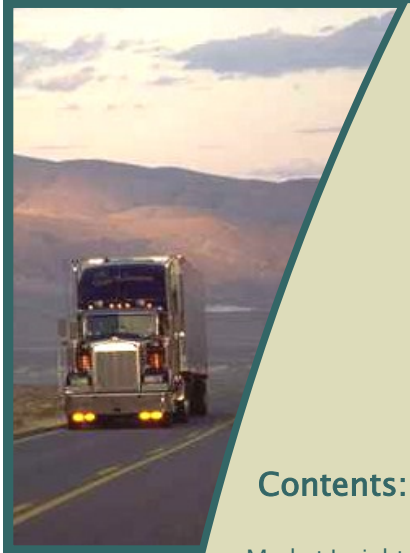
USDA United States Department of Agriculture



Agricultural Refrigerated Truck Quarterly

3rd Quarter, 2013
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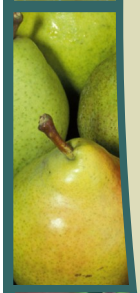


Market Insight

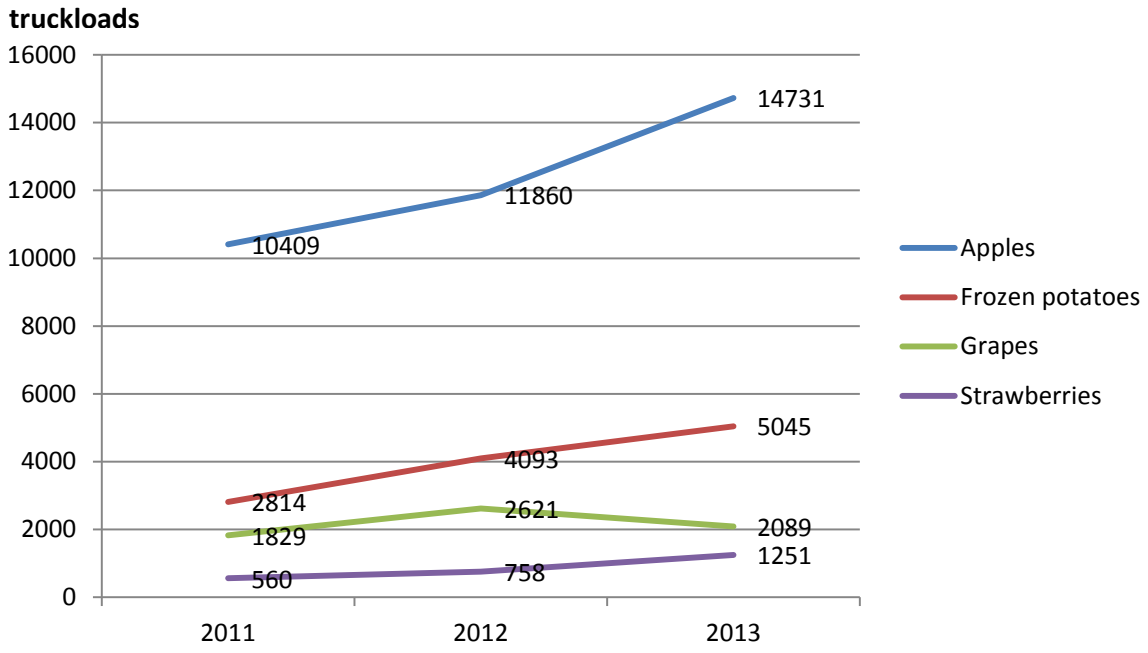
Second Year of the U.S.-Mexico Cross-Border Trucking Pilot Program

The second year of the U.S.-Mexico Cross-Border Trucking Pilot Program continues with mixed results and continued legal challenges. Much is at stake. For example, the United States had a $701.5 million positive balance of agricultural trade with Mexico in fiscal year 2013. Mexico is the United States' second largest agricultural trading partner with 35.3 million metric tons, worth $35.1 billion, in two-way agricultural trade in fiscal 2013. The removal of Mexico's tariffs on U.S. agricultural products affected commodities regularly exported by truck, including fresh and processed fruit and vegetables. During fiscal 2013, the United States imported 8 million metric tons of these types of products from Mexico, worth $9 billion, and exported 1 million metric tons to Mexico, worth $1.2 billion.

Exports

During the second year of the U.S.-Mexico Cross-Border Trucking Pilot Program, truckloads of some U.S. agricultural exports of fresh and processed fruit and vegetables destined for Mexico increased, while others decreased. In fiscal year 2013, apple exports increased by 19.5 percent, or 54,683 metric tons. This amounts to an estimated 2,871 truckloads. Frozen French fry potato exports increased by 19,422 metric tons, an estimated 952 truckloads, or 19 percent. However, grape exports decreased by 10,865 metric tons, an estimated 532 truckloads, or 25.5 percent (see graph on next page).

Select U.S. truckloads[1] of fresh fruit and vegetable product exports to Mexico, by fiscal year (October–September).



Source: Calculations based on Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

Legal Challenges

The pilot program remains under legal challenge by the Owner-Operator Independent Drivers Association (OOIDA), and Mexico has indicated it stands ready to reinstate the tariffs if the pilot program is disrupted. Mexico removed retaliatory tariffs[2] on 54 agricultural and 44 industrial products, including: apples, frozen French fry potatoes, and grapes, on October 21, 2011, after the Federal Motor Carrier Safety Administration (FMCSA) granted operating authority to Transportes Olympic. The pilot program was established to remove the tariffs and renew implementation of the North American Free Trade Agreement (NAFTA) cross-border long-haul trucking provisions, which entered into force on January 1, 1994. According to Agriculture Secretary Tom Vilsack, the dispute cost U.S. businesses more than $2 billion, with U.S. farm exports to Mexico reduced by 27 percent.

Inspections & Safety Performance

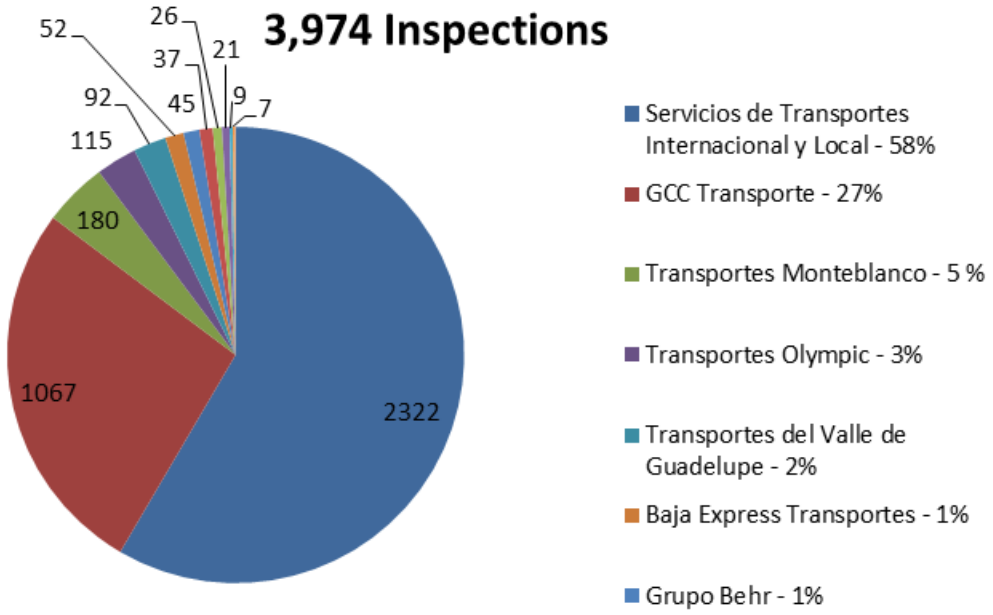
As of October 20, 2013, only 13 Mexico-domiciled carriers, 43 trucks, and 39 drivers have been granted authority to operate in the United States beyond the municipalities and commercial zones along the U.S.-Mexico border. There were 3,974 inspections in the first 2 years of the pilot program, with two carriers accounting for 85 percent of the total inspections (see figure below). FMCSA estimates at least

[1] Estimates utilize the full truckload weight factors developed by USDA Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Division.

[2] Mexico first imposed retaliatory tariffs on March 19, 2009, after the first pilot program was terminated, and then revised the tariffs on August 19, 2010, increasing the number of agricultural products affected from 36 to 54.

46 carriers will be needed to obtain a target of 4,100 inspections within 3 years in order to provide a statistically valid analysis of the pilot-program participant's safety performance.

U.S.—Mexico Cross-border trucking inspections through October 20, 2013.



Source: FMCSA U.S. Mexico Cross-Border Trucking Pilot Program Aggregate Data Charts

Recent Developments Affecting the Program

On August 16, 2012, the U.S. Department of Transportation Office of Inspector General issued its audit report, *Increased Participation and Improved Oversight Mechanisms Would Benefit the NAFTA Pilot Program*.

On April 19, 2013 the United States Court of Appeals for the District of Columbia Circuit denied petitions for a review of lawfulness of the pilot program with regard to commercial driver's license and environmental requirements, filed by the Owner Operator Independent Drivers Association (OOIDA) and the International Brotherhood of Teamsters. On July 26, 2013 the Court of Appeals denied OOIDA's petition for a rehearing.

On October 24, 2013, OOIDA asked the Supreme Court of the United States to review the Court of Appeals' decision, based on the "last-in-time" rule historically used to establish precedence between conflicting treaties and acts of Congress, known as the Supremacy Clause. OOIDA also asked the Supreme Court whether the Court of Appeals failed to address the canon of statutory construction holding that repeal of a statute by implication based solely on appropriations acts is not favored.

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Quarterly Overview

Fruit and Vegetable Shipments

Reported U.S. truck shipments of fresh produce during the third quarter 2013 were 7.73 million tons, 13 percent lower than the previous quarter and 0.1 percent lower than the same quarter last year.

Shipments from California totaled more than 3 million tons and accounted for 40 percent of the total reported shipments of fresh fruits and vegetables during the third quarter 2013. Shipments from the Pacific Northwest totaled more than 1.3 million tons, representing 17 percent and Mexico totaled 1.15 million tons, representing 15 percent of shipments during the quarter. Movements from the Southeast totaled more than 0.5 million tons (6 percent).

The following top 5 commodities accounted for 44 percent of the reported truck movements during the third quarter 2013:

- Potatoes (12%)
- Watermelons (11 %)
- Tomatoes (8 %)
- Onions, total (7 %)
- Lettuce, total (7 %)

Truck Rates

The table below provides a snapshot of quarterly rates for U.S. produce shipments over 4 mileage categories: 0–500, 501–1500, 1501–2,500, and 2,500+ miles. U.S. average truck rates are weighted by regional rates and volumes. Compared with the previous quarter, the short-haul (0–500 miles) and the long-haul (2,500 miles+) saw the largest increases, 31 and 35 percent respectively. When compared with the third quarter 2012, the two short-haul categories (0–500 miles and 501–1500 miles) increased 6 and 7 percent; the 1501–2,500 mile category decreased 4 percent and the long-haul category (2,500 miles+) increased by only 1 percent.

U.S. Average Fruit and Vegetable Truck Rates per Mile

	0-500 miles	501-1500 miles	1501-2,500 miles	2,500 miles +
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
Q3 2013	5.73	2.62	2.25	1.42
Q3 Change from Previous Quarter	31%	0.5%	-0.3%	35%
Q3 Change from Same Quarter Last Year	6%	7%	-4%	1%

Diesel Fuel

During the third quarter 2013, the U.S. diesel fuel price averaged $3.92 per gallon—1.2 percent higher than last quarter and 1 percent lower than the same quarter last year.

Regulatory News and Updates

Hours of Service of Drivers a Continuing Concern: On November 21, 2013, the House Subcommittee on Contracting and Workforce held a hearing to examine the direct and indirect economic and operational impact of the new drivers' hours of service regulations on small businesses. The Federal Motor carrier Safety Administration (FMCSA) estimates the new regulations will prevent 1,400 crashes, 560 injuries, and save 19 lives each year. The Owner-Operator Independent Drivers Association released the results of the *OOIDA New HOS Regulations Survey* on November 19 and the American Transportation Research Institute released its *Operational and Economic Impacts of the New Hours-of-Service* report on November 18, citing less flexibility, increased fatigue and stress, financial impacts, and safety concerns.

On October 30, H.R.3413 was introduced to require a study and report by the Comptroller General regarding the 34-hour restart provision of the hours of service regulation, and delay enforcement until 6-months after the General Accountability Office study is provided to Congress. In the meantime, FMCSA is in the process of preparing a final report to Congress on the efficacy of the 34-hour restart rule by spring 2014. At issue are the restrictions on the use of a minimum 34-hour rest period to restart a driver's weekly clock as well as the 30-minute off-duty rest break requirement during the first 8 hours of a driver's shift to reduce fatigue and improve highway safety.

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. During the rulemaking comment period approximately 30 agricultural related interests filed comments against the 34-hour restart restrictions and 30-minute off-duty rest break, including California Farm Bureau Federation, California Trucking Association, Florida Trucking Association, Food Marketing Institute, and United Fresh Produce Association.

California Air Resources Board Will Recognize Good Faith Efforts to Comply with its Truck Regulations: On November 13, 2013, the board announced it will recognize good faith efforts to comply with its regulations and provide early access to expected regulatory flexibility with regard to particulate matter filters, lower use trucks, and trucks that operate solely in certain rural areas of the State. For those who report their efforts to comply with the current January 1, 2014 deadline, the board will give assurance that their fleets will not be subject to enforcement action prior to July 1, 2014. In addition, the opt-in period will be reopened for trucks to newly register for the existing low mileage agricultural truck extension, other exemptions, and particulate matter filter phase-in requirements. Only those fleets that report their good faith efforts and intent to use these options by January 31, 2014 will be provided with additional time to come into compliance.

Comments on Proposed Enhancements to the Safety Measurement System Requested: On November 5, the Federal Motor Carrier Safety Administration (FMCSA) announced that it had begun previewing proposed enhancements to the existing Safety Measurement System (SMS) website, where companies and the public can find safety information on motor carriers. The proposed changes can be viewed at https://csa.fmcsa.dot.gov/SMSPreview/. The agency undertook the proposed changes based on stakeholder feedback on the current site. The updated webpage features a more user-friendly navigation, creates a one-stop shop for FMCSA safety information and will make important information easier to understand for motor carriers that want to improve their safety performance. The proposed SMS redesign was announced in a Federal Register Notice, with a 60-day comment period.

Crash Facts Published: In October, new crash statistics for 2011 were published by the U.S. Department of Transportation's Federal Motor Carrier Safety Administration in: Large Truck and Bus Crash Facts, 2011. The report showed 3,608 large trucks were involved in fatal crashes in 2011, a 3-percent increase from 2010. However, the number of large trucks involved in fatal crashes declined by 12 percent, from 2008-2011. Single-vehicle crashes made up 22 percent of all fatal crashes, 13 percent of all injury crashes, and 21 percent of all property damage only crashes involving large trucks in 2011. Almost two-thirds (63 percent) of all fatal crashes involving large trucks occurred on rural roads, and about one-fourth (25 percent) occurred on rural and urban Interstate highways. The vast majority of fatal crashes (85 percent) and nonfatal crashes (89 percent) involving large trucks occurred on weekdays (Monday through Friday).

Thirty-four percent of all fatal crashes, 22 percent of all injury crashes, and 17 percent of all property-damage-only crashes involving large trucks occurred at night (6:00 pm to 6:00 am). On November 14, 2013, National Highway Traffic Safety Administration released the final 2012 Fatality Analysis Reporting System (FARS) data, which showed large-truck occupant fatalities increased for the third consecutive year (8.9 percent over 2011).

The *Early Estimate of Motor Vehicle Traffic Fatalities for the First Half (Jan–Jun) of 2013* provides a statistical projection of traffic fatalities for the first half of 2013 that shows that an estimated 15,470 people died in all types of motor vehicle traffic crashes. This represents a decrease of about 4.2 percent as compared to the 16,150 fatalities that were projected to have occurred in the first half of 2012.

Electronic Logging Devices and Hours of Service Supporting Documents Rule Under Review: On August 9, Office of Management and Budget's (OMB) Office of Information and Regulatory Affairs received a supplemental notice of proposed rulemaking that would establish: (1) minimum performance standards for electronic logging devices (ELDs); (2) requirements for the mandatory use of the devices by drivers required to prepare handwritten records of duty status (RODS); (3) requirements concerning hours of service (HOS) supporting documents; and (4) measures to ensure that the mandatory use of ELDs will not result in harassment of drivers by motor carriers and enforcement officials.

This rulemaking, subject to OMB clearance, supplements the Agency´s February 1, 2011, Notice of Proposed Rulemaking and addresses issues raised by the U.S. Court of Appeals for the Seventh Circuit Court in its 2011 decision vacating the Agency´s April 5, 2010, final rule concerning ELDs. The requirements for ELDs would improve compliance with the hours-of-service (HOS) rules and thereby decrease the risk of fatigue-related crashes attributable to non-compliance with the applicable HOS requirements.

Rulemaking on Heavy Vehicle Speed Limiters Planned: This National Highway Traffic Safety Administration (NHTSA) rulemaking, listed in the Department of Transportation's Spring 2013 Unified Agenda of Regulatory and Deregulatory Actions, would respond to petitions from American Trucking Associations and Roadsafe America to require the installation of speed limiting devices on heavy trucks. In response to the petitions, NHTSA requested public comment on the subject and received thousands of comments supporting the petitioner´s request.

Based on the available safety data and the ancillary benefit of reduced fuel consumption, this rulemaking, subject to Office of Management and Budget clearance, would consider a new Federal Motor Vehicle Safety Standard that would require the installation of speed limiting devices on heavy trucks. NHTSA believes this rule would have minimal cost, as all heavy trucks already have these devices installed, although some vehicles do not have the limit set. This rule would decrease the estimated 1,115 fatal crashes annually involving vehicles with a gross vehicle weight rating of over 26,000 lbs. on roads with posted speed limits of 55 mph or above.

Minimum Training Requirements for Entry-Level Commercial Motor Vehicle Operators Rule Delayed: On September 19, 2013, Federal Motor Carrier Safety Administration (FMCSA) withdrew its December 26, 2007, notice of proposed rulemaking (NPRM) that proposed new entry-level driver training standards for individuals applying for a commercial driver's license (CDL) to operate commercial motor vehicles (CMVs) in interstate commerce. The Agency withdrew the 2007 proposal because commenters to the NPRM and participants in the Agency's public listening sessions in 2013 raised substantive issues which have led the Agency to conclude that it would be inappropriate to move forward with a final rule based on the proposal. In addition, since the NPRM was published, FMCSA received statutory direction on the issue of entry level driver training (ELDT) from Congress via the Moving Ahead for Progress in the 21st Century Act (MAP-21) reauthorization legislation. Finally, the Agency tasked its Motor Carrier Safety Advisory Committee (MCSAC) to provide ideas the Agency should consider in implementing the MAP-21 requirements. In consideration of the above, the Agency has concluded that a new rulemaking should be initiated in lieu of completing the 2007 rulemaking.

South Carolina Ports Authority Clean Truck Certification Program: On November 1**,** the South Carolina Ports Authority (SCPA) announced a new Clean Truck Certification Program to take effect on January 1, 2014, ensuring that a cleaner, more reliable trucking fleet will serve SCPA container terminals at Charleston in order to continue reducing port-related air emissions. Launched as a result of the Navy Base Terminal permit process, the program requires trucks serving the container terminals to have engines manufactured in 1994 or later. Based on engine year rather than truck model year, the certification is designed with maximum flexibility for the trucking industry. Truck owners must enroll in the program using the port website between November 1st, 2013 and January 1, 2014.

Designation of the Primary Freight Network: On November 19, 2013, the Federal Highway Administration provided a draft initial Designation of the Primary Freight Network (PFN) and provided information about designation of Critical Rural Freight Corridors, which are designated by the States, and establishment of the National Freight Network, which combines the two, along with the portions of the Interstate System not designated as part of the highway PFN. Comments must be received on or before December 19, 2013. Webinars on the subject can be viewed online.

National Freight Advisory Committee Met on November 21: At this second meeting, the October 29, 2013, *Findings and Recommendations of the Special Panel on 21st Century Freight Transportation* were presented. Five subcommittees met for 1 hour each and reported out to the full committee. The subcommittees included: (1) Conditions, Performance, and Data; (2) Research, Innovation, and Technology; (3) Safety, Security, and Environment; (4) Project Delivery and Operations; and (5) International Freight Strategies and Operations. Meeting agendas and minutes are posted on the committee Web site at www.dot.gov/nfac.

National Academies' Transportation Research Board Committee for Review of the U.S. Department of Transportation Truck Size and Weight Study – Public Meeting: On December 5, 2013, from 11:00 am to 6:00 pm (EST), the Transportation Research Board Committee for Review of the U.S. Department of Transportation Truck Size and Weight Study will hold a public meeting at the Keck Center of the National Academies, 500 Fifth Street NW, Washington, DC, Room 101. The program will include presentations from U.S. DOT on the Desk Scans produced by the USDOT MAP-21 Comprehensive Truck Size and Weight Study. The agenda is at http://www8.nationalacademies.org/cp/projectview.aspx?key=49568.

USDOT Comprehensive Truck Size and Weight Limits Study –Second Public Outreach Session:
On December 18, 2013 from 1:00 to 5:00 p.m. (EST), USDOT will hold the second Public Outreach Session to provide an update on the MAP-21 Comprehensive Truck Size and Weight Limits Study progress. This session will be held as a webinar and will include a review of draft desk scans, project plans, selected truck configurations and an updated project schedule. Prior to the webinar, USDOT will post documents at: http://www.ops.fhwa.dot.gov/freight/sw/map21tswstudy/index.htm. USDOT will accept comments on these materials through January 3, 2014. Additional webinar details and registration information will be sent to individuals who have registered on the Comprehensive Truck Size and Weight Limits Study e-mail list and posted on FHWA's Truck Size and Weight web page.

Feature Article

How Availability Impacts Truck Rates

Truck availability has played an important role in truck rates in Florida and at the Mexico-Texas border. In contrast, it has had very little impact on truck rates in California or at the Mexico-Arizona border, indicating market dynamics for truck rates differ by region. However, this relationship differs by sub-region and has shifted over time. This article examines the relationship between truck availability and truck rates since 2000 for four key refrigerated truck commodity origins–California, Florida, the Mexico-Texas border crossing, and the Mexico-Arizona border crossing.

Background

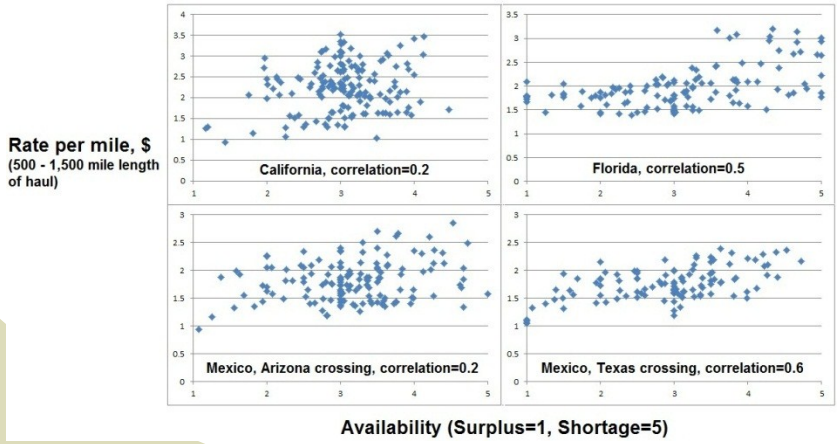
Truck rates are influenced by a variety of factors. Some of these factors and how they differ as variable and fixed factors were discussed in the First Quarter 2013 Market Insight. That article hypothesized that truck availability is a contributing factor affecting truck rates and that truck availability's influence on rates could vary by route or region. This is because as truck availability undergoes relative shortages or scarcities, rates should adjust as market conditions change. Yet, as the First Quarter 2013 Market Insight article demonstrated, the same factor—such as availability—could have different impacts on truck rates by region, given that each region has its own unique circumstances that affect rates.

Using the three origins—California, Florida, and Mexico—that have consistently shipped the highest volumes of refrigerated fruits and vegetables, a broad look at truck availability reveals where truck rates have been impacted, by region and time period. A wealth of data for these origins dating back to 2000 allows for an in-depth look at the relationship between truck availability and rates. This data is collected by USDA's AMS Market News Division on a weekly basis, which reports truck availability for regions across the country using five categories, ranging from surplus to shortage. This data appears weekly in the Fruit and Vegetable Truck Rate Report and quarterly in the AgRTQ.

Findings

Overall, truck shipments from California and Mexico across the Arizona border exhibited very little correlation between truck rates and truck availability. On the other hand, shipments originating from Florida and Mexico across the Texas border exhibited moderately strong correlation (figure 1).

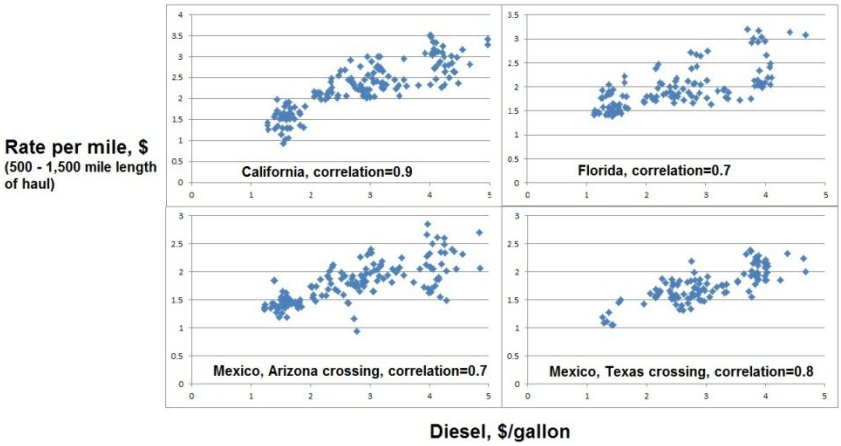
Figure 1: Correlation between monthly truck availability and rates, 2000-2013.



Correlation: Values for the correlation coefficient can range between -1 and 1, indicating the strength and direction of the correlation. As values approach either 1 or -1, the strength of the correlation between two variables increases in either a positive or negative direction, respectively. For example, a correlation close to 1 indicates an increase in one variable is strongly associated with an increase in another variable. Values close to 0 indicate little or no correlation between variables.

The tight, upward sloping data points for Florida and Texas border crossings show how rates have generally tended to increase during times of truck shortages between 2000 and 2013. In contrast, the wider dispersal of data points for California and Arizona border crossings show how availability has played a relatively minor role in affecting rates since 2000. Thus, other factors such as fuel costs, driver wages, regulations, and contracts likely played much stronger roles in affecting rates for California and Arizona border crossings. For comparison purposes, the correlation between truck rates and diesel prices demonstrates a stronger graphical and statistical correlation (figure 2). The correlation between diesel costs and truck rates is especially apparent for California, indicating that for each $1 increase in diesel, the rate per mile has increased almost $0.50 since 2000.

Figure 2: Correlation between monthly diesel prices and truck rates, 2000-2013.



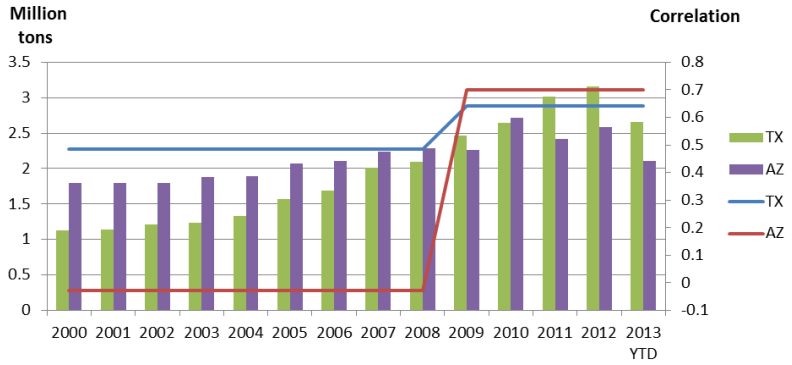
In general, truck rates have been much more heavily influenced by diesel fuel prices than cyclical changes in availability. Nevertheless, the data show that for some sub-regions, truck availability has played as just an important role in influencing rates. For example, the correlation between rates and availability within some of Florida's sub-regions is 0.7 for the Central, South, and West districts—just as strong as the correlation between rates and diesel. On the other hand, the majority of sub-regions within California showed almost no correlation between rates and availability. The exceptions to this were the reporting regions near Santa Maria, Sacramento, and the Imperial and Coachella Valleys, all with a correlation of 0.3, slightly above the correlation for California as a whole.

There is also an important time dimension to the correlation between truck rates and availability. Instead of maintaining a constant relationship, the relationship between rates and availability can change over time for a particular region. This is illustrated by the Mexican border crossings through Texas and Arizona (figure 3). Prior to 2009, truck rates and availability for Mexican border crossings through Arizona exhibited no correlation, and the correlation for crossings through Texas was 0.5.[1] However, since 2009, the correlation has been 0.7 for Arizona crossings and 0.6 for Texas crossings. This indicates that truck rates at the border crossings have been increasingly influenced by availability in recent years and that border crossings through Arizona are more influenced by availability than are

[1] The time periods were divided into pre-2009 and 2009–2013 in order to balance the number of observations in each group, giving each period at least 50 observations from which to derive a statistically valid correlation coefficient.

crossings through Texas, a reversal from previous years. As the First Quarter 2012 Market Insight details, Texas overtook Arizona as the primary point of entry for truck shipments of agricultural products around 2009. As Texas became the predominant entry point, the relationship between rates and availability became relatively less important. Conversely, as Arizona lost its position as the primary point of entry from Mexico, the relationship between rates and availability became relatively more important.

Figure 3: Correlation between truck availability and rates for annual fruit and vegetable shipments from Mexico by border crossing.



Analysis

As the findings show, truck rates in Florida and across the Mexico-Texas border have been more influenced by truck availability than have rates in California or across the Mexico-Arizona border since 2000. In both cases, the rates in the regions shipping the highest volumes have been less influenced by availability. Similarly, as Texas surpassed Arizona in recent years with heavier volume from Mexico, truck rates in Texas became relatively less influenced by availability. This could be a result of increasing competitiveness among shipping companies, more predictability in logistics, or other factors related to the increase in volume. However, other contributing factors not captured through these variables, such as driver wages or regulations, could have impacted rates. Either way, more extensive research would be needed to determine which factors may be at work.

Summary

The relationship between truck rates and truck availability varies by region and time frame. The relationship can range between non-existent to strong and may also change over time due to the influence of many other factors. Since 2000, truck rates have been most strongly influenced by availability in Florida and at the Mexico-Texas border. However, recent trends indicate that as Texas becomes the more important point of entry for Mexican traffic, rates in that region are becoming less influenced by truck availability and are becoming more influenced at the Mexico-Arizona border.

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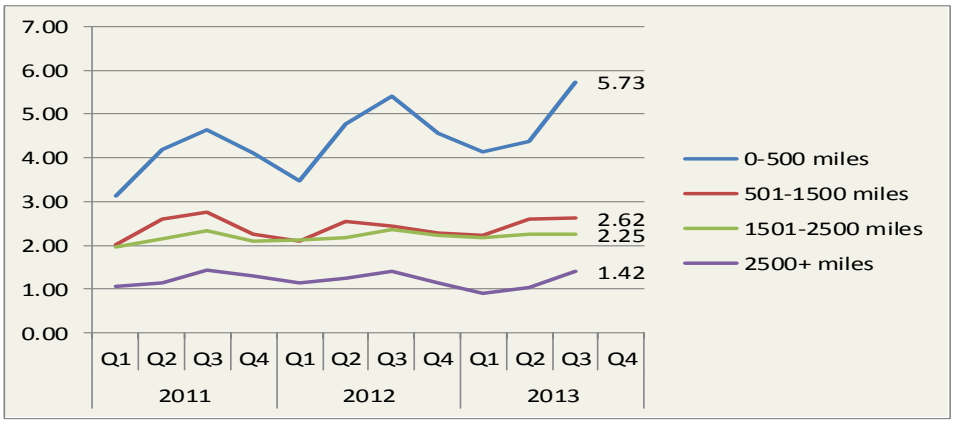
National Summary

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	2.62		2.49
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

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

	2nd Qtr 2013			3rd Qtr 2013		
Origin	Apr	May	Jun	Jul	Aug	Sep
Arizona	2.60	n/a	n/a	n/a	n/a	n/a
California	2.82	3.04	3.46	3.20	3.13	3.10
Florida	2.34	3.01	2.92	3.01	n/a	n/a
Great Lakes	2.92	2.97	2.97	3.19	3.19	3.09
Mexico-Arizona	2.50	2.85	2.28	1.63	n/a	n/a
Mexico-Texas	2.26	2.36	2.39	2.16	1.95	1.93
New York	2.48	n/a	n/a	2.30	2.30	2.14
PNW	1.99	1.95	1.90	1.81	1.84	1.77
Southeast	3.24	3.22	3.49	3.68	3.66	3.45
Texas	2.37	2.44	2.48	2.62	2.46	2.41

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 , 3rd Quarter 2013 ($/Mile)

Origin	Destination									
	Atlanta	Baltimore	Boston	Chicago	Dallas	Los Angeles	Miami	New York	Philadelphia	Seattle
Arizona	.	.	.	.	.	.	.	.	.	.
California	2.64	2.58	2.59	2.4	2.79	4.99	2.42	2.62	2.58	3.13
Florida	4.11	3.08	2.95	2.88	.	.	.	3.1	3.06	.
Great Lake	2.89	3.15	3.29	3.98	2.58	.	2.73	3.81	3.55	.
Mexico-AZ	.	.	.	1.94	.	1.63	.	2.28	2.28	.
Mexico-TX	2.21	2.17	2.21	1.83	2.48	1.35	2.18	2.2	2.12	.
New York	2.34	3.7	9.37	1.43	.	.	2.21	9.39	5.37	.
Other	2.89	2.54	2.7	2.54	3.36	1.66	2.42	3.45	6.48	.
PNW	2.2	2.25	2.29	2.08	2.33	1.8	2.18	2.35	2.23	8.65
Southeast	4.36	4.53	3.69	3.1	3.02	.	3.12	4.24	4.43	.
Texas	3	2.8	2.71	2.61	4.14	1.54	2.42	2.78	2.68	.

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 , 3rd Quarter 2013 ($/Truck)

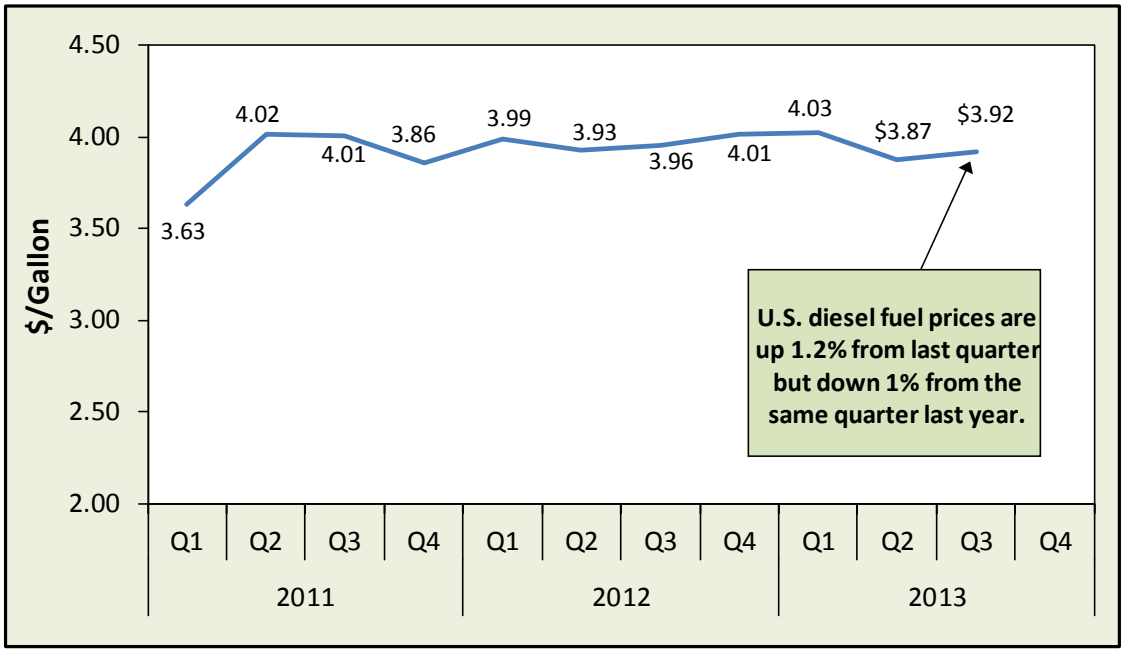
Origin	Destination									
	Atlanta	Baltimore	Boston	Chicago	Dallas	Los Angeles	Miami	New York	Philadelphia	Seattle
Arizona										
California	6,053	7,080	7,922	5,047	4,495	905	7,235	7,480	7,222	3,223
Florida	1,238	2,800	3,875	2,763	.	.	.	3,400	3,094	.
Great Lake	2,523	3,226	4,066	994	2,819	.	4,289	3,321	3,025	.
Mexico-AZ	.	.	.	3,500	.	913	.	5,700	5,483	.
Mexico-TX	2,546	3,892	4,869	2,623	1,238	2,162	3,338	4,408	4,027	.
New York	2,329	1,120	1,649	1,200	.	.	3,200	1,328	1,191	.
Other	2,410	4,031	4,225	2,173	1,757	1,808	4,646	3,823	3,330	.
PNW	5,123	5,548	6,324	3,713	4,286	1,727	6,478	5,997	5,627	1,212
Southeast	1,191	2,157	3,303	2,640	2,866	.	1,940	2,830	2,536	.
Texas	2,546	3,915	4,869	2,608	1,242	2,158	3,338	4,415	4,027	.

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: 3rd Quarter 2013 Average Diesel Fuel Prices (All Types - $/Gallon)

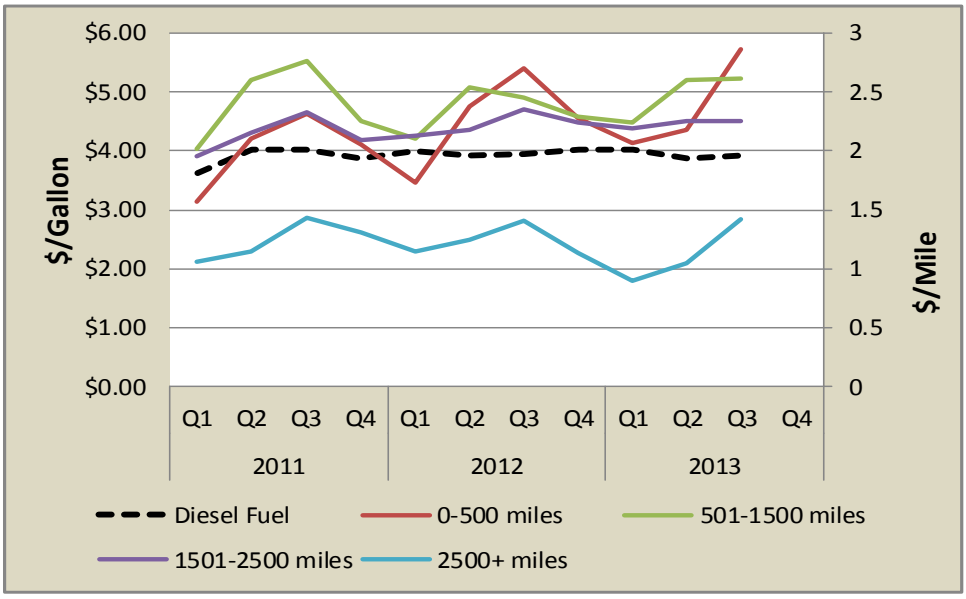
Location	Price	Change From	
		Last Quarter	Same Qtr Last Year
East Coast	3.93	0.05	-0.04
New England	4.05	0.04	-0.01
Central Atlantic	3.99	0.05	-0.05
Lower Atlantic	3.86	0.05	-0.04
Midwest	3.90	0.01	-0.02
Gulf Coast	3.84	0.07	-0.02
Rocky Mountain	3.91	0.06	-0.08
West Coast	4.07	0.08	-0.09
California	4.15	0.09	-0.07
U.S.	3.92	0.04	-0.04

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	3.92	2.61	1%	0%	-1%	7%
	Q4						

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

3rdQuarter 2013 Comparison Analysis

Diesel fuel prices averaged $3.92 per gallon this quarter, 1 percent higher than last quarter but 1 percent lower than the same quarter last year. Average truck rates for shipments between 501 and 1,500 miles were $2.62 per mile, less than 1 percent higher than the previous quarter and 7 percent higher than the same quarter last year.

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

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

Quarterly Truck Availability

Table 7: U.S. Fresh Fruit and Vegetable Truck Availability, 3rd Quarter 2013

Region[1]	Commodity[1]	Truck Availability												
		Surplus - 1		Slight Surplus - 2			Adequate - 3			Slight Shortage - 4			Shortage - 5	
		Week Ending[1]												
		7/2	7/9	7/16	7/23	7/30	8/6	8/13	8/20	8/27	9/3	9/10	9/17	9/24
CALIFORNIA, CENTRAL AND WESTERN ARIZONA														
Imperial, Palo Verde, and Coachella Valleys, CA, and Central and Western AZ	Cantaloupe, Grapes, Watermelon	3.3	3											
Kern District, CA	Carrots, Grpaes, Potatoes	3	3	3	3	3	3	3	3	3	3	3	3	3
Salinas-Watsonville, CA	Blackberries, Broccoli, Cauliflower, Lettuce, Raspberries, Romaine Lettuce, Strawberries	3	3	3	3	3	3	3	3	3	3	3	3	3
San Joaquin Valley, CA	Apples, Apricots, Bell Peppers, Cnataloupe, Melons, Nectarines, Onions[2], Peaches, Pears, Plums, Watermelon	3.8	3	3	3	3	3	3	3	3	3	3	3	3
Santa Maria, CA	Broccoli, Cauliflower, Iceberg Lettuce, Leaf Lettuce, Romine Lettuce, Strawberries	3	3	3	3	3	3	3	3	3	3	3	3	3
South District, CA	Avocados, Citrus, Raspberries	3	3	3	3	3	3	3	3	3	3	3	3	3
PACIFIC NORTHWEST (ID, OR, WA)														
Columbia Basin, WA	Onions, Potatoes	4	3	3	3	3	3	3	4	4	4	4	5	5
Idaho and Malheur County, OR	Onions, Potatoes								3	3	3	4	5	5
Northwestern WA	Potoatoes											3	3	3
Upper Valley, Twin Falls-Burley District, ID	Onions, Potatoes	4	3	3	3	3	3	3	3	3	3	4	4	5
Yakima Valley & Wenatchee District, WA	Apples, Pears	3	3	3	3	3	3	3	3	3	3	3	3	3
FLORIDA														
West	Tomatoes	5												
Central and North	Melons	5												
GREAT LAKES (MI & WI)														
Michigan	Blueberries, Cucumbers, Melons, Onions		3	3	3	3	3	3	3	3.5	3.25	3	3	3
Central Wisconsin	Onions, Potatoes						3	3	3	3	3	4	4	3
MEXICO BORDER CROSSINGS														
Through Nogales, AZ	Grapes, Mangoes, Melons, Mixed Vegetables, Tomatoes	1	1	1	1									
Through Texas	Carrots, Citrus, Limes, Mangoes, Mixed Fruit and Vegetables, Plum Tomatoes	3	3	3	3	3	3	3	3	2	2	2	1	1
TEXAS, OKLAHOMA														
Texas	Watermelon	3	3	3	3									
Texas & Oklahoma	Watermelon					3	3	3	3	3	3	3	2	2
SOUTHEAST (GA, NC, SC)														
South Georgia	Bell Peppers, Corn, Cucumbers, Eggplant, Melons, Peaches, Squash	5	3	3	3	3	3							3
Vidalia District Georgia	Onions	3	3	3	3	3	3	3	3	3	3	3		
North Carolina	Melons			3	3	3	3	3	3	4	3	3		
Eastern North Carolina	Sweet Potatoes	5	5	5	4	3	3	3	3	3	3	3	4	4
South Carolina	Melons, Peaches, Tomatoes	5	3	3	3	3			3					

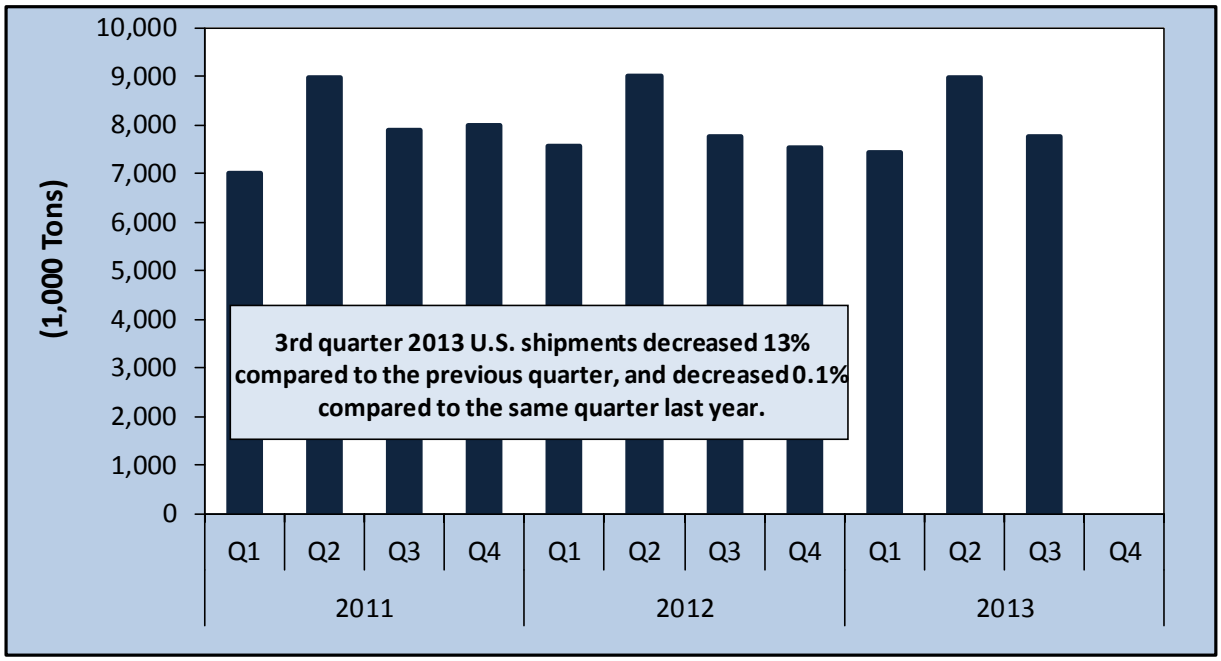
[1] Regions reported and commodities shipped vary by week, month, season, and year.

[2] Generally shipped on flatbeds, or in open trucks or dry van trailers.

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	7,762		24,185
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

Reported Shipments by Selected Commodities

Table 9: Reported Top 10 Commodity Shipments for 3rd Quarter 2013 (1,000 Tons)

Commodity	3rd Quarter 2013	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
				Previous Qtr	Same Qtr Last Year
Potatoes	1,065	1,106	1,041	-4%	2%
Watermelons, Seedless	848	870	700	-	21%
Apples	529	628	470	-16%	13%
Onions, dry	451	529	497	-15%	-9%
Grapes	375	182	413	106%	-9%
Cantaloups	335	274	405	22%	-17%
Lettuce, iceberg	322	362	329	-11%	-2%
Tomatoes	312	533	437	-41%	-29%
Strawberries	240	381	247	-	-3%
Lettuce, Romaine	208	222	182	-6%	14%

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

Regional Markets

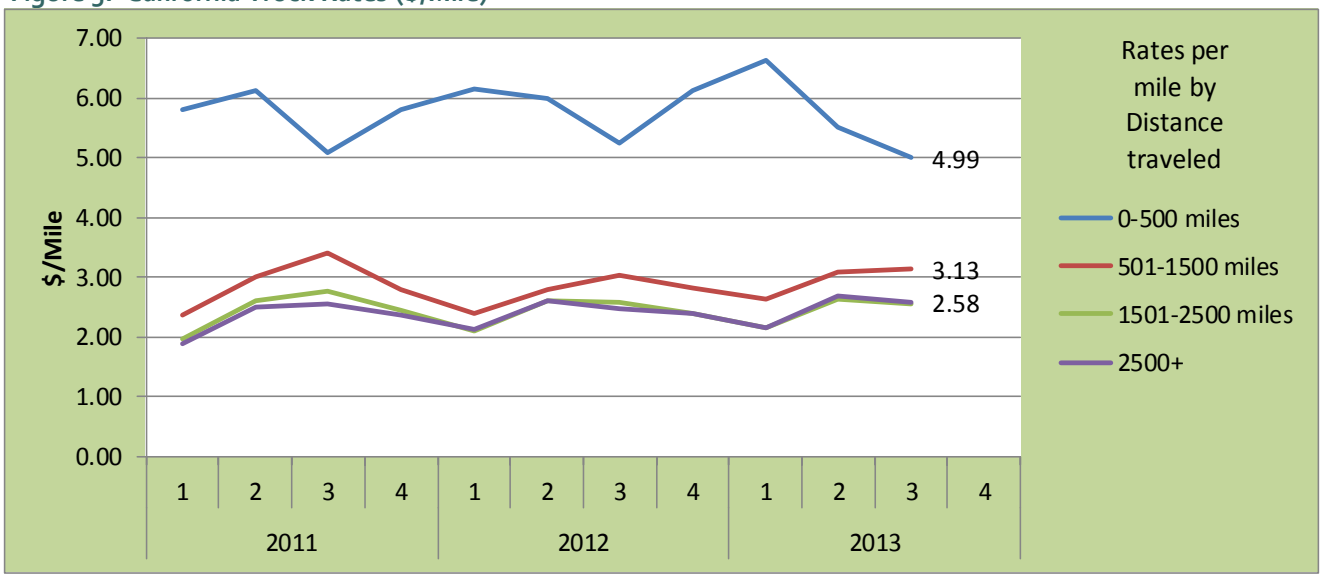
California

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

Commodity	3rd Quarter 2013	Share of California Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Grapes	369	12%	41	408	799%	-10%
Lettuce, Iceberg	314	10%	326	321	-4%	-2%
Cantaloups	299	10%	98	348	205%	-14%
Strawberries	240	8%	366	247	-35%	-3%
Lettuce, Romaine	207	7%	211	180	-2%	15%
Top 5 Total	**1,428**	**46%**	**1,042**	**1,504**	**37%**	**-5%**
California Total	**3,111**	**100%**	**2,369**	**3,309**	**31%**	**-6%**

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

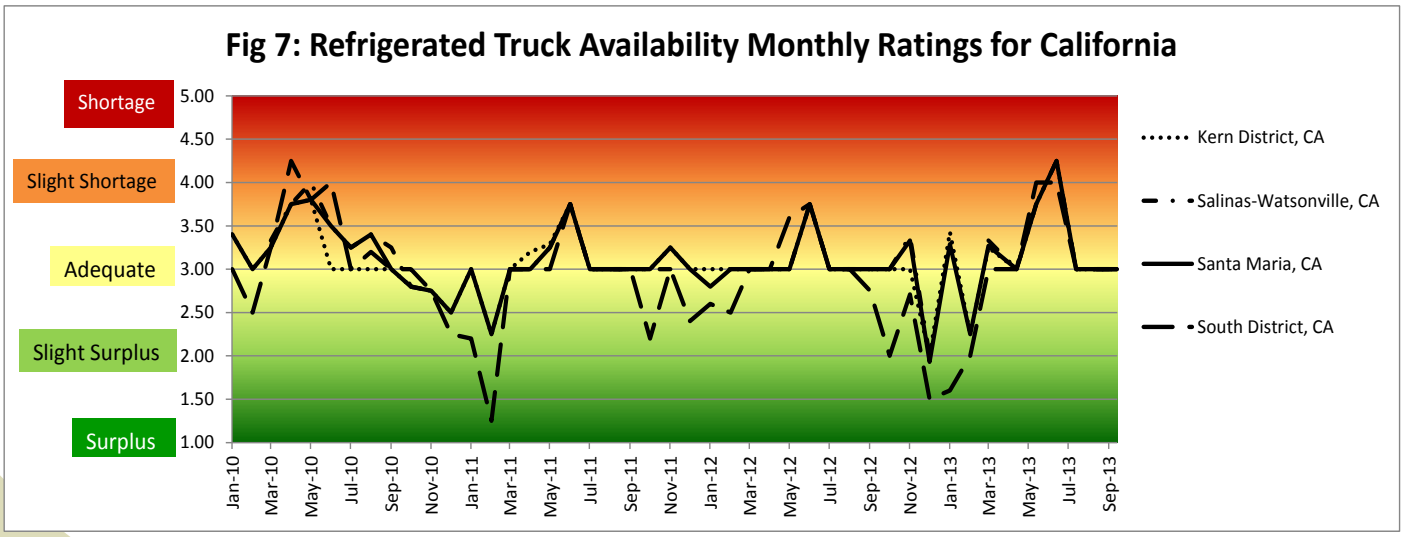
Region/Reporting District	Diesel Fuel	Truck Rate 501 to 1500 miles	July	August	September
			Monthly Rating		
	$/per gallon	$/per mile	1=Surplus to 5=Shortage		
Regional Average	**$4.15**	**$3.08**	**3.02**	**3.00**	**3.00**
Kern District, CA			3.00	3.00	3.00
Sacramento & San Joaquin Valley, CA			3.00	3.00	3.00
Salinas-Watsonville, CA			3.00	3.00	3.00
San Joaquin Valley, CA			3.10	3.00	3.00
Santa Maria, CA			3.00	3.00	3.00
South District, CA			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: In the third quarter of 2013, total shipments of fruits and vegetables by truck from the California Region decreased 6 percent from the same quarter in 2012, with the biggest decreases in grapes and strawberries. Truck shipments of grapes were down 10 percent from the third quarter of 2012 even though this year's harvest has been exceptional, with record shipments reported throughout August and September. The decrease in truck shipments from last year is probably due to an increase in ship and air shipments, reflecting the growing international demand for California grapes. The government of Australia passed legislation allowing the importation of California table grapes into Western Australia in July of this year.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was $3.13 per mile, up 2 percent from last quarter, and 4 percent higher than the same quarter last year.

Truck Overview: Diesel fuel prices averaged $4.15 per gallon, 2 percent higher than last quarter but 1 percent lower than the same period last year. Truck availability was adequate throughout the third quarter.



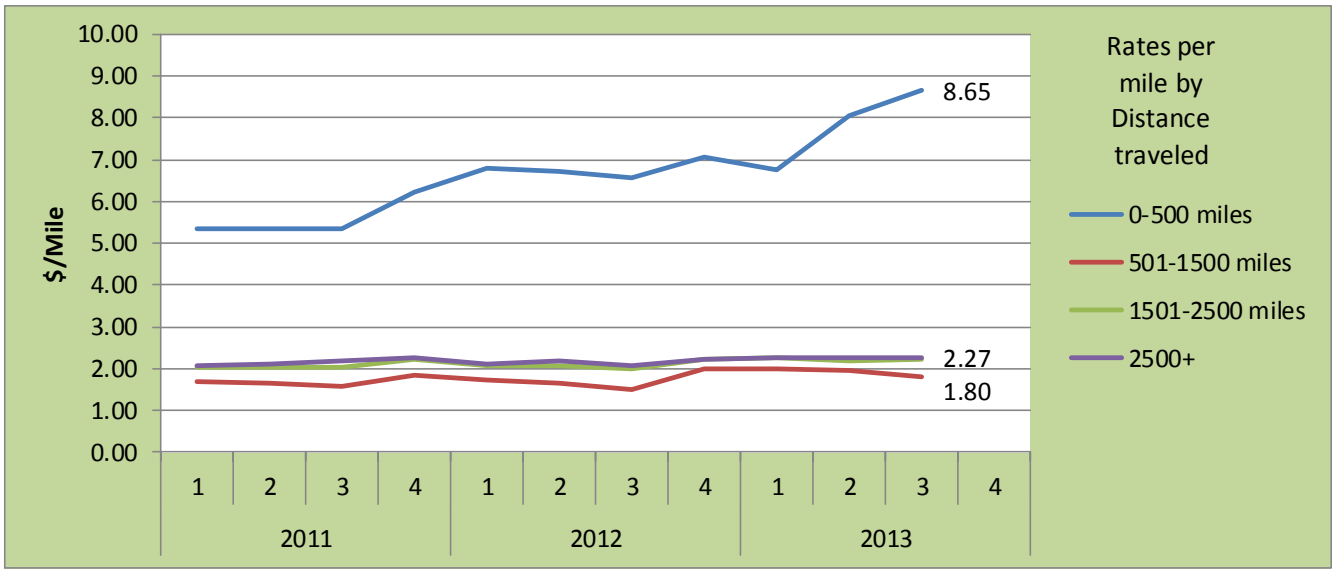
Pacific Northwest (PNW)

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

Commodity	3rd Quarter 2013	Share of PNW Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Potatoes	510	39%	487	481	5%	6%
Apples	457	35%	615	397	-26%	15%
Onions, dry	167	13%	108	215	55%	-22%
Cherries	86	7%	38	146	125%	-41%
Pears	53	4%	68	56		-6%
Top 5 Total	**1,272**	**97%**	**1,316**	**1,295**	**-3%**	**-2%**
PNW Total	**1,312**	**100%**	**1,325**	**1,335**	**-1%**	**-2%**

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	July	August	September
			Monthly Rating		
	$/per gallon	$/per mile	1=Surplus to 5=Shortage		
Regional Average	**$3.97**	**$1.80**	**3.10**	**3.13**	**3.75**
Columbia Basin, WA			3.11	3.50	4.50
Idaho and Malheur County, OR				3.00	4.25
Northwestern WA					3.00
Upper Valley, Twin Falls-Burley District, ID			3.20	3.00	4.00
Yakima Valley & Wenatchee District, WA			3.00	3.00	3.00

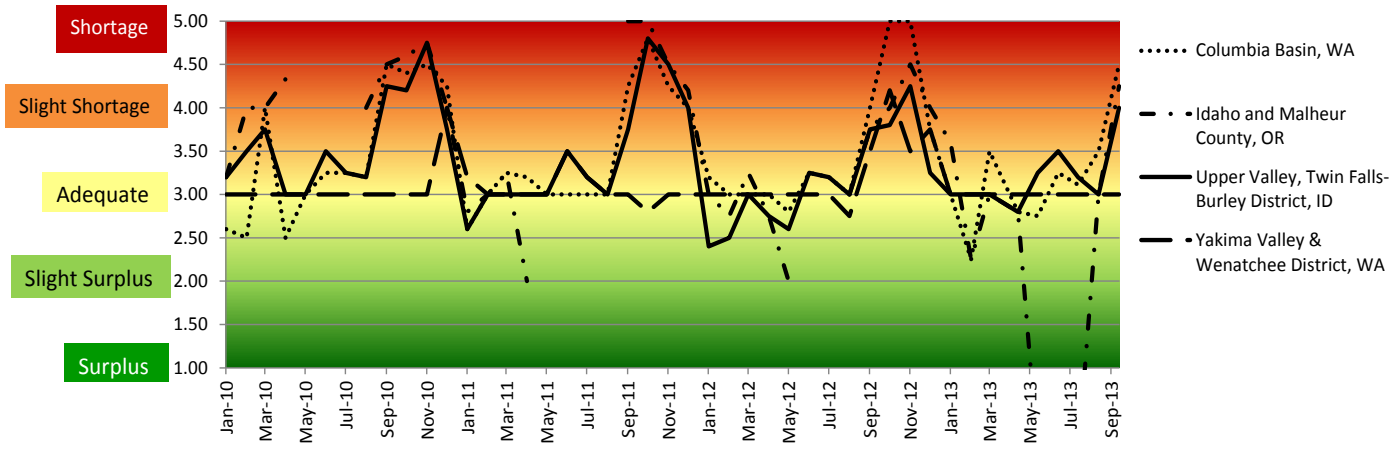
n/a: availability data not reported
Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy
For the purpose of this report the West Coast less California District was used to represent the diesel fuel price for PNW.

Volume: In the third quarter of 2013, total shipments of fruits and vegetables from the Pacific Northwest Region decreased 2 percent from the same quarter in 2012, and the top five commodities also decreased 2 percent. Increases in potato and apple shipments were outnumbered by decreases in dry onion, cherry and pear shipments. Potato producers in the northern regions came into the market this year when supplies were running low and prices were high due to strong domestic demand. However cherry production in the Pacific Northwest took a hit, according to the Packer, because of a late frost in April and heavy rain in May and June.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was $1.80 per mile down 8 percent from last quarter, but 19 percent higher than the same quarter last year.

Truck Overview: Diesel fuel prices averaged $3.97 per gallon, 2 percent higher than last quarter, but 3 percent lower than the same period last year. Truck availability for the region was mostly adequate during the 3rd quarter except for slight shortages in the Columbia Basin, WA, Idaho and Malheur Counties, OR, and the Upper Valley, Twin Falls-Burley District, ID in September.

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)

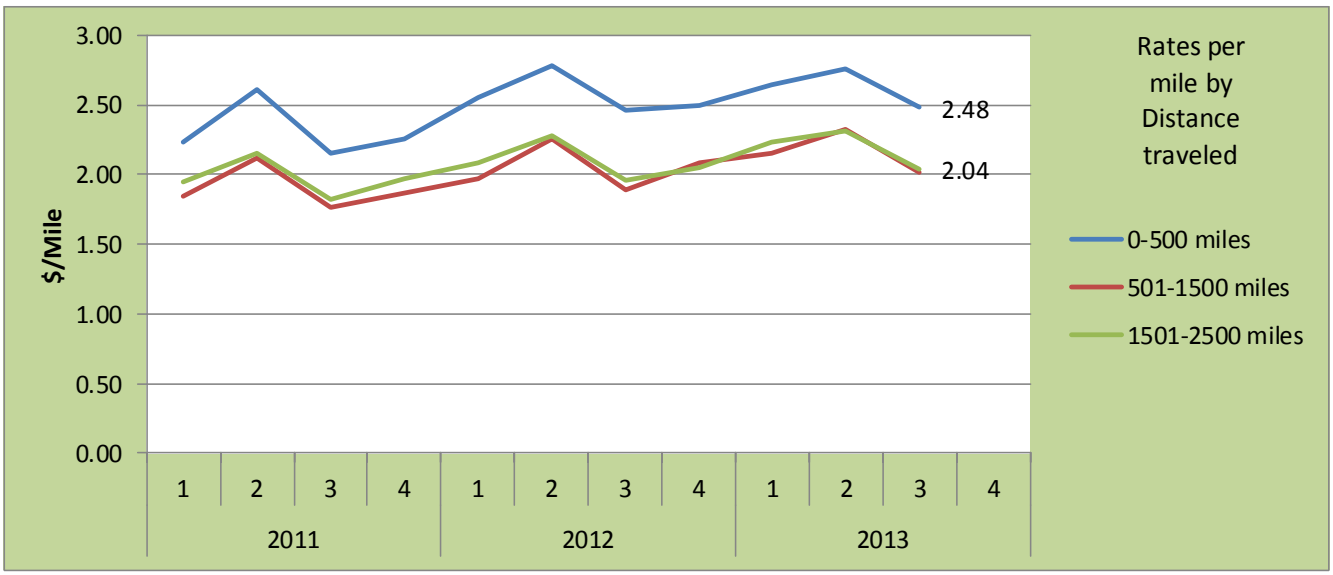
Commodity	3rd Quarter 2013	Share of Mexico Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Limes	142	12%	124	130	14%	9%
Mangoes	120	10%	154	80	-22%	50%
Peppers, other	116	10%	83	111	40%	5%
Tomatoes, plum type	111	10%	166	103	-33%	8%
Tomatoes	90	8%	193	84	-53%	7%
Top 5 Total	**579**	**50%**	**720**	**508**	**-20%**	**14%**
Mexico Total	**1,155**	**100%**	**2,307**	**1,059**	**-50%**	**9%**

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

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

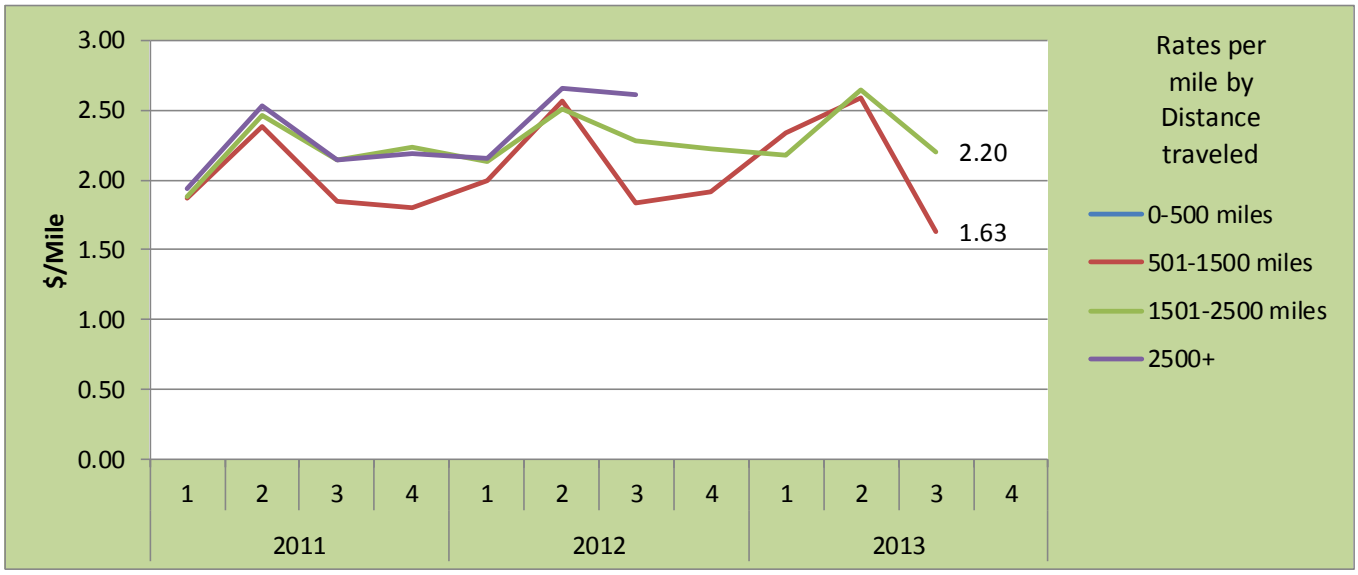
Texas		California		Arizona	
Limes	127	**Tomatoes, plum type**	49	**Mangoes**	53
Avocados	74	**Cucumbers**	42	**Tomatoes**	6
Mangos	66	**Misc. tropical**	29	**Grapes**	6
Tomatoes	62	**Peppers, other**	24	**Bananas**	4
Tomatoes, plum	61	**Onions, green**	22	**Cucumbers**	4
Other	317	**Other**	118	**Other**	21
Total	**706**	**Total**	**284**	**Total**	**94**

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	July	August	September
			Monthly Rating		
	$/per gallon	$/per mile	1=Surplus to 5=Shortage		
Regional Crossing Average			**2.00**	**2.75**	**1.53**
Through Texas	$3.84	$2.02	1.00		
Through Nogales, AZ	$3.97	$1.63	3.00	2.75	1.53

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: In the third quarter of 2013, total shipments of fruits and vegetables from the Mexico Region increased 9 percent from the same quarter in 2012. The top five commodities increased 14 percent, led by mangoes, which were up 50 percent from last year. According to The Packer, Mexican production was very favorable, up for the third consecutive year, with strong shipments and consumption. Mexican shipments reached over 3 million boxes per week with total shipments exceeding last year's record of 58 million cartons.

Rates: Truck rates for shipments between 501 and 1,500 miles through the Texas border crossings averaged $2.02 per mile, down 13 percent from last quarter, and 7 percent higher than the same quarter last year. Rates for shipments between 501 and 1,500 miles through the Arizona border crossings averaged $1.63 per mile, down 37 percent from last quarter and 12 percent lower than the same quarter last year.

Truck Overview: Diesel fuel prices for border crossings through Texas averaged $3.84 per gallon, 2 percent higher than last quarter, but the same as last year. Diesel fuel prices for border crossings through Arizona averaged $3.97 per gallon, 2 percent higher than last quarter and 4 percent lower than the same period last year. Truck availability was adequate for the first 2 months of the third quarter but gradually reached a surplus by the end of the quarter for the border crossing through Texas. Availability was at a surplus for the border crossing through Arizona.

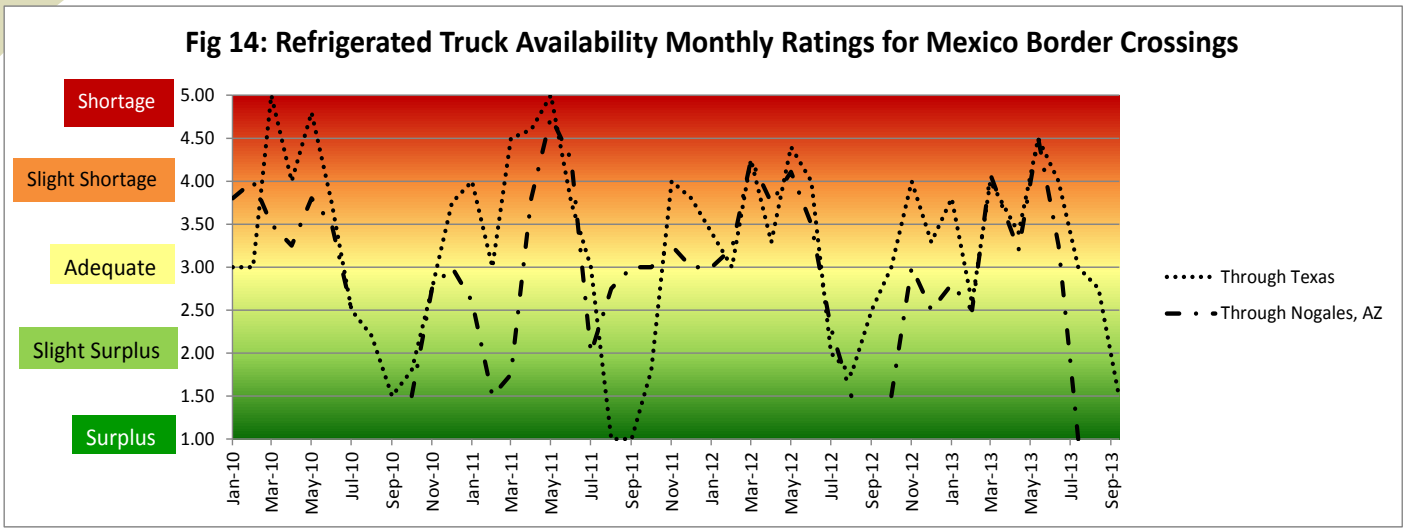


Fig 14: Refrigerated Truck Availability Monthly Ratings for Mexico Border Crossings
Shortage
Slight Shortage
Adequate
Slight Surplus
Surplus
5.00
4.50
4.00
3.50
3.00
2.50
2.00
1.50
1.00
Jan-10
Mar-10
May-10
Jul-10
Sep-10
Nov-10
Jan-11
Mar-11
May-11
Jul-11
Sep-11
Nov-11
Jan-12
Mar-12
May-12
Jul-12
Sep-12
Nov-12
Jan-13
Mar-13
May-13
Jul-13
Sep-13
Through Texas
Through Nogales, AZ

Great Lakes

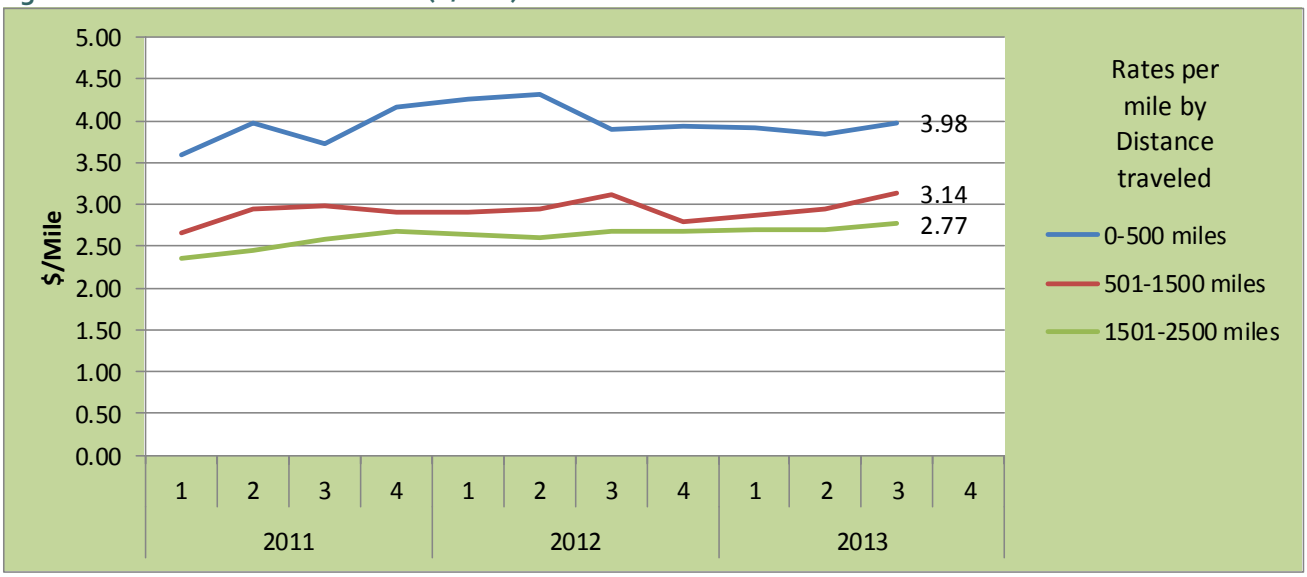
Table 14: Reported Top 5 Commodities Shipped from Great Lakes (1,000 tons)

Commodity	3rd Quarter 2013	Share of Great Lakes Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Potatoes	141	39%	85	131	66%	7%
Cucumbers	46	13%	1	58	-	-20%
Watermelons	24	7%	-	-	-	-
Cabbage	24	7%	1	22	-	8%
Blueberries	21	6%	-	12		72%
Top 5 Total	**256**	**70%**	**87**	**223**	**194%**	**15%**
Great Lakes Total	**364**	**100%**	**92**	**355**	**296%**	**3%**

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 16: Great Lakes Truck Overview

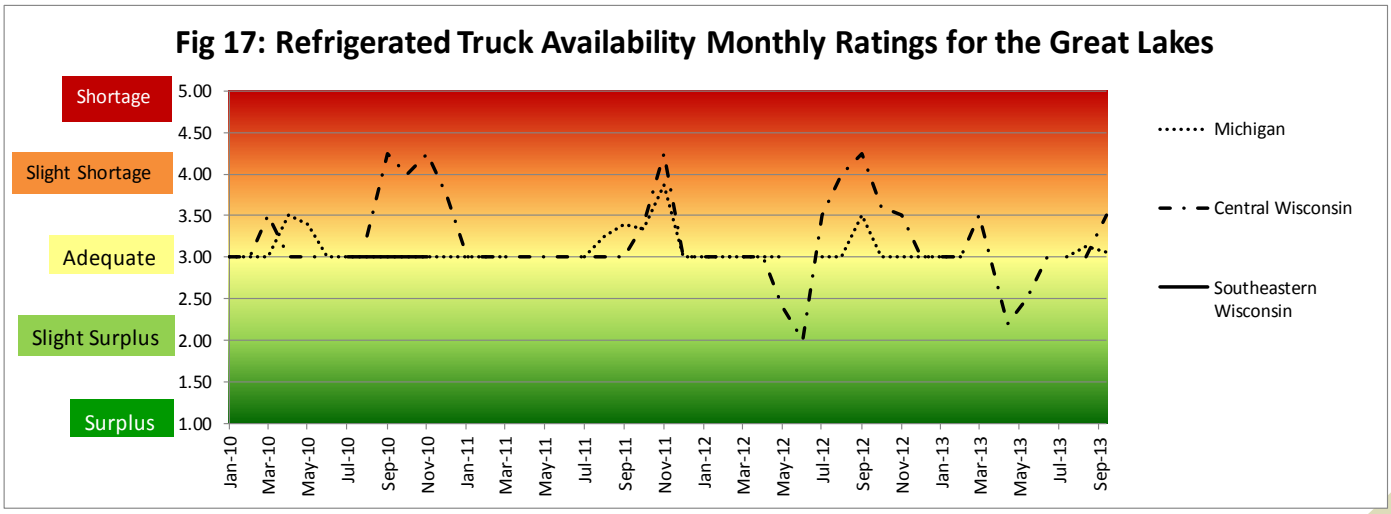
Region/Reporting District	Diesel Fuel	Truck Rate	July	August	September
			Monthly Rating		
	$/per gallon	$/per mile	1=Surplus to 5=Shortage		
Regional Average	**$3.90**	**$3.14**	**3.00**	**3.10**	**3.28**
Michigan			3.00	3.20	3.07
Central Wisconsin				3.00	3.50

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: In the third quarter of 2013, total shipments of fruits and vegetables from the Great Lakes Region increased 3 percent from the same quarter in 2012, and the top 5 commodities increased 15 percent. Increases in watermelon, blueberries, potatoes and cabbage outweighed the 20 percent decrease in cucumbers. The promotion of health benefits from blueberries continues to boost demand in U.S. households. The Packer reports that late potato planting in the Great Lakes region lead to a delayed harvest which caused a temporary supply shortage increasing prices significantly.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was $3.14 per mile.

Truck Overview: Diesel fuel prices averaged $3.90 per gallon, 0.2 percent higher than last quarter, but 1 percent lower than the same period last year. Truck availability for the region was mostly adequate during the 3rd quarter.



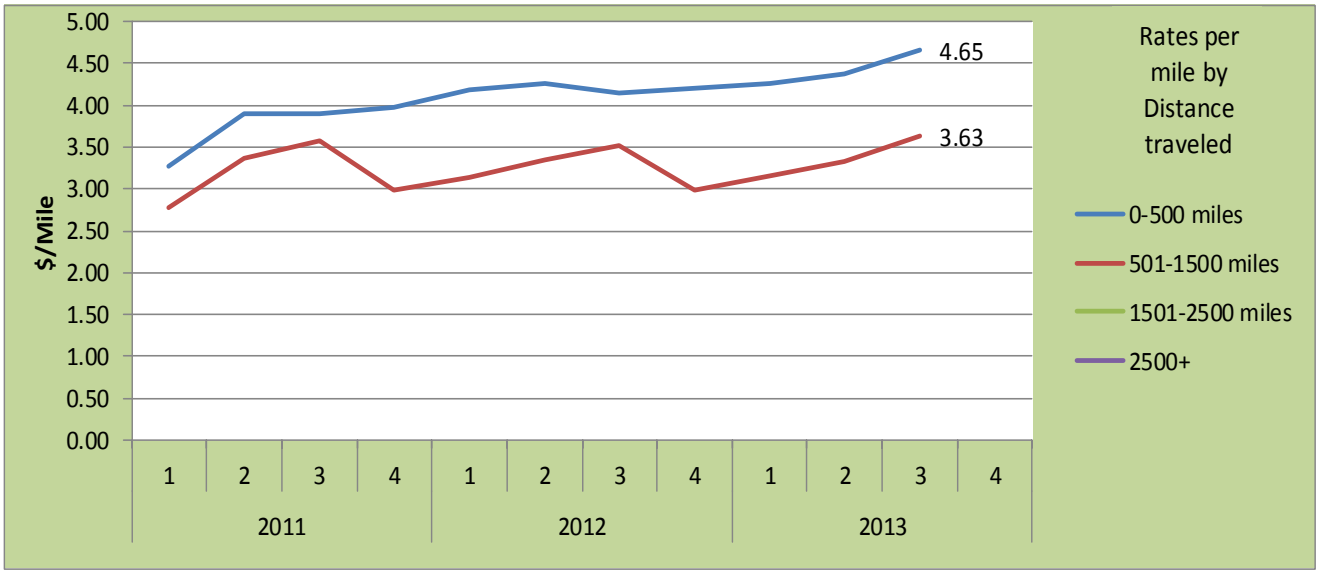
Southeast

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

Commodity	3rd Quarter 2013	Share of Southeast Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Watermelons, Seedless	213	43%	94	116	-	84%
Sweet Potatoes	61	12%	63	61	-	0%
Peaches	42	8%	26	18	-	131%
Onions dry	38	8%	72	7	-47%	443%
Corn-Sweet	29	6%	124	14	-	105%
Top 5 Total	**382**	**78%**	**379**	**216**	**1%**	**77%**
Southeast Total	**492**	**100%**	**634**	**298**	**-22%**	**65%**

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 third quarter of 2013, total shipments of fruits and vegetables from the Southeast increased 65 percent from the same quarter in 2012, and the top 5 commodities increased 77 percent. Seedless watermelon, peaches, dry onions, and sweet corn all increased substantially from this time last year. Sweet potatoes shipments remained the same. The Packer reports that heavy rains during growing and harvest seasons for peaches, watermelon, and sweet corn delayed production, but shipments were strong for each commodity through August and September.

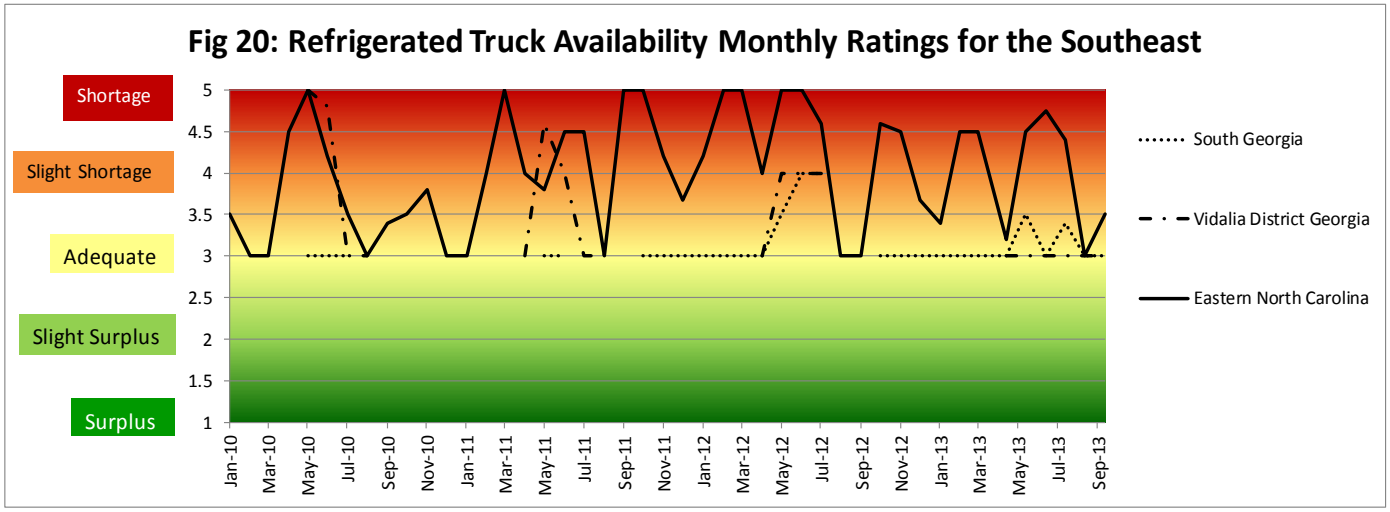
Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was $3.63 per mile, 9 percent higher than the previous quarter.

Truck Overview: Diesel fuel prices averaged $3.86 per gallon, 1 percent higher than last quarter, but 1 percent lower than the same period last year. Truck availability for the region was adequate for the majority of the 3rd quarter with the exception of a shortage during July in Eastern North Carolina.

Figure 19: Southeast Truck Overview

Region/Reporting District	Diesel Fuel	Truck Rate 501 to 1500 miles	July	August	September
			Monthly Rating		
	$/per gallon	$/per mile	1=Surplus to 5=Shortage		
Regional Average	**$3.86**	**$3.63**	**3.54**	**3.05**	**3.13**
South Georgia			3.78	3.00	3.00
Vidalia District Georgia			3.00	3.00	3.00
North Carolina			3.00	3.25	3.00
Eastern North Carolina			4.40	3.00	3.50
South Carolina			3.50	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 Lower Atlantic District was used to represent the diesel fuel price for Southeast.



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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