



Agricultural Refrigerated Truck Quarterly

Transportation Services Branch
 Transportation and Marketing Programs
 Agricultural Marketing Service
 U.S. Department Of Agriculture

2ND QUARTER
 2005

CONTENTS

[TRUCK RATE
 AND VOLUME
 TRENDS](#)

[NATIONAL
 SUMMARY](#)

[REGIONAL
 MARKETS:
 CALIFORNIA
 FLORIDA
 PACIFIC
 NORTHWEST
 GREAT
 LAKES](#)

[MEXICO](#)

[FEATURED
 COMMODITY:
 LETTUCE](#)

[TRUCK RATES
 FOR MAJOR
 MARKETS](#)

[TERMS AND
 REFERENCE](#)

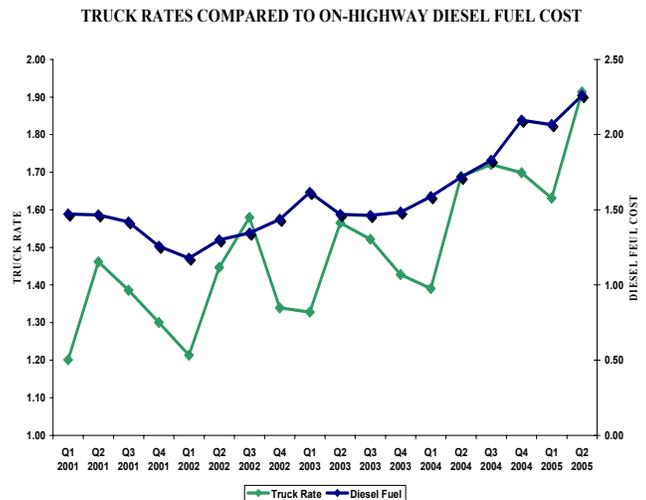
[LINKS:](#)

[FRUIT AND
 VEGETABLE
 PROGRAM](#)

[ECONOMIC
 RESEARCH
 SERVICE](#)

[NATIONAL
 AGRICULTURAL
 STATISTICS
 SERVICE](#)

Truck Rates Increase as Diesel Fuel Costs Rise. During the second quarter of 2005 truck rates for refrigerated fruit and vegetable shipments averaged \$1.91 per mile, a 13 percent increase compared to the first quarter. Truck driver shortages and rising diesel fuel costs have been contributing factors in this steady increase in refrigerated truck rates. Trucking companies are increasing fuel surcharges in order to keep up with rising fuel costs and to maintain revenues. Many owner-operators and smaller fleet companies are being encouraged to incorporate fuel surcharges in order to compensate for increasing diesel fuel costs. The U.S. average price per gallon for on-highway diesel fuel was \$2.26 for second quarter 2005. This price was a 9 percent increase compared to first quarter 2005 and a 31 percent increase compared to second quarter 2004. Monthly average diesel fuel prices are expected to remain above regular gasoline prices through 2006. The West Texas Intermediate crude oil price averaged \$53 per barrel by the end of the second quarter. This was an increase of \$15 per barrel compared to the same quarter last year. Prices are expected to remain above \$55 per barrel into 2006.



Truck Volumes Increase as Peak Season Begins. Volumes for total U.S. fruit and vegetable truckload shipments increased during second quarter 2005. As spring peak season (Apr-Jun) for most fruits and vegetables began, volumes increased 36 percent compared to the first quarter (see [Figure 2](#)). This increase followed an unsteady first quarter where crops in several regions were affected by unseasonable temperatures which caused delays and cancellations in harvesting. Following the normal seasonal trend, truck volumes for refrigerated fruit and vegetable shipments from California increased by almost 200 percent during second quarter 2005. California accounted for 31 percent of the U.S. refrigerated fruit and vegetable shipment volume during second quarter 2005.

United Potato Growers of Idaho Initiate “Bid-Buydown” Program for Potato Growers. High yields and lower demand for potatoes has prompted the development of an acreage reduction program by the United Potato Growers of Idaho (UPGI). The UPGI, a newly formed farm cooperative, first initiated a voluntary acreage reduction program in 2004. This program is based on a voluntary 10 percent reduction in potato acreage by growers. Under this voluntary program, growers would not receive any compensation for the reduced acreage. The UPGI then created a “bid-buydown” program for all U.S. potato growers for 2005. Under this “bid buydown” program the UPGI would compensate growers for their reduced plantings through a bidding process. Using 2004 potato planted acreage as a base for reductions, the UPGI plans to cut 2005 potato production by almost 3 percent. Second quarter 2005 potato shipment volumes both fresh market and processing, were down 4 percent compared to first quarter 2005.

AGRICULTURAL REFRIGERATED TRUCK RATE AND VOLUME TRENDS 2ND QUARTER 2005

Figure 1. Average U.S. Refrigerated Fruit and Vegetable Truck Rate in Key-Long-Haul Routes
 (Follow link for [Long-Haul Route](#) Detail in Terms and References)

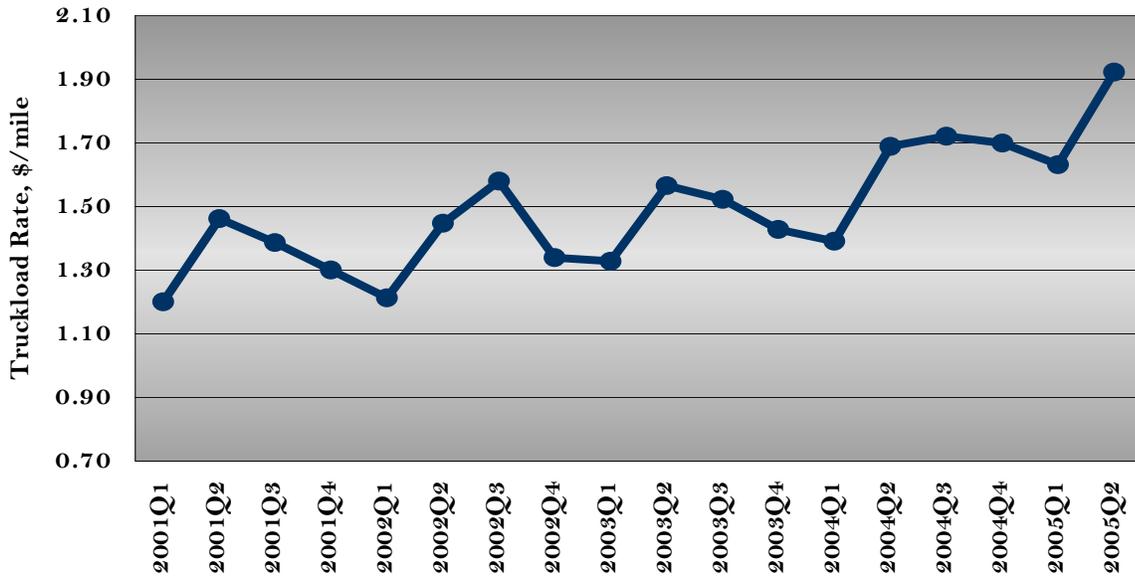
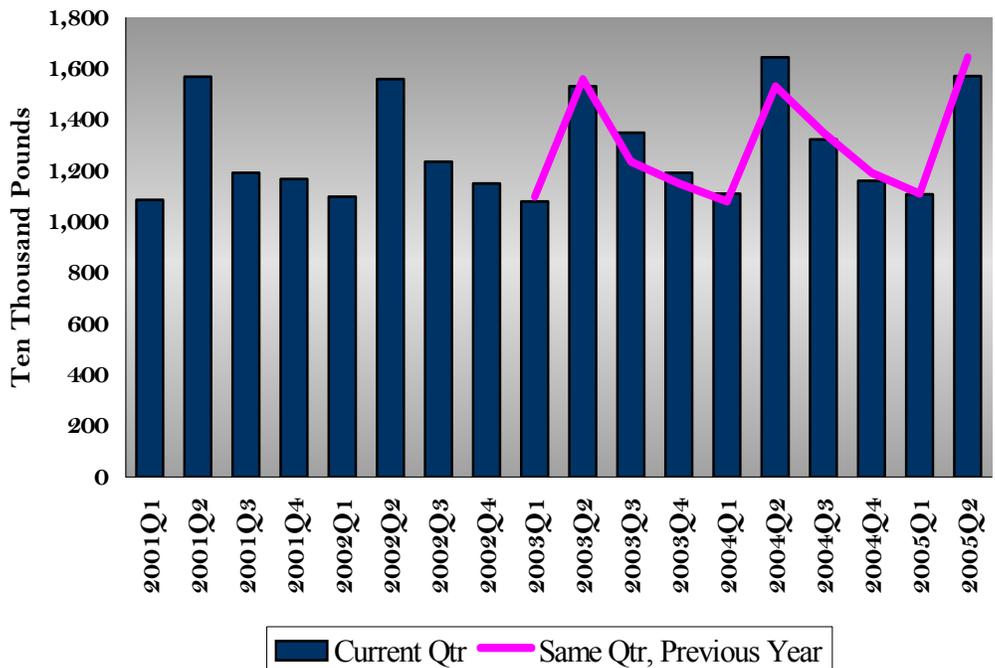
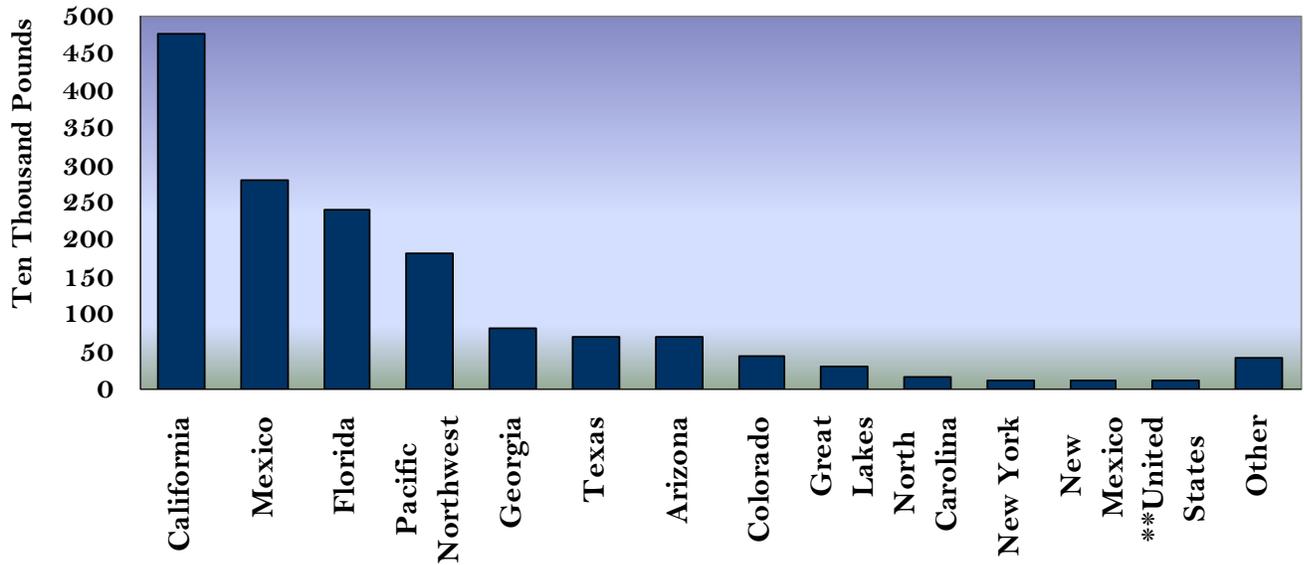


Figure 2. Fruit and Vegetable Refrigerated Truck Volumes for U.S. Origins



NATIONAL FRUIT AND VEGETABLE SUMMARY FOR 2nd Quarter 2005

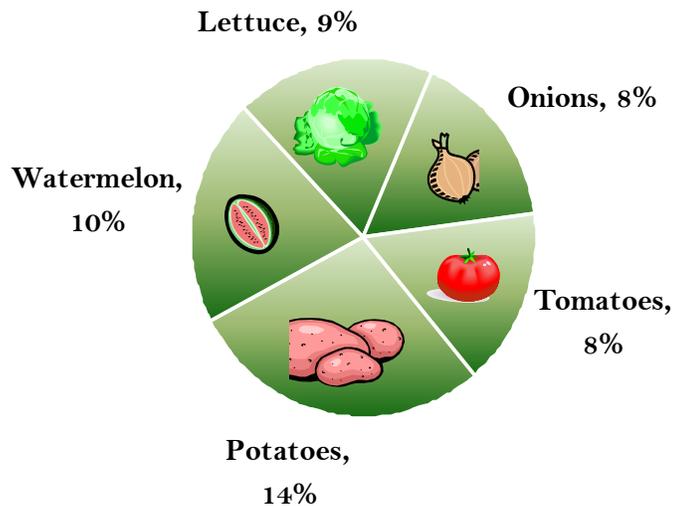
Figure 3. U.S. Refrigerated Fruit and Vegetable Truck Shipments by Origin



*This chart represents all refrigerated fruit and vegetable truck shipments for Quarter 2, 2005.

**The United States represents various shipping points for greenhouse tomatoes.

Figure 4. U.S. Refrigerated Fruit and Vegetable Volumes Top 5 Commodities



CALIFORNIA

California is the top U.S. producer of fruits and vegetables. During second quarter 2005, refrigerated fruit and vegetable truck shipments from California accounted for 31 percent of the total U.S. volume. Following the normal seasonal trend, truck volumes increased by almost 200 percent during second quarter 2005, however, volume totals were slightly lower than the normal seasonal average (see figure 7). The average rate per mile for total shipments from California was \$1.91. This rate was an increase of 19 percent compared to the first quarter.

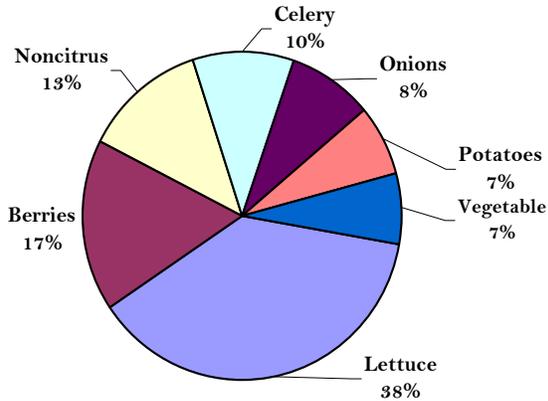


Figure 5. California Refrigerated Truck Products

Figure 6. Top California Refrigerated Truck Volumes by Commodity

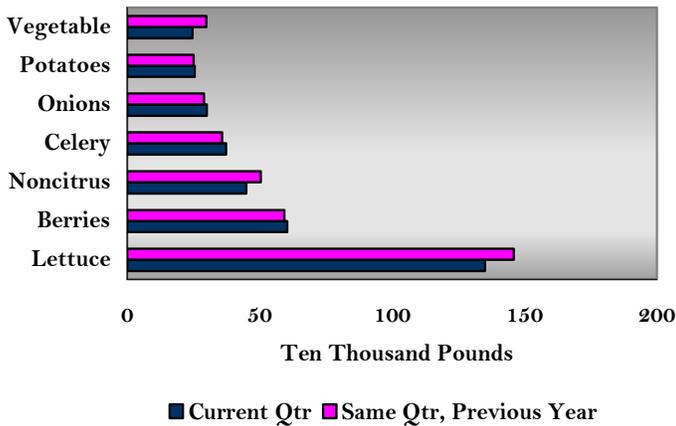


Figure 7. California Refrigerated Truck Volumes

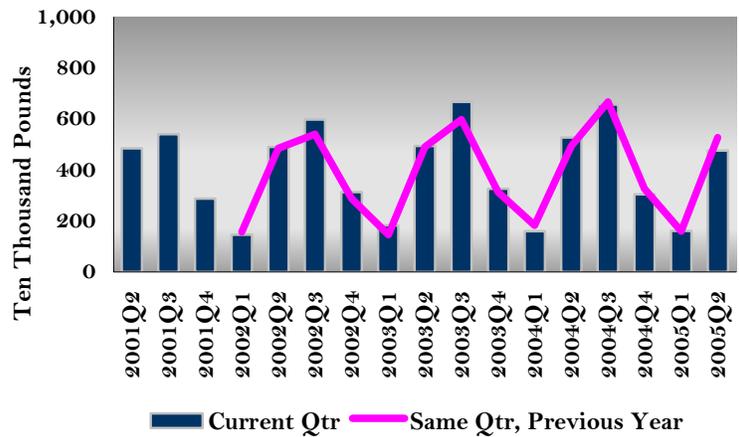
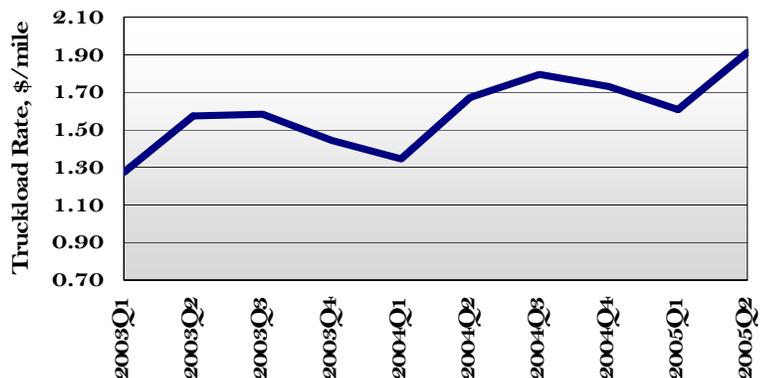


Figure 8. California Refrigerated Fruit and Vegetable Truck Rates



FLORIDA

Florida is the second largest U.S. producer of fruits and vegetables. During second quarter 2005, refrigerated fruit and vegetable truck shipments from Florida accounted for 15 percent of the total U.S. volume. Truck volumes for Florida increased by 47 percent compared to first quarter 2005. The average truck rate per mile for shipments of refrigerated fruit and vegetables from Florida reached \$2.45 for second quarter 2005, 19 percent above the first quarter.

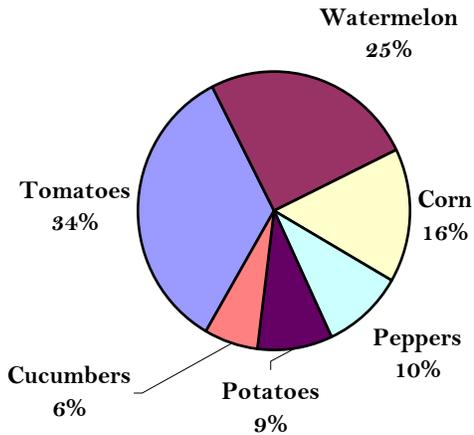


Figure 9. Florida Refrigerated Truck Products

Figure 10. Top Florida Refrigerated Truck Volumes by Commodity

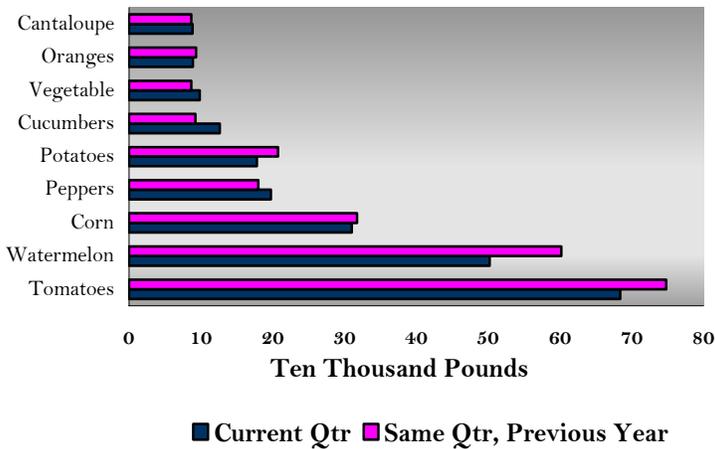


Figure 11. Florida Refrigerated Truck Volumes

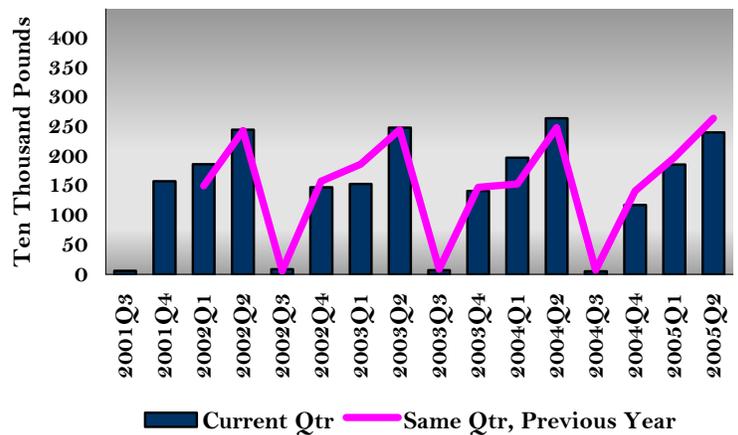
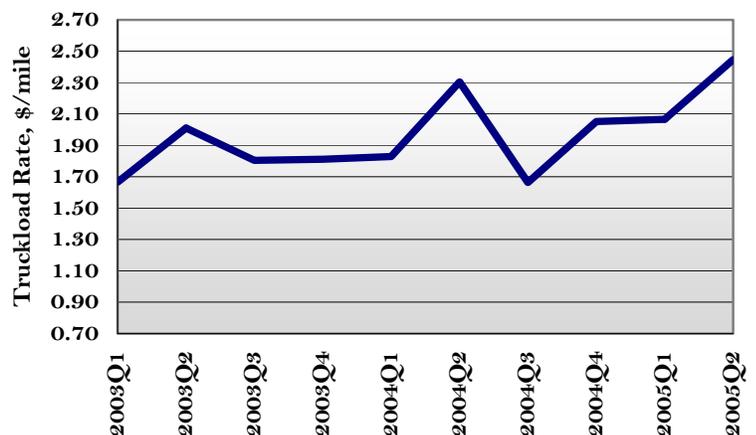


Figure 12. Florida Refrigerated Fruit and Vegetable Truck Rates



PACIFIC NORTHWEST

The Pacific Northwest (PNW) region includes Washington, Oregon and Idaho. During second quarter 2005, refrigerated fruit and vegetable truck shipments from the PNW accounted for 15 percent of the total U.S. volume. Shipment volumes were down 21 percent compared to first quarter totals. Truck rates reached \$1.71 per mile, a nine percent increase compared to first quarter 2005. Potato shipments account for almost 50 percent of the yearly volume for the PNW region.

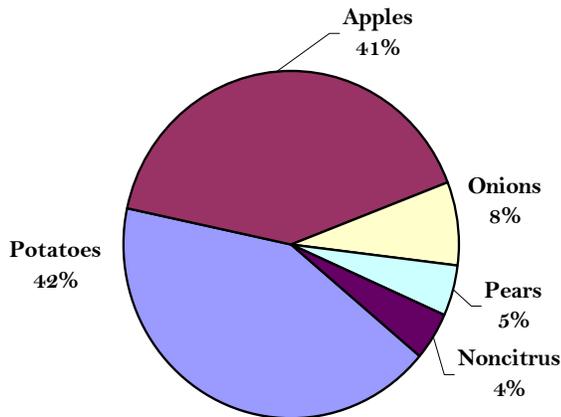


Figure 13. PNW Refrigerated Truck Products

Figure 14. Top PNW Refrigerated Truck Volumes by Commodity

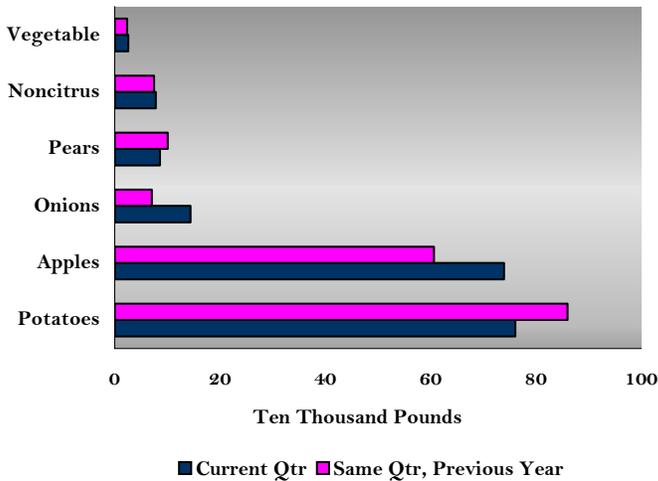


Figure 15. PNW Refrigerated Truck Volumes

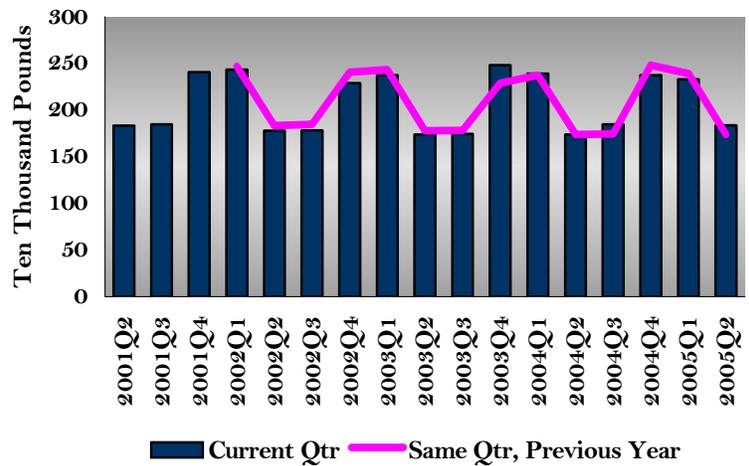
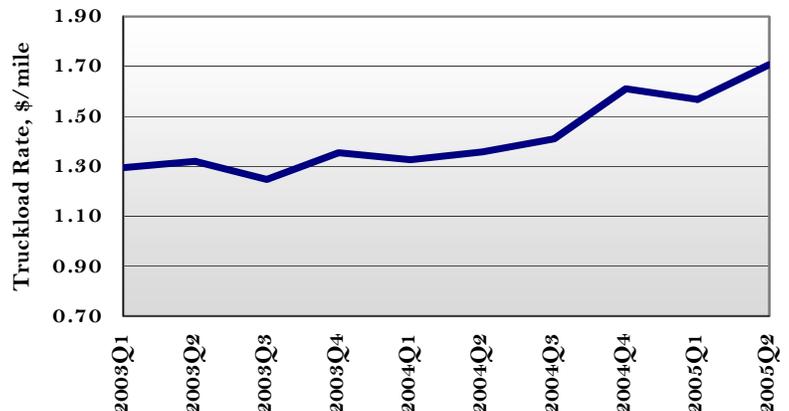


Figure 16. PNW Refrigerated Fruit and Vegetable Truck Rates



GREAT LAKES

The Great Lakes region includes Michigan and Wisconsin, two top producing fruit and vegetable states. During second quarter 2005, fruit and vegetable truck shipments from the Great Lakes accounted for 4 percent of the total U.S. volumes shipped. While volumes declined by 34 percent compared to first quarter 2005, the average truck rate per mile for shipments from the Great Lakes reached \$2.38, a 1 percent increase above first quarter 2005. Truck rates for shipments from the Great Lakes have averaged around \$2.24 per mile since 2004.

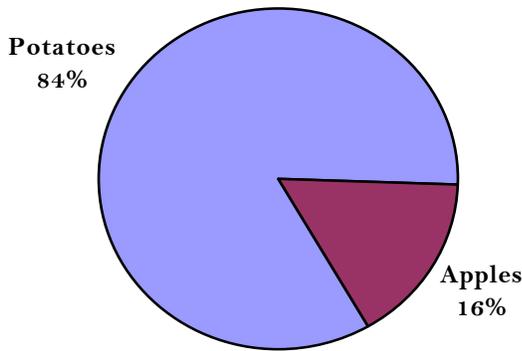


Figure 17. Great Lakes Refrigerated Truck Products

Figure 18. Top Great Lakes Refrigerated Truck Volumes by Commodity

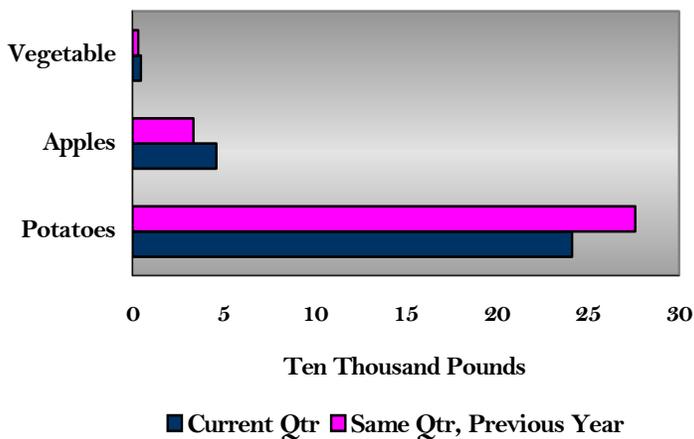


Figure 19. Great Lakes Refrigerated Truck Volumes

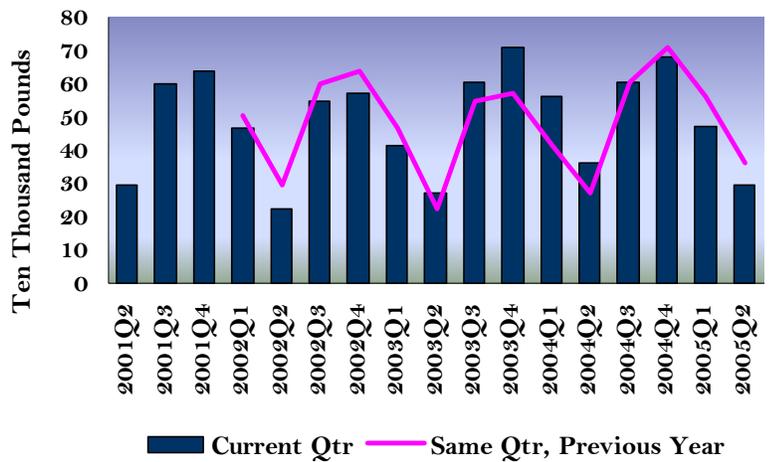
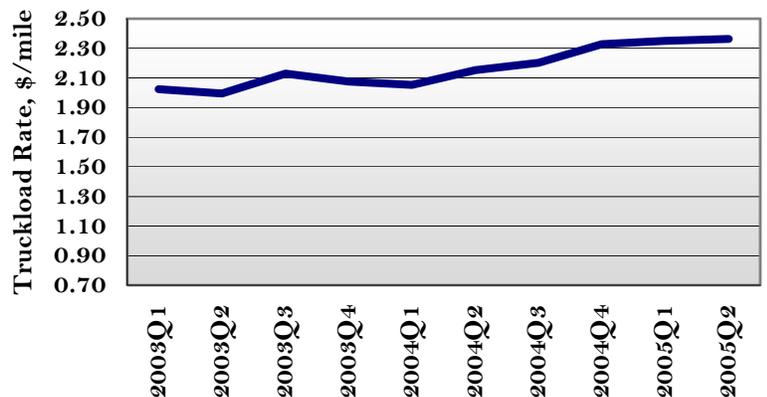


Figure 20. Great Lakes Refrigerated Fruit and Vegetable Truck Rates



MEXICO

Mexico is the leading seller of fruits and vegetables to the United States. Truck volumes for refrigerated shipments from Mexico to the U.S. declined 5 percent during second quarter 2005 compared to the first quarter. Despite this second quarter decrease, volumes increased by 9 percent compared to the same quarter last year. Top volume commodities during second quarter 2005 included watermelon, tomatoes and grapes. Truck rates for shipments from Mexico increased almost 30 percent during second quarter 2005.

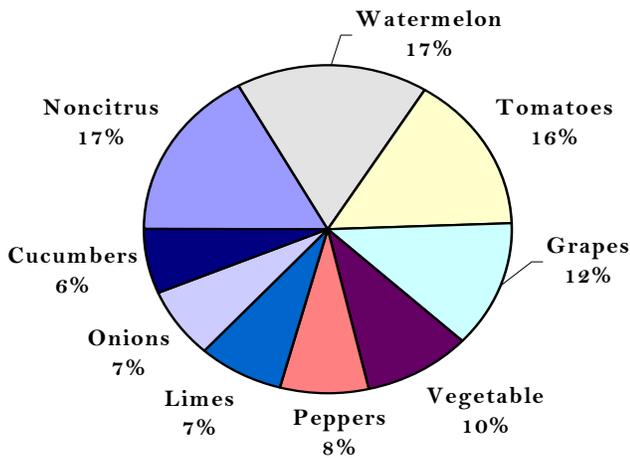


Figure 22. Top Mexico Refrigerated Truck Volumes by Commodity

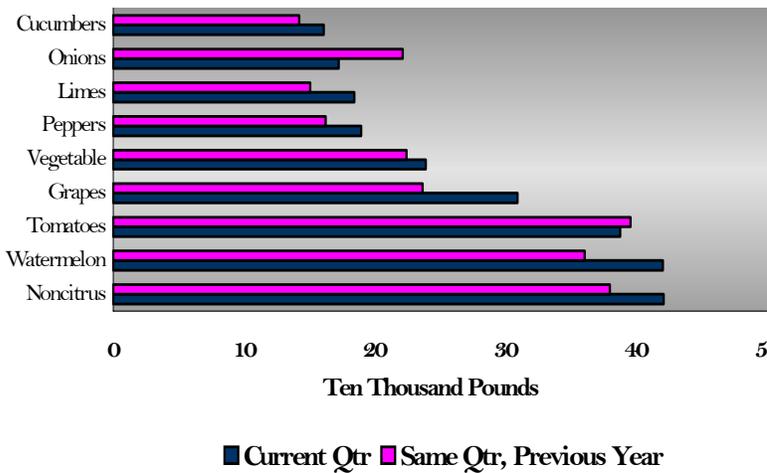


Figure 21. Mexico Refrigerated Truck Products

Figure 23. Mexico Refrigerated Truck Volumes

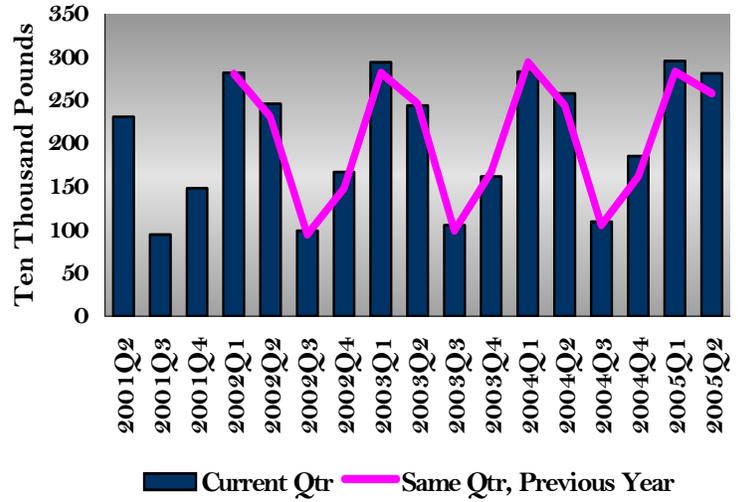
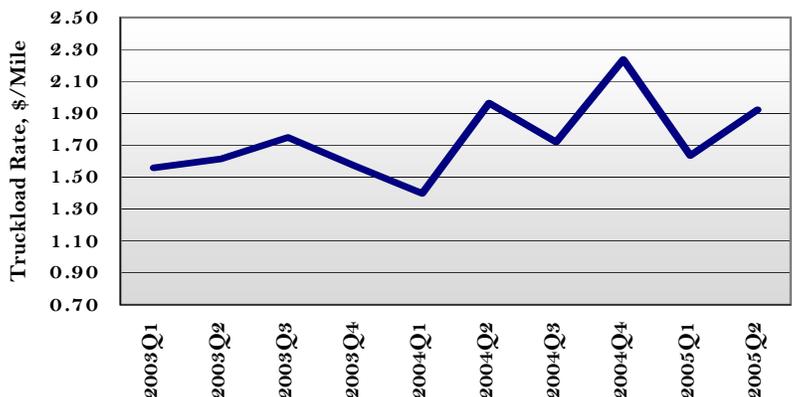


Figure 24. Mexico Refrigerated Fruit and Vegetable Truck Rates



FEATURED COMMODITY: LETTUCE

During second quarter 2005, lettuce shipments accounted for 9 percent of the total U.S. refrigerated fruit and vegetable truckload volumes. Shipments of lettuce from California accounted for 42 percent of the total market for California refrigerated fruits and vegetables. Shipment volumes were down 13 percent compared to first quarter 2005. Rates for lettuce shipments averaged \$1.80 per mile, an 11 percent increase compared to first quarter 2005. Rates for a shipment of lettuce from California to New York averaged \$2.01 per mile, a 12 percent increase compared to the first quarter.

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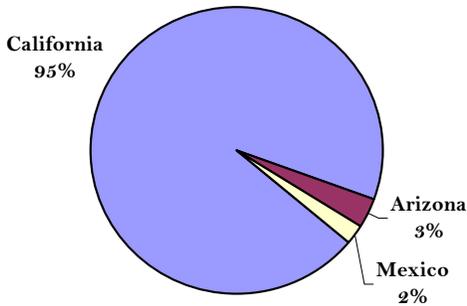


Figure 25. Refrigerated Truckload Origins for Lettuce

Figure 26. Truck Rates for Lettuce Shipments

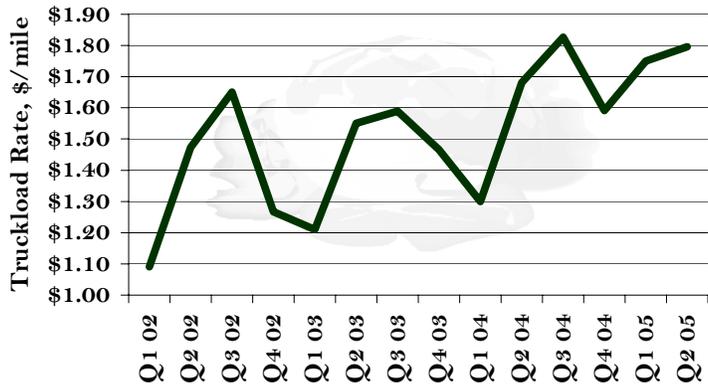
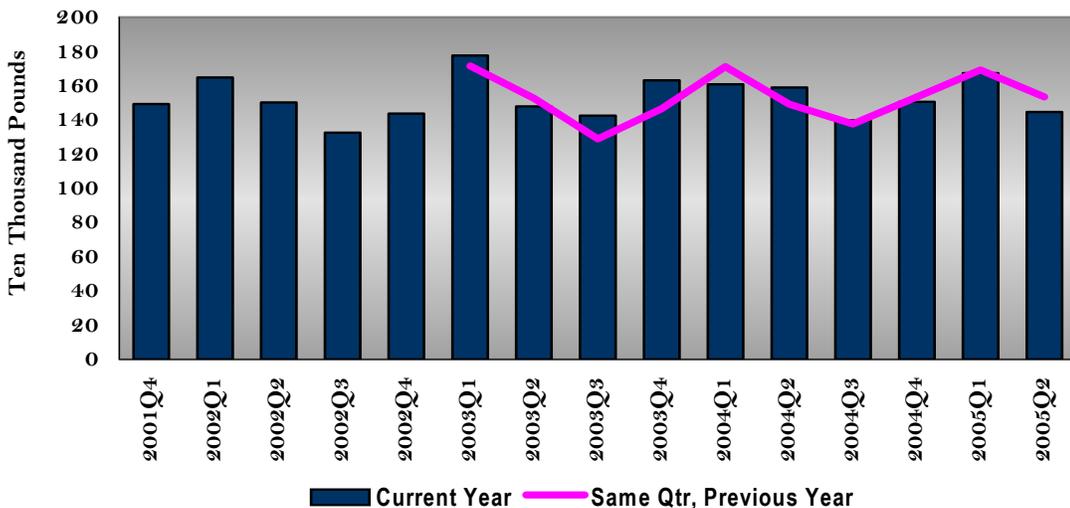


Figure 27. Truck Volumes for Lettuce Shipments



TRUCK RATES FOR MAJOR MARKETS

Refrigerated truck rates for fruit and vegetable shipments vary across markets and time. Rates included in this table cover major corridors for long-distance truck shipments from fruit and vegetable producing regions in the United States and Mexico to consumer centers in the United States.

Table 1: Origin-Destination Truck Rate Index for Fruit & Vegetable Shipments in Major Corridors
Rate per Truck for Current Quarter Compared to Same Quarter for Previous 2 Years

Origin	Commodity	Destination					
		New York		Atlanta		Chicago	
		Q2 2005	2-Yr Avg.	Q2 2005	2-Yr Avg.	Q2 2005	2-Yr Avg.
California	Grapes	\$5,000	\$4,750	\$4,380	\$3,600	\$3,300	\$3,845
	Lettuce	\$5,633	\$4,707	\$4,385	\$3,705	\$3,592	\$3,230
	Onions	\$4,435	\$4,172	\$3,261	\$3,201	\$3,078	\$2,878
	Noncitrus	\$6,057	\$5,000	\$5,140	\$3,850	\$3,780	\$3,600
	Other Vegetable	\$5,487	\$4,331	\$4,194	\$3,448	\$3,431	\$3,039
Florida	Other Vegetable	\$2,889	\$2,610	\$1,306	\$1,183	\$2,300	\$2,115
	Tomatoes	\$2,692	\$2,379	\$1,138	\$1,023	\$2,171	\$1,967
	Watermelon	\$2,529	\$2,262	\$1,026	\$1,002	\$1,993	\$2,012
Great Lakes	Apples	n.a.	n.a.	\$1,594	\$1,320	\$718	\$832
	Potatoes	\$2,350	\$2,016	\$1,782	\$1,587	\$638	\$532
Mexico	Grapes	\$5,800	\$4,788	\$4,175	n.a.	\$3,592	\$3,121
	Citrus	\$4,275	n.a.	\$2,238	n.a.	\$2,525	n.a.
	Vegetable	\$4,583	\$4,083	\$3,050	n.a.	\$2,767	\$2,533
Pacific Northwest	Apples	\$5,002	\$4,145	\$4,604	\$3,740	\$3,119	\$2,518
	Onions	\$4,515	\$3,332	\$3,413	\$2,688	\$2,688	\$2,071
	Noncitrus	\$5,408	\$5,205	n.a.	n.a.	n.a.	n.a.
	Potatoes	\$4,171	\$3,376	\$3,486	\$2,644	\$2,438	\$1,903

Table 2: Origin-Destination Truck Rate Index for Fruit & Vegetable Shipments in Major Corridors
Rate per Mile for Current Quarter Compared to Same Quarter for Previous 2 Years

Origin	Commodity	Destination					
		New York		Atlanta		Chicago	
		Q2 2005	2-Yr Avg.	Q2 2005	2-Yr Avg.	Q2 2005	2-Yr Avg.
California	Grapes	\$1.79	\$1.70	\$1.99	\$1.64	\$1.65	\$1.92
	Lettuce	\$2.01	\$1.68	\$1.99	\$1.68	\$1.80	\$1.62
	Onions	\$1.58	\$1.49	\$1.48	\$1.45	\$1.54	\$1.44
	Noncitrus	\$2.16	\$1.79	\$2.34	\$1.75	\$1.89	\$1.80
	Other Vegetable	\$1.96	\$1.55	\$1.91	\$1.57	\$1.72	\$1.52
Florida	Other Vegetable	\$3	\$2	\$3.26	\$2.96	\$1.92	\$1.76
	Tomatoes	\$2	\$2	\$2.84	\$2.56	\$1.81	\$1.64
	Watermelon	\$2.30	\$2.06	\$2.56	\$2.51	\$1.66	\$1.68
Great Lakes	Apples	n.a.	n.a.	\$2	\$2	\$2.48	\$2.87
	Potatoes	\$2.94	\$2.52	\$2.05	\$1.82	\$2.20	\$1.83
Mexico	Grapes	\$2.52	\$2.08	\$2.95	n.a.	\$2.24	\$1.95
	Citrus	\$1.86	n.a.	\$1.58	n.a.	\$1.58	n.a.
	Vegetable	\$1.99	\$1.78	\$2.16	n.a.	\$1.73	\$1.58
Pacific Northwest	Apples	\$1.92	\$1.59	\$1.92	\$1.56	\$1.73	\$1.40
	Onions	\$1.74	\$1.28	\$1.42	\$1.12	\$1.49	\$1.15
	Noncitrus	\$2.08	\$2.00	n.a.	n.a.	n.a.	n.a.
	Potatoes	\$1.60	\$1.30	\$1.45	\$1.10	\$1.35	\$1.06

n.a.: not available in reported data

For calculation details, and commodities used in "other" categories, please refer to the [Regional Rates](#) section of Terms and References.

TERMS AND REFERENCES

Data Sources: The AgRTQ database includes quarterly origin volumes and origin-destination rates from 2001 to current. This information is compiled from weekly *Market News Reports* by USDA, Agricultural Marketing Service (AMS), Fruit and Vegetable Programs, Market News Branch www.ams.usda.gov/fv/mnacs/fwires.htm.

Regional Markets: For the regional markets, some states are grouped into producing regions. The Pacific Northwest region includes ID, OR, and WA. The Great Lakes region includes MI and WI. The United States region represents various shipping points for greenhouse tomatoes.

Destination Markets: Atlanta, GA; Chicago, IL; New York, NY

Time Periods: Qtr 1=Jan, Feb, and Mar; Qtr 2=Apr, May, and June; Qtr 3=July, Aug, and Sep; Qtr 4=Oct, Nov, and Dec. Annual data is January through December.

Shipment Volumes: Truck shipments for all commodities and origins are not available. Those obtainable are reported, but should not be interpreted as representing complete movements of a commodity. Truck shipments from all states are collected at shipping points and include both inter and intrastate movements. They are obtained from various sources, including Federal marketing orders, administrative committees, Federal State Inspection Service, and shippers. Volume amounts are represented in 10,000 pound units, or 1,000 10-lb packages. See *Fresh Fruit and Vegetable Shipments by Commodities, States, and Months, FVAS-4 Calendar Year 2004*: <http://www.ams.usda.gov/fv/mnacs/shippsumm04.pdf>

Rates: Rates quoted represent open (spot) market rates that shippers or receivers pay depending on basis of sale, per load, including truck brokers fees for shipments in truck load volume to a single destination. Extra charges for delivery to terminal markets, multipickup and multidrop shipments are not included unless otherwise stated. Rates are based on the most usual loads in 48-53 foot trailers from the origin shipping area to the destination receiving city. In areas where rates are based on package rates, per load rates were derived by multiplying the package rate by the number of packages in the most usual load in a 48-53 foot trailer. Slightly cheaper rates will be reported during Quarters 2 and 3 as about 50 percent of onion shipments from California are hauled on open flatbed reefers. During Quarter 3, less than 20 percent of onions hauled from WA, ID, and OR are on open flatbed.

Regional Rates: Rate data for three destination markets are used to calculate average origin regional rates. For a complete list of commodities by citrus, noncitrus, and vegetable classification for the "other" categories, please refer to the *Fresh Fruit and Vegetable Shipments by Commodities, States, and Months, FVAS-4 Calendar Year 2004* on page 7 <http://www.ams.usda.gov/fv/mnacs/shippsumm04.pdf>. The melon and noncitrus classes are combined in the AgRTQ data. Berries are defined as a separate group due to the special handling truck rate considerations.

Long-Haul Route Detail: The national rate on page 1 reflects long-haul truck rates. The rates for eight long-haul fruit and vegetable truck corridors are included in the national rate, weighted by commodity and origin volume. These major corridors are identified in the route mileage table below.

Table 3--Route Mileage

Origin	Destination	Miles
Southern California	Atlanta	2,156
Southern California	New York	2,776
Central California	Atlanta	2,328
Central California	Chicago	2,148
Central California	New York	2,944
Pacific Northwest	Atlanta	2,033
Pacific Northwest	New York	2,344
Florida	Chicago	1,380
Florida	New York	1,293

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