

Four times a year, USDA's Refrigerated Transport Quarterly (RTQ) provides a view of refrigerated truckload movements, in terms of volume and rates, to gauge the component of truck transportation that serves fresh fruit and vegetable markets. The RTQ highlights the major produce shipping regions, including Arizona, California, Florida, the Pacific Northwest, Texas, and Mexico. The RTQ also features a rotating regional focus and a review of relevant issues that impact fresh fruit and vegetable truck transportation.

## Total Refrigerated Truckloads 3Q 2003

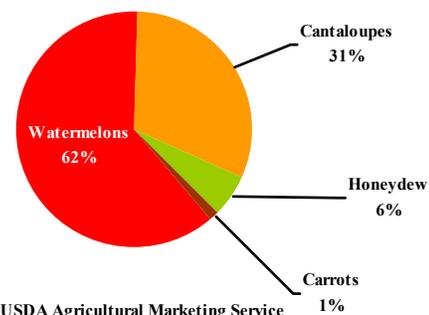
**Refrigerated Truckloads Continue Trends of Declining Volumes and Rising Rates.** According to USDA fruit and vegetable marketing reports, the top refrigerated truck shipments from major U.S. production regions decreased in the third quarter (3Q) of 2003, compared with last year at this time. Of the seven fresh fruit and vegetable commodity regions tracked by USDA, measured in terms of volume by weight, 3.6 million tons of fresh fruit and vegetables were shipped by truck in 3Q 2003, compared with 3.8 million tons shipped in 3Q 2002, or a 5-percent decline.

## Regional Refrigerated Truckloads 3Q 2003

### Arizona TLs

**Arizona** watermelons dominated the refrigerated TL movements in 3Q 2003, capturing 62 percent in this regional market (figure 1).

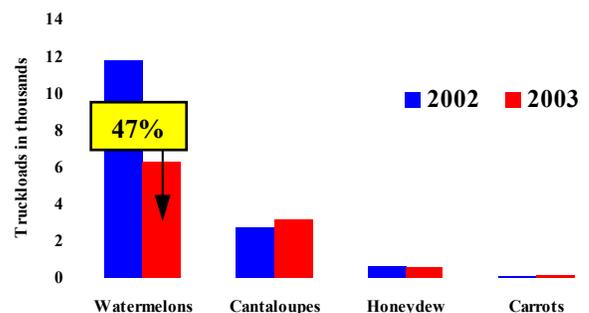
Figure 1. Percentage share of refrigerated truckloads, Arizona, 3Q 2003



Source: USDA Agricultural Marketing Service

However, **Arizona** watermelon TL shipments declined in 3Q, compared with last year at this time. Watermelon TLs were 11,792 in 2002 and dropped to 6,280 in 2003, a 47-percent decline (figure 2).

Figure 2. Top four refrigerated Arizona truckloads, 3Q 2002-2003



Source: USDA Agricultural Marketing Service

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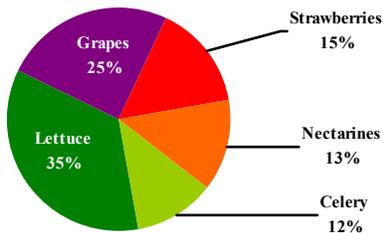
While the overall fruit and vegetable shipping volumes for trucking declined, certain truckloads (TL) showed strong growth in 3Q 2003. Southern California onions doubled, and Mexico grape shipments nearly tripled during 3Q 2003, compared with 3Q 2002.

Refrigerated truck rates, year-to-year, continued the recent trend of higher rates. However, quarter-to-quarter rates showed the first signs of decline from the previous quarter. Arizona vegetable movements reported the greatest annual rate decrease, year-to-year, out of the 19 origin/destination routes tracked by USDA. The largest quarter-to-quarter rate-per-mile increase was reported for southern California citrus moving to Atlanta, GA.

California TLs

The **central California** refrigerated TL mix reported double-digit percentage shares for each of the top five commodities in this TL market. Lettuce remains the top TL commodity in this region for 3Q 2003, with a 35-percent share of the central California market (figure 3).

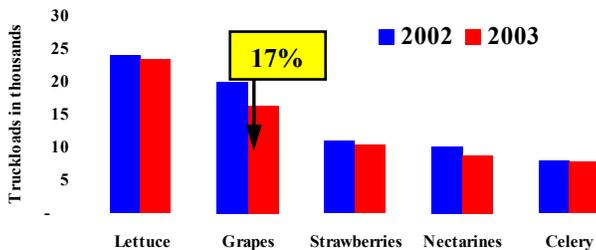
Figure 3. Percentage share of refrigerated truckloads, central California 3Q 2003



Source: USDA Agricultural Marketing Service

**Central California** grape shipments in 3Q decreased from 19,942 TLs in 2002 to 16,495 TLs in 2003, a 17-percent decline (figure 4).

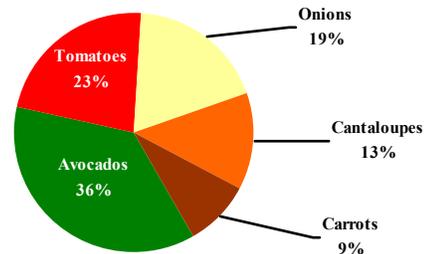
Figure 4. Top five refrigerated central California truckloads, 3Q 2002-2003



Source: USDA Agricultural Marketing Service

**Southern California** avocados are the top TL commodity from this region in 3Q 2003, with a 36-percent share of the southern California market. Tomatoes captured a 23-percent share (figure 5).

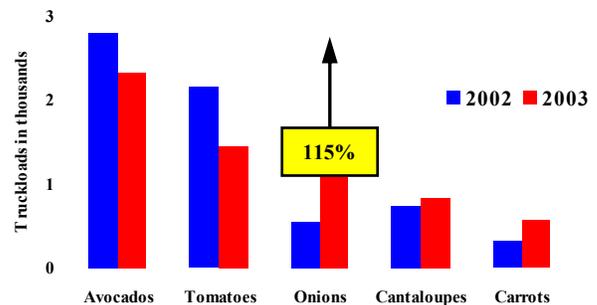
Figure 5. Percentage share of refrigerated truckloads, southern California, 3Q 2003



Source: USDA Agricultural Marketing Service

**Southern California** onion shipments reported a significant increase in this region from 549 TLs in 3Q 2002 to 1,184 TLs in 2003, a 115-percent increase (figure 6).

Figure 6. Top five refrigerated southern California truckloads, 3Q 2002-2003



Source: USDA Agricultural Marketing Service

A complete list of the select regional TL commodities tracked by USDA, with TL calculations and truckload shipment listings for 3Q 2002 and 2003, are available at [www.ams.usda.gov/tmd2/rtq/](http://www.ams.usda.gov/tmd2/rtq/) of this report.

## Regional Refrigerated Truckloads 3Q 2003

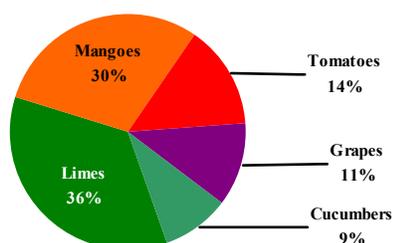
### Florida TLs

Historically, the truckload volumes for **Florida's** fresh fruits and vegetables are lowest during 3Q. As a result, the truckload analysis will not be displayed. However, the truckload data that were reported for this period are available at [www.ams.usda.gov/tmd2/rtq/](http://www.ams.usda.gov/tmd2/rtq/)

### Mexico TLs

**Mexican** limes, at 36 percent, are the largest share of refrigerated TL commodity shipments moving from Mexico in 3Q 2003 (figure 9).

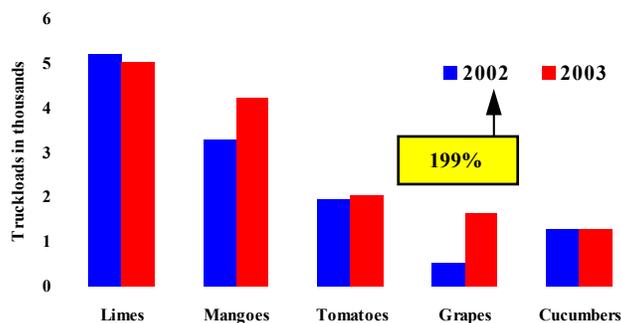
Figure 9. Percentage share of refrigerated truckloads, Mexico, 3Q 2003



Source: USDA Agricultural Marketing Service

Grapes continued a strong showing from 2Q 2003 by reporting the largest shipping gains in 3Q 2003, nearly tripling shipments from 546 TLs in 2002 to 1,632 TLs in 2003 (figure 10).

Figure 10. Top five refrigerated Mexican truckloads, 3Q 2002-2003

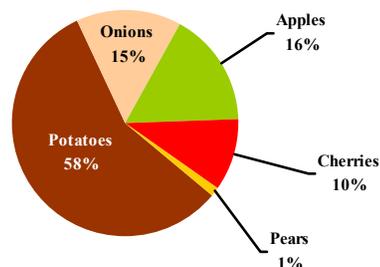


Source: USDA Agricultural Marketing Service

### Pacific Northwest TLs

**Pacific Northwest (PNW)** potatoes rank first with a 58-percent share of the refrigerated TL market (figure 11).

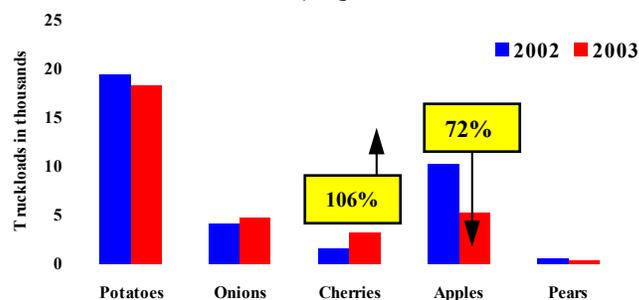
Figure 11. Percentage of refrigerated truckloads, Pacific Northwest, 3Q 2003



Source: USDA Agricultural Marketing Service

Apple truck shipments from the **PNW** declined in 3Q by 7,377 or 72 percent. PNW apple TLs reported 10,247 in 2Q 2002, compared with 2,860 TLs in 3Q 2003. Cherry shipping volumes doubled with 1,595 TLs in 3Q 2002, compared with 3,283 in 3Q 2003 (figure 12).

Figure 12. Top five refrigerated Pacific Northwest truckloads, 3Q 2002-2003



Source: USDA Agricultural Marketing Service

### Texas TLs

Historically, the truckload volumes for Texas fresh fruits and vegetables are lowest during 3Q. As a result, the truckload analysis will not be displayed. However, the truckload data that were reported for this period are available at [www.ams.usda.gov/tmd2/rtq/](http://www.ams.usda.gov/tmd2/rtq/)

## Refrigerated Truckload Rates 3Q 2003

**The Rise in Year-to-Year Quarterly Rates Remains.** Similar to 1Q and 2Q 2003, yearly refrigerated produce transportation rates tracked by USDA increased during 3Q 2003, compared with last year. Ten out of nineteen origin/destination (O/D) commodity pairs in this index reported rate increases, eight O/D pairs declined, and one O/D route reported the same rate for fresh produce commodities from 2002 to 2003 (see table 1).

**Quarter-to-Quarter Rates Declined.** Overall refrigerated truck rates from 2Q to 3Q 2003 declined. Nine O/D pairs declined, eight O/D pairs rose, and two O/D pairs report similar rates (see table 1).

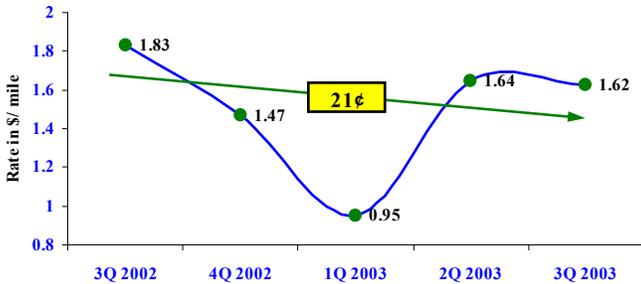
**Table 1. Fruit & vegetable truck rate index**

	Origin	Destination	(\$ Rates)					Miles	(\$ Rates per mile)					2Q to 3Q 2003	3Q '02 to '03
			2002		2003				2002		2003				
			3Q	4Q	1Q	2Q	3Q		3Q	4Q	1Q	2Q	3Q		
Citrus fruit	Southern California	Atlanta	3,585	2,836	2,846	3,275	3,523	2,156	1.66	1.32	1.32	1.52	1.63	▲	▼
		New York	4,520	3,745	3,615	4,312	4,414	2,776	1.63	1.35	1.30	1.55	1.59	▲	▼
	Texas	New York	2,550	2,325	2,492	2,492	2,333	2,092	1.22	1.11	1.19	1.19	1.12	▼	▼
Mixed vegetables	Arizona	New York	4,650	3,729	2,419	4,178	4,128	2,543	1.83	1.47	0.95	1.64	1.62	▼	▼
	Central California	Atlanta	3,662	2,925	3,631	3,638	3,695	2,328	1.57	1.26	1.56	1.56	1.59	▲	▲
		Chicago	3,204	2,450	3,100	3,142	3,205	2,148	1.49	1.14	1.44	1.46	1.49	▲	—
		New York	4,385	3,483	2,650	4,712	4,410	2,944	1.49	1.18	0.90	1.60	1.50	▼	▲
	Florida	Chicago	1,711	1,388	1,712	1,844	1,844	1,380	1.24	1.01	1.24	1.34	1.34	—	▲
		New York	2,244	1,820	1,887	2,177	2,177	1,293	1.74	1.41	1.46	1.68	1.68	—	▼
	Southern California	Atlanta	2,575	2,988	3,900	3,700	3,567	2,156	1.19	1.39	1.81	1.72	1.65	▼	▲
		New York	3,300	3,863	2,423	4,825	4,900	2,776	1.19	1.39	0.87	1.74	1.77	▲	▲
Texas	New York	2,647	2,325	3,688	2,939	2,805	2,006	1.32	1.16	1.84	1.47	1.40	▼	▲	
Potatoes	Pacific Northwest	Atlanta	2,350	2,378	2,380	2,595	2,620	2,033	1.16	1.17	1.17	1.28	1.29	▲	▲
		New York	3,144	3,142	1,853	3,322	3,389	2,344	1.34	1.34	0.79	1.42	1.45	▲	▲
Tree fruit	Central California	Atlanta	3,823	3,004	2,442	3,608	3,545	2,328	1.64	1.29	1.05	1.55	1.52	▼	▼
		Chicago	3,245	2,475	2,862	3,131	3,123	2,148	1.51	1.15	1.33	1.46	1.45	▼	▼
		New York	4,570	3,783	2,415	4,681	4,482	2,944	1.55	1.29	0.82	1.59	1.52	▼	▼
	Pacific Northwest	Atlanta	3,316	3,527	3,700	3,432	3,550	2,535	1.31	1.39	1.46	1.35	1.40	▲	▲
		New York	3,850	3,972	4,038	3,975	3,886	2,849	1.35	1.39	1.42	1.40	1.36	▼	▲

**Source:** USDA, Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch. Access the individual weekly reports online at [www.ams.usda.gov/mnreports/wa\\_fv190.txt](http://www.ams.usda.gov/mnreports/wa_fv190.txt). For additional details see Explanatory Notes.

**Arizona Vegetable Movements Report the Lowest Difference from the Previous Year.** Arizona shippers encountered the largest decline in rates per mile during 3Q with vegetable movements. The rate per mile declined from \$1.83 in 3Q 2002 to \$1.62 in 3Q 2003, a 21-cent reduction from the previous year (figure 13).

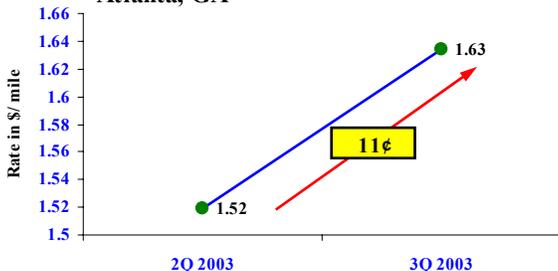
**Figure 13. Largest annual rate decrease from Arizona vegetables to New York**



Source: USDA Agricultural Marketing Service

The largest quarter-to-quarter rate-per-mile increase was reported for **southern California** citrus moving to Atlanta, GA, with an 11-cent increase from \$1.52 in 2Q 2003 to \$1.63 in 3Q 2003 (figure 14).

**Figure 14. Largest quarter-to-quarter increase from southern California citrus to Atlanta, GA**



Source: USDA Agricultural Marketing Service

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**California Produce**

**The historical strength of California produce during 3Q is featured as the regional focus.** Fresh California fruits and vegetables move from production centers primarily in the San Joaquin, Salinas, Imperial, and Coachella Valleys. The fresh commodities produced in this region satisfy markets throughout the United States to major distribution points in Atlanta, GA; Chicago, IL; Dallas, TX; Denver, CO; and New York. These refrigerated supply-chain cargoes primarily access U.S. Interstate Highway 5 for north/south transit, U.S. Interstate Highways 8, 10, and 80 for extended east/west commerce, and U.S. Highways 99 and 101 for intrastate movements along the San Joaquin Valley and Salinas Valley, respectively.

**Central California Produce Shipments Rose from 2001 to 2002.** Refrigerated agricultural shipments from central California grew in 3Q by 196,850 trucking tons or 5.67 percent between the 2001 and 2002 shipping seasons (table 2).

Year	2000	2001	2002
Total refrigerated trucking tons	3,682,050	3,470,500	3,667,350

**3Q 2003 Shipping Volumes**

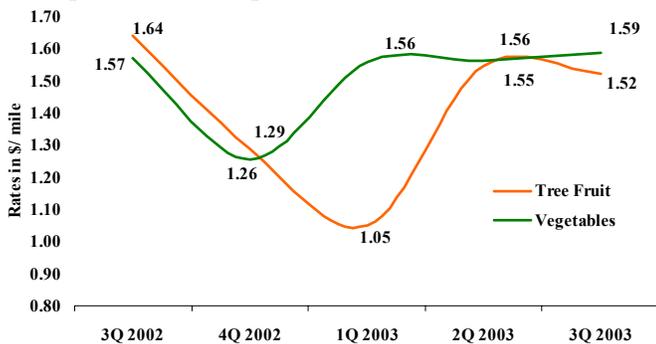
However, the top California refrigerated TL movements in 3Q 2003 declined by 6 percent, compared with last year. Specifically, 100,952 refrigerated TLs were reported for the top 10 fresh commodities in 2002, compared with 94,836 TLs in 2003 (table 3).

Rank	Commodity	Truckloads
1	Lettuce	23,450
2	Grapes	16,495
3	Strawberries	10,375
4	Nectarines	8,787
5	Celery	7,896
6	Tomatoes	7,801
7	Plums	6,786
8	Broccoli	6,163
9	Carrots	3,763
10	Peppers	3,320
<b>Total</b>		<b>94,836</b>

Recent Pricing and Shipping Rates

California refrigerated trucking rates to Atlanta, GA, exhibited some divergent behavior during 3Q 2003. Atlanta rates per mile declined for tree fruit but rose for vegetables from year to year. Specifically, California tree fruit rates to Atlanta dropped by 12 cents from \$1.64 in 3Q 2002 to \$1.52 in 3Q 2003. In contrast, California vegetable rates to Atlanta rose by 2 cents from \$1.57 in 3Q 2002 to \$1.59 in 2Q 2003.

Figure 15. Refrigerated central California fresh produce in rates per mile to Atlanta

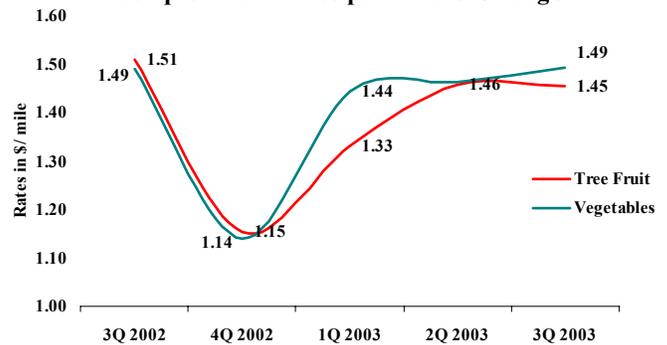


Source: USDA Agricultural Marketing Service

While rates for both commodities moved in a similar direction for the last two quarters of 2002, the rates diverged by 51 cents in 1Q, before reporting nearly identical rates in 2Q. Rates then separated once more for a 7-cent difference during 3Q 2003 (table 1 and figure 15). The rate divergence is a response to historical trends during 1Q for central California produce movements. Vegetables transported from this area normally capture 85 percent of all the produce movements and account for the rate disparities for central California fruits and vegetables moving to Atlanta.

California rates to Chicago, IL, showed more traditional behavior. Vegetable rates were unchanged from year to year in 3Q, but tree fruit rates dropped by 6 cents from \$1.51 in 3Q 2002 to \$1.45 in 3Q 2003. In addition, 1Q 2003 rates to Chicago did show an 11-cent separation, but the gap was not as large as rates to Atlanta noted above (table 1 and figure 16).

Figure 16. Refrigerated central California fresh produce in rates per mile to Chicago



Source: USDA Agricultural Marketing Service

**Additional Fees Create Concern for California Truckers.** In response to the California budget crisis, the California State Assembly, with the backing of the California Department of Finance, has proposed an increase in truck weight inspection fees. If the pending legislation, AB 1767, passes the legislature and is signed into law, it would represent a 42-percent increase from the current fees truckers pay for weight assessments. This proposal has many California truckers concerned. Nationally, recent data suggest the number of small trucking firms that usually haul refrigerated loads has diminished. The September 11 attacks and the West Coast port lockout of 2002 have also diminished trucking services recently in California. Many fear additional fees, on top of the tripling of the Vehicle License Fee, will force more California-based truckers to close their businesses or move out of the State to avoid these costs.

Recent research and analysis estimates the combined amount of tolls, inspection charges, weigh fees, vehicle registrations and miscellaneous surcharges represent approximately 10 percent of the overall cost structure for most motor carrier fleets. These costs are typically absorbed by truck firms as a necessary part of doing business. However, a substantial increase in weight assessments for California truckers would be difficult to offset with higher rates onto receivers or consumers. (Sources: the California State Assembly, the *Fresno Bee*, 8-16-03, and *The Packer* 9-17-03).