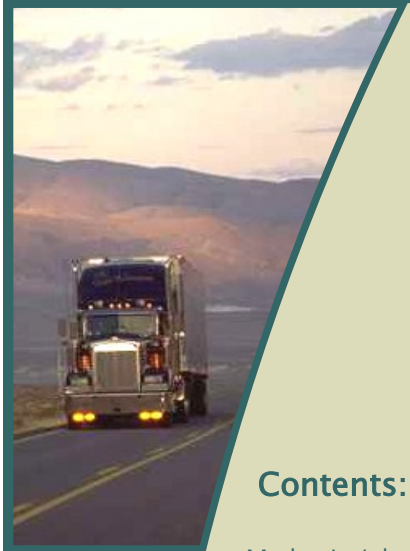
United States Department of Agriculture



Agricultural Refrigerated Truck Quarterly

2nd Quarter, 2013
April—June

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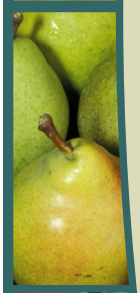

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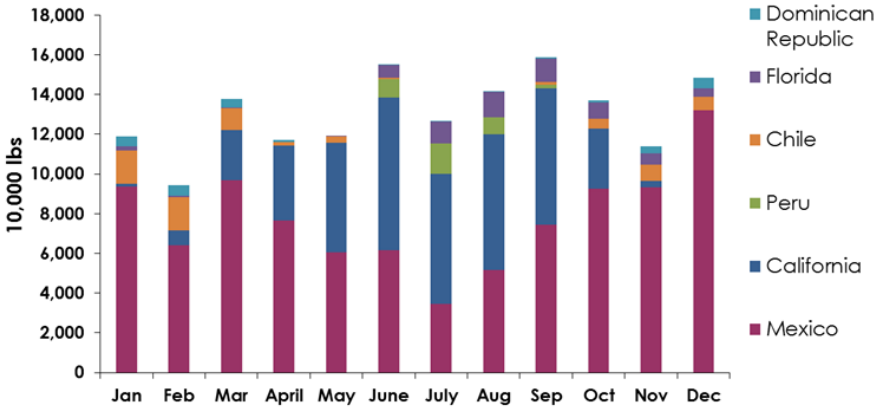
Market Insight

Record Avocado Shipments in Second Quarter

Truck shipments of avocados reached a record 242,000 tons in the second quarter of 2013, up from 223,000 tons last quarter and 187,000 tons from the second quarter of 2012. At 29 percent, it is the largest percent increase from the second quarter of 2012 for any fruit and vegetable. On average, avocado shipments by truck have been increasing 42,000 tons on an annual basis between 2000 and 2012. However, avocado shipments in the first two quarters of 2013 are already 65 percent of the total shipments by truck in 2012, itself a record year. Avocado shipments by truck in 2012 were 717,000 tons, 190,000 tons more than in 2011.

Overall, avocado shipments have been trending upward as domestic demand has steadily grown, especially over the past decade. The Packer reports that per-capita avocado consumption in the U.S. has increased from less than half a pound in 1970 to almost 5 pounds today. According to the Hass Avocado Board, U.S. consumption of the Hass variety of avocado reached a record of over 1.5 billion pounds in 2012 with consumption projected to be even greater in 2013.

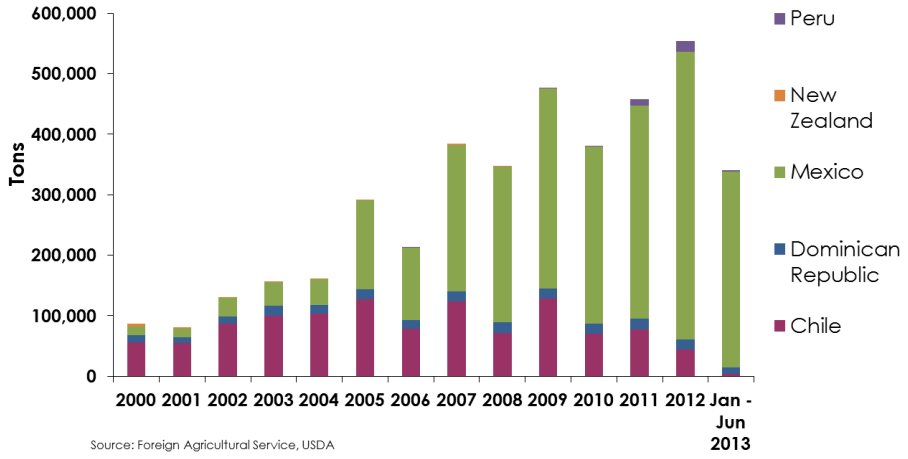
Figure 1: U.S. avocado shipments to domestic markets by origin, 2012



Source: Agricultural Marketing Service (AMS), USDA

In total, U.S. production was over 226,000 tons in 2011, while imports totaled almost 458,000 tons.[1] The majority of domestic avocado production (86 percent) is in California with the rest in Florida and a very small fraction (less than one percent) in Hawaii.[2] Mexico supplied 86 percent of avocado imports into the U.S. in 2012, with the rest primarily originating in Chile, Peru, the Dominican Republic, and New Zealand. Different growing seasons at each origin translate into distinct marketing years. This keeps the U.S. market supplied consistently year-round but from different origins at any given point. The marketing year for California avocados begins in November while the marketing year for Mexican avocados starts in July (figure 1).

Figure 2: U.S. avocado imports by origin



Mexico is the world's largest producer of avocados, but due to pest and disease concerns, it was restricted from exporting avocados to the U.S. until 1997. USDA began a phase-in process lasting 10 years that allowed Mexican avocados to be sold in select States. As it continued to monitor for pests and diseases, USDA increased the number of eligible States until 2007 when Mexican avocados were permitted year-round in all States. Mexico became the predominant importer into U.S. markets over this period, quickly displacing Chile for the top spot (figure 2). Like domestic shipments from California and Florida, Mexico relies almost exclusively on refrigerated trucks to transport avocados to domestic U.S. markets. Avocados imported from other countries arrive mainly by boat before being transported to refrigerated truck. Growing U.S. demand for avocados has increased the demand for refrigerated truck transportation, with the majority of truck demand centered around California production during summer and Mexican production during winter. Over 90 percent of Mexican truck shipments cross into the U.S. along the Texas border, primarily through Laredo and Pharr.

Currently only the Mexican State of Michoacán is certified by the USDA to supply avocados to the U.S. It supplies 85 percent of total Mexican avocado production, but the State of Jalisco is also an important producer, supplying the Mexican domestic market and Asian export market. However, growers in Jalisco have been petitioning the USDA to certify and approve Jalisco for exports into the U.S. In anticipation of this approval, a new avocado production facility opened in Jalisco July 13 with a 35-container-per-week-packing capacity, according to the Packer.

[1] USDA, Foreign Agricultural Service, Global Agricultural Trade System, 2011.
[2] USDA, National Agricultural Statistics Service, Avocado Production, 2011.

As the U.S. demand for avocados continues to grow, domestic production and foreign imports will create additional demand for refrigerated truck transportation. If the record set during the second quarter of 2013 is any indication, this could be a substantial increase above previous years.
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Quarterly Overview

Fruit and Vegetable Shipments

During the second quarter 2013, U.S. truck shipments of 8.967 million tons of fresh produce were reported, 20 percent higher than the previous quarter but 0.4 percent lower than the same quarter last year.

More than 2.4 million tons were shipped from California, accounting for 26 percent of the total, followed closely by 2.3 million tons from Mexico, also accounting for 26 percent of shipments. Movements from the Pacific Northwest (PNW) totaled more than 1.3 million tons, or 15 percent.

The following top five commodities accounted for 41 percent of the reported truck movements during the second quarter 2013:

- Potatoes (12%)
- Watermelons (10%)
- Apples (7%)
- Tomatoes (6%)
- Onions, dry (6%)

Truck Rates

The table below provides a snapshot of quarterly rates for U.S. produce shipments over four mileage categories—0-500, 501-1500, 1501-2500, and 2500+ miles. U.S. average truck rates are weighted by regional rates and volumes. When compared with the second quarter 2012, long haul rates (2500 miles+) decreased the most followed by a decrease in short haul rates (0-500 miles) which fell 8 percent. The two mid-range categories increased by 3 and 4 percent, respectively.

U.S. Average Fruit and Vegetable Truck Rates per Mile				
	0-500 miles	**501-1500 miles**	**1501-2500 miles**	**2500 miles +**
Q2 2012	4.77	2.54	2.17	1.24
Q3 2012	5.41	2.45	2.36	1.41
Q4 2012	4.56	2.29	2.24	1.14
Q1 2013	4.14	2.24	2.19	0.89
Q2 2013	4.37	2.60	2.26	1.05
Q2 Change from Previous Quarter	6%	16%	3%	18%
Q2 Change from Same Quarter Last Year	-8%	3%	4%	-16%

Diesel Fuel

During the second quarter 2013, the U.S. diesel fuel price averaged $3.87 per gallon—4 percent lower than last quarter and 1 percent lower than the same quarter last year.

Regulatory News and Updates

Hours of Service of Drivers Rule Update: On August 2, 2013 the U.S. Court of Appeals for the District of Columbia Circuit upheld the 30-minute off-duty rest break requirement for long-haul truck drivers. The court also upheld the 11-hour daily driving limit and restrictions on the use of a minimum 34-hour rest break, in order to restart a driver's weekly clock. Since July 1, a restart must contain two periods from 1:00 a.m. to 5:00 a.m., making it longer than 34 hours in many cases, and can only be used once per week. The 30-minute break and 34-hour restart restrictions were challenged by food and agriculture shipper and trucking interests, while safety advocates argued for more restrictions, including eliminating the restart and reducing the daily driving limit to 10 hours or less. Food and agriculture industries dependent on long-haul trucking are concerned that the new off-duty rest break requirement and new restart restrictions will increase transportations costs, delivery times, and the driver shortage. Drivers want flexibility to restart their work week for available loads, return home for rest, and take breaks when needed without further reducing their income. Drivers paid by the mile lose income while taking off-duty and restart breaks longer than 34 hours, and while waiting to load and unload at shipper and receiver facilities. By September 30, 2013, the Federal Motor Carrier Safety Administration is required to submit a report to Congress on their field study of whether the restrictions on the 34-hour restart will increase safety.

U.S. Court of Appeals Denies Rehearing on U.S.-Mexico Cross-Border Trucking Pilot Program: On July 26, 2013, the U.S. Court of Appeals for the District of Columbia Circuit denied a petition for a rehearing of their April 19 determination that Congress had "balanced a variety of interests, including safety, American truckers' well-being, foreign trade, and foreign relations," allowing the U.S.-Mexico Cross-Border Trucking Pilot Program to proceed. The Owner-Operator Independent Drivers Association, International Brotherhood of Teamsters, Public Citizen, and Sierra Club questioned Mexico's equivalent safety, whether Mexican trucks met U.S. imported vehicle and environmental regulations, reciprocity for U.S. trucks, and the low Mexican participation rate in the program.

As of July 28, 2013, a total of 12 Mexico-domiciled carriers, with 44 trucks and 42 drivers, have been granted authority to drop off cargo outside the commercial zone along the border and pick up backhaul cargo for Mexican businesses. These trucks and drivers have crossed the border 5,104 times and have undergone 2,139 inspections. At the outset of the pilot program on October 21, 2011, the Federal Motor Carrier Safety Administration estimated that at least 46 carriers will be needed to obtain a target of 4,100 inspections within 3 years to provide a statistically valid analysis of pilot program participant's safety performance.

U.S. Supreme Court Affirms Federal Preemption with Regard to Rules on Clean Truck Parking and Placarding: On June 13, 2013, the Supreme Court ruled against the Port of Los Angeles' off-street parking and truck placarding rules in the port's Clean Truck Program. The court ruled the port is not a market participant, and therefore Federal preemption applies. Section 601 of the Federal Aviation Administration Authorization Act of 1994 provides that a State, political subdivision of a State, or political authority of 2 or more States may not enact or enforce a law, regulation, or other provision having the force and effect of law related to a price, route, or service of any motor carrier. Previously, on September 26, 2011, the U.S. Court of Appeals for the Ninth Circuit ruled that the Act preempted the port's requirement that owner-operator independent drivers had to become employees of the trucking companies that serve the port. On August 1, 2013, Senators Kristen Gillibrand (D-NY) and Robert Menendez (D-NJ) and Congressman Jerrold Nadler (D-NY) and 22 co-sponsors introduced the *Clean Ports Act of 2013* (S. 1435/H.R. 2958) "to update federal law to ensure that ports can enact and enforce Clean Truck programs."

Feature Article

2013 YTD Fruit and Vegetable Shipments Overall Down From Last Year

Arizona: Reported[1] truck and rail shipments of fresh produce in the first half of 2013 decreased 8 and 60 percent, respectively, from this time last year (see Table 1). Truck shipments decreased for most commodities, with a significant decrease in seedless watermelon in the second quarter. Large decreases in potato and broccoli shipments are mainly responsible for the decreased rail shipments.

Piggyback shipments increased 2 percent, primarily due to small increases in onion, potatoes, and watermelon.

Overall, increases in piggyback shipments were not large enough to compensate for decreases in truck and rail. Total Arizona shipments for the first and second quarter 2013 fell 8 percent overall to 895,350 tons.

Table 1: Truck, Railcar, and Piggyback Shipments for the First Half of 2012 and 2013 (tons)

Location	2012				2013				Change			
	Truck	Rail	Piggyback	Total	Truck	Rail	Piggyback	Total	Truck	Rail	Piggyback	Total
Arizona	915,950	8,600	42,900	967,450	846,250	3,450	43,950	895,350	-8%	-60%	2%	-7%
California	3,117,450	220,350	163,850	3,517,150	3,023,800	201,250	154,500	3,403,000	-3%	-9%	-6%	-3%
Florida	2,245,700	-	1,300	2,247,000	2,206,000	-	500	2,206,500	-2%	0%	-62%	-2%
PNW	3,267,000	375,950	22,450	3,674,450	3,422,800	384,800	38,150	3,852,700	5%	2%	70%	5%

California: Fresh fruit and vegetable shipments from California decreased in the first half of 2013 compared to the first half of 2012 for truck, rail, and piggyback. Overall shipments from California decreased 3 percent from 3.5 million tons for the first half of 2012 to 3.4 million for the first half of 2013.

Truck shipments from California decreased 3 percent. Shipments of avocados, broccoli, celery, romaine lettuce, potatoes, and strawberries increased, while carrots and cauliflower decreased.

Rail shipments from California decreased 9 percent. Carrots, celery, and oranges saw the largest decreases.

Piggyback shipments from California decreased 6 percent. Shipments of broccoli, lemons, iceberg lettuce, and oranges decreased. Carrot and celery shipments increased.

[1] Reports of truck shipments for all commodities and origins are not available. Those obtainable are reported, but should not be interpreted as representing complete movements of a commodity. Truck shipments from all States are collected at shipping points and include both inter- and intrastate movements. They are obtained from various sources, including Federal marketing orders, administrative committees, Federal State inspection service, and shippers. Rail and piggyback shipments were reported by rail carriers that issue the initial line-haul revenue waybills. Rail shipments are those moving in refrigerated railcars. Piggyback shipments include those moving in trailer-on-flatcar, container-on-flatcar service, and intermodal. Cooperation of the railroads, members of the produce industry, officials of State Departments of Agriculture, Department of Homeland Security, Customs Border and Protection, and the Animal and Plant Health Inspection Service of the U.S. Department of Agriculture is gratefully acknowledged.

Florida: Overall shipments of produce from Florida decreased 2 percent in the first half of 2013 compared to the first half of 2012. Truck shipments decreased by 2 percent over that time. Shipments of cabbage and oranges increased, while grapefruit, tangerine, and watermelon shipments decreased. Piggyback shipments decreased 62 percent, mainly due to a decrease in tomato shipments. There are no rail shipments from Florida.

Pacific Northwest: Overall shipments from the Pacific Northwest (PNW) increased 5 percent to 3.8 million tons from the first half of 2012 to the first half of 2013. Truck, rail, and piggyback shipments increased by 5, 2, and 70 percent, respectively, over that time.

Washington apples, Idaho apples, onions, and potatoes saw substantial increases in truck shipments. Washington apples also increased for rail and piggyback shipments from the PNW.

Factors Affecting Fruit and Vegetable Movements: Rail both complements and competes with truck as demand for truck and rail affect each other. Railcar and piggyback shipments are affected by several factors including truck availability, fuel costs, freight rates, demand, market outlook, and prices.

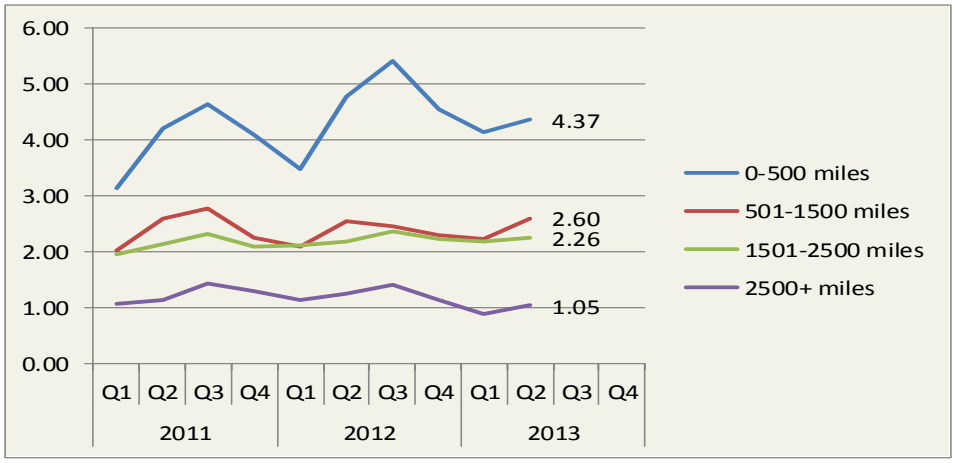
Recent expansions in rail service by Cold Train and Railex may account for some of the PNW shipment increases.[2] Apples from the PNW also saw large increases from last year due to extensive frost damage in the spring of 2012.

[2] Mention of companies, commercial products, or services does not imply recommendation or endorsement by the U.S. Department of Agriculture over others not mentioned.

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
2013	2.24	2.60			2.42
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
2005	1.72	2.00	2.26	2.34	2.08

*Annual: Weighted average rate for all 4 quarters.
Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Division
U.S. average truck rates are weighted by regional rates and volumes. After the 4th Quarter 2012 RTQ edition, volumes for past quarters were recalculated to exclude chipper and seed potatoes. Thus, U.S. average truck rates were reweighted for previous quarters and may not correspond with published data from last quarter. The values in this edition are considered more accurate.

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

	1st Qtr 2013			2nd Qtr 2013		
Origin	Jan	Feb	Mar	Apr	May	Jun
Arizona	3.06	2.44	2.59	2.60		
California	2.74	2.50	2.63	2.82	3.04	3.46
Florida	2.07	2.04	2.19	2.34	3.01	2.92
Great Lakes	2.82	2.87	2.89	2.92	2.97	2.97
Mexico-Arizona	2.33	2.34	2.36	2.50	2.85	2.28
Mexico-Texas	2.22	2.00	2.21	2.26	2.36	2.39
New York	2.06	1.97	2.48	2.48		
PNW	1.99	2.00	2.00	1.99	1.95	1.90
Southeast	3.09	3.14	3.26	3.24	3.22	3.49
Texas	2.34	2.15	2.35	2.37	2.44	2.48

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, 2nd Quarter 2013 ($/Mile)

Origin	Destination									
	Atlanta	Baltimore	Boston	Chicago	Dallas	Los Angeles	Miami	New York	Philadelphia	Seattle
Arizona	2.62	2.51	2.41	2.34	.	6.67	.	2.54	2.52	2.60
California	2.75	2.72	2.67	2.53	2.78	5.50	2.61	2.72	2.71	3.17
Florida	3.05	2.79	2.75	2.29	.	.	3.11	2.88	2.81	.
Great Lakes	2.67	3.04	3.13	3.68	2.63	.	2.67	3.35	2.86	.
Mexico -Arizona	2.63	.	.	2.48	2.78	2.46	2.38	2.83	2.82	.
Mexico - Texas	2.42	2.47	2.44	2.24	2.77	1.83	2.19	2.47	2.46	.
New York	.	4.85	9.39	.	.	.	2.48	8.98	5.65	.
Other	2.41	2.33	2.60	2.09	3.08	1.78	2.25	2.53	3.40	.
PNW	2.16	2.26	2.28	2.10	2.30	1.96	2.19	2.34	2.27	8.07
Southeast	4.67	4.05	3.31	3.06	2.58	.	2.88	3.70	3.85	.
Texas	2.63	2.57	2.53	2.36	3.22	1.92	2.30	2.60	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, 2nd Quarter 2013 ($/Truck)

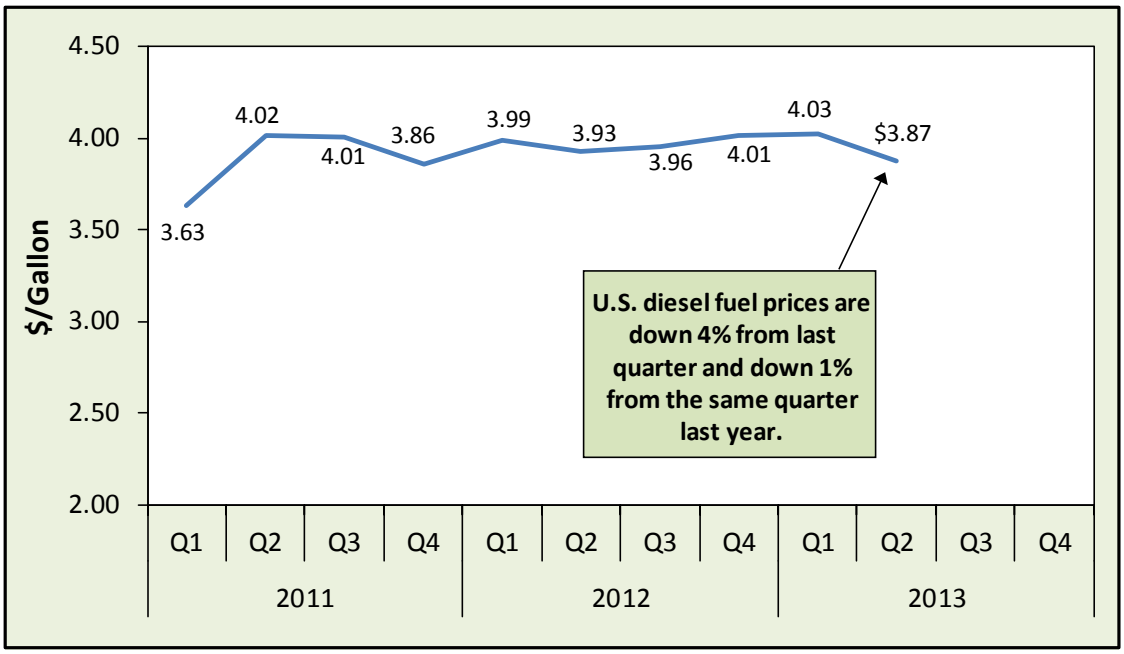
Origin	Destination									
	Atlanta	Baltimore	Boston	Chicago	Dallas	Los Angeles	Miami	New York	Philadelphia	Seattle
Arizona	5,500	6,525	7,000	4,750	.	1,000	.	6,850	6,675	3,375
California	6,103	7,400	8,085	5,311	4,078	952	7,356	7,684	7,480	3,297
Florida	1,389	2,678	3,875	2,714	.	.	800	3,251	3,109	.
Great Lakes	2,693	3,024	3,659	1,070	2,885	.	4,465	3,625	3,017	.
Mexico - Arizona	4,727	.	.	4,469	2,722	1,377	5,419	7,081	6,769	.
Mexico -Texas	2,788	4,423	5,373	3,204	1,384	2,923	3,354	4,946	4,665	.
New York	.	1,600	1,768	.	.	.	3,600	1,493	1,300	.
Other	2,169	3,178	3,391	2,007	1,626	1,660	4,507	3,247	3,231	.
PNW	5,064	5,622	6,327	3,790	4,252	1,873	6,567	6,014	5,751	1,093
Southeast	1,131	2,052	3,149	2,633	2,450	.	1,849	2,721	2,378	.
Texas	2,788	4,419	5,373	3,204	1,384	2,923	3,354	4,946	4,665	.

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 2013 Average Diesel Fuel Prices (All Types - $/Gallon)

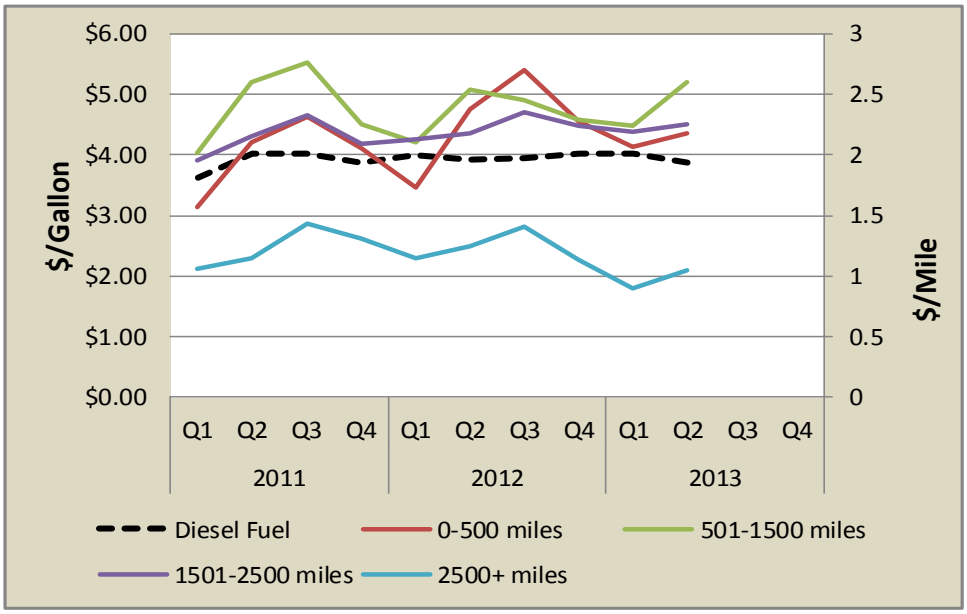
Location	Price	Change From	
		Last Quarter	Same Qtr Last Year
East Coast	3.88	-0.21	-0.09
New England	4.01	-0.22	-0.09
Central Atlantic	3.94	-0.22	-0.12
Lower Atlantic	3.81	-0.20	-0.07
Midwest	3.89	-0.10	-0.06
Gulf Coast	3.77	-0.18	-0.06
Rocky Mountain	3.85	-0.04	-0.12
West Coast	3.98	-0.17	-0.18
California	4.06	-0.16	-0.17
U.S.	3.87	-0.16	-0.05

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
2011	Q1	3.61	2.02	14%	4%	26%	11%
	Q2	4.02	2.60	11%	28%	33%	17%
	Q3	3.87	2.77	-4%	7%	32%	19%
	Q4	3.86	2.26	-0.1%	-19%	22%	16%
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%	-6%	4%	1%
2013	Q1	4.03	2.24	0.4%	-2%	1%	7%
	Q2	3.87	2.60	-4%	16%	-1%	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

U.S. average truck rates are weighted by regional rates and volumes. After the 4th Quarter 2012 RTQ edition, volumes for past quarters were recalculated to exclude chipper and seed potatoes. Thus, U.S. average truck rates were reweighted for previous quarters and may not correspond with published data from last quarter. The values in this edition are considered more accurate.

2nd Quarter 2013 Comparison Analysis

Diesel fuel prices averaged $3.87 per gallon this quarter, 4 percent lower than last quarter and 1 percent lower than the same quarter last year. Average truck rates for shipments between 501 and 1,500 miles were $2.60 per mile, 16 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, 2nd Quarter 2013

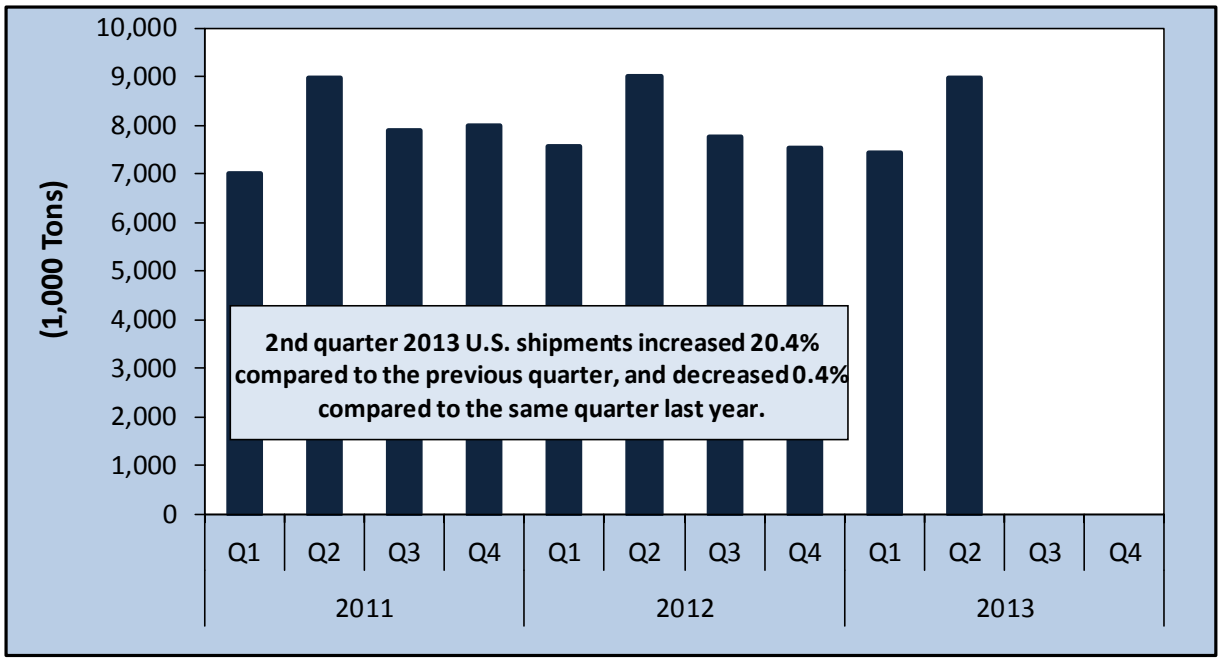
Region[1]	Commodity[1]	Truck Availability												
		Surplus - 1		Slight Surplus - 2			Adequate - 3			Slight Shortage - 4			Shortage - 5	
		Week Ending[1]												
		4/2	4/9	4/16	4/23	4/30	5/7	5/14	5/21	5/28	6/4	6/11	6/18	6/25
CALIFORNIA, CENTRAL AND WESTERN ARIZONA														
Imperial, Palo Verde, and Coachella Valleys, CA, and Central and Western AZ	Cauliflower, Iceberg Lettuce, Leaf Lettuce, Romaine Lettuce, Grapes, Cantaloupe, Watermelon, Peppers, Corn, Beans, Onions, Eggplant, Honeydew	3	3			3	3	3	4	5	5	5	4	3
Kern District, CA	Carrots, Potatoes	3	3	3	3	3	3	3	4	5	5	5	4	3
Salinas-Watsonville, CA	Broccoli, Romaine Lettuce, Leaf Lettuce, Blackberries, Strawberries, Iceberg Lettuce, Cauliflower, Raspberries	3	3	3	3	3	3	3	4	5	5	5	4	3
San Joaquin Valley, CA	Iceberg Lettuce, Romaine Lettuce, Leaf Lettuce, Onions, Plums, Nectarines, Peaches, Cherries, Apricots	3	3	3	3				4	5	5	4	4	4
Santa Maria, CA	Broccoli, Cauliflower, Leaf Lettuce, Romaine Lettuce, Iceberg Lettuce, Strawberries	3	3	3	3	3	3	3	4	5	5	5	4	3
South District, CA	Avocados, Citrus, Raspberries, Strawberries	3	3	3	3	3	3	3	5	5	5	4	4	3
PACIFIC NORTHWEST (ID, OR, WA)														
Columbia Basin, WA	Onions, Potatoes	3	3	3	3	2	2	2	3	4	4	3	3	3
Idaho and Malheur County, OR	Onions	3	3	3	3	2								
Northwestern WA	Potatoes	3	3											
Upper Valley, Twin Falls-Burley District, ID	Potatoes	3	3	3	3	2	3	3	3	4	4	4	3	3
Yakima Valley & Wenatchee District, WA	Apples, Pears	3	3	3	3	3	3	3	3	3	3	3	3	3
FLORIDA														
West	Tomatoes												5	5
Central and North	Blueberries		3	3	3	3	3	3				4	5	5
Central and South	Berries, Melons, Mixed Vegetables, Tomatoes	2	2	3	5	5	5	5	5	5	4	4		
South	Melons	3	3	3	5	5	5	3						
Statewide	Potatoes	3	3	3	3	3	3	3	3	3	5	5	5	
MEXICO BORDER CROSSINGS														
Through Nogales, AZ	Mangoes, Melons, Mixed Veg., Grapes, Tomatoes	3	3	4	3	3	5	5	5	3	5	3	2	3
Through Texas	Broccoli, Carrots, Limes, Mangoes, Mixed Fruit and Vegetables, Onions, Tomatoes, Plum Tomatoes	4	3	3	3	4	4	4	5	5	5	5	3	3
SOUTHEAST (GA, NC, SC)														
South Georgia	Greens, Cabbage, Squash, Blueberries, Cucumbers, Beans, Bell Peppers, Peaches, Corn, Eggplant, Melons	3	3	3	3	3	3	3	3	5	3	3	3	3
Vidalia District Georgia	Onions			3	3	3	3	3	3	3	3	3	3	3
Eastern North Carolina	Sweet Potatoes	3	3	4	3	3	4	5	5	4	5	5	4	5

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

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
2013	7,451	8,972			16,423
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

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

After the 4th Quarter 2012 RTQ edition, volumes for past quarters were recalculated to exclude chipper and seed potatoes. Thus, volumes for previous quarters may not correspond with published data from last quarter. The values in this edition are considered more accurate.

Reported Shipments by Selected Commodities

Table 9: Reported Top 10 Commodity Shipments for 2nd Quarter 2013 (1,000 Tons)

Commodity	2nd Quarter 2013	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
				Previous Qtr	Same Qtr Last Year
Potatoes	1,106	1,171	1,150	-6%	-4%
Watermelons, Seedless	870	30	789	-	10%
Apples	628	818	585	-23%	7%
Tomatoes	533	464	509	15%	5%
Onions, dry	529	489	326	8%	62%
Corn-Sweet	415	94	271	341%	53%
Strawberries	381	264	239	44%	60%
Lettuce, iceberg	362	346	264	4%	37%
Cantaloups	274	0	145	-	89%
Avocados	242	223	200	8%	21%

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

Regional Markets

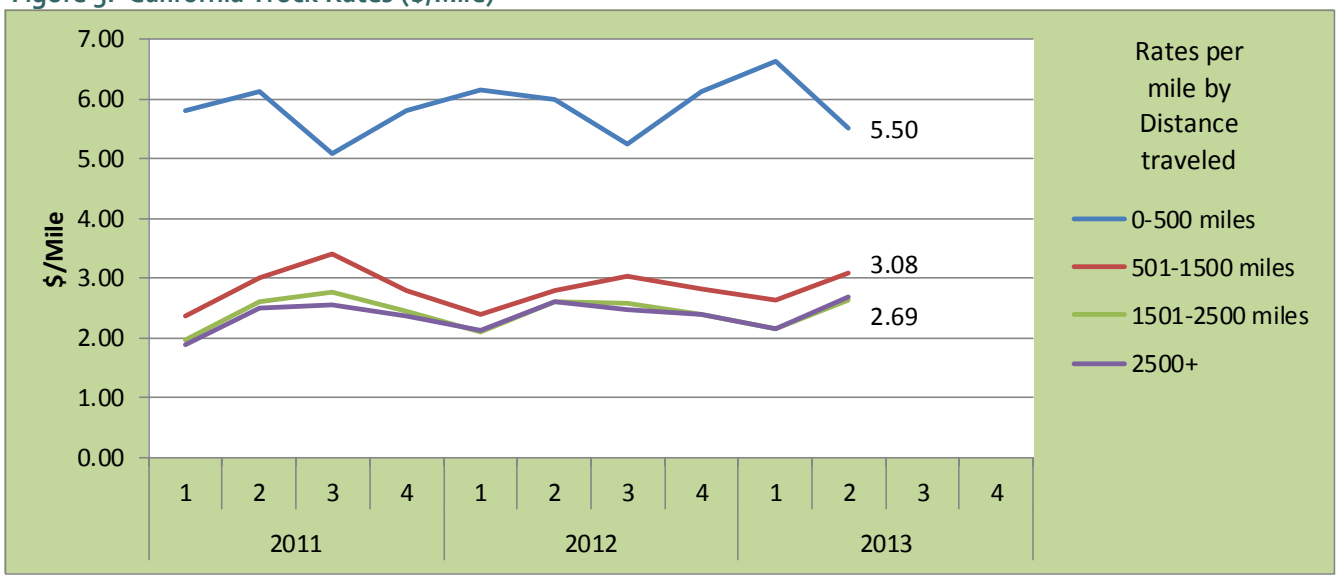
California

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

Commodity	2nd Quarter 2013	Share of California Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Strawberries	366	15%	92	352	297%	4%
Lettuce, Iceberg	326	14%	69	319	375%	2%
Lettuce, Romaine	211	9%	59	190	258%	11%
Celery	153	6%	111	145	38%	6%
Potatoes	124	5%	32	102	288%	22%
Top 5 Total	**1,180**	**50%**	**363**	**1,108**	**225%**	**7%**
California Total	**2,370**	**100%**	**657**	**2,308**	**261%**	**3%**

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

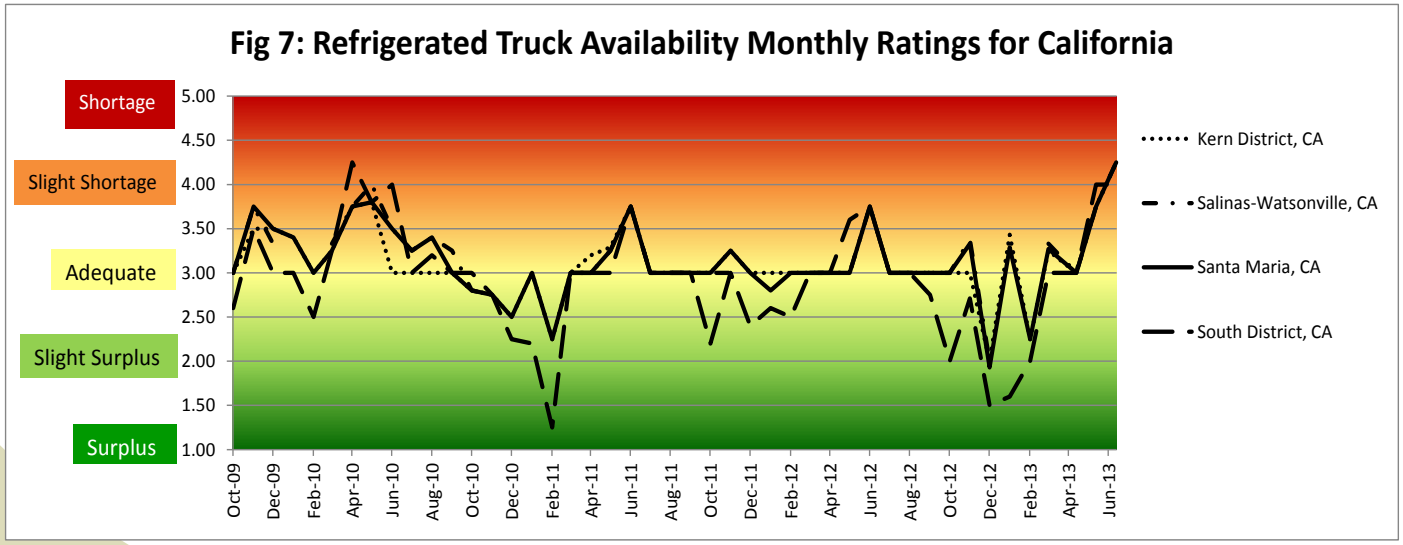
Region/Reporting District	Diesel Fuel	Truck Rate 501 to 1500 miles	April	May	June
			Monthly Rating		
	$/per gallon	$/per mile	1=Surplus to 5=Shortage		
Regional Average	**$4.06**	**$3.08**	**3.00**	**3.86**	**4.19**
Kern District, CA			3.00	3.75	4.25
Salinas-Watsonville, CA			3.00	3.78	4.25
Santa Maria, CA			3.00	3.75	4.25
South District, CA			3.00	4.15	4.00

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 shipments from California rose 3 percent in the second quarter of 2013 compared to the second quarter of 2012. Most commodities increased from the same quarter last year, including potatoes, which had the largest gain of 22 percent from the same quarter last year. According to the Economic Research Service's *Fruit and Tree Nuts Outlook*, a late start to the California strawberry harvest led to expectations of increased supplies; strawberry volume through early July was up 5 percent from the same time last year, driving down strawberry prices.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was $3.08 per mile, 18 percent higher than last quarter.

Truck Overview: Diesel fuel prices averaged $4.06 per gallon, 4 percent lower than last quarter and 4 percent lower than the same period last year. California truck availability began the quarter as adequate before experiencing a shortage towards the end of May and most of June.



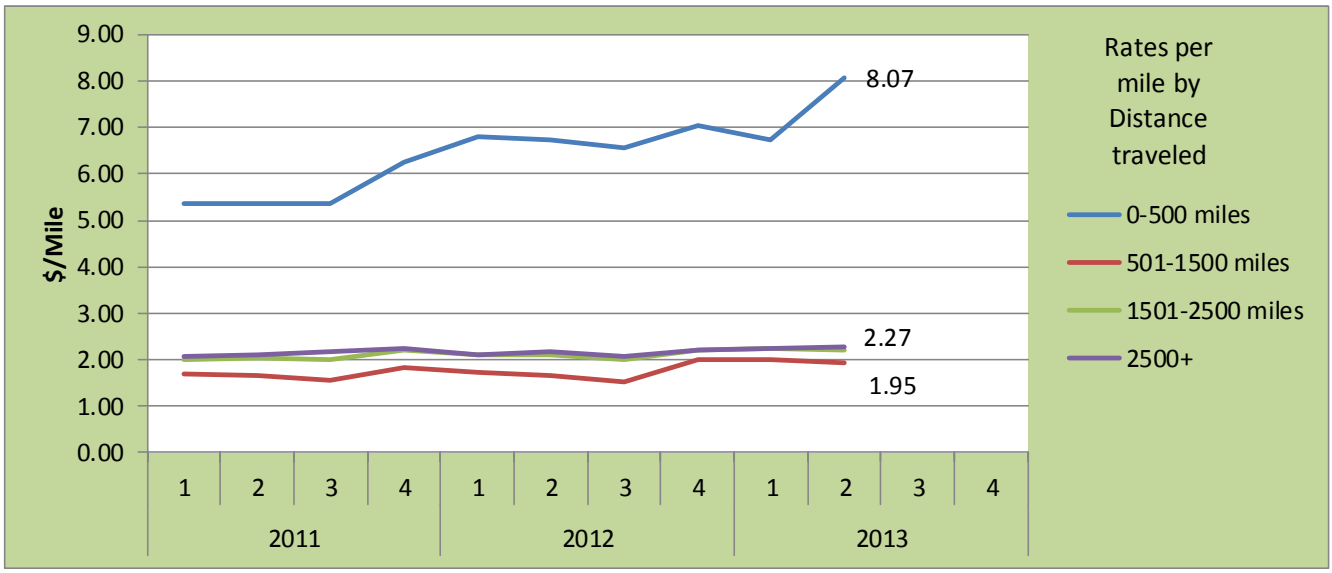
Pacific Northwest (PNW)

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

Commodity	2nd Quarter 2013	Share of PNW Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Apples	615	46%	770	509	-20%	21%
Potatoes	487	37%	519	472	-6%	3%
Onions, dry	108	8%	300	132	-64%	-18%
Pears	68	5%	152	97	-55%	-29%
Cherries	38	3%	-	40		-6%
Top 4 Total	**1,316**	**99%**	**1,741**	**1,251**	**-24%**	**5%**
PNW Total	**1,325**	**100%**	**1,741**	**1,259**	**-24%**	**5%**

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: PNW Truck Overview

Region/Reporting District	Diesel Fuel	Truck Rate 501 to 1500 miles	April	May	June
			Monthly Rating		
	$/per gallon	$/per mile	1=Surplus to 5=Shortage		
Regional Average	**$3.90**	**$1.96**	**3.32**	**2.85**	**3.10**
Columbia Basin, WA			2.80	2.50	3.25
Idaho and Malheur County, OR			3.00	n/a	n/a
Northwestern WA			3.00	n/a	n/a
Upper Valley, Twin Falls-Burley District, ID			2.80	3.25	3.33
Yakima Valley & Wenatchee District, WA			3.00	3.00	3.00

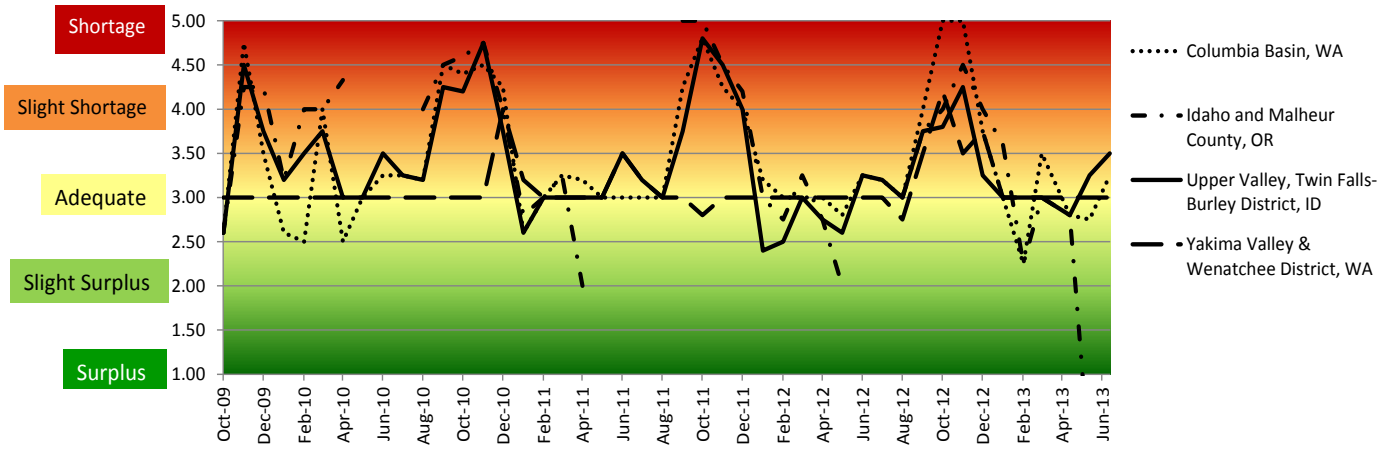
n/a: availability data not reported
Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy
For the purpose of this report the West Coast less California District was used to represent the diesel fuel price for PNW.

Volume: Total shipments of fruit and vegetables from the Pacific Northwest in the second quarter of 2013 were up 5 percent from the same quarter in 2012. Shipments of apples and potatoes increased 21 and 3 percent, respectively. However, shipments of onions, pears, and cherries decreased by 18, 29, and 6 percent, respectively, from this time last year. According to the *Fruit and Tree Nuts Outlook*, frosts and heavy rains in the spring and additional rains in late June reduced Washington's potential cherry production. Larger-than-expected Washington apple supplies helped mitigate shortages from other regions.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was $1.95, a decrease of 2.5 percent from last quarter.

Truck Overview: Diesel fuel prices averaged $3.90 per gallon, 4 percent lower than last quarter and 5 percent lower than the same period last year. Availability was mostly adequate for quarter, with a slight surplus at the end of April into May and a slight shortage around in the end of May and into June.

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)

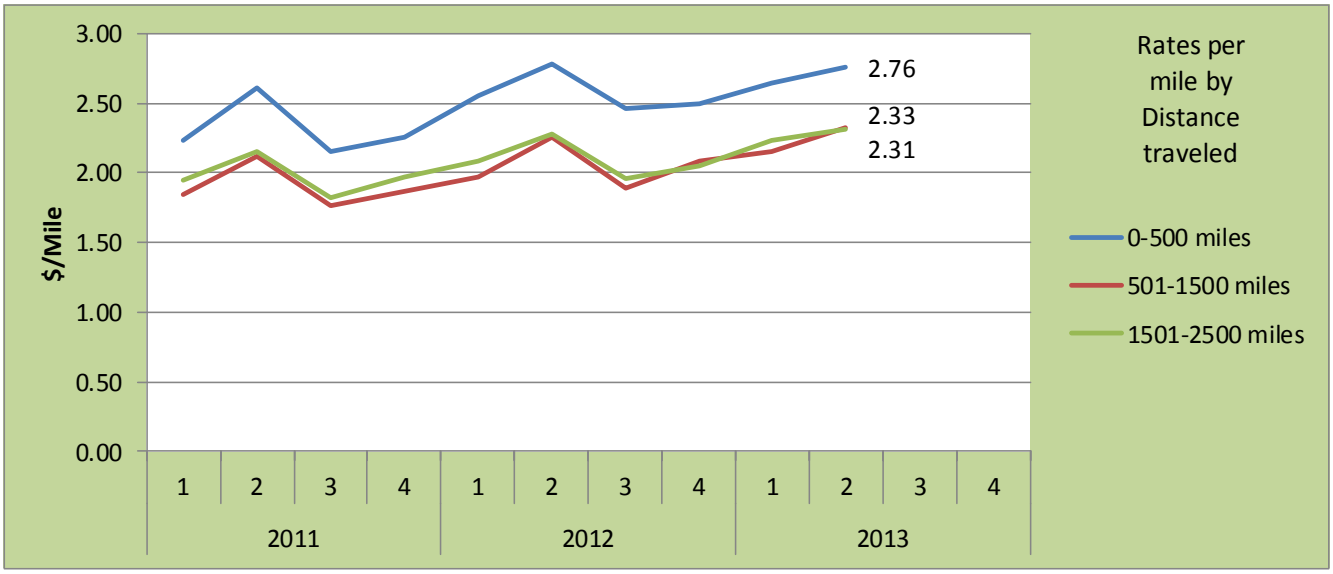
Commodity	2nd Quarter 2013	Share of Mexico Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Watermelons, Seedless	276	12%	30	219	820%	26%
Tomatoes	193	8%	246	174	-21%	11%
Tomatoes, plum type	166	7%	173	154	-4%	8%
Mangoes	154	7%	34	141	350%	9%
Cucumbers	153	7%	194	129	-21%	18%
Top 5 Total	**942**	**41%**	**677**	**817**	**39%**	**15%**
Mexico Total	**2,306**	**100%**	**2,271**	**2,109**	**2%**	**9%**

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

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

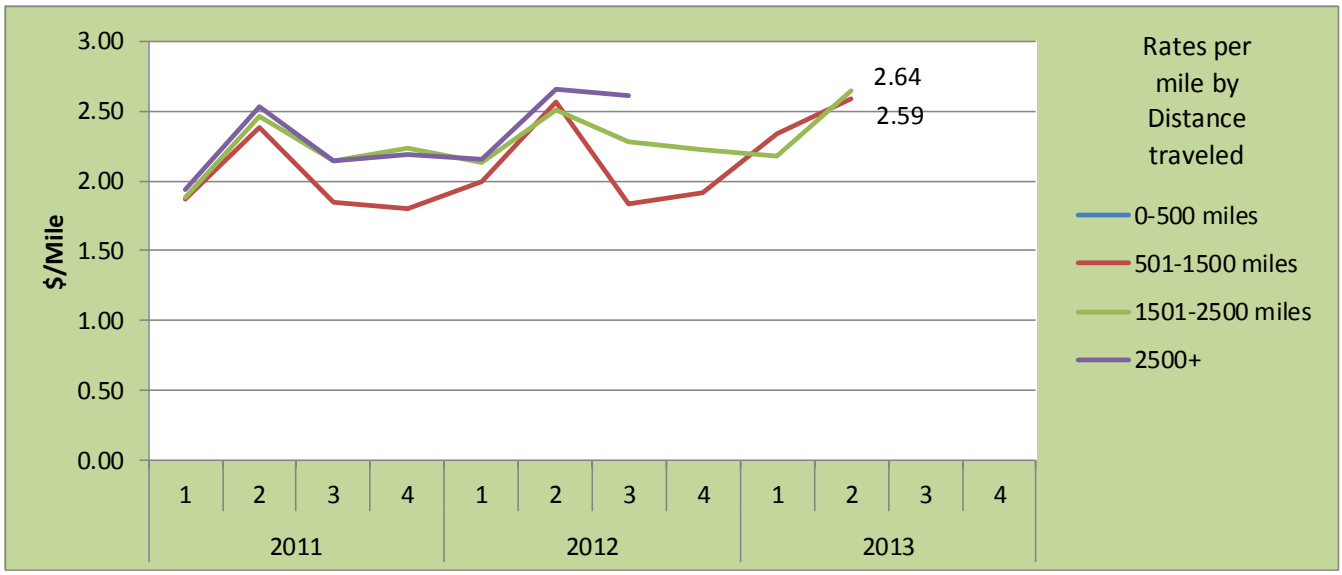
Texas		California		Arizona	
Avocados	129	**Tomatoes, plum type**	37	**Watermelons, Seedless**	276
Limes	111	**Misc. tropical**	30	**Grapes**	138
Mangos	106	**Onions, green**	27	**Tomatoes**	91
Tomatoes	85	**Cucumbers**	26	**Tomatoes, plum type**	89
Watermelons	68	**Tomatoes**	22	**Cucumbers**	81
Other	446	**Other**	168	**Other**	360
Total	**944**	**Total**	**310**	**Total**	**1,036**

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	April	May	June
			Monthly Rating		
	$/per gallon	$/per mile	1=Surplus to 5=Shortage		
Regional Crossing Average			**3.30**	**2.54**	**4.04**
Through Texas	$3.77	$2.33	3.20	4.47	3.33
Through Nogales, AZ	$3.90	$2.59	3.40	4.50	4.09

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 fruit and vegetable shipments from Mexico increased 9 percent from the same quarter in 2012. All of the top 5 commodities—seedless watermelons, tomatoes, plum tomatoes, mangoes, and cucumbers—increased from the same quarter last year. Along with tomato shipments from Florida and California, shipments of Mexican tomatoes helped drive down domestic tomato prices in June.

Rates: Truck rates for shipments between 501 and 1,500 miles through the Texas border crossings averaged $2.31 per mile, 7 percent higher than last quarter. Rates for shipments between 501 and 1,500 miles through the Arizona border crossings averaged $2.59 per mile, 11 percent higher than last quarter.

Truck Overview: Diesel fuel prices for border crossings through Texas averaged $3.77 per gallon, 5 percent less than the previous quarter and 2 percent less than the same period last year. Diesel fuel prices for border crossings through Arizona averaged $3.90 per gallon, 4 percent less than the previous quarter, and 5 percent less than the same period last year. Trucking availability in April began with a slight shortage in Texas and adequate in Arizona, but decreased to a shortage in late May and early June. Both States ended the quarter with adequate availability.

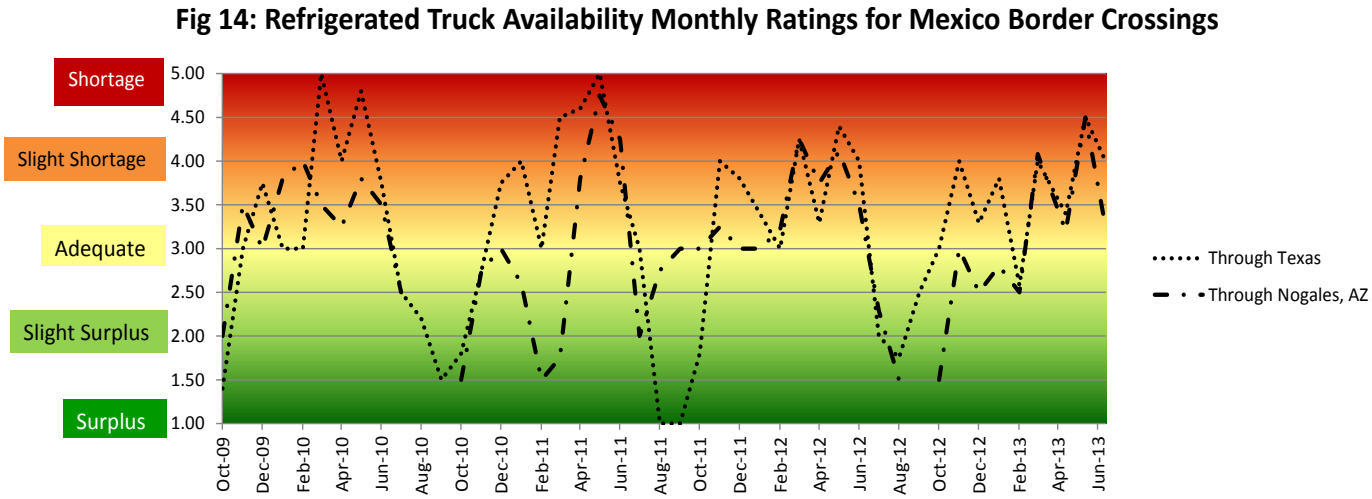


Fig 14: Refrigerated Truck Availability Monthly Ratings for Mexico Border Crossings
Shortage
Slight Shortage
Adequate
Slight Surplus
Surplus
5.00
4.50
4.00
3.50
3.00
2.50
2.00
1.50
1.00
Oct-09
Dec-09
Feb-10
Apr-10
Jun-10
Aug-10
Oct-10
Dec-10
Feb-11
Apr-11
Jun-11
Aug-11
Oct-11
Dec-11
Feb-12
Apr-12
Jun-12
Aug-12
Oct-12
Dec-12
Feb-13
Apr-13
Jun-13
Through Texas
Through Nogales, AZ

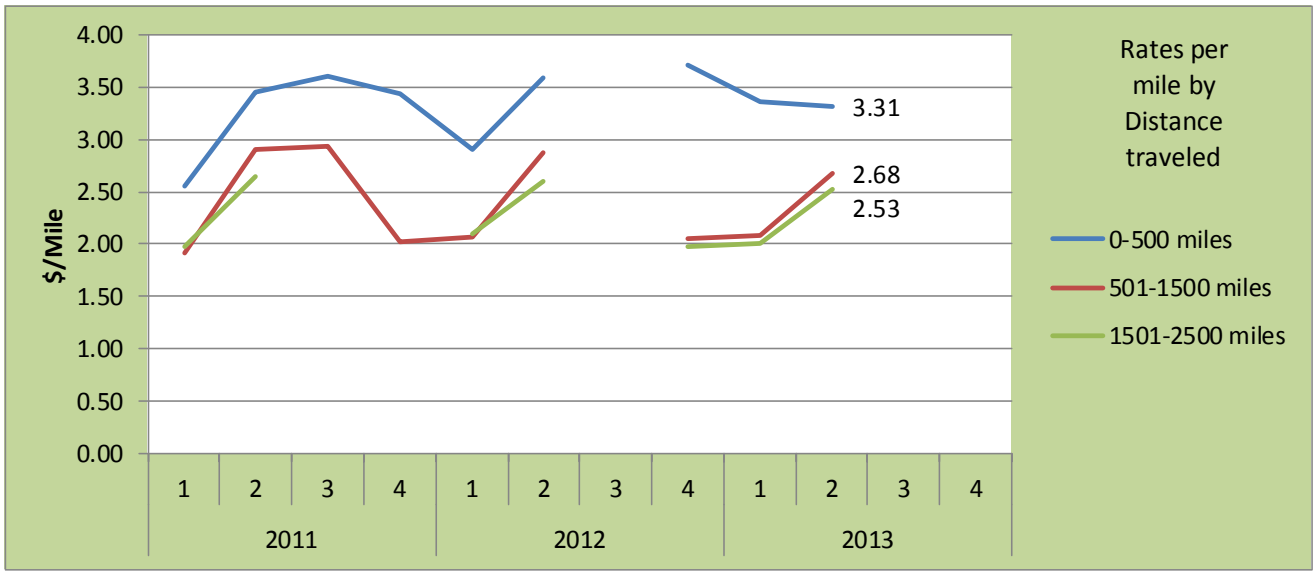
Florida

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

Commodity	2nd Quarter 2013	Share of Florida Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Watermelons, Seedless	257	24%	0	241	-	7%
Tomatoes	175	16%	184	197	-5%	-12%
Corn-Sweet	158	15%	66	160	137%	-1%
Potatoes	77	7%	57	115	36%	-33%
Watermelons, Seeded	57	5%	0	58	-	-3%
Top 5 Total	**723**	67%	**307**	**771**	135%	-6%
Florida Total	**1,073**	**100%**	**1,031**	**1,076**	**4%**	**0%**

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	April	May	June
			Monthly Rating		
	$/per gallon	$/per mile	1=Surplus to 5=Shortage		
Regional Average	**$3.81**	**$2.69**	**3.20**	**2.92**	**2.83**
West					5.00
Central and South			3.22	5.00	4.00
Central and North			3.00	3.00	4.50
South (melons)			3.80	4.00	n/a
Statewide (potatoes)			3.00	3.00	5.00

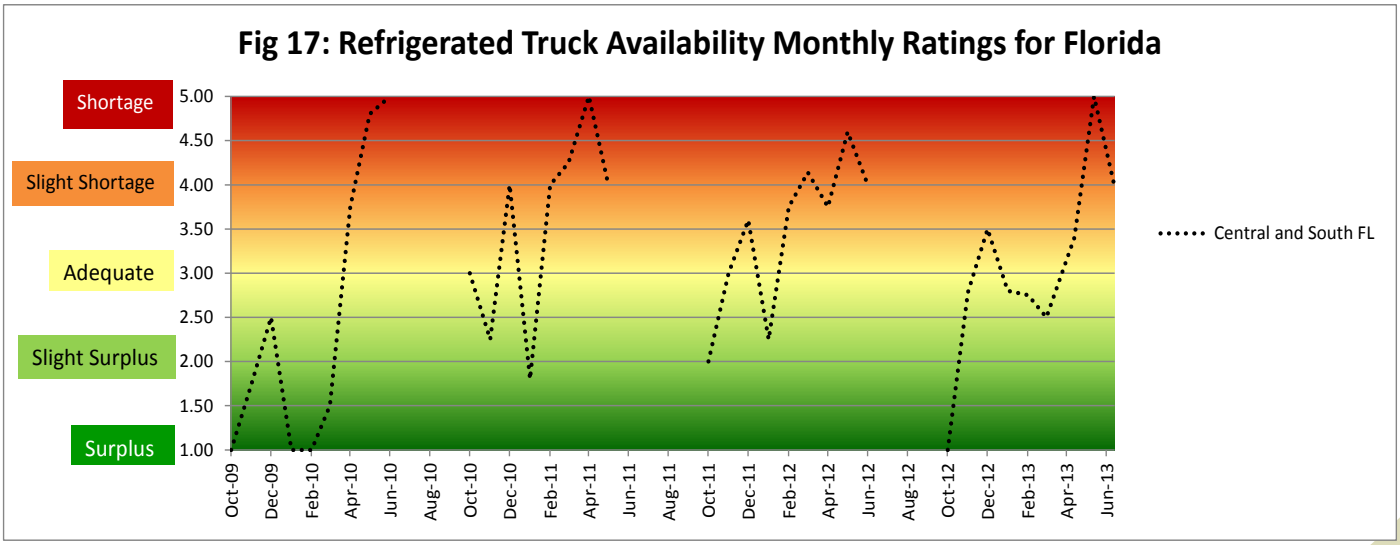
n/a: availability data not reported

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 shipments from Florida in the second quarter 2013 are unchanged from last year. Shipments of seedless watermelon, the top commodity, increased 7 percent from the same quarter last year. Potatoes saw the greatest decrease (33 percent) from the same quarter last year. The Packer reports that a series of winter freezes and spring rains damaged the crop and delayed the harvest this year, cutting yields and raising prices.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was $2.68 per mile, 28 percent higher than this time last year.

Truck Overview: Diesel fuel prices averaged $3.81 per gallon, 5 percent lower than last quarter and 2 percent lower than the same period last year. Truck availability began as a slight surplus or adequate and ended the quarter with a shortage.



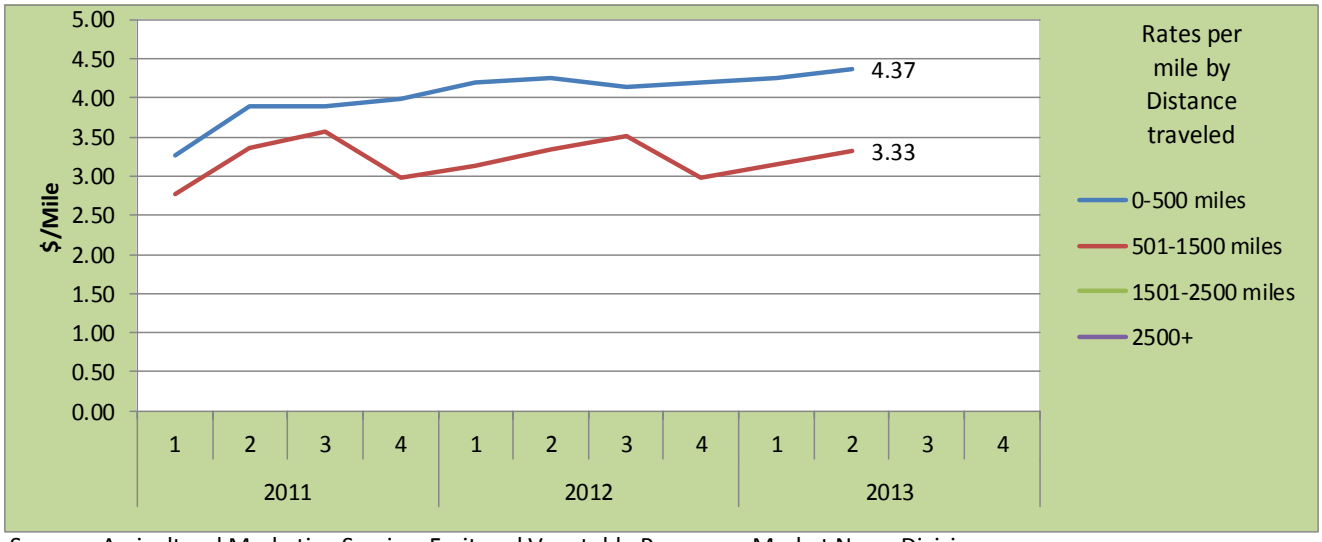
Southeast

Table 15: Reported Top 5 Commodities Shipped from the Southeast - North and South Carolina, and Georgia (1,000 tons) -

Commodity	2nd Quarter 2013	Share of Southeast Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Corn-Sweet	124	20%	-	133	-	-7%
Watermelons, Seedless	94	15%	-	240	-	-61%
Onions dry	72	11%	-	81	-	-12%
Sweet Potatoes	63	10%	75	60	-16%	5%
Cucumbers	37	6%	-	36	-	3%
Top 5 Total	**390**	**62%**	**75**	**550**	**420%**	**-29%**
Southeast Total	**634**	**100%**	**110**	**856**	**475%**	**-26%**

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

Figure 18: Southeast Truck Rates ($/Mile)



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

Volume: In the second quarter of 2013, total shipments of fruits and vegetables from the Southeast decreased 26 percent from the same quarter in 2012, and the top five commodities decreased 29 percent. Seedless watermelon and dry onions decreased 61 and 12 percent, respectively, from this time last year. Sweet potatoes and cucumbers showed modest gains of 5 and 3 percent. The Packer reports that low temperatures, heavy rains, and hail were possibly responsible for supply gaps and delaying the season for many vegetables in the region. However, the poor weather and delays did not cause any quality issues; crops looked healthy throughout the season.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was $3.33 per mile.

Truck Overview: Diesel fuel prices averaged $3.81 per gallon, 5 percent lower than last quarter, and 2 percent lower than the same period last year. Truck availability began as adequate in the beginning of April but began to face shortages towards the end of the 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 Outlook (The July and September 2013 Outlook reports are suspended due to reduced financial resources)
http://www.ers.usda.gov/publications/vgs/

Economic Research Service Fruit and Tree Nuts Outlook (The September 2013 Outlook report is suspended due to reduced financial resources)
http://www.ers.usda.gov/publications/fts/

National Agricultural Statistics Service
http://www.nass.usda.gov/

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