



Agricultural Refrigerated Truck Quarterly

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NEW!
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Market Insight

Proposed New U.S.-Canada Bridge Faces Opposition

A new bridge under consideration between Detroit, MI, and Windsor, Ontario, promises to relieve the congestion and restrictions currently affecting truck traffic at the busiest border crossing between the world's two biggest trading partners. Currently, the cross-border options at the Detroit-Windsor location include the privately owned two-lane Ambassador Bridge, an 81-year old tunnel, and a truck ferry with just five daily crossings. The new bridge has the support of the Michigan and Canadian officials, but is facing opposition from the owner of the Ambassador Bridge.

On June 15, 2012, Michigan Governor Rick Snyder and Canadian Prime Minister Stephen Harper signed an agreement for a new publicly-owned bridge between Detroit and Windsor. The New International Trade Crossing (NITC), as the bridge is being called, would be located two miles downstream from the Ambassador Bridge and would be the first new bridge built between the cities since the Ambassador Bridge opened in 1929.

The NITC is anticipated to be six lanes wide and would provide direct free-way-to-freeway connection between I-75 and Canada's 401 Highway. Noting the economic and strategic importance of the project, Canada will make annual payments through a newly created public entity, the Crossing Authority, to a private concessionaire for the design and construction of the NITC, estimated to cost \$950 million. Additionally, the Canadian government will spend up to \$550 million in Michigan for land acquisition and construction of the interchange to connect the NITC to I-75. The Canadian expenditure of \$550 million is eligible for U.S. federal matching funds up to \$2.2 billion for highway projects in Michigan. The Canadian government plans to recoup this money through revenues at a toll plaza on the Canadian side. No State or local entity in Michigan will be obligated to make any payments or appropriations related to the design, construction, operation, or maintenance of the NITC. However, the NITC still needs a presidential per-

mit from the U.S. Department of State allowing a new international connection and a U.S. Coast Guard permit allowing construction of a bridge in navigable waters.

The NITC is facing opposition from the owner of the Ambassador Bridge, Detroit International Bridge Company (DIBC). The DIBC fears the NITC would divert business away from its privately owned bridge. It claims spending public money to build the NITC Bridge is unjustified based on annual traffic flow statistics, which show an overall decline from their 1999 level. In an effort to stop the NITC, it proposed a ballot initiative to amend the Michigan constitution to require a public vote for State participation in any new international bridge or tunnel. Instead, DIBC is proposing to build a twin span to the Ambassador Bridge at its own expense. Like the NITC, a second span would add redundancy to the transportation network in case of a closure on the aging Ambassador Bridge and provide additional capacity for vehicular crossings beyond the Ambassador's two lanes. However, adding a second span to the Ambassador Bridge would not provide a direct freeway-to-freeway connection, something the Canadian government strongly desires in order to relieve city street congestion on their side of the border crossing. Currently, more than 7,500 trucks per day cross the Ambassador Bridge, according to the Public Border Operators Association. On the Canadian side, they must travel 6 miles through city traffic between Highway 401 and the Ambassador Bridge, adding congestion to city streets and slowing commercial truck operators.

There are few alternatives for trucks hoping to avoid the congested two-lane Ambassador Bridge and traffic in Windsor. One alternative is the 81-year-old Detroit-Windsor Tunnel. However, due to its size, the tunnel is restricted to trailers with a maximum length and height of 48 feet and 13 feet 2 inches, respectively. This prevents many refrigerated trailers from using the tunnel because they are usually between 48 and 53 feet. The other alternative is the Blue Water Bridge between Port Huron, MI, and Sarnia, Ontario, 70 miles to the north. The Ambassador Bridge handles twice as much traffic as the second and third busiest crossings—the Blue Water Bridge and Peace Bridge—combined. The Blue Water Bridge is a twin span with 3 lanes in each direction and the Peace Bridge is a single span with three lanes connecting Buffalo, NY, and Fort Erie, Ontario.

Agricultural Transportation Implications

The Detroit-Windsor border crossing is the busiest trade corridor along the U.S.-Canada border. Agricultural goods comprise 18 percent of Canadian-bound truck movements and 10 percent of U.S.-bound truck movements. According to the State of Michigan, 17 percent of all U.S.-Canada trade, worth approximately \$91 billion, was delivered by truck through the Detroit-Windsor border crossing in 2010. The Michigan Department of Transportation states that in 2010 over 60 percent of Michigan's agricultural exports were delivered to Canada, totaling \$796 million.

Public Border Operators Association data show that total crossings at the Detroit-Windsor border crossing have declined since their peak in 1999. This is also true for passenger traffic at many border crossings following September 11, 2001. However, commercial traffic largely rebounded to its 2000 level between 2004 and 2006 before declining again due to construction projects on the Ambassador Bridge and overall lower traffic volumes during the recession. Since 2009, commercial traffic on the Ambassador Bridge has been steadily increasing, with traffic in the first 5 months of 2012 already ahead of the same period in 2011, 2010, and 2009. Furthermore, USDA trade data show that declining border traffic has not affected agricultural exports

at the Detroit-Windsor crossing (see figure). The value of U.S. agricultural exports to Canada through Detroit has had a strong average annual growth rate of 9 percent over the past 12 years. In 2011, 44 percent of all U.S. agricultural exports to Canada, worth \$9.7 billion, passed through the Detroit customs district, up from 37 percent in 2000.



If completed, a new facility at the Detroit-Windsor border crossing would provide relief to the congestion and size restrictions associated with the current facilities. In addition, a new crossing at Detroit could improve the efficiency in moving U.S. agricultural exports to Canada by cutting truck travel time and costs, and create capacity for the expected increases in trade. Adam.Sparger@ams.usda.gov

Quarterly Overview

Fruit and Vegetable Shipments

Reported U.S. truck shipments of fresh produce during the second quarter were 8.9 million tons, 24 percent higher than the previous quarter and 1 percent higher than the same quarter last year.

Shipments from California accounted for 31 percent of the total reported shipments of fresh fruits and vegetables during the 2nd quarter 2012. Mexico movements totaled more than 2.1 million tons (mt), followed by Florida with 1.1 mt (15 percent) and the Pacific Northwest (PNW) with 986,000 (14 percent).

The following top 5 commodities¹ accounted for 46 percent of the reported truck movements during the 2nd quarter 2012:

- ▶ Watermelon (12%)
- ▶ Potatoes (10 %)
- ▶ Lettuce (9 %)
- ▶ Tomatoes (8 %)
- ▶ Onions (7 %)

Truck Rates

The 2nd quarter 2012 average truck rate for U.S. produce shipments was \$2.62 per mile, 22 percent higher than the previous quarter, but only 1 percent higher than last year. The average monthly rate reached a quarterly peak in June at \$2.75 per mile.

During 2nd quarter 2012, the highest average reported rates per mile ranged between \$2.02 and \$4.37 for apple shipments from the Pacific Northwest region. Rates for onions from California were the lowest.

Mexico truck rates for crossings through Arizona averaged \$2.51 per mile, 18 percent higher than last quarter but 1 percent lower than the same quarter last year. Border crossings through Texas averaged \$2.36 per mile, up 11 percent from the previous quarter and 7 percent higher than the same quarter last year.

Diesel Fuel

During the 2nd quarter 2012, the U.S. diesel fuel price averaged \$3.93 per gallon—1.6 percent lower than last quarter and 2.3 percent lower than the same quarter last year.

¹The top five commodities are based on movements originating in the following regions: Arizona, California, Florida, the Great Lakes, Mexico, the Pacific Northwest, and Texas, which represent 81 percent of the reported shipments in the 2nd quarter.

Regulatory News and Updates

Diesel Fuel Prices Increase for Eighth Straight Week

For the week ending August 27, U.S. average diesel fuel prices increased 6 cents to \$4.09 per gallon—27 cents higher than the same week last year. Over the past 8 weeks, prices have increased 44 cents from \$3.65 during the week ending July 2. The U.S. Energy Information Administration expected August diesel prices to average \$3.75 in its August Short-Term Energy Outlook; however, August diesel prices averaged \$3.98. The most recent price increases are the result of concerns about Tropical Storm Isaac's path across the U.S. Gulf Coast affecting many oil producers in the region. Other factors driving prices up include tensions in the Middle East and record-breaking U.S. distillate exports driven primarily by Mexican and South American demand.

Hours of Service of Drivers Lawsuits Consolidated, Briefs Filed

The United States Court of Appeals for the District of Columbia Circuit consolidated industry and safety advocate lawsuits, challenging the final rule for hours of service for drivers, USCA Case #12-1092. The court set the following schedule: initial briefs, July 24; reply briefs, October 24, and final briefs, November 21, 2012. Briefs concern 30-minute off-duty breaks, 11 hours of daily driving, and the 34-hour waiting period to restart drivers' workweek calculations. American Trucking Associations (ATA) has made their initial brief available [online](#). The Public Citizen and Advocates for Highway and Auto Safety initial brief is also available [online](#). On July 31, American Bakers Association, Food Marketing Institute, International Foodservice Distributors Association, National Chicken Council, National Grocers Association, National Turkey Federation, Snack Food Association, U.S. Poultry and Egg Association, and many other organizations posted their friend of the court brief [online](#) in support of ATA.

Study of Rural Transportation Issues

On June 21, the Senate passed its version of the Farm Bill, S.3240. Section 6204 requires the Secretary of Agriculture and Secretary of Transportation to conduct another study on rural transportation issues. On July 11, the House Committee on Agriculture passed its version of the Farm Bill, H.R. 6083 which included similar study language in Section 6205. Final language may be decided in a House-Senate conference report, once the House votes on either their bill or an extension of the previous Farm Bill. The previous study included [Chapter 13: Truck Transportation](#).

Highway Bill Exempts Farm Vehicles and Drivers from Certain Federal Regulations

Effective October 1, [Section 32934 of the highway bill, H.R. 4348](#), exempts all covered farm vehicles and their drivers from Federal Motor Carrier Safety Administration regulations pertaining to commercial driver's licenses; medical certificates; hours of service; and requirements for vehicle inspection, repair, and maintenance. It also prevents Federal transportation funding to a State from being terminated, limited, or interfered with as a result of the State exempting a covered farm vehicle or driver from any State requirement relating to the operation of that vehicle, and requires the Secretary of Transportation to conduct a study regarding the safety of farm vehicle exemptions. Current regulations allow States to voluntarily exempt farm vehicles within 150 miles of the farmer's farm, but require adjoining States to have reciprocity agreements in order to exempt vehicles that cross State lines.

Hours of Service Exemption for Drivers Extended and Clarified

Effective October 1, [Section 32101\(d\) of the highway bill, H.R. 4348](#), extends the maximum driving and on-duty time statutory exemption from a 100-air-mile to a 150-air-mile radius for drivers transporting agricultural commodities and farm supplies for agricultural purposes during planting and harvest seasons. The law clarifies that the exemption applies to locations within a 150-air mile radius, including adjoining States, from the source of the commodities, and to the wholesale and retail distribution of farm supplies to farms, retail distribution points, or other locations where the farm supplies are intended to be used. The clarification will alleviate concerns about the October 9 expiration of the limited exemption for the wholesale distribution of anhydrous ammonia fertilizer for agricultural operations.

TSA Offers Extended Expiration Date for TWIC Holders

Beginning in August, the Transportation Security Administration (TSA) will offer eligible holders of its Transportation Worker Identification Credential (TWIC) the opportunity to replace their expiring TWICs with a 3-year extended expiration date (EED) TWIC for a reduced fee of \$60. TWIC holders must be U.S. citizens or U.S. nationals with a TWIC expiration date on or before December 31, 2014. The new EED TWIC can be initiated by phone and the TWIC holder can pick up the activated TWIC at an enrollment center of his/her choosing. This extension is being offered due to implementation delays for TWIC card readers. For more details, visit: www.tsa.gov/twic.

National Clearinghouse for Controlled Substance and Alcohol Test Results

Effective October 1, Section 32402 of the highway bill, H.R. 4348, requires the Secretary of Transportation to establish a national clearinghouse for controlled substance and alcohol test results of commercial motor vehicle operators no later than 2 years after enactment. Employers are required to check clearinghouse records of employees and applicants in order to verify compliance with Federal Motor Carrier Safety Administration drug and alcohol regulations. The clearinghouse is an improvement over the current method of self-reporting that allows applicants to omit positive test results when submitting records to potential employers.

Highway Bill Addresses Commercial Motor Vehicle Parking Shortage

Section 1401, Jason's Law, of the highway bill, H.R. 4348, expresses the Sense of Congress that the United States needs to address the shortage of long-term parking for commercial motor vehicles on the National Highway System. Jason's Law authorizes and funds projects to create new rest areas and truck stops, as well as improve upon existing facilities. Jason's Law is in memory of truck driver Jason Rivenburg, who was murdered while parking overnight at an abandoned gas station; he was early for a delivery, and alternative parking areas were not available.

Electronic On-board Recording Device Mandate in Commercial Motor Vehicles

Effective October 1, Section 32301 of the highway bill, H.R. 4348, requires commercial motor vehicles subject to hours of service regulations to be equipped with an electronic on-board recording (EOBR) device. Current regulations only require drivers to maintain paper logs. EOBRs would record much of the same information with less work on the part of the driver. Small businesses, however, contend that the efficiency gained does not outweigh the device's cost. The industry is generally supportive of the Act, and believes the device costs are being overstated. Despite the recent mandate passing, Representatives Landry and Rahall introduced an amendment to the FY 2013 Transportation, Housing and Urban Development, and Related Agencies Appropriations Act that would strip funding for the EOBR mandate. Though the House approved it on June 29, it still faces many hurdles before it can become law. If it becomes law, it would effectively negate Section 32301.

Feature Article

Highway Bill Requires Electronic On-board Recording Devices in Commercial Motor Vehicles

On July 6, President Obama signed H.R. 4348, *Moving Ahead for Progress in the 21st Century Act* (MAP-21). MAP-21 provides an extension through September 30, 2014, of the Federal-aid highway, highway safety, motor carrier safety, transit, and other programs funded out of the Highway Trust Fund.

Electronic On-board Recording Devices

To improve compliance by a vehicle operator with hours of service (HOS) regulations, Section 32301 of MAP-21 requires a commercial motor vehicle (CMV) involved in interstate commerce and operated by a driver subject to HOS and record-of-duty status requirements be equipped with an electronic on-board recording (EOBR) device.¹ It also ensures that EOBRs are not used by employers to harass vehicle operators and protects the privacy of individuals with information stored in the device.

The Secretary of Transportation must evaluate the device's ability to meet performance standards to accurately record time spent on duty but not driving, and ensure that all on-duty time is accounted for and cannot be tampered with by the motor carrier or operator.

MAP-21 affects more than 500,000 carriers in the United States, including some that haul fresh fruits or vegetables.

Appropriations Rider Pending

Despite the recent passing of the EOBR mandate, in a separate legislation, Representatives Landry and Rahall introduced an amendment to the FY 2013 Transportation, Housing and Urban Development, and Related Agencies Appropriations Act (H.R. 5872) that would strip funding from the mandate. It states that "none of the funds made available by this act may be used to promulgate or implement any regulations that would mandate global positioning system (GPS) tracking, electronic on-board recording devices or event recorders in passenger or commercial motor vehicles." The "Landry-Rahall amendment" was approved by the House on June 29, but the bill still faces many hurdles before it can become law. If it becomes law, it would effectively negate the EOBR requirements in Sec. 32301 of MAP-21.

An Improvement to Current Paper Logs

Current regulations require CMV drivers to record time spent on duty using a paper-based log book and to make a carbon copy of each page of the log book. One copy is kept with the driver for DOT inspections, and the other is sent to the driver's employer. The driver must keep the log pages for the past seven consecutive days.

EOBRs are an improvement because they record the same information as paper-based log books, but require less information from drivers, and record driving time and location automatically. Drivers would only be responsible for reporting on-duty and off-duty times, possibly reducing some of the errors in record keeping. Under Section 32301, devices that fail to meet certain performance standards may not be certified, and are not acceptable evidence of HOS and record of duty status requirements.

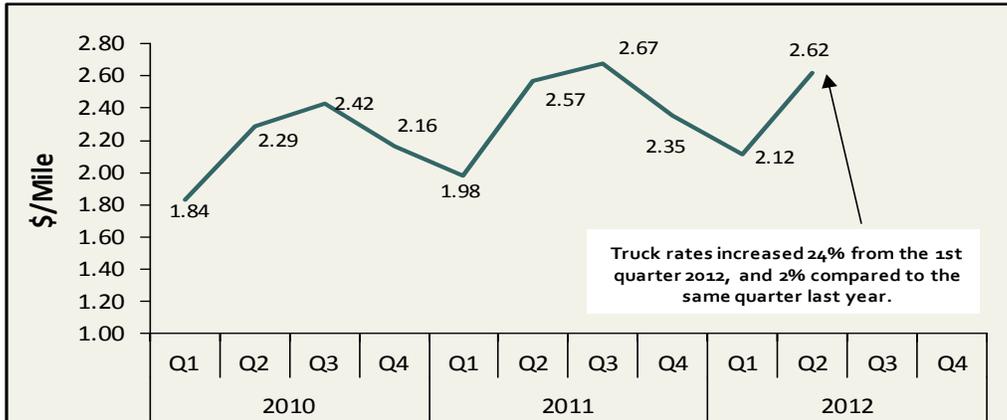
Cost estimates of industry compliance with the EOBR mandate could vary from a high of about \$2 billion to as low as \$563 million. The upper end of the estimate is based on a \$1,775-per-unit EOBR cost. Vendors have since offered cheaper alternatives, including a device retailing for \$500. Joyce.zhang@ams.usda.gov

¹Hours of service regulations are issued by the FMCSA, and must be followed by commercial motor vehicle operators. They limit the number of consecutive hours an operator can drive, and set provisions for the time a driver must spend off-duty. They also limit the number of hours a driver can drive in a given period.

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

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	2.62			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

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

Origin	2nd Qtr 2012			1st Qtr 2012		
	Apr	May	Jun	Jan	Feb	Mar
Arizona	2.62	2.64	3.27	2.34	2.15	2.25
California	2.57	2.72	2.81	2.31	2.13	2.27
Great Lakes	3.50	3.56	3.63	3.45	3.45	3.49
Mexico - Arizona	2.31	2.30	2.75	2.14	1.99	2.26
Mexico - Texas	2.29	2.35	2.43	2.12	2.01	2.24
PNW	2.24	2.21	2.23	2.15	2.05	2.09
Texas	2.65	2.75	2.82	2.43	2.33	2.60
Florida	2.34	2.72	2.51	2.23	2.18	2.05

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 and Commodities

Table 3: Origin-Destination Truck Rates for Selected Routes and Commodities, 2nd Quarter 2012 (\$/Mile)

Origin	Commodity	Destination							
		New York	Atlanta	Chicago	Boston	Baltimore	Miami	Philadelphia	Seattle
Arizona	Cantaloupe	3.28	3.31	3.20	3.09	3.25	3.21	3.26	1.73
	Lettuce	2.75	3.01	2.68	2.63	2.74	2.57	2.73	
	Onions	2.19	1.90	2.29	2.24	2.22	2.56	2.17	
	Peppers	2.81	3.09	2.71	2.68	2.78		2.79	
California	Apricots	2.93	3.06		2.89	2.92		2.88	3.87
	Broccoli	2.73	2.74	2.72	2.65	2.64	2.15	2.64	3.76
	Cantaloupe	2.90	2.78	2.89	2.77	2.80	2.44	2.80	
	Carrots	2.75	2.72	2.73	2.67	2.65	2.13	2.65	3.78
	Lettuce	2.71	2.75	2.75	2.62	2.62	2.13	2.62	3.77
	Onions	1.98	1.70	1.95	2.01	1.95	1.82	1.91	
	Peppers	2.48	2.59	2.45	2.40	2.39		2.40	
	Strawberries	2.69	2.77	2.76	2.61	2.68		2.62	3.85
Florida	Melons	3.31	2.98	2.23	2.66			2.62	
	Mixed Vegetables	3.41	3.71	2.54	2.69	2.79		2.78	
	Potatoes	3.03	3.51	2.17	2.62	2.74	0.33	2.57	
	Tomatoes	3.08	2.61	2.19	2.52	2.40		2.56	
Great Lakes	Apples		2.93	3.62			2.61		
	Potatoes	4.26	3.14	3.59	3.75	4.12	2.78	3.65	
Mexico - AZ	Grapes	2.83		2.31	2.92		2.46	2.95	
	Melons	2.36		1.96	2.48		2.24	2.45	
Mexico - TX	Citrus	2.49	2.42	2.10	2.43	2.39	2.25	2.41	
Pacific Northwest	Apples	2.50	2.64	2.43	2.22	2.26	2.02	2.24	4.37
	Onions	2.21	1.86	1.77	1.91	1.95	1.83	1.92	
	Potatoes	2.07	1.87	1.76	1.83	1.83	1.75	1.81	
Texas	Onions	2.77	3.02	2.70	2.62	2.73	2.44	2.68	
	Oranges	2.82	2.72	2.52	2.64	2.58	2.69	2.57	
	Watermelon	2.89	2.97	2.75	2.78	2.85	2.54	2.86	

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, 2nd Quarter 2012 (\$/Truck)

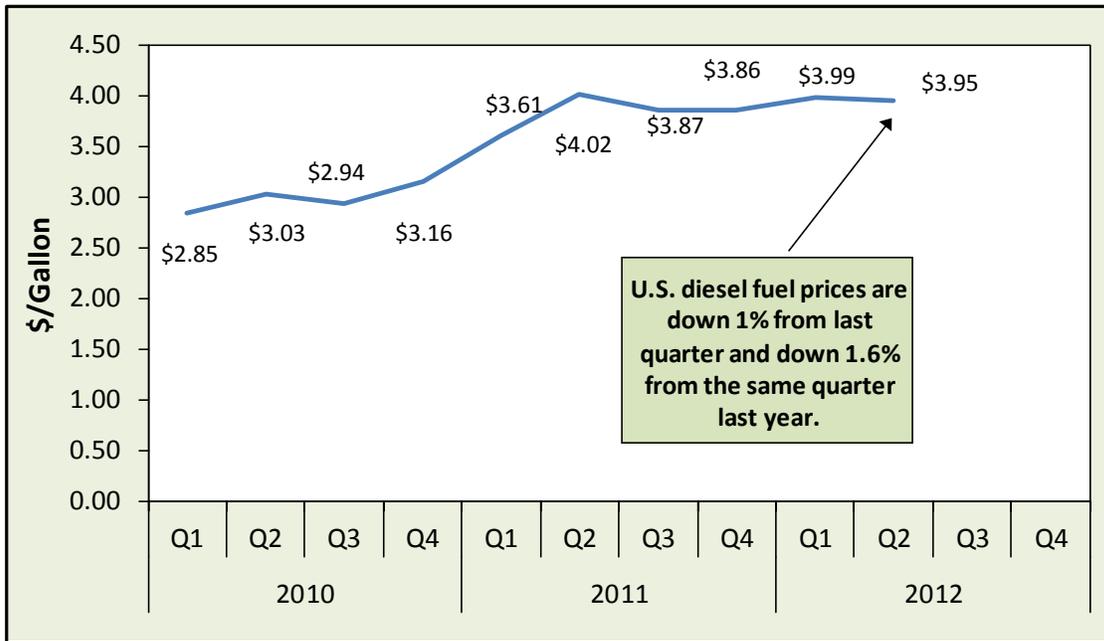
Origin	Commodity	Destination								
		New York	Atlanta	Chicago	Boston	Baltimore	Miami	Philadelphia	Seattle	
Arizona	Cantaloupe	8,107	6,108	5,786	8,343	7,643	7,600	7,814	2,850	
	Lettuce	6,775	5,550	4,850	7,100	6,425	6,075	6,550		
	Onions	5,417	3,506	4,142	6,056	5,206	6,056	5,206		
	Peppers	6,933	5,700	4,900	7,233	6,533		6,700		
California	Broccoli	7,650	6,033	5,433	7,997	7,210	6,712	7,357	2,830	
	Cantaloupe	8,107	6,108	5,786	8,343	7,643	7,600	7,814		
	Carrots	7,692	5,973	5,462	8,062	7,235	6,638	7,400		2,844
	Lettuce	7,594	6,058	5,500	7,916	7,159	6,650	7,300		
	Onions	5,540	3,749	3,900	6,056	5,328	5,692	5,328		2,833
	Peppers	6,933	5,700	4,900	7,233	6,533		6,700		
	Strawberries	7,542	6,104	5,515	7,881	7,323		7,323		
Florida	Melons	3,636	1,193	2,679	4,021			3,157		
	Mixed Vegetables	3,746	1,483	3,046	4,067	3,088		3,350		
	Potatoes	3,332	1,405	2,605	3,959	3,028	827	3,097		
	Tomatoes	3,388	1,045	2,625	3,812	2,650		3,088		
Great Lakes	Apples		2,550	1,050			3,900			
	Potatoes	3,408	2,733	1,041	3,619	2,972	4,154	2,843		
Mexico - AZ	Grapes	7,229		4,629	7,714		5,612	6,957		
	Melons	6,025		3,942	6,575		5,100	5,783		
Mexico - TX	Citrus	4,958	2,788	3,096	5,338	4,273	3,473	4,546		
Pacific Northwest	Apples	6,496	6,342	4,373	6,785	6,277	6,804	6,346	1,092	
	Onions	5,738	4,462	3,188	5,844	5,419	6,162	5,419		
	Potatoes	5,382	4,483	3,169	5,587	5,079	5,897	5,119		
Texas	Onions	4,833	2,917	3,133	5,158	4,267	3,300	4,442		
	Oranges	4,912	2,625	2,925	5,200	4,025	3,638	4,262		
	Watermelon	5,043	2,864	3,193	5,471	4,450	3,443	4,750		

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: 2nd Quarter 2012 Average Diesel Fuel Prices (All Types - \$/Gallon)

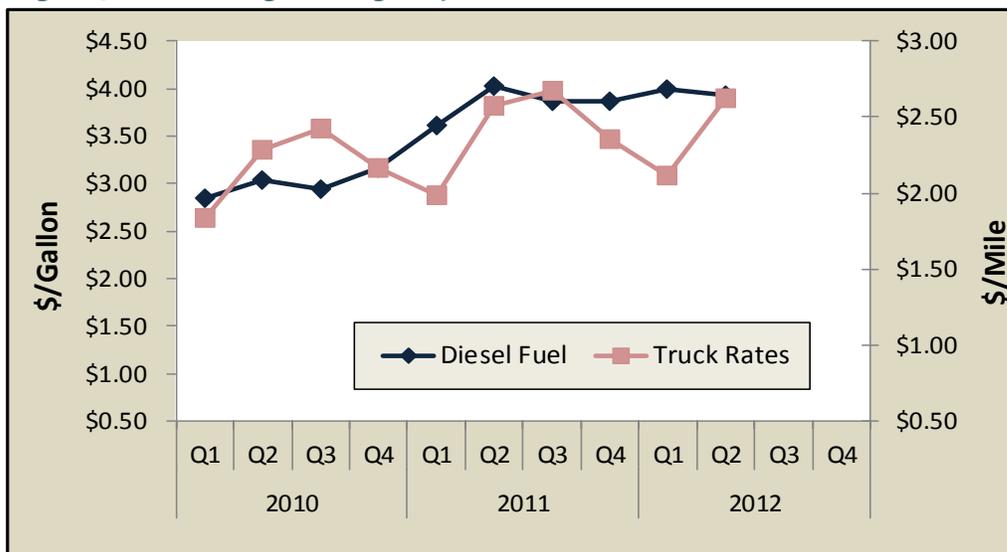
Location	Price	Change From	
		Last Quarter	Same Qtr Last Year
East Coast	3.97	-0.09	-0.06
New England	4.10	-0.07	-0.05
Central Atlantic	4.06	-0.09	-0.09
Lower Atlantic	3.88	-0.10	-0.09
Midwest	3.83	-0.05	-0.11
Gulf Coast	3.84	-0.07	-0.11
Rocky Mountain	3.96	0.02	-0.10
West Coast	4.16	-0.06	-0.06
California	4.22	-0.07	-0.11
U.S.	3.93	-0.06	-0.09

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)	% 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	3.93	2.62	-2%	24%	-2.2%	2%
	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

2nd Quarter 2012 Comparison Analysis

Diesel fuel prices averaged \$3.93 per gallon this quarter, 1.5 percent lower than last quarter and 2.2 percent lower than the same quarter last year. Average truck rates were \$2.62 per mile, 24 percent higher than the previous quarter and 2 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, 2nd Quarter 2012

Region ¹	Commodity ¹	Truck Availability													
		Surplus - 1			Slight Surplus - 2			Adequate - 3			Slight Shortage - 4			Shortage - 5	
		Week Ending ¹													
		4/3	4/10	4/17	4/24	5/1	5/8	5/15	5/22	5/29	6/5	6/12	6/19	6/26	
CALIFORNIA, CENTRAL AND WESTERN															
ARIZONA															
Central San Joaquin Valley, CA	Broccoli, Iceberg Lettuce	3	3	3											
	Leaf Lettuce, Romaine Lettuce	3	3	3											
Imperial Valley, CA	Onions*							3	3	3					
	Beans, Corn, Peppers				3	3	3								
Imperial and Coachella Valleys, CA	Bell Peppers, Cantaloupe, Mixed Melons							3	3	3	5	4	3	3	
	Mixed Vegetables, Watermelons							3	3	3	5	4	3	3	
Imperial, Palo Verde, and Coachella Valleys, and Central and Western AZ	Lettuce	3	3												
	Mixed Vegetables	3	3												
Kern District, CA	Carrots	3	3	3	3	3	3	3	3	5	4	3	3		
	Potatoes							3	3	5	4	3	3		
Salinas-Watsonville, CA	Broccoli, Cauliflower	3	3	3	3	3	3	3	3	5	4	3	3		
	Lettuce				3	3	3	3	3	5	4	3	3		
	Mixed Vegetables		3	3	3	3	3	3	3	5	4	3	3		
	Strawberries, Raspberries								3	3	5	4	3	3	
San Joaquin Valley, CA	Apricots, Nectarines, Peaches								4	5	5	4	3	3	
	Bell Peppers												3	3	
	Cherries								4	5	5	4			
	Corn												3	3	
	Onions*											3	3	3	
	Plums										5	4	3	3	
	Watermelons												3	3	
Santa Maria, CA	Broccoli, Cauliflower, Iceberg Lettuce	3	3	3	3	3	3	3	3	5	4	3	3		
	Mixed Vegetables, Strawberries	3	3	3	3	3	3	3	3	5	4	3	3		
South District, CA	Avocados, Citrus	3	3	3	3	3	3	3	4	5	5	4	3	3	
	Raspberries, Strawberries	3	3	3	3	3	3	3	4	5	5	4	3	3	
PACIFIC NORTHWEST (ID, OR, WA)															
Columbia Basin, WA	Onions, Potatoes	3	3	3	3	3	2	3	2	4	4	3	3	3	
Idaho and Malheur County, OR	Onions	3	3	3	2	2									
Upper Valley, Twin Falls-Burley District, ID	Potatoes	3	3	3	2	3	2	2	2	4	4	3	3	3	
Yakima Valley & Wenatchee District, WA	Apples, Pears	3	3	3	3	3	3	3	3	3	3	3	3	3	
FLORIDA															
Central and South FL	Melons	5	3	3	4	4	5	5	5	4	4	4	4	4	
	Mixed Vegetables	5	3	3	4	4	5	5	5	4	4	4	4	4	
	Tomatoes	5	3	3	4	4	5	5	5	4	4	4	4	4	
South FL	Melons	3	3	3	3	3	3	3							
Statewide	Potatoes	5	5	5	5	5	5	5	5	5	5				
West District, FL	Tomatoes										4	4	4	4	
GREAT LAKES (MI & WI)															
Michigan	Apples	3	3	3	3	3	3	3	3						
Central Wisconsin	Potatoes	3	3	3	3	3	3	2	2	2	2	2	2		
MEXICO BORDER CROSSINGS															
Through Nogales, AZ	Grapes							4	5	5	5	3	3	3	
	Mangoes, Melons, Mixed Vegetables	5	4	3	3	3	3	4	5	5	5	3	3	3	
Through Texas	Broccoli	4	3	3	3										
	Carrots, Citrus	4	3	3	3	4	4	4	5	5	5	5	3	3	
	Cucumbers	4													
	Mangoes					4	4	4	5	5	5	5	3	3	
	Mixed Fruit and Vegetables	4	3	3	3	4	4	4	5	5	5	5	3	3	
	Plum Tomatoes							4	5	5	5	5	3	3	
	Roma Tomatoes					4	4								
	Tomatoes	4	3	3	3										
TEXAS															
Lower Rio Grande Valley, TX	Beets, Cabbage, Greens	4	3	3	3										
	Herbs	4													
	Onions	4	3	3	3	4	4								
	Oranges, Parsley	4	3	3	3										
	Watermelons						4	4	5						
San Antonio-Wintergarden-Laredo Dist., TX	Onions									4	4	4	4	4	
South TX	Watermelons									5	5				
Statewide	Watermelons											5	3	3	

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

* generally transported on flatbed trailers, open trucks, or dry van trailers. Barely adequate for Imperial Valley, and for the week ending 6/5 in San Joaquin Valley

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
2012	7,200	8,915	7,442	6,611	16,115
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 2nd Quarter 2012 (1,000 Tons)

Commodity	2nd Quarter 2012	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
				Previous Qtr	Same Qtr Last Year
Watermelon	893	95	1,010	836%	-12%
Potatoes	738	664	723	11%	2%
Lettuce	636	817	585	-22%	9%
Tomatoes	614	745	609	-18%	1%
Onions	480	443	463	8%	4%
Strawberries	378	151	365	150%	3%
Apples	350	434	359	-19%	-2%
Corn	349	102	310	241%	12%
Cantaloupe	286	-	369	-	-22%
Peppers	264	362	251	-27%	5%

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	2nd Quarter 2012	Share of California Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Lettuce	580	26%	149	523	289%	11%
Strawberries	353	16%	93	346	280%	2%
Celery	145	6%	108	156	35%	-7%
Corn	123	5%	-	95		30%
Onions	102	4%	16		522%	
Top 5 Total	1,303	57%	490	1,218	166%	7%
California Total	2,275	100%	688	2,117	231%	7%

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	\$2.73	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

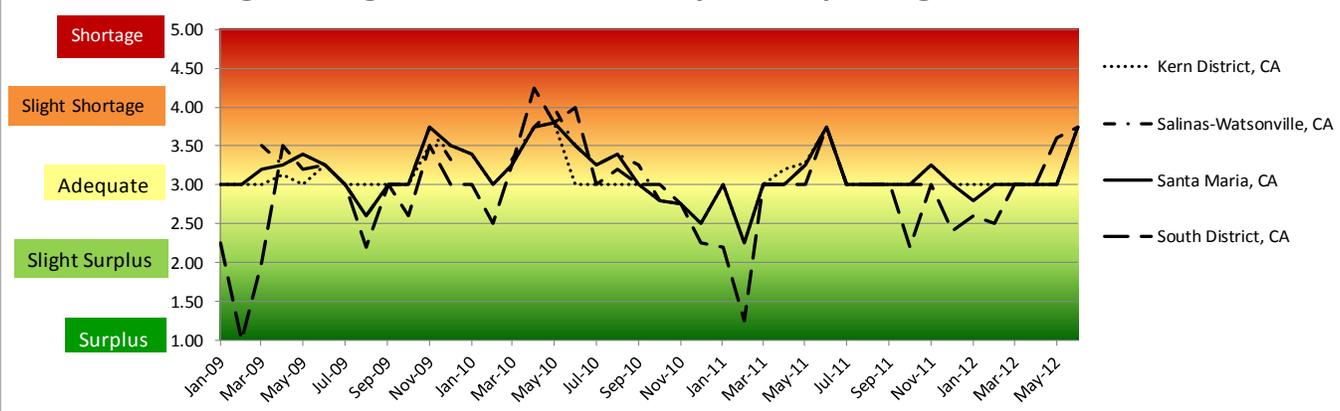
For the purpose of this report the California sub-group of the West Coast PAD District 5 was used to represent the diesel fuel price.

Volume: The volume for the top 5 commodities shipped from California increased 7 percent from the same quarter last year, led by increased shipments of lettuce and corn. Overall shipments increased by 7 percent as well.

Rates: The quarterly average truck rate was \$2.73 per mile, 23 percent higher than last quarter. The average rate per mile during this same period last year was \$2.75.

Truck Overview: Diesel fuel prices averaged \$4.22 per gallon, nearly 2 percent lower than last quarter, and 2.5 percent lower than the same period last year. Truck availability was mostly adequate during the 2nd quarter with shortages and slight shortages in most districts during the first two weeks of June; the San Joaquin Valley and the South District experienced these shortages for 4 weeks, including the last two weeks of May.

Fig 7: Refrigerated Truck Availability Monthly Ratings for California



Pacific Northwest (PNW)

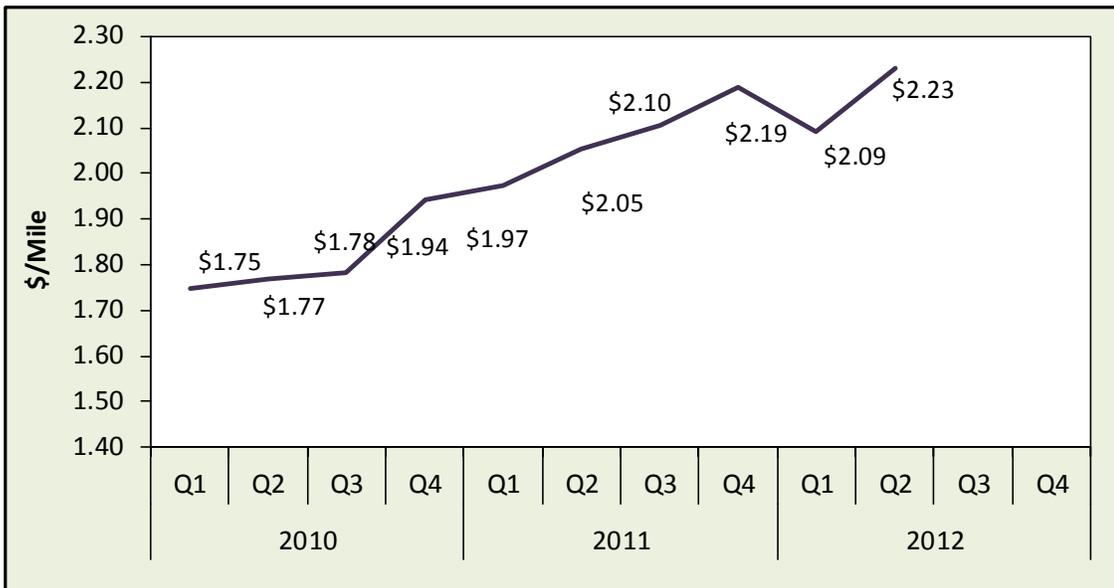
Table 11: Reported Top 4 Commodities Shipped from PNW (1,000 tons)

Commodity	2nd Quarter 2012	Share of PNW Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Potatoes	439	35%	452	432	-3%	2%
Apples	324	25%	391	355	-17%	-9%
Onions	108	9%	268	86		
Pears	72	6%	116	50	-38%	43%
Cherries	34	3%	-	13	-	156%
Top 4 Total	977	77%	1,226	937	-20%	4%
PNW Total	1,272	100%	1,226	944	4%	35%

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

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

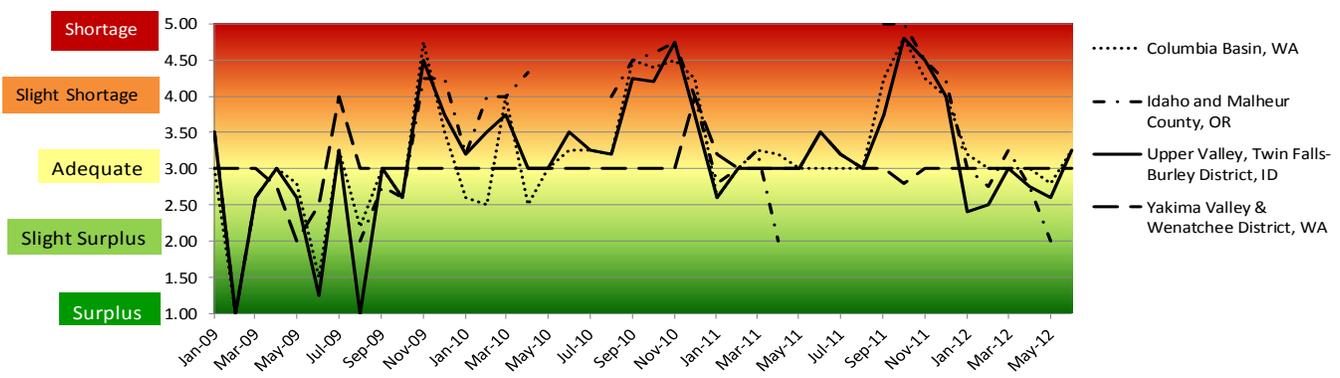
For the purpose of this report the West Coast PAD District 5 was used to represent the diesel fuel price for PNW.

Volume: Reported truck movements of fruit and vegetables from the Pacific Northwest increased 35 percent during the 2nd quarter 2012, over the same quarter last year. This increase was due mainly to a 156 percent increase in cherry movements and 43 percent increase in pear movements. Potato and apple shipments remained the top 2 commodities shipped by volume; potato movements increased 2 percent and apple movements decreased 9 percent from the same quarter last year. The Economic Research Services' latest *Vegetable and Pulses Outlook* reports that national potato production in 2012 thus far is up 1 percent; after increasing in the first quarter, prices decreased in the second quarter in response to the increased production. Decreased production of the top 4 commodities likely contributed to decreased shipments during the second quarter of 2012. Meanwhile, large pear supplies and low prices from the Pacific Northwest have driven up exports in the second quarter, with export volume to date up 25 percent over last season. Pear exports to Russia and Canada are down 34 and 1 percent, respectively, while shipments to Mexico continue to dominate pear exports at 40 percent of exports.

Rates: The average rate per mile in the PNW was \$2.23, an increase of 7 percent from last quarter and a 9 percent increase from the same quarter last year.

Truck Overview: Diesel fuel prices averaged \$4.16 per gallon, 1 percent lower than last quarter, and 1 percent lower than the same quarter last year. Shippers in the PNW mostly experienced adequate truck availability during the first quarter. The exception occurred in the Columbia Basin, WA, and Upper Valley, Twin Falls-Burley District, ID, which experienced a slight truck shortage during the weeks of 5/29 and 6/5.

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



Great Lakes

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

Commodity	2nd 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	72	67%	113	67	-36%	8%
Apples	26	24%	43	4	-40%	-
Cucumbers	3	3%	-	1	-	-
Asparagus	3	2%	-	3	-	-5%
Cabbage	2	2%	-	1	-	222%
Top 3 Total	106	98%	157	74	-33%	42%
Great Lakes Total	108	100%	157	76	-31%	42%

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

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

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



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

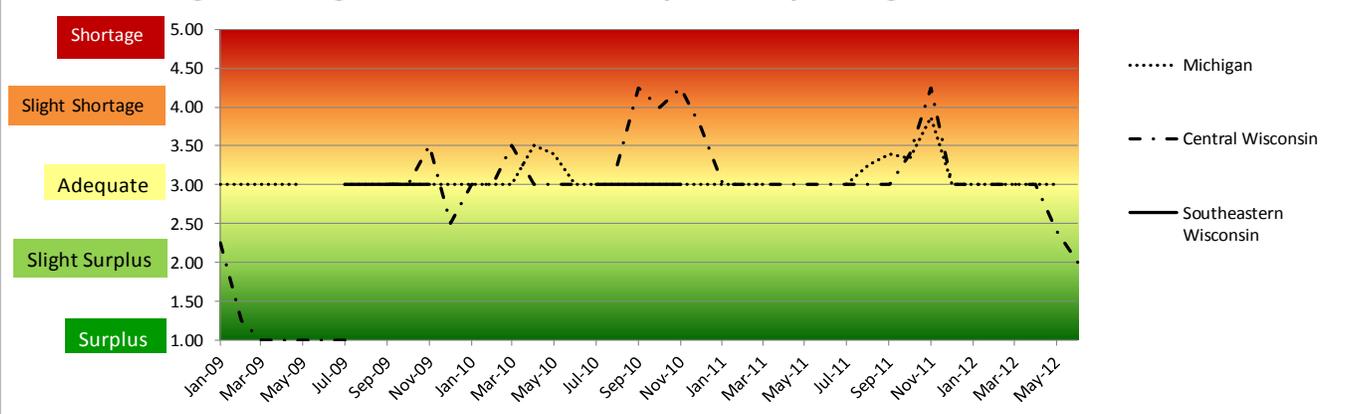
Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy
 For the purpose of this report the Midwest PAD District 2 was used to represent the diesel fuel price.

Volume: The volume for the top two commodities—potatoes and apples—shipped from Great Lakes decreased 67 percent from the same quarter last year, and by 36 percent from the previous quarter.

Rates: The quarterly average truck rate was \$3.54 per mile, 2 percent higher than last quarter. The average rate per mile during this same period last year was \$3.56.

Truck Overview: Diesel fuel prices averaged \$3.83 per gallon, 1.3 percent lower than last quarter, and 3.5 percent lower than the same period last year. Truck availability was adequate overall during the 2nd quarter with a slight surplus in June for Central Wisconsin and Michigan.

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



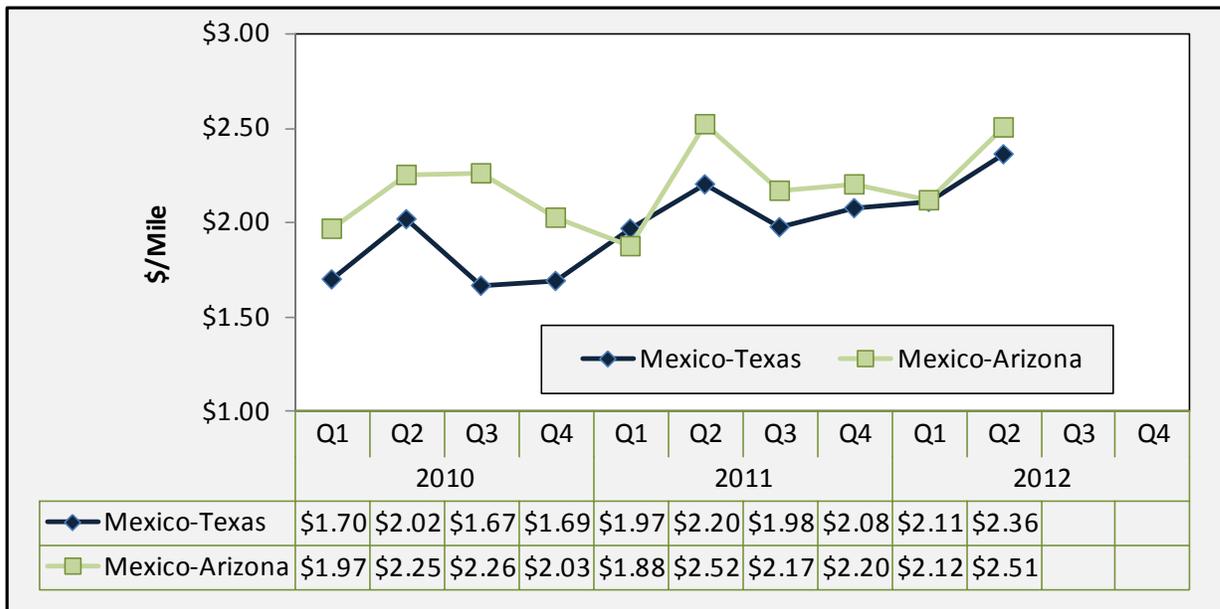
Mexico Border Crossings

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

Commodity	2nd Quarter 2012	Share of Mexico Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Tomatoes	346	16%	492	309	-30%	12%
Watermelon	301	14%	95	335	217%	-10%
Peppers	167	8%	280	136	-40%	23%
Grapes	150	7%	-	128	-	17%
Mangoes	141	7%	34	137	314%	2%
Top 5 Total	1,105	52%	901	1,045	23%	6%
Mexico Total	2,107	100%	2,255	2,019	-7%	4%

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.

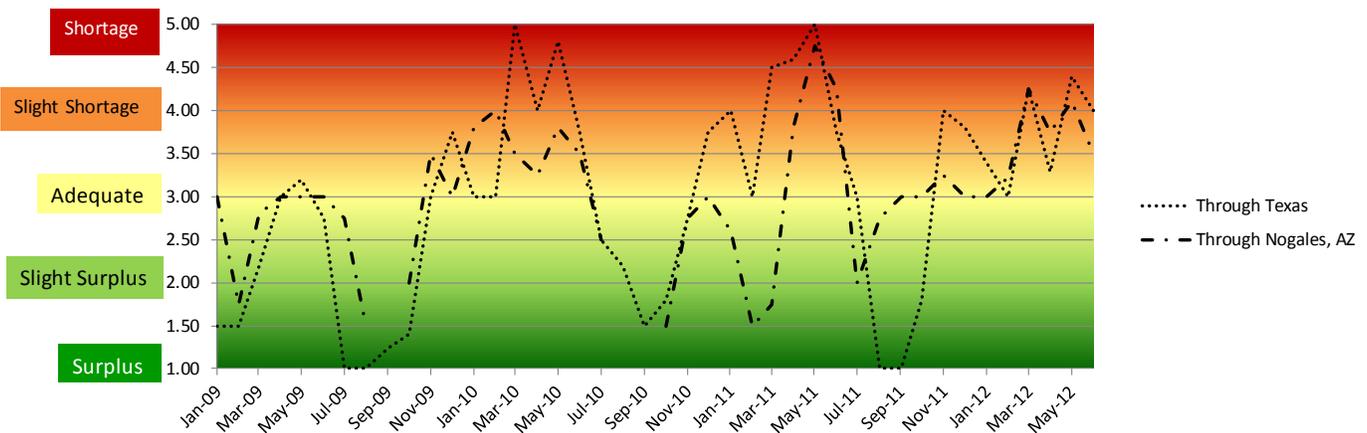
For the purpose of this report the West Coast PAD District 5 was used to represent the diesel fuel price through Arizona.

Volume: The total volume of fruits and vegetables shipped from Mexico was up 4 percent from the second quarter of 2011. Shipments of grapes were up 17 percent and shipments of peppers 23 percent. A freeze last year wiped out close to 40 percent of Mexico’s early grape crop, according to *the Packer*. An earlier start and cooperative weather this year helped some producers double their shipped volume from last year. Overall, conditions were very favorable for Mexican grape producers, boosting total shipments up 17 percent from last year. Increased bell pepper consumption in the U.S. has enticed producers to add acreage and retailers to offer larger displays and more varieties, according to *the Packer*. Stable prices and an ideal growing season this year have ensured an ample supply.

Rates: Truck rates for border crossings through Texas averaged \$2.36 per mile, 12 percent higher than last quarter and 7 percent higher than the same quarter last year. Rates for border crossings through Arizona averaged \$2.51 per mile, 18 percent higher than last quarter and within a penny of the same quarter last year.

Truck Overview: Diesel fuel prices for border crossings through Texas averaged \$3.84 per gallon, 2 percent less than the previous quarter. Diesel fuel prices for border crossings through Arizona averaged \$4.16 per gallon, 1 percent less than last quarter. Truck availability was adequate for most of the quarter with the exception of a shortage between mid-May and the first week of June for all reported commodities shipped through Arizona. The truck shortage lasted longer at the Texas border crossing: all of May through the second week of June for all reported commodities.

Fig 16: Refrigerated Truck Availability Monthly Ratings for Mexico Border Crossings



Arizona

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

Commodity	2nd Quarter 2012	Share of Arizona Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Cantaloupe	146	33%	-	202	-	-28%
Watermelon	79	18%	-	105	-	-25%
Onions	63	14%	-	51	-	23%
Corn	57	13%	9	49	-	16%
Potatoes	33	7%	1	30	-	-
Top 5 Total	378	85%	10	437	-	-13.7%
Arizona Total	442	100%	798	509	1	-13%

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 volume of reported fruit and vegetable truck shipments from Arizona decreased 13 percent from the same quarter last year. The decrease was spread across all commodities except onions and corn. Top 5 commodities shipped increased by 27% from last quarter.

Rates: The quarterly average truck rate was \$2.91 per mile, 30 percent higher than last quarter and 3 percent higher than the same quarter last year. The average rate per mile during this same period last year was \$2.83.

Truck Overview: Diesel fuel prices averaged \$4.16 per gallon, 1 percent lower than last quarter and 1 percent lower than the same period last year. Overall truck availability during the second quarter was adequate for all Arizona origins for the weeks reported.

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
Watermelon	290	27%	1	310	-	-6%
Tomatoes	250	23%	254	296	-1%	-15%
Corn	159	15%	70	156	129%	2%
Potatoes	108	10%	42	123	158%	-12%
Cantaloupe	58	5%	55	55	6%	6%
Top 5 Total	867	81%	421	940	106%	-8%
Florida Total	1,067	100%	790	1,190	35%	-10%

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

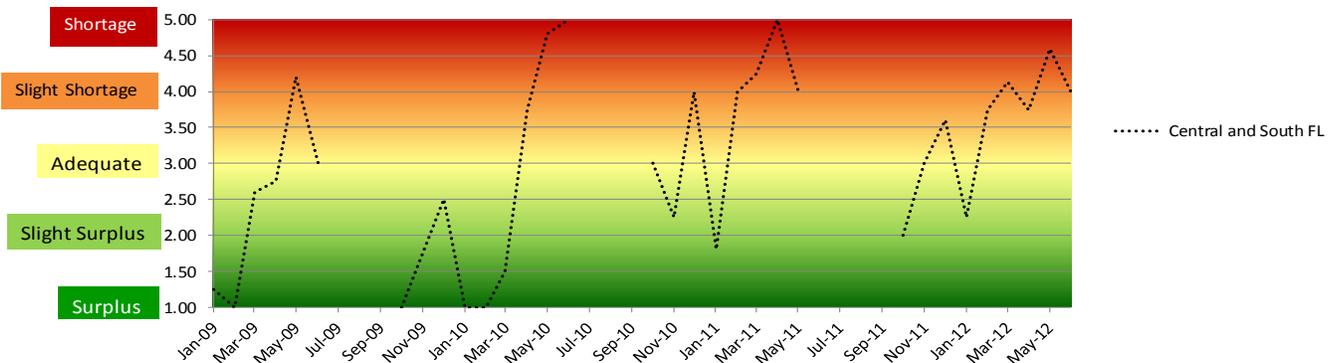
For the purpose of this report the Lower Atlantic Area (PADD 1C) of the East Coast PAD District 1 was used to represent the diesel fuel price for Florida.

Volume: Total commodities shipped from Florida were down 10 percent from the 2nd quarter of 2011. Shipments of the top two commodities—watermelons and tomatoes—were down 6 and 15 percent, respectively, from last year. Florida has usually been the top producer of domestic watermelons, but California took the top spot in 2011. 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. However, the Economic Research Service’s latest *Fruit and Tree Nuts Outlook* reports that shipments of watermelon have been down in the first half of 2012 compared with last year, for both domestic shipments and imports. Tomato shipments have been depressed by prolonged flat and low markets since November 2011. The Economic Research Service’s latest *Vegetables and Pulses Outlook* reports that there are fewer and fewer periods of short supply and peak prices for tomatoes due to the increase in shadehouse- and greenhouse-grown tomatoes, enabling multiple production regions to supply the market year round. Overproduction, increased shadehouse- and greenhouse-grown tomatoes, and the state of the economy are all possible reasons for keeping volume high and demand lower than normal, according to *The Packer*.

Rates: The quarterly average truck rate was \$2.58 per mile, 28 percent higher than last quarter but 3 percent lower than the same quarter last year. The average rate per mile during this same period last year was \$2.67.

Truck Overview: Diesel fuel prices averaged \$3.88 per gallon, 3 percent less than last quarter and 2 percent less than the same period last year. On average, there was a slight shortage in truck availability throughout the quarter. This ranged from adequate availability for melon shipments from South Florida to a statewide shortage for potato shipments. Melons, mixed vegetables, and tomatoes shipped from Central and South Florida had a slight shortage in truck availability, on average, 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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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 Outlook

<http://www.ers.usda.gov/publications/vgs/>

Economic Research Service Fruit and Tree Nuts Outlook

<http://www.ers.usda.gov/publications/fts/>

National Agricultural Statistics Service

<http://www.nass.usda.gov/>

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