

Agricultural Refrigerated Truck Quarterly

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Market Insight

Quarterly Overview

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The American Trucking Associations' (ATA) lawsuit against portions of the Port of Los Angeles' (LA) Clean Truck Program (CTP) officially went to trial in federal court in California on April 20. As of April 28, both sides had presented testimony and Judge Christina Snyder asked both sides to prepare concluding briefs no later than May 14. The main source of contention is the Port of LA's requirement that by 2012 all drivers be employees of a motor carrier, effectively banning independent owner-operators from servicing the port. ATA argues that this portion of the Port of LA's CTP violates federal law that prevents States from regulating interstate trucking and commerce. Other portions of the program such as financial disclosure, routing, and off-street parking requirements are also in question based on the ATA's view that these requirements are unrelated to cleaning the air. The Port of LA argues they are legally allowed to impose these requirements not only as a benefit to the local environment but also to improve safety and security at the port. A California District Court has enjoined the CTP requirements in question until a trial could be conducted and a final ruling made on the regulation in question.

The court proceedings leading up to the trial have resulted in an initiative to change the Federal Aviation Administration Authorization Act (FAAAA), which prevents State and local jurisdictions from regulating interstate trucking and commerce. Organizations behind this initiative, such as the Teamsters Union and the National Resources Defense Council (NRDC), would like to see a change in the law that would allow the ports, as part of the CTP, to ban independent owner-operators from servicing the port. Currently, the FAAAA prevents States from regulating the "price, route, or service of any motor carrier" (49 U.S.C. § 14501(c) (1)).

On May 5, the U.S. House Transportation and Infrastructure Committee's (T&I) Subcommittee on Highways and Transit held a hearing to explore the benefits of CTP to the Ports of Los Angeles and Long Beach (LA/LB). The purpose of the hearing was to assess the implementation and impacts of CTP on these two ports. A coalition of labor, environmental, and community organizations wrote a letter to the T&I Committee requesting a change to the Federal Motor Carrier Act to "provide ports with the tools they need to reduce deadly diesel pollution and public road hazards caused by the port trucking industry." Along with the Ports LA/LB, testimony was heard from an individual truck driver, ATA, the Coalition for Responsible Transportation, the Clean Truck Coalition, NRDC, *Continued on the next page...*

- Reported U.S. truck shipments of fresh produce were 6.7 million tons, 3 percent lower than the previous quarter, and 2 percent lower than the same quarter last year.
- Together Mexico and the Pacific Northwest accounted for 52 percent of the total reported shipments of fresh fruits and vegetables during 1st quarter 2010. A total of nearly 3.5 million tons shipped from these two regions.
- The following top 5 commodities accounted for 45 percent of the market during the 1st quarter 2010:
 - Lettuce (11 percent)
 - Potatoes (11 percent)
 - Tomatoes (10 percent)
 - Apples (7 percent)
 - Onions (6 percent)

the Teamsters Union, and the Owner-Operator Independent Drivers Association.

The Ports of LA/LB initially implemented parts of CTP in October 2008. The CTP is designed to reduce port truck emission by 80 percent by 2012. The program progressively bans trucks that do not meet the strict EPA 2007 model year diesel engine emissions standards beginning with 1989 model trucks and older; the ban has now progressed to trucks 1993 models and older. Along with replacement trucks, drivers also have the option to have the engine retro-fitted to meet the 2007 standards. CTP also requires beneficial cargo owners to pay a Clean Truck Fee if a truck older than a 2007 model moves their cargo. Currently more than 80 percent of trucks that service the ports regularly have been replaced or retrofitted to meet the required standards.

Originally, ATA's lawsuit was filed against both the Ports of Los Angeles and Long Beach; however, in October 2009 the Port of Long Beach settled with ATA out of court by establishing a registration system that, according to both parties, addresses the environmental, safety, and security aspects of CTP without disrupting commerce and trucking service. Since the inception of the program, both ports' truck emissions have decreased by as much as 70 percent despite ATA's actions to enjoin portions of the program they argue are illegal. Other U.S. ports around the country such as Oakland, CA, Seattle, WA, New York/New Jersey, and Broward County, FL, are interested in emulating this program and are carefully watching the progress of this trial.

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Regulatory News/Updates

Lawmakers Ask for Resolution of Mexico Cross-Border Trucking Dispute

On May 6, 2010, Secretary of Transportation Ray LaHood testified before Congress that the Administration intends to restart the cross-border trucking program and will soon brief Members of Congress to get their feedback. On March 3 and 4, 2010, U.S. Trade Representative Ron Kirk and Secretary LaHood testified before Congress in support of resolving retaliatory tariffs imposed by Mexico on 90 agricultural and industrial products. Mexico imposed the tariffs after the United States terminated the cross-border trucking demonstration program in March 2009. The tariffs have reduced U.S. exports of onions, lettuce, grapes, pears, apricots, cherries, strawberries, dates, frozen potatoes, Christmas trees, and many other products, with devastating effect on farm communities.

On March 1, 56 members of Congress asked Ambassador Kirk and Secretary LaHood to inform them of their plan to ensure safety and normalize trade. On March 4, 27 members of Congress co-sponsored H.R. 4759 to withdraw from the North American Free Trade Agreement (NAFTA). On April 12, Mexico Secretary of Communications and Transportation Juan Molinar Horcasitas and Secretary LaHood agreed to establish a working group to consider the next steps of the cross-border trucking program. On April 14, 78 members of Congress asked Secretary LaHood and the Ambassador Kirk to renegotiate NAFTA and eliminate the requirement to open U.S. borders to Mexican trucks and eliminate the tariffs.

The terminated demonstration program allowed 27 Mexican carriers with 104 trucks to operate beyond the U.S. commercial zones along the border between the United States and Mexico. Unaffected by the termination are about 860 Mexican carriers

Truck Rates

- The reported average truck rate for U.S. produce shipments was \$1.76 per mile, 2 percent lower than last quarter, but 2 percent higher than the same quarter last year.
- During 1st quarter 2010, the average rate per mile for shipments from the Great Lakes ranged between \$2.92 and \$2.83, the highest during the quarter. Rates from the Pacific Northwest were the lowest ranging from \$1.60 to \$1.58.
- Mexico truck rates for crossings through Arizona averaged \$1.97 per mile and were 10 percent above last quarter and 15 percent above the same quarter last year. Border crossings through Texas averaged \$1.70 per mile, up 8 percent from last quarter, and relatively unchanged from the same quarter last year.

Diesel Fuel

- During 1st quarter 2010, the U.S. diesel fuel price averaged \$2.85 per gallon—4 percent higher than last quarter and 24 percent above the same quarter last year.
- Average ultra low sulfur diesel prices increased 4 percent from last quarter to \$2.86 per gallon.

with over 1,700 trucks operating beyond the commercial zones between specific U.S.-Mexico points under separate permanent authority granted between 1982 and 1994. Also unaffected are 7,785 Mexican carriers with 29,967 trucks and 27,187 drivers which operate within the commercial zones.

Mexico is the United States' second largest agricultural trading partner and the second largest foreign supplier of crude oil and products to the U.S. market. In calendar year 2009, U.S. agricultural exports to Mexico were \$12.9 billion and imports were \$11.4 billion. U.S. fresh fruit and vegetable exports to Mexico were \$465 million and imports were \$4.77 billion.

Arizona Establishes an Overweight Border Permit Pilot Program

Effective May 17, 2010, the Arizona Motor Vehicle Division will begin issuing a \$75 single trip overweight permit at the Nogales, AZ, port of entry. The permit allows a motor carrier to transport certain freight within the Mexico/Arizona Commercial Zones with an overall gross vehicle weight of over 80,000 lbs to a maximum limit of 90,800 lbs lawfully. Nogales is the principal entry point for fresh fruits and vegetables from Mexico. Mexican exporters and U.S. importers believe the pilot program will improve the security, timeliness, and quality of the U.S. fruit and vegetable imports and save fuel by eliminating the need to offload product to additional trucks at the border instead of discharging the full load at a U.S. refrigerated warehouse. Arizona will evaluate the program for its effectiveness and will determine whether to continue or expand the service to other Mexico/Arizona Commercial Zones.

Court Affirms California Air Resources Board Measure

On April 2, the United States Court of Appeals for the District of Columbia Circuit denied the American Trucking Associations (ATA) petition for review of the U.S. Environmental Protection Agency's authorization of the California Air Resources Board Transport Refrigeration Unit (TRU) Airborne Toxic Control Measure. ATA argued that the measure is a de facto national rule because many trucks pass through California and will be subject to the measure. The Court found that U.S. EPA reasonably applied the authorization criteria of the Clean Air Act. The ruling is available by [clicking here](#).

In an April 22 news release, the Board announced there would be a series of workshops in May and June in Los Angeles, Sacramento, and Fresno to solicit information about proposed revisions to the diesel control regulations that will be presented to the Board in September. The purpose is to draft changes to the regulations that will mitigate the potential effects of an unfavorable economy on affected businesses, while keeping in mind the need to protect public health, meet federal clean air deadlines, and continue moving forward. The Board directed staff to consider approaches to give credit to firms that have already complied with the regulations, and to examine the possibility of additional loans and incentive funding for the program. A TRU Revision Workshop was held March 24, with [Slides](#) available online. Two additional TRU Revision Workshops are scheduled for May 26 and July 8 in the Environmental Protection Agency's California State headquarters office in Sacramento, CA.

Hours of Service; Limited 90-Day Waiver for the Distribution of Anhydrous Ammonia in Agricultural Operations

From March 22 through June 21, the Federal Motor Carrier Safety Administration (FMCSA) has granted a [waiver](#) from the Federal hours-of-service (HOS) regulations for the transportation of anhydrous ammonia. The waiver covers the transport of anhydrous ammonia from any distribution point to a local farm retailer or to the ultimate consumer, and from a local farm retailer to the ultimate consumer, as long as the transportation takes place within a 100 air-mile radius of the retail or wholesale distribution point.

Some drivers who haul fresh fruits and vegetables and other perishable commodities within a 100 air mile radius during harvest season may also haul farm supplies from distribution points during planting and harvest seasons. These short-haul operations are exempt from HOS regulations. Longstanding FMCSA guidance on

its HOS regulations has consistently allowed that the agricultural operations exemption applies to the transportation of farm supplies from the local farm retailer to the ultimate consumer within a 100 air-mile radius.

FMCSA's interpretation, however, has not extended the HOS exemption to deliveries from wholesalers located at port or terminal facilities to either local farm retailers or farms. The Agency has determined that the waiver would likely achieve a level of safety that is equivalent to, or greater than, the level that would be achieved absent such exemption, based on the terms and conditions imposed. This waiver preempts inconsistent State and local requirements applicable to interstate commerce. FMCSA made its safety determination based on data collected as part of a study, "Agricultural Commodity and Utility Carriers Hours of Service Exemption Analysis." The final report from the study will be published later this year.

Drivers Hours of Service Rulemaking Comment Period Remains Open

As of April 28, the Federal Motor Carrier Safety Administration (FMCSA) received over 480 documents and comments from drivers, carriers, and others on issues such as rest and on-duty time; letting drivers restart their workweek after a 34-hour rest period; splitting sleeper-berth time into two periods; and the effect of the time spent waiting to load or unload on the 14-hour maximum on-duty time limit. Results of the five listening sessions in Arlington, VA, January 19 ([View Archived Webcast](#)); Dallas, TX, January 22; Los Angeles, CA, January 25; Davenport, IA, January 28 ([View Archived Webcast](#)); and Louisville, KY, March 26 ([View Archived Webcast](#)) are available online. Additional documents and comments may be submitted and viewed at the public docket ID number FMCSA-2004-19608 found on [Regulations.gov](#). Under an October 26 settlement agreement with Public Citizen et al., FMCSA will submit a notice of proposed rulemaking to the Office of Management and Budget before July 28, 2010, and publish a final rule before July 28, 2011.

Intermodal Equipment Providers Request Repeal of Certain Driver Reporting Requirements

On April 15, the Ocean Equipment Management Association and the Institute of International Container Lessors petitioned the Federal Motor Carrier Safety Administration to repeal the requirement that truck drivers or trucking companies file an inspection report upon returning an intermodal container chassis with no known damage or defect. The petitioners note that the law only requires reports on chassis with damage or defects. Unnecessary reporting on 96 percent of chassis can add to congestion, delay, costs at often overburdened intermodal terminals, and obscure the reporting and timely repair of the estimated 4 percent of chassis that are damaged or defective. The complete regulatory history, including the petition, is located at [Regulations.gov](#) under ID number FMCSA-2005-23315.

Federal Maritime Commission Fact Finding Investigation into Ocean Vessel Capacity and Equipment Availability Underway

On March 17, 2010, the Commission initiated a [Fact Finding Investigation](#) into Ocean Vessel Capacity and Shipping equipment availability for U.S. exports and imports. The commission named [Commissioner Rebecca F. Dye](#) to lead the Fact Finding Investigation. Parties interested in providing information relevant to this issue are encouraged to contact the [Fact Finding Officer](#). Since 2008, some U.S. exporters reported difficulties obtaining empty containers and having loaded containers placed on board vessels for export. In some locations, truck drivers must travel long distances to pick up a container. Once returned to a port, the container may be "bumped" from the previously booked slot on a scheduled vessel, causing the loss of perishable product shelf life and export markets. The fact-finding investigation will issue its interim report to the House Subcommittee on Coast Guard and Maritime Transportation Chairman Elijah E. Cummings on July 2. The investigation will issue its final report of findings and recommendations by July 31.

USDA Releases Rural Transportation Study

On April 27, USDA released the [Study of Rural Transportation Issues](#), a report on transportation and its effect on rural communities, with an emphasis on agricultural transportation. It looks in depth into each of the four

major modes of transportation commonly used by agriculture in the United States: trucking, railroads, barges, and ocean vessels, examining each in the light of its ability to meet rural America's transportation needs now and in the future. It identifies some broad issues that merit attention from policy makers.

In [Chapter 13: Truck Transportation](#) it is noted that trucks carry 70 percent of agricultural tonnage, including the first and last movements in the supply chain. Trucking is highly competitive, keeping rates low. The 100 air-mile agricultural exemption to the driver hours of service rules is important because of agriculture's seasonal needs for moving large quantities of farm supplies and agricultural commodities during planting and harvest.

Since farm products are heavy, bulky, and of relatively low value, transportation is a large component of their final price. Many agricultural stakeholders would like to see a limit of 97,000 pounds with a sixth axle on Interstates. Increasing allowable weight without a sixth axle would increase pavement maintenance costs, requiring more revenue for maintaining the highways. Existing bridge design capacities may not permit heavier loadings without significantly shortening bridge lives, increasing the required investment in highways.

USDA's Agricultural Marketing Service (AMS) Now Publishing National Fruit and Vegetable Organic Summary

Available free every Tuesday at www.ams.usda.gov/mnreports/fvworganic.pdf, the new report provides an easy-to-use summary of the market data, including wholesale and shipping point prices and movement data. The report provides all available organic market data at a glance, significantly reducing the amount of time customers spend searching for organic market data. For more information about the Market News Portal or the new National Fruit and Vegetable Organic Summary, contact Fred Teensma at (510) 637-1815 or fred.teensma@ams.usda.gov. For more information about the services of AMS' Fruit and Vegetable Market News, contact Terry Long at (202) 720-2175 or terry.long@ams.usda.gov.

FDA Initiates Rulemaking on Sanitary Food Transportation Act

On April 30 The U.S. Food and Drug Administration's Center for Food Safety and Applied Nutrition (CFSAN) and Center for Veterinary Medicine (CVM) published an [Advance Notice of Proposed Rulemaking](#) (ANPR) on implementing the Sanitary Food Transportation Act of 2005 (2005 SFTA). The ANPR, online at <http://edocket.access.gpo.gov/2010/pdf/2010-10078.pdf>, is the first step in writing federal regulations that will govern sanitary practices by shippers, carriers by motor vehicle or rail vehicle, receivers, and others engaged in the transportation of food products for humans and animals. The 2005 SFTA provides broad authority to FDA to regulate the transportation of human and animal food products to protect products from food-safety hazards during transport.

FDA requests input on the issue from all interested parties including the food and transportation industries and consumer interest organizations. FDA asks that interested parties submit comments and supporting materials by August 30, 2010. Those concerned may view the submitted documents online by entering the Docket ID Number [FDA-2010-N-0013](#) at Regulations.gov. After evaluating comments received in response to the ANPR, FDA will propose specific regulations to implement the statute. FDA will coordinate with the U.S. Departments of Agriculture and Transportation in this rulemaking process. In addition to the ANPR, FDA issued guidance to the industry on the [Sanitary Transportation of Food](#). The purpose of the guidance is to provide interim recommendations to industry on food safety during transport while the agency proceeds with developing regulatory requirements.

Feature Article

Weather in Florida Affects Truck Rates from California to the East Coast

The United States and the global economy are pushing their way past the recession of the last year. The Department of Transportation reports in its February Freight Transportation Services Index¹ a modest 0.3 percent increase from January, the fourth month in a row of positive gains. Truck transportation represents the first and last mile of nearly all agricultural shipments, so as freight activity increases, truck transportation increases as well. The increase in agricultural truck transportation demand also follows larger harvests for nearly all fruits and vegetables over the last year. A freeze in Florida may have created temporary shortages in the Northeast, requiring more trucks shipments of produce from California. The increased trucking activity and resulting truck shortages may have been the primary reason the cost of shipping produce from California to Boston (up 13 percent) and New York (up 12 percent) increased in 2010 as compared to 2009.

Table 1: Average Rate per Refrigerated Truckload Shipment from California to Selected Destinations (2009 & 2010 Quarter 1)

Date	Atlanta	Baltimore	Boston	Chicago	Dallas	Los Angeles	Miami	New York	Philadelphia	Seattle	Qtr. Average
2009 Qtr. 1 Avg.	\$3,872.37	\$4,439.81	\$4,819.74	\$3,375.64	\$3,003.53	\$1,177.88	\$4,760.26	\$4,665.19	\$4,538.91	\$2,227.56	\$3,782.05
2010 Qtr. 1 Avg.	\$4,164.51	\$5,021.28	\$5,431.15	\$3,494.87	\$3,102.60	\$800.00	\$5,049.24	\$5,214.80	\$5,084.68	\$2,111.92	\$4,071.89
Absolute Change vs. 2009	\$292.14	\$581.47	\$611.41	\$119.23	\$99.08	-\$377.88	\$288.98	\$549.61	\$545.77	-\$115.64	\$289.84
% Change vs. 2009	8%	13%	13%	4%	3%	-32%	6%	12%	12%	-5%	8%

In the examples above, rates from California (one of the largest producers of fruits, vegetables, and nuts) increased on average 8 percent over the year. This increase was probably caused by both fuel cost increases (see RTQ Table 7), and increases in trucking activity (see RTQ Table 8).

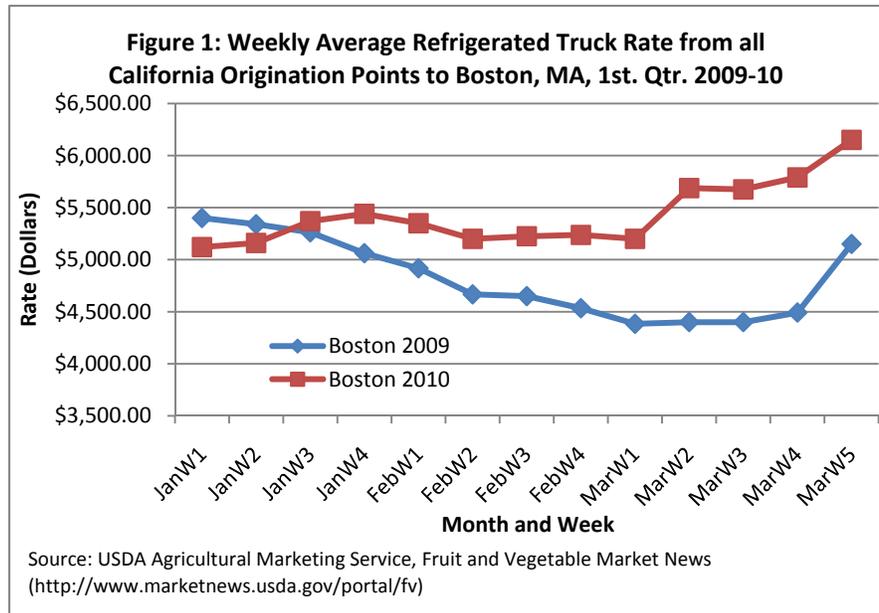
An interesting phenomenon occurred over the year in California shipments—rates for shipments destined for the West Coast (Los Angeles and Seattle) actually decreased compared to 2009. Rates destined for the Midwest (Chicago and Dallas) and the Southeast and East Coast (Atlanta, Baltimore, Boston, Miami, New York, and Philadelphia) rose. To examine this further, this article more closely examines movements destined for Seattle and Boston. Shipments from California to Los Angeles (L.A.) were not examined, even though they fell the most, as these movements were in-State and therefore counting as both an origin and destination, possibly skewing the results.

California to Boston Overview

During 1st quarter 2010, refrigerated truck rates from California to Boston averaged \$611 higher than the 2009 average per trip, or almost 13 percent. This was the highest absolute increase in rates to all destinations, equating to an increase of 20 cents per running mile from \$1.60 in 2009 to \$1.80 in 2010.

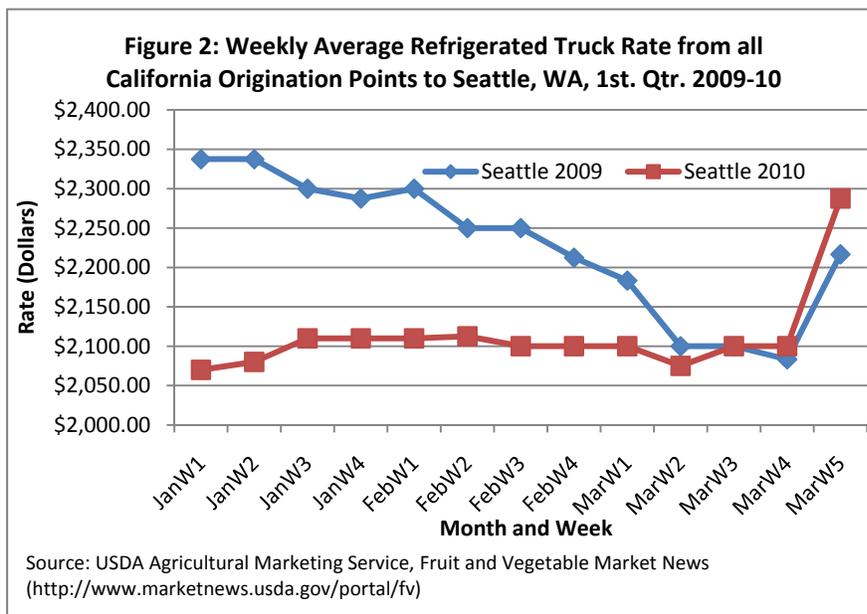
¹ The Freight Transportation Services Index, created by the U.S. Department of Transportation Bureau of Transportation Statistics (BTS), measures the movement of freight. The index, which is seasonally adjusted, combines available data on freight traffic that have been weighted to yield a monthly measure of transportation services output.

As can be seen in Figure 1, reefer truck rates from California to Boston during 1st quarter 2010 had a generally increasing trend over the quarter, which usually denotes increased activity. Rates during the first week of 2010 were \$5,120 per trip; they ended the quarter at \$6,150, a 20 percent increase during the quarter. This is contrary to the same period in 2009, when rates fell from an average of \$5,400 per trip for the first week of the quarter to \$5,150 during the last week, a drop of 5 percent.



California to Seattle Overview

During 1st quarter 2010, refrigerated truck rates from California to Seattle started much lower than in 2009 and stayed lower nearly all quarter, until the last week. During the last week in March, truck shortages in California may have caused the spike in rates. Rates to Seattle were on average \$115 lower per trip in 2010 at \$2,111.92. This rate equates to \$2.81 per mile, which is a decrease of 15 cents (over 5 percent) per mile in 2010 over the 2009 average rate of \$2.96 per mile.²



As seen in Figure 2, reefer truck rates from California to Seattle during 1st quarter 2010 were generally flat, except for the last week when truck shortages in the California region probably caused the rate spike. Rates during the first week of 2010 were \$2,070 per trip and were only \$2,100 by the fourth week of March. The final week of the quarter rates spiked to \$2,287 per trip, a 9 percent increase in a week. In 2009, rates were generally higher than in 2010, and fell from an average of \$2,337 per trip

² Dollar per mile calculated as: \$ per Mile = Truck Rate/Average Distance (3,017 Miles for California to Boston and 752 miles for California to Seattle)

for the first week of the quarter, to \$2,216 during the last week, a drop of 5 percent.

Comparison of Rates from California to Boston and Seattle

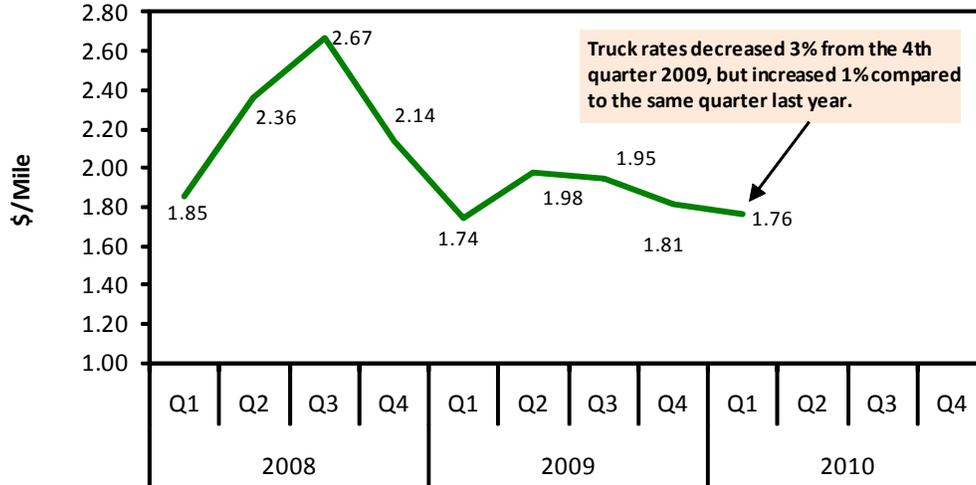
The increase in rates from California to Boston, compared to Seattle, could be a function of several factors including: increased activity leading to truck shortages on one route vs. the other, or higher fuel prices on one route. The fuel price data in [RTQ Table 5](#) does not support the theory that fuel cost differences between the two routes was the cause of the increase in rates to Boston as compared to Seattle. As can be seen in Table 5, the Midwest and East Coast diesel fuel prices increased between 20 and 32 percent as compared to 2009, but California prices increased faster. The California diesel fuel price jumped \$0.78, or 35 percent. More of the route to Boston would take place outside of California as compared to the drive to Seattle. This means the Seattle rate should have climbed faster, but it did not.

This leaves increased activity or a truck shortage to the destination market as the likely cause. California experienced shortages at the beginning and end of the quarter for nearly all of the origination points covering several different commodities (see [RTQ Table 8](#)). Near freezing temperatures in Florida that reduced yields and damaged crops in a growing area that supplies the Northeast is likely the reason for increased demand for California produce and the resulting trucking activity to fill the gap in the Northeast. This is an example of how the changes in agricultural production reverberate through the economy and impact transportation demand and costs. In fact, sudden changes in crop production across the country, or even the world, can have a large effect on rates in another geographic area.

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U.S. Truck Rates

Figure 1: Average Truck Rates for Selected Long Haul Routes (\$/Mile)



Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Table 1: Average U.S. Truck Rates for Selected Long-Haul Routes (\$/Mile)

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	*Annual
2010	1.76				1.76
2009	1.74	1.98	1.95	1.81	1.87
2008	1.85	2.36	2.67	2.14	2.26
2007	1.70	2.11	2.08	2.00	1.97
2006	1.79	1.84	2.14	1.84	1.90
2005	1.56	1.88	2.10	2.08	1.91

*Annual: Weighted average rate for all 4 quarters.

Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Table 2: Quarterly Rates for Key Origins by Month (\$/Mile)

Origin	1st Qtr 2010			4th Qtr 2009		
	Jan	Feb	Mar	Oct	Nov	Dec
Arizona	1.98	1.97	2.05	1.97	2.06	1.96
California	1.91	1.89	1.99	1.95	1.94	1.90
Florida	1.75	1.70	1.60	1.68	1.86	1.93
Great Lakes	2.83	2.84	2.92	2.70	2.78	2.83
Mexico - Arizona	2.03	1.81	2.05	n/a	1.82	1.77
Mexico - Texas	1.65	1.65	1.79	1.45	1.49	1.62
PNW	1.59	1.58	1.60	1.59	1.62	1.63
Texas	1.90	1.93	2.08	1.55	1.74	1.85

Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Note: "n/a" indicates rates not available.

Note: The rates for 8 long-haul fruit and vegetable truck corridors are included in the national rate, weighted by commodity and origin volume.

Truck Rates for Selected Routes and Commodities

Table 3: Origin-Destination Truck Rates for Selected Routes and Commodities, 1st Quarter 2010 (\$/Mile)

Origin	Commodity	Destination							
		New York	Atlanta	Chicago	Boston	Baltimore	Miami	Philadelphia	Seattle
Arizona	Lettuce	2.12	2.25	1.94	2.03	2.13	2.13	2.12	1.31
California	Asparagus	2.04	1.91		1.96	1.98		2.01	
	Broccoli	2.00	1.99	1.81					
	Carrots	1.86	1.89	1.77	1.80	1.84	1.61	1.83	2.81
	Kiwifruit	1.85	1.92	1.73	1.74	1.80	1.62	1.81	2.77
	Lettuce	1.88	1.90	1.77	1.84	1.83	1.62	1.83	2.87
	Mixed Vegetables	1.89	1.93	1.78	1.82	1.86	1.64	1.85	2.81
	Citrus	1.82	1.88	1.71	1.77	1.83	1.59	1.78	2.75
	Sweet Potato		1.87	1.71		1.78		1.76	
Florida	Mixed Vegetables	1.94	2.42	1.53	1.56	1.49		1.57	
	Potatoes	2.23	2.44	1.59	1.82	1.68	0.23	1.66	
	Tomatoes	1.94	2.42	1.53	1.56	1.49		1.57	
Great Lakes	Apples	2.87	2.22	2.36	2.47	2.65	2.32	2.65	
	Onions		1.90	2.24			1.81		
	Potatoes	3.96	2.41	2.93	3.01	3.74	2.26	3.25	
Mexico - AZ	Mixed Veg., Tomatoes, Melons, Mangoes	2.12		1.65				2.14	
Mexico - TX	Citrus, Avacodoes, Mixed Fruit and Veg., Mangoes	1.76	1.76	1.43	1.79	1.74		1.75	
Pacific Northwest	Apples	1.95	2.05	1.89	1.71	1.75	1.59	1.69	0.26
	Onions	1.83	1.66	1.55	1.63	1.62	1.56	1.57	
	Potatoes	1.75	1.49	1.39	1.51	1.53	1.40	1.53	
Texas	Cabbage			1.68					
	Citrus	2.01	2.09	1.81	2.00	2.00		1.99	

Note: "n/a" indicated rate were not available or there was insufficient data to report rates for that route and commodity

Source: AMS, Fruit and Vegetable Market News Branch, Fruit and Vegetable Truck Rate Reports

Truck Rates for Selected Routes and Commodities

Table 4: Origin-Destination Truck Rates for Selected Routes and Commodities, 1st Quarter 2010 (\$/Truck)

Origin	Commodity	Destination							
		New York	Atlanta	Chicago	Boston	Baltimore	Miami	Philadelphia	Seattle
Arizona	Lettuce	5,235	4,146	3,500	5,473	5,008	5,046	5,092	2,162
California	Asparagus	5,700	4,200		5,900	5,400		5,600	
	Broccoli	5,600	4,383	3,617					
	Carrots	5,219	4,158	3,538	5,427	5,031	5,038	5,112	2,112
	Kiwifruit	5,180	4,220	3,450	5,250	4,930	5,050	5,050	2,080
	Lettuce	5,275	4,171	3,543	5,539	5,008	5,046	5,092	2,162
	Mixed Vegetables	5,288	4,242	3,565	5,504	5,085	5,117	5,165	2,112
	Citrus	5,108	4,131	3,415	5,327	5,015	4,975	4,969	2,069
	Sweet Potato		4,123	3,422		4,856		4,911	
Florida	Mixed Vegetables	2,135	969	1,831	2,363	1,648		1,888	
	Potatoes	2,450	975	1,912	2,750	1,856	575	2,000	
	Tomatoes	2,135	969	1,831	2,363	1,650		1,888	
Great Lakes	Apples	2,296	1,932	684	2,381	1,916	3,470	2,064	
	Onions		1,650	650			2,700		
	Potatoes	3,172	2,096	850	2,902	2,702	3,374	2,531	
Mexico - AZ	Mixed Vegetables, Tomatoes, Melons, Mangoes	5,412		3,312				5,050	
Mexico - TX	Citrus, Avacodoes, Mixed Fruit and Veg., Mangoes	3,496	2,023	2,108	3,923	3,115		3,312	
Pacific Northwest	Apples	5,065	4,919	3,408	5,235	4,850	5,350	4,788	650
	Onions	4,757	3,972	2,787	4,986	4,487	5,239	4,446	
	Potatoes	4,544	3,568	2,501	4,615	4,230	4,716	4,326	
Texas	Cabbage			1,950					
	Citrus	3,496	2,023	2,108	3,923	3,115		3,312	

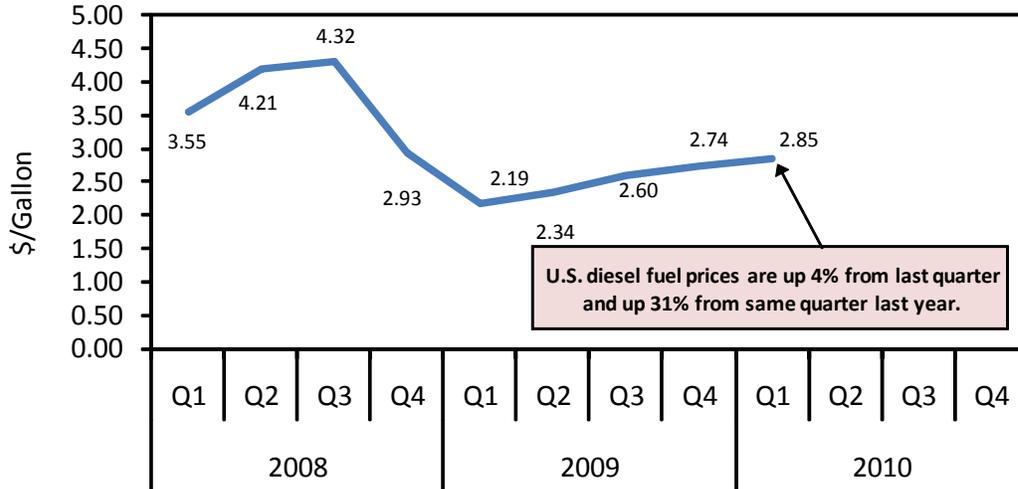
Note: "n/a" indicated rate were not available or there was insufficient data to report rates for that route and commodity

Source: AMS, Fruit and Vegetable Market News Branch, Fruit and Vegetable Truck Rate Reports

U.S. Diesel Fuel Prices

The **diesel fuel price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for fruit and vegetable movements.

Figure 2: U.S. Average On-Highway Diesel Fuel Prices



Source: Energy Information Administration/U.S. Department of Energy

Table 5: 1st Quarter 2010 Average Diesel Fuel Prices (All Types - \$/Gallon)

Location	Price	Change From	
		Last Quarter	Same Qtr Last Year
East Coast	2.89	0.14	0.63
New England	3.02	0.19	0.50
Central Atlantic	3.00	0.13	0.59
Lower Atlantic	2.84	0.14	0.67
Midwest	2.82	0.10	0.68
Gulf Coast	2.82	0.13	0.68
Rocky Mountain	2.84	0.08	0.69
West Coast	2.94	0.09	0.69
California	3.00	0.09	0.78
U.S.	2.85	0.11	0.67

Source: Energy Information Administration/U.S. Department of Energy

Ultra Low Diesel Fuel Prices

Table 6: U.S. Average Ultra Low Diesel Prices (\$/Gallon)

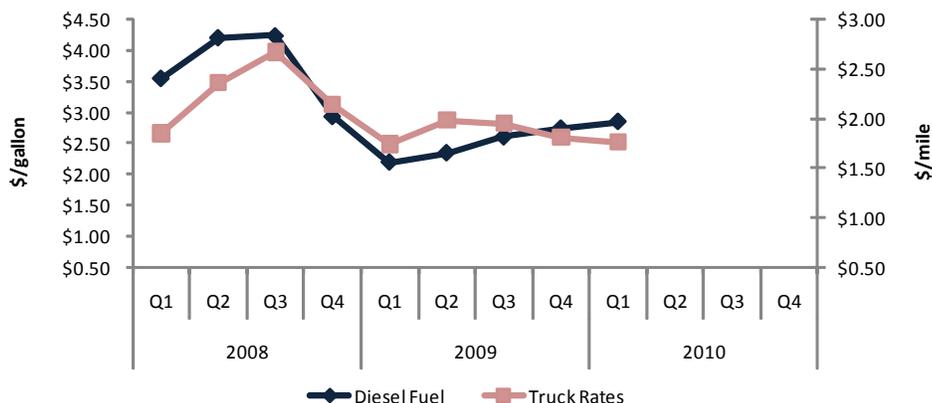
	2009		2010	
	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter
Ultra Low	2.57	2.76	2.86	-

Source: Energy Information Administration/U.S. Department of Energy

Relationship Between Diesel Fuel Prices and Truck Rates

The **diesel fuel price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for fruit and vegetable movements.

Figure 3: U.S. Average On-Highway Diesel Fuel Prices and Truck Rates



Sources:
 Diesel Fuel: Energy Information Administration/U.S. Department of Energy
 Truck Rate: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Table 7: Average Diesel Fuel Prices and Truck Rates

		Diesel Fuel (\$/Gallon)	Truck Rates (\$/mile)	% Change From:			
				Last Qtr		Same Qtr Last Year	
				Diesel	Truck	Diesel	Truck
2008	Q1	3.55	1.85	9%	-8%	40%	9%
	Q2	4.21	2.36	19%	28%	50%	12%
	Q3	4.32	2.67	3%	13%	49%	22%
	Q4	2.93	2.14	-32%	-20%	-10%	7%
2009	Q1	2.19	1.74	-25%	-19%	-38%	-6%
	Q2	2.34	1.98	7%	14%	-44%	-16%
	Q3	2.60	1.95	11%	-2%	-40%	-27%
	Q4	2.74	1.81	5%	-7%	-6%	-15%
2010	Q1	2.85	1.76	4%	-3%	30%	1%
	Q2						
	Q3						
	Q4						

Sources:
 Diesel Fuel: Energy Information Administration/U.S. Department of Energy
 Truck Rates: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

1st Quarter 2010 Comparison Analysis

Diesel fuel prices averaged \$2.85/gallon this quarter, 4 percent higher than last quarter, and 30 percent higher than the same quarter last year. Truck rates decreased 3 percent compared to the previous quarter but increased 1 percent compared to the same quarter last year.

The effect of a change in diesel fuel prices is compounded for produce haulers because the fuel is needed to run the refrigeration unit as well as the truck.

In many cases, trucking companies and owner-operator independent drivers are not able to pass on the full increase in fuel cost to shippers due to existing contracts, competition, and the need for backhaul cargo to cover at least some of the costs of operation. Some shippers offer enough business to a company that the fuel surcharge is waived. The total surcharge collected, however, may not be reported or fully reimbursed to those paying for the fuel.

Quarterly Truck Availability

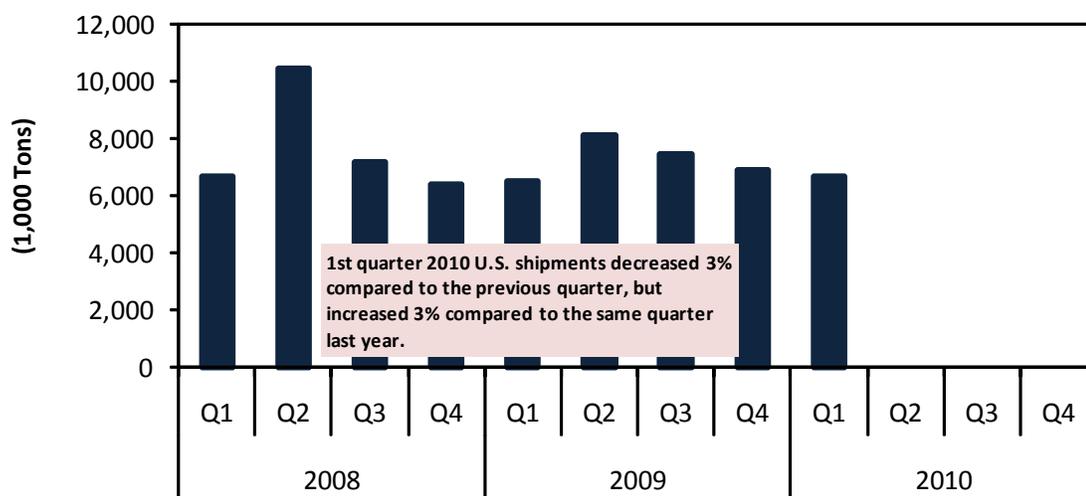
Table 8: U.S. Fresh Fruit and Vegetable Truck Availability, 1st Qtr 2010

Region		Commodity		Truck Availability												
				Surplus - 1	Slight Surplus - 2		Adequate - 3			Slight Shortage - 4		Shortage - 5				
				Week Ending												
		1/5	1/12	1/19	1/26	2/2	2/9	2/16	2/23	3/2	3/9	3/16	3/23	3/30		
CALIFORNIA, ARIZONA																
Imperial & Coachella Valley, CA; Western & Central, AZ		Lettuce, Mixed Vegetables														
Central and Southern San Joaquin Valley, CA		Kiwi														
Kern District, CA		Carrots														
Salinas-Watsonville, CA		Broccoli, Cauliflower														
		Asparagus														
Stockton Delta District, CA		Asparagus														
Central San Joaquin Valley, CA		Lettuce, Leaf Lettuce, Romaine														
South District, CA		Citrus, Strawberries, Raspberries														
		Avocados														
Atwater Livingston, CA		Sweet Potatoes														
Santa Maria, CA		Mixed Vegetables														
FLORIDA																
Central & South, FL		Mixed Vegetables														
Central, FL		Tomatoes														
Florida		Potatoes														
Caribbean Basin Imports - Ports of Entry, South, FL		Melons														
PACIFIC NORTHWEST (WA, ID, OR)																
Northwest, WA		Potatoes														
Columbia Basin, WA		Potatoes, Onions														
Yakima Valley & Wenatchee District, WA		Apples, Pears														
Upper Valley, Twin Falls-Burley District, ID		Potatoes														
Idaho and Malheur County, OR		Onions														
GREAT LAKES (MI & WI)																
Michigan		Apples														
		Onions														
Central, WI		Potatoes, Onions														
MEXICO BORDER CROSSINGS																
Through TX		Citrus, Avocados, Mixed Fruit & Veg														
		Mangoes														
Through Nogales, AZ		Mixed Vegetables, Tomatoes, Melons														
		Mangoes														
TEXAS																
Lower Rio Grande Valley, TX		Citrus, Greens, Herbs, Beets, Cabbage														
San Antonio-Wintergarden District, TX		Cabbage														

Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

U.S. Shipments

Figure 4: U.S. Refrigerated Fruit and Vegetable Shipments (1,000 Tons)



Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Table 9: U.S. Refrigerated Fruit and Vegetable Shipments (1,000 Tons)

Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
2010	6,690	-	-	-	6,690
2009	6,505	8,139	7,464	6,897	29,005
2008	6,669	10,462	7,173	6,368	30,672
2007	6,704	8,683	7,324	6,640	29,351
2006	6,542	8,595	7,140	6,733	29,010
2005	6,610	8,405	7,351	6,618	28,984

Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Shipments by Selected Commodities

Table 10: Top 10 Commodity Shipments for 1st Quarter 2010 (1,000 Tons)

Commodity	1st Quarter 2010	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
				Previous Qtr	Same Qtr Last Year
Lettuce	761	648	792	17%	-4%
Potatoes	725	1,289	1,183	-44%	-39%
Tomatoes	666	621	641	7%	4%
Apples	471	617	520	-24%	-9%
Onions	410	589	526	-30%	-22%
Peppers	291	292	302	0%	-4%
Celery	201	209	216	-4%	-7%
Cucumbers	200	200	176	0%	14%
Strawberries	190	89	195	114%	-2%
Pears	151	158	92	-4%	64%

Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

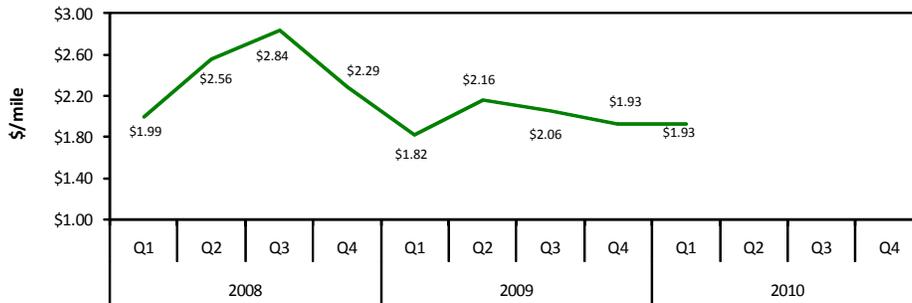
California

Table 11: Top Five Commodities Shipped from California (1,000 tons)

Commodity	1st Quarter 2010	Share of California Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Lettuce	146	22%	325	155	-55%	-6%
Celery	139	21%	198	145	-30%	-4%
Strawberries	91	14%	68	88	34%	4%
Carrots	76	11%	67	60	14%	27%
Broccoli	47	7%	74	54	-36%	-12%
Top 5 Total	500	74%	732	502	-32%	0%
California Total	674	100%	1,414	664	-52%	2%

Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch
 ** indicates no reported shipments during the quarter

Figure 5: California Truck Rates (\$/Mile)



Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Figure 6: Truck Overview

Region/Reporting District	Diesel Fuel	Truck Rate	January	February	March
			Monthly Rating		
	\$/per gallon	\$/per mile	1=Surplus to 5=Shortage		
Regional Average	\$3.00	\$1.93	3.38	2.71	3.33
Imperial & Coachella Valley, CA; Western & Central AZ			3.50	3.00	3.20
Central and Southern San Joaquin Valley, CA			3.25	2.00	n/a
Kern District, CA			3.50	3.00	3.20
Salinas-Watsonville, CA			n/a	n/a	3.75
Stockton Delta District, CA			n/a	n/a	3.00
Central San Joaquin Valley, CA			n/a	n/a	4.00
South District, CA			3.25	2.50	3.13
Atwater Livingston, CA			3.25	2.75	3.20
Santa Maria, CA			3.50	3.00	3.20

n/a: availability data not reported

Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy

For the purpose of this report the California sub-group of the West Coast PAD District 5 was used to represent the diesel fuel price.

Regional Overview, 1st Quarter, 2010

Volume: Volume for the top five commodities shipped declined less than 1 percent compared to the same quarter last year, but increased 2 percent for overall shipments. Carrot shipments were a bright spot, gaining 27 percent over the year and 14 percent over the quarter. Carrot shipments from California likely increased due to slightly increased plantings and a cold snap during the quarter in Florida that reduced yields. The lower yields in Florida increased the demand from the East Coast for California fruit and vegetables (strawberries and carrots as an example) to fill the gap. California lettuce, celery, and broccoli shipments all fell slightly over last year. The slight decrease in shipments is likely due to the same unusual winter weather in January that affected Arizona shipments. A series of heavy El Nino-inspired rainstorms hit the major desert growing regions in California and dropped several inches of rain (equaling the average for an entire year in a matter of hours). This disrupted harvest, slowed marketing, and quickly raised vegetable prices for a short period. After the storms left, the weather quickly improved and prices returned to normal levels and shipments resumed at a brisk pace.

Rates: The quarterly average truck rate was \$1.93 per mile, unchanged from last quarter, and 6 percent higher than the same quarter last year. The average rate per mile during this same period last year was \$1.82.

Truck Overview: Diesel fuel prices averaged \$3.00, a 3 percent increase from last quarter, and a 35 percent increase from the same period last year. During the week ending 1/5 and 1/12, slight shortages were reported in the Imperial and Coachella Valleys, Central and Southern San Joaquin Valley, the Kern District, South District, Atwater-Livingston, and Santa Maria areas. After the first two weeks of the year, availability quickly moved to slight surpluses or adequate until the last week of March when nearly every district reported slight shortages.

Pacific Northwest

Table 12: Top 4 Commodities Shipped from PNW (1,000 tons)

Commodity	1st Quarter	Share of PNW Total	Previous	Same Quarter	Current Quarter as % change from:	
	2010		Quarter	Last Year	Previous Qtr	Same Qtr Last Year
Potatoes	493	37%	493	451	0%	9%
Apples	411	31%	423	407	-3%	1%
Onions	283	21%	271	282	4%	0%
Pears	151	11%	136	92	11%	64%
Top 4 Total	1,337	100%	1,323	1,232	1%	9%
PNW Total	1,337	100%	1,325	1,231	1%	9%

Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch
 Note: "-" indicates no reported shipments during the quarter

Figure 7: PNW Truck Rates (\$/Mile)



Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Figure 8: Truck Overview

Region/Reporting District	Diesel Fuel	Truck Rate	January	February	March
			Monthly Rating		
	\$/per gallon	\$/per mile	1=Surplus to 5=Shortage		
Regional Average	\$2.94	\$1.59	3.30	2.70	3.60
Northwest WA			3.00	3.00	3.00
Columbia Basin, WA			3.00	1.75	4.00
Yakima Valley & Wenatchee District, WA			3.00	3.00	3.00
Upper Valley, Twin Falls-Burley District, ID			3.75	2.75	3.80
Idaho and Malheur County, OR			3.75	3.00	4.20

n/a: availability data not reported

Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy

For the purpose of this report the West Coast PAD District 5 was used to represent the diesel fuel price for PNW.

Regional Overview, 1st Quarter, 2010

Volume: The top four commodities moved from the PNW increased 1 percent compared to the previous quarter, and 9 percent compared to the same quarter last year. Potato shipments are unchanged from last quarter and up 9 percent from the same quarter last year. According to ERS, the yields for the fall crops were up even with a smaller harvested area. This year's crops price for fresh potatoes in February was \$5.76 per cwt down by half of last year's record high levels. Apple shipments saw a slight decrease of 3 percent from last quarter and a 1 percent increase compared to the same quarter last year.

Rates: Average rate/mile in PNW was \$1.59/mile, a decrease of 2 percent from last quarter, and 9 percent from the same quarter last year.

Truck Overview: Diesel fuel prices averaged \$2.94/gallon, 3 percent higher than last quarter, and 31 percent higher than the same quarter last year. PNW region truck availability was adequate for January. There was a slight surplus for February and a slight shortage for March. Most of the shortages were reported for potatoes and onions in Idaho and Oregon.

Arizona

Table 13: Top Five Commodities Shipped from Arizona (1,000 tons)

Commodity	1st Quarter	Share of Arizona Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
	2010				Previous Qtr	Same Qtr Last Year
Lettuce	569	82%	282	596	102%	-5%
Cauliflower	33	5%	14	25	132%	30%
Broccoli	26	4%	12	19	114%	35%
Celery	29	4%	0	41	-	-30%
Spinach	20	3%	9	19	120%	4%
Top 5 Total	676	97%	317	700	113%	-3%
Arizona Total	698	100%	432	736	62%	-5%

Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch
 Note: "-" indicates no reported shipments during the quarter

Figure 9: Arizona Truck Rates (\$/Mile)



Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Figure 10: Truck Overview

Region/Reporting District	Diesel Fuel	Truck Rate	January	February	March
			Monthly Rating		
	\$/per gallon	\$/per mile	1=Surplus to 5=Shortage		
Regional Average	\$2.94	\$2.00	3.75	3.38	3.38
Imperial & Coachella Valley, CA; Western & Central AZ			3.50	3.00	3.20
Through Nogales, AZ			4.00	3.75	3.55

n/a: availability data not reported

Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy

For the purpose of this report the West Coast PAD District 5 was used to represent the diesel fuel price for Arizona.

Regional Overview, 1st Quarter, 2010

Volume: The top five commodities were 97 percent of the total volume in the first quarter. Total shipments increased when compared to the previous quarter likely due to seasonality. Total shipments were 5 percent lower compared to the same period last year likely due to the unusual rain experienced in January that slowed harvest. ERS reported that California and Arizona received some unusual winter weather in January. A series of heavy El Nino-inspired rainstorms in and around Yuma, AZ, left several inches of rain (equaling the average for an entire year in a matter of hours). The rain disrupted harvest, slowed marketing, and raised leafy green vegetable prices for several days as equipment became mired in muddy fields. The weather was the likely cause for the drop in lettuce shipments compared to last year. After the weather subsided, shipments quickly improved. Both broccoli and cauliflower saw more than a 30 percent increase in shipments compared to 2009. According to ERS, the increases were a result of the favorable weather as supplies quickly recovered and shipping-point prices fell to low levels by mid-February for crops such as broccoli, cauliflower, and spinach. Celery shipments probably dropped because of the reduced area for harvest in Arizona, and weak demand, according to ERS.

Rates: The truck rate per mile averaged \$2.00 during 1st quarter 2010, unchanged from last quarter and 10 percent higher than the same period last year.

Truck Overview: Diesel fuel prices averaged \$2.94/gallon, 7 percent higher than last quarter, and 38 percent higher than the same quarter last year. Truck availability was adequate to a slight shortage for the 1st quarter.

Great Lakes

Table 14: Top 3 Commodities Shipped from Great Lakes (1,000 tons)

Commodity	1st Quarter	Share of Great Lakes Total	Previous	Same Quarter	Current Quarter as % change from:	
	2010		Quarter	Last Year	Previous Qtr	Same Qtr Last Year
Potatoes	161	65%	196	124	-18%	30%
Apples	59	24%	69	27	-14%	120%
Onions	26	10%	35	18	-26%	44%
Top 3 Total	247	100%	300	169	-18%	46%
Great Lakes Total	247	100%	334	170	-26%	45%

Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Note: "-" indicates no reported shipments during the quarter

Figure 11: Great Lakes Truck Rates (\$/Mile)



Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Figure 12: Truck Overview

Region/Reporting District	Diesel Fuel	Truck Rate	January	February	March
			Monthly Rating		
	\$/per gallon	\$/per mile	1=Surplus to 5=Shortage		
Regional Average	\$2.82	\$2.86	3.00	2.88	3.30
Michigan			3.00	3.00	3.00
Central Wisconsin			3.00	2.75	3.60

Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy

Regional Overview, 1st Quarter, 2010

Volume: The top three commodities, which have been the same in the 1st quarter for the past two years, accounted for 100 percent of the shipments from the Great Lakes. There was a 45 percent increase compared to the previous years but a 26 percent decrease in commodities moved when compared to 4th quarter 2009. Potatoes remained the top commodity; however, they were down 18 percent from last quarter. Apple shipments were down 14 percent from the previous quarter but saw a 120 percent increase when compared to the same time last year. Onions saw the largest decrease at 26 percent, as growers' intended acreage for the 2010 spring season was down by 2 percent, according to ERS.

Rates: The average rate per mile in the Great Lakes region was \$2.86, up 4 percent from last quarter, but down 3 percent during the same quarter last year.

Truck Overview: Diesel fuel prices averaged \$2.82/gallon over the quarter. Truck availability for Michigan apples and onions were adequate; central Wisconsin potatoes and onions were adequate with a two-week surplus in February and shortages at the end of the quarter.

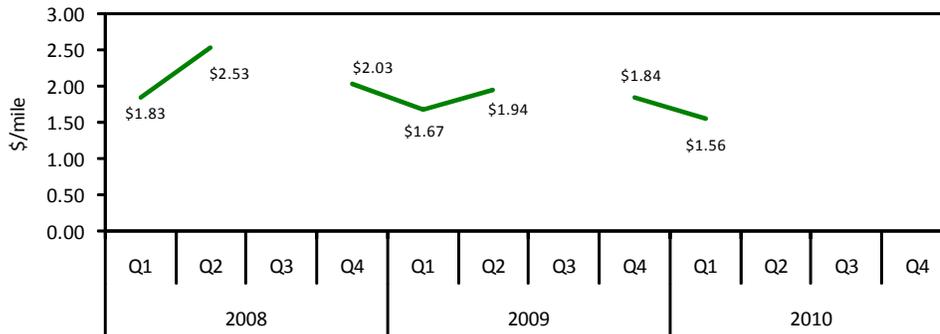
Florida

Table 15: Top Five Commodities Shipped from Florida (1,000 tons)

Commodity	1st Quarter	Share of Florida Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
	2010				Previous Qtr	Same Qtr Last Year
Tomatoes	99	21%	215	312	-54%	-68%
Grapefruit	57	12%	51	60	11%	-5%
Strawberries	56	12%	9	72	520%	-22%
Cabbage	51	11%	11	87	361%	-41%
Oranges	46	10%	80	58	-43%	-21%
Top 5 Total	308	66%	366	588	-16%	-48%
Florida Total	464	100%	581	944	-20%	-51%

Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch
 "—" indicates no reported shipments during the quarter

Figure 13: Florida Truck Rates (\$/Mile)



Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch
 Note: Reported rates for some quarters could not be determined.

Figure 14: Truck Overview

Region/Reporting District	Diesel Fuel	Truck Rate	January	February	March
			Monthly Rating		
	\$/per gallon	\$/per mile	1=Surplus to 5=Shortage		
	\$2.89	\$1.56	1.67	1.67	2.25
Central & South, FL			1.00	1.00	1.40
Central, FL			1.00	1.00	1.40
Florida			n/a	n/a	3.20
Caribbean Basin Imports--Ports of Entry, South, FL			3.00	3.00	3.00

n/a: availability data not reported

Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy

For the purpose of this report the East Coast PAD District 1 was used to represent the diesel fuel price for Florida.

Regional Overview, 1st Quarter, 2010

Volume: Volume for the top five commodities shipped declined 48 percent compared to the same quarter last year and total volume declined 20 percent from the previous quarter. Tomato shipments dropped the most with a 54 percent decline. This was followed by oranges, which dropped by 43 percent. During the 1st quarter, Florida experienced damaging weather conditions with several days of very cold weather including below-freezing temperatures that were sufficient to damage its orange crop. However, Florida's orange growers were able to reduce crop loss by quickly harvesting and shipping their fruit to processors, the major market for their fruit, before extensive quality loss. Florida assisted growers by temporarily lifting certain transportation restrictions.

Rates: Truck rates averaged \$1.56/mile, 16 percent lower than the previous quarter.

Truck Overview: Diesel fuel prices averaged \$2.89/gallon, 7 percent higher than last quarter, and 30 percent higher than the same quarter last year. Central and South Florida experienced a surplus of truck availability January through March.

Mexico

Table 16: Top Five Commodities Shipped from Mexico (1,000 tons)

Commodity	1st Quarter		Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
	2010	Share of Mexico Total			Previous Qtr	Same Qtr Last Year
Tomatoes	567	26%	223	312	154%	82%
Peppers	262	12%	170	217	54%	21%
Cucumbers	200	9%	149	164	34%	22%
Squash	121	6%	98	101	24%	20%
Avocados	100	5%	82	113	22%	-11%
Top 5 Total	1,250	58%	722	907	73%	38%
Mexico Total	2,144	100%	1,396	1,793	54%	20%

Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch
 "n/a" indicates no reported shipments during the quarter

Figure 15: Mexico Truck Rates (\$/Mile)



Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Branch

Figure 16: Truck Overview

Region/Reporting District	Diesel Fuel	Truck Rate	January	February	March
			Monthly Rating		
	\$/per gallon	\$/per mile	1=Surplus to 5=Shortage		
Regional Crossing Average			3.00	3.38	4.18
Through Texas	\$2.82	\$1.70	3.00	3.00	4.80
Through Arizona	\$2.94	\$1.97	3.00	3.75	3.55

n/a: availability data not reported

Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy

For the purpose of this report the Gulf Coast PAD District 3 was used to represent the diesel fuel price through Texas.

For the purpose of this report the West Coast PAD District 5 was used to represent the diesel fuel price through Arizona.

Regional Overview, 1st Quarter, 2010

Volume: Total shipments from Mexico increased 54 percent as compared to last quarter, and increased 20 percent compared to the same period last year. Shipments of the top three commodities increased over the year, confirming an increase in demand. Tomatoes increased the most over the year and over the quarter, 82 and 154 percent respectively. ERS reports that the decline in U.S. domestic output was mitigated by increased imports (largely from Mexico) which helped to offset a substantial portion of the missing weather-impaired Florida crop.

Rates: Truck rates for border crossings through Texas averaged \$1.70 per mile, 7 percent above last quarter, and unchanged from the same quarter last year. Rates for crossings through Arizona averaged \$1.97 per mile, 10 percent above last quarter, and 14 percent above the same quarter last year.

Truck Overview: Diesel fuel rates for border crossings through Texas averaged \$2.82/gallon, a 5 percent increase compared to the previous quarter. Diesel fuel rates for border crossings through Nogales, AZ, averaged \$2.94 per mile, a 3 percent increase compared to the previous quarter. Truck availability experienced a shortage in 1st quarter 2010.

Terms and References

Data Sources: This information is compiled from the weekly *Fruit and Vegetable Truck Rate Reports* by USDA, Agricultural Marketing Service (AMS), Fruit and Vegetable Programs, Market News Branch. The website is <http://marketnews.usda.gov/portal/fv>

Regional Markets: For the regional markets, some states are grouped into producing regions. The Pacific Northwest region includes Idaho, Oregon, and Washington. The Great Lakes region includes Michigan and Wisconsin.

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 interstate 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 but are converted to 1,000 tons for this report. Mexican border crossings through Arizona and Texas data is obtained from the Department of Homeland Security (DHS), U.S. Customs and Border and Protection (CBP) through USDA, AMS, Market News.

Rates: This information is compiled from the weekly *Fruit and Vegetable Truck Rate Reports*. 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 trailers. During Quarter 3, less than 20 percent of onions hauled from Washington, Idaho, and Oregon are on open flatbeds. This information is compiled from the weekly *Fruit and Vegetable Truck Rate Reports* by USDA, Agricultural Marketing Service (AMS), Fruit and Vegetable Programs, Market News Branch.

Regional Rates: Rate data for 8 destination markets are used to calculate average origin regional rates.

Long-Haul Route Detail: The national rates reflect long-haul truck rates. The rates include the national rate, weighted by commodity and origin volume. For the purpose of this report long-hauls considered as distance traveled over 100 miles from point of origin to the destination.

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Related Websites

Fruit and Vegetable Programs	http://www.ams.usda.gov/AMSV1.0/fv
Fruit and Vegetable Truck Rate Report	http://search.ams.usda.gov/mnsearch/MNSearchResults.aspx
Economic Research Service Vegetable and Melons Outlook	http://www.ers.usda.gov/publications/vgs/
Economic Research Service Fruit and Tree Nuts Outlook	http://www.ers.usda.gov/publications/fts/
National Agricultural Statistic Service	http://www.nass.usda.gov