

On The Horizon

www.lipmanproduce.com/news-and-events/newsletters/



Market Update

Tomatoes: It's a tough week for tomatoes. Both Mexico and Florida are shipping minimal volumes due to growing area transitions as well as rain and extreme temperatures. Florida production in the Palmetto/Ruskin area will finish up a little early, leaving somewhat of a gap until South Florida growers get into volume. Quality is suspect on rounds, romas, and grapes as a result of persistent rains. We don't expect to see relief until after the first of the year.

Baja continues its seasonal decline on both production and quality. Much of the fruit crossing from this area is reported as soft when it colors up. The better fruit is coming from Western Mainland Mexico, where farms are just beginning to scratch pick. Pending cooperation of the weather, roma supply should improve around the 2nd week in January with rounds following shortly thereafter.

Bell Peppers: Plagued with constant rains, South Florida's peppers continue to have quality issues with bruising and now, bacteria concerns. However, all sizes are available in moderate volumes. In Mexico, there are three main areas that are harvesting bells, which should provide steady supply for the next few weeks. Quality has been nice and all sizes are available

Green Beans: The green bean scenario remains critical this week. Florida has no volume and doesn't expect any until after January 15th, when crops that weren't damaged by rains mature. As for the West, cool weather in northern Mexico has slowed production this week. Growers further south are just starting up with limited volume and expect to see more production the weekend after Christmas. However, quality is nice from both areas.

Cucumbers: Cucumbers have really tightened up this week. Both active growing areas in Mexico are struggling with production due to cooler temperatures and overcast skies. Better weather could bring a boost to volume in another week or two. As Florida winds down its cucumber season, the East is looking offshore supply. So far, import volume has been light but should begin to pick up after this weekend.

Summer Squash: There is very little squash available in Florida this week, as we see the effects of previous rains on production and quality. Yellow squash is pretty much non-existent. While there is a little more zucchini around, volume is very minimal and quality is challenged. There are two growing areas in Mexico, both of which have been affected by weather. Northern growers have very little volume and don't expect an increase until the first of the year. Southern farms expect warmer temperatures this weekend, which could improve volumes in the next 10-14 days. Quality has been good on zucchini, but yellow squash is rough due to scuffing and scarring.

Pickles: Pickling cucumbers may be the bright spot this week, as Mainland Mexico has good supply and quality. These plants are generally less affected by weather than large cucumber plants.

Chili Peppers: South Florida is harvesting good numbers on jalapenos but very light volumes on other chilies. Quality concerns are beginning to show up as a result of rains. Although northern areas of Mexico are a little behind schedule, there are three areas further south that are beginning to come into pretty good volumes on all but specialty items. Quality and sizing continue to improve as they get further into crops.

Transportation Facts

*The National Diesel Average continues its descent, dropping another \$.04 this week, and is now down to \$2.34 per gallon.

*The average price for a gallon of diesel fuel is \$1.08 lower than the same time last year.

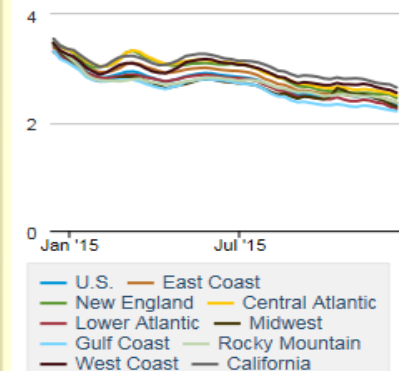
*Fuel prices decreased in all reporting areas this week with the most notable drop from the New England area, where a gallon of diesel fell \$.06.

*California reported the highest-priced diesel fuel of the week at \$2.65. The fuel bargain in the nation is in the Gulf Coast area at \$2.21.

*The WTI Crude Oil Price dropped 4.47% this week, moving from \$37.16 to \$35.52 per barrel.

On-Highway Diesel Fuel Prices

(dollars per gallon)



Source: Energy Information Administration

ON THE HORIZON CONTENTS

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Restaurant Industry News

11 TRENDS THAT WILL IMPACT RESTAURANTS IN 2016- PART 1

www.restaurant-hospitality.com, October 26, 2015

The two most noteworthy trends in for 2016 have nothing to do with food, according to long-time food trend mavens Baum+Whiteman. Baum+Whiteman creates high-profile restaurants around the world for hotels, restaurant companies, museums and other consumer destinations. A condensed version of their insightful annual hospitality predictions follows; the complete report along with a couple dozen buzzwords for the coming year can be found on their website.

1. Amazon, Uber and others will shake up the delivery game.

Tech-driven delivery is 2015-2016's Big Disrupter of food retailing and foodservice. Delivery affects everyone from McDonald's to white tablecloth concepts. Smartphoners, latching onto the ease of locating a restaurant, ordering, paying, and getting loyalty points—without ever speaking to a human being—are driving this revolution.

Muscling into high-speed food delivery: Google, UberEATS, Amazon Prime Now, Postmates, Grub Hub, Yelp. None of them make food. They collect fees and personal information about who orders what, when and from which restaurants. Most fast-casual outfits, initially designed for consumer involvement in the assembly process, will have to wrestle with this delivery challenge.

Now things get blurry. Outfits like Amazon and Google ultimately won't care whether consumers order rotisserie chicken from Boston Market or Kroger or Dean & DeLuca or a local food truck. This means the battle for food dollars among various distribution channels will intensify. The danger for restaurants: Suppose customers are craving barbecued ribs, and sites like Amazon or Uber or Google gave them a dozen restaurants and gourmet shops near their zip code, along with professional reviews of these producers, along with rankings? Poof! Restaurants lose marketing control of their businesses.

2. Clean eating will gain more traction.

After watching consumers attack Big Food over chemicals and additives, Big Restaurants are suddenly ditching some artificial and bad-for-

you ingredients from their menus. A recent survey found that 36 percent of consumers worried about "chemicals" in their food. In another survey, 40 percent of consumers report it's "very important" that foods use all-natural ingredients, free of GMOs and artificial flavors or colors.

Odd that most of this activity is occurring at quick-service and fast-casual chains, with little word from full-service restaurants. But getting rid of selected no-nos is no mere fad. Everyone will scramble to "sanitize" their menus.

3. Could pasta become an endangered species?

In the last five years pasta sales dropped 8 percent in Australia, 13 percent and 25 percent in Italy of all places. It isn't a crisis here yet, but pasta's down 6 percent as Americans focus on proteins and shed carbs, or shun gluten, or subscribe to Paleo diets. Even carboholics have more nutritious alternatives, such as quinoa, chickpeas, lentils, spelt, barley, chia. So it looks like a trend.

Vegetable spiralizers are selling like, well, hotcakes. Chefs will experiment with vegetable ribbons to replace pasta. And look for pastas incorporating more vegetables, too.

4. Vegetables will continue to step up on the plate.

We've reached a tipping point for vegetables. They're pushing animal protein to the side of the plate, sometimes entirely off it. Relentlessly rising beef prices, concerns over hormones, a scramble for ever-more antioxidants, health and diet concerns, growth of farmers' markets, locavore proponents, increasing numbers of flexitarians: All the stars have nicely aligned.

It helps that vegetables are more seasonal than animals, adding menu excitement for restaurants recognizing that buying seasonally reduces food costs and keeping menus fresh. Say hello to "root to stem" dining, a logical extension of the nose-to-tail movement, with restaurants serving vegetables' trimmings otherwise heading for the trash. Say hello to "vegetable forward" restaurants, with chefs

deploying flesh as a condiment rather than the main act on the plate.

Not just vegetarians and vegans consumers behind this shift are omnivores who believe they eat too many animals. The transforming idea is that veg-forward restaurants no longer sell hippie food tasting like punishment. They're serving great meals composed mostly (or entirely) of vegetables that are great to look at, satisfyingly memorable and compatible with wine.

5. Have tipping and wages reached a tipping point?

"Fundamentally, the cost of going out to a fine-dining restaurant is false." Danny Meyer said so recently, while he explained why he's moving his restaurants to a no-tipping policy, thereby raising wages for all of his staffers, front- and back-of-the-house.

Social and economic trends move glacially—and then seem to happen all at once. While most people poo-poo no-tipping restaurants as un-American, the movement now possesses momentum. Fact is that even above \$15/hour, restaurants are finding it impossible to hire cooks while keeping their labor costs in line, indicating two things: (1) pay is too low; and (2) prices are too low. If forced to pay the full price for food, would consumers eat out less? Quite probably. You might conclude that we have too many restaurants and not enough cooks, and that shifts in prices and wages might even things out. At least that's what Economics 101 teaches us.

Most no-tipping restaurants tend to be upscale. In highfalutin restaurants with multicourse price-fixed menus, service generally is included in the price.

This article will be continued in next week's edition of *On the Horizon*.

Ask us
how you
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throughout
the land!



#1 NATURE'S **1** — vine ripened — **ROUND TOMATO**

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PRODUCE BAROMETER

| ITEM | QUALITY | PRICING |
|-----------------|-----------|---------|
| Bell Pepper | Good | Steady |
| Cucumber | Fair-Good | Higher |
| Eggplant | Fair-Good | Higher |
| Green Beans | Fair | Higher |
| Lettuce-Iceberg | Fair | Lower |
| Jalapenos | Good | Steady |
| Onions | Good | Steady |
| Potatoes | Good | Steady |
| Squash | Fair-Good | Higher |
| Tomatoes | Fair-Good | Higher |

December Calendar

All Month
National Egg Nog Month
Stress-Free Family Holiday Month
December 21st
Winter Solstice
National Hamburger Day
December 25th
Christmas Day

Estero, FL Weather

| Fri Dec 18 | Sat Dec 19 | Sun Dec 20 | Mon Dec 21 | Tue Dec 22 | Wed Dec 23 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| | | | | | |
| 79° F | 73° F | 73° F | 81° F | 81° F | 82° F |
| 54° F | 59° F | 64° F | 68° F | 70° F | 72° F |
| N 9 MPH | NE 17 MPH | E 14 MPH | E 9 MPH | SE 12 MPH | S 12 MPH |
| Precip 60% | Averages | Averages | Precip 20% | Precip 20% | Averages |
| 76° F/55° F | 76° F/55° F | 75° F/55° F | 75° F/54° F | 75° F/54° F | 75° F/54° F |





**Keep Your Eye on the Consumer
OPTIMISM AND INFLUENCE CHARACTERIZE MILLENNIALS**

www.qsrmagazine.com , December 10, 2015

In good times and bad, younger American adults are more optimistic than more mature counterparts, according to a recent report by market research publisher Packaged Facts. For the past decade highly confident consumers have been much more likely to be found among 18- to 34-year-olds, no matter what the overall economic climate and despite the fact that Millennials have experienced more economic turmoil and financial hardship than their Gen-X predecessors.

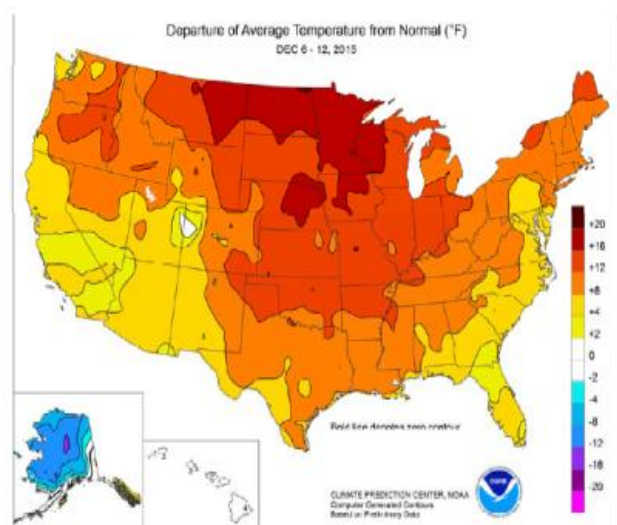
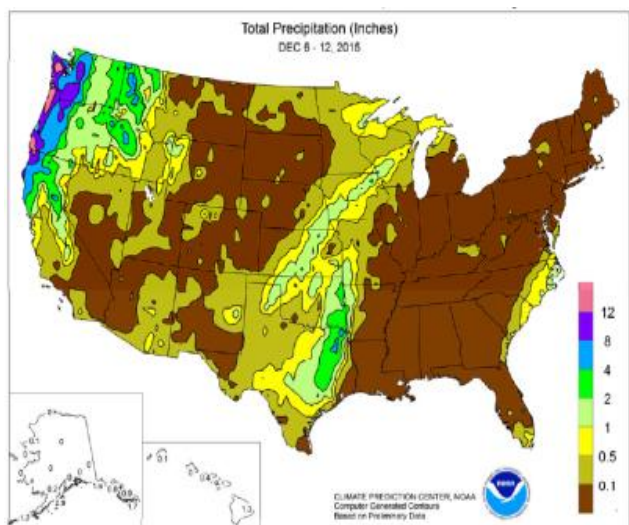
Their fundamental faith in their economic future becomes even firmer when Millennials become parents. Millennial dads are more likely than other 18- to 34-year-old men to agree that they are better off financially than they were 12 months ago (46 percent vs. 31 percent). Both moms and dads in the 18- to 34-year-old age group are much more likely than others their age to expect to be better off 12 months from now and to feel financially secure.

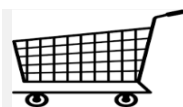
The positivity of Millennial moms in particular has the potential to trickle down to impact the behaviors of those around them—a factor Packaged Facts recommends marketers must remain aware of. For instance, Millennial mom have an impact on the consumer decisions made by friends and family. Although Millennial moms are less likely than other women their age to be asked about health and nutrition matters, their friends are more likely to seek them out for advice about financial matters and the purchase of electronic equipment.

The good news for advertisers is that Millennials are largely open to becoming marketed to. Millennial moms, for example, are more open to advertisements than older moms. Moms in the 18- to 34-year-old age group are significantly more likely than their Gen-X counterparts to agree that, “advertising helps me choose products for my kids.” Likewise, these younger moms are especially receptive to product placement strategies, and are more likely than other women their age and older to purchase a brand-name product they recognize from a TV show. The same is true of the willingness by Millennial moms to receive advertising on their smartphones and to subsequently purchase the advertised products.

Millennial Parents in the U.S. analyzes the complex world of Millennial parents and highlights the implications for marketers. One consideration is that the demographic and social profile of Millennial parents differs radically from that of their peers without children.

**NATIONAL WEATHER SPOTLIGHT
Weekly Precipitation and Temperature Deviation**





News in the Grocery Trade LEVERAGING LOYALTY TO SYNC OMNICHANNEL STRATEGIES

By: Andy Bear, www.progressivegrocer.com, December 11, 2015

In today's economy, consumers are not only smarter when it comes to grocery shopping, but they're also more strategic. Whether it's planning and preparing lists, searching for deals, or shopping at multiple stores, they are practicing resourcefulness and restraint in order to save money. They are also using a variety of methods to find what they're looking for at the best price.

Take advertising inserts and circulars, for example; 66 percent of U.S. adults surveyed in Quad/Graphics' 2015 Customer Focus Research use these materials to decide where to shop for groceries. Of that, 30 percent are using advertising inserts online at grocery store websites. In fact, more than one in four say they have visited a grocery store website to assist with their shopping in the past month, and the main reason was to access online circulars for weekly specials (61%) or to get coupons (56%).

Not surprisingly, the mobile channel is gaining influence as well. In 2014, 58 percent of U.S. adults claimed to have a grocery app on their mobile device, compared to 30 percent with a CPG brand app; and one in two uses a grocery app to access coupons (NinthDecimal 2014).

What this all amounts to is that grocery retailers are being challenged to figure out how to leverage an omnichannel marketing environment that gives guests the type of material, incentives and shopping experiences that not only help them achieve savings but also foster loyalty. Loyalty programs in and of themselves are a great place to start when it comes to making products and offers more accessible to consumers, wherever they may be.

Over time, grocers with loyalty programs know to a large degree who is buying what. The question is: how do they leverage the big data from loyalty cards to derive insights that go beyond when a customer was in a store, and how much she bought of what? The opportunity exists to generate effective omnichannel campaigns by examining behaviors and truly leveraging the time, place and product. For instance, if the customer is replenishing every two weeks, the retailer can utilize this data to sync an offer and ultimately drive traffic back into the store or to the website.

With such vast data available about the products consumers favor and buy, and when and where they are researching and making purchases, it's possible for retailers to appeal to segments of buyers, or even individual buyers. Purchasing preferences, habits, and frequencies drive the offline or print components that personalize direct mail, advertising inserts and circulars. Email and mobile, among other digital channels, round out the omnichannel touchpoints that grocery marketers are learning to optimize in order to better engage consumers and create a more personalized customer experience.

The bottom line is that Americans have changed the way they grocery shop. They still want value, convenience, quality and service, but they're more willing to put in the time to achieve these goals. Grocery marketers must sync their omnichannel strategies to stay ahead of their customers, and leverage the power of loyalty programs – both in terms of how they influence customer choices and how they glean powerful data points – to maximize success.

Mark Your Calendar & Pack Your Bags

February 22nd-26th, 2016
Produce Inspection Training Program
Fresno County Farm Bureau
Fresno, CA



www.unitedfresh.org

May 23rd-24th, 2016
Retail Dietitian Symposium
Fairmont Hotel
Chicago, IL

www.progressivegrocer.com/events

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