



On The Horizon

MARKET UPDATE

Tomatoes: Eastern tomato supply is primarily coming from two areas: Quincy, FL/South Georgia and South Carolina. Quincy has another week of crown-pick rounds to go and availability is stronger on mid-range sized fruit. Roma and grape tomato volumes have also been consistent despite working around weather. South Carolina is beginning to pick up the pace with volume increasing, particularly on grapes and rounds. Overall quality is good from both areas.

In the West, roma and round volumes are increasing in both Eastern Mexico and the Baja area as more growers and new acreage add to the mix. California valley crops will start in a very light way next week with some early growers beginning to ship fruit. Expect more volume and growers as we get further into the month of June. Grape tomato numbers are increasing quickly from Baja, with Central Mexico's farms expecting more volume to come this month as well. Overall quality has been good from all areas and on all varieties.

Bell Peppers: While Georgia continues to be the primary pepper producing state in the East, we are now beginning to see fruit from South Carolina and expect North Carolina to begin harvests in another 10-14 days. Georgia has experienced a lot of rain which has and will continue to affect picking and packing operations through next week. Quality has been good, but there is potential for bruising and stem decay on next week's product. In the West, pepper supply is short. The California desert has wrapped up the season and Bakersfield is slow to see volume and size, as they've experienced cool weather.

Cucumbers: Mainland Mexico expects to continue crossing cucs for another two weeks, although some growers are beginning to struggle with quality. Cucumbers are

also available from Baja where both volumes and quality are increasing as farms get further into crops. Eastern markets are short on #1 product this week, as a larger than usual percentage of Georgia's fruit is offgrade. Eastern North Carolina has just started and should be followed by more local deals over the coming weeks.

Summer Squash: Eastern squash production is beginning to transition for the Summer and spread out to local deals. Some areas are running 1-2 weeks behind, but there is fruit available from NC, SC, GA, NJ, and KY this week. Western squash availability should also improve as Baja and Santa Maria have begun and expect volume increases over the next week.

Eggplant: With Plant City, FL winding down, Georgia is now the hot spot for Eastern eggplant. Growers have been working around rain but should see better numbers over the next week. Cooler weather in the California desert has kept fruit size smaller than desired, creating a tight situation for retail fruit. Look for relief in 7-10 days when Fresno starts.

Hard Squash: Sonora storage crops of hard squash are on their last push, as quality continues to be a challenge on all varieties. The California desert has light volumes to offer but will wrap up harvests at the end of this month. Look for improved availability and quality in the West when Fresno gets started in late June/early July. The East has light volumes of acorn and spaghetti with slightly more butternut available out of Georgia this week. Overall quality is good, despite the normal concern with scarring on spaghetti.

Chili Peppers: Various growing areas in Mexico are harvesting chilies with the best quality and volumes from the Baja area. Domestic deals should begin to add to the mix beginning next week. Light to moderate volumes are also available in the East- mostly out of Georgia.

ON THE HORIZON CONTENTS

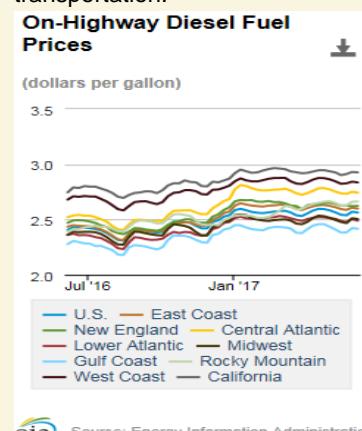
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TRANSPORTATION FACTS

- * The National Diesel Average dipped \$.01 this week, now coming in at \$2.56 per gallon.
- * The average price for a gallon of diesel fuel is \$.16 higher than the same time last year.
- * New England and the Rocky Mountains reported slight price increases, but all other areas came in with fuel costs slightly lower than last week's.
- * California remains the high price leader for diesel fuel at \$2.93 while the Gulf Coast region continues to offer the best bargain at \$2.42 per gallon.
- * The WTI Crude Oil price remained relatively stable for the third week in a row, moving slightly from \$48.32 to \$48.19 per barrel.

*With production spread over many areas, California is coming up short on trucks this week. Mexican crossing points are also on the short side of transportation.



KEEP YOUR EYE ON THE CONSUMER

Study: Restaurants Offering Trends That Consumers Don't Want

www.fastcasual.com, June 6, 2017

Mobile ordering, delivery services and the influence of social media have obviously changed the way consumers interact with restaurants, but there may be a disconnect between what customers actually want and what restaurants are offering.

An American Express survey, which polled nearly 500 restaurant operators and 1,000 consumers, found that although 63 percent of customers would like to continue being able to tip servers, 29 percent of restaurants either already had a no-tipping policy or were considering adding one.

Other key findings include:
 -57 percent of customers do not like the idea of communal seating, yet half the restaurants either currently offer or are planning/considering adopting.
 -Although many chefs are rethinking what they throw away, barely one-quarter of customers would be likely (27 percent very/somewhat) to order a meal made entirely of excess food and leftover ingredients that might have otherwise been discarded or wasted.

Tech at the table: Keeping the human touch in a digital world
 Restaurants are increasingly turning to digital technology to enhance customers' dining experiences. About 7 percent of restaurant owners/managers use automated customer service technology such as digital kiosks or table-side ordering, and that trend is expected to grow; 26 percent said they plan to or are considering adopting this technology in the future.

While the majority of consumers (75 percent) favor a restaurant with traditional wait staff who can provide in-person service, 25 percent said they prefer restaurants with digital customer service platforms. That percentage is even higher for millennials (39 percent). "This disparity shows that restaurants should strongly consider their target customer base or pairing traditional customer services with the convenience of technology at the table when deciding how to augment their approach to

servicing with technology," according to the survey.

Take-out tech to grow

Millennial consumers are more likely than any other generations to order take-out using a mobile app or website, according to the survey. For example, millennials were twice as likely (62 percent) as Baby Boomers (28 percent) to have used a restaurant's mobile app or website to order take-out in the past month. When it comes to ordering and delivery services like Grubhub and Seamless, millennials are significantly more likely (58 percent) to have used such a service than Gen-Xers (35 percent) or Baby Boomers (21 percent). Restaurant operators are taking notice.

Twenty-four percent of restaurateurs use an online ordering and delivery platform like Grubhub or Seamless, and another 31 percent said they are planning to or are considering adopting such services. Additionally, 24 percent of restaurateurs are already offering the ability to order ahead through their own websites or mobile apps, and another 42 percent plan to or are considering adopting the technology.

To tip or not

Consumers' tipping practices and preferences also differ by generation. In recent years, some restaurateurs have discouraged tipping or adopted policies that do away with the practice in their establishments, usually in favor of higher wages for the servers. According to the survey, 15 percent of restaurants have already adopted or plan to adopt a no-tipping policy, and 14 percent said they might eliminate tipping if their competitors do.

At the same time, the majority of consumers (63 percent) said they prefer being able to tip their server. However, when broken down by generational groups, preferences differed. Millennials are the generation most likely to prefer not to continue tipping (46 percent) compared to Gen-Xers (34 percent) and Baby Boomers (32 percent). However, Millennials were more likely (18 percent) to support having a service charge added to their bills in lieu of a tip than Gen-Xers (8 percent) or Baby Boomers (6 percent). Additionally, when paying with a credit or charge card, the majority of

customers (59 percent) will add the tip to their card. Millennials, however, are more likely to leave a cash tip when paying with a credit or charge card (46 percent) than Gen-Xers (36 percent) or Baby Boomers (36 percent).

Investing in tech and hiring staff

Overall, restaurant operators are generally positive about the future. More than half (54 percent) said revenues are greater than they were one year ago, and nearly three-quarters (72 percent) are expecting a continued increase during the next 12 months. Part of this optimism is reflected in planned technology investments — two-thirds (65 percent) have plans for tech investments in the next 12 months — as well as hiring — more than eight out of 10 plan to hire both front- and back-of-house staff in the next year (83 percent, each). Innovations are being planned to stay competitive as well, particularly in restaurants' ability to combat food waste and make better use of local ingredients:

-Half of restaurant owners/managers believe food waste has a significant impact (48 percent very/somewhat) on their restaurant's profitability, and most are taking some measures for reducing it.

-38 percent of restaurateurs are repurposing ingredients or offering special menu items made with excess food.

-61 percent evaluate inventory, 59 percent train staff on waste reduction and over half monitor the portion sizes they provide to their customers to reduce waste.

-When it comes to locally sourced ingredients, 44 percent of restaurants currently use them

Diners agree. More than half of consumers (56 percent) believe that it is important for a restaurant to use locally sourced ingredients in their menu. Like restaurant owners, they too don't want to see their food go to waste. The vast majority of diners (83 percent) said they ask to have their leftover food wrapped. For some, making leftovers their actual in-restaurant meal is not off the table — 27 percent of consumers are likely to order a meal made from leftover ingredients. When focusing on generational groups, millennials are more likely to embrace this concept (39 percent) than Gen-Xers (24 percent) and Baby Boomers (19 percent).



LIPMAN LOCAL IN PICTURES



Tommy Crittenden of Heart 17 Produce will provide cucumbers and bell peppers for our Virginia customers.



Perez Brothers does a great job with mountain-grown tomatoes and peppers in North Carolina!



In North Carolina, Martha Calderon and the Hispanic Women Coop are harvesting pickling cucumbers and will add more items as the season progresses.



Jones and Church are a long-time Tennessee tomato partner.

PRODUCE BAROMETER

ITEM	QUALITY	PRICING
Bell Pepper	Varied	Steady
Cucumber	Wide Range	Steady
Eggplant	Good	Steady
Green Beans	Average	Steady
Jalapenos	Good	Steady
Onions	Fair to Good	Lower
Squash	Good	Lower
Tomatoes	Good	Steady to Lower



JUNE CALENDAR

All Month

National Steakhouse Month

Second Week

Men's Health Week

June 17th

Eat Your Veggies Day

June 18th

Father's Day

National Picnic Day

Beaufort, SC Weather

Fri Jun 9	Sat Jun 10	Sun Jun 11	Mon Jun 12	Tue Jun 13
84°F 72°F	86°F 73°F	88°F 75°F	88°F 75°F	84°F 73°F
NE 9 MPH Precip 10%	E 9 MPH Precip 20%	ENE 9 MPH Precip 40%	SSE 9 MPH Precip 40%	SW 8 MPH Precip 40%

AN APPLE A DAY

Survey Digs Into Food and Health Views

www.restaurantnutrition.com , June 2017

What your guests want from their food and dining experience is always evolving, and now more than ever, guests are looking for more nutritious choices to help them meet their health goals. The International Food Information Council (IFIC) Foundation recently released its 2017 Food & Health Survey, "A Healthy Perspective: Understanding American Food Values." According to this survey, consumers are continuing to turn their attention towards food, specific components of meals and how everything affects their lifestyle. It is the 12th edition of the survey that delves into the beliefs and behaviors of Americans with respect to food and health. The online survey of 1,002 Americans ages 18 to 80 took place March 10 to March 29, 2017, and covers a variety of topics. These highlights provide deeper insight into what guests may be expecting from restaurants now and in the coming years.

It's no secret that many consumers have goals to be healthy, but what does that mean? According to the survey, "healthy" was mostly considered a lack of or few health problems, but 1 in 5 survey participants defined it as eating healthy. Eating healthy was specified as: 1)High in healthy components or nutrients, 2)Free from artificial ingredients, preservatives or additives and 3)Part of an important food group that I need to build a healthy eating style. Many restaurants are already tapping into this demand with menu choices that incorporate more fruits, vegetables, lean proteins and whole grains. Popular chains are also making a move to do away with artificial ingredients, preservatives and additives in their dishes to meet guest expectations.

A growing number of consumers are now viewing food choices as an essential tool to meet their health goals. With a focus on following a healthy eating style (nearly six in 10 said getting the right mix of different foods is important), survey participants listed these as the "Most Desired Health Benefits from Food": 1)Weight loss/management (one in three specified this benefit), 2)Cardiovascular health, 3)Energy, and 4)Digestive health. If the survey is any indication, Americans are also taking action to meet their healthy eating goals. It is here where restaurants have the biggest opportunity to deliver on expectations. Even small changes to recipes, additional side options and right-sized menu choices can help you demonstrate your commitment to helping guests meet their goals without sacrificing eating out.

In the past year, participants shared that they had taken the following steps:

1. Drunk more water or other fluids to stay hydrated
2. Made small changes to achieve an overall healthier diet
3. Eaten more fruits and vegetables
4. Consumed smaller portions
5. Eaten more foods with whole grains
6. Cut calories by drinking low- and no-calorie beverages
7. Balanced calories to manage my weight
8. Cut back on foods higher in saturated fat
9. Cut back on foods higher in salt
10. Compared sodium in foods like soup, bread, and frozen meals

Confusion over Healthy Eating

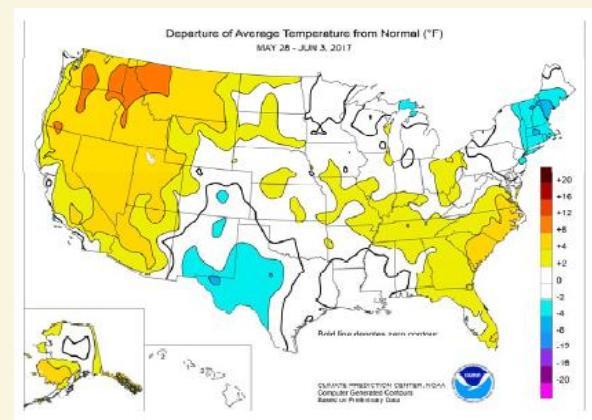
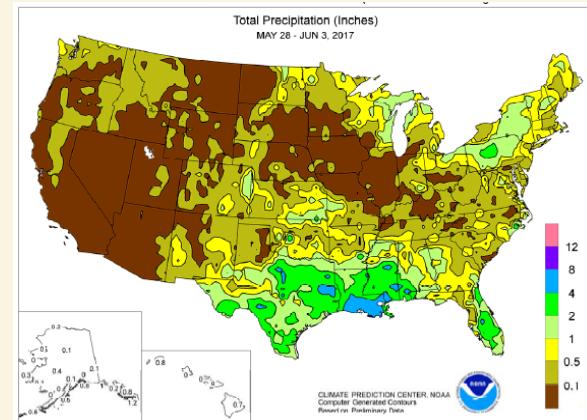
One theme that came through loud and clear in the 2017 Food & Health Survey is that confusion over healthy eating abounds. While consumers have definite ideas about what they should be eating, the abundance of information, often conflicting, leaves people confused. The survey found that 8 in 10 find conflicting advice about what to eat or avoid leaving many doubting their food choices. Many struggle to understand which foods offer which specific benefits. Further adding to the confusion is the fact that despite overwhelming trust in the advice of dietitians and health professionals, a large number of participants regularly relied upon information from friends and family.

The Restaurant Opportunity

The average American eats out five times per week. Restaurants can help their guests feel good about eating out by offering the choices they want to support their health goals. Providing more healthful options, the ability to personalize meals, accurate nutrition information and more can help build a loyal following and allow restaurants to grow even with evolving expectations. How is your restaurant tapping into these food and health trends to connect with guests and improve the bottom line?

NATIONAL WEATHER SPOTLIGHT

Weekly Precipitation and Temperature Deviation



NEWS IN THE GROCERY TRADE

While In-Store Rules, Most Would Try Grocery E-Commerce: Report

www.progressivegrocer.com, June 5, 2017

Consumers have a stronger-in-store preference for groceries than for any other category. However, most would still be willing to purchase groceries online, according to new research from Chicago-based digital marketing agency Walker Sand Communications.

“Reinventing Retail: Four Predictions for 2016 and Beyond” revealed that a whopping 92 percent of consumers prefer to shop in-store for their groceries – compared with 76 percent for household goods, 66 percent for pet supplies and 49 percent for office supplies, for instance – “a sign that grocers and CPG brands still have a long way to go to establish a viable ecommerce presence.” Yet more than two-thirds would be willing to purchase from a grocer’s website (70 percent) or via Amazon.com (68 percent), highlighting an “opportunity for retailers that are able to bring together a hybrid strategy that combines the best of both worlds linked through technology.”

“In-store technology like beacons [has] received a lot of attention over the past few years but [has] been slow to take off,” the report said. “However, the stage seems set for widespread adoption as consumers warm up to the idea and retailers roll out broader programs.”

The report explains that the majority of consumers are open to mobile technology if offered the right incentives. So while more than 60 percent of shoppers aren’t currently receptive to push notifications on their mobile devices from retailers or in-store mobile tracking, two-thirds agree that it could improve their in-store shopping experience.

When it comes to location-based smartphone technology to improve the in-store experience, consumers pointed to coupons (52 percent), additional information such as product content and reviews (36 percent), and indoor store mapping showing aisle layouts and product locations (30 percent). Only 33 percent are open to any location-based store technology.

As for beacons, only 6 percent of consumers have used in-store tracking technology through them, but among those who haven’t used beacons, only 30 percent agree that they will never opt into their service. However, when asked what would cause them to opt into in-store mobile tracking and push notifications, consumers pointed to discounts (61 percent), loyalty rewards (47 percent) and faster checkout times (34 percent).

But grocers seeking to become more active in ecommerce had best be open with shoppers about safety and not overdo things: Most holding back from opting in cited privacy (64 percent) and security (55 percent) as concerns.



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MARK YOUR CALENDAR & PACK YOUR BAGS!

July 28-30, 2017
 PMA Foodservice Conference & Expo
 Portola Hotel and Spa
 Monterey, CA
www.pma.com/events
 Come visit Team Lipman at Booth 217!

August 28, 2017
 United Fresh Start Foundation
 2017 Tip Murphy Legacy Golf Tournament
 Oasis Golf Club
 Loveland, OH
www.unitedfresh.org/events

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