



On The Horizon

MARKET UPDATE

Tomatoes: As expected, Florida's tomato volumes are down slightly this week due to the cold weather from several weeks ago. However, with fairly light demand and the recent/present excellent growing weather, the negative impacts to availability have been minimized. Some growers have been a little light on grape tomatoes, but should see volume pick up over the next several days as they get into new plantings. Quality is excellent on all varieties.

Western Mexico/Culiacan farms anticipate continued strong supplies of rounds and romas throughout the month of February. Grapes are also plentiful from several growing regions in Mexico. Again, quality is nice and should continue to be, barring any weather events.

Bell Peppers: Florida growers on both coasts have solid supplies of bell peppers to offer to the Eastern market. Currently, all sizes are readily available but the sizing profile could move up over the next 7-10 days as growers move into new plantings. Quality is very nice, in part, due to excellent growing conditions. The West also has a strong supply of bell peppers. Much of the current production is from shade houses, which have been producing excellent quality with thick walls and good color.

Cucumbers: Honduran farms are now past the season's peak and are slowing down a little. However, there's still plenty of good-quality fruit available to meet market needs. Florida farms project an early to mid-March start for spring crops. In Mexico, new growers are coming online with fields that were replanted after early crops experienced mildew problems. Add these harvests to those currently in production and that means a lot of cucumbers are available! Quality and color are excellent.

Summer Squash: Florida squash production has increased on both yellow and zucchini. Although quality has improved as growers moved into new fields, there are still challenges with yellow squash. Mexico continues to churn out good supplies of quality zucchini, but is still a bit snug on retail-appropriate yellow squash.

Green Beans: Florida's bean crops have come on strong this week with Homestead, Immokalee, and the Lake areas in action. Optimal growing conditions have provided very nice quality fruit. The West is seeing steady production out of Mexico with nice quality as well.

Eggplant: Florida farms continue to harvest eggs from older fields as they wait for new plantings to come online. Quality is declining significantly, bringing a lot of choice fruit to market. Fortunately, growers in Mexico are bringing solid numbers of nice-quality product to the table. Now that Lent season has begun, the resulting higher demand could see this item firm up over the next few weeks.

Hard Squash: Mexico's hard squash production is expected to remain steady through February, but is likely to tighten up in March. Current harvests are beginning to show a decline in quality, color, and shape which reduces the amount of retail-caliber fruit available. New crops aren't on tap to begin until early April, so the next several weeks could get interesting as production works through the transition. In the East, hard squash production is minimal except for some light to moderate numbers of Honduran butternut.

Chili Peppers: Hot peppers are following in the footsteps of their milder counterparts- bell peppers. They are plentiful and coming from several growing areas in Mexico. Color and sizing are very nice and the fruit is hot to the bite. The East has very light volumes of select varieties in South Florida. This scenario is likely to remain the same for several more weeks.

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TRANSPORTATION FACTS

*The National Diesel Average finally dropped this week (down \$.023), moving from \$3.09 to \$3.06 per gallon.

* The average price for a gallon of diesel fuel is \$.50 higher than the same time last year.

* All ten reporting zones enjoyed price declines with the most significant change coming from the West Coast (down \$.037 per gallon).

*California maintains its role as the high price leader for diesel fuel at \$3.69 while the Gulf Coast region continues to offer the best bargain at \$2.87 per gallon.

*The WTI Crude Oil continued to decline this week, moving from \$63.39 to \$60.60 per barrel (down 4.4%).

* Central and South Florida shippers report a slight shortage of trucks while Mexico crossing points report adequate levels of transportation.



Source: Energy Information Administration

RESTAURANT INDUSTRY NEWS

Electrify Loyalty by Plugging in These Three Approaches

By: Michela Baxter, www.qsrweb.com, February 12, 2018

Brands across industries are dedicating time and resources to rewarding consumers for their purchases and continued engagement. With the prevalence of loyalty programs comes the need for innovative reward strategies that cut through the noise and build rapport with consumers. QSRs aiming to break the mold must design thoughtful initiatives that are not only tailored to the brand, but to the needs of its customers.

Here are the best ways restaurants can improve their loyalty game to effectively stand out, while avoiding consumer pain points.

Consider experiential promotions

Though discounts and "spend and earn" models still resonate with consumers, non-traditional loyalty programs are on the rise, with 59 percent of consumers interested in promotions that involve unique experiences. One way to transform a standard program into an experience with flair is through emerging technology, like augmented reality and other venues that actively involve patrons.

Looking to capture younger patrons? Try gamifying your rewards strategy. Incorporating playful promotions is a great way to excite the 40% percent of millennials who prefer interactive offerings. One strategy is to create a digital scavenger hunt in which consumers receive points for their progress.



Consider rewarding customers for their daily behaviors, like posting

on social media or watching a branded video, for the chance to win a larger prize. After all, 75 percent of consumers indicate they want to be rewarded beyond their purchases. A little competition goes a long way in boosting incentive, so don't be afraid to explore the potential for gamification.



Leverage the drive-thru

QSRs with drive-thru windows have a unique opportunity to increase engagement both online and offline. For instance, your brand might design a campaign around the popular "pay it forward" drive-thru trend, in which those consumers who opt into the promotion receive a surprise free menu item, or surprise automatic entry into an exclusive sweepstakes.

Or perhaps you expand your restaurant's drive-thru menu and add exclusive items for rewards members. With 60 to 70 percent of business flowing through the drive-thru, these lanes are essential channels for reaching consumers, and should not be forgotten about when it comes to revamping rewards.

Seek feedback

Upgrading your brand's loyalty program doesn't need to be a massive undertaking. In fact, simply collecting consumer feedback and making specific tweaks based on trending input may be all that is needed to reignite program engagement. Find out what consumers' preferences are and what they're

interested in seeing from your brand, then let these responses guide you.

Take rewards feedback as an example. Fifty-three percent of consumers cite that it takes too long to earn rewards as their biggest loyalty pain point. So, find ways to demonstrate value from the outset like offering a free item with sign-up or additional points.

Restaurants should also leverage their brand's digital capabilities to satisfy mobile-savvy consumers. For example, design a rewards tracker to help loyalty members monitor their progress via app or email, and motivate them to meet their next goal. For instance, one brand not only offers its rewards members a birthday treat, but also encourages customers to download its app, where users can gauge how close they are to redeeming a free item.

Acknowledge consumer frustrations and find out where there's room for growth in your rewards strategy, then use this information to your advantage. Ultimately, creating a thoughtful rewards program is essential for bolstering customer relationships and thanking them for their participation in a meaningful way.

While discount and "spend-and-earn" programs remain relevant, restaurants looking to elevate their loyalty strategy must steer clear of one-size-fits-all models and breathe new life into offerings. Factoring in the overall loyalty experience, maximizing the drive-thru, and understanding consumer preferences are a few ways to drive engagement and showcase your brand's fresh approach to consumer rewards.

Veggie of the Week- Chile Peppers

Maturity Indices

Mature-Green Chiles: fruit size, firmness, color

Colored Chiles: minimum 50% coloration to achieve complete color development

Quality Indices

- Uniform shape, size and color typical of variety
- Firmness
- Freedom from defects such as cracks, decay, sunburn

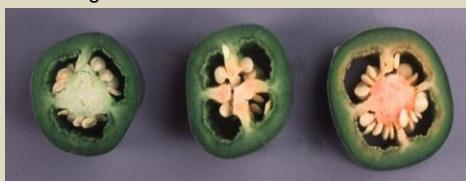
Optimum Temperature

Chiles should be cooled as soon as possible to reduce water loss. Chile peppers are not as chilling sensitive as bell peppers. Chile peppers stored above 7.5°C (45°F) suffer more water loss, shrivel, color change and decay. Storage at 7.5°C (45°F) is considered the best for maximum shelf-life (3-5 weeks). Chiles can be stored at 5°C (41°F) for at least 2 weeks without visible signs of chilling injury. Storage at 5°C reduces water loss and shrivel, but after 2-3 weeks, chilling injury is mostly detected as discoloration of the seeds. Symptoms of chilling injury include pitting, decay, discoloration of the seed cavity, and excessive softening. Ripe or colored chiles are less chilling sensitive than mature-green chiles.

Special Considerations

The pungency or hotness of chile peppers is due to capsaicinoids (capsaicin is the main one) and hotness varies depending on the cultivar or genetics of the chile peppers. Environmental factors and maturity of the chiles also affects the capsaicin concentrations. Chiles that are stored under a range of temperatures and are still of marketable quality maintain their capsaicin concentrations.

For U.S. markets, corking (corky striations on the fruit surface) is considered unattractive. However in other markets, corking is a recognized characteristic of certain cultivars and is usually associated with jalapeño chiles that are prepared in oil and vinegar as a side dish.



Internal changes during maturation of Jalapeño chile
These are all mature-green, but the more advanced chiles on the right will tend to change color during storage.



Maturation and ripening stages of Anaheim Chiles

Cantwell, M. 2009. Chile Pepper: Recommendations for Maintaining Postharvest Quality.
http://postharvest.ucdavis.edu/Commodity_Resources/Fact_Sheets/Datastores/Vegetables_English/?uid=&ds=799

PRODUCE BAROMETER

ITEM	QUALITY	PRICING
Bell Pepper	Good	Lower
Cucumber	Good	Lower
Eggplant	Varied	Steady
Green Beans	Good	Lower
Jalapenos	Good	Steady
Onions	Good	Steady
Squash	Varied	Steady
Tomatoes	Good	Steady



FEBRUARY CALENDAR

February-All Month

National Time Management Month

February 17th-24th

National Entrepreneurship Week

February 19th

President's Day

February 22nd

National Chili Day

National Margarita Day

February 26th

National Personal Chef's Day

Estero, FL Weather

Fri	Sat	Sun	Mon	Tue
Feb 16	Feb 17	Feb 18	Feb 19	Feb 20
82°F 62°F	84°F 64°F	84°F 66°F	84°F 67°F	85°F 67°F
S 8 MPH Precip 20%	ENE 7 MPH Precip 20%	ENE 3 MPH Precip 20%	E 11 MPH Precip 20%	E 11 MPH Precip 20%

KEEP YOUR EYE ON THE CONSUMER

Study: Mobile Purchases Climbing Rapidly

By: Deena M. Amato-McCoy, www.chainstoreage.com, February 7, 2018

Mobile shopping may still have a long way to catch up to online shopping, but the gap is closing — quickly. American adult consumers that reported mobile Internet activity in the past 30 days reached 52%, up roughly 50% in just four years, according to “Digital Payments in the U.S.: Consumer Usage, Wallets and P2P,” a report from Packaged Facts.

According to the data, banking-related mobile activity grew at faster rate (up an average of 16% annually). However, the fastest-growing category was purchase-related mobile activity, which was up an average of 28% annually. This suggests that mobile access is translating quickly to mobile commerce.

In 2017, more than a third (39%) of online purchasers reported making a mobile purchase, up from less than 20% of online purchasers in 2013. Similarly, banking and gathering information for shopping is climbing. This trend underscores the importance of mobile checkout schemes that make the mobile purchase experience simple and seamless, and the need to smoothly integrate them into the mobile shopping experience, the study revealed.

While smartphone ownership was once the more exclusive domain of younger adults, it is now more evenly spread across all age groups — except for senior over age 75. Similarly, the age gap separating online purchasing behavior has narrowed over time, although online purchasing among 25-44 year-olds is at least 20% more likely than average.

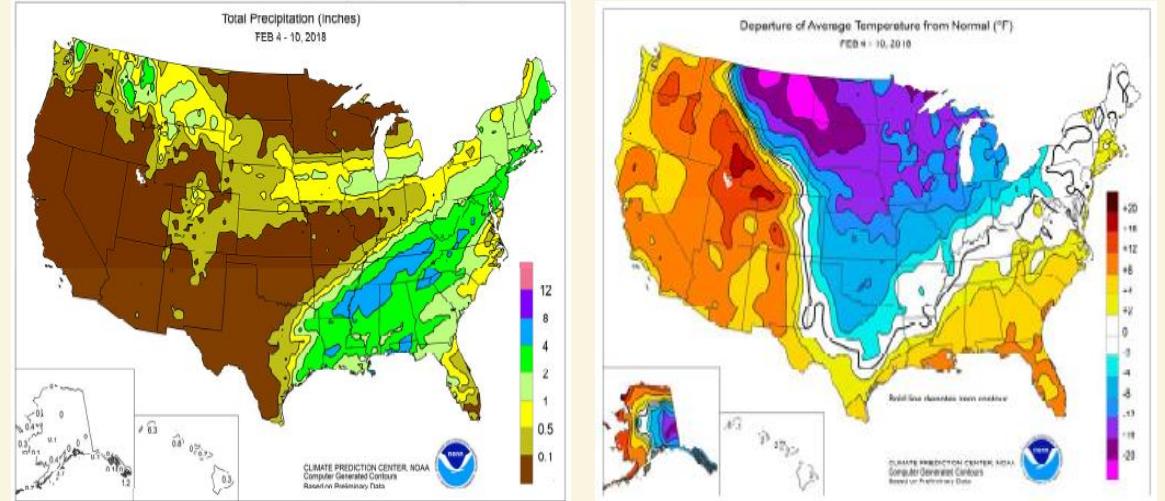
On the downside, mobile-related behavior remains strongly differentiated by age. Trends over time suggest that usage barriers remain among older adults and that mobile purchasing among Millennials ages 18-24 is running counter to industry expectations. Adults age 25-44 are at least 40% more likely than average to have made a mobile purchase in 2017.

While this behavior was generally almost three time more prevalent in 2017 than in 2013, statement agreement among 18-24s relative to other age groups declined during this period, according to the report.

“The percentage of adults who prefer mobile Internet access over computer-based access has continued to grow,” said David Sprinkle, research director for Packaged Facts. “The question now becomes how can the payments industry better translate this uptick into broader consumer interest in making in-store mobile payments.”

NATIONAL WEATHER SPOTLIGHT

Weekly Precipitation and Temperature Deviation



NEWS IN THE GROCERY TRADE

How Does Assortment Impact Online Performance?

By: David Bishop, www.progressivegrocer.com, February 13, 2018

The factors driving growth of online grocery sales are shifting, partly because of the benefits perceived by the shopper: What started as a way of finding your favorite product is now more about saving time by not having to walk the entire local store for your large weekly shopping trip. This makes it crucial to evaluate the online offering compared with the in-store offering – especially since Brick Meets Click research has established that 20 percent of supermarket customers don't find everything they want to buy when ordering online.

To examine the situation, we took a deep dive into the online versus in-store assortment of a retailer whose goal was to offer the same assortment online as in the store. The investigation involved auditing a physical store and then going online as if ordering groceries for delivery.

This assessment reveals some surprising insights:

Online assortment is far smaller than in-store: Only around 65 percent of the in-store assortment is also available online. Even when we account for products like hot prepared foods or greeting cards that aren't sold online, that still doesn't explain the entire gap.

Assortment gaps vary considerably across categories: Frozen waffles and pancakes offer 95 percent of the in-store assortment online, and beer offers 70 percent. However, nuts and seeds offer only 60 percent. Even though the retailer may understand the contributing factors in this decision, from the shopper's perspective, it's not clear why this occurs.

Assortment can differ dramatically depending on the shopping platform: This retailer operates its own ecommerce platform, but customers can elect to shop the store banner via a third-party personal shopper platform. On the third-party site, the shopper can't buy beer even though it's sold in-store and on the retailer's ecommerce site. Unfortunately, the shopper likely isn't aware of the reasons that this happens, triggering potential lost sales for the retailer, and worse, a disappointing shopping experience.

Manufacturers' presence, measured on share of SKUs, may be smaller than expected: Algorithms influence the digital screen in ways that can cause products to disappear in the online store, which means that manufacturers should know how assortment compares between the two storefronts. For instance, in shredded and block packaged cheese, the online mix represents 61 percent for manufacturer brands versus 98 percent for store brands. In nuts and seeds, it's 56 percent for manufacturer brands and 82 percent for store brands.

These insights illustrate the value – for both brands and retailers – of more closely evaluating online assortment to improve the shopping experience and reduce lost sales.

FRESH

TOMATOES

the best
of nature™

**MARK YOUR CALENDAR
PACK YOUR BAGS!**

March 1-3, 2018
 Southeast Produce Council's
 Southern Exposure
 Tampa Convention Center
 Tampa, FL
www.southernexposure.seproducecouncil.com
 Come see Lipman at Booth 535!

April 9-11, 2018
 Restaurant Franchising & Innovation Summit
 Omni Louisville Hotel
 Louisville, KY
www.franchisinginnovation.com/louisville-2018

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