the northern area are winding down, expecting to be finished by the 2nd week of December. Southern areas will have light volumes for a few more weeks, but will finish up by the end of the year. Central Mexico's production is also tapering off, with mixed reports on quality. Mainland Mexico (Culiacan area) will begin to gradually come online in late December, but we don't expect significant volumes until January.

## GRAPE TOMATOES

Eastern grape tomato production is in its the lightest spot of the season, as harvests are limited to regrowth from storm-affected plantings currently. We will start to see new crops come online in 2-3 weeks but production isn't expected to rebound to normal levels in Florida until the latter part of December. Mexico's volume are also very light. Central Mexico's numbers have dwindled significantly as they work through the seasonal decline and some growers are experiencing a gap. Baja is also in a light spot as existing acreage is in the decline stage and new acreage has been slowed by cooler weather. Volume is expected to pick up in mid December when the Culiacan area gets started, with seasonal volumes by January 1st. .

## ORGANIC GRAPE TOMATOES

We continue to see less and less organic grape tomatoes as both Baja and Central Mexico's farms are in the seasonal decline stage. Quality continues to be solid on what's available though. Sinaloa anticipates coming online in 2-3 weeks, with no significant volume until January 1st.

## ORGANIC ROMA TOMATOES

Organic roma supply is light with product coming from Baja and Central Mexico. Quality has been good, but the fruit is coming in very light in color, which can cause delays in shipping to customer specs. Sinaloa is on tap to start in early January, so expect supply conditions to remain similar until then.

## GREEN BELL PEPPERS

Now that Georgia is finishing up with mostly offgrades, hit or miss quality, and smaller fruit, Eastern bell pepper supply is back in the hands of Florida. Current availability is extremely limited due to hurricane damages, but there are some light pockets of supply. New crops in southern areas will start to come online over the next 7-10 days, with more seasonal numbers and a return to near normalcy by mid-December. In the West, Coachella is in the last few weeks of their season but still has nice quality and sizing options to ship at very elevated prices. We are starting to see Mainland Mexico's season start with a few peppers coming from Central Mexico and a few from Sinaloa. The majority of what's available at this point is smaller sizing and choice fruit, but we expect to see more retail-quality and size by mid-December as more growers step into the season.

## CUCUMBERS

As with bells, Georgia is, for all practical purposes, finished with cucumbers for the season. Florida has light volumes to offer this week, but nothing major, as this is the normal time of year when acreage, volume and supply start to drop off for the Winter. We have seen a few early imports from Honduras so far, but the bulk of their crops won't be coming in until mid-late December. Although the past week's numbers dipped slightly, Mexico continues to have moderate to good supplies. This fruit is coming mostly from Sonora, Sinaloa and Central Mexico with a few still coming out of Baja. We expect to see production levels increase to seasonally heavier volumes by the 3rd week of December as more Sinaloa crops come online and farms get further into fields. Quality is good overall despite a few issues on the Sonoran fruit.

## YELLOW AND ZUCCHINI SQUASH

Florida's squash volumes are light this week. Quality has cleaned up and is mostly good now that growers have exited older fields. Looking to the West, supplies are light to moderate in Sonora due to some temperature ups and downs. We should see slightly better numbers out of Sonora in the next week as the weather has improved. Sinaloa has started in a light way but we don't expect a big change in volumes until production fully transitions to this area in December. Quality continues to be good on both colors.

## GREEN BEANS

Florida is now the only Eastern state with green beans and the load remains light. There are some beans in the Lake area, Immokalee, and Homestead now but a few growers are working through a skip, leaving volumes lighter after Thanksgiving. However, more crops, including Lipman's, will be coming online over the next 10-14 days just in time for Christmas. In the West, the majority of what's available is coming out of Central Mexico where there have been occasional reports of quality concerns. We are seeing a few out of Sinaloa, but are awaiting this area to fully come online with seasonal volumes by mid-December.

## EGGPLANT

Eastern eggplant volumes are adequate with fruit available in both Georgia and Florida. No significant quality issues have been reported. Sinaloa crops are now providing moderate to good supply on a regular basis. There's some smaller sizing right now due to the recent cooler weather, but quality has been good overall. Coachella is also still in production, but will leave the deal to Mexico in another 7-10 days.

## HARD SQUASH

The Northeast is starting to wind down its hard squash production and/or storage. We'll see supply levels continue to decline the further we move in December with most finishing by mid-month. With Honduras imports still a few months away, this will shift the East to look to Mexico for supply. In the West, we're seeing moderate to good volumes on all varieties and clean quality. Both Sonora and Sinaloa are harvesting currently. California will also continue to have storage fruit available, likely through the end of the year.

## SALAD CUCUMBERS

Eastern salad cucumber supply is very minimal with small pockets of product in Florida. Mexico is now providing adequate volumes and is able to cover Eastern demand with nice-quality product. Our Sinaloa program has good volumes, strong quality and no length concerns at this time.

## CHILI PEPPERS

Eastern chili pepper production continues at minimal levels, with small pockets scattered about in Florida. Jalapenos are the only SKU that has any significant volume available consistently. Cubanelles, long hots, and Hungarian wax peppers are very challenging to find. There won't be much change in current production levels until South Florida plantings come online in mid-December. Fortunately, Mexico has moderate, consistent volumes available with most of the fruit coming from Central Mexico and Sinaloa now. Baja still has chilies, but volume and variety options are lessening as they are in the latter stage of the season. Overall quality has been nice.

## MINI SWEET PEPPERS

Mini sweet pepper supply continues to be extremely limited, as the remaining grower(s) near the finish line for the Fall season. We've started to see size and color concerns as folks try to stretch supply as far as it will go. We anticipate the shortage in supply to continue and potentially get worse in the latter part of December before improving when Mainland Mexico begins production in January.

## RED, YELLOW & ORANGE BELL PEPPERS

With Canada finished up, Central Mexico is the primary area of supply for red, yellow, and orange bells for the next few weeks. Volumes have been up and down, but are generally at light levels. Quality is varied and we're seeing some greening concerns, as is the norm when supply gets snug. The Sinaloa area's crops are expected to get started in mid-late December, with seasonal volumes after the 1st of the year.

## MINI CUCUMBERS

Cooler weather has slowed down mini cucumber volumes in Mexico. We expect current levels of supply to rebound somewhat in the next 7-10 days as warmer weather moves in. Some quality issues have been reported, but this varies by grower and lot.

## ENGLISH CUCUMBERS

Mexico's English cucumber volumes have declined to low to moderate levels this week, with somewhat sporadic availability. Cooler temperatures have slowed production after experiencing stronger harvests. This has left some with inventory, which hasn't had the best quality. We should see a little more supply as things warm up, but still don't expect to see the levels of production we have in previous years due to reduced acreage. Canada's down to its Winter production under lights, which generally stays local due to pricing and transportation constraints.

## ORGANIC MINI SWEET PEPPERS

The organic mini sweet pepper supply situation continues to be critical with trickles of supply coming from Mainland Mexico and Santa Maria, CA. With availability this snug, we are seeing a poor color mix with few reds and greening concerns but quality and sizing remain good. Santa Maria still has a little product available but are on track to finish up over the next week. Supply is expected to remain very limited until new crops in Mainland Mexico are fully online in January.

## ORGANIC RED, YELLOW & ORANGE BELL PEPPER

Jalisco's production is declining as they are in the last few weeks of the season. Sizing is coming down, but quality remains strong. Sinaloa is the next major area of production. We've seen a few scratch picks already and should start to see a little more fruit in 10-14 days, with full volumes by the first of the year.

## WATERMELONS

Domestic watermelon production is limited to relatively light volumes from a few farms in South Florida. We began harvesting Immokalee crops last week and expect them to continue for another 2-3 weeks. Once these crops are finished, domestic supply will go dark until Spring crops start back up in March. Quality is average but sizing is a little on the smaller side for the current crops.



## CONSUMERS TAKE NOTICE OF SHRINKFLATION

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

NOVEMBER 21, 2024

Three out of four surveyed consumers say they have noticed shrinkflation at the grocery store in the previous 30 days, according to the October 2024 Consumer Food Insights Report from Purdue University.

Shrinkflation is described as when food companies reduce the quantity or size of a food product while keeping the same price.

"A variety of factors may influence a producer's decision to downsize a product's size, such as rising costs in the supply chain and inflationary pressures," Joseph Balagtas, professor of agricultural economics at Purdue and the report's lead author, said in a news release. "The goal is to better understand how consumers perceive these reductions and if they have noticed them happening at all."

The survey sorted 1,200 consumer responses into two groups: households with children and those without children. Of the consumers who noticed shrinkflation, 78% say they have observed it in snack foods and 53% in packaged desserts and sweets. Just under half, 48%, also said they have observed shrinkflation in frozen foods. Those with children report seeing shrinkflation in a wider variety of food products, according to the release.

The latest Consumer Food Insights survey included questions about product information that consumers most look for when buying food at the store. The survey showed that 82% of consumers "often" or "always" check the price of food items before buying.

Fewer consumers "often" or "always" check for unit price (51%) or weight (44%).

"The unit price and weight in particular are key indicators of shrinkflation. Without checking weight or unit price, consumers may not notice reductions in the quantity or value of their typical grocery products," Balagtas said.

Most consumers (82%) think shrinkflation is a common practice used by food companies, and 76% believe it is a result of trying to increase profits even when costs are not rising.

Around 74% of consumers agree there should be requirements in place that make product size reductions more transparent to the consumer, such as prominent labeling.

"Our research on food values shows that price and affordability are among the top concerns for food shoppers, and one way for food manufacturers to reduce the price is to reduce the size of a product," Balagtas said. "But reducing product size could cause consumer resentment."

Around 74% of consumers agree there should be requirements in place that make product size reductions more transparent to the consumer, such as prominent labeling.

Food satisfaction remained high among most U.S. adults, with 69% of consumers classified as "thriving" on the diet well-being index. Food insecurity remained unchanged from last month at 13%.

"Notably, households with children are more likely to experience food insecurity, with 17% of consumers in these households reporting difficulties accessing adequate amounts of nutritious foods," Elijah Bryant, a survey research analyst and co-author of the report, said in the release. Households without children report a lower food insecurity rate (13%).

Researchers saw no significant changes in consumer estimates of food inflation (5.4%) or expectations for future food inflation (3%). Overall weekly food spending rose to \$197 per week, 5.9% higher than this time last year and 11.2% higher than two years ago, the report said.

"Households with children report eating more meals from restaurants, fast food places or cafeterias than households without children, and much of their budget for food away from home goes toward delivery or takeout options," Bryant said.

"Consumers living with children report choosing foods that are commonly labeled as 'sustainable' or 'ethical,' such as wild-caught fish, cage-free eggs, plant-based proteins or organic foods more frequently than childless adults," Bryant added. Similarly, those with children tend to check labels for food origin, recalls, genetically modified organism ingredients or natural/clean labels.

"Somewhat surprisingly, consumers with children in their households report engaging in risky food behaviors — eating rare meat, unwashed produce or raw dough, for example," Bryant said. Consumers with children are also more likely to throw away food that is past the use-by date.

"The largest differences we observe between households with and without children come in the agreement with health-related claims," Bryant said. Those with children are more likely to agree that organic food is more nutritious and that both gluten-free food and plant-based milk are healthier.

"Consumer beliefs about these statements and the frequency at which consumers report choosing these nonconventional foods when grocery shopping suggest that those with children are a potential target demographic for food companies looking to bring alternative, health and sustainability-focused foods to market," Bryant said.



## ARE CUSTOMERS TIPPING MORE? HERE'S WHAT THE DATA SAYS

RESTAURANTDIVE.COM

NOVEMBER 25, 2024

Consumers are increasingly fed up with tipping.

This year, 60% said they are tired of tipping for services at different establishments, up from 53% last year, according to a Popmenu survey of 1,000 U.S. consumers conducted in early September. Roughly 61% of consumers said they feel pressured to tip and many say they've tipped when they feel it wasn't warranted.

"The continued squeeze on consumer bank accounts is impacting restaurants and other industries that are heavily reliant on tips," Brendan Sweeney, CEO and co-founder of Popmenu, said in a statement. "Not only are they dealing with heightened competition for guests, they have to work even harder for the tips that account for the majority of [employee] income."

The percentage of customers tipping 20% or more has steadily declined in the past three years. Consumers are still tipping, but many have pulled back from larger tips. This year, 38% of consumers said they tip restaurant servers 20% or more, compared to 42% of consumers who said this in 2023 and 56% in 2021, per Popmenu data. Additionally, 30% of consumers said they tip servers 10% or less compared to 19% of consumers who did so last year, according to Popmenu.

Other data shows a more ambiguous situation. Consumers are tipping about 18% on average, according to a report from foodservice distributor US Foods, similar to the amount it reported last year. One in four still see 15% as the standard tipping rate, while about half of Americans tip 18% or more.

This data lines up with Toast's Q2 2024 Restaurant Trend report, which saw tips average 18.8% during the second quarter. Full-service tips averaged 19.3% while QSR tips were about 15.9%, both dipping 0.1% from the first quarter. Dine-in tips overall averaged 19% while takeout tips were about 13.7%.

While tipping at QSRs and FSRs has remained relatively the same, tipping is increasing at bakeries, coffee and ice cream shops, according to a September Gusto report. From July 2019 to July 2024, the percentage of bakeries paying tips to employees rose from 36% to 50%. Coffee shops taking tips rose from 56% to 72% over that time period. The percentage of full-service restaurants tipping employees is also down slightly, with 1.3% fewer operators paying tips in 2024 compared to 2019, per Gusto.

"Employees in these industries typically depend on tips as a regular part of their income, but businesses may be opting to forego tips as some jurisdictions begin to phase out the tipped minimum wage," Gusto said in the report. "Additionally, it has become more common for some

restaurants to add a service charge to the bill instead of relying on customers to leave tips."

Service charges allow restaurants to keep money they might otherwise be obligated to pay directly to servers.

Tipping has long been prevalent in fine dining and full-service restaurants, where customers reward staff based on their experience. The practice, in concert with the tip credit, allows employers to increase pay without incurring greater labor costs by asking consumers to directly subsidize workers. But now it is part of day-to-day interactions, said Sal Nazir, general manager of payments at Par Technology. In addition to coffee shops, QSRs are increasingly asking customers to tip even if there wasn't a service element tied to their transaction.

"The industry is going to continue to push the prompts and make sure we ask for the tipping on the services," Nazir said. "I think consumers are going to have to be the one that dictates if they tip or not." Technology has also improved the tipping experience. Many restaurants are moving away from smaller payment devices that have small screens that may lead to customers pressing the wrong buttons, Nazir said.

Tablets also help with wait times since staff don't have to try and issue refunds for unintended tips and redo a transaction. Par's customers have seen between a 20% and 30% lift in tipping with this move toward touch screen technology, Nazir said.

"While consumers are kind of frustrated with tipping, simplifying the experience and making tipping native and seamless has also allowed them to tip more," Nazir said. Many restaurants are in the midst of streamlining their tech stacks, which is likely to add more tipping options, Nazir said. There will be more contactless experiences where tipping is embedded in the ordering process, he said. With tipping prompts becoming more common through technology like self-order kiosks and pay-at-tablet tablets, it will likely become more habitual for customers as well, he said.

"If you get [customers] to do something between eight to 10 times, it becomes a habit," Nazir said. "I think contactless is going to do that."

The technology leads customers to tip more digitally, meaning employees have to handle less cash, which has traditionally been a security concern.

# UPCOMING EVENTS:

DECEMBER 10-12, 2024

## NEW YORK PRODUCE SHOW & CONFERENCE

SHERATON NEW YORK TIMES SQUARE HOTEL  
NEW YORK, NY

[www.nyproduceshow.com](http://www.nyproduceshow.com)

JANUARY 13-14, 2024

## GLOBAL ORGANIC PRODUCE EXPO

JW MARRIOTT MIAMI TURNBERRY RESORT  
& SPA

ADVENTURA, FL

[www.events.farmjournal.com/gopex2025](http://www.events.farmjournal.com/gopex2025)

### LIVERMORE, CA

MARLENE HOKANSON FACILITATED OUR LIVERMORE OFFICE'S EFFORTS WITH TWO DIFFERENT ORGANIZATIONS. THEY PROVIDED DUFFEL BAGS AND BLANKETS FOR VBR FOSTER FAMILIES AND SERVED SENIOR CITIZENS AT THE OPEN HEART KITCHEN.

### DENVER, CO

RAQUEL CHAGAS AND NICK DACHMAN LED THE DENVER TEAM IN THEIR EFFORTS WITH THE WE DON'T WASTE ORGANIZATION. THE GROUP DONATED 100 BAGS OF FOOD FOR FAMILIES IN THE DENVER AREA THAT FACE FOOD INSECURITY.

### PONCITLAN, JALISCO, MEXICO

LIPMAN'S PONCITLAN GROUP DONATED HOUSEHOLD GOODS SUCH AS STOVES, REFRIGERATORS, MATTRESSES, TOYS, AND, OF COURSE, PRODUCE THROUGH THREE CIVIL ASSOCIATIONS THAT WORK WITH ORPHANED CHILDREN AND SENIOR CITIZENS. THANKS TO DIEGO DE JESUS AND CERVANTES MALDONADO FOR CHAMPIONING THESE EFFORTS.



Take a look at some of the great things Team Lipman did during our Day of Good!

### KNOXVILLE, TN

THANKS TO MIKAYLA O'DONNELL, ASHLEY JONES AND JACLYN BAKER FOR GUIDING THE KNOXVILLE TEAM IN THEIR EFFORTS TO SERVE VICTIMS OF DOMESTIC VIOLENCE THROUGH HAVEN HOUSE IN ALCOA, TN. THE TEAM CREATED AND DONATED CARE BAGS FOR ADULTS THAT INCLUDED FEMININE HYGIENE PRODUCTS, SOCKS, A JOURNAL AND TOOTHBRUSHES. THEY ALSO MADE BAGS FOR CHILDREN THAT WERE FILLED WITH A BLANKET, A STUFFED ANIMAL, AND OTHER TOYS.

### IMMOKALEE, FL

THE IMMOKALEE TEAM VOLUNTEERED THEIR TIME HELPING TWO DIFFERENT ORGANIZATIONS, THE CHRIST CENTRAL FOOD BANK AND THE GUADALUPE CENTER. THEY HELPED ORGANIZE THEIR FOOD PANTRIES AND STORAGE FACILITIES AS WELL AS ASSISTING IN THE DISTRIBUTION OF FOOD ITEMS IN THE COMMUNITIES OF LABELLE AND IMMOKALEE. THANKS TO MARIA MANGUIA, TAMMY FAREWELL AND AMBER MARTINEZ FOR LEADING TEAM LIPMAN.