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Feature Article

U.S.-Mexico Cross-Border Trucking Pilot Program Resulted in Increased U.S. Exports and Truckloads

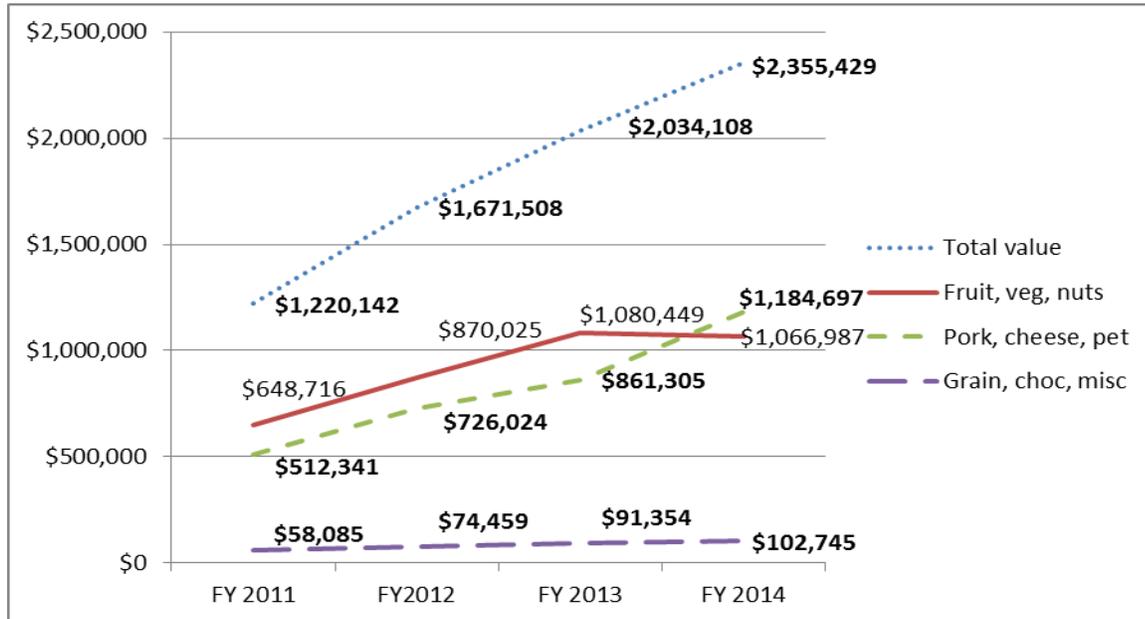
October 10, 2014 marked the end of the third and final year of the [U.S.-Mexico Cross-Border Long-Haul Trucking Pilot Program](#), which evaluated the ability of Mexico-based motor carriers to operate safely in the United States beyond the municipalities and commercial zones along the border. Only 15 Mexican carriers, with 71 trucks and 56 drivers, participated. The remaining 13 carriers continue to operate in the United States; four of them are allowed to operate an additional 279 long-haul trucks.¹

The initiation of the 3-year pilot program resulted in Mexico's suspension of retaliatory tariffs on 54 U.S. agricultural and 44 industrial products on October 21, 2011. [Mexico first imposed retaliatory tariffs of 10 to 45 percent on 36 agricultural products on March 19, 2009](#), after the first demonstration program was terminated by Congress. [On August 19, 2010, Mexico increased the number of affected agricultural products to 54, revised the tariffs to 5 to 20 percent, and excluded peanut butter](#). [Agriculture Secretary Tom Vilsack stated that the tariffs cost U.S. businesses more than \\$2 billion](#). For U.S. farm exports to Mexico, exports of the affected commodities were reduced by 27 percent.

After the tariffs were removed, the total value of affected commodities exported to Mexico increased each fiscal year, through September 2014, as shown below. Exports in fiscal 2014 were \$2.4 billion compared to \$1.2 billion while the tariffs were in effect in fiscal 2011. Ham, apples, soups, broths, French fries, and pears accounted for 75 percent or \$1.8 billion of the fiscal 2014 export value.

¹ Dills, Todd. Data on cross-border program insufficient, FMCSA committee says; Mex carriers continue operation. Overdriveonline.com. October 29, 2014.

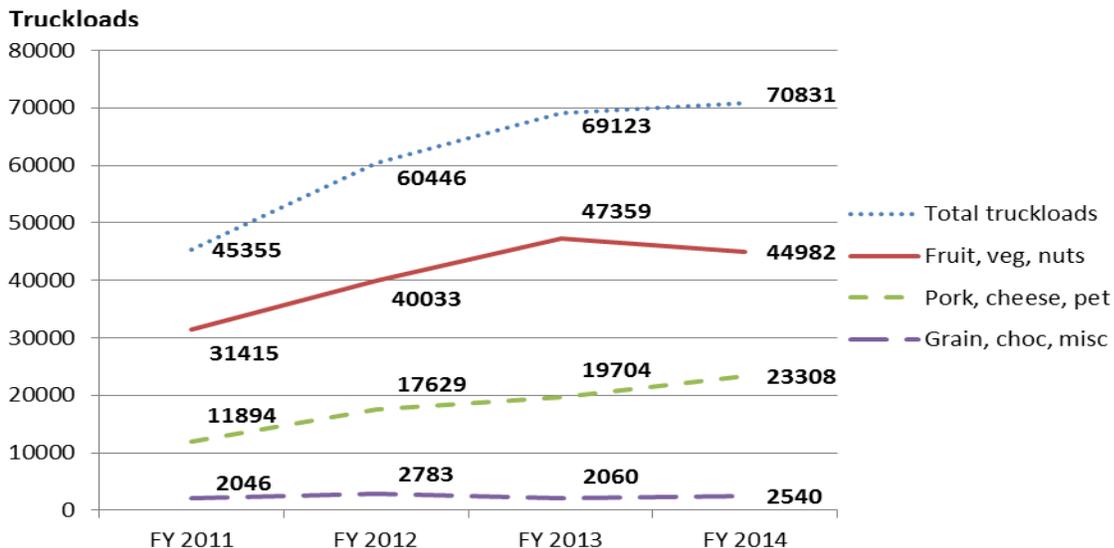
Value of U.S. agricultural products previously subject to retaliatory tariffs that were exported to Mexico, by fiscal year, in thousands of dollars



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

After the tariffs were removed, the total number of estimated truckloads of affected commodities exported to Mexico increased each fiscal year, through September 2014, as shown below. There were 70,831 estimated truckloads in fiscal 2014 compared to 45,355 estimated truckloads while the tariffs were in effect in fiscal 2011. Ham, apples, French fries, juices, pears, soups, and broths accounted for 70 percent of the estimated truckloads—49,483—in fiscal 2014.

Estimated truckloads of U.S. agricultural products previously subject to retaliatory tariffs that were exported to Mexico, by fiscal year



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

While no data is available as to the extent the truckloads² of affected commodities were carried by the 15 participating Mexican carriers on their return trips to Mexico, most of the U.S. mileage was likely accomplished by U.S. carriers and drivers. These trucks operated from the U.S. farm or ranch, to the first point of packing and processing, and to the border zone, or to West- and Gulf-coast ports for onward transportation into Mexico.

The limited U.S. mileage compiled by the 15 Mexican carriers over the 3-year period is documented in the [aggregate data on the pilot program](#) and the Motor Carrier Safety Advisory Committee's [Long Haul Cross Border Pilot Program Subcommittee Report](#). Only 5 percent of the cross-border trips in the pilot program involved a Mexican carrier that travelled beyond the border zone.

On December 29, 2014, the U.S. Department of Transportation's (USDOT) Office of Inspector General publically released its audit, [FMCSA Adequately Monitored Its NAFTA Cross-Border Trucking Pilot Program but Lacked a Representative Sample To Project Overall Safety Performance](#). In response, USDOT's Federal Motor Carrier Safety Administration (FMCSA) believes that the pilot program data is representative of the Mexican motor carriers likely to engage in long-haul trucking in terms of both carrier size and safety performance.

On January 9, 2015, [FMCSA provided a report to Congress](#) concluding that the provisions of U.S. law pertaining to statistical data collection and analysis of the safety of Mexican carriers have been met. Mexico and the United States are granting full access to cross-border trucking services, subject to domestic laws and regulations in accordance with the July 6, 2011 [U.S.-Mexico memorandum of understanding](#) and the North American Free Trade Agreement cross-border long-haul trucking provisions. [FMCSA is accepting applications from additional Mexico carriers](#) interested in conducting long-haul operations in the United States. Brian.McGregor@ams.usda.gov.

² Estimates utilize, in part, the full truckload weight factors developed by USDA Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Division. The majority of truckloads are assumed to be 45,000 lbs.

Quarterly Overview

Fruit and Vegetable Shipments

Reported U.S. truck shipments of fresh produce during the 3rd quarter 2014 were 8.08 million tons, 10 percent lower than the previous quarter but 4 percent higher than the same quarter last year.

Shipments from California were the highest in the 3rd quarter, totaling more than 3.15 million tons and accounted for 39 percent of the total reported shipments of fresh fruits and vegetables. Shipments from the Pacific Northwest were more than 1.42 million tons, representing 18 percent of the reported shipments. Movements from Mexico totaled more than 1.18 million tons, representing 15 percent of the reported total.

The following top 5 commodities accounted for 43 percent of the reported truck movements during the 3rd quarter 2014:

- ▶ Potatoes (14 %)
- ▶ Watermelon, seedless (11 %)
- ▶ Apples (7 %)
- ▶ Onions, dry (6 %)
- ▶ Cantaloupes (5 %)

Truck Rates

The table below provides a snapshot of quarterly rates for U.S. produce shipments over 4 mileage categories—0-500, 501-1,500, 1,501-2,500, and 2,500+ miles. U.S. average truck rates are weighted by regional rates and volumes. Compared with the previous quarter, each mileage category experienced an increase except the 0-500 mile range. The short-haul category (501-1,500 miles) saw the largest decrease at 37 percent. When compared with the 3rd quarter 2013, each category increased, with the largest increased experienced in the short-haul category (0-500 miles), at 3 percent.

U.S. Average Fruit and Vegetable Truck Rates per Mile				
	0-500 miles	501-1,500 miles	1,501-2,500 miles	2,500 miles +
Q3 2013	5.73	2.62	2.25	1.42
Q4 2013	4.56	2.31	2.31	1.29
Q1 2014	4.42	2.31	2.27	1.32
Q2 2014	4.32	2.66	2.32	1.45
Q3 2014	5.92	2.65	2.26	1.45
Q1 Change from Previous Quarter	37%	-0.3%	-3%	-0.2%
Q1 Change from Same Quarter Last Year	3%	1%	0.5%	2%

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

Diesel Fuel

During the 3rd quarter 2014, the U.S. diesel fuel price averaged \$3.83 per gallon—2.6 percent lower than last quarter and 2 percent lower than the same quarter last year.

Regulatory News and Updates

Hours of Service of Drivers Restrictions on Restarting the Work Week Suspended: On December 16, 2014, President Obama signed [H.R. 83, the Consolidated and Further Continuing Appropriations Act, 2015](#) into law. [Section 133 of the law suspends](#), until September 30, 2015, or later upon the issuance of a final report by the Secretary of Transportation, two restrictions: 1) drivers may only restart their weekly 60 to 70 hour on-duty limit if their minimum 34-hour time off includes two consecutive periods of time between 1 a.m. and 5 a.m., and 2) a restart can only be used once per week. The Secretary must conduct a study of the operational, safety, health, and fatigue aspects of both versions of the restart rules: before the two restrictions were put in place on July 1, 2013, as well as after the two restrictions were put in place. The U.S. Department of Transportation's Inspector General is directed to review the study plan and report to the House and Senate Committees on Appropriations whether it meets the requirements under this provision.

U.S. Department of Transportation Eliminates \$1.7 Billion Annual Paperwork Burden for U.S. Trucking Industry: U.S. Transportation Secretary Anthony Foxx announced [effective December 18, 2014, professional truck drivers will no longer have to comply with a burdensome daily paperwork requirement](#) to file pre- and post-trip inspection reports on their vehicles when equipment problems or safety concerns are not identified. This change will save the trucking industry an estimated \$1.7 billion annually without compromising safety, as approximately 95 percent of Driver Vehicle Inspection Reports do not identify equipment problems or safety concerns. In June 2012, the Federal Motor Carrier Safety Administration (FMCSA) eliminated a comparable requirement for truck drivers operating intermodal equipment trailers used for transporting containerized cargo shipments. The cost savings to the intermodal industry was estimated to be \$54 million annually.

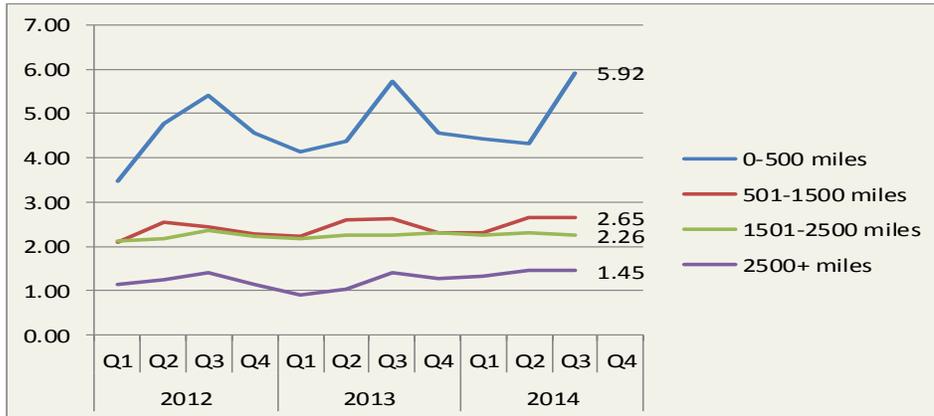
Commercial Vehicle Safety Alliance asks U.S. Department of Transportation to Remove Safety Measurement System Scores from Public View: Citing the need for improvements identified by the United States Government Accountability Office report, [Federal Motor Carrier Safety: Modifying the Compliance, Safety, Accountability Program Would Improve The Ability to Identify High Risk Carriers](#), on November 14, 2014, Stephen A. Keppler, Executive Director, Commercial Vehicle Safety Alliance (CVSA) [asked Transportation Secretary Anthony Fox to remove Safety Measurement System scores from public view until improvements are made](#). The improvements should be directed to better identify those individual truck fleets that pose the greatest risk of causing future crashes. According to CVSA, the FMCSA should also take these steps to eventually arrive at scores that are strong measures of an individual truck fleets safety performance.

Comprehensive Truck Size and Weight Limits Study Delayed Until 2015, Comments Welcome: On November 24, 2014, the Department of Transportation announced that it is committed to producing the most objective, data-driven the Comprehensive Truck Size and Weight Limits Study possible. Based on the current status and the scope and importance of the task at hand, they have had to delay completion of the study until 2015. The [Docket ID - FHWA-2014-0035](#) to receive comments related to the study is now open. The docket does not contain the study, and is instead intended to provide an open and transparent way for stakeholders to submit comments on the study. All comments will be reviewed and considered to the fullest extent practicable. Provisions in MAP-21, the Moving Ahead for Progress in the 21st Century Act (P.L. 112-141), require the study to address differences in safety risks, infrastructure impacts, and the effect on levels of enforcement between trucks operating at or within federal truck size and weight limits and trucks legally operating in excess of federal limits; comparing and contrasting the potential safety and infrastructure impacts of alternative configurations (including configurations that exceed current federal limits) to the current Federal law and regulations; and, estimating the effects of freight diversion due to these alternative configurations.

National Summary

U.S. Truck Rates

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



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

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

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	*Annual
2014	2.31	2.66	2.65	2.31	2.54
2013	2.24	2.60	2.62	2.31	2.44
2012	2.10	2.54	2.45	2.29	2.35
2011	2.02	2.60	2.77	2.26	2.41
2010	1.82	2.21	2.33	1.94	2.08
2009	1.85	1.99	2.02	1.86	1.93
2008	2.02	2.56	2.77	2.24	2.40
2007	1.89	2.23	2.25	2.03	2.10
2006	1.92	2.10	2.21	2.02	2.06

*Annual: Weighted average rate for all 4 quarters.

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

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

Origin	2nd Qtr 2014			3rd Qtr 2014		
	April	May	June	July	August	September
Arizona	n/a	n/a	n/a	n/a	n/a	n/a
California	2.93	2.87	3.10	3.34	3.16	3.19
Florida	2.71	3.24	3.70	3.93	n/a	n/a
Great Lakes	3.24	3.29	3.52	3.88	3.73	n/a
Mexico-Arizona	2.66	2.74	2.69	2.05	1.32	1.52
Mexico-Texas	2.52	2.49	2.58	2.25	2.07	2.04
New York	1.90	1.65	1.54	1.57	2.48	2.25
PNW	1.79	1.58	1.52	1.42	1.50	1.99
Southeast	3.16	3.32	3.95	4.31	4.14	3.60
Texas	2.63	2.62	2.85	2.85	2.66	2.58

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 2014 (\$/Mile)

Origin	Destination									
	Atlanta	Baltimore	Boston	Chicago	Dallas	Los Angeles	Miami	New York	Philadelphia	Seattle
California	2.7	2.64	2.58	2.45	2.94	5.28	2.58	2.63	2.59	3.23
Florida	4.81	4.17	3.79	3.75	.	.	.	4.03	3.93	.
Great Lake	3.14	5.23	3.53	4.12	2.88	.	2.85	3.98	3.5	.
Mexico-AZ	.	.	.	2.5	3.11	1.6	.	2.9	2.88	.
Mexico-TX	2.22	2.26	2.38	2.03	2.54	1.63	2.31	2.38	2.31	.
New York	2.4	4.54	8.82	1.31	.	.	2.44	9.09	5.07	.
Other	2.57	3.49	2.82	2.49	3.78	1.73	2.2	4.14	6.18	.
PNW	2.34	2.36	2.47	2.14	2.41	1.69	2.33	2.58	2.37	8.55
Southeast	4.64	4.84	3.95	3.19	.	.	3.07	4.58	4.7	.
Texas	2.98	2.92	2.9	2.9	4.24	1.88	2.58	3.01	2.93	.

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 2014 (\$/Truck)

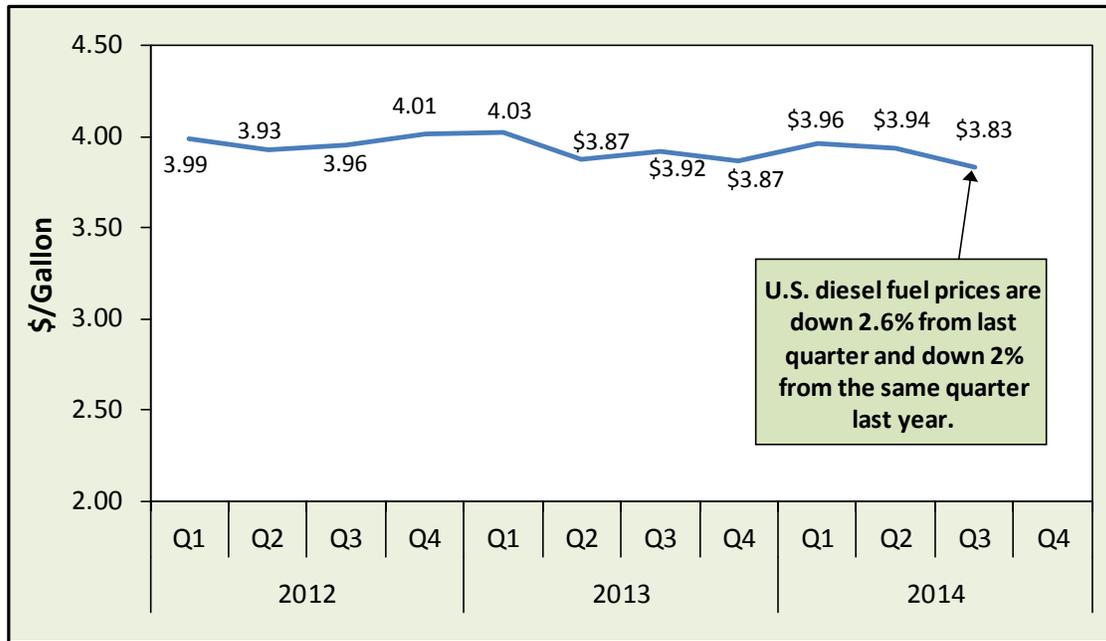
Origin	Destination									
	Atlanta	Baltimore	Boston	Chicago	Dallas	Los Angeles	Miami	New York	Philadelphia	Seattle
California	6,186	7,241	7,951	5,188	4,513	958	7,386	7,533	7,276	3,350
Florida	1,425	3,800	4,975	3,600	.	.	.	4,425	3,975	.
Great Lake	2,754	4,063	3,754	1,064	3,188	.	4,782	3,678	3,149	.
Mexico-AZ	.	.	.	4,500	3,050	895	.	7,250	6,900	.
Mexico-TX	2,554	4,050	5,239	2,900	1,268	2,604	3,536	4,757	4,386	.
New York	2,400	1,497	1,872	1,100	.	.	3,533	1,698	1,167	.
Other	2,442	3,718	4,303	2,279	1,848	1,625	4,456	4,143	3,762	.
PNW	5,441	5,844	6,802	3,834	4,432	1,538	6,950	6,575	5,987	1,196
Southeast	1,344	2,506	3,680	2,697	.	.	2,058	3,307	2,752	.
Texas	2,532	4,082	5,229	2,896	1,271	2,632	3,564	4,779	4,396	.

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

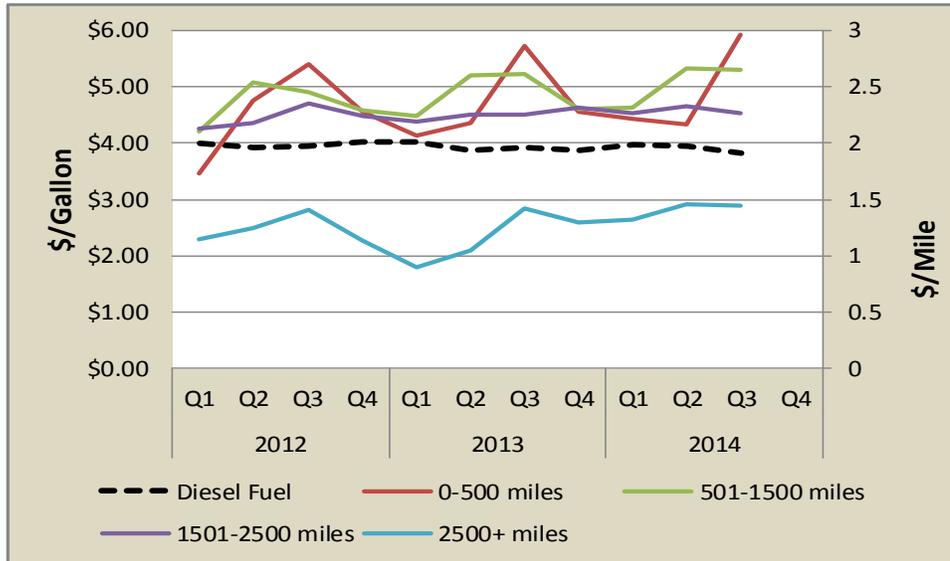
Location	Price	Change From	
		Last Quarter	Same Qtr Last Year
East Coast	3.88	-0.15	-0.05
New England	3.98	-0.17	-0.07
Central Atlantic	3.96	-0.17	-0.03
Lower Atlantic	3.79	-0.13	-0.07
Midwest	3.78	-0.12	-0.10
Gulf Coast	3.74	-0.06	-0.10
Rocky Mountain	3.87	-0.07	-0.04
West Coast	4.02	-0.01	-0.05
West Coast Less California	3.94	0.01	-0.03
California	4.08	-0.02	-0.07
U.S.	3.83	-0.10	-0.08

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

Relationship Between Diesel Fuel & Truck Rates

The diesel fuel price provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for fruit and vegetable movements.

Figure 3: U.S. Average On-Highway Diesel Fuel Prices and Truck Rates



Sources:

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

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

Table 6: Average Diesel Fuel Prices and Truck Rates

		Diesel Fuel (\$/gallon)	Truck Rates (\$/mile) 501-1500 miles	% Change From:			
				Last Qtr		Same Qtr Last Year	
				Diesel	Truck	Diesel	Truck
2012	Q1	3.99	2.10	3%	-7%	11%	4%
	Q2	3.93	2.54	-2%	21%	-2%	-2%
	Q3	3.96	2.45	1%	-4%	2%	-12%
	Q4	4.01	2.29	1.5%	-6%	4%	1%
2013	Q1	4.03	2.24	0%	-2%	1%	7%
	Q2	3.87	2.60	-4%	16%	-1%	2%
	Q3	3.92	2.61	1%	0%	-1%	7%
	Q4	3.87	2.27	-1%	-12%	-4%	1%
2014	Q1	3.96	2.31	2%	2%	-2%	3%
	Q2	3.94	2.65	-0.7%	14%	1.6%	2%
	Q3	3.83	2.65	-2.7%	0%	-2%	2%
	Q4						

Sources:

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

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

3rd Quarter 2014 Comparison Analysis

Diesel fuel prices averaged \$3.83 per gallon this quarter, 3 percent lower than last quarter and 2 percent lower than the same quarter last year. Average truck rates for shipments between 501 and 1,500 miles were \$2.65 per mile, less than 1 percent lower than the previous quarter and 1 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 2014

Region ¹	Commodity ¹	Truck Availability													
		Surplus - 1		Slight Surplus - 2			Adequate - 3			Slight Shortage - 4			Shortage - 5		
		Week Ending ¹													
		7/1	7/8	7/15	7/22	7/29	8/5	8/12	8/19	8/26	9/2	9/9	9/16	9/23	9/30
CALIFORNIA, CENTRAL AND WESTERN ARIZONA															
Central San Joaquin Valley, CA	Apples, Apple Pears, Grapes, Nectarines, Peaches, Plums, Pomegranates	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Imperial and Coachella Valleys, CA	Cantaloups, Honeydews, Watermelons	3	3	2											
Kern District, CA	Carrots, Grapes, Potatoes	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Sacramento and San Joaquin Valley	Pears			3	3	3	3	3	3	3	3	3	3	3	3
Salinas-Watsonville, CA	Berries, Broccoli, Cauliflower, Iceberg and Romaine Lettuce	3	3	3	3	3	3	3	3	3	3	3	3	3	3
San Joaquin Valley, CA ²	Onions ²	5	5	4	3	3	3	3							
San Joaquin Valley, CA	Bell Peppers, Canatoules, Corn, Honeydews, Watermelons			3	3	3	3	3	3	3	3	3	3	3	3
Santa Maria, CA	Broccoli, Cauliflower, Iceberg Lettuce, Strawberries, Raspberries	3	3	3	3	3	3	3	3	3	3	3	3	3	3
South District, CA	Avocados, Citrus, Raspberries, Strawberries	3	3	2	3	3	3	3	3	3	3	3	3	3	2
PACIFIC NORTHWEST (ID, OR, WA)															
Columbia Basin, WA ³	Onions, Potatoes	3	3	3	3	3	3	3	3	3	4	5	5	5	5
Idaho and Malheur County, OR	Onions									4	4	5	5	5	5
Upper Valley, Twin Falls-Burley District, ID	Potatoes	3	4	4	4	3	3	3	3	4	4	4	5	5	4
Yakima Valley & Wenatchee District, WA ³	Apples, Pears	3	3	3	3	3	3	3	3	3	4	4	5	5	5
FLORIDA															
Central and North	Melons	5													
West District	Tomatoes	5													
GREAT LAKES (MI & WI)															
Michigan	Apples, Blubberies, Cucumbers, Onions		3	3	3	3	3	3	3	3	3	4	3	4	4
Central Wisconsin	Potatoes	3	3	3				3	3	5	5	4	4	3	3
MEXICO BORDER CROSSINGS															
Through Nogales, AZ	Grapes, Honeydews, Mangoes, Melons, Mixed Vegetables	3	1	1	3	1	1	1	1	1	1				
Through Texas	Carrots, Citrus, Mangoes, Mixed Fruit and Vegetables, Tomatoes	3	3	3	2	1	1	2	2	2	2	2	2	2	2
TEXAS AND OKLAHOMA															
Statewide Texas	Watermelons	3	3	3											
Texas and Oklahoma	Watermelons				3	3	3	3	3	3	3	3	3	3	3
SOUTHEAST (GA, SC & NC)															
Central Georgia	Peaches		3	3	3	3	3	3							
South Georgia	Blueberries, Cantaloups, Corn, Cucumbers, Eggplant, Melons, Squash, Watermelons	3	3	3	3	3	3						3	3	3
Vidalia District Georgia	Onions	5	5	3	4	4	4								
South Carolina	Melons	5	4	3	3	3	3								
	Peaches	3	3	3	3	3	3	3	3	3	3				
	Tomatoes	5	4	3											
Eastern North Carolina	Sweet Potatoes	5	5	4	4	3	3	3	3	3	3	3	3	3	4
North Carolina	Melons				3	3	3	3	3	3	3				

¹ Regions reported and commodities shipped vary by week, month, season, and year. Within a region, truck availability can vary by commodity and destination.

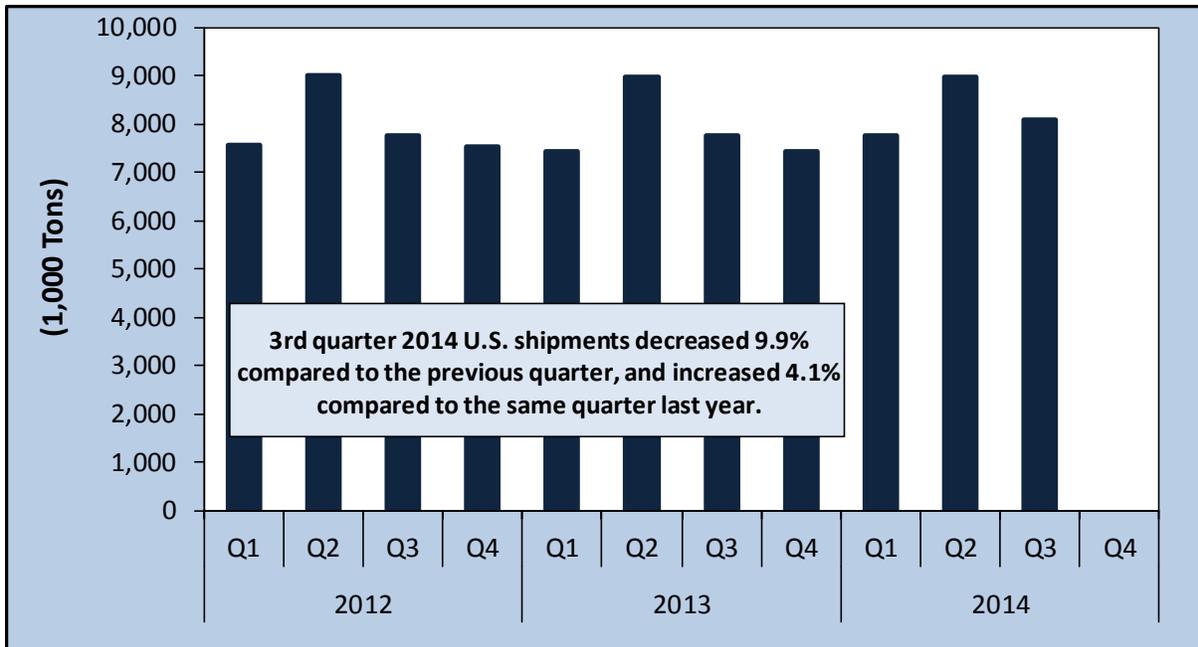
² Generally flatbeds, open trucks, or dry vans are used to transport San Joaquin Valley, CA onions.

³ Severe shortage week ending September 16 for Columbia Basin, Yakima Valley, and Wenatchee District, WA. Severe shortage Yakima Valley and Wenatchee District, WA week ending September 23

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

Reported U.S. Shipments

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



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

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

Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
2014	7,779	8,965	8,081		
2013	7,451	8,972	7,762	7,444	31,629
2012	7,577	9,008	7,774	7,532	31,890
2011	7,007	8,981	7,887	7,988	31,863
2010	7,065	8,881	7,985	7,522	31,454
2009	7,158	8,728	7,990	7,270	31,147
2008	7,059	8,666	7,426	6,904	30,057
2007	6,959	8,585	7,475	7,099	30,118
2006	6,335	8,400	7,854	6,962	29,551
2005	6,877	8,324	7,737	7,387	30,325
2004	6,867	8,331	6,876	6,732	28,807
2003	6,824	8,013	7,043	6,684	28,564
2002	6,787	8,094	6,414	6,460	27,756
2001	6,822	8,144	6,314	6,471	27,751
2000	6,776	8,155	6,916	6,395	28,242

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 2014 (1,000 Tons)

Commodity	3rd Quarter 2014	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
				Previous Qtr	Same Qtr Last Year
Potatoes	1,097	1,082	1,065	1%	3%
Watermelons, seedless	914	1,000	848	-9%	8%
Apples	565	641	529	-12%	7%
Onions, dry	484	542	451	-11%	7%
Cantaloups	388	205	335	89%	16%
Grapes	372	205	375	82%	-1%
Tomatoes	316	435	312	-27%	1%
Lettuce, iceberg	314	333	322	-6%	-3%
Strawberries	229	365	240	-37%	-5%
Lettuce, Romaine	198	220	208	-10%	-5%

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

Regional Markets

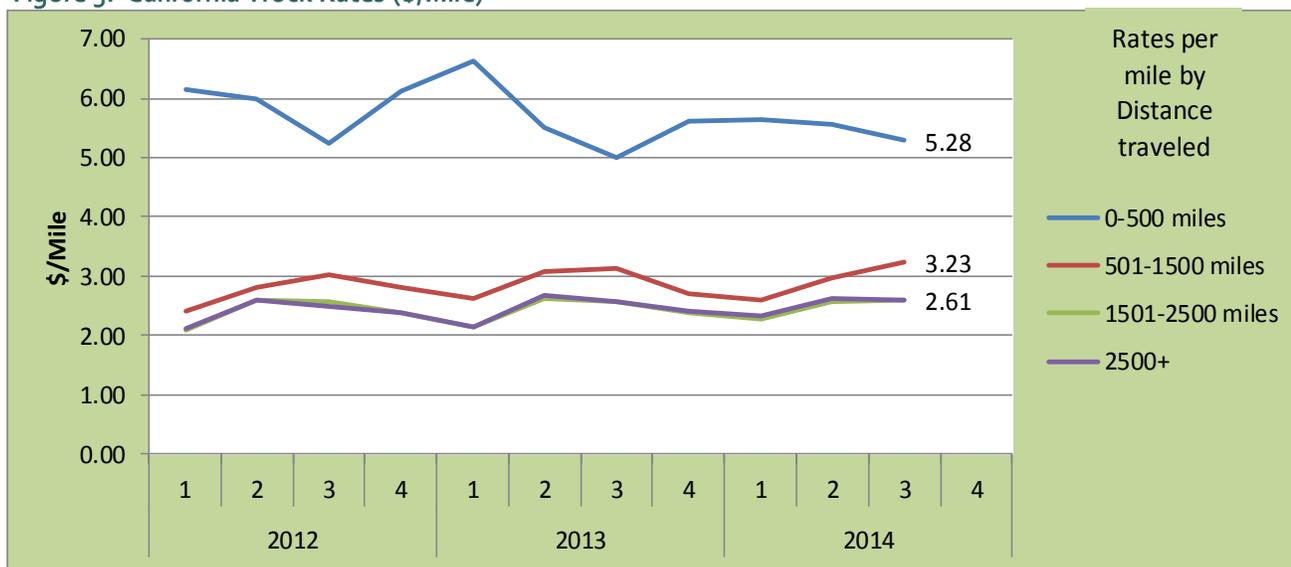
California

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

Commodity	3rd Quarter 2014	Share of California Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Grapes	370	12%	57	369	549%	0%
Cantaloups	334	11%	48	299	597%	12%
Lettuce, Iceberg	307	10%	301	314	2%	-2%
Strawberries	229	7%	355	240	-36%	-5%
Lettuce, Romaine	197	6%	206	207	-4%	-5%
Top 5 Total	1,437	46%	967	1,429	49%	1%
California Total	3,152	100%	2,125	3,111	48%	1%

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

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



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

Figure 6: 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	\$4.08	\$3.23	3.05	3.00	2.97
Central San Joaquin Valley, CA			3.00	3.00	3.00
Imperial and Coachella Valleys, CA			2.67		
Kern District, CA			3.00	3.00	3.00
Sacramento and San Joaquin Valley			3.00	3.00	3.00
Salinas-Watsonville, CA			3.00	3.00	3.00
San Joaquin Valley, CA onions2			4.00	3.00	
San Joaquin Valley, CA			3.00	3.00	3.00
Santa Maria, CA			3.00	3.00	3.00
South District, CA			2.80	3.00	2.80

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

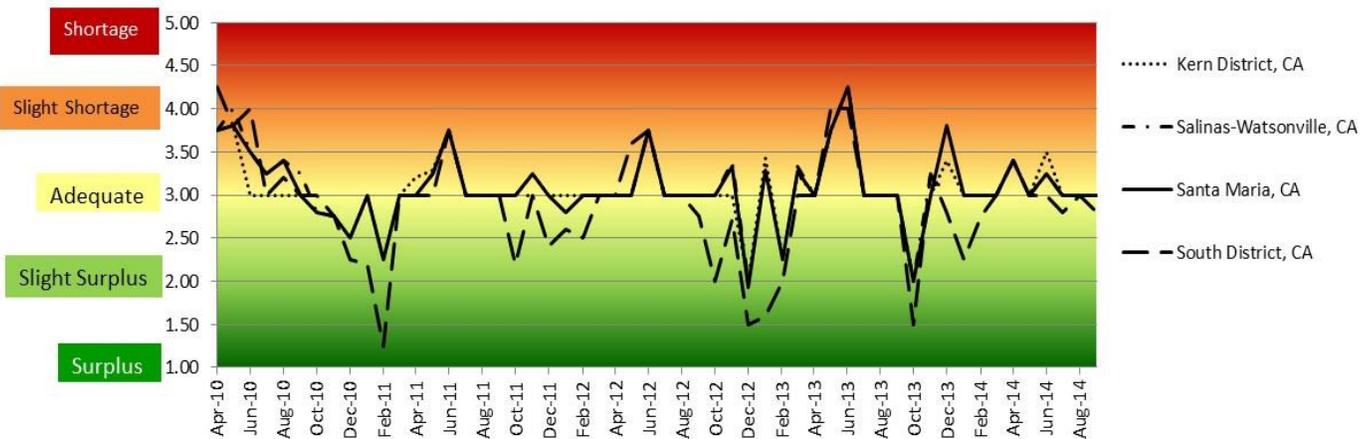
For the purpose of this report the California sub-group of the West Coast PAD District 5 was used to represent the diesel fuel price.

Volume: Total reported shipments of fruits and vegetables from California during the 3rd quarter of 2014 were 3.15 million tons, a 1-percent increase from the same quarter last year. The sum of the top five commodities was relatively unchanged from the same quarter last year. However, slight decreases in iceberg lettuce, strawberries, and romaine lettuce were offset by a 12 percent increase in cantaloupes. The Packer reported ideal growing conditions for California melons over the summer, with warm days, cool nights, and low humidity, producing a crop of exceptional quality.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was \$3.23 per mile, 9 percent higher than the previous quarter and 3 percent higher than same quarter last year.

Truck Overview: Diesel fuel prices averaged \$4.08 per gallon, two cents lower than last quarter and 2 percent lower than the same period last year. Truck availability for California was adequate during the quarter, with the exception of a shortage in San Joaquin Valley for onion shipments during the first 3 weeks of July.

Fig 7: Refrigerated Truck Availability Monthly Ratings for California



Pacific Northwest (PNW)

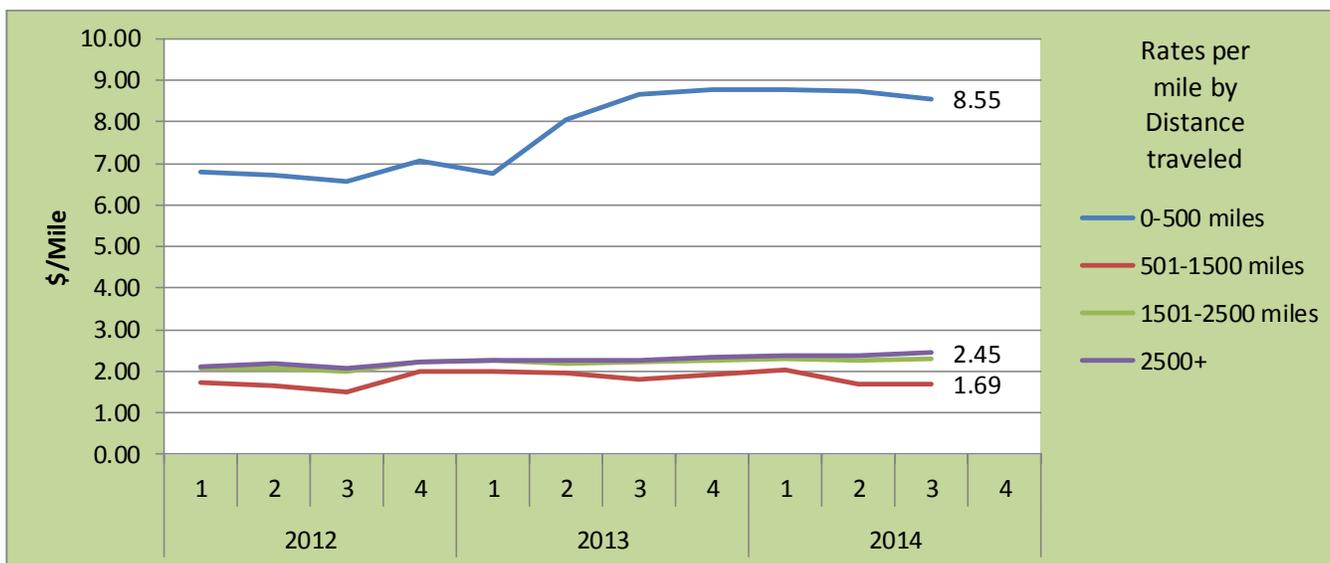
Table 11: Reported Top 5 Commodities Shipped from PNW (1,000 tons)

Commodity	3rd Quarter 2014	Share of PNW Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Potatoes	527	37%	456	510	16%	3%
Apples	482	34%	544	457	-11%	5%
Onions, dry	186	13%	96	167	93%	11%
Cherries	130	9%	76	86	71%	51%
Pears	64	5%	86	53	-25%	21%
Top 5 Total	1,389	97%	1,258	1,273	10%	9%
PNW Total	1,426	100%	1,270	1,312	12%	9%

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	\$3.94	\$1.69	3.20	3.31	4.52
Columbia Basin, WA			3.00	3.00	4.40
Idaho and Malheur County, OR				4.00	4.67
Upper Valley, Twin Falls-Burley District, ID			3.60	3.25	4.40
Yakima Valley & Wenatchee District, WA			3.00	3.00	4.60

n/a: availability data not reported

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

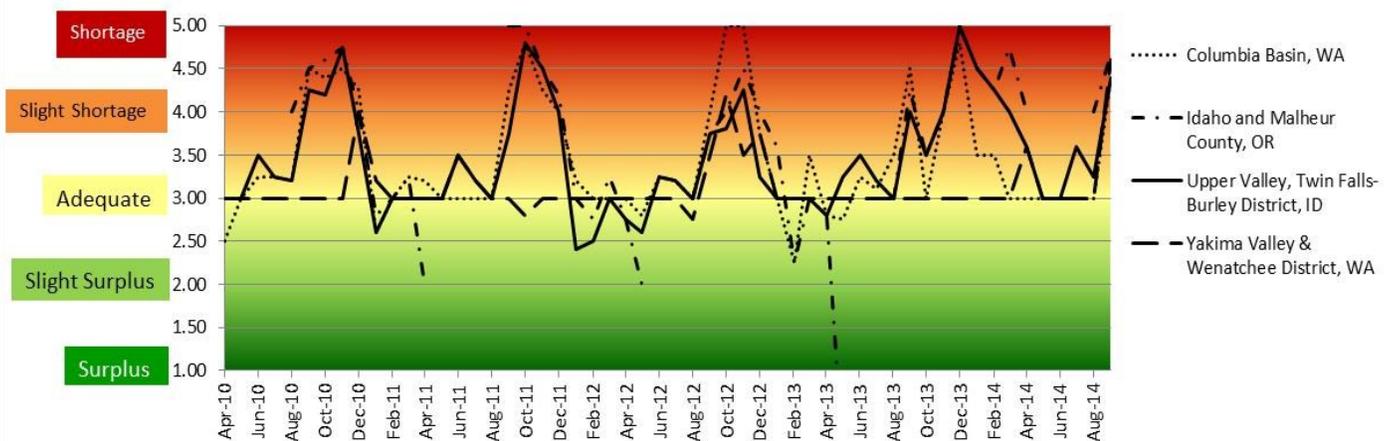
For the purpose of this report the West Coast less California District was used to represent the diesel fuel price for PNW.

Volume: Total reported shipments of fruits and vegetables from the Pacific Northwest (PNW) during the third quarter of 2014 increased 9 percent from the same quarter in 2013; the sum of the top 5 commodities increased 9 percent as well. Shipments of potatoes and apples remain the top commodities shipped from the PNW, each gained slightly over the same quarter last year. The other top 5 commodities experienced strong increases—dry onions increased 11 percent, cherries 51 percent and pears 21 percent. This year’s cherry harvest has been a bumper crop, far exceeding the rain-hampered production of 2013 according to The Packer. Cherry shipments were bolstered by high yields, a long shelf life, and strong overseas demand.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was \$1.69 per mile, 1 percent higher than the previous quarter but 6 percent lower than same quarter last year.

Truck Overview: Diesel fuel prices averaged \$3.94 per gallon, 0.2 percent higher than last quarter but 1 percent lower than the same period last year. On average, truck availability for the region was adequate in April. In May, each region reported adequate availability except the Idaho and Malheur County region, which reported a slight shortage. In June, each of the reporting regions fell in the slight-shortage to shortage range.

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 2014	Share of Mexico Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Limes	135	11%	102	142	33%	-5%
Avocados	130	11%	132	75	-1%	74%
Peppers, Other	116	10%	86	116	35%	0%
Tomatoes, Plum Type	101	9%	188	111	-46%	-9%
Tomatoes	87	7%	181	90	-52%	-3%
Top 5 Total	570	48%	689	534	-17%	7%
Mexico Total	1,181	100%	2,454	1,155	-51.9%	2%

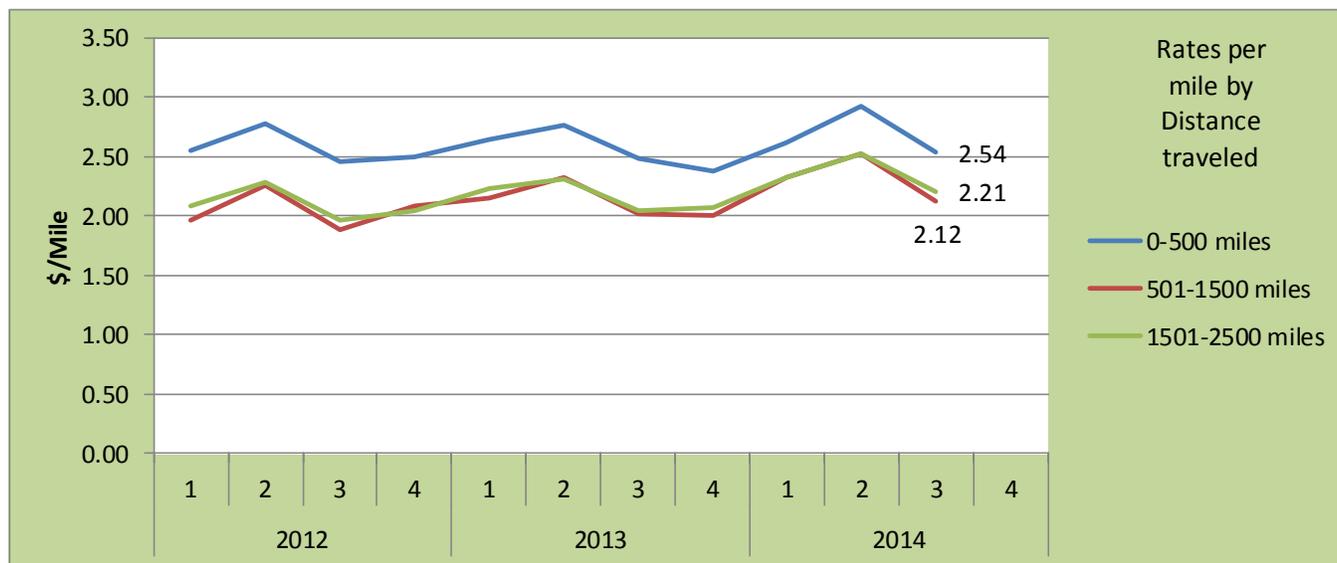
Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Division

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)

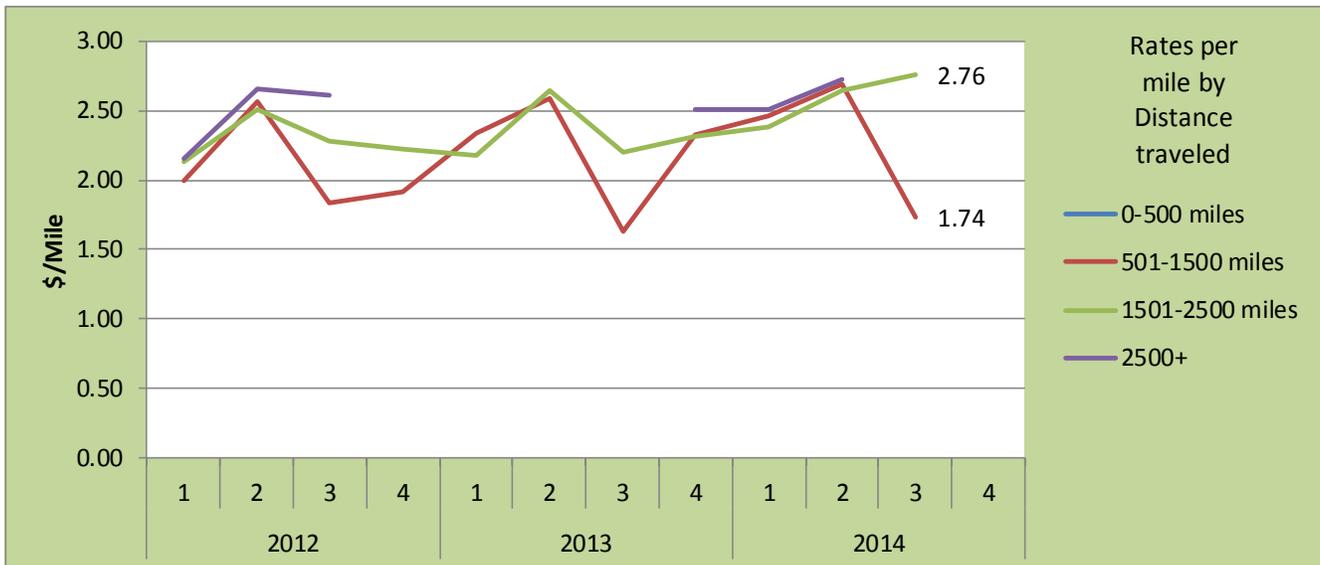
Texas		California		Arizona		New Mexico	
Avocados	126	Cucumbers	40	Mangoes	36	Peppers, Other	60
Limes	118	Tomatoes, Plum Type	38	Tomatoes	8	Onions Dry	9
Tomatoes, Plum	61	Misc. tropical	29	Cucumbers	6	Misc. Tropical	1
Tomatoes	55	Tomatoes	25	Watermeons, Seedless	4		
Mangoes	45	Onions, green	24	Limes	4		
Other	342	Other	120	Other	30		
Total	747	Total	276	Total	88	Total	70

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			2.10	1.38	1.50
Through Texas	\$3.74	\$2.12	2.40	1.75	2.00
Through Nogales, AZ	\$3.94	\$1.73	1.80	1.00	1.00

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

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

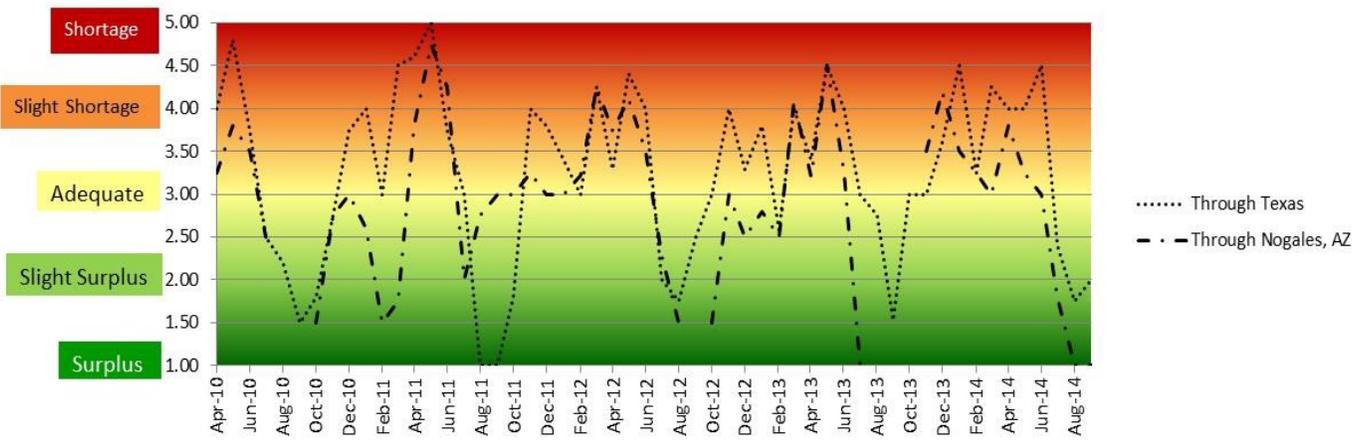
For the purpose of this report the West Coast less California District was used to represent the diesel fuel price through Arizona.

Volume: Total reported shipments of fruits and vegetables from Mexico during the 3rd quarter of 2014 were 1.2 million tons, an increase of 2 percent from the same quarter last year, but the sum of the top 5 commodities was down 2 percent from last year. Avocado shipments were up 73 percent from last year, bouncing back from an abnormal season last year when heavy rains in Mexico delayed shipments.

Rates: Truck rates for shipments between 501 and 1,500 miles through the Texas border crossings averaged \$2.12 per mile, down 16 percent from last quarter and 5 percent higher than the same quarter last year. Rates for shipments between 501 and 1,500 miles through the Arizona border crossings averaged \$1.74 per mile, down 35 percent from last quarter but 7 percent higher than the same quarter last year.

Truck Overview: Truck Overview: Diesel fuel prices for border crossings through Texas averaged \$3.74 per gallon, 1 percent lower than the previous quarter, and 3 percent lower than the same quarter last year. Diesel fuel prices for border crossings through Arizona averaged \$3.94 per gallon, 1 cent higher than the previous quarter and 1 percent lower than the same period last year. Truck availability was adequate at the beginning of the quarter for both Nogales and at the Texas border, but there was a surplus of availability by late July, which remained throughout the quarter at Nogales but changed to a slight surplus by mid-August at the Texas border.

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



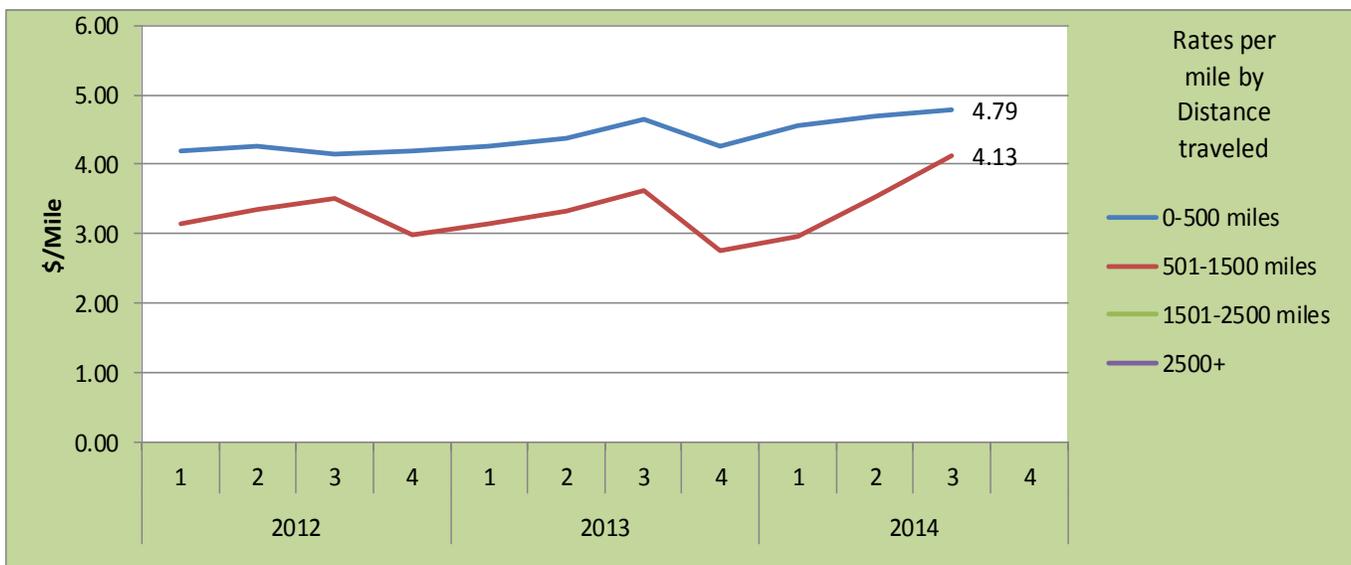
Southeast

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

Commodity	3rd Quarter 2014	Share of Mexico Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Watermelons, seedless	261	46%	104	213	151%	23%
Sweet Potatoes	51	9%	65	61	-22%	-16%
Peaches	50	9%	13	42	285%	19%
Corn, sweet	40	7%	109	29	-63%	38%
Onions, dry	25	4%	66	38	-62%	-34%
Top 5 Total	427	76%	357	383	20%	11%
Southeast Total	565	100%	635	492	-11%	15%

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

Figure 16: Southeast Truck Rates (\$/Mile)



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

Volume: In the 3rd quarter of 2014, total shipments of fruits and vegetables from the Southeast totaled 565,000 tons, 15 percent more than the same quarter last year, and the sum of the top 5 commodities increased 12 percent. Shipment of seedless watermelons, the top commodity, increased 23 percent, and peaches increased 21 percent. The Packer reported excellent quality, helped by the cold winter, was driving increased peach shipments from the Southeast.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was \$4.13 per mile, 17 percent higher than the previous quarter and 14 percent higher than the same quarter last year.

Truck Overview: Diesel fuel prices averaged \$3.79 per gallon, 3.3 percent lower than last quarter and 1.8 percent lower than the same period last year. In April, truck availability was adequate for 5 of the 8 of the southeast areas; the other 3 trended toward a slight shortage. In May, each area reported an adequate availability except the Vidalia District of Georgia which reported a slight shortage. In June, only 4 of the areas reported, each describing an adequate supply of trucks.

Figure 17: 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	\$3.79	\$4.13	3.50	3.14	3.05
Central Georgia (peaches)			3.00	3.00	
South Georgia			3.00	3.00	3.00
Vidalia District Georgia (onions)			4.20	4.00	
South Carolina (melons)			3.60	3.00	
South Carolina (peaches)			3.00	3.00	3.00
South Carolina (tomatoes)			4.00		
Eastern North Carolina (sweet potatoes)			4.20	3.00	3.20
North Carolina (melons)			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 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

<http://www.ers.usda.gov/topics/crops/vegetables-pulses.aspx>

Economic Research Service Fruit and Tree Nuts

<http://www.ers.usda.gov/topics/crops/fruit-tree-nuts.aspx>

National Agricultural Statistics Service, Crops

http://www.nass.usda.gov/Statistics_by_Subject/index.php?sector=CROPS

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