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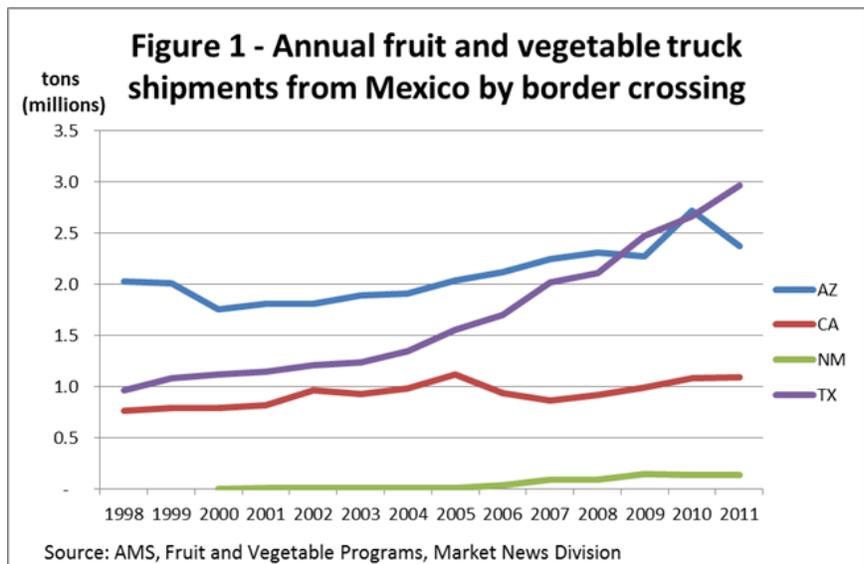
Market Insight

Mexican Infrastructure and Higher Fuel Prices Bring Growth to Texas

Mexico is the third largest trading partner of the United States, accounting for \$461 billion in total trade during 2011, according to the U.S. Census Bureau. Of the \$16 billion worth of Mexican agricultural exports to the U.S. in 2011, roughly half were fruits and vegetables suitable for truck transport (USDA GATS). The top ten commodities imported by truck from Mexico in 2011 were tomatoes, bell peppers, cucumbers, onions, avocados, squash, watermelons, limes, miscellaneous tropical fruit, and broccoli. These goods are transported by truck from the fertile growing regions within Mexico to U.S. markets after crossing the border into California, Arizona, New Mexico, or Texas.

Traditionally, the majority of produce moved by trucks has come through the border crossing at Nogales, AZ, due to its direct highway connection with the Mexican growing region around Mazatlán to the south. However, the Mexican government's investment in highway infrastructure along the Mazatlán-Durango highway is providing the efficiency gains trucking companies are seeking in the face of rising fuel costs. Once completed by the end of this year, the Mazatlán-Durango highway will eliminate roughly 6 hours of driving time between the two cities through a network of bridges and

NEW!
historical truck
availability
data included
on pages 19, 21,
23, 25 and 29



tunnels spanning the Sierra Madre Mountains. This includes the Baluarte Bicentennial Bridge which was officially inaugurated in January and is the highest cable-stayed bridge in the world, according to the Guinness World Records. This highway is part of the bigger Mazatlán-Matamoros corridor stretching to South Texas and connecting western growing regions in Mexico with population centers in the eastern United States. Already, there has been a shift away from Arizona to Texas as the primary port of entry into the United States since 2011 (figure 1).

As evidence of the shift, produce distributors have been investing heavily in cold storage facilities in Texas, including Chicago-based J. L. Gonzalez Produce's recently opened 87-acre Rio Grande Produce Park, Loop Cold Storage's on-going cold storage expansion in McAllen, and a new cold storage facility in Pharr to serve as headquarters for Vision Produce Partners of Texas. In addition, the City of Pharr recently got approval to construct a third cold produce inspection station at the Pharr-Reynosa International Bridge in anticipation of increased traffic from the Mazatlán-Durango highway.

As average diesel rates have climbed from \$2.85/gallon to \$3.99/gallon between the first quarters of 2010 and 2012, there are significant cost savings to be realized for trucks crossing through Texas to the eastern United States. The mileage savings from using Laredo, TX, instead of Nogales, AZ, are 400 miles to Chicago, 700 miles to Atlanta, and 500 miles to New York City. This does not include the mileage savings that will come once the Mazatlán-Durango highway is complete.

In response to requests from the produce and transportation industries, USDA's Market News Division began collecting data for 11 unique ports of entry into Texas, beginning November 2011, including: Brownsville, Los Indios, Progreso, Rio Grande City, Roma, Pharr, Laredo, Presidio, El Paso, Del Rio, and Eagle Pass (figure 2).

Figure 2 - Texas Border Crossings covered by AMS, Fruit and Vegetable Programs, Market News Division

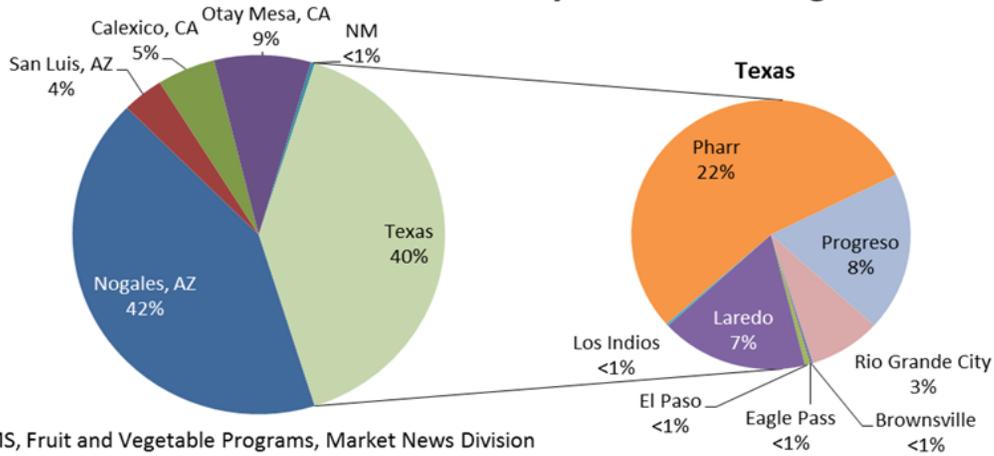


Previously, Market News had collected all Mexican crossings through Texas as a single crossing. However, Texas' recent rise has necessitated more detailed data collection. The additional border crossings will help U.S. importers more accurately forecast market trends while giving the produce industry additional knowledge to make specific pricing and marketing decisions. The breakdown of shipments by border crossing in the first quarter of 2012 is shown below (figure 3). Nogales, AZ, was again the top port for the first quarter but the combined total entries through Texas were close behind. Once the Mazatlán-Durango highway is completed, the market share through Texas is expected to increase even further.

Since the tracking began, patterns of commodity flows by border crossing have emerged. More greenhouse crops move through Pharr and more field crops move through Laredo. The top five crops through Pharr in

the first quarter of 2012 were limes, tomatoes, avocados, cucumbers, and mangoes. The top five through Laredo were avocados, tomatoes, broccoli, lettuce, and blackberries and the top five through Progreso were onions, watermelons, cucumbers, limes, and Chinese cabbage.

Figure 3 - 1st Quarter 2012 fruit and vegetable truck shipments from Mexico by border crossing



Source: AMS, Fruit and Vegetable Programs, Market News Division

New roadways through Mexico are already offering new marketing opportunities and efficiency gains to U.S. distributors and producers taking advantage of the development, with Texas poised to take the lead. Texas should see further economic gains once the Mazatlán-Durango highway is complete. Nevertheless, Arizona should remain a geographically strategic and significant port of entry for fruits and vegetables bound for the western United States. Adam.Sparger@ams.usda.gov

Quarterly Overview

Fruit and Vegetable Shipments

Reported U.S. truck shipments of fresh produce during the first quarter were 7.2 million tons, 9 percent higher than the previous quarter and 9 percent higher than the same quarter last year.

Shipments from Mexico accounted for 36 percent of the total reported shipments of fresh fruits and vegetables during the 1st quarter 2012. The Pacific Northwest (PNW) movements totaled nearly 1.3 million tons (mt), followed by Florida with 897,000 (14 percent) and Arizona with 811,000 (13 percent).

The following top 5 commodities accounted nearly 55 percent of the reported truck movements during the 1st quarter 2012:

- ▶ Lettuce (13 %)
- ▶ Tomatoes (12 %)
- ▶ Potatoes (11 %)
- ▶ Apples (7 %)
- ▶ Onions (7 %)

Truck Rates

The 1st quarter 2012 average truck rate for U.S. produce shipments was \$2.12 per mile, 10 percent lower than the previous quarter but 7 percent higher than last year. The average monthly rate reached a quarterly peak in January at \$2.22 per mile.

During 1st quarter 2012, the highest average reported rates per mile ranged between \$2.73 and \$4.29 for potato shipments from the Great Lakes region. Rates for onions from the Pacific Northwest were the lowest.

Mexico truck rates for crossings through Arizona averaged \$2.12 per mile, 4 percent lower than last quarter but 12 percent higher than the same quarter last year. Border crossings through Texas averaged \$2.11 per mile, up 1 percent from the previous quarter and 7 percent higher than the same quarter last year.

Diesel Fuel

During the 1st quarter 2012, the U.S. diesel fuel price averaged \$3.99 per gallon—3.3 percent higher than last quarter and 10.5 percent higher than the same quarter last year.

Regulatory News and Updates

Surface Transportation Legislation in Conference Committee

On May 8, 14 Senators and 33 Representatives began negotiations on a conference report to authorize funds for highways, safety, transit and other programs. Current funding expires June 30. [Section 32101\(d\) of Senate bill HR 4348 EAS](#) clarifies the 100 air-mile statutory exemption for drivers transporting agricultural commodities and farm supplies between wholesale, retail, and farm distribution points. Section 1529 of [the bill](#) provides exemptions from requirements for certain farm vehicles and Section 32301 of [the bill](#) requires the installation of electronic on-board recording devices. [On May 14, the Federal Motor Carrier Safety Administration responded to a decision](#) of the Court of Appeals for the Seventh Circuit that vacated the April 2010 final rule entitled "Electronic On-Board Recorders for Hours of Service Compliance."

Intrastate and Interstate Commerce in Illinois

[The Illinois Farm Bureau reported](#) that the Federal Motor Carrier Safety Administration Illinois Division issued a new policy on May 3 to resolve issues of intrastate and interstate commerce that affected Illinois farmers in 2011. Farmers transporting commodities to the first point of delivery in Illinois will be considered to be engaged in intrastate commerce, and will not be required to obtain a [USDOT number and pass a new entrant safety audit](#) and fulfill other requirements as an interstate carrier. However, Illinois farmers transporting commodities to a river elevator or an intermodal terminal will be considered engaged in interstate commerce, and therefore must follow Federal Motor Carrier Safety Regulations. [The agency previously released guidance on August 10, 2011](#) designed to make sure States clearly understand the common-sense exemptions that allow farmers, their employees, and their families to accomplish their day-to-day work and transport their products to market.

U.S.-Colombia Trade Promotion Agreement Implemented

[On May 15, more than half of U.S. farm exports to Colombia became duty-free](#), including almost all fruit, vegetables, tree nuts, and peanuts, and the vast majority of processed products. Virtually all remaining tariffs will be eliminated within 15 years. Agriculture Secretary Tom Vilsack stated that under the agreement American farmers and ranchers can expect to see their exports grow by more than \$370 million. In calendar year 2011, U.S. agricultural exports to Colombia were \$1.1 billion, including \$128 million of fruit, vegetables, tree nuts, and processed products.

FMCSA Announces and Requests Comment on Safety Audits for Pilot Program on NAFTA Trucking

[On May 11, the Federal Motor Carrier Safety Administration provided notice](#) of 3 additional Mexican carriers that applied to participate in the Agency's long-haul pilot program to test and demonstrate the ability of Mexico-based carriers to operate safely in the United States beyond the municipalities and commercial zones along the U.S.-Mexico border. As of May 16, 3 Mexican carriers, with one driver and one vehicle each, have operating authority under the program, [accounting for 29 border crossings since authority was granted](#) to the first carrier in October 2011.

Feature Article

U.S.-Korea Trade Agreement to Boost Shipments of U.S. Fruit, Vegetable, Nut, and Wine to Korea

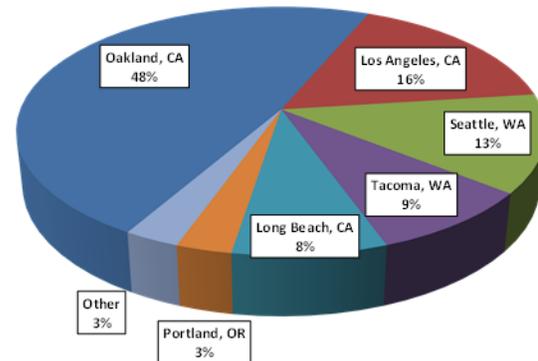
On March 15, almost two-thirds of U.S. farm exports to Korea became duty-free. Agriculture Secretary Tom Vilsack stated that over the next few years, agricultural exports to Korea should grow by \$1.9 billion and help support 16,000 jobs. Improved access to Korea's market supports the President's National Export Initiative goal of doubling of U.S. exports by 2015.

U.S. agricultural exports to Korea were nearly \$7 billion in 2011, including \$672 million in fresh, frozen, and processed fruit, vegetables, nuts and wine. The quantities involved were 32,478 kiloliters (KL) of juice and wine and 372,350 metric tons (MT) of all other fresh, frozen, and processed fruit, vegetable, and nut products. With elimination of tariffs, reductions in tariffs in equal annual stages, increases in in-quota quantities, and increases in import volume safeguard triggers, there will be a steady increase in U.S. production, processing, and transportation of these commodities.

Transportation Implications: Many of these commodities, such as edible nuts, citrus fruits and juices, grapes and wine are grown or processed along the U.S. West Coast. Shippers of these high-valued commodities will likely use ocean shipping containers for transport to the expanded Korean market. West coast shippers have relatively easy access to the busiest container ports in the United States, the Southern California ports, where container availability and container vessel service is most plentiful. In fact, in 2011, more than 73 percent of these commodities exported to Korea used California ports (including Oakland, Los Angeles and Long Beach); an additional 24 percent used ports in the Pacific Northwest (including Seattle and Tacoma, WA and Portland, OR) (see Figure 1). Container ocean carriers have been expanding vessel capacity over the past few years which will help make additional ocean service available in the transpacific trade lanes.

Eliminated Tariffs: Tariffs were eliminated on shelled and in-shell almonds, asparagus, cherries, grape juice, frozen orange juice concentrate, pistachios, chipping potatoes in Korea's off-season, prepared frozen potatoes, raisins, and wine. Nearly \$222 million of these products were exported to Korea in 2011, including 15,601 KL of juice and wine and 88,319 MT of all other products (see table 1).

Figure 1: Select High-Valued Agricultural Containerized Exports to Korea, 2011



Source: USDA analysis of Port Import Export Reporting Service (PIERS)

Table 1: Duty-free fresh, frozen, and processed fruit, vegetables, nuts, and wine

Products Exported	2011 value thousands \$	2011 quantity KL or MT	Tariffs eliminated March 15, 2012,
Almonds			
-shelled	74,387	14,086 MT	8% was applied while 21% was allowed under WTO
-in-shell	8,834	1,715 MT	8% was applied while 45% was allowed under WTO
Cherries	39,443	5,881 MT	24%
Grape juice	6,848	3,491 KL	45%
Frozen orange juice concentrate	11,077	8,838 KL	54%
Pistachios	6,289	1,218 MT	30% was applied while 45% was allowed under WTO
Chipping potatoes, Dec. thru April	2,488	7,129 MT	30% (off-season)
Prepared frozen potatoes	52,707	54,058 MT	18%
Raisins	10,006	4,222 MT	21%
Wine	9,850	3,272 KL	15%
Total	221,929	15,601 KL & 88,319 MT	

Source: U.S. Trade Representative; USDA Foreign Agricultural Service; Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

Tariff Reductions and In-quota Quantity Increases: Reductions in tariffs and increases in in-quota quantities commenced for fresh and dried avocados, carrots, canned cherries, grapes, grapefruit, lemons, lettuce, oranges, fresh potatoes for table use, dried plums, chipping potatoes in-season, dehydrated potato products, mixtures with dehydrated potatoes, onions, fresh peas, frozen peas, frozen sweet corn, and shelled and in-shell walnuts. Over \$217 million of these products were exported to Korea in 2011, accounting for 127,158 MT (see table 2).

Table 2: Reductions in tariffs, and increases in in-quota quantities for fresh, frozen, and processed fruit, vegetables, and nuts

Products Exported	2011 value thousands \$	2011 quantity MT	Current tariffs	Reductions in tariffs in equal annual stages, increases in in-quota quantities, increases in import volume safeguard triggers by date
Avocados, fresh or dried	884	173	30%	Reduced to zero by January 1, 2014
Carrots	0	0	30%	Reduced to zero by January 1, 2017
Canned cherries	989	523	45%	Reduced to zero by January 1, 2022
Grapes, Oct. 16 thru April May thru Oct. 15	Est. 8,270 Est. 5,430	4,594 2,481	24% 45%	Off-season, reduced to zero by January 1, 2016 In-season, reduced to zero by January 1, 2029
Grapefruit	8,697	12,203	30%	Reduced to zero by January 1, 2017
Lemons	8,877	6,020	15%	Reduced to zero by January 1, 2014
Lettuce	1,518	1,689	45%	Reduced to zero by January 1, 2022
Oranges, Mar. thru August Sep. thru Feb.	Est. 50,800 Est. 29,667	43,599 24,537	30% 50%*	Off-season, reduced to zero by January 1, 2018 *In-season, 2,500 MT will be duty-free, increasing 3% compounded annually
Dried plums	4,805	1,785	18%	Reduced to zero over 2 years
Fresh potatoes, table use	0	0	304%*	*3,000 MT duty-free, increasing 3 % compounded annually
Chipping potatoes, May thru Nov. (in-season)	3,527	9,525	30%*	*Subject to global WTO tariff-rate quota of 18,810 MT. The safeguard tariff is 304%. Starting in 2018, the in-quota tariff will be reduced to zero by January 1, 2026
Potato flour, meal, powder, flakes, granules, and pellets	4,197	3,590	294%*	*5,000 MT duty free, increasing 3% compounded annually. The 294 % tariff decreases 3 % compounded annually through 2022, after which all quantities are duty-free
Mixtures with dehydrated potatoes	2,833	1,107	20%	Reduced to zero by January 1, 2017 or January 1, 2019 depending on classification at time of import
Frozen sweet corn	348	329	30%	Reduced to zero by January 1, 2017
Onions	94	183	50%*	*2,904 MT, increasing to 5,808 MT on January 1, 2027. Imports in excess of these amounts are assessed a safeguard tariff of 135% through 2027, and a 101% in 2028-2030, after which all quantities are duty-free
Peas -dried -fresh -frozen -prep/pres. frozen -prep/pres. not frozen	2,046 0 0 61 79	4,881 0 0 45 80	27%* 27% 27% 30% 20%	*Duty-free under 450,000 MT tariff rate quota Reduced to zero by January 1, 2017 Reduced to zero by January 1, 2017 Reduced to zero by January 1, 2017 Reduced to zero by January 1, 2017
Walnuts -shelled -in-shell	84,092 106	9,802 12	30% 45%	Reduced to zero by January 1, 2018 Reduced to zero by January 1, 2027
Total	217,320	127,158		

Source: U.S. Trade Representative; USDA Foreign Agricultural Service; Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

Tariff Reductions and Import Volume Increases: Reductions in tariffs and increases in import volume safeguard triggers also commenced for apples and pears (see table 3). U.S. exports are on hold, pending completion of a pest risk assessment, which Korea agreed to in a separate proceeding. There were no U.S. exports of apples and pears to Korea in 2011. U.S. shipments are expected once the assessment is completed.

Table 3: Reductions in tariffs for apples and pears; increases in import volume safeguard triggers for apples

Products to be Exported	Current tariffs	Reductions in tariffs in equal annual stages, and increases in import volume safeguard triggers by date
Apples -other than Fuji	45%	Reduced to zero by January 1, 2022, subject to a 9,000 MT import volume safeguard trigger including all apple varieties, increasing to 12,000 MT by 2017; then the volume will increase 3% compounded annually, with the tariff eliminated in 2023, except for Fuji apples
-Fuji	45%	Reduced to zero by January 1, 2035, subject to a 9,000 MT import volume safeguard trigger including all apple varieties increasing to 12,000 MT in 2017; then the volume will increase 3% compounded annually, with tariff eliminated after 2035 Imports in excess of the import volume safeguard trigger enter at 45% thru 2017, 33.8 % thru 2022, 27% thru 2027, and 22.5% thru 2035.
Pears -other than Asian	45%	Reduced to zero by January 1, 2022
-Asian	45%	Reduced to zero by January 1, 2032

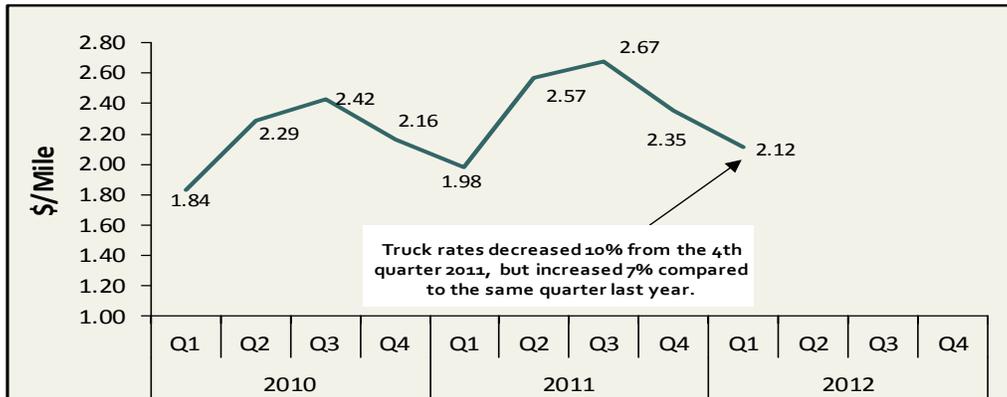
Source: U.S. Trade Representative; USDA Foreign Agricultural Service

Summary: The U.S.-Korea Trade Agreement is expected to increase shipments of U.S. fruit, vegetable, nut and wine shipments to Korea. All other things equal, the changes put in place through this agreement is expected to steadily increase U.S. production, processing and transportation for these commodities. Many of these commodities are grown or processed along the U.S. West Coast and will be transported to Korea via ocean shipping in containers. Because container ocean carriers have been expanding vessel capacity over the past few years, the availability of additional ocean service is expected to accommodate the anticipated increases in U.S. shipments of these high-valued agricultural commodities in the transpacific trade lanes. Brian.McGregor@ams.usda.gov

National Summary

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 Division

* Beginning with this quarter, mileage distances within our database were adjusted for the Pacific Northwest. Past quarters' truck rates have been revised accordingly.

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

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	*Annual
2012	2.12				2.12
2011	1.98	2.57	2.67	2.35	2.39
2010	1.84	2.29	2.42	2.16	2.18
2009	1.81	2.02	1.99	1.85	1.92
2008	1.89	2.42	2.66	2.17	2.28
2007	1.70	2.11	2.14	1.96	1.98
2006	1.77	1.96	2.01	2.01	1.94
2005	1.62	1.91	1.95	2.01	1.87

*Annual: Weighted average rate for all 4 quarters.

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

* Beginning with this quarter, mileage distances within our database were adjusted for the Pacific Northwest. Past quarters' truck rates have been revised accordingly.

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

Origin	1st Qtr 2012			4th Qtr 2011		
	Jan	Feb	Mar	Oct	Nov	Dec
Arizona	2.34	2.15	2.25	n/a	2.57	2.45
California	2.31	2.13	2.27	2.64	2.52	2.41
Great Lakes	3.45	3.45	3.49	3.40	3.44	3.45
Mexico - Arizona	2.14	1.99	2.26	n/a	2.21	2.18
Mexico - Texas	2.12	2.01	2.24	1.84	2.17	n/a
PNW	2.15	2.05	2.09	2.19	2.17	2.21
Texas	2.43	2.33	2.60	2.09	2.51	2.39
Florida	2.23	2.18	2.05	1.70	1.98	2.16

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

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.

* Beginning with this quarter, mileage distances within our database were adjusted for the Pacific Northwest. Past months' truck rates have been revised accordingly.

Truck Rates for Selected Routes and Commodities

Table 3: Origin-Destination Truck Rates for Selected Routes and Commodities, 1st Quarter 2012 (\$/Mile)

Origin	Commodity	Destination							
		New York	Atlanta	Chicago	Boston	Baltimore	Miami	Philadelphia	Seattle
Arizona	Lettuce	2.39	2.54	2.13	2.31	2.36	2.14	2.39	1.58
California	Broccoli	2.18	2.24	2.07	2.12	2.08	1.91	2.13	3.29
	Carrots	2.09	2.16	1.97	2.08	2.01	1.89	2.05	3.31
	Kiwifruit	2.28	2.34		2.23	2.16	2.18	2.25	3.46
	Lettuce	2.13	2.13	1.93	2.09	2.04	1.62	2.07	3.46
	Strawberries	2.10	2.17	2.00	2.06	2.03		2.04	3.24
Florida	Melons	2.48	2.92	1.82	2.12			2.03	
	Mixed Vegetables	2.49	2.88	1.79	2.13	1.94		2.01	
	Potatoes	2.54	2.88	1.67	2.14	2.43	0.32	2.15	
Great Lakes	Apples		2.93	3.45			2.61		
	Onions		2.53	3.10					
	Potatoes	4.29	3.09	3.52	3.77	4.11	2.73	3.59	
Mexico - AZ	Melons	2.16	2.09	1.69	2.21		2.27	2.26	
Mexico - TX	Citrus	2.23	2.10	1.75	2.27	2.17	2.07	2.21	
Pacific Northwest	Apples	2.30	2.40	2.35	2.03	2.02	1.88	2.06	4.00
	Onions	2.07	1.72	1.81	1.86	1.83	1.72	1.78	
	Potatoes	2.16	1.84	1.93	1.87	1.88	1.76	1.84	
Texas	Oranges	2.55	2.49	2.22	2.53	2.45	2.40	2.50	

Source: AMS, Fruit and Vegetable Programs, Market News Division, 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 2012 (\$/Truck)

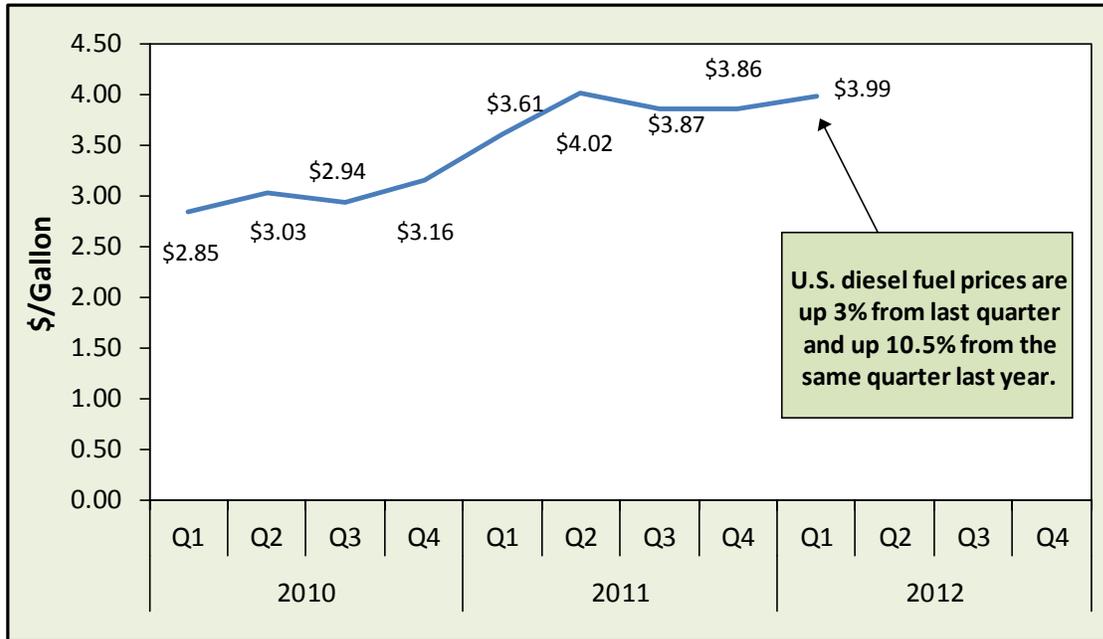
Origin	Commodity	Destination							
		New York	Atlanta	Chicago	Boston	Baltimore	Miami	Philadelphia	Seattle
Arizona	Lettuce	5,896	4,696	3,854	6,238	5,542	5,062	5,727	2,602
California	Broccoli	6,090	4,925	4,147	6,397	5,686	5,958	5,953	2,471
	Carrots	5,865	4,754	3,946	6,265	5,492	5,900	5,712	2,488
	Kiwifruit	6,375	5,150		6,725	5,900	6,800	6,275	2,600
	Lettuce	5,957	4,696	3,854	6,293	5,582	5,062	5,764	2,602
	Strawberries	5,881	4,785	4,000	6,208	5,546		5,685	2,435
Florida	Melons	2,731	1,169	2,185	3,204			2,438	
	Mixed Vegetables	2,740	1,152	2,154	3,217	2,138		2,423	
	Potatoes	2,798	1,150	2,000	3,233	2,688	800	2,588	
Great Lakes	Apples		2,550	1,000			3,900		
	Onions		2,200	900					
	Potatoes	3,434	2,686	1,022	3,637	2,967	4,085	2,795	
Mexico - AZ	Melons	5,531	3,743	3,400	5,854		5,178	5,338	
Mexico - TX	Citrus	4,442	2,415	2,585	4,985	3,877	3,196	4,177	
Pacific Northwest	Apples	5,992	5,758	4,223	6,204	5,604	6,327	5,819	1,000
	Onions	5,386	4,119	3,253	5,688	5,059	5,769	5,027	
	Potatoes	5,619	4,416	3,475	5,730	5,204	5,925	5,202	
Texas	Oranges	4,450	2,406	2,581	4,965	3,822	3,244	4,156	

Source: AMS, Fruit and Vegetable Programs, Market News Division, 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 2012 Average Diesel Fuel Prices (All Types - \$/Gallon)

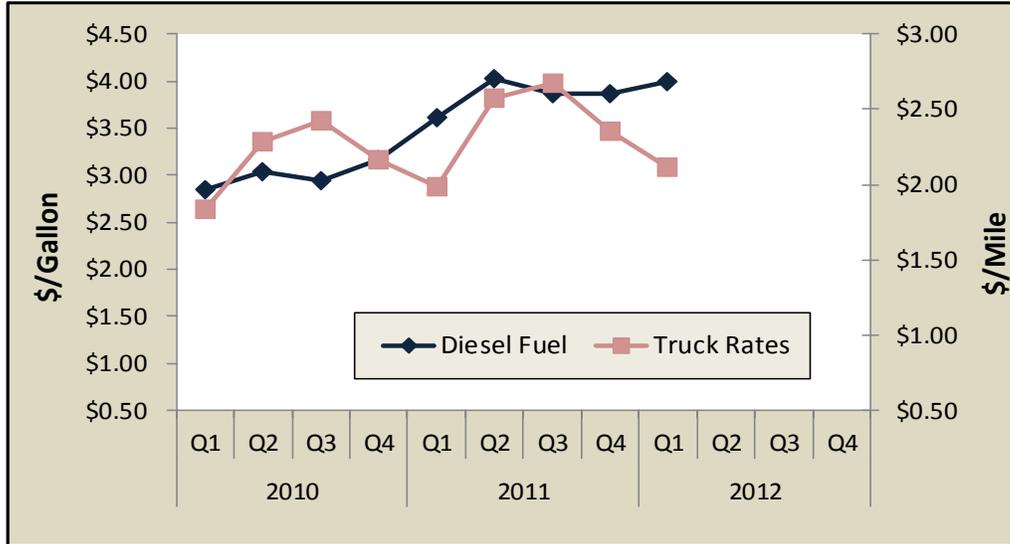
Location	Price	Change From	
		Last Quarter	Same Qtr Last Year
East Coast	4.06	0.19	0.41
New England	4.17	0.19	0.39
Central Atlantic	4.15	0.17	0.39
Lower Atlantic	3.98	0.17	0.39
Midwest	3.88	0.06	0.36
Gulf Coast	3.91	0.13	0.36
Rocky Mountain	3.94	-0.02	0.35
West Coast	4.22	0.17	0.47
California	4.29	0.17	0.47
U.S.	3.99	0.13	0.38

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

Relationship Between Diesel Fuel & 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 Division

* Beginning with this quarter, mileage distances within our database were adjusted for the Pacific Northwest. Past quarters' truck rates have been revised accordingly.

Table 6: 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
2010	Q1	2.85	1.84	4%	-1%	30%	2%
	Q2	3.03	2.29	6%	25%	29%	13%
	Q3	2.94	2.42	-3%	6%	13%	22%
	Q4	3.16	2.16	7%	-11%	15%	17%
2011	Q1	3.61	1.98	14%	-8%	27%	8%
	Q2	4.02	2.57	11%	30%	33%	12%
	Q3	3.87	2.67	-4%	4%	32%	10%
	Q4	3.86	2.35	0%	-12%	22%	9%
2012	Q1	3.99	2.12	3%	-10%	10.5%	7%
	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 Division

* Beginning with this quarter, mileage distances within our database were adjusted for the Pacific Northwest. Past quarters' truck rates have been revised accordingly.

1st Quarter 2012 Comparison Analysis

Diesel fuel prices averaged \$3.99 per gallon this quarter, 3.3 percent higher than last quarter and 10.5 percent higher than the same quarter last year. Average truck rates were \$2.12 per mile, 10 percent lower than the previous quarter but 7 percent higher than 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. In addition, some shippers offer enough business to a company that the fuel surcharge is waived. In these cases, the total surcharge collected may not be reported or fully reimbursed to those paying for the fuel.

Quarterly Truck Availability

Table 7: U.S. Fresh Fruit and Vegetable Truck Availability, 1st Quarter 2012

Region ¹	Commodity ¹	Truck Availability												
		Surplus - 1			Slight Surplus - 2			Adequate - 3			Slight Shortage - 4		Shortage - 5	
		Week Ending ¹												
		1/3	1/10	1/17	1/24	1/31	2/7	2/14	2/21	2/28	3/6	3/13	3/20	3/27
CALIFORNIA, CENTRAL AND WESTERN														
ARIZONA														
Kern District, CA	Carrots	3	3	3	3	3	3	3	3	3	3	3	3	3
	Grapes	3												
Central San Joaquin Valley, CA	Broccoli													3
	Iceberg Lettuce													3
	Leaf Lettuce													3
	Romaine Lettuce													3
San Joaquin Valley, CA	Kiwi	2	2											
Salinas-Watsonville, CA	Broccoli, Cauliflower												3	3
South District, CA	Strawberries, Raspberr, Citrus	3	3	3	2	2	2	2	3	3	3	3	3	3
	Peppers	3	3	3	2	2	2	2	3	3	3			
	Avocados											3	3	3
Santa Maria, CA	Broccoli, Cauliflower	3	3	3	2	2	3	3	3	3	3	3	3	3
	Strawberries										3	3	3	3
	Mixed Vegetables	3	3	3	3	3								
Imperial, Palo Verde, and Coachella Valleys, CA, and Central and Western AZ	Lettuce, Mixed Vegetables	3	3	3	3	3	3	3	3	3	3	3	3	3
PACIFIC NORTHWEST (WA, ID, OR)														
Columbia Basin, WA	Onions, Potatoes	4	3	3	3	3	3	3	3	3	3	3	3	3
Yakima Valley & Wenatchee District, WA	Apples, Pears	3	3	3	3	3	3	3	3	3	3	3	3	3
Northwestern WA	Potatoes	5	5	5	5	5	5	5	5	5	5	5	5	5
Idaho and Malheur County, OR	Onions	4	3	3	3	2	2	3	3	3	3	4	3	3
Upper Valley, Twin Falls-Burley District, ID	Potatoes	4	2	2	3	1	1	3	3	3	3	3	3	3
FLORIDA														
Central and South FL	Mixed Vegetables, Tomatoes	5	1	2	2	2	5	4	3	3	4	5	4	3
	Strawberries			2	2	2	5	4	3	3	4	5	4	
South FL	Melons	3	5	3	3	3	3	3	3	3	3	3	3	3
Statewide	Potatoes								3	3	3	3	3	3
GREAT LAKES (MI & WI)														
Central Wisconsin	Potatoes	3*	3	3	3	3	3	3	3	3	3	3	3	3
Michigan	Apples	3	3	3	3	3	3	3	3	3	3	3	3	3
	Onions	3	3	3	3	3	3	3	3	3				
MEXICO BORDER CROSSINGS														
Through Texas	Mixed Fruit and Vegetables	5	3	3	3	3	3	3	3	3	4	5	4	4
	Carrots, Broccoli	5	3	3	3	3	3	3	3	3	4	5	4	4
	Citrus, Tomatoes, Cucumbers	5	3	3	3	3	3	3	3	3	4	5	4	4
Through Nogales	Melons	3	3	3	3	3	3	3	4	3	4	4	5	4
	Mixed Vegetables	3	3	3	3	3	3	3	4	3	4	4	5	4
	Mangoes									3	4	4	5	4
TEXAS, OKLAHOMA														
Lower Rio Grande Valley, TX	Oranges	5	3	3	3	3	3	3	3	3	4	5	4	4
	Grapefruit	5	3	3	3	3	3	3	3	3	4	5	4	
	Greens, Herbs	5	3	3	3	3	3	3	3	3	4	5	4	4
	Beets, Cabbage	5	3	3	3	3	3	3	3	3	4	5	4	4
	Parsley	5	3	3	3	3	3	3	3	3	4	5	4	4

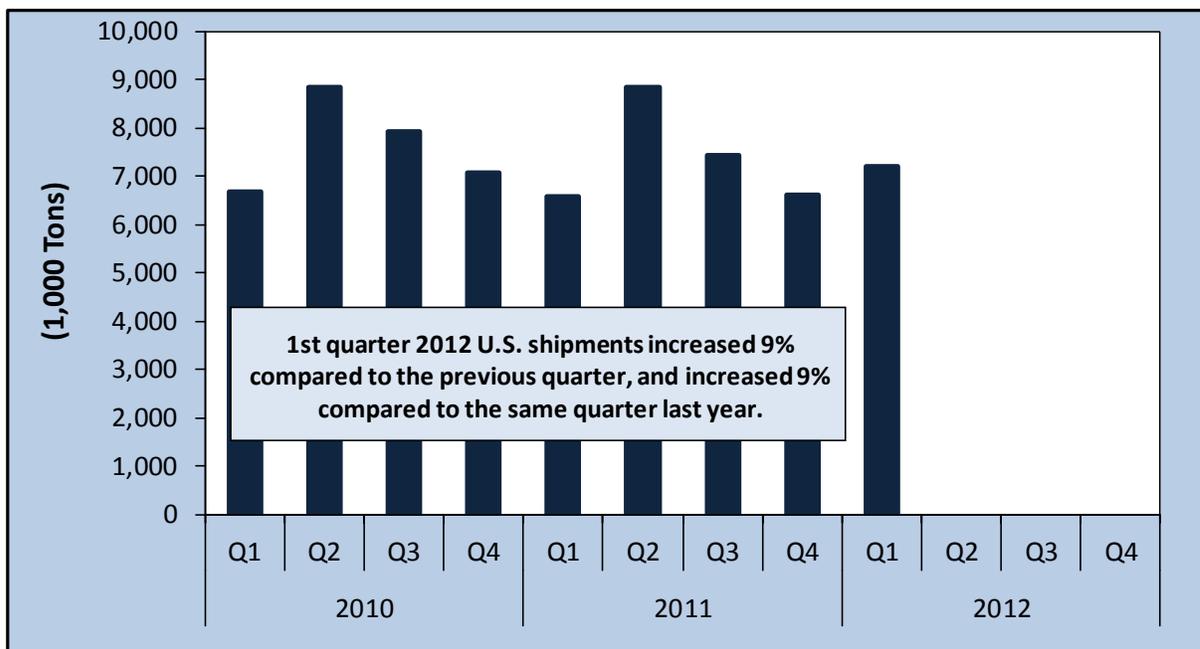
* barely adequate

Source: weekly Fruit and Vegetable Truck Rate Report, Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Division

¹ Regions reported and commodities shipped vary by week, month, season, and year.

Reported U.S. Shipments

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



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

Table 8: Reported U.S. Fruit and Vegetable Shipments (1,000 Tons)

Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
2012	7,200				7,200
2011	6,591	8,844	7,442	6,611	29,488
2010	6,690	8,849	7,947	7,079	30,565
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 Division

Reported Shipments by Selected Commodities

Table 9: Reported Top 10 Commodity Shipments for 1st Quarter 2012 (1,000 Tons)

Commodity	1st Quarter 2012	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
				Previous Qtr	Same Qtr Last Year
Lettuce	825	656	740	26%	11%
Tomatoes	752	472	649	59%	16%
Potatoes	670	676	639	-1%	5%
Apples	470	503	461	-7%	2%
Onions	465	361	443	29%	5%
Peppers	365	258	321	41%	14%
Strawberries	239	95	194	152%	23%
Cucumbers	227	149	167	52%	36%
Celery	207	200	212	4%	-2%
Cabbage	163	47	157	247%	4%

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

Regional Markets

California

Table 10: Reported Top Five Commodities Shipped from California (1,000 tons)

Commodity	1st Quarter 2012	Share of California Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Lettuce	149	22%	337	129	-56%	15%
Celery	108	16%	192	118	-44%	-8%
Strawberries	93	13%	72	81	29%	14%
Carrots	83	12%	77	67	8%	24%
Broccoli	57	8%	60	46	-5%	24%
Top 5 Total	490	71%	738	441	-34%	11%
California Total	688	100%	1,538	601	-55%	14%

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

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



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

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	\$4.29	\$2.22	2.68	2.88	3.00
Kern District, CA			3.00	3.00	3.00
Central San Joaquin Valley, CA			n/a	n/a	3.00
San Joaquin Valley, CA			2.00	n/a	n/a
Salinas Watsonville, CA			n/a	n/a	3.00
South District, CA			2.60	2.50	3.00
Santa Maria, CA			2.80	3.00	3.00
Imperial, Palo Verde, Coachella CA; C, W AZ			3.00	3.00	3.00

n/a: availability data not reported

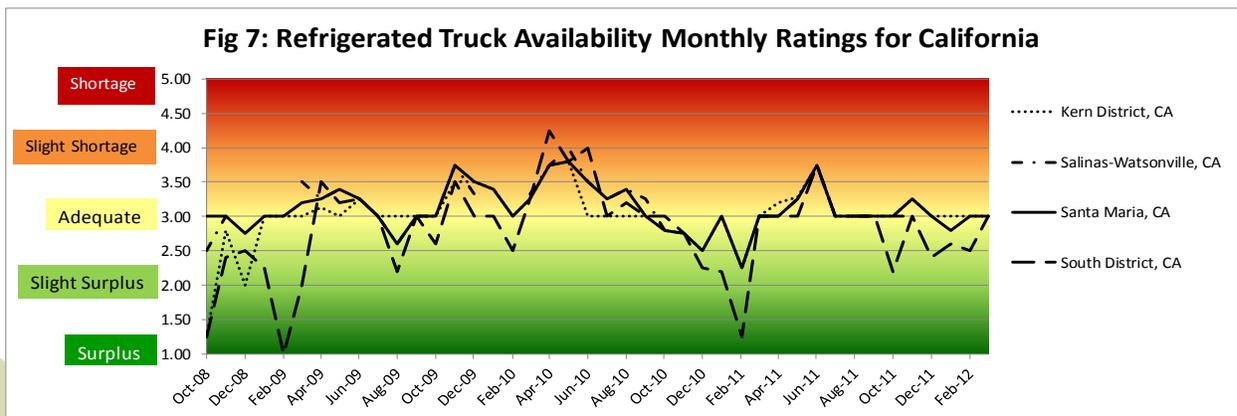
Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy

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

Volume: The first quarter volume of reported fruit and vegetable truck shipments from California increased 14 percent from the same quarter last year. The increase was spread across all commodities except celery. Reported celery shipments decreased 8 percent. According to the latest National Agricultural Statistics Service, *California Vegetable Review*, while harvested area slightly increased for celery in 2011, average yield decreased 5 percent – 1.8 tons per acre – and production decreased 4 percent – 35,000 tons.

Rates: The quarterly average truck rate was \$2.22 per mile, 12 percent lower than last quarter but 9 percent higher than the same quarter last year. The average rate per mile during this same period last year was \$2.03.

Truck Overview: Diesel fuel prices averaged \$4.29 per gallon, 4 percent higher than last quarter, and 12 percent higher than the same period last year. Overall truck availability during the first quarter was adequate for all California origins on average. There was a slight surplus for kiwi shipments from the San Joaquin Valley in January and a slight surplus for commodities originating from the South District and Santa Maria for four weeks beginning January 18.



Pacific Northwest (PNW)

Table 11: Reported Top 4 Commodities Shipped from PNW (1,000 tons)

Commodity	1st Quarter 2012	Share of PNW Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Potatoes	452	36%	483	454	-6%	0%
Apples	423	33%	418	428	1%	-1%
Onions	273	21%	260	260	5%	5%
Pears	124	10%	141	89	-12%	39%
Top 4 Total	1,272	100%	1,302	1,231	-2%	3%
PNW Total	1,272	100%	1,303	1,231	-2%	3%

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

Figure 8: PNW Truck Rates* (\$/Mile)



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

* Beginning with this quarter, mileage distances within our database were adjusted for the Pacific Northwest. Past quarters' truck rates have been revised accordingly.

Figure 9: 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	\$4.22	\$2.09	3.32	3.25	3.45
Columbia Basin, WA			3.20	3.00	3.00
Yakima Valley & Wenatchee District, WA			3.00	3.00	3.00
Northwestern WA			5.00	5.00	5.00
Idaho & Malheur County, OR			3.00	2.75	3.25
Upper Valley, Twin Falls-Burley District, ID			2.40	2.50	3.00

n/a: availability data not reported

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

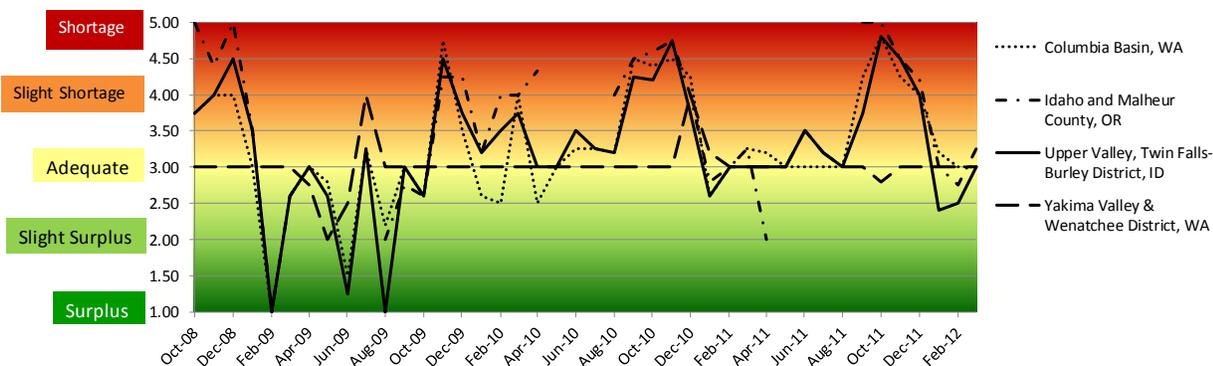
For the purpose of this report the West Coast PAD District 5 was used to represent the diesel fuel price for PNW.

Volume: Reported truck movements of fruit and vegetables from the Pacific Northwest increased 3 percent during the 1st quarter 2012, over the same quarter last year. This increase was due mainly to a 39 percent increase in pear movements and, to a lesser extent, a 5 percent increase in onion shipments. Potato and apple shipments remained the top 2 commodities shipped by volume; however, these movements remained relatively flat compared with the same quarter last year. According to the Economic Research Services' *Vegetables and Pulses Outlook*, the national potato production in 2011 was up 6 percent; however, reduced stocks and increased export demand has put upward pressure on prices. Washington apple production was lower in 2011 which is likely contributing to decreased shipments during the first quarter of 2012. Meanwhile, large late-season pear supplies from the Pacific Northwest continue to hold their retail prices below year-ago levels encouraging both domestic and export demand particularly to Mexico.

Rates: The average rate per mile in the PNW was \$2.09, a decrease of 4.5 percent from last quarter but a 6 percent increase from the same quarter last year.

Truck Overview: Diesel fuel prices averaged \$4.22 per gallon, 4 percent higher than last quarter, and 12.5 percent higher than the same quarter last year. Shippers in the PNW mostly experienced adequate truck availability during the first quarter. The exception occurred in the Northwestern Washington region which experienced a truck shortage during the entire quarter.

Fig 10: Refrigerated Truck Availability Monthly Ratings for the Pacific Northwest



Great Lakes

Table 12: Reported Top 3 Commodities Shipped from Great Lakes (1,000 tons)

Commodity	1st Quarter 2012	Share of Great Lakes Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Potatoes	114	65%	135	116	-15%	-1%
Apples	46	26%	71	29	-35%	59%
Onions	15	9%	19	6	-21%	150%
Top 3 Total	175	100%	225	151	-22%	16%
Great Lakes Total	175	100%	225	151	-22%	16%

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

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



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

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	\$3.88	\$3.46	3.00	3.00	3.00
Central Wisconsin			3.00	3.00	3.00
Michigan			3.00	3.00	3.00

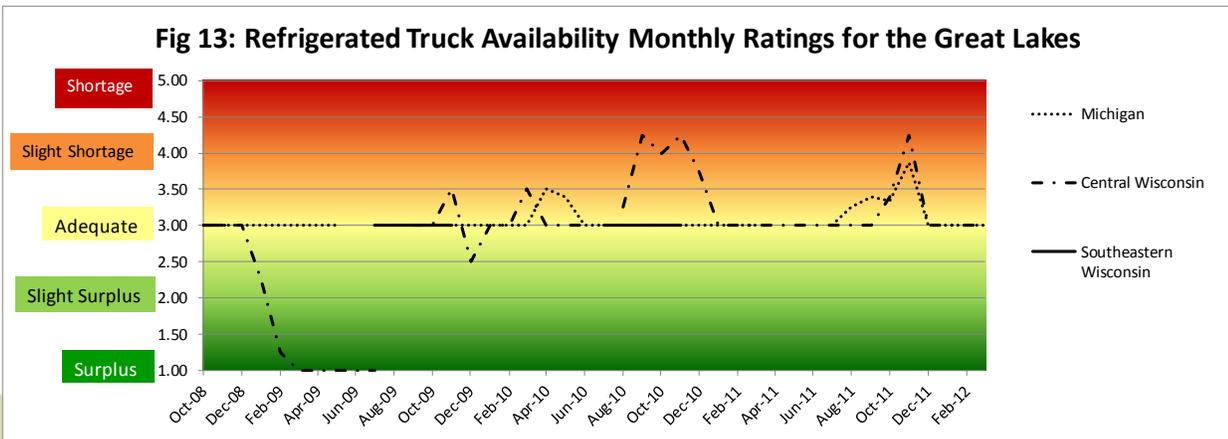
Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy
 For the purpose of this report the Midwest PAD District 2 was used to represent the diesel fuel price.

Volume: Reported fruit and vegetable shipments from the Great Lakes Region during the first quarter decreased 22 percent compared to the same quarter last year. Some commodities, such as potatoes (-15 percent) and apples (-35 percent), saw sharp decreases from last quarter. Despite the decrease from last year, potatoes remained the top commodity shipped, followed by apples. According to the Economic Research Service’s latest *Vegetables and Pulses Outlook*, overall domestic use of all potato products (fresh and processed) is expected to be lower in 2012, based on sales ratios from 2011 and average per capita use in the preceding 3 years.

Rates: The average rate per mile in the Great Lakes region was \$3.46, up 2 percent from last quarter and 6 percent from the same quarter last year.

Truck Overview: Diesel fuel prices averaged \$3.88 per gallon, 1.6 percent higher than the previous quarter and 9 percent higher than the same quarter last year. Truck availability was mostly adequate for Central Wisconsin and Michigan during the first quarter of this year.

Fig 13: Refrigerated Truck Availability Monthly Ratings for the Great Lakes



Mexico Border Crossings

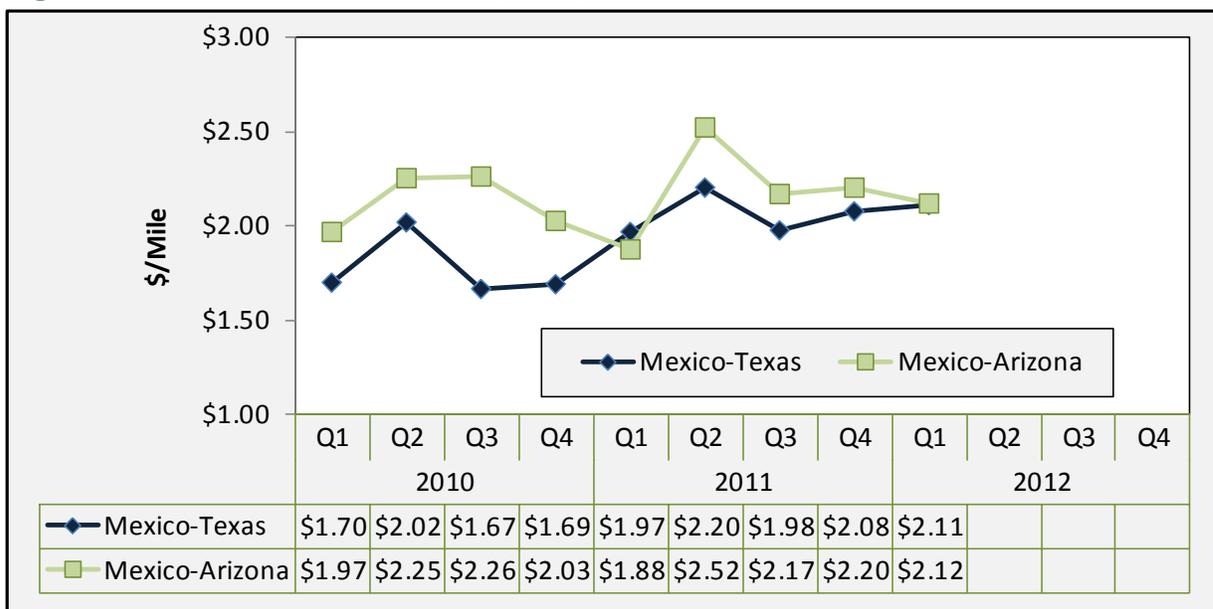
Table 13: Reported Top 5 Commodities Shipped from Mexico (1,000 tons)

Commodity	1st Quarter 2012	Share of Mexico Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Tomatoes	496	22%	202	469	146%	6%
Peppers	283	12%	150	246	88%	15%
Cucumbers	213	9%	111	159	92%	34%
Onions	150	7%	35	151	328%	-1%
Squash	134	6%	115	115	16%	16%
Top 5 Total	1,276	56%	613	1,140	108%	12%
Mexico Total	2,279	100%	1,077	2,059	112%	11%

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

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

Figure 14: Mexican Border Truck Rates (\$/mile)



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

Figure 15: 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			3.20	3.11	4.25
Through Texas	\$3.91	\$2.11	3.40	3.00	4.25
Through Nogales, AZ	\$4.22	\$2.12	3.00	3.22	4.25

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

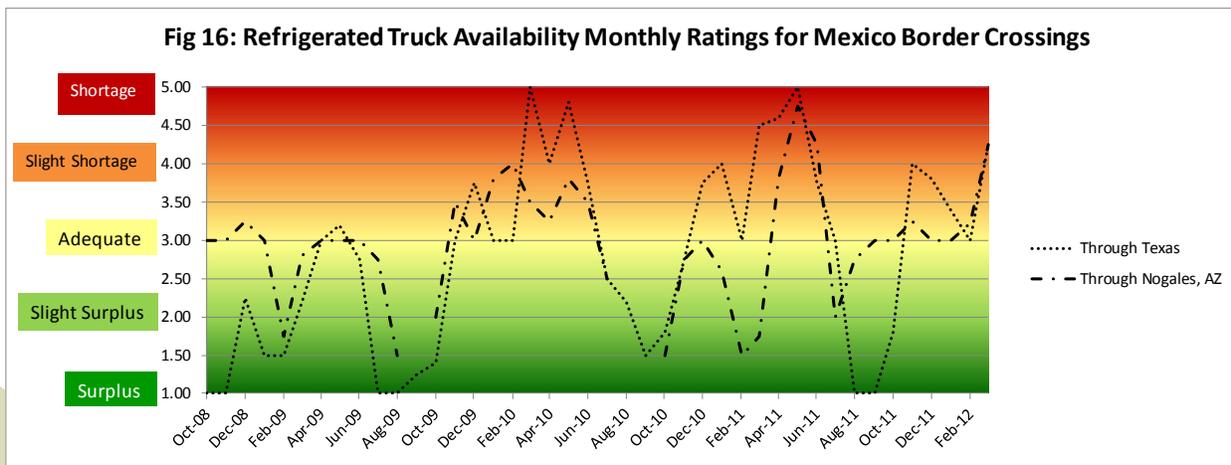
For the purpose of this report the Gulf Coast PAD District 3 was used to represent the diesel fuel price through Texas.

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

Volume: The total volume of fruits and vegetables shipped from Mexico was up 11 percent from the first quarter of 2011. Annual first-quarter growth in imports from Mexico has averaged 4 percent since 2000. The Economic Research Service’s latest *Vegetables and Pulses Outlook* reports that Mexico supplies more than half of the warm-season vegetables (tomatoes, peppers, squash, eggplant, cucumbers, snap beans, etc.) consumed in the United States during winter months. The top three commodities – tomatoes, peppers, and cucumbers – all had large increases over last year. Imports of cucumbers had especially strong growth, increasing 34 percent, while imports of watermelons, on the other hand, dropped 23 percent.

Rates: Truck rates for border crossings through Texas averaged \$2.11 per mile, 1 percent higher than last quarter and 7 percent higher than the same quarter last year. Rates for border crossings through Arizona averaged \$2.12 per mile, 4 percent lower than last quarter and 12 percent higher than the same quarter last year.

Truck Overview: Diesel fuel prices for border crossings through Texas averaged \$3.91 per gallon, 4 percent more than the previous quarter. Diesel fuel prices for border crossings through Arizona averaged \$4.22 per gallon, 4 percent more than last quarter. Truck availability remained adequate for all commodities at border crossings in both states from January to February. However, a slight shortage in availability developed at both border crossings during March.



Arizona

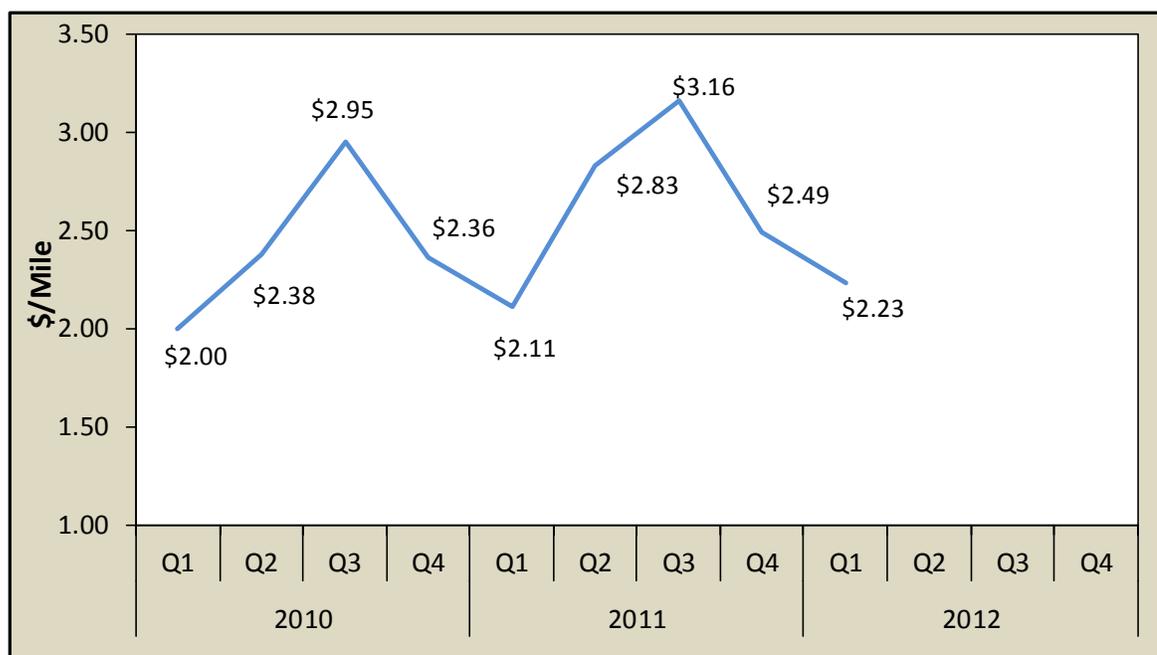
Table 14: Reported Top 5 Commodities Shipped from Arizona (1,000 tons)

Commodity	1st Quarter 2012	Share of Arizona Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Lettuce	638	79%	304	545	210%	17%
Broccoli	40	5%	15	35	267%	15%
Celery	36	4%	-	31	-	17%
Spinach	36	4%	9	30	398%	20%
Cauliflower	29	4%	10	33	293%	-
Top 5 Total	780	96%	338	674	231%	15.7%
Arizona Total	811	100%	348	698	2	16%

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

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

Figure 17: Arizona Truck Rates (\$/Mile)



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

Figure 18: 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	\$4.22	\$2.23	3.00	3.00	3.00
Imperial, Palo Verde, Coachella Valleys, CA; and Central and Western AZ			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 West Coast PAD District 5 was used to represent the diesel fuel price for Arizona.

Volume: The first quarter volume of reported fruit and vegetable truck shipments from Arizona increased 16 percent from the same quarter last year. The increase was spread across all commodities except Cauliflower. Top 5 commodities shipped increased by 231% from last quarter.

Rates: The quarterly average truck rate was \$2.23 per mile, 10 percent lower than last quarter but 6 percent higher than the same quarter last year. The average rate per mile during this same period last year was \$2.11.

Truck Overview: Diesel fuel prices averaged \$4.22 per gallon, 4 percent higher than last quarter, and 13 percent higher than the same period last year. Overall truck availability during the first quarter was adequate for all Central and western Arizona origins on average.

Note: A *Refrigerated Truck Availability Monthly Ratings Chart* is not available for Arizona because truck availability data are included with California data in the weekly truck rate report.

Florida

Table 15: Reported Top 5 Commodities Shipped from Florida (1,000 tons)

Commodity	1st Quarter 2012	Share of Florida Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Tomatoes	256	29%	196	180	-	42%
Strawberries	84	9%	18	80	369%	6%
Cabbage	82	9%	6	63	1265%	30%
Peppers	82	9%	47	75	74%	9%
Corn	72	8%	20	20	-	262%
Top 5 Total	577	64%	287	418	101%	38%
Florida Total	897	100%	583	735	54%	22%

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

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

Figure 19: Florida Truck Rates (\$/Mile)



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

Note: Reported rates for some quarters could not be determined.

Figure 20: 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	\$3.98	\$2.02	2.83	3.25	3.38
Central and South Florida			2.25	3.75	4.14
South FL			3.40	3.00	3.00
Statewide potatoes			n/a	3.00	3.00

n/a: availability data not reported

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

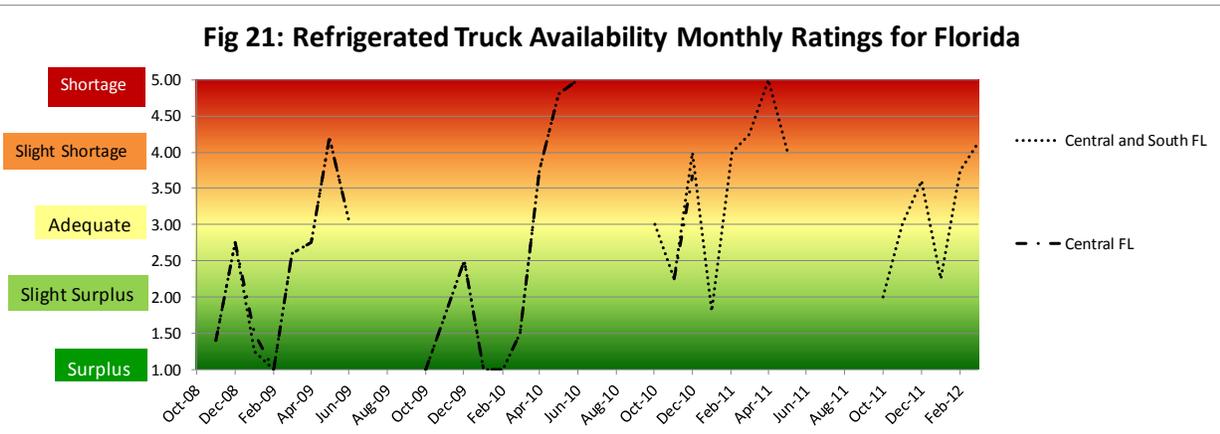
For the purpose of this report the Lower Atlantic Area (PADD 1C) of the East Coast PAD District 1 was used to represent the diesel fuel price for Florida.

Volume: Total commodities shipped from Florida were up 22 percent from the 1st quarter of 2011. Tomato shipments were the major driver of the increase, increasing 42 percent over last year. Shipments of most other commodities remained relatively unchanged. Producers’ fears over the freeze damaging the tomato crop went unrealized, and the Economic Research Service’s latest *Vegetables and Pulses Outlook* reports that the January freeze in Florida had minimal impacts on production. Conversely, the abnormally warm winter caused watermelon production to begin about two to three weeks earlier than usual in southern Florida, according to *The Packer*. AMS Market News reported 680 tons of watermelons shipped from Florida in the first quarter of 2012 compared with zero shipments one year ago.

Rates: The quarterly average truck rate was \$2.02 per mile, 2 percent higher than last quarter and 7 percent higher than the same quarter last year. The average rate per mile during this same period last year was \$1.89.

Truck Overview: Diesel fuel prices averaged \$3.98 per gallon, 5 percent more than last quarter, and 11 percent more than the same period last year. On average, truck availability was adequate for melons originating in south Florida and for potatoes originating statewide throughout the quarter. Truck availability for mixed vegetables, tomatoes, and strawberries originating from central and south Florida varied throughout the quarter.

Fig 21: Refrigerated Truck Availability Monthly Ratings for Florida



Terms and References

Data Sources: This information is compiled from the weekly *Fruit and Vegetable Truck Rate Report* by USDA, Agricultural Marketing Service (AMS), Fruit and Vegetable Programs, Market News Division. 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 Report*. 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.

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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<http://search.ams.usda.gov/mnsearch/MNSearchResults.aspx>

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