



# On The Horizon

## MARKET UPDATE

**Tomatoes:** The last fruit out of Quincy and South Carolina will ship this week. Some of these lots have quality challenges, as is normal for season-ending tomato crops. Regional production areas are just beginning and the volume that is available is spread out. Tennessee, North Carolina and Virginia are all on tap to start in the next 5-7 days and should have nice fresh-crop quality available.

In the West, we expect to see vine-ripe round and roma volumes drop over the next few weeks. Both Southern and Northern Baja have been in production, but the Southern areas are winding down now. The California mature greens are in solid production, having worked their way through early-pick quality concerns. Grapes are available in good supply from Baja, but there have been some concerns with quality.

**Bell Peppers:** Eastern markets now have good pepper volumes available from North Carolina. With the Carolina mountains and New Jersey also starting the season, availability is expected to remain steady for at least the next few weeks. In the West, we're seeing Bakersfield's pepper size drop and expect these farms to finish up in 10-14 days. Fresno has worked through its crown picks and is now into XL and smaller fruit. However, quality is excellent with good color, nice shape and thick walls.

**Green Beans:** Although the last few weeks have been a struggle due to weather events in multiple growing areas, we should begin to see more beans over the next week. Local deals that are running late should begin to crank up and we'll also see more product from the major production areas of Michigan & upstate New York. In the West, Watsonville/Salinas growers expect steady supply for the next 2-3 weeks.

**Cucumbers:** Eastern markets are just beginning to see more volumes of cucumbers as Michigan, New Jersey, and the Carolina mountains get up and running. Cucumber supply is also easing in the West, as Baja's harvests are increasing and Washington state growers are beginning the season.

**Summer Squash:** California's Central Coast area continues to provide great volume and quality on Summer squash. In the East, squash supply is also plentiful, as many local deals and major supply areas have product to ship.

**Eggplant:** With Georgia still working fields and North Carolina in peak production, the East has very good availability on eggplant. Quality is very nice from both areas. With more growers in the mix now, Fresno has picked up the pace on eggplant production. Quality and condition are also very nice from this area.

**Chili Peppers:** The East continues to have only light chili pepper production underway. There's a little product out of North Carolina, but many of the local deals are running 10-14 behind normal. Availability should improve as more areas get into production. In the West, we continue to work through the transition from Mainland Mexico to Baja and California local deals. The fruit coming out of the Mainland is tired and fraught with quality issues. Baja is still two weeks out from producing strong volumes and having all varieties available. Until then, supply is very fragmented and limited on a daily basis.

**Hard Squash:** Mainland Mexico is still shipping storage crop butternut & spaghetti while California growing areas are seeing excellent volumes and quality on all varieties of hard squash. The East is sourcing from larger local deals at this time.

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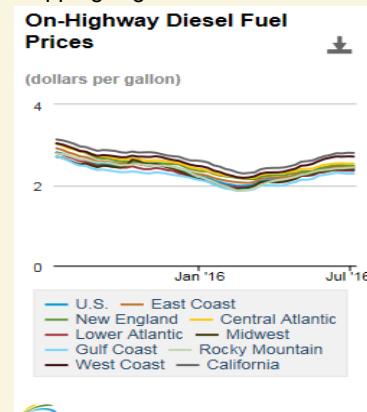
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## TRANSPORTATION FACTS

- \* The National Diesel Average remained relatively stable this week, coming in at \$2.42 per gallon.
- \* The average price for a gallon of diesel fuel is \$.41 lower than the same time last year.
- \* Diesel prices dipped in all parts of the country except for the Rocky Mountain region, where the price rose less than \$.01 per gallon.
- \* Although the price is steady this week, California continues to have the highest-priced diesel fuel at \$2.80. The Gulf Coast region keeps rolling with the best price in the nation (\$2.28 per gallon).
- \* The WTI Crude Oil Price fell 5.0% this week, moving from \$49.88 to \$47.43.

- \* With the exception of Eastern North Carolina, trucks are available in good or surplus supply throughout the country's shipping regions.



## News in the Grocery Trade

### Millenials Driving the Sales of Grocery Prepared Foods

By: RH Editors, [www.restaurant-hospitality.com](http://www.restaurant-hospitality.com), July 5, 2016

A recently released report from market researchers NPD Group confirms the notion that restaurants' competition for millennials' dollars stretches beyond other restaurants to grocery stores. "Supermarkets are raising the bar on their foodservice offerings and by doing so are attracting the attention of the coveted Millennials," states the report, titled "A Generational Study: The Evolution of Eating."

"Restaurant-quality and fresh food, chef-driven menus, in-store experiences have given rise to the Grocerant and inspiration to Millennials to visit and spend," NPD explains. "Millennials' interest in the benefits and experience supermarket foodservice offers will continue to be strong over the next several years," says David Portalatin, v.p., industry analysis at NPD Group. "Give the Millennials what they want—fresh, healthier fare and a decent price—and they will come."

In-store dining and takeout of prepared foods from grocers has grown nearly 30 percent since 2008, accounting for 2.4 billion foodservice visits and \$10 billion in consumer spending in 2015, according to NPD's research.

Furthermore, more than 40 percent of the U.S. population purchases prepared foods from grocery stores and, while millennials use grocery stores less than other generational groups, retail foodservice appears to be gaining traction with them.

"Many grocers now offer restaurant-quality food at a lower cost than full service or some fast casual restaurants, and specialty categories like Asian, seafood, Italian, Mexican,

and barbecue. Grocery stores are aiming to cater to all dining needs, including hot, custom-prepared grilled meat, food bars, soups, and sushi," notes NPD.

What advantages, if any, do grocers have over restaurants when it comes to foodservice? Perceived healthfulness, for one. "Consumers rate visits to grocerants higher than traditional quick service restaurants (QSRs) on variety and healthy options," NPD points out, adding that these two attributes are among the most important when it comes to motivating customers to purchase prepared foods and when it comes to their satisfaction with these purchases. Grocery prepared foods are also rated higher in the areas of "freshness" and "quality"—areas of particular importance to millennials.

Beyond the food itself, millennial-savvy grocers are understanding the importance of the "experience" to the young adult cohort. More retailers are allocating space for "comfortable, casual seating for in-store dining and some a full-service restaurant," notes NPD

**Restaurants maintain an edge**  
 Restaurants can take comfort in the fact that supermarkets are far from becoming dining destinations. Moreover, census data notes that Americans, for the first time, spent more at restaurants (\$54.9 billion) than on groceries (\$52.5 billion). Consultant Aaron Allen, principal, Aaron Allen & Associates, offers this reminder: "Keep in mind what helped restaurants gain market share in the first place: convenience, experience and service." He adds that restaurants can counteract grocery stores' plays for customers by selling family

meals and by creating branded retail products.

"Creating family-size meals directly competes with grocery stores' competitive family-centered positioning," notes Allen, citing the success of "Family Meals to Go" at operations such as Bob Evans and Mimi's Cafés.

Allen adds that restaurants can maintain their competitive advantage through the following strengths:

- **Customization.** 62 percent of consumers believe grocery stores do not offer customizable meals. "Restaurants still have the edge in being able to prepare food exactly as consumers want it—especially in the ever-growing fast casual sector," points out Allen.

- **Convenience.** "Grocery stores aren't considered convenient unless the consumer already happens to be there," writes Allen who points out that statistically, customers rarely "go to grocery stores with the sole intention of getting a prepared dinner."

- **Quality.** Although half of consumers think prepared foods' quality at grocery stores has "greatly improved" since 2010, "40 percent of consumers would like name-brand foods at grocery or retail restaurants, which—in less polite terms—translates to wishing the food were higher quality," points out Allen.

The bottom line: Millennials are still eating out (3.4 times per week) more than non-millennials (2.8 times per week), which is good news for restaurants that keep the need and wants of young adults in mind.

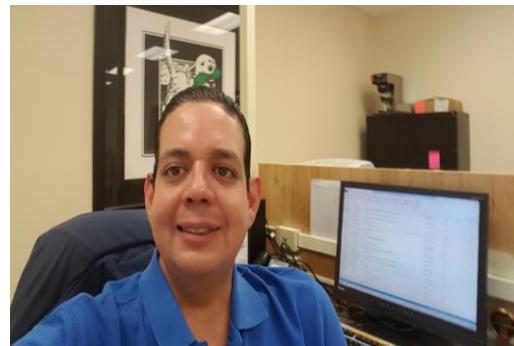
## SPOTLIGHT ON LIPMAN

### Team Lipman Shouts Out

#### Aldo Castelo

**Value Team Tomato Manager  
Nogales, AZ- The Produce Exchange**

On a daily basis, Aldo is responsible for managing all aspects of tomatoes- from receiving product to managing inventory to shipping. He says that "Lipman is a wonderful place to work because of the teamwork and friendly environment."



#### JoAnna Hazel

**Marketing and Local Programs  
Clarksville, AR**

"Every day brings new tasks and adventures- that is one of the reasons I enjoy my job so much. I am constantly amazed that no matter how rapidly our company grows, Lipman manages to maintain a caring, family atmosphere." JoAnna assists with company marketing functions, including managing social media and producing this newsletter. As well, she works with our local farming partners throughout the country to coordinate their operations with our customers' and facilities' needs.

#### PRODUCE BAROMETER

ITEM	QUALITY	PRICING
Bell Pepper	Good	Steady
Cucumber	Good	Steady
Eggplant	Good	Steady
Green Beans	Varied	Higher
Lettuce-Iceberg	Fair	Higher
Jalapenos	Varied	Higher
Onions	Good	Higher
Tomatoes	Good	Steady



#### JULY CALENDAR

##### All Month

National Picnic Month

**July 11<sup>th</sup>**

Vegetarian Food Day

**July 13<sup>th</sup>**

National French Fry Day

**July 15<sup>th</sup>**

National Give Something Away Day

#### Clinton, NC Weather

Fri	Sat	Sun	Mon	Tue	Wed
Jul 8	Jul 9	Jul 10	Jul 11	Jul 12	Jul 13
99°F	97°F	91°F	90°F	90°F	90°F
79°F	77°F	77°F	75°F	75°F	72°F
WNW 11 MPH	W 9 MPH	W 4 MPH	SW 4 MPH	ESE 4 MPH	SE 4 MPH
Averages	Averages	Averages	Averages	Averages	Averages
90°F/70°F	90°F/70°F	90°F/70°F	90°F/70°F	90°F/70°F	90°F/70°F

## KEEP YOUR EYE ON THE CONSUMER

### How to Sell Kids on Vegetables

By: Nicholas Bakalar, [www.nytimes.com](http://www.nytimes.com), July 5, 2016

The same marketing techniques used to convince children to eat junk food are highly effective in promoting fruits and vegetables, a new study has found.

Researchers assigned 10 elementary schools to one of four groups. In the first, they posted vinyl banners around the salad bar depicting cartoon vegetable characters with “super powers.” In the second, they showed television cartoons of the characters. The third got both cartoons and banners, and a control group got no intervention. The study, in *Pediatrics*, went on for six weeks in 2013.

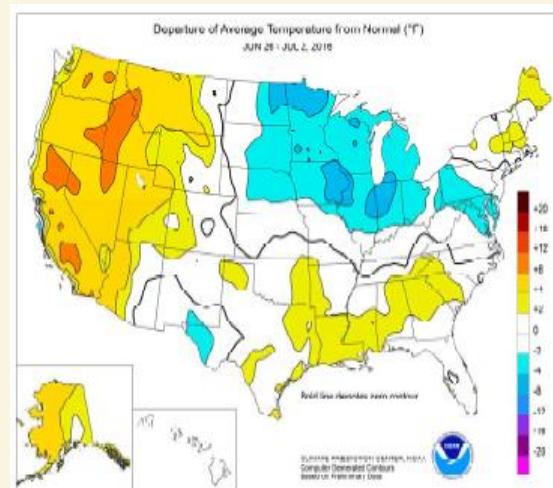
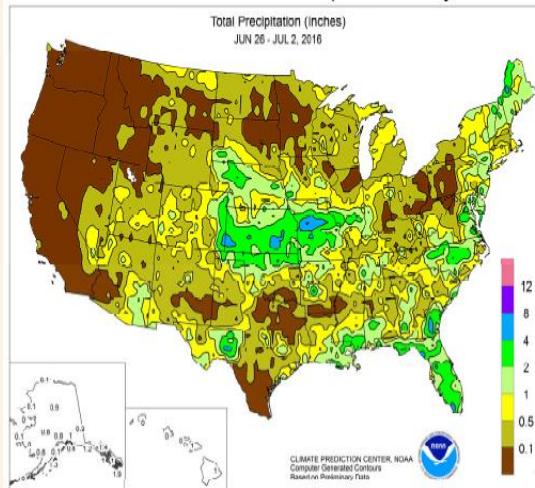
Compared to control schools, TV segments alone produced a statistically insignificant increase in vegetable consumption. But in schools decorated with the banners alone, 90.5 percent more students took vegetables. And where both the banners and the TV advertisements were used, the number of students taking vegetables increased by 239.2 percent.

“A lot of people have pushed back on this, saying marketing is evil,” said one of the authors, David R. Just, a professor of applied economics at Cornell. “But I have to disagree. It’s possible to use marketing techniques to do some good things.”

Putting such programs into practice, Dr. Just said, presents problems. “Schools are left to do their own marketing, and that’s not cost effective. These need to be national programs. McDonald’s is effective because you see their marketing everywhere.”

## NATIONAL WEATHER SPOTLIGHT

### Weekly Precipitation and Temperature Deviation



## RESTAURANT INDUSTRY NEWS

### Study: Unkempt Restrooms Undermine Restaurant's Image

By: RH Editors, [www.restaurant-hospitality.com](http://www.restaurant-hospitality.com), June 30, 2016

You've heard it before, but a new survey once again confirms that a dirty restroom sends up a red flag for many of your patrons. The 2016 Healthy Hand Washing Survey by the restroom fixture manufacturer Bradley Corp. revealed some not-so-secret behaviors found in public bathrooms. The results also point to ways restaurants can meet guests' expectations about restroom facilities.

A key takeaway from the survey is that patrons think poorly of businesses with dirty restrooms. Most Americans say that a messy restroom signifies poor management and shows the business doesn't care about its appearance or its customers. They find certain restroom problems more aggravating than others.

Biggest pet peeve? Like *Seinfeld's* Elaine, they dread facing an empty or jammed toilet paper dispenser. Next most bothersome situations are stall doors that don't latch, an overall dirty or unkempt appearance and empty or jammed towel or soap dispensers. Restroom users in the survey think the situation is worsening, too. Almost 70 percent report having had an unpleasant experience due to the conditions in a public restroom—up from 51 percent in 2012.

Consumers have suggestions for ways to improve the situation. Key enhancements they would like to see in public restrooms include more frequent cleaning, access to all touchless fixtures, regular stocking of materials and lots of paper towels—even if dryers are available.

For a variety of reasons, consumers say they are reluctant to touch certain restroom surfaces. Restroom door handles, stall doors and faucets top the list of surfaces consumers dislike touching the most, followed by countertops, sinks and soap and towel dispensers. People go to great lengths to dodge germs in public restrooms. They flush the toilet using their foot, use a paper towel when touching the restroom door and faucet handles and open and close doors with their hip. And even if they intend to wash their hands, many don't, often because of a lack of resources in the wash area—specifically, soap or paper towels—and sinks that either aren't working or seem unsanitary.

Among other survey results, these two give us pause:

- Many restroom users, especially men, skip the suds. Almost 80 percent of respondents said they frequently or occasionally see others leave a public restroom without washing their hands, especially in the men's room. Men also are less likely to wash up than women; 20 percent disclosed they skip washing because they "didn't feel the need."
- A small but not insignificant percentage of Americans use their "me time" to take cell phone breaks in the stalls. Texting, checking/sending email, checking/posting on social media and surfing the web are the most common activities. Six percent of all survey respondents admit they've taken a photo in the stall (what, we wonder, could be so terribly interesting?), while eight percent of men say they've checked their fantasy sports league.

For restaurant operators, then, two questions remain: How many of those hand-washing scofflaws and stall phone users are your employees? A recent study from the U.K. found that 92 percent of mobile phones had bacterial contamination, while one in six contained fecal matter.

These results not only point up the importance of clean, functional bathrooms, they also underscore the need for ongoing and thorough procedures for employees using those bathrooms.

## MARK YOUR CALENDAR & PACK YOUR BAGS

### July 26, 2016

NEPC Annual Golf Tournament  
Charter Oak Country Club  
Hudson, MA  
[www.newenglandproducecouncil.com](http://www.newenglandproducecouncil.com)

### July 29-31, 2016

PMA Foodservice Convention & Expo  
Hyatt Regency Monterrey Hotel & Spa  
Monterey, CA  
[www.pma.com/events/foodservice](http://www.pma.com/events/foodservice)

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