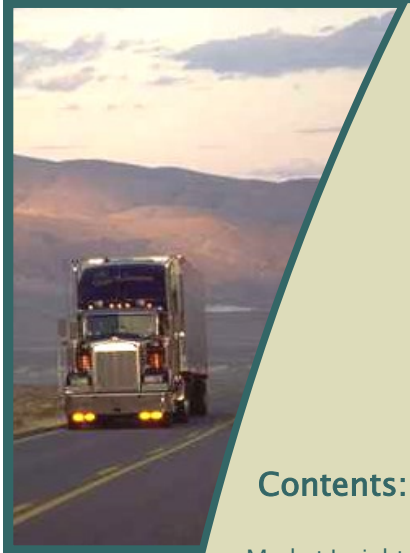
USDA United States Department of Agriculture



Agricultural Refrigerated Truck Quarterly

1st Quarter, 2014
January—March

A quarterly publication of the
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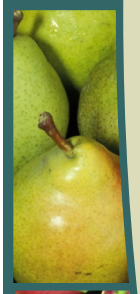


Contents:

Market Insight

Update on Imports of Fresh Tomatoes from Mexico

From April 2013 through March 2014, the United States imported 1.6 million tons of Mexican greenhouse, Roma, grape, cherry, and other tomatoes, valued at $1.7 billion.[1] These statistics represent an 8 percent increase in quantity and a 10 percent increase in value over the previous 12-month period. The 12-month tonnage is roughly equivalent to 75,787 truckloads, at 20 or 21 tons each, depending on the type and pack of tomato.[2]

Truck rates for Mexican produce shipments between 501 and 1,500 miles from the Nogales, AZ, border crossings averaged $2.22 per mile in calendar year 2013, up 7 percent from 2012. Truck rates for Mexican produce shipments between 501 and 1,500 miles from the Pharr, TX, border crossing averaged $2.13 per mile, up 4 percent from 2012.[3]

During calendar year 2013, production of U.S. tomatoes for the fresh market decreased 9 percent to 1.2 million tons, roughly 58,550 truckloads, but the value increased 31 percent, to $1.1 billion, compared to 2012.[4] Florida produced 450,000 tons or 21,452 truckloads, a 6 percent reduction. California produced 420,000 tons or 20,000 truckloads, a 14 percent reduction.

Truck rates for produce shipments from Florida between 501 and 1,500 miles averaged $2.48 per mile in calendar year 2013. Truck rates for produce shipments from California between 501 and 1,500 miles averaged $2.88 per mile.

[1]Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics.
[2]The full truckload weight factor used in AMS, Fruit and Vegetable Programs, Market News Division reports on tomato shipments is 42,000 pounds (21 tons), except for cherry and grape tomatoes, where the truckload weight factor is 40,000 pounds (20 tons).
[3]U.S. Department of Agriculture, Agricultural Marketing Service. Mexico Transport Cost Indicator Report. April 2014. Web. <http://dx.doi.org/10.9752/TS054.04-2014>
[4]*Vegetables 2013 Summary*. March 2014. USDA, National Agricultural Statistics Service.

Consumer and food service demand for particular types of tomatoes, grower and retail prices, weather (cool weather, freezes, heavy rains, or drought),and the availability of irrigation water are among the factors that affect year-to-year changes in tomato production and truckloads from growing regions in the United States and Mexico.

Background

Beginning in 2012, some importers were concerned that the quantity of Mexican tomatoes in the U.S. market would decrease due to higher retail prices that could result from a renewed antidumping investigation and the subsequent agreement to sell Mexican tomatoes at or above higher reference prices. Effective March 4, 2013, the U.S. Department of Commerce and more than 600 producers/exporters accounting for substantially all imports of fresh tomatoes from Mexico agreed to suspend the antidumping investigation on fresh tomatoes from Mexico. Under U.S. law, the suspension agreement must prevent price undercutting and price suppression in the U.S. market and eliminate at least 85 percent of the dumping, thus providing the U.S. industry an opportunity to compete on a level playing field.

The basis for the agreement was a commitment by each signatory producer/exporter to sell tomatoes at or above specific per-pound reference prices during two separate time periods: winter (defined as October 23 through June 30) and summer (July 1 through October 22). The new agreement covers imports of all fresh or chilled tomatoes of Mexican origin, except tomatoes that are for processing. The agreement also strengthens enforcement by incorporating a reporting mechanism administered pursuant to the Agricultural Marketing Service (AMS) Perishable Agricultural Commodities Act fair trade regulations.

According to the Department of Commerce, “the agreement accounts for changes that have occurred in the tomato industry since the signing of the original agreement in 1996, and increases the number of tomato categories with established reference prices from one to four. In addition to the expanded product categories, the reference prices have been raised to better reflect the realities of today’s marketplace, and continue to account for a winter and a summer season.” Beginning May 2013, the AMS Fruit and Vegetable Programs Market News Division began reporting the prices and movement of additional Mexican tomato categories based on the production environment.

Reference Prices

Tomato Category	Price/lb Winter**	Price/lb Summer*
Open Field and Adapted Environment, other than specialty*	**$ 0.3100**	**$0.2458**
Controlled Environment, other than specialty*	**$ 0.4100**	**$0.3251**
Specialty, Loose*	**$ 0.4500**	**$0.3568**
Specialty, Packed*	**$ 0.5900**	**$0.4679**

* Definitions of tomato categories are included in the text of the agreement. Specialty tomatoes include grape, cherry, heirloom, and cocktail.

**For comparison purposes, the winter and summer reference prices for all tomatoes in the 2008 suspension agreement were $0.2169/lb and $0.1720/lb, respectively.

In several articles, the Economic Research Service discussed the changes in field production and protected-culture technology production that have occurred in the North American tomato industry.[5] Production of round field-grown tomatoes has decreased, while protected-culture technology production of all types of tomatoes has increased due to consumer demand, with Mexico becoming the dominant supplier.

Challenges

AMS has been meeting with key stakeholders of the North American tomato industry to discuss the terms used in market news reports for Mexican tomatoes in the U.S. market. AMS proposed language modifications to address importers concerns regarding greenhouse production, while maintaining the integrity of the agreement.

The Florida Tomato Exchange expressed concerns to the Department of Commerce about the agreement's tomato production categories and separate reference prices for winter and summer, without knowing the cost of production in Mexico.[6] Brian.McGregor@ams.usda.gov

[5] *Recent Trends in the Fresh Tomato Market (p.26)*. Vegetable and Pulses Outlook/VGS-350/June 28, 2012; *Protected-Culture Technology Transforms the Fresh-Tomato Market*. Amber Waves. February 2013; and *North American Fresh-Tomato Market*. Topics. In the News. 2013. Economic Research Service, USDA.

[6] *Florida tomato growers not satisfied despite Mexico-U.S. agreement on prices*. Tampa Bay Times. April 4, 2013.

Quarterly Overview

Fruit and Vegetable Shipments

Reported U.S. truck shipments of fresh produce during the 1st quarter 2014 were 7.78 million tons, 5 percent higher than the previous quarter and 4 percent higher than the same quarter last year.

Shipments from Mexico were the highest in the 1st quarter totaling more than 2.46 million tons and accounted for 32 percent of the total reported shipments of fresh fruits and vegetables. Shipments from the Pacific Northwest were more than 1.72 million tons, representing 22 percent of the reported shipments. Movements from Florida totaled more than 942,000 tons (12 percent) and Arizona shipments totaled 781,000 tons (10 percent).

The following top five commodities accounted for 43 percent of the reported truck movements during the 1st quarter 2014:

- Potatoes (14 %)
- Apples (11 %)
- Onions, dry (6 %)
- Tomatoes (6 %)
- Lettuce, iceberg (5 %)

Truck Rates

The table below provides a snapshot of quarterly rates for U.S. produce shipments over four mileage categories—0-500, 501-1,500, 1,501-2,500, and 2,500+ miles. U.S. average truck rates are weighted by regional rates and volumes. Compared with the previous quarter, each mileage category experienced a decrease except the 1,501–2,500 mile range. The short-haul (0-500 miles) saw the largest decrease at 11 percent. When compared with the first quarter 2013, each category increased with the largest increase in the long-haul category increasing 48 percent.

U.S. Average Fruit and Vegetable Truck Rates per Mile				
	0-500 miles	501-1,500 miles	1,501-2,500 miles	2,500 miles +
Q1 2013	4.14	2.24	2.19	0.89
Q2 2013	4.37	2.60	2.26	1.05
Q3 2013	5.73	2.62	2.25	1.42
Q4 2013	4.56	2.31	2.31	1.29
Q1 2014	4.42	2.31	2.27	1.32
Q1 Change from Previous Quarter	-11%	2%	-2%	-3%
Q1 Change from Same Quarter Last Year	7%	3%	4%	48%

Note: Due to the Government shutdown, USDA was unable to collect truck rate data October 1-16, 2013. This may have impacted October and quarterly averages for rates, causing the reported averages in this report to be slightly higher or lower than the true amounts. The possibility of this error should be taken into consideration when making comparisons between time periods.

Diesel Fuel

During the 1st quarter 2014, the U.S. diesel fuel price averaged $3.96 per gallon—2.4 percent higher than last quarter and 1.7 percent higher than the same quarter last year.

Regulatory News and Updates

FMCSA Announces Changes to Reporting of Adjudicated Citations Effective August 23, 2014: The Federal Motor Carrier Safety Administration (FMCSA) announced motor carriers and drivers will be able to request the removal of roadside inspection violations from agency data systems to more accurately reflect outcomes of judicial proceedings. The updated policy will enable carriers and drivers to request, through the DataQs system the removal of violations occurring on or after August 23, 2014 that were previously uploaded into FMCSA's Motor Carrier Management Information System by State enforcement agencies when a driver is found not guilty or if a violation is dismissed in court. FMCSA has determined that it will NOT apply this policy retroactively. FMCSA systems will continue to retain and display violations that result in a conviction or payment of fine. Persons who plead to or are convicted of a lesser charge will also have that information reflected. The changes are part of the agency's continued effort to improve the quality and uniformity of violation data that is accessible across FMCSA systems to sharpen the focus on unsafe carriers and drivers. FMCSA considered more than 100 public comments before finalizing the updated policy, which has wide support within the commercial motor vehicle industry. For more information on the announcement visit: http://www.fmcsa.dot.gov/regulations/rulemaking/2014-13022. For information on the court actions initiated by the Owner-Operator Independent Drivers Association to remove adjudicated citations, visit CSA/DataQ.

Comments Due August 11, 2014 on Regulations to Prohibition of Coercion of Commercial Motor Vehicle Drivers: On May 13, 2014, FMCSA proposed to adopt regulations that prohibit motor carriers, shippers, receivers, or transportation intermediaries from coercing drivers to operate commercial motor vehicles (CMVs) in violation of certain provisions of the Federal Motor Carrier Safety Regulations (FMCSRs)—including drivers' hours-of-service limits and the commercial driver's license (CDL) regulations and associated drug and alcohol testing rules—or the Hazardous Materials Regulations (HMRs). In addition, the NPRM would prohibit anyone who operates a CMV in interstate commerce from coercing a driver to violate the commercial regulations. This proposal includes procedures for drivers to report incidents of coercion to FMCSA, rules of practice the Agency would follow in response to allegations of coercion, and describes penalties that may be imposed on entities found to have coerced drivers. Comments can be made and viewed under docket number FMCSA-2012–0377.

Sanitary Food Transportation Act Comment Period Extended to July 30, 2014: The U.S. Food and Drug Administration extended the comment period on a proposed a rule that would require certain shippers, receivers, and carriers who transport food by motor or rail vehicles to take steps to prevent the contamination of human and animal food during transportation. Part of the implementation of the Sanitary Food Transportation Act of 2005, the proposal marks the seventh and final major rule in the FDA Food Safety Modernization Act's (FSMA) central framework aimed at systematically building preventive measures across the food system. The proposed regulation would establish criteria for sanitary transportation practices, such as properly refrigerating food, adequately cleaning vehicles between loads, and properly protecting food during transportation. Comments can be made and viewed under docket number FDA-2013-N-0013.

DOT Extends Comment Period and Announces a Research Report on the Use of Electronic Logbooks to Improve Efficiency, Safety in Commercial Bus & Truck Industries: The Federal Motor Carrier Safety Administration (FMCSA) extended the comment period to June 26, 2014, on its proposal to require interstate commercial truck and bus companies to use Electronic Logging Devices. On May 12, FMCSA

announced the availability of a research report, *Evaluating the Potential Safety Benefits of Electronic Hours-of-Service Recorders*. The proposed rulemaking would significantly reduce the paperwork burden associated with hours-of-service recordkeeping for interstate truck and bus drivers and improve the quality of logbook data. It will ultimately reduce hours-of-service violations by making it more difficult for drivers to misrepresent their time on logbooks and avoid detection by FMCSA and law enforcement personnel. Comments can be made and viewed under docket number FMCSA-2010-0167.

USDOT Reminded Commercial Drivers that Physicals Must Now Be Performed by Certified Medical Examiners: On May 21, 2014, USDOT stated that approximately 22,000 medical professionals have completed the coursework and testing and are listed on the National Registry of Certified Medical Examiners, and another 27,000 have begun the certification process. Current medical certificates held by commercial driver's license (CDL) holders will continue to be valid until the expiration date that is shown on the card. Only then will the driver need to seek a certified medical examiner to perform their new examination. A USDOT medical exam looks at a range of conditions to assess a driver's ability to safely operate a commercial vehicle, including cardiovascular disease, respiratory and muscular functions, vision, and hearing.

Senate Environment and Public Works Committee Unanimously Approves Major Bipartisan Transportation Bill, S. 2322, MAP-21 Reauthorization Act: On May 15, 2014, Senators Barbara Boxer (D-CA), Chairman of the Environment and Public Works Committee, Senator David Vitter (R-LA), Ranking Member of the Committee, Senator Tom Carper (D-DE), Chairman of the Transportation and Infrastructure Subcommittee, and Senator John Barrasso (R-WY) announced the committee's passage of "a long-term bipartisan bill to reauthorize the nation's transportation programs for six years at current funding plus inflation, illustrating broad bipartisan support for passage by the full Senate." The bill will now go to the full Senate for consideration, where it will be combined with measures from the Senate Committee on Finance, Committee on Commerce, Science and Transportation, and Committee on Banking, Housing and Urban Affairs.

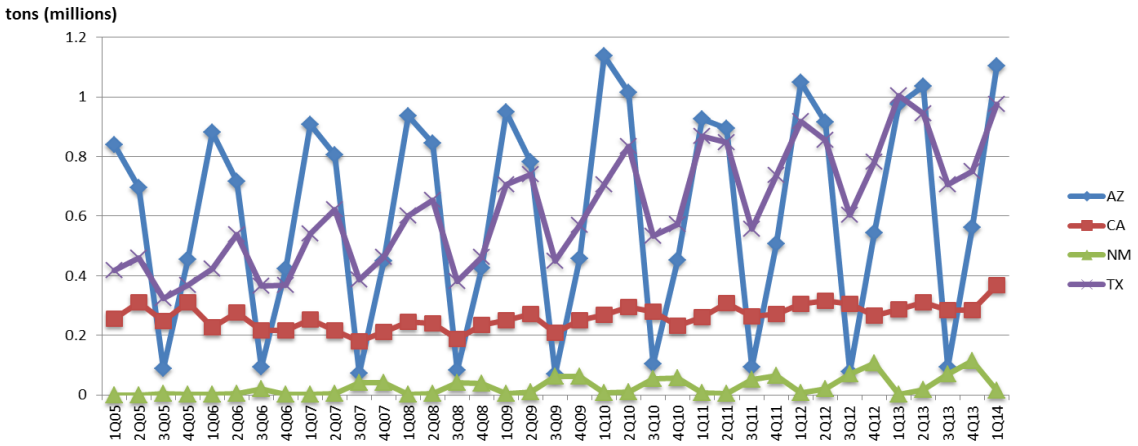
California Air Resources Board Amended the Truck and Bus Regulation at its April 24-25, 2014 Meeting: The approved amendments are intended to help ensure that the air quality benefits originally envisioned by the regulation will be achieved, by providing some additional compliance flexibility to vehicle owners. Some details are being revised to reflect the Board decision and will be made available for public comment before the amendments will be finalized. There will be more time to comply in rural areas with cleaner air, for retrofitting the second and third trucks in small fleets, and for owners that cannot afford to comply. There will be adjusted compliance timelines for low-use or vocational trucks, including work trucks up to 20,000 total miles a year; a low-use vehicle exemption up to 5,000 miles a year, and low-mileage agricultural vehicles. In recognition of the early actions already taken by fleets to comply, the Board is extending the use of existing particulate matter filter retrofits and the use of phase-in option credits.

Feature Article

Arizona and Texas Border Crossings Respond to Infrastructure and Seasonal Competition

Mexican shipments of fruit and vegetables delivered by truck into the United States were 13 percent higher through Arizona than Texas during the first quarter of 2014. Historically, the bulk of Mexican fruit and vegetables during the first quarter of each year has entered through Arizona (figure 1). However, first-quarter border crossings through Texas have been increasing since 2005 and surpassed those entering through Arizona for the first time in 2013. This development mirrored the annual trend in the growing importance of Texas as a port of entry into the United States due to infrastructure developments along the Mazatlán-Matamoros corridor between Mexico and South Texas (figure 2). Improvements along this highway have led to a rapid increase in annual Mexican shipments through Texas since 2005. Texas displaced Arizona as the primary State of entry in 2009 and has retained that position since 2011. Nevertheless, the bulk of Mexican produce entries into the United States shifted back to Arizona in the first quarter of this year, showing a possible impact from new improvements at the Nogales border crossing.

Figure 1 - Quarterly fruit and vegetable truck shipments from Mexico by border crossing

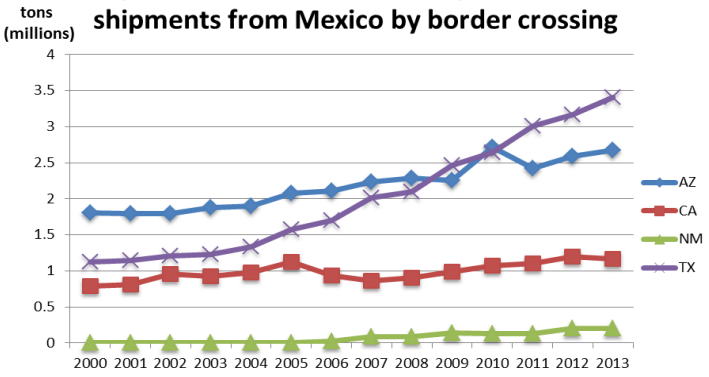


Source: AMS, Fruit and Vegetable Programs, Market News Division

Infrastructure Improvements at Arizona Border Crossing

The shift back to Arizona occurred as work on the Mariposa Land Port of Entry at Nogales—the main port of entry for fresh produce entering the United States from Mexico—enters its final phase. The modernization and expansion of the Mariposa Port began in 2009 and is scheduled to be completed in August 2014. The project entered its final phase in December 2013 after a new northbound commercial inspection building

Figure 2 - Annual fruit and vegetable truck shipments from Mexico by border crossing



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

and docks were turned over to U.S. Customs and Border Protection in November 2013. Once complete, the Mariposa Port will have roughly doubled its commercial inspection capacity. In addition, the Arizona Department of Transportation has been upgrading the roadways leading from the port to points north and recently included a $69 million Mariposa Road project in its 5-year construction plan.

Competition between California and Mexico

Aside from recent infrastructure developments, one of the main factors which has historically influenced the cycle of shipments through Arizona and Texas, as demonstrated in Figure 1, is Mexican competition with California. Overall shipments from Mexico decrease each year during the third quarter, when quarterly truck shipments of fruit and vegetables from California reach their peak, supplying roughly 45 percent of the market. Historically, during the third quarter of each year, most Mexican produce has entered through Texas because of the advantage it offers over Arizona in reaching major East Coast markets in the United States. Mexican produce sold in the eastern United States can be competitive against California produce, which must also be trucked long distances to the East Coast.

During the third quarter, in the western United States, California produce has an advantage over Mexican produce because of lower transportation costs, severely limiting Mexican produce entering through Arizona. Most Mexican produce that does enter through Arizona is not in competition with California-grown fruits or vegetables. For example, in the third quarter of 2013, 72 percent of Mexican produce entering through Arizona was not in direct competition. It consisted mainly of mangoes, bananas, cucumbers, and limes, which are not shipped in significant quantities from California. In contrast, only 51 percent of Mexican produce entering through Texas was not in direct competition with California shipments. Shipments through Texas included significant quantities of broccoli, cabbage, carrots, lettuce, and tomatoes, all of which are grown in California.

Refrigerated trucks traveling from both California and Mexico incur long-distance transportation costs to reach the eastern United States. Truckload rates to Boston, New York, and Philadelphia from California are only $100 to $300 more than truckload rates from Mexico through Arizona (RTQ table 4). In contrast, truckload rates from California are $1,000 to $2,000 more than truckload rates from Mexico through Texas—a clear advantage for Mexican shipments through Texas to reach the Northeast.

However, except for 2013, Arizona has surpassed Texas as the primary port of entry from Mexico during the first quarter of each year. California has the least amount of produce available to ship in the first quarter. Mexican fruit and vegetable shippers take advantage of this window to ship heavy volumes into the western U.S. to meet consumer demand. Accordingly, Mexican shipments through Arizona are marked by the increased volume and variety of fruits and vegetables that are also grown in California. In the first quarter of 2014, only 23 percent of Mexican produce entering through Arizona was not directly competing against California produce, down from 72 percent in the third quarter of 2013. This included many California-grown commodities such as bell peppers, squash, onions, and celery. In terms of distance and cost, Arizona will continue to hold an advantage over Texas in serving the Western U.S., especially during the first quarter of each year. For example, truckload rates from Mexico to Los Angeles were about $1,500 less through Arizona than through Texas in the first quarter of 2014 (RTQ table 4).

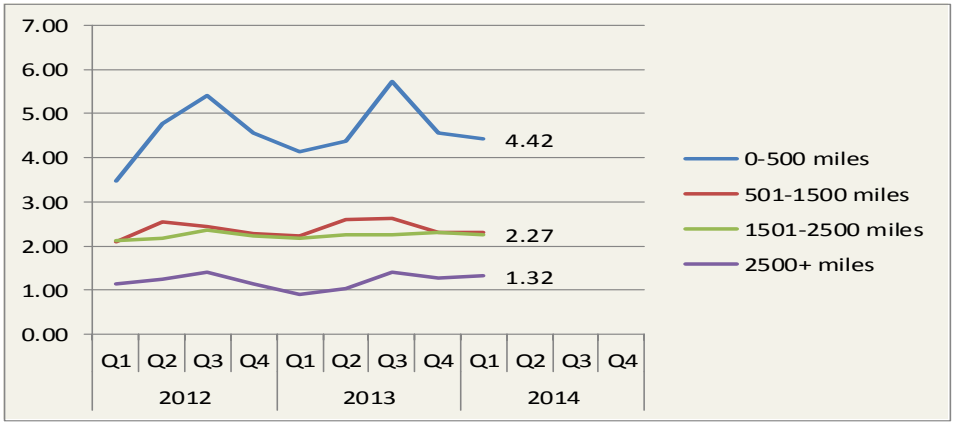
Conclusion

Despite recent transportation improvements between Mexico and the Texas border, border crossings through Arizona were 13 percent higher than through Texas in the first quarter of 2014. Even as Texas continues to overtake Arizona as the primary State of entry on an annual basis, Arizona will likely continue to play an important role for fruit and vegetable shipments between Mexico and the United States due to its proximity to western U.S. markets. This is especially true during the first quarter of each year, when shipments from California are at their lowest and domestic markets rely on Mexican imports to fulfill consumer demand. Adam.Sparger@ams.usda.gov

National Summary

U.S. Truck Rates

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



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

Table 1: Average U.S. Truck Rates for Selected Routes between 501 and 1500 miles ($/Mile)

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	*Annual
2014	2.31				2.31
2013	2.24	2.60	2.62	2.31	2.44
2012	2.10	2.54	2.45	2.29	2.35
2011	2.02	2.60	2.77	2.26	2.41
2010	1.82	2.21	2.33	1.94	2.08
2009	1.85	1.99	2.02	1.86	1.93
2008	2.02	2.56	2.77	2.24	2.40
2007	1.89	2.23	2.25	2.03	2.10
2006	1.92	2.10	2.21	2.02	2.06

*Annual: Weighted average rate for all 4 quarters.

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

Table 2: Quarterly Rates for Key Origins by Month; 501-1500 miles ($/Mile)

	4th Qtr 2013			1st Qtr 2014		
Origin	Oct	Nov	Dec	Jan	Feb	Mar
Arizona	2.61	2.48	2.48	2.44	n/a	n/a
California	2.71	2.70	2.69	2.50	2.54	2.73
Florida	2.06	1.99	2.28	2.16	2.21	2.43
Great Lakes	2.95	3.17	3.20	3.19	3.24	3.29
Mexico-Arizona	n/a	2.12	2.48	2.51	2.45	2.41
Mexico-Texas	1.85	1.89	2.15	2.23	2.32	2.42
New York	2.11	1.99	1.94	1.96	2.01	2.11
PNW	1.89	1.92	1.93	2.14	2.12	1.86
Southeast	2.74	2.74	2.76	2.92	2.95	3.07
Texas	2.26	2.12	2.32	2.34	2.43	2.50

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.

Truck Rates for Selected Routes

Table 3: Origin-Destination Truck Rates for Selected Routes , 1st Quarter 2014 ($/Mile)

Origin	Destination									
	Atlanta	Baltimore	Boston	Chicago	Dallas	Los Angeles	Miami	New York	Philadelphia	Seattle
Arizona	2.36	2.37	2.35	2.17	.	5.86	.	2.37	2.36	2.44
California	2.36	2.35	2.31	2.16	2.53	5.64	2.17	2.33	2.33	2.61
Florida	2.5	2.62	2.28	1.95	1.95	.	2.71	2.46	2.33	.
Great Lake	2.97	3.31	3.16	3.78	2.91	.	2.98	3.82	3.4	.
Mexico-AZ	.	.	2.51	2.15	2.36	2.56	2.25	2.56	2.54	.
Mexico-TX	2.45	2.4	2.57	2.2	2.62	1.85	2.2	2.5	2.46	.
New York	2.2	3.94	9.92	1.33	.	.	2.31	10.1	5.48	.
Other	2.48	2.54	2.69	2.25	2.4	1.64	2.22	2.52	2.34	.
PNW	2.31	2.31	2.37	2.17	2.37	2.04	2.3	2.48	2.34	8.78
Southeast	4.69	3.37	3.12	3.24	.	.	2.6	3.48	3.48	.
Texas	2.66	2.49	2.67	2.31	3.04	1.95	2.31	2.63	2.56	.

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

Truck Rates for Selected Routes

Table 4: Origin-Destination Truck Rates for Selected Routes , 1st Quarter 2014 ($/Truck)

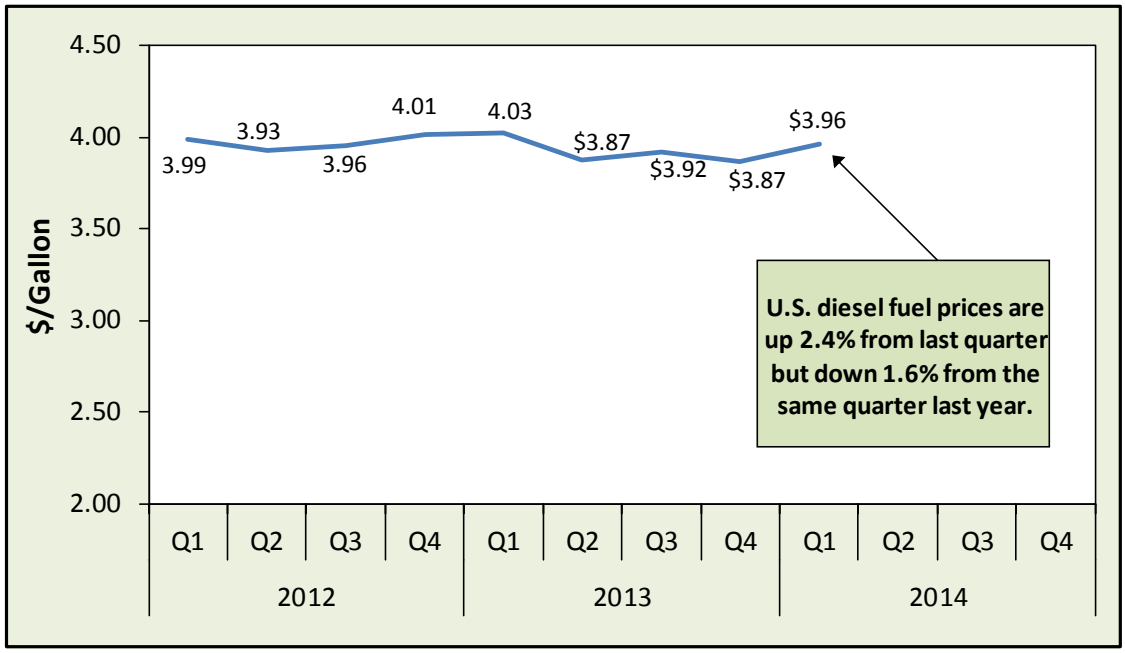
Origin	Destination									
	Atlanta	Baltimore	Boston	Chicago	Dallas	Los Angeles	Miami	New York	Philadelphia	Seattle
Arizona	4,958	6,154	6,808	4,413	.	879	.	6,400	6,246	3,167
California	5,196	6,274	6,962	4,449	3,675	840	6,170	6,540	6,378	2,841
Florida	1,369	2,481	3,232	2,499	2,125	.	650	2,945	2,608	.
Great Lake	3,038	3,745	4,256	1,196	3,247	.	4,798	3,825	3,331	.
Mexico-AZ	.	.	6,783	3,863	2,308	1,433	5,119	6,392	6,096	.
Mexico-TX	2,817	4,288	5,658	3,142	1,308	2,958	3,367	5,008	4,671	.
New York	2,193	1,238	1,756	1,117	.	.	3,350	1,418	1,206	.
Other	2,617	3,238	3,298	1,914	1,753	1,852	4,379	3,275	2,931	.
PNW	5,326	5,682	6,496	3,841	4,318	1,969	6,817	6,308	5,879	1,229
Southeast	1,325	1,521	2,758	2,750	.	.	2,000	2,308	1,979	.
Texas	2,817	4,288	5,658	3,142	1,308	2,958	3,367	4,992	4,658	.

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 2014 Average Diesel Fuel Prices (All Types - $/Gallon)

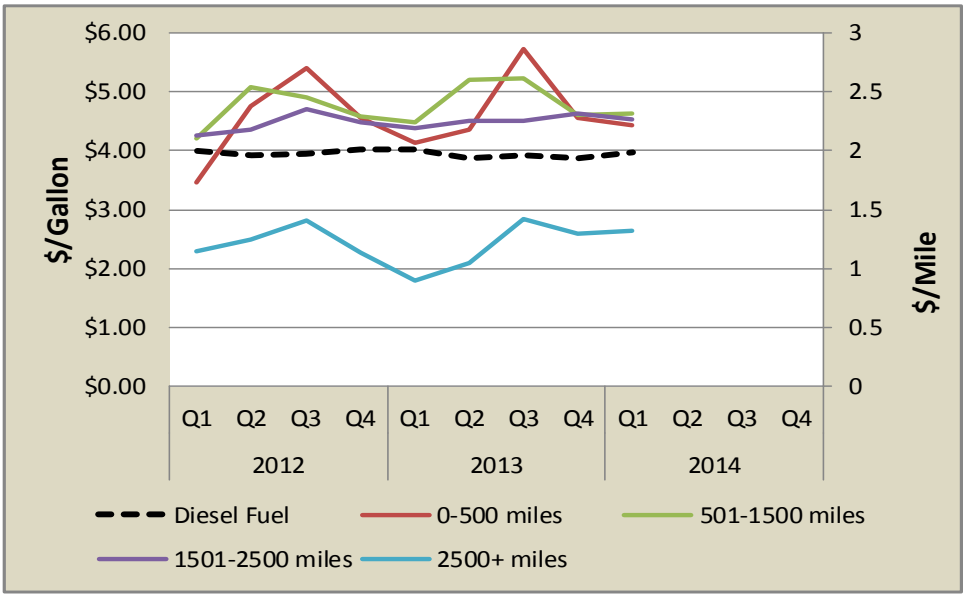
Location	Price	Change From	
		Last Quarter	Same Qtr Last Year
East Coast	4.07	0.18	-0.02
New England	4.27	0.24	0.04
Central Atlantic	4.25	0.29	0.08
Lower Atlantic	3.91	0.08	-0.10
Midwest	3.95	0.10	-0.16
Gulf Coast	3.79	0.02	-0.16
Rocky Mountain	3.93	0.06	0.04
West Coast	4.01	0.00	-0.14
California	4.09	0.00	-0.13
U.S.	3.96	0.09	-0.07

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

Table 6: Average Diesel Fuel Prices and Truck Rates

		Diesel Fuel ($/gallon)	Truck Rates ($/mile) 501-1500 miles	% Change From:			
				Last Qtr		Same Qtr Last Year	
				Diesel	Truck	Diesel	Truck
2012	Q1	3.99	2.10	3%	-7%	11%	4%
	Q2	3.93	2.54	-2%	21%	-2%	-2%
	Q3	3.96	2.45	1%	-4%	2%	-12%
	Q4	4.01	2.29	1.5%	-6%	4%	1%
2013	Q1	4.03	2.24	0%	-2%	1%	7%
	Q2	3.87	2.60	-4%	16%	-1%	2%
	Q3	3.92	2.61	1%	0%	-1%	7%
	Q4	3.87	2.27	-1%	-12%	-4%	1%
2014	Q1	3.96	2.31	2%	2%	-2%	3%
	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

1st Quarter 2014 Comparison Analysis

Diesel fuel prices averaged $3.96 per gallon this quarter, 2 percent higher than last quarter and 2 percent lower than the same quarter last year. Average truck rates for shipments between 501 and 1,500 miles were $2.31 per mile, 0.4 percent higher than the previous quarter and 3 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 2014

Region[1]	Commodity[1]	Truck Availability											
		Surplus - 1		Slight Surplus - 2			Adequate - 3		Slight Shortage - 4			Shortage - 5	
		Week Ending[1]											
CALIFORNIA, CENTRAL AND WESTERN ARIZONA		1/7	1/14	1/21	1/28	2/4	2/11	2/18	2/25	3/4	3/11	3/18	3/25
Central San Joaquin Valley, CA	Iceberg, Leaf, and Romaine Lettuce											3	3
Imperial, Palo Verde, and Coachella Valleys, CA, and Central and Western AZ	Broccoli, Cauliflower, Iceberg and Leaf Lettuce	4	3	3	2	3	3	3	3	3	3	3	3
Kern District, CA	Carrots	3	3	3	3	3	3	3	3	3	3	3	3
Salinas-Watsonville, CA	Broccoli, Cauliflower										3	3	3
San Joaquin Valley, CA	Kiwi	3	3										
Santa Maria, CA	Broccoli, Cauliflower, Celery, Iceberg and Romaine Lettuce	4	3	3	2	3	3	3	3	3	3	3	3
South District, CA	Citrus, Raspberries, Strawberries	3	3	2	1	3	2	3	3	3	3	3	3
PACIFIC NORTHWEST (ID, OR, WA)													
Columbia Basin, WA	Onions, Potatoes	4	4	3	3	3	4	4	3	3	3	3	3
Idaho and Malheur County, OR	Onions	5	5	4	4	4	4	4	5	5	5	5	4
Northwestern WA	Potatoes	4	4	4	4	4	4	5	5	5	5	5	5
Upper Valley, Twin Falls-Burley District, ID	Potatoes	5	5	4	4	4	5	4	4	4	4	4	4
Yakima Valley & Wenatchee District, WA	Apples, Pears	3	3	3	3	3	3	3	3	3	3	3	3
FLORIDA													
Statewide	Potatoes							3	3	3	3	3	3
Central and South	Berries, Melons, Mixed Veg, Tomatoes	4	2	1	1	1	4	2	4	4	5	5	5
South	Melons	3	3	3	3	3	3	3	3	3	3	3	3
GREAT LAKES (MI & WI)													
Michigan	Apples, Onions	*	3	3	3	3	3	3	3	3	3	3	3
Central Wisconsin	Onions, Potatoes	5	4	4	3	3	3	3	3	4	3	3	3
MEXICO BORDER CROSSINGS													
Through Nogales, AZ	Mangoes, Melons, Mixed Veg, Tomatoes	5	4	3	2	3	3	4	3	3	3	3	3
Through Texas	Carrots, Citrus, Mangoes, Mixed Fruit and Vegetables, Onions, Plum Tomatoes, Tomatoes	5	5	4	4	4	3	3	3	4	4	5	4
TEXAS													
Lower Rio Grande Valley, TX	Cabbage, Citrus, Herbs	5	5	4	4	4	3	3	3	4	4	5	4
SOUTHEAST (GA & NC)													
South Georgia	Broccoli, Cabbage, Carrots, Greens	3	3	3	3	3	3	3	3	3	3	3	3
Eastern North Carolina	Sweet Potatoes	3	5	5	5	5	5	5	5	5	5	4	4

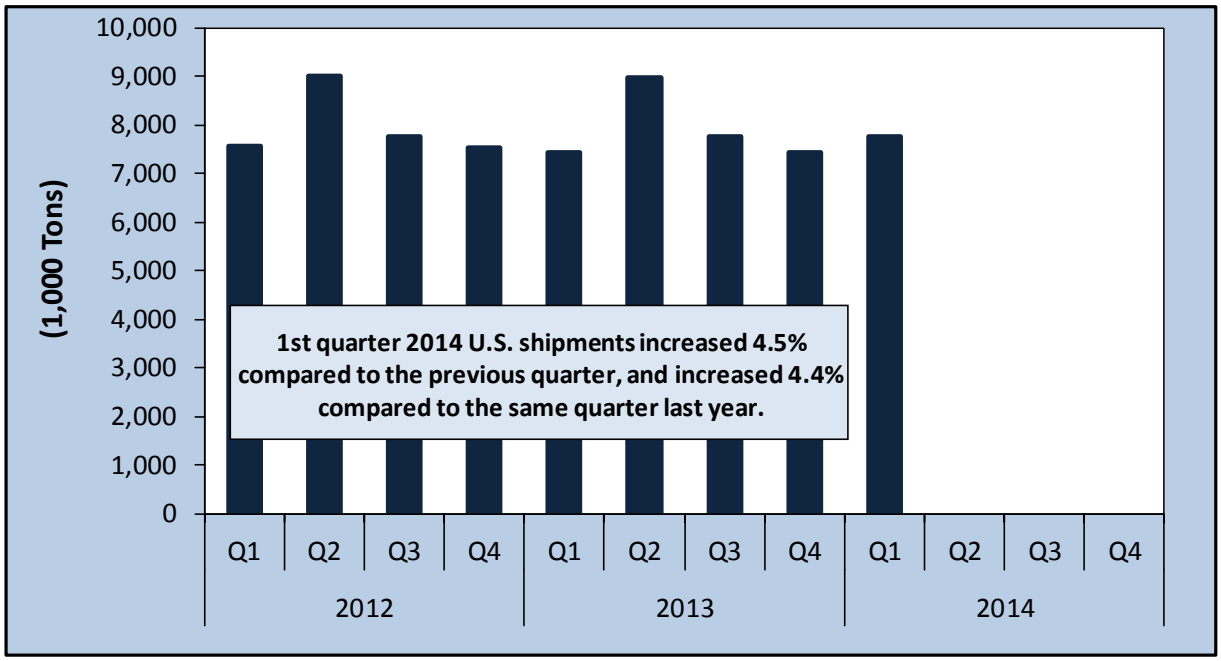
[1] Regions reported and commodities shipped vary by week, month, season, and year. Truck availablity can vary by indivdual commodity and destination within a region.

*No reports issued from Michigan for the week ending January 7 due to inclement weather.

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

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
2014	7,779				
2013	7,451	8,972	7,762	7,444	31,629
2012	7,577	9,008	7,774	7,532	31,890
2011	7,007	8,981	7,887	7,988	31,863
2010	7,065	8,881	7,985	7,522	31,454
2009	7,158	8,728	7,990	7,270	31,147
2008	7,059	8,666	7,426	6,904	30,057
2007	6,959	8,585	7,475	7,099	30,118
2006	6,335	8,400	7,854	6,962	29,551
2005	6,877	8,324	7,737	7,387	30,325
2004	6,867	8,331	6,876	6,732	28,807
2003	6,824	8,013	7,043	6,684	28,564
2002	6,787	8,094	6,414	6,460	27,756
2001	6,822	8,144	6,314	6,471	27,751
2000	6,776	8,155	6,916	6,395	28,242

Reported Shipments by Selected Commodities

Table 9: Reported Top 10 Commodity Shipments for 1st Quarter 2014 (1,000 Tons)

Commodity	1st Quarter 2014	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
				Previous Qtr	Same Qtr Last Year
Potatoes	1,119	1,147	1,171	-2%	-4%
Apples	861	842	818	2%	5%
Onions, dry	503	503	489	0%	3%
Tomatoes	469	372	464	26%	1%
Lettuce, iceberg	367	334	346	10%	6%
Lettuce, Romaine	278	241	230	15%	21%
Peppers, Bell Type	270	194	274	39%	-1%
Strawberries	266	129	264	106%	1%
Cucumbers	255	221	213	15%	20%
Tomatoes, Plum Type	236	140	208	68%	13%

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

Regional Markets

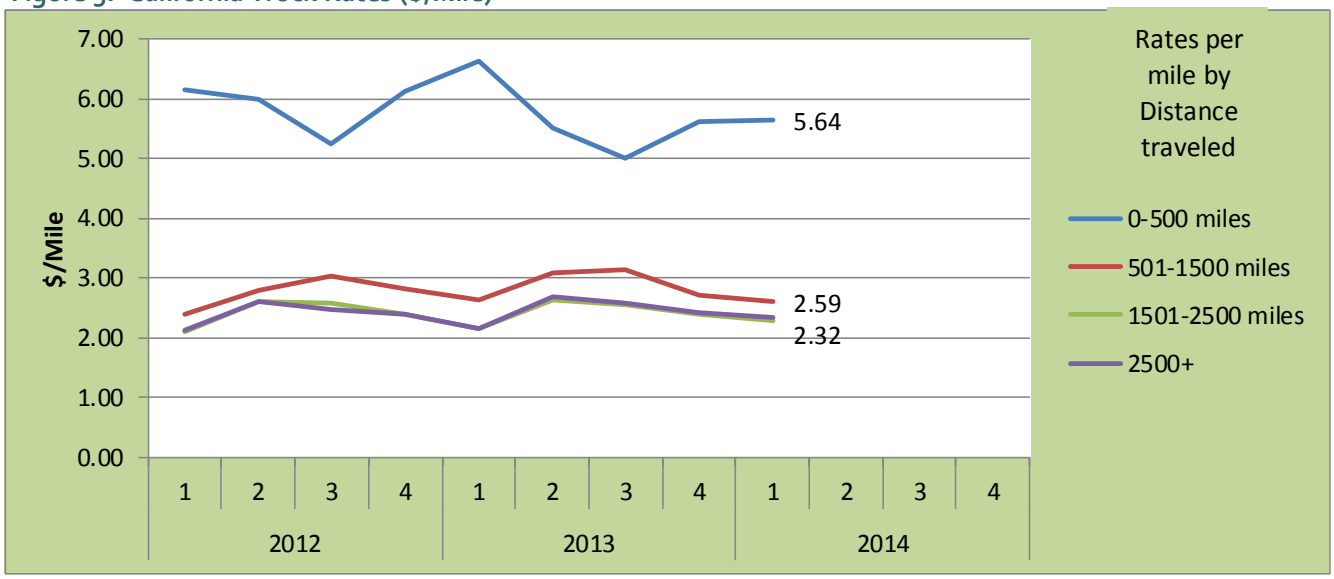
California

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

Commodity	1st Quarter 2014	Share of California Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Celery	121	17%	200	111	-40%	9%
Strawberries	116	17%	96	92	20%	26%
Carrots	68	10%	74	82	-8%	-17%
Lettuce, Iceberg	67	10%	171	69	-61%	-3%
Lettuce, Romaine	57	8%	131	59	-56%	-3%
Top 5 Total	**428**	**62%**	**672**	**413**	**-36%**	**4%**
California Total	**691**	**100%**	**1,543**	**657**	**-55%**	**5%**

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

Figure 5: California Truck Rates ($/Mile)



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

Figure 6: California Truck Overview

Region/Reporting District	Diesel Fuel	Truck Rate 501 to 1500 miles	Jan	Feb	Mar
			Monthly Rating		
	$/per gallon	$/per mile	1=Surplus to 5=Shortage		
Regional Average	**$ 4.09**	**$2.59**	**2.85**	**2.94**	**3.00**
Central San Joaquin Valley, CA					3.00
Imperial, Palo Verde, and Coachella Valleys, CA, and Central and Western AZ			3.00	3.00	3.00
Kern District, CA			3.00	3.00	3.00
Salinas-Watsonville, CA					3.00
San Joaquin Valley, CA			3.00		
Santa Maria, CA			3.00	3.00	3.00
South District, CA			2.25	2.75	3.00

n/a: availability data not reported

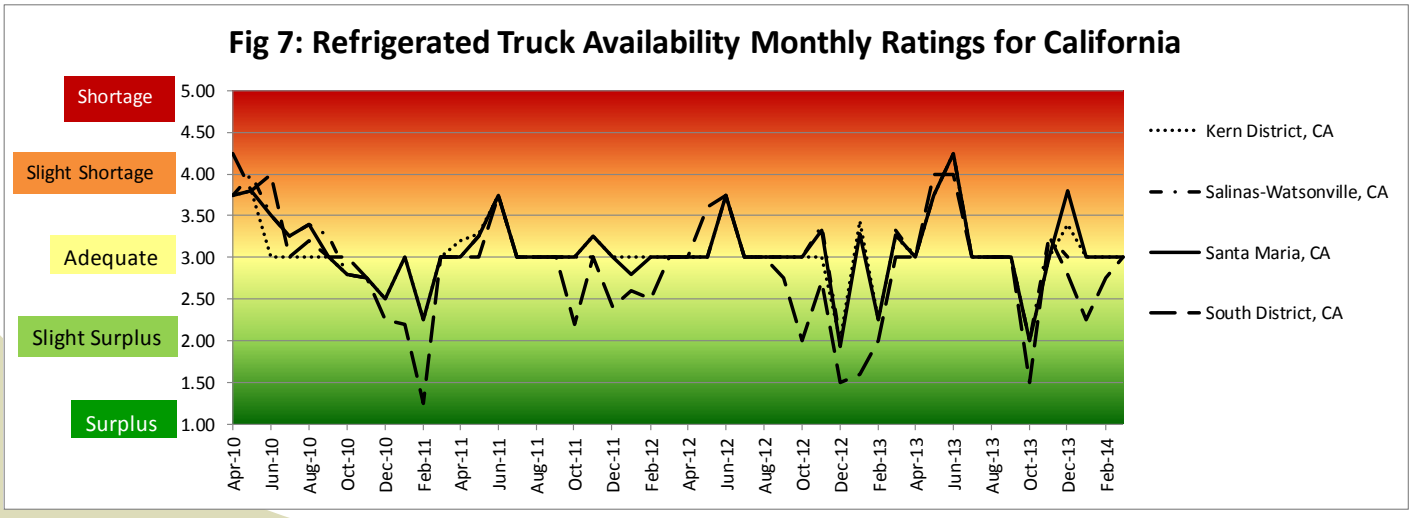
Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy

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: Total reported shipments of fruits and vegetables from California during the first quarter of 2014 increased 5 percent from the same quarter in 2013, led by strawberries at 26 percent and celery at 9 percent. The sum of the top five commodities increased 4 percent from the same quarter last year. The increased shipments of strawberries more than offset the 17 percent decrease in shipments of carrots. The Packer reported good weather for strawberry production in California, "sluggish" strawberry production in Florida in January, and newer strawberry varieties that extended production in California regions.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was $2.59 per mile, 4 percent lower than the previous quarter and 1 percent lower than same quarter last year.

Truck Overview: Diesel fuel prices averaged $4.09 per gallon, one cent higher than last quarter and 3 percent lower than the same period last year. Truck availability for California was mostly average, with a slight shortage for the week ending January 7 in the Imperial, Palo Verde, and Coachella Valleys, as well as Santa Maria. These two regions saw a slight surplus of trucks for the week ending January 28, while the South District reported a surplus (Table 7).



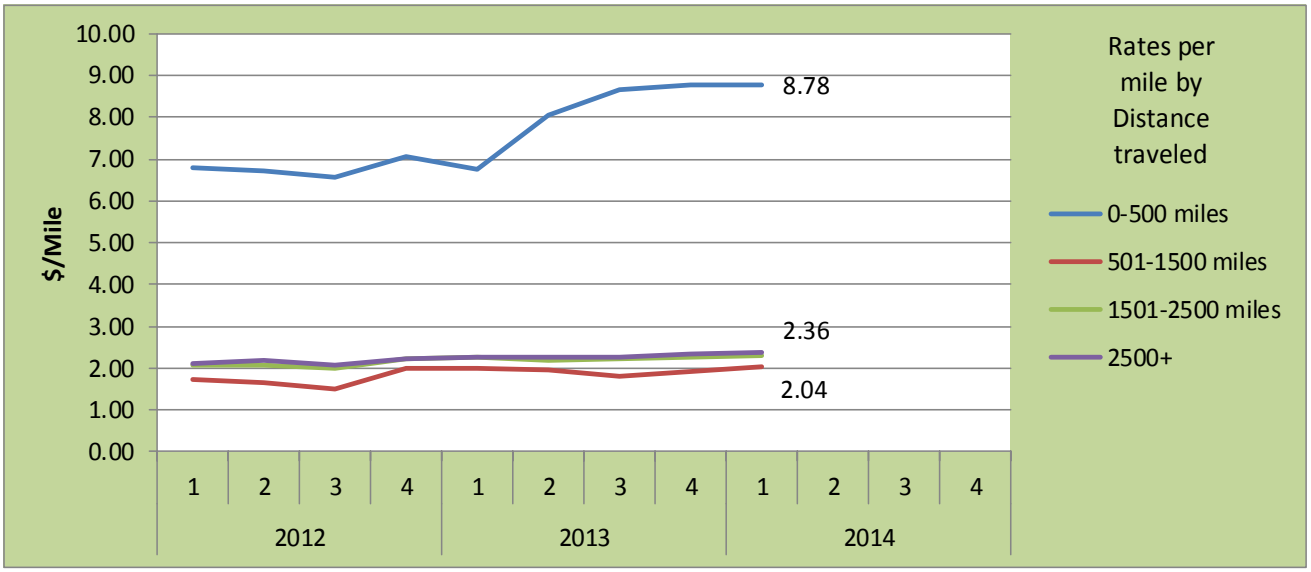
Pacific Northwest (PNW)

Table 11: Reported Top 5 Commodities Shipped from PNW (1,000 tons)

Commodity	1st Quarter 2014	Share of PNW Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Apples	711	41%	659	770	8%	-8%
Potatoes	477	28%	490	519	-3%	-8%
Onions, dry	360	21%	365	300	-1%	20%
Pears	172	10%	213	152	-19%	13%
Rhubarb	0.2	0%	-	0.1	-	50%
Top 5 Total	**1,720**	**100%**	**1,727**	**1,741**	**0%**	**-1%**
PNW Total	**1,720**	**100%**	**1,727**	**1,741**	**0%**	**-1%**

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

Figure 8: PNW Truck Rates ($/Mile)



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

Figure 9: PNW Truck Overview

Region/Reporting District	Diesel Fuel	Truck Rate 501 to 1500 miles	Jan	Feb	Mar
			Monthly Rating		
	$/per gallon	$/per mile	1=Surplus to 5=Shortage		
Regional Average	**$3.92**	**$2.04**	**3.90**	**3.90**	**3.95**
Columbia Basin, WA			3.50	3.50	3.00
Idaho and Malheur County, OR			4.50	4.25	4.75
Northwestern WA			4.00	4.50	5.00
Upper Valley, Twin Falls-Burley District, ID			4.50	4.25	4.00
Yakima Valley & Wenatchee District, WA			3.00	3.00	3.00

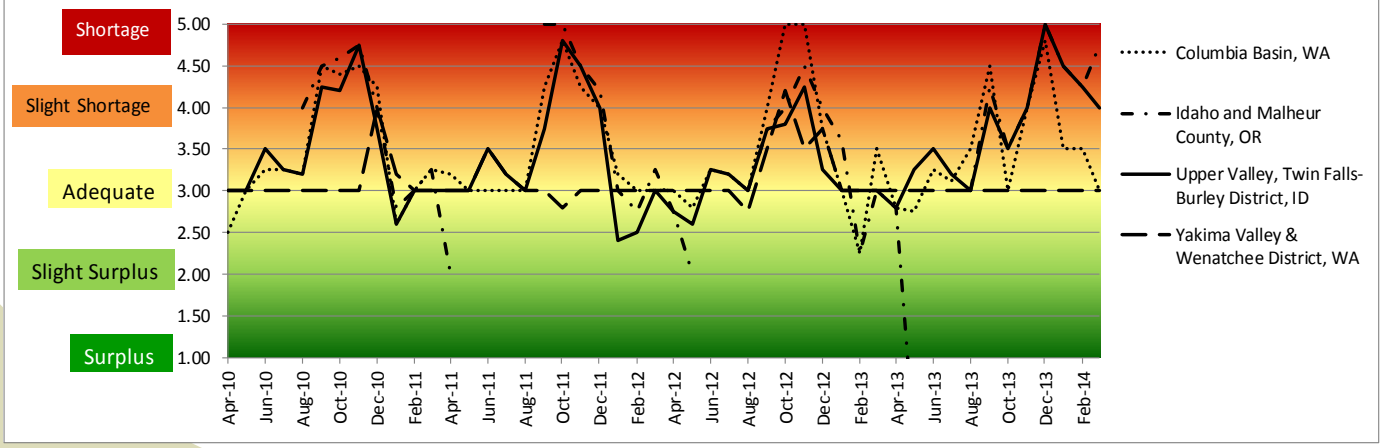
n/a: availability data not reported
Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy
For the purpose of this report the West Coast less California District was used to represent the diesel fuel price for PNW.

Volume: Total reported shipments of fruits and vegetables from the Pacific Northwest (PNW) during the first quarter of 2014 decreased 1 percent from the same quarter in 2013; the sum of the top 5 commodities decreased 1 percent as well. Apple and potato shipments were down 8 percent each during the quarter while onion, pear and rhubarb shipments increased significantly. According to *The Packer,* onion shipments from the PNW benefited from the delayed shipment of onions from the South due to the prolonged and rough winter in both Georgia and Texas. Strong volumes of pear shipments in 2013 lingered into 2014. According to The Packer, some pear shippers saw record shipments in January.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was $2.04 per mile, 6 percent higher than the previous quarter and 2 percent higher than same quarter last year.

Truck Overview: Diesel fuel prices averaged $3.92 per gallon, 0.3 percent higher than last quarter but 4 percent lower than the same period last year. On average, truck availability for the Columbia Basin, the Yakima Valley, and Wenatchee District, WA, regions was generally adequate. The other three regions—Idaho and Malheur County, OR, Northwestern, WA, and the Upper Valley/Twin Falls-Burley District, ID—experienced slight shortages to shortages during the entire quarter.

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



Mexico Border Crossings

Table 12: Reported Top 5 Commodities Shipped from Mexico (1,000 tons)

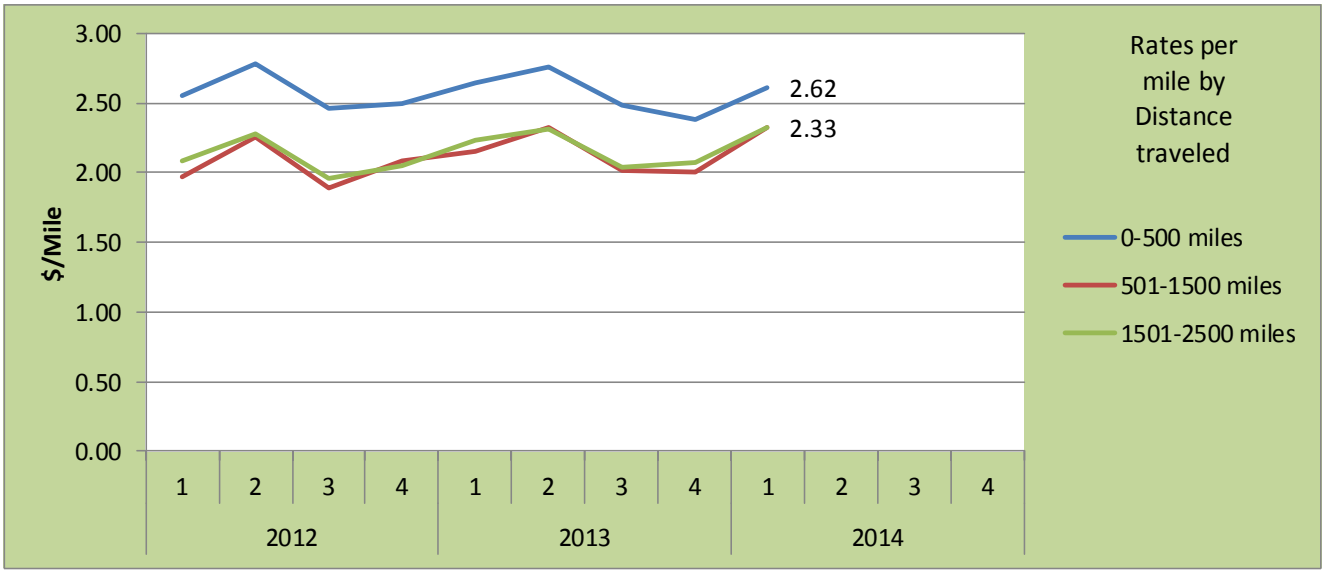
Commodity	1st Quarter 2014	Share of Mexico Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Tomatoes	275	11%	139	246	98%	12%
Cucumbers	238	10%	158	194	51%	23%
Peppers, Bell Type	204	8%	84	186	143%	10%
Tomatoes, Plum Type	200	8%	105	173	90%	16%
Avocados	185	8%	154	195	20%	-5%
Top 5 Total	**1,102**	**45%**	**640**	**994**	**72%**	**11%**
Mexico Total	**2,464**	**100%**	**1,713**	**2,271**	**44%**	**8%**

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

Table 13: Top 5 Commodities Shipped to U.S from Mexico by State of Entry (1,000 tons)

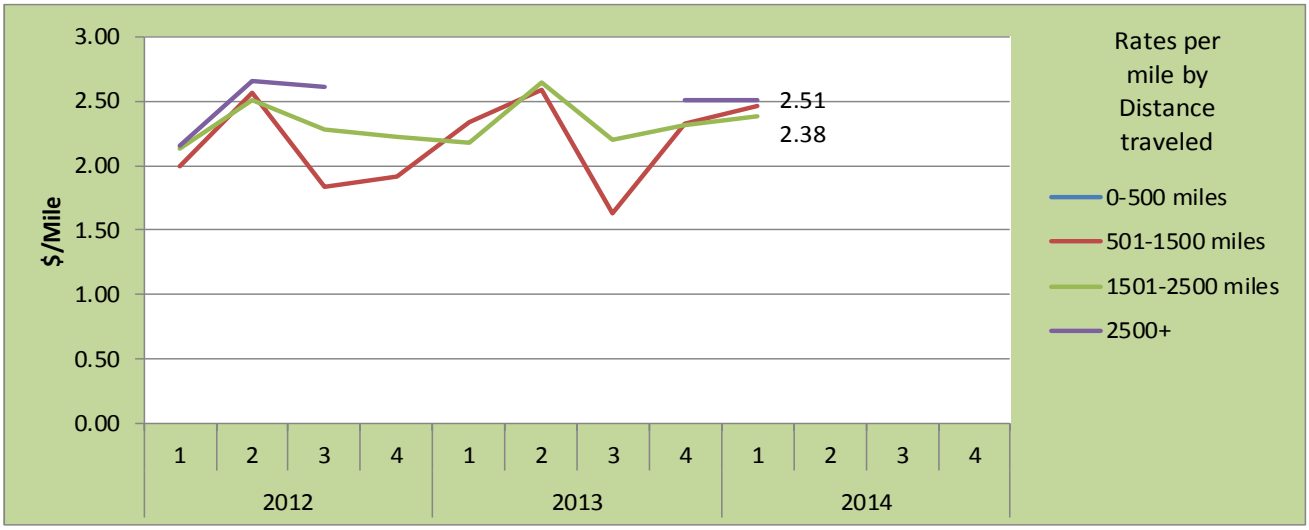
Texas		California		Arizona	
Avocados	172	**Asparagus**	60	**Cucumbers**	117
Tomatoes	115	**Onions, green**	36	**Peppers, Bell Type**	102
Limes	77	**Misc. tropical**	32	**Tomatoes**	90
Cucumbers	60	**Strawberries**	32	**Tomatoes, Plum**	45
Tomatoes, Plum	51	**Peppers, Other**	16	**Squash**	40
Other	502	**Other**	190	**Other**	711
Total	**976**	**Total**	**367**	**Total**	**1,105**

Figure 11: Mexico - Texas Truck Rates ($/Mile)



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

Figure 12: Mexico - Arizona Truck Rates ($/Mile)



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

Figure 13: Mexico Border Truck Overview

Region/Reporting District	Diesel Fuel	Truck Rate	Jan	Feb	Mar
			Monthly Rating		
	$/per gallon	$/per mile	1=Surplus to 5=Shortage		
Regional Crossing Average			**4.00**	**3.25**	**3.63**
Through Texas	$3.79	$2.32	4.50	3.25	4.25
Through Nogales, AZ	$3.92	$2.48	3.50	3.25	3.00

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

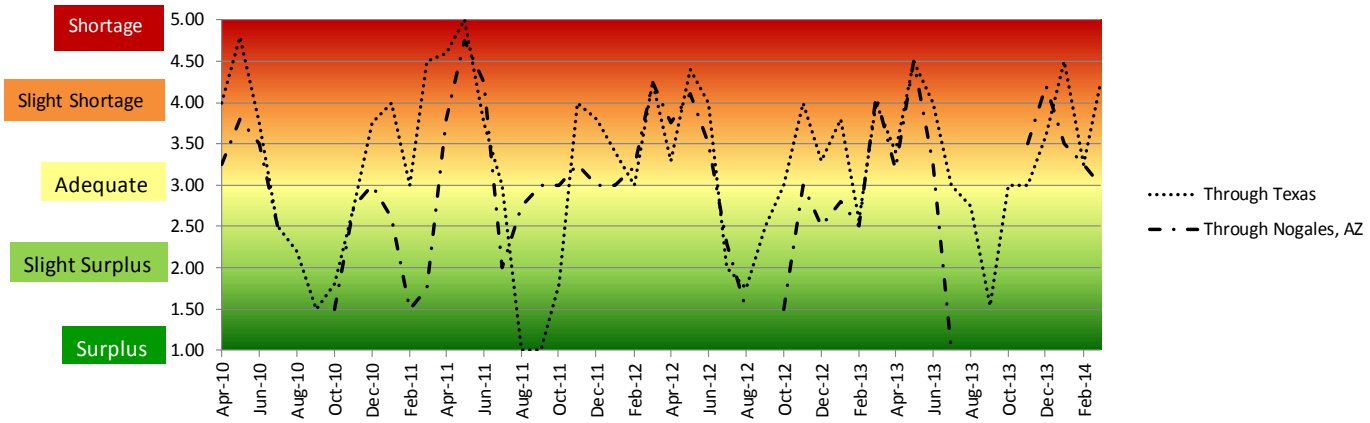
For the purpose of this report the Gulf Coast PAD District 3 was used to represent the diesel fuel price through Texas.
For the purpose of this report the West Coast less California District was used to represent the diesel fuel price through Arizona.

Volume: Total reported shipments of fruits and vegetables from Mexico during the first quarter of 2014 increased 8 percent from the same quarter in 2013. The sum of the top five commodities increased 11 percent from last year with increases in tomatoes, bell peppers, and cucumbers. *The Packer* reported that tomato, bell pepper, and cucumber production was delayed in Mexico due to fall storms and hurricanes, causing a large volume of these commodities to cross the Arizona border 3 weeks later than usual. Meanwhile, severe winter storms throughout the U.S. hampered shipments and consumer shopping, causing demand for these items to fall during the first quarter.

Rates: Truck rates for shipments between 501 and 1,500 miles through the Texas border crossings averaged $2.32 per mile, up 16 percent from last quarter and 8 percent higher than the same quarter last year. Rates for shipments between 501 and 1,500 miles through the Arizona border crossings averaged $2.46 per mile, up 6 percent from last quarter and 5 percent higher than the same quarter last year.

Truck Overview: Truck Overview: Diesel fuel prices for border crossings through Texas averaged $3.79 per gallon, 0.3 percent higher than the previous quarter, and 4 percent lower than the same quarter in 2013. Diesel fuel prices for border crossings through Arizona averaged $3.92 per gallon, 0.1 percent higher than the previous quarter and 4 percent lower than the same period in 2013. Truck availability was mostly adequate at Nogales with a shortage at the beginning of the quarter; there was a slight to full shortage for most of the quarter at the Texas border with adequate availability for the first 3 weeks of February.

Fig 14: Refrigerated Truck Availability Monthly Ratings for Mexico Border Crossings



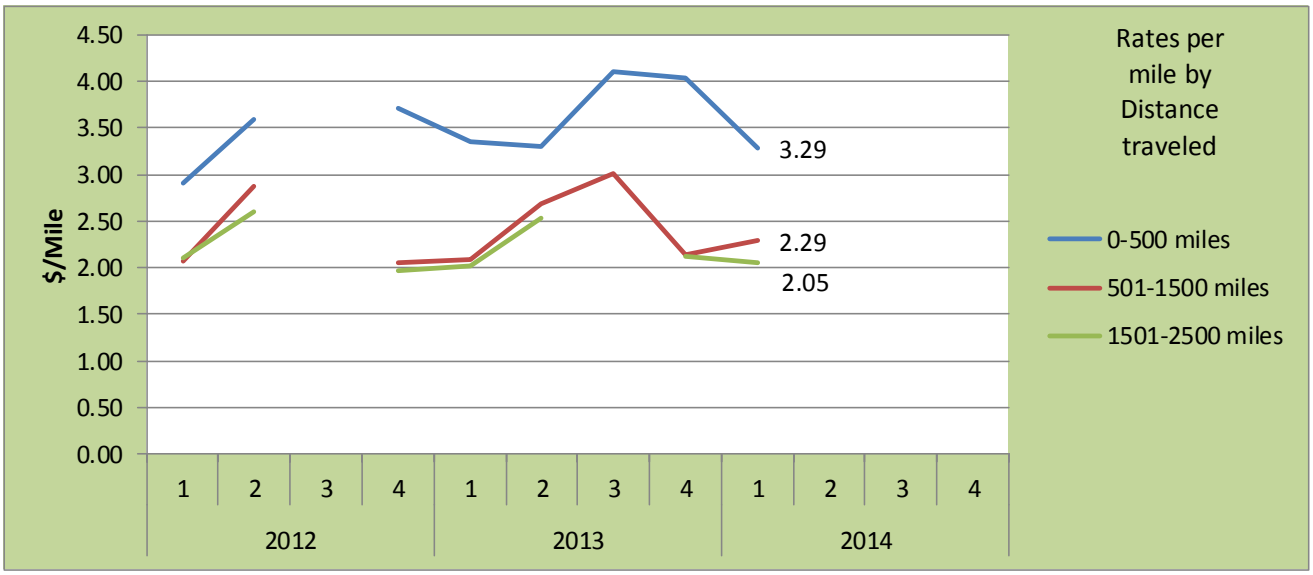
Florida

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

Commodity	1st Quarter 2014	Share of Florida Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Tomatoes	168	18%	140	184	20%	-8%
Grapefruit	120	13%	91	129	32%	-7%
Cabbage	83	9%	5	87	-	-4%
Strawberries	78	8%	14	108	459%	-28%
Corn, Sweet	68	7%	24	66	183%	3%
Top 5 Total	**518**	55%	**274**	**574**	89%	-10%
Florida Total	**942**	**100%**	**571**	**1,031**	**65%**	**-9%**

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

Figure 15: Florida Truck Rates ($/Mile)



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

Figure 16: Florida Truck Overview

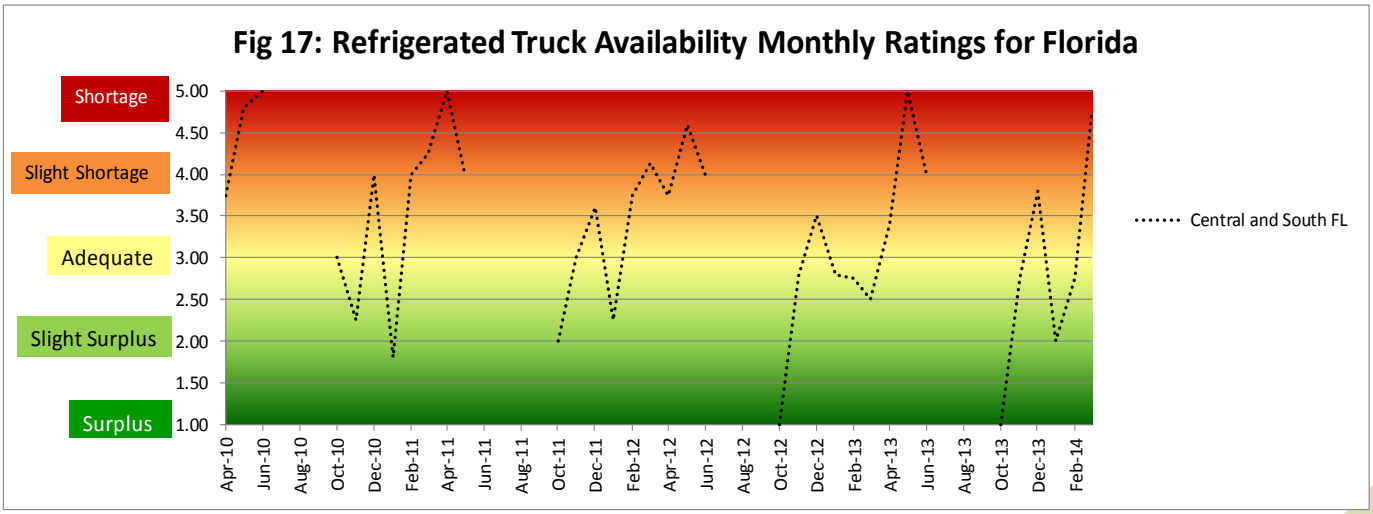
Region/Reporting District	Diesel Fuel	Truck Rate	Jan	Feb	Mar
			Monthly Rating		
	$/per gallon	$/per mile	1=Surplus to 5=Shortage		
Regional Average	**$3.91**	**$2.28**	**2.50**	**2.92**	**3.58**
West District				3.00	3.00
Central and South			2.00	2.75	4.75
South			3.00	3.00	3.00

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: Total reported shipments of fruits and vegetables from Florida during the first quarter of 2014 decreased 9 percent from the same quarter in 2013. The sum of the top five commodities decreased 13 percent with only shipments of sweet corn increasing (2 percent) from the same quarter last year. Florida winter production was down due to heavy rains and cold, which resulted in delayed plantings and lower shipped volume. However, according to *The Packer,* Florida's sweet corn grower-shippers have started marketing their product outside of the State, airing TV commercials for the first time in 2013, which has led to strong increases in brand recognition and purchase intents.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was $2.29 per mile, 7 percent higher than the previous quarter and 9 percent higher than same quarter last year.

Truck Overview: Diesel fuel prices averaged $3.91 per gallon, 2 percent higher than last quarter and 2 percent lower than the same period last year. Truck availability was adequate Statewide for potatoes and in the South District for melons, but ranged from a surplus in the South and Central District in the first half of the quarter to a shortage in the second half for berries, melons, mixed vegetables, and tomatoes.



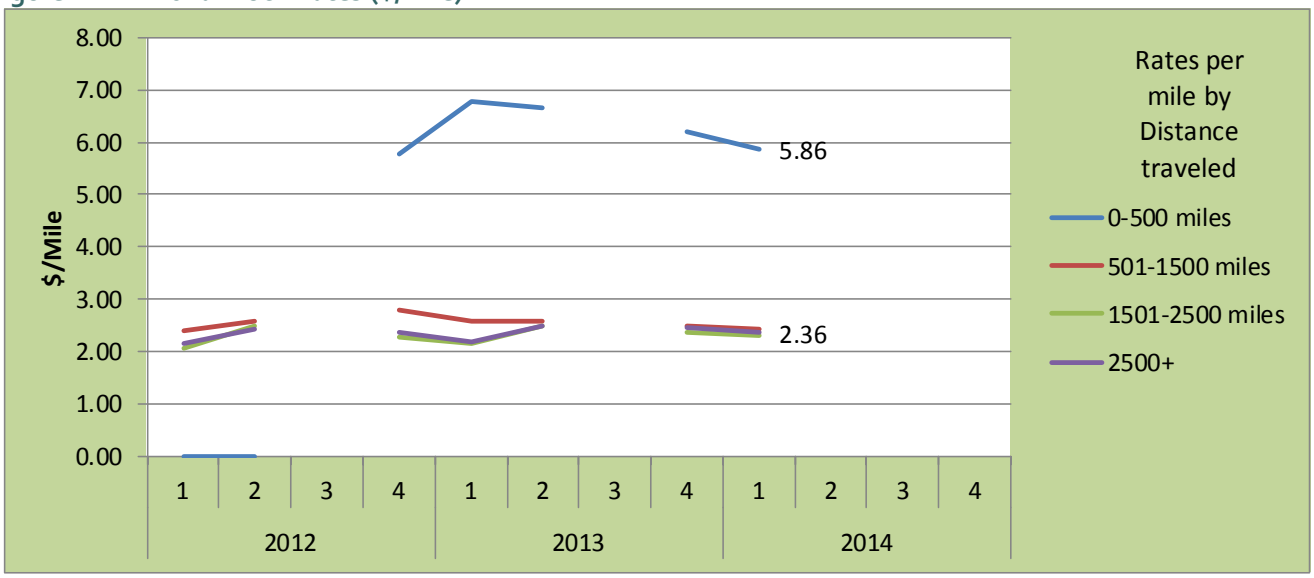
Arizona

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

Commodity	1st Quarter 2014	Share of Arizona Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Lettuce, Iceberg	270	35%	147	234	84%	15%
Lettuce, Romaine	204	26%	101	161	102%	27%
Lettuce, Processed	69	9%	40	47	72%	46%
Spinach	42	5%	15	33	178%	26%
Celery	37	5%	1	37	-	1%
Top 5 Total	**622**	**80%**	**304**	**512**	**105%**	**22%**
Arizona Total	**781**	**100%**	**406**	**441**	**92%**	**77%**

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

Figure 18: Arizona Truck Rates ($/Mile)



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

Volume: In the fourth quarter of 2013, total shipments of fruits and vegetables from Arizona decreased 8 percent from the same quarter in 2012; however, the sum of the top 5 commodities increased 7 percent. Lettuce varieties made up the top 3 commodities—iceberg, romaine, and processed. Processed lettuce saw the greatest increase over last year, up 25 percent; the other two varieties decreased 3 percent. The Packer reports that some significant frost in December delayed harvest for lettuce varieties, but caused little damage to the crops. Strong U.S. demand for packaged salad continues to keep shipments of processed lettuce products sturdy.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was $2.49 per mile, 10 percent lower than the same quarter last year.

Figure 19: Arizona Truck Overview

Region/Reporting District	Diesel Fuel	Truck Rate 501 to 1500 miles	Jan	Feb	Mar
			Monthly Rating		
	$/per gallon	$/per mile	1=Surplus to 5=Shortage		
Regional Average	**$3.92**	**$2.43**	**3.00**	**3.00**	**3.00**
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 less California District was used to represent the diesel fuel price for Arizona.

Volume: In the first quarter of 2014, total shipments of fruits and vegetables from Arizona increased 77 percent from the same quarter in 2013. Lettuce varieties made up the top three commodities—iceberg, romaine, and processed. Processed lettuce saw the greatest increase over last year, up 46 percent; the other two varieties, iceberg and romaine, increased 15 and 27 percent over the last year. Lettuce volumes were strong coming out of Arizona during the first quarter. Plenty of supplies and low prices kept stock moving.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was $2.44 per mile, 2 percent lower than the previous quarter and 5 percent lower than the same quarter last year.

Truck Overview: Diesel fuel prices averaged $3.92 per gallon, 0.1 percent higher than last quarter but 2.3 percent lower than the same period last year. Truck availability for the Central and Western Arizona regions was adequate during the first quarter.

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, Minnesota, and Wisconsin. The Southeast region includes North Carolina, South Carolina and Georgia.

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 10 destination markets are used to calculate average origin regional rates.

National Rates: The national rates reflect the average of the regional rates, separated by mileage category and weighted by volume between origin and destination.

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Related Websites:

Fruit and Vegetable Programs
http://www.ams.usda.gov/fv

Fruit and Vegetable Truck Report
http://search.ams.usda.gov/mnsearch/MNSearchResults.aspx

Economic Research Service Vegetable and Pulses
http://www.ers.usda.gov/topics/crops/vegetables-pulses.aspx

Economic Research Service Fruit and Tree Nuts
http://www.ers.usda.gov/topics/crops/fruit-tree-nuts.aspx

National Agricultural Statistics Service, Crops
http://www.nass.usda.gov/Statistics_by_Subject/index.php?sector=CROPS

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