



On The Horizon

MARKET UPDATE

Tomatoes: Florida farms continue with steady volumes on round tomatoes from southern parts of the state. Quality is good and the sizing profile has raised where the majority of fruit is 5x6 or larger. Look for a few growers to start in the Ruskin / Palmetto area in about two weeks. West Mexico/Culiacan is expected to continue with good vine-ripe and lighter mature green volumes through the month of April.

Florida roma production continues at light to moderate levels. Quality has been especially nice in the past week. Spring production has started from West Mexico's northern areas, adding to the existing production in current growing zones. Volume should remain strong through April and Baja is expected to add to the mix in mid-April.

Mexico's production of grape tomatoes remains good. However, we are entering the time frame of decreased production (April). Look for grapes to transition to Baja as we head into May. Florida growers experienced a slight flush on grapes last week but should remain at lower, but steady levels for the next few weeks.

Bell Peppers: Florida has decent volumes of bell peppers to offer, but there is a lot of color coming from the fields. Previous weather slowed foliage growth on the bush, so direct sun has colored up a significant portion of recent harvests. From a size perspective, things are beginning to "normalize," as farms work through crown picks and start to see smaller fruit. Mexico is struggling with availability and quality this week with thinner walls, misshape and bruising. Spring sets are about two weeks away. The Coachella Valley in CA has started in a light way and should begin to see volumes pick up by the middle of the month.

Cucumbers: Honduras should bring the last loads in during the early part of the week, finishing up for the

season. Florida's cucumber volume is beginning to pick up steam as more growers come online. In the West, production remains strong from Sonora and Sinaloa with Baja in the earliest stage of their season as well. Overall quality is average to good in both the East and West with variation by grower and lot.

Summer Squash: Florida has a lot of squash volume available, but quality is a concern. Crops have been hit with several days of windy weather which causes scarring issues. Product from the Central part of the state seems to be slightly better than fruit from Southern Florida but retail-grade fruit is a bit short. Fortunately, Hermosillo Mexico continues with strong and steady volumes with good quality.

Green Beans: Mexico's green bean outlook is steady for at least the next 7-10 days but is likely to drop off somewhat after that as select growers finish up for the season. Beans are still plentiful in the East with good quality up to this point. We could see some wind-scar concerns through this week as a result of previous windy weather.

Eggplant: Both Florida and Mexico have solid eggplant volumes to offer.

Chili Peppers: Sinaloa and Sonora continue to provide good volumes on all chili varieties except for habaneros- they are extremely short. Quality is challenged out of Sonora with thinner walls and discoloration. Sinaloa's product is much better with firm fruit and nice coloring. Florida has decent volumes on jalapenos and light volumes on select specialty peppers.

Hard Squash: Mexico's hard squash continues to decline on all levels- quality, shape, count, and quantity. The Spring sets will start hitting Nogales in mid-April, but it could be tough until then. In the East, there's still a little Honduran butternut coming in and Florida has minimal volumes on new crops.

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TRANSPORTATION FACTS

*The National Diesel Average rose almost \$.04 per gallon, moving from \$2.97 to \$3.01 per gallon.

* The average price for a gallon of diesel fuel is \$.48 higher than the same time last year.

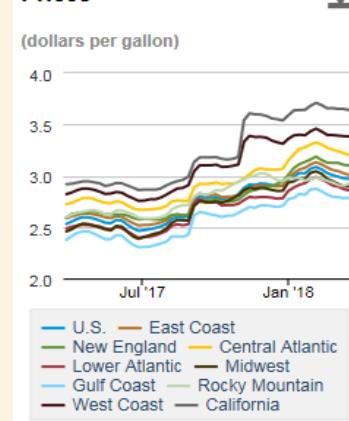
* All ten reporting zones saw price increases with the most significant jump coming from the West Coast (up \$.087 per gallon).

*California maintains its role as the high price leader for diesel at \$3.67 per gallon while the Gulf Coast region offers the lowest price at \$2.82 per gallon.

*The WTI Crude Oil price rose 2.4% this week, moving from \$63.40 to \$64.94 per barrel

* Mexico crossing points and California shipping locations are slightly short on trucks, but all other production areas have adequate transportation available.

On-Highway Diesel Fuel Prices



Source: Energy Information Administration

KEEP YOUR EYE ON THE INDUSTRY

Report Dissects Spike in Truck Rates

By: Tom Karst, www.thepacker.com, March 28, 2018

With tonnage of fruits and vegetables nearing record levels, spot refrigerated truck rates for fresh produce reached 40-year highs at the end of 2017 and early 2018. A new government report says the spike in rates may not be over.

Sustained economic growth in 2018 may continue to put upward pressure on rates this year, according to the 31-page Agricultural Refrigerated Truck Quarterly, published in March by the U.S. Department of Agriculture,

The same pressures that squeezed the transportation market for fruit and vegetable trucks touched all aspects of the trucking industry, said Adam Sparger, economist with the USDA and coordinator of the quarterly report.

"The driver shortage, capacity issues, increased rates — we were seeing those in all different segments of the truck market," he said March 28.

The USDA's Agricultural Marketing Service doesn't predict the future of the economy, but Sparger said the trends through March indicates a growing demand for trucks.

With diminished truck capacity in the system, the report said any disruptions to the supply chain could be widespread.

Bumping higher

With trucking accounting for about 70% of domestic freight tonnage, trends showed the sector was heating up with the U.S. economy in the fourth quarter, according to the report.

Fourth-quarter 2017 tonnage of all truck freight, as reported by

the American Trucking Association, was up 3.7% from the previous quarter and 8.1% higher than the fourth quarter of 2016. Total tonnage for 2017 was up 3.8% from 2016, according to the association, which was the biggest annual increase since 2013.

Diesel fuel rates in the fourth quarter were \$2.87 per gallon, up 9% from the previous quarter and 16% above the fourth quarter of 2016.

What's more, the USDA report said refrigerated fruit and vegetable shipments in the fourth quarter of 2017, at 7.72 million tons, were the third-highest on record. The quarter trailed only the 2016 mark of 8.05 million tons and 7.99 million tons in 2011, according to the USDA.

Total refrigerated fruit and vegetable shipments for all of 2017 were a record 33.6 million tons, up 0.5% from 33.4 million tons in 2016.

Behind the wheel

If current trends continue, the American Trucking Association estimates the driver shortage of 48,000 positions in 2015 could grow to 175,000 positions by 2025, the USDA report said.

The electronic logging device mandate has been disruptive for many carriers, with many shipping point districts reporting shortages immediately after the Dec. 18 ELD deadline.

Fourth-quarter fruit and vegetable truck rates of \$2.55 per mile for routes from 500 to 1,500 miles were up 25% over year-ago levels, and rates of \$2.52 per mile for routes of 1,500 miles to 2,500 miles were

up 24% over the fourth quarter of 2016.

The USDA's Market News reported that truck rates on Jan. 10 crossed the \$10,000 per truck threshold in several districts. For example, January rates to Miami from Idaho were as high as \$10,200 per truck, up from \$6,800 the previous year.

Truck rates in late March had backed off historic highs in January but were still higher than a year ago.

For Mexican produce crossings through Nogales, Ariz., the USDA said average truck rates to New York were \$5,800 to \$6,800 on March 27, down from \$6,000 to \$7,000 on March 8 and well off the rates of \$9,000 to \$9,800 reported in mid-January.

Still, late March rates were above the same time last year, when trucks from Nogales to New York were running at \$5,000 to \$5,200, according to the USDA.

The next quarterly report on the refrigerated truck market for fruits and vegetables is expected by the end of May, Sparger said.



Lipman on Location- North Carolina

Lipman NC is located in the Blue Ridge Mountains in Western North Carolina (Hendersonville). This division started in 1996, in a 5,000 square feet warehouse about 3 miles from the current location. Initially, there were 25 employees and currently the staff numbers over 300. You can feel the energy when you walk into this building! What makes this facility special is the focus on real family values and respect for one other. Every day starts with smiles and handshakes and those smiles don't end until the day is done.

In 2000, we added vegetable packing operations and soon realized that we were very blessed to be located here in NC. With just a 12- hour truck ride from every growing area in the East we don't have the worry of carrying and managing inventory. This is essential in keeping our tomatoes and vegetables turning over to maintain the freshest product possible. Our newest project is the processing facility which is a completely modern operation with the highest levels of food safety.

This location also allows us to source tomatoes, bell peppers, squash, and many other vegetables from local farmers, many within 50 miles of our facility. From July until frost we enjoy packing and processing some of the world's finest mountain-grown, vine-ripe tomatoes from the area. Although there's a lot of activity at this facility, there's still room to grow!



PRODUCE BAROMETER

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



APRIL CALENDAR

April-All Month

Fresh Florida Tomato Month

First Week (April 1-7)

Laugh at Work Week

April 2nd

National Love Your Produce Manager Day

April 5th

National Burrito Day

National Deep Dish Pizza Day

Estero, FL Weather

Mon Apr 2	Tue Apr 3	Wed Apr 4	Thu Apr 5
82°F 66°F E 10 MPH	84°F 67°F ESE 10 MPH	83°F 66°F ESE 11 MPH	81°F 65°F NNE 10 MPH

NEWS IN THE GROCERY TRADE

How to Meet Millennials' Growing Snacking Needs

By: Karen Buch, www.progressivegrocer.com, March 23, 2018

Consumer eating trends have shifted away from three set meal times and toward snacking throughout the day, with 94 percent of Americans snacking at least once a day and Millennials, as a generation, choosing to snack as often as four or more times a day. Overall, snacking accounts for half of all eating occasions. With increased frequency of snacking comes growing demand for snacks that couple substantial nutritional value with convenience and a variety of appealing textures and powerhouse flavors that satisfy.

Some things haven't changed. Taste is still No. 1 when it comes to choosing a snack. But Millennial consumers are also looking for a short list of trusted, real, whole or "clean" ingredients that satisfy hunger and provide idealized quality, which extends to exotic or premium halos and specific attributes regarding how the food was sourced and produced. In particular, they're thinking about how their purchase may impact personal factors, societal concerns such as the local community or economy, worker and animal welfare, and global sustainability of the environment and the planet.

From a personal standpoint, individuals may look to snacks to satisfy a variety of needs, including desire for a particular nutritional attribute, flavor or texture; as a source of energy and appetite satisfaction; for replenishment and recovery after physical activity; as a de-stressor or for emotional comfort, or as a way to relax or indulge. Snack selection may look completely different for a person snacking alone compared with when snacking with children or others.

Not surprisingly, children are the biggest influencers when it comes to purchasing snacks, according to Mintel's 2017 consumer trends research. A majority (69 percent) of Millennial moms say that their kids understand that some snacks are healthier than others. Data also suggest that parents are willing to pay an average of \$1.53 more for a better-for-you snack if they know that their child will eat it. This presents an opportunity for retailers to conduct better-for-you snack-sampling events specifically geared toward customers and their kids.

In general, trial of new snacks is highly influenced by recommendations, ratings and reviews. Research shows that 37 percent of Millennials have tried a snack because of a social media post made by someone else. Retail dietitians, as trusted influencers, can regularly introduce shoppers to specific snack items, trends and recipes using social platforms and other media.

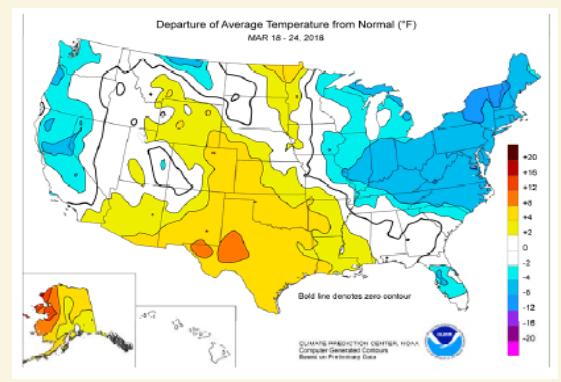
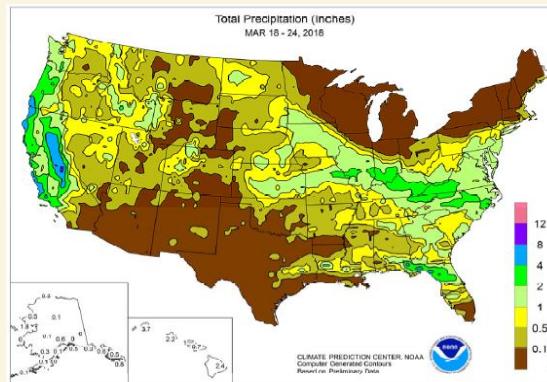
Shoppers are looking beyond the packaged snack aisle to functional snack foods found among fresh produce, prepared foods, the dairy case, bars and nutritionals, and center store's canned poultry and fish. Popular attributes sought include protein, probiotics, natural fiber and omega-3s.

The type of food that constitutes a snack is up for debate. For instance, many consumers believe that a smaller portion of a food normally eaten at mealtime counts as a snack. Right-sizing portions to appropriate snack sizes is a key part of positioning convenience or on-the-go snack options. For example, prepared food departments can offer slider-size sandwiches or "snackwiches" featuring a minimum of 20 grams of protein, and snack boxes featuring a hard-boiled egg pop paired with dried fruit, nuts and seeds.

All in all, snack foods are moving toward simple, whole-food ingredients that offer innovative flavor and function while delivering all the craveable indulgence of traditional snack foods.

NATIONAL WEATHER SPOTLIGHT

Weekly Precipitation and Temperature Deviation



RESTAURANT INDUSTRY NEWS

Restaurants Work (and Play) to Attract Customers with Kids

By: Fern Glazer, www.restaurant-hospitality.com, March 28, 2018

It used to be that restaurants had to please moms to attract families. But today, it's all about the kids. With more than 1.1 million visits from parties with kids lost since 2012, operators who want to recoup visits need to take a fresh approach to meeting the needs of the under-12 set, according to global market research firm The NPD Group.

"Kids today are not like kids 10 years ago," said NPD analyst Bonnie Riggs. "Doing the usual, the same, may not be as compelling as it once was."

According to the latest research from Port Washington, N.Y.-based NPD, kids begin making their own decisions about what to order at restaurants across all segments starting as young as age five. Additionally, nearly 50 percent of children order their own meals.

Although they are small, Riggs said today's kids are "so influential in where families eat."

While price/value and menu offerings remain the most important features for consumers choosing a restaurant, NPD found that "kid-friendly entertainment" and "kid-friendly features not related to entertainment" are also key, especially for kids under 10 years old. For older children, the decision is mostly about what's on the menu.

With the economy on the upswing, visits from parties with kids have finally stabilized after years of declines, presenting restaurants with a new opportunity to win back these consumers.

"With consumers having more money in their pocket, now's the time to try to get some of these visits back," Riggs said. "If you want [kids] in your restaurant, go a step above what you've done in the past."

Most important factors for choosing a restaurant with kids	
Menu offerings	86%
Price/value	80%
Convenience	75%
Environment/ambiance	70%
Health/nutrition	70%
Kid-friendly entertainment	69%
Kid-friendly features not entertainment related	63%

Source: The NPD Group/2017 Parties with Kids: Motivating More Visits Today

FRESH  **TOMATOES**  **the best of nature™**

**MARK YOUR CALENDAR
PACK YOUR BAGS!**

April 5-7, 2018
Viva Fresh Expo
JW Marriott Hill Country Resort and Spa
San Antonio, TX
www.vivafreshexpo.com
Come join Team Lipman at Booth 96!

April 15-18, 2018
Restaurant Leadership Conference
JW Marriott Desert Ridge
Phoenix, AZ
www.restaurantleadership.com

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