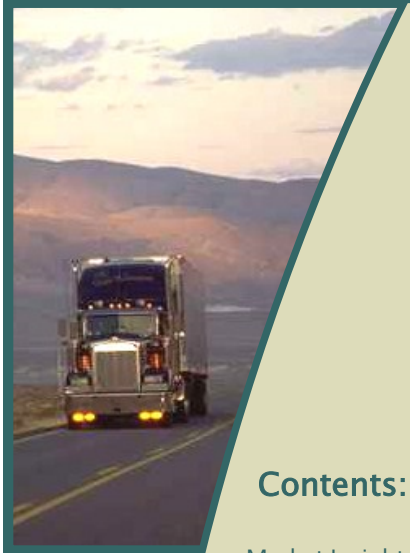
USDA United States Department of Agriculture



Agricultural Refrigerated Truck Quarterly

4th Quarter, 2012
October—December

A quarterly publication of the
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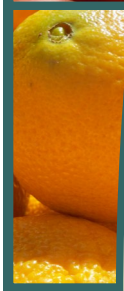

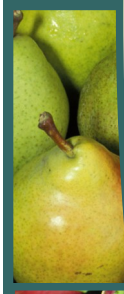

Contents:

Market Insight

Railcar Shipments from California and the Pacific Northwest Increased in 2012

California Rail Shipments: Reported railcar shipments of fresh fruit and vegetables from California increased by 11 percent in calendar year 2012 (see Table 1). Shipments of cantaloupes, celery, oranges, and carrots increased, and iceberg lettuce and grapes decreased.

Trailer-on-flatcar and container-on-flatcar (piggyback) shipments from California decreased by 9 percent, with nearly all commodities showing reduced shipments, especially oranges, carrots, and lemons. Broccoli shipments increased as buyers took advantage of lower grower prices.

Overall California railroad shipments—railcar plus piggyback—increased by only 1 percent to 768,800 tons.

Table 1: California Railcar and Piggyback Shipments, 2011 and 2012 (tons)

	2011		2012		% change 2011 to 2012	
Major Commodities	**Railcar**	**Piggyback**	**Railcar**	**Piggyback**	**Railcar**	**Piggyback**
Oranges	142,200	63,850	152,850	53,400	7%	-16%
Celery	19,600	49,100	41,150	45,150	110%	-8%
Carrots	47,800	26,250	57,650	20,850	21%	-21%
Iceberg Lettuce	10,800	67,700	1,900	67,850	-82%	0%
Potatoes	61,950	6,350	50,650	3,700	-18%	-42%
Cantaloupes	13,500	15,200	35,200	12,700	161%	-16%
Onions	19,050	27,750	18,850	24,750	-1%	-11%
Romaine Lettuce	-	40,750	-	40,750	-	0%
Broccoli	7,500	9,900	9,900	16,700	32%	69%
Grapes	32,000	5,900	18,300	5,950	-43%	1%
Lemons	2,800	21,500	5,400	16,500	93%	-23%
Honeydews	5,700	4,400	10,600	3,300	86%	-25%
Bell Peppers	550	11,050	1,800	8,300	227%	-25%
Tomatoes	850	7,650	3,150	6,800	271%	-11%
Other*	13,900	25,650	11,100	23,600	-20%	-8%
Totals	**378,200**	**383,000**	**418,500**	**350,300**	**11%**	**-9%**
Railcar + Piggyback		**761,200**		**768,800**	**1%**	

*including apples, apricots, artichokes, asparagus, avocados, cauliflower, grapefruit, white and mixed juice grapes, other lettuce, nectarines, peaches, pears, plums, pomegrantes, sweet potatoes, seedless watermelon

Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Division[1]

[1]Railcar and piggyback shipments are reported by rail carriers that issue the initial line-haul revenue waybills. USDA AMS Fruit and Vegetable Programs, Market News Division, reports the shipments in units of 100,000 pounds in the annual *Fresh Fruit and Vegetables Shipments* report. They are converted here to tons (2,000 pounds). Cooperation of the railroads is gratefully acknowledged.

Pacific Northwest Rail Shipments: Reported railcar shipments of fresh fruit and vegetables from the Pacific Northwest increased by 17 percent in 2012, led by Idaho potatoes, Washington apples and onions, and Oregon onions and potatoes (see Table 2).

Piggyback shipments increased by 10 percent, led by Washington apples and onions. Railcar shipments of Washington pears decreased by 81 percent due to reduced production resulting from poor weather, increased exports to Mexico and Canada, and higher prices.

Overall Pacific Northwest railroad shipments—railcar plus piggyback—increased by 17 percent to 830,600 tons.

Table 2: Pacific Northwest Railcar and Piggyback Shipments, 2011 and 2012 (tons)

State, commodities	2011		2012		% change 2011 to 2012	
	Railcar	Piggyback	Railcar	Piggyback	Railcar	Piggyback
Idaho						
Potatoes	315,900	4,600	380,550	5,300	20%	15%
Onions	54,350	-	56,350	-	4%	-
Apples	50	-	-	-	-	-
Subtotal	**370,300**	**4,600**	**436,900**	**5,300**	**18%**	**15%**
Washington						
Apples	97,900	30,450	139,050	36,750	42%	21%
Onions	74,850	12,200	86,200	7,700	15%	-37%
Potatoes	31,500	6,100	25,350	8,650	-20%	42%
Pears	14,550	100	2,700	350	-81%	250%
Other*	650	-	1,800	-	177%	-
Subtotal	**219,450**	**48,850**	**255,100**	**53,450**	**16%**	**9%**
Oregon						
Onions	52,700	-	59,800	150	13%	-
Potatoes	7,100	150	10,450	150	47%	0%
Apples	3,100	3,550	2,850	4,200	-8%	18%
Pears	500	2,050	350	1,900	-30%	-7%
Subtotal	**63,400**	**5,750**	**73,450**	**6,400**	**16%**	**11%**
Grand Total	**653,150**	**59,200**	**765,450**	**65,150**	**17%**	**10%**
Railcar + Piggyback		**712,350**		**830,600**	**17%**	

*including carrots, cherries, peaches, seed potatoes

Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Division[1]

Arizona Rail Shipments: Reported railcar shipments of fresh fruit and vegetables from Arizona decreased 21 percent in 2012, largely due to reduced cantaloupes (see Table 3). Piggyback shipments increased by 14 percent, led by iceberg and romaine lettuce. Overall, Arizona railroad shipments—railcar plus piggyback—increased by 8 percent to 75,700 tons.

Table 3: Arizona Railcar and Piggyback Shipments, 2011 and 2012 (tons)						
Location	**2011**		**2012**		**% change 2011 to 2012**	
Major Commodities	**Railcar**	**Piggyback**	**Railcar**	**Piggyback**	**Railcar**	**Piggyback**
Iceberg Lettuce	150	23,450	450	27,950	--	19%
Romaine Lettuce	-	18,200	-	21,400	--	18%
Potatoes	7,000	750	6,800	750	-3%	0%
Broccoli	1,850	2,900	2,100	3,150	14%	9%
Cantaloupes	3,000	3,700	300	3,850	-90%	4%
Other*	700	8,550	400	8,550	-43%	0%
Total	**12,700**	**57,550**	**10,050**	**65,650**	**-21%**	**14%**
Railcar + Piggyback		**70,250**		**75,700**	**8%**	

*including cauliflower, celery, grapefruit, honeydews, lemons, other lettuce, onions, seedless watermelon

Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Division[1]

Factors Influencing Rail Movements of Fruit and Vegetables: The availability of trucks, fuel costs, freight rates, and buyer and shipper preferences help determine the number of railcar and piggyback shipments each year. Market outlook, seasonality, supply, domestic demand, export demand, prices, weather, and availability of water for irrigation impact rail shipments as well.

Shippers and receivers looking for trucks and trucking companies looking for drivers compete with seasonal freight such as Christmas trees; other growing areas; and other industries, such as construction, oil, and natural gas. As these various factors affect the demand for trucks that, in turn, can impact the demand for rail service.

From January through March 2012, there was a shortage of trucks for potatoes from northwestern Washington. From September through December 2012, there were shortages of trucks for apples, onions, pears, and potatoes from the Pacific Northwest. Piggyback shipments of Washington apples increased by 128 percent during September through November 2012, compared to the same period last year. Part of the large percentage increase to rail during this period was likely due to truck shortages.

Truck availability was mostly adequate throughout 2012 in California and Arizona with a surplus in several regions for many weeks during the 4th quarter. The exceptions were the shortages during the first 2 weeks of June for most of California and the second week of November for California and Central and Western Arizona. *Brian.McGregor@ams.usda.gov*

Quarterly Overview

Fruit and Vegetable Shipments

Reported U.S. truck shipments of fresh produce during the 4th quarter were 7.5 million tons, 3 percent lower than the previous quarter and 5.7 percent higher than the same quarter last year.

Shipments from the Pacific Northwest (PNW) accounted for 23.5 percent of the total reported shipments of fresh fruits and vegetables during the 4th quarter 2012, followed closely by shipments from Mexico representing 23 percent of shipments during the quarter. Movements from California totaled more than 1.5 million tons (mt) (20 percent).

The following top 5 commodities accounted for 43 percent of the reported truck movements during the 4th quarter 2012:

- Potatoes (16%)
- Apples (11 %)
- Onions, Dry (6 %)
- Tomatoes (6 %)
- Lettuce, Iceberg (4 %)

Truck Rates

Starting with the 4th quarter 2012, the AgRTQ will provide average truck rates for U.S. produce shipments over 4 mileage categories—0-500, 501-1500, 1501-2500, and 2500+ miles. For a more detailed explanation of the changes please refer to this issue's Feature Article. The table below provides a snapshot of the quarterly 2012 rates.

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

	0-500 miles	501-1500 miles	1501-2500 miles	2500 miles +
Q4 2011	4.26	2.29	2.14	1.09
Q1 2012	3.56	1.96	1.99	0.87
Q2 2012	4.88	2.52	2.17	1.16
Q3 2012	5.32	2.49	2.38	1.30
Q4 2012	4.35	2.33	2.28	1.06
Q4 Change from Previous Quarter	-18%	-6%	-4%	-19%
Q4 Change from Same Quarter Last Year	2%	2%	7%	-3%

Diesel Fuel

During the 4th quarter 2012, the U.S. diesel fuel price averaged $4.01 per gallon—1.5 percent higher than last quarter and 4 percent higher than the same quarter last year.

Regulatory News and Updates

Draft Agreement on Imports of Fresh Tomatoes from Mexico

On February 2, 2013, Francisco Sánchez, U.S. Under Secretary of Commerce for International Trade, announced a draft agreement to suspend an antidumping investigation of imports of fresh tomatoes from Mexico that had originally been initiated in 1996. In calendar year 2012, the United States imported 1.5 million tons of Mexican greenhouse, Roma, grape, and cherry tomatoes, valued at nearly $1.6 billion. These tomato imports were roughly equivalent to 72,650 truckloads at 20 to 21 tons each, depending on the type and pack of tomato. According to Under Secretary Sánchez:

> "The draft agreement raises reference prices substantially, in some cases more than double the current reference price for certain products, and accounts for changes that have occurred in the tomato market since the signing of the original agreement. This solution puts in place important mechanisms to attain increased signatory coverage and robust enforcement that will allow American workers and the U.S. tomato industry to compete on a level playing field."

There have been three previous suspension agreements covering imports of fresh tomatoes from Mexico, signed in 1996, 2002, and 2008.

Bill Introduced to Allow Overweight Cross-border Trucks in McAllen, Pharr, and Mission, TX

The *Rio Grande Guardian* reported on February 6, 2013, that Texas State Representative Sergio Munoz introduced a bill, HB 474, to allow the Hidalgo County Regional Mobility Authority to issue permits for the movement of oversize or overweight vehicles on certain roads located in Hidalgo County. These roads include connections with the Pharr-Reynosa International Bridge and the Anzalduas International Bridge. Fees, not to exceed $80, are to be used for construction and maintenance of these routes and for the authority's administrative costs, which may not exceed 15 percent of the amount collected.

The Texas permits would be similar to the permits established in Nogales, AZ, on May 17, 2010, allowing a maximum limit of 90,800 lbs compared to the Federal 80,000 lbs gross vehicle weight limit. There has been a shift away from Arizona to Texas as the primary port of entry for produce into the United States since 2011. Produce distributors have been investing heavily in cold storage facilities in McAllen and Pharr, TX, as the Mexican government completes the Mazatlán-Durango highway, part of Mazatlán-Matamoros corridor that connects western growing regions in Mexico with South Texas. The proposed Texas overweight permits can improve the security, timeliness, safety, quality, and temperature control of U.S. fruit and vegetable imports, and save fuel, labor and other costs, by eliminating the need to offload produce to additional trucks at the border instead of discharging the full truckload at a U.S. refrigerated warehouse in Texas.

Broker and Freight Forwarder Questions and Answers

On February 6, 2013, in an effort to provide clarity on some of the consumer protection provisions in transportation bill MAP-21, the Federal Motor Carrier Safety Administration (FMCSA) posted a set of questions and answers to clarify regulatory requirements for brokers and freight forwarders. These questions and answers will address changes in requirements that impact registration, financial security, and freight interlining operations.

Additional Questions and Answers on Agricultural Exemptions

On January 22, 2013, FMCSA posted an additional set of questions and answers regarding two statutory agricultural exemptions that took effect on October 1, 2012, for certain motor carriers transporting agricultural commodities and farm supplies. FMCSA indicated the goal of the updated materials is to

[1]Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

expand knowledge among the enforcement and agriculture communities. FMCSA further stated that nothing contained in the questions and answers is meant to expand or limit the statutory exemptions and it is provided simply as answers to questions the Agency has received. This follows the September 27, 2012, posting of the Federal Register notice [77 FR 59840] and the initial MAP-21 Amendments Affecting the Transportation of Agricultural Commodities and Farm Supplies Frequently Asked Questions. Since that time, FMCSA received numerous inquiries from enforcement officials and motor carriers looking for answers to specific questions.

Electronic Logging Devices, Hours of Service Supporting Documents, and Coercion

According to the U.S. Department of Transportation's *February 2013 Significant Rulemaking Report*, the new projected date for the FMCSA to publish a supplemental notice of proposed rulemaking on electronic logging devices and hours of service supporting documents is September 13, 2013. Additional coordination is necessary with a rulemaking on prohibition of coercion. Section 32911 of the transportation bill MAP-21 amended 49 U.S.C. § 31136(a) to require that regulations governing commercial motor vehicle safety "ensure … an operator of a commercial motor vehicle is not coerced by a motor carrier, shipper, receiver, or transportation intermediary to operate a commercial vehicle in violation of a regulation promulgated under 49 U.S.C. § 31136 or chapters 51 or 313 of title 49, U.S.C. …" Given that this new statutory requirement took effect October 1, 2012, this coercion rulemaking must be fast-tracked because it affects any new FMCSA rulemaking such as electronic logging devices. Future rulemakings would need to consider whether coercion of drivers is a concern. However, in rules where coercion would need to be considered, the Agency would cross-reference its regulation on coercion.

Hours of Service of Drivers Court Case

On March 15, the U.S. Court of Appeals for the District of Columbia will hear arguments on the Federal Motor Carrier Safety Administration's (FMCSA) final rule on hours of service rule of drivers. FMCSA denied requests by the American Trucking Associations and the Commercial Vehicle Safety Alliance to delay full implementation of the rule until after the Court makes a decision. At issue are 30-minute off-duty breaks, 11 hours of daily driving, and the ability to use a 34-hour off-duty period to restart drivers' workweek calculations. Effective July 1, drivers may drive only if 8 hours or less have passed since the end of driver's last off-duty period of at least 30 minutes. A 34-hour restart, if used, must include two periods between 1 a.m. to 5 a.m. based on home terminal time, and may only be used once per week. Unaffected by the rule are the statutory 150 air-mile radius exemption for drivers transporting agricultural commodities and farm supplies, and exemptions for certain farm vehicles and drivers. Under the new rule drivers are allowed to drive up to 11 hours during a 14-hour window of on-duty time, as was the case under the old rule. Safety advocates oppose this 11-hour provision and the 34-hour restart. Trucking and shipper interests oppose the new rest break requirements and limitations on the 34-hour restart.

Feature Article

Enhanced Data Analysis for the Agricultural Refrigerated Truck Quarterly

Beginning with the 4th Quarter 2012, the Agricultural Refrigerated Truck Quarterly (RTQ) is using a new database to calculate truck rates and volumes. The new database has several advantages over the previous format—more accuracy, richer detail, and extended coverage over additional origins and destinations. As a result, there are changes in both the content and presentation of the data, which are explained below.

The primary distinguishing feature for the new data is the separation of truck rates into different mileage categories. Previously, truck rates were calculated exclusively by point of origin. As such, no distinction was made between truck rates originating from the Pacific Northwest, for example, that traveled a few hundred miles to Seattle or a few thousand miles to New York. As discussed in the 1st Quarter 2011 RTQ Feature Article, the pricing structure for truck rates differs by mileage, with rates higher per mile for shorter distances. This is due to the larger proportion of fixed costs (such as insurance, licensing, or truck loan payments) relative to variable costs (costs per mile, such as gas) for shorter distance moves. As distances increase, the fixed costs are distributed across more miles, resulting in lower per-mile costs. For example, Figure 8: PNW Truck Rates ($/Mile) shows that rates are about three times more expensive for movements under 500 miles than for movements over 500 miles. This compares against the national average (Figure 1: Average Truck Rates for Selected Routes ($/Mile)), which is just a little under twice as expensive for movements under 500 miles as for movements between 501 and 2,500 miles.

Truck rate data was analyzed using the new database to determine appropriate mileage categories. For clarity in presenting the data, only four categories were developed: 0–500 miles; 501–1,500 miles; 1,501–2,500 miles; and 2,501+ miles. These categories were chosen based on naturally occurring patterns in the data with about 17 percent of reported moves falling in the 0–500 mile range, 31 percent in the 501–1,500 mile range, 28 percent in the 1,501–2,500 mile range, and 24 percent in the 2,501+ mile range. Given the 501–1,500 mile range is the most prevalent, it is used as a representative rate for several of the tables throughout the RTQ. Furthermore, it most closely approximates the previous truck rate data calculated using the old database.

The secondary distinguishing feature of the new database is the expanded coverage of origin and destination points. The new database is able to recognize shipments originating from individual regions and counties all across the country. Therefore, upcoming editions of the RTQ may expand its coverage of Regional Markets to include additional origins as they become significant contributors during a given quarter. Similarly, analysis for two additional destination cities is now provided—Dallas and Los Angeles.

Concurrent with the improvement in expanded origin coverage, actual distances used in calculating rates were improved. By being able to identify a greater number of individual origins, the mileages between origins and destinations could be calculated with greater accuracy. In some cases, this meant that, instead of calculating the distance to a particular destination city using a State-wide average origin, such as California, the distance could be calculated from the particular county of origin, such as Imperial County.

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[1]All RTQ data since 2000 has been recalculated from the new database in order to provide consistent quarter-to-quarter and year-to-year comparisons in the figures and tables shown with this edition. Consequently, data for previous quarters shown in this edition may not match exactly with corresponding data from previous editions.

A change of this magnitude can mean the difference of 500+ miles to certain destinations, greatly improving the accuracy of the rate per mile.

Finally, due to the growing importance of Mexico and Canada for refrigerated shipments of fresh fruits and vegetables, the new database includes additional detail on Mexico border crossings and, for the first time, Canadian data. Previously, the volume of all Mexican imports was included as a single total. The new database separates volumes of individual commodities by the State of entry. Depending on the quarter, this additional insight can highlight the seasonality of particular imports, showing how much of an individual commodity is moving through a specific border State. Additionally, Canadian truck imports are included in the volume totals; their share of the U.S. refrigerated truck market for fruit and vegetables has doubled since 2000 (although still representing less than 2 percent of total movements). During some quarters the volume is roughly equivalent or even surpasses the volume of individual States and regions. The use of protected agriculture has enabled Canada to become a year-round supplier of fresh fruits and vegetables to U.S. markets. As protected agriculture continues to become more widespread within Canada, imports of fresh fruit and vegetables from Canada may continue to increase.

In summary, the enhanced capabilities of the new database should provide a more thorough understanding of the agricultural refrigerated truck market. Mileage data and expanded origins and destinations provide greater accuracy and additional insight into truck rates, helping to inform market decisions.

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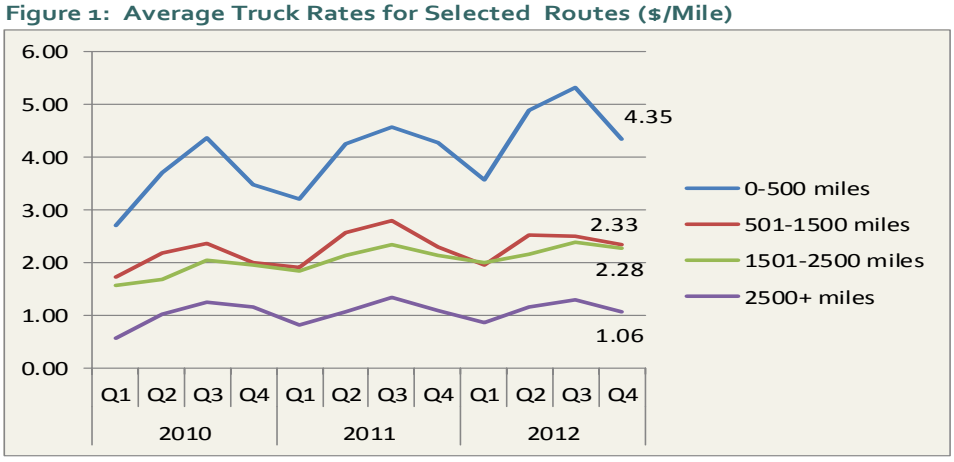
National Summary

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
2012	1.96	2.52	2.49	2.33	2.33
2011	1.90	2.57	2.79	2.29	2.39
2010	1.72	2.18	2.37	1.99	2.07
2009	1.74	1.96	2.06	1.88	1.91
2008	1.87	2.53	2.79	2.25	2.36
2007	1.94	2.20	2.25	1.95	2.09
2006	1.76	2.06	2.21	2.08	2.03
2005	1.75	1.93	2.27	2.33	2.07

*Annual: Weighted average rate for all 4 quarters.

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

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

	4th Qtr 2012			3rd Qtr 2012		
Origin	Oct	Nov	Dec	Jul	Aug	Sep
Arizona	2.99	n/a	n/a	n/a	n/a	n/a
California	2.86	2.89	2.72	3.09	3.00	2.98
Great Lakes	2.78	2.80	2.80	3.27	3.07	3.03
Florida	2.09	2.03	2.07	n/a	n/a	n/a
Mexico - Arizona	1.50	1.87	2.06	2.05	1.55	n/a
Mexico - Texas	1.92	2.19	2.19	1.96	1.86	1.85
PNW	1.94	1.96	2.04	1.47	1.50	1.61
Texas	2.29	2.34	2.35	2.51	2.35	2.29

Source: Agricultural Marketing Service, Fruit and Vegetable Programs, Market News Division
Note: "n/a" indicates rates not available.
Note: The rates for 8 long-haul fruit and vegetable truck corridors are included in the national rate, weighted by commodity and origin volume.

Truck Rates for Selected Routes and Commodities

Table 3: Origin-Destination Truck Rates for Selected Routes , 4th Quarter 2012 ($/Mile)

Origin	Destination									
	Atlanta	Baltimore	Boston	Chicago	Dallas	Los Angeles	Miami	New York	Philadelphia	Seattle
Arizona	2.50	2.53	2.43	2.30	3.30	2.70	2.36	2.54	2.50	2.68
California	2.39	2.39	2.37	2.16	2.83	6.12	2.24	2.41	2.39	2.72
Florida	2.59	2.00	2.05	1.91	.	.	.	2.18	2.11	.
Great Lake	2.66	2.93	2.90	3.57	2.64	.	2.61	3.03	2.81	.
Mexico-AZ	2.16	.	.	1.96	2.25	1.72	2.30	2.34	2.32	.
Mexico-TX	2.26	2.15	2.21	1.91	2.50	1.41	2.19	2.21	2.17	.
New York	2.06	3.43	7.48	1.87	1.80	.	2.29	9.01	6.03	.
Other	2.30	2.45	2.66	2.13	2.79	1.86	2.34	2.49	2.48	.
PNW	2.21	2.24	2.25	2.11	2.27	1.99	2.13	2.36	2.19	7.05
Southeast	4.10	3.67	3.18	2.89	.	.	1.99	3.67	3.42	.
Texas	2.57	2.38	2.43	2.18	2.94	1.6	2.34	2.46	2.39	.

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

Truck Rates for Selected Routes and Commodities

Table 4: Origin-Destination Truck Rates for Selected Routes , 4th Quarter 2012 ($/Truck)

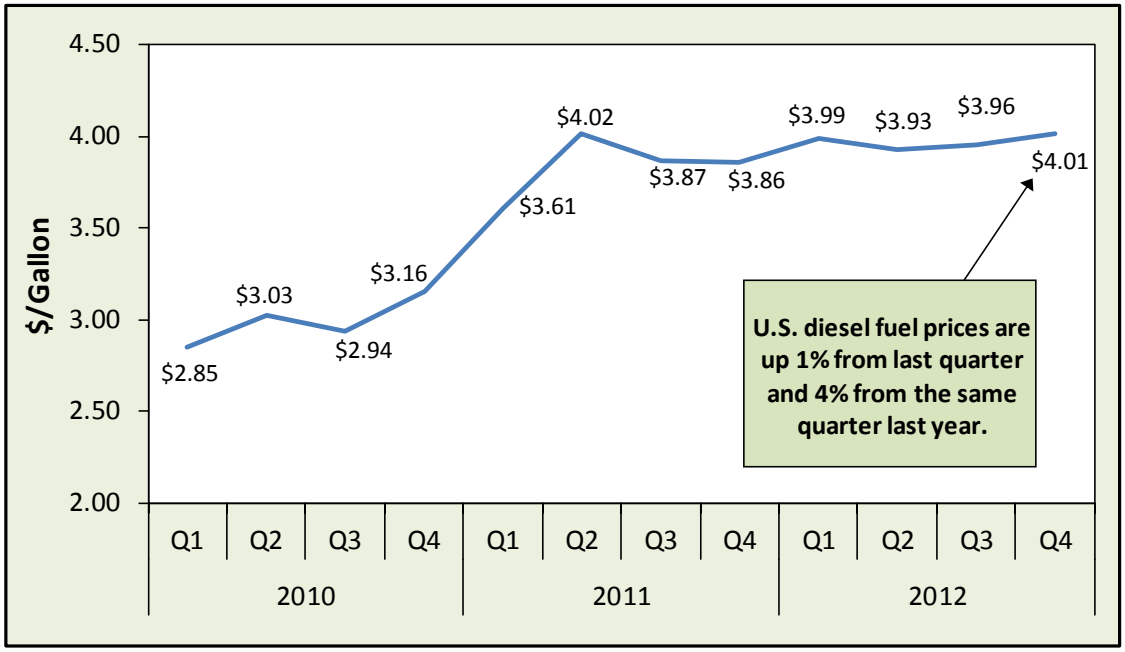
Origin	Destination									
	Atlanta	Baltimore	Boston	Chicago	Dallas	Los Angeles	Miami	New York	Philadelphia	Seattle
Arizona	4,500	5,783	6,450	4,033	3,500	1,025	5,800	6,117	5,850	3,700
California	5,349	6,507	7,218	4,503	4,186	1,058	6,256	6,848	6,637	2,802
Florida	1,091	1,990	2,922	2,145	.	.	.	2,635	2,374	.
Great Lake	3,018	3,342	3,934	1,170	2,865	.	4,356	3,747	3,312	.
Mexico-AZ	3,880	.	.	3,525	2,208	963	5,233	5,840	5,565	.
Mexico-TX	2,604	3,846	4,873	2,735	1,250	2,258	3,350	4,414	4,129	.
New York	2,000	925	1,578	1,569	3,000	.	3,315	1,385	1,025	.
Other	2,197	3,412	3,746	1,801	1,632	2,010	4,606	3,513	3,465	.
PNW	5,262	5,669	6,339	3,882	4,276	2,051	6,481	6,146	5,647	852
Southeast	1,150	1,691	2,773	2,458	.	.	1,529	2,402	1,952	.
Texas	2,650	4,006	5,050	2,878	1,233	2,417	3,394	4,588	4,261	.

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: 4th Quarter 2012 Average Diesel Fuel Prices (All Types - $/Gallon)

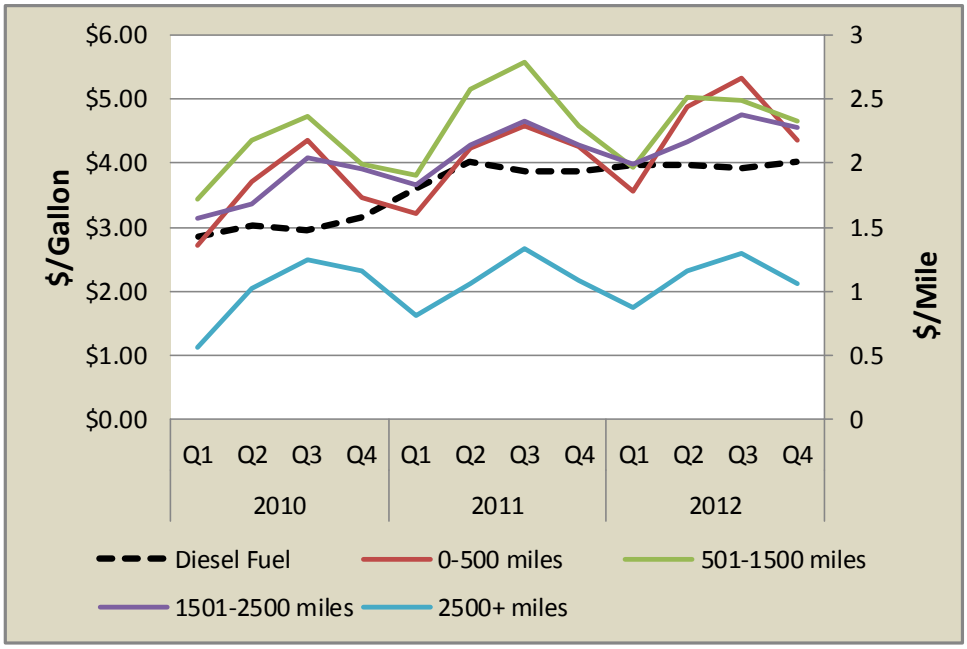
Location	Price	Change From	
		Last Quarter	Same Qtr Last Year
East Coast	4.06	0.09	0.19
New England	4.20	0.14	0.22
Central Atlantic	4.17	0.13	0.19
Lower Atlantic	3.96	0.06	0.15
Midwest	3.98	0.06	0.14
Gulf Coast	3.91	0.05	0.14
Rocky Mountain	4.05	0.05	0.09
West Coast	4.14	-0.02	0.08
California	4.20	-0.02	0.08
U.S.	4.01	0.06	0.15

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
2010	Q1	2.85	1.72	4%	-7%	30%	-5%
	Q2	3.03	2.18	6%	26%	29%	8%
	Q3	2.94	2.37	-3%	9%	13%	19%
	Q4	3.16	1.99	7%	-16%	15%	7%
2011	Q1	3.61	1.90	14%	-5%	27%	10%
	Q2	4.02	2.57	11%	36%	33%	18%
	Q3	3.87	2.79	-4%	8%	32%	18%
	Q4	3.86	2.29	0%	-18%	22%	15%
2012	Q1	3.99	1.96	3%	-14%	10.5%	3%
	Q2	3.93	2.52	-2%	28%	-2.4%	-2%
	Q3	3.96	2.49	1%	-1%	2.3%	-11%
	Q4	4.01	2.33	1%		4%	

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

4th Quarter 2012 Comparison Analysis

Diesel fuel prices averaged $4.01 per gallon this quarter, 1 percent higher than last quarter and 4 percent higher than the same quarter last year. Average truck rates for shipments between 501 and 1,500 miles were $2.33 per mile, 6 percent lower than the previous quarter but 2 percent higher than the same quarter last year.

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

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

Quarterly Truck Availability

Table 7: U.S. Fresh Fruit and Vegetable Truck Availability, 4th Quarter 2012

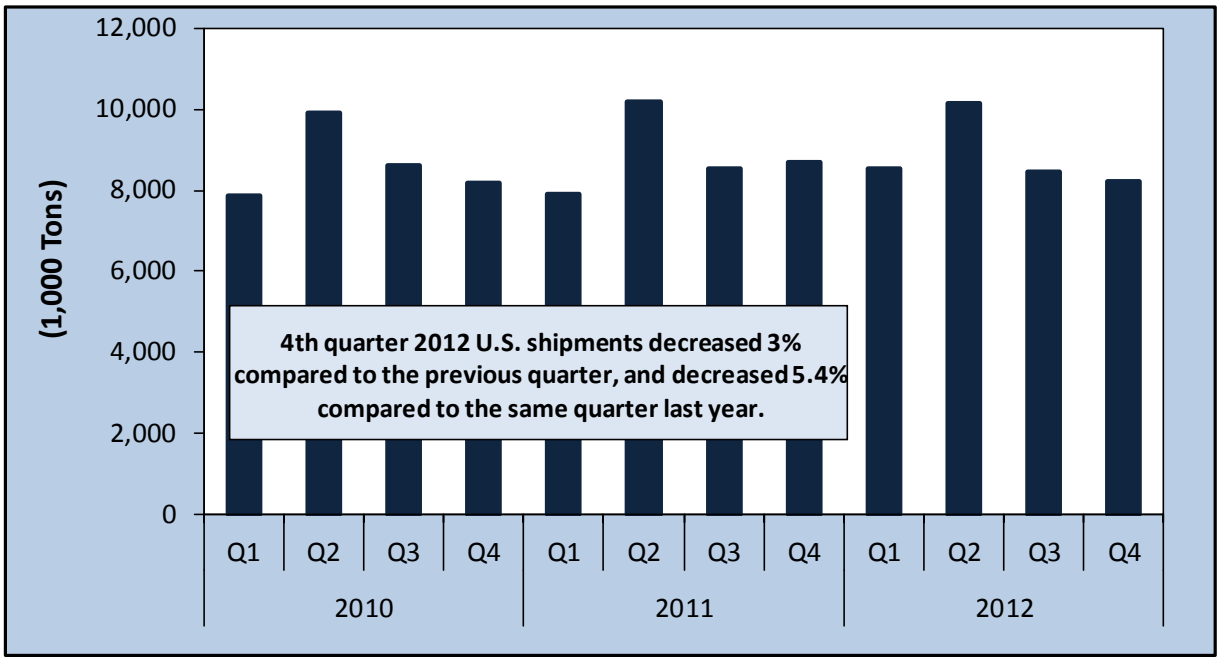
Region[1]	Commodity[1]	Truck Availability												
		Surplus - 1		Slight Surplus - 2			Adequate - 3			Slight Shortage - 4			Shortage - 5	
		Week Ending[1]												
		10/2	10/9	10/16	10/23	10/30	11/6	11/13	11/20	11/27	12/4	12/11	12/18	12/26
CALIFORNIA, CENTRAL AND WESTERN ARIZONA														
Central and Western AZ	Cantaloupes, Honeydews			3	3	3								
Imperial, Palo Verde, and Coachella Valleys, CA, and Central and Western AZ	Beans, Broccoli, Cantaloupes, Cauliflower, Eggplant, Honeydews, Iceberg Lettuce, Leaf Lettuce, Peppers, Romaine Lettuce						3	5	3	2	2	2	1	3
Kern District, CA	Carrots, Grapes	3	3	3	3	3	3	4	3	2	2	2	1	3
Salinas-Watsonville, CA	Brocoli, Cauliflower, Celery, Lettuce, Mixed Vegetables, Other Lettuce, Strawberries, Raspberries, Romaine Lettuce	3	3	3	3	3	3	5	3	2	2			
San Joaquin Valley, CA	Apples, Apple Pears, Bell Peppers, Corn, Grapes, Kiwi, Lettuce, Melons, Persimmons, Plums, Pomegranates	2	2	2	3	3	3	4	3	3	1	1	2	2
Santa Maria, CA	Blackberries, Broccoli, Cauliflower, Celery, Iceberg Lettuce, Strawberries	3	3	3	3	3	3	5	3	2	2	2	1	3
South District, CA	Avocados, Bell Peppers, Citrus, Raspberries, Strawberries, Tomatoes	2	2	2	2	2	2	4	3	2	1	1	2	2
PACIFIC NORTHWEST (ID, OR, WA)														
Columbia Basin, WA	Onions, Potatoes	5	5	5	5	5	5	5	5	5	5	3	4	3
Idaho and Malheur County, OR	Onions	4	4	4	4	4	4	4	5	5	5	3	4	4
Northwestern WA	Potatoes			5	5	5	5	5	5	3	3	3	4	4
Upper Valley, Twin Falls-Burley District, ID	Potatoes	4	4	4	4	3	4	4	5	4	4	3	3	3
Yakima Valley & Wenatchee District, WA	Apples, Pears	5	4	4	4	4	4	4	4	3	3	4	4	4
FLORIDA														
Central and South	Berries, Mixed Vegetables, Tomatoes				1	1	1	3	4	3	3	3	3	5
South	Melons										3	3	5	5
West District	Tomatoes			1	1	1	1	3	4	3				
GREAT LAKES (MI & WI)														
Michigan	Onions	3	3	3	3	3	3	3	3	3	3	3	3	3
Central Wisconsin	Potatoes	4	4	3	3	4	4	5	3	2	3	3	3	3
MEXICO BORDER CROSSINGS														
Through Nogales, AZ	Melons, Mixed Vegetables, Tomatoes				2	1	1	5	3	3	2	2	1	5
Through Texas	Broccoli, Carrots, Citrus, Limes, Mixed Fruit and Vegetables, Plum Tomatoes, Watermelons	3	3	3	3	3	3	4	5	4	3	3	3	4
TEXAS, OKLAHOMA														
Lower Rio Grande Valley, TX	Cabbage, Citrus, Herbs									4	3	3	3	4
Texas and Oklahoma	Watermelons	3												

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

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

Reported U.S. Shipments

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



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

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

Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual
2012	8,541	10,151	8,442	8,227	35,360
2011	7,887	10,179	8,536	8,694	35,296
2010	7,878	9,910	8,605	8,165	34,558
2009	7,919	9,762	8,537	7,834	34,052
2008	7,819	9,754	7,994	7,519	33,086
2007	7,796	9,680	8,033	7,718	33,226
2006	7,009	9,554	8,486	7,618	32,668
2005	7,629	9,481	8,360	8,051	33,520

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

Reported Shipments by Selected Commodities

Table 9: Reported Top 10 Commodity Shipments for 4th Quarter 2012 (1,000 Tons)

Commodity	4th Quarter 2012	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
				Previous Qtr	Same Qtr Last Year
Potatoes	1,200	1,041	1,303	15%	-8%
Apples	819	470	852	74%	-4%
Onions, dry	465	497	579	-6%	-20%
Tomatoes	452	437	491	3%	-8%
Lettuce, iceberg	338	329	333	3%	1%
Grapes	312	413	363	-24%	-14%
Lettuce, romaine	242	182	229	33%	5%
Cucumbers	217	152	202	43%	7%
Pears	215	112	230	92%	-6%
Peppers, bell type	212	150	206	41%	3%

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

Regional Markets

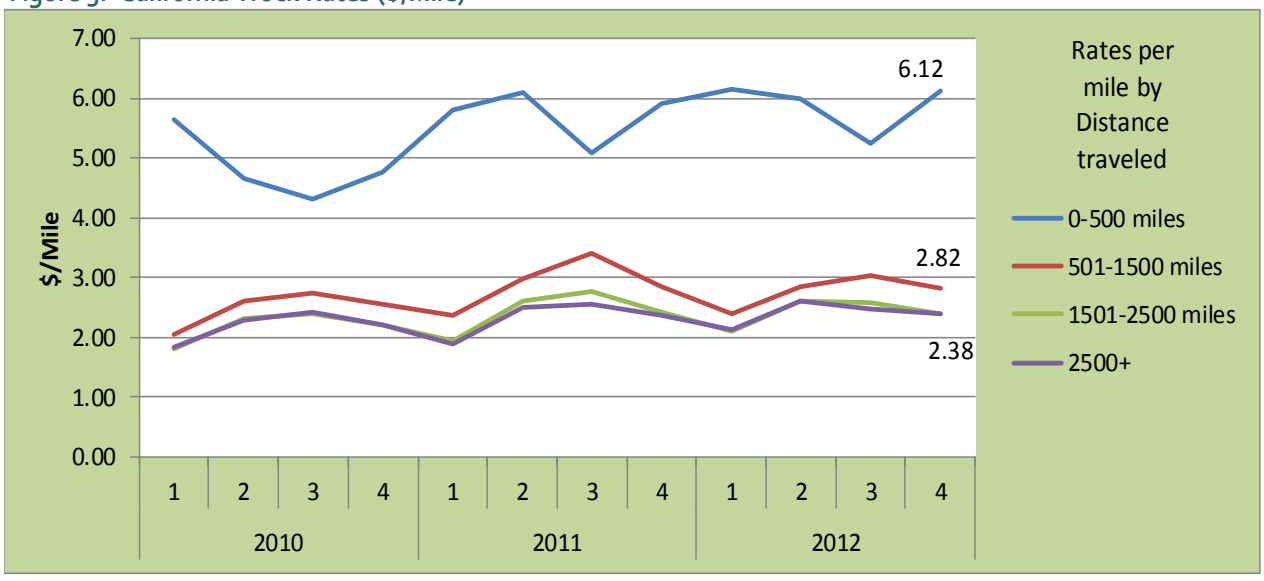
California

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

Commodity	4th Quarter 2012	Share of California Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Grapes	312	21%	408	363	-24%	-14%
Celery	188	12%	123	200	53%	-6%
Lettuce, Iceberg	166	11%	321	179	-48%	-7%
Lettuce, Romaine	133	9%	180	133	-26%	0%
Strawberries	79	5%	247	84	-68%	-6%
Top 5 Total	**878**	**58%**	**1,279**	**959**	**-31%**	**-8%**
California Total	**1,513**	**100%**	**3,309**	**1,809**	**-54%**	**-16%**

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

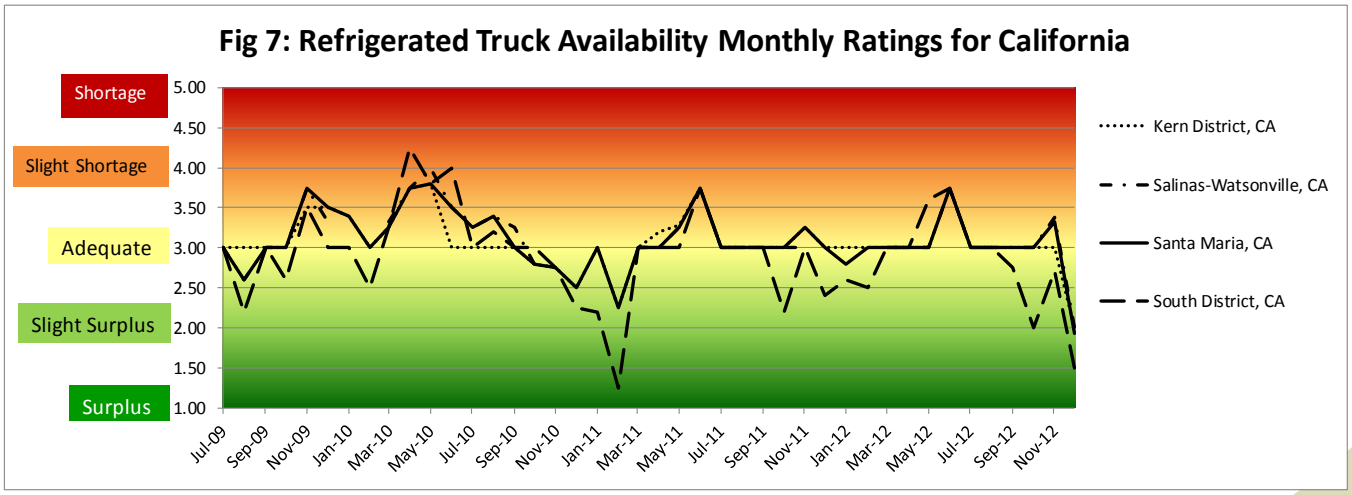
Region/Reporting District	Diesel Fuel	Truck Rate 501 to 1500 miles	October	November	December
			Monthly Rating		
	$/per gallon	$/per mile	1=Surplus to 5=Shortage		
Regional Average	**$4.20**	**$2.82**	**2.75**	**3.11**	**1.86**
Kern District, CA			3.00	3.00	2.00
Salinas-Watsonville, CA			3.00	3.38	2.00
Santa Maria, CA			3.00	3.33	1.93
South District, CA			2.00	2.71	1.50

n/a: availability data not reported
Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy
For the purpose of this report the California sub-group of the West Coast PAD District 5 was used to represent the diesel fuel price.

Volume: Total shipments from California fell 16 percent in the fourth quarter compared to the fourth quarter of 2011. This was led by a 10 percent decrease in shipments of the top three commodities (grapes, celery, and iceberg lettuce). However, avocado shipments more than quintupled in the quarter. California avocado production was particularly high last year with the harvest ending in October, according to the ERS. Avocado demand in the United States continues to increase and currently per-capita avocado consumption is at an all-time high, boosting shipments.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was $2.82 per mile, 7 percent lower than last quarter. The average rate per mile during this same period last year was $2.80, 1 percent higher than last year.

Truck Overview: Diesel fuel prices averaged $4.20 per gallon, 1 percent lower than last quarter, and 2 percent higher than the same period last year. Except for a shortage during the second week of November, truck availability ranged from a slight surplus to adequate across all California districts.



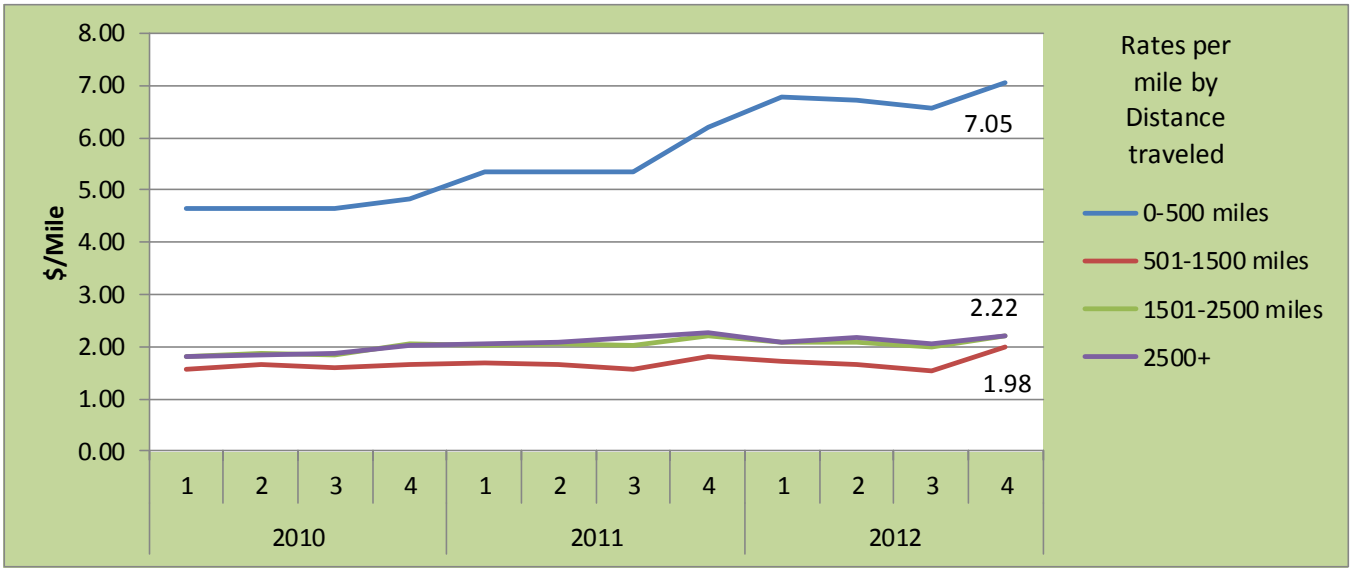
Pacific Northwest (PNW)

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

Commodity	4th Quarter 2012	Share of PNW Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Apples	724	40%	397	669	82%	8%
Potatoes	523	29%	481	554	9%	-6%
Onions, dry	312	17%	215	372	45%	-16%
Pears	206	11%	56	208	268%	-1%
Cranberries	1	0%	-	1	-	120%
Top 5 Total	**1,766**	**97%**	**1,149**	**1,804**	**54%**	**-2%**
PNW Total	**1,815**	**100%**	**986**	**1,015**	**84%**	**79%**

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	October	November	December
			Monthly Rating		
	$/per gallon	$/per mile	1=Surplus to 5=Shortage		
Regional Average	**$4.06**	**$1.98**	**4.25**	**4.31**	**3.69**
Columbia Basin, WA			5.00	5.00	3.75
Idaho and Malheur County, OR			4.00	4.50	4.00
Upper Valley, Twin Falls-Burley District, ID			3.80	4.25	3.25
Yakima Valley & Wenatchee District, WA			4.20	3.50	3.75

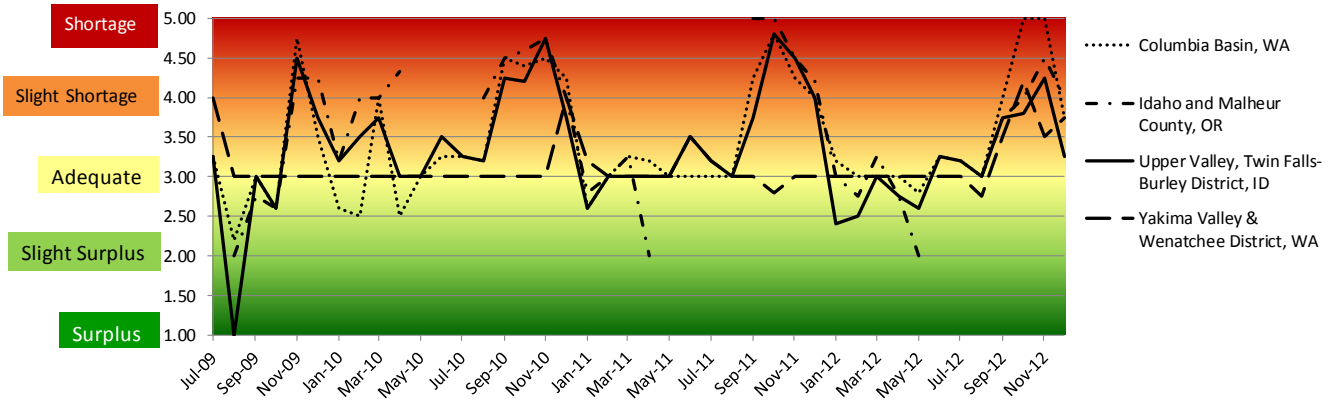
n/a: availability data not reported
Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy
For the purpose of this report the West Coast less California District was used to represent the diesel fuel price for PNW.

Volume: Total shipments of fruit and vegetables from the Pacific Northwest in the fourth quarter of 2012 were virtually unchanged from the same quarter in 2011, increasing by 0.16 percent. Shipments of apples, the top commodity, increased by 8 percent. This compromised nearly 40 percent of all shipments in the fourth quarter. Crop losses in other parts of the country were balanced by a large Washington crop, with Washington apples seeing higher demand outside the western United States, according to *The Packer*. It also reported record apple movements by Washington producers in December. However, shipments of many other commodities decreased, including onions, peaches, and blueberries.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was $1.99, an increase of 30 percent from last quarter and a 9 percent increase from the same quarter last year.

Truck Overview: Diesel fuel prices averaged $4.06 per gallon, 1 cent lower than last quarter and 1 cent higher than the same period last year. Shippers in the PNW experienced a slight to full shortage for truck availability from the fourth quarter through the beginning of December. Availability was mostly adequate for the last 3 weeks of December.

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



Great Lakes

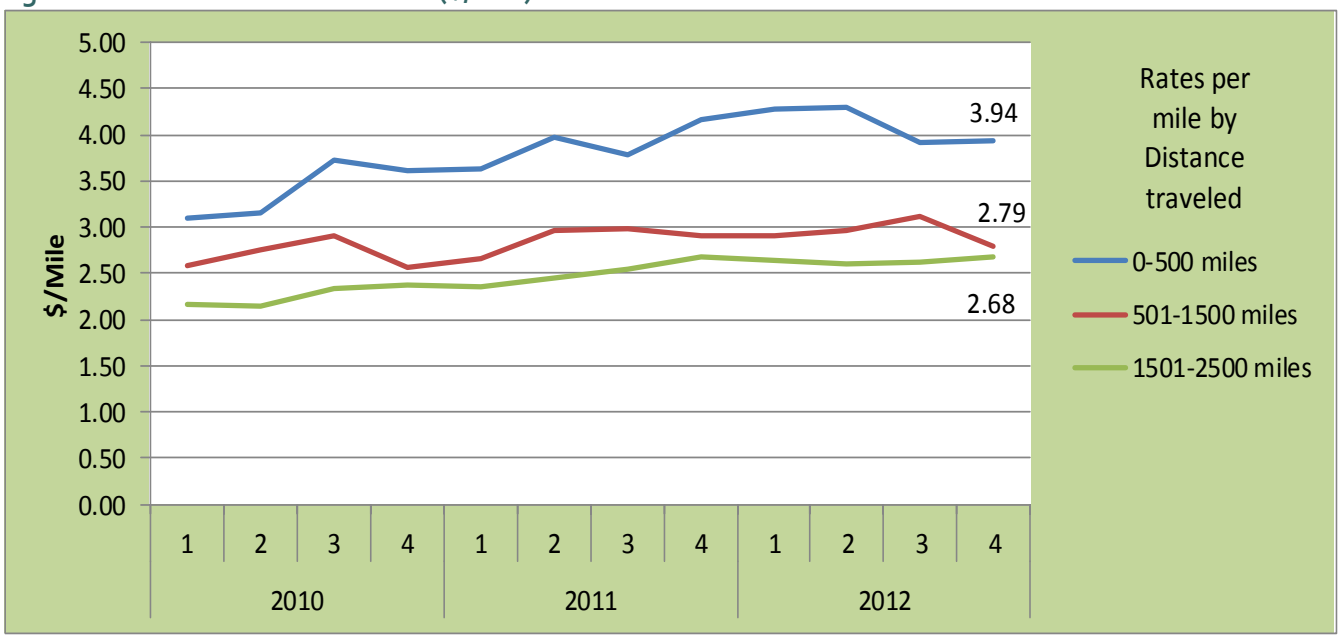
Table 12: Reported Top 5 Commodities Shipped from Great Lakes (1,000 tons)

Commodity	4th Quarter 2012	Share of Great Lakes Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Potatoes	190	35%	131	182	45%	4%
Onions, dry	20	4%	8%	20	-	0%
Cabbage	12	2%	22	9	-45%	33%
Apples	10	2%	8	71	-	-86%
Cranberries	6	1%	1	6		3%
Top 5 Total	**238**	**44%**	**161**	**288**	**48%**	**-17%**
Great Lakes Total	**538**	**100%**	**534**	**621**	**1%**	**-13%**

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

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

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



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

Figure 12: Great Lakes Truck Overview

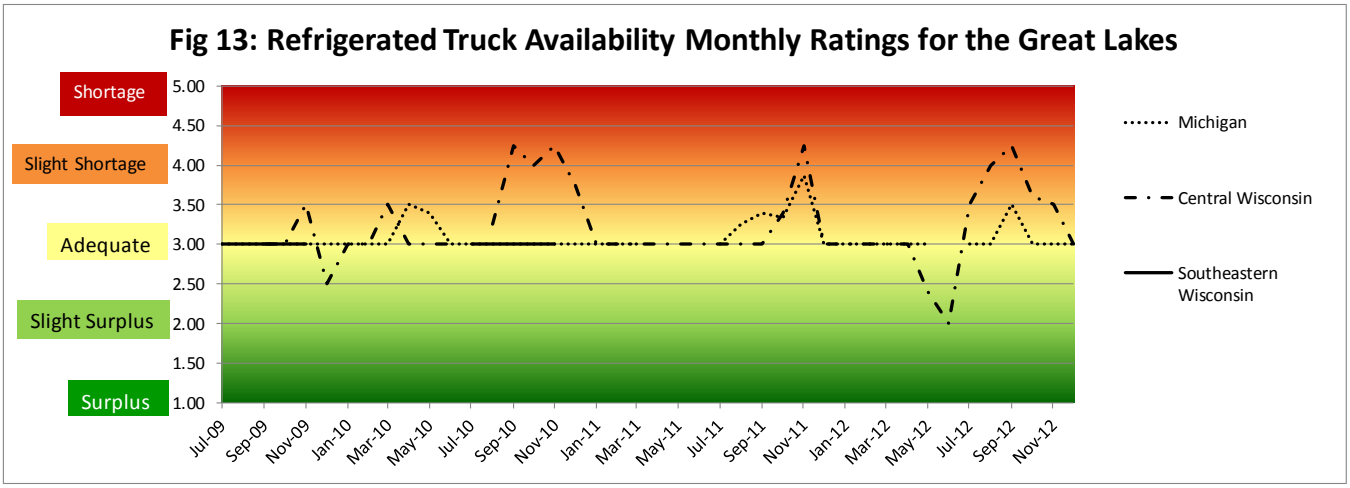
Region/Reporting District	Diesel Fuel	Truck Rate 501 to 1500 miles	October	November	December
			Monthly Rating		
	$/per gallon	$/per mile	1=Surplus to 5=Shortage		
Regional Average	**$3.98**	**$2.79**	**3.30**	**3.25**	**3.00**
Michigan			3.00	3.00	3.00
Southeastern Wisconsin			3.60	3.50	3.00

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

Volume: In the fourth quarter of 2012, shipments of fruits and vegetables from the Great Lakes region decreased 13 percent from the same quarter in 2011. Apple shipments, which accounted for a large portion of shipments from the region in 2011, fell nearly 87 percent because of major crop losses in the region. Bad weather during the growing season led to a weak crop, especially in Michigan, according to ERS.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was $2.79, a decrease of 10 percent from last quarter and a 4 percent decrease from the same quarter last year.

Truck Overview: Diesel fuel prices averaged $3.98 per gallon, 2 percent higher than last quarter, and 4 percent higher than the same quarter last year. Onions shipped from Michigan had adequate truck availability throughout the fourth quarter. Potatoes shipped from Central Wisconsin experienced a slight shortage in truck availability through the first half of the quarter before availability became adequate.



Mexico Border Crossings

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

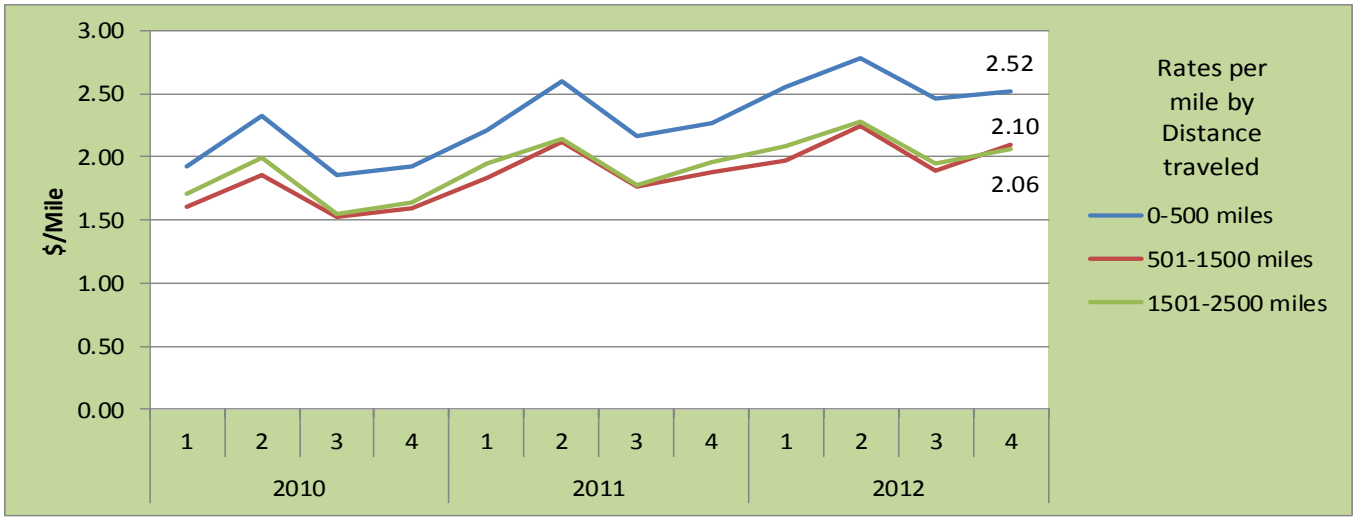
Commodity	4th Quarter 2012	Share of Mexico Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Peppers, other	165	10%	111	121	49%	36%
Tomatoes	160	9%	84	160	89%	0%
Avocados	159	9%	80	119	98%	34%
Cucumbers	152	9%	59	143	156%	7%
Limes	108	6%	131	115	-18%	-6%
Top 5 Total	**744**	**44%**	**466**	**658**	**60%**	**13%**
Mexico Total	**1,697**	**100%**	**1,059**	**1,580**	**60%**	**7%**

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

Table 14: Top 5 Commodities Shipped to U.S from Mexico by State of Entry (1,000 tons)

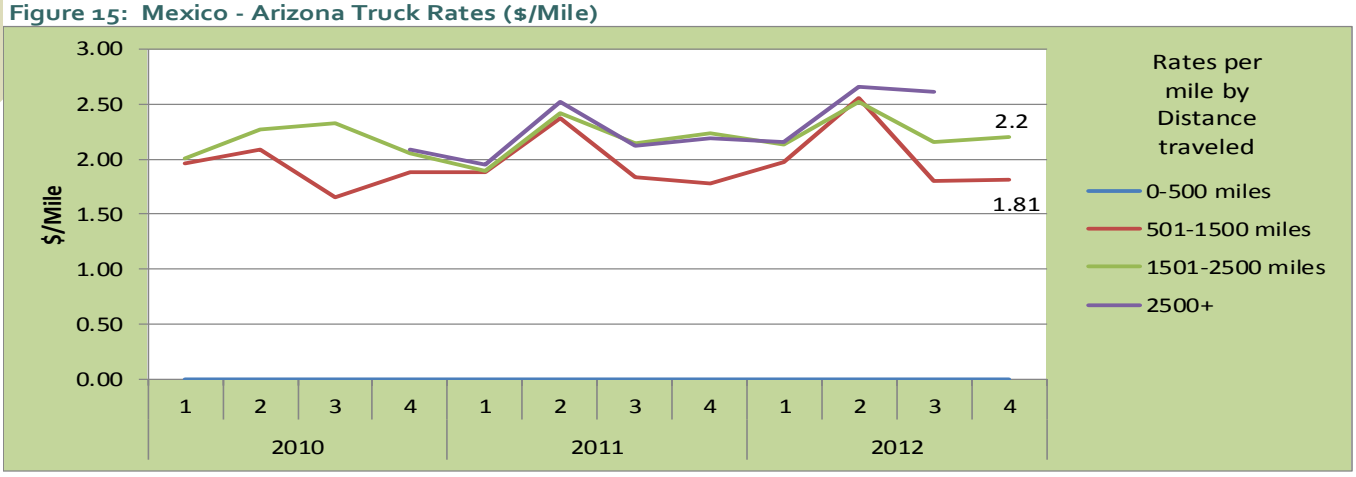
Texas		California		Arizona	
Avocados	146	**Tomatoes, plum type**	46	**Cucumbers**	106
Tomatoes	106	**Onions, green**	33	**Squash**	83
Limes	96	**Misc. tropical**	28	**Watermelons, seedless**	69
Broccoli	40	**Cucumbers**	17	**Peppers, bell type**	53
Peppers, bell type	35	**Tomatoes**	17	**Honeydews**	39
Other	360	**Other**	124	**Other**	194
Total	**783**	**Total**	**265**	**Total**	**544**

Figure 14: Mexico - Texas Truck Rates ($/Mile)



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

Figure 15: Mexico - Arizona Truck Rates ($/Mile)



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

Figure 16: Mexico Border Truck Overview

Region/Reporting District	Diesel Fuel	Truck Rate 501 to 1500 miles	October	November	December
			Monthly Rating		
	$/per gallon	$/per mile	1=Surplus to 5=Shortage		
Regional Crossing Average			**2.25**	**3.50**	**2.90**
Through Texas	$3.91	$2.10	3.00	4.00	3.29
Through Nogales, AZ	$4.06	$2.20	1.50	3.00	2.50

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

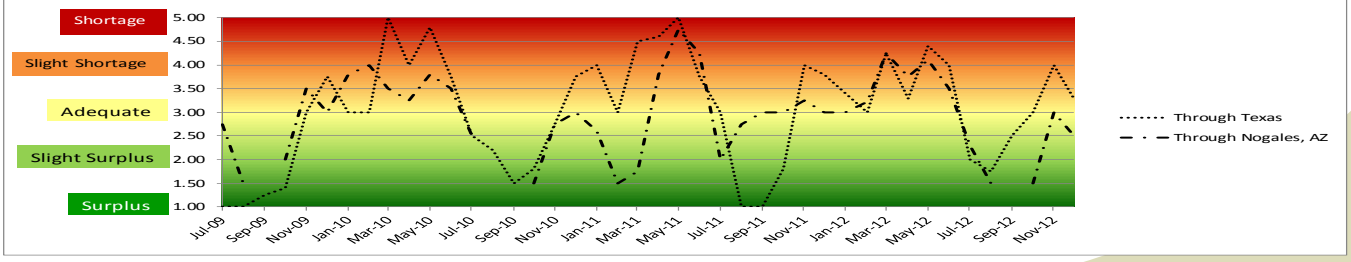
For the purpose of this report the Gulf Coast PAD District 3 was used to represent the diesel fuel price through Texas.
For the purpose of this report the West Coast less California District was used to represent the diesel fuel price through Arizona.

Volume: Total fruit and vegetable shipments from Mexico increased by 7.5 percent over the same quarter in 2011. Shipments of the top seven commodities increased at around the same amount, up 6.6 percent over the prior year. Avocado and pepper shipments increased by 34 and 36 percent, respectively. Over the last few years, increased consumer demand and more relaxed restrictions have led to large increases in avocado imports from Mexico, according to the ERS *Fruit and Tree Nuts Outlook*. Pineapples saw the biggest increase over fourth quarter 2011 levels, with shipments tripling. However, many commodities saw drops in shipments over the period, including cherry tomatoes, mushrooms, squash, and lettuce.

Rates: Truck rates for shipments between 501 and 1,500 miles through the Texas border crossings averaged $2.09 per mile, 10 percent higher than last quarter and 12 percent higher than the same quarter last year. Rates for shipments between 501 and 1,500 miles through the Arizona border crossings averaged $1.92 per mile, 4 percent higher than last quarter and 7 percent higher than the same quarter last year.

Truck Overview: Diesel fuel prices for border crossings through Texas averaged $3.91 per gallon, 1 percent more than the previous quarter. Diesel fuel prices for border crossings through Arizona averaged $4.06 per gallon, 1 cent less than last quarter. Truck availability was mostly adequate in Texas, and Arizona had a slight surplus, throughout the fourth quarter, except for the last 3 weeks of November and the last week of December, which experienced a shortage.

Fig 17: Refrigerated Truck Availability Monthly Ratings for Mexico Border Crossings



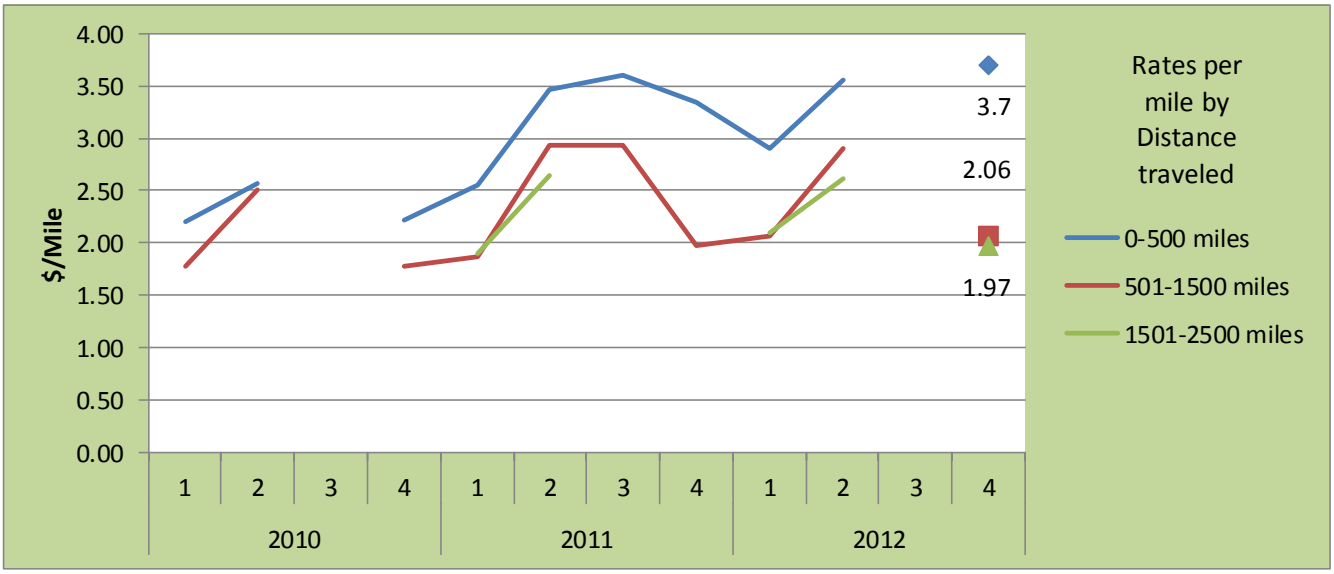
Florida

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

Commodity	4th Quarter 2012	Share of Florida Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Tomatoes	130	21%	2	146	-	-11%
Grapefruit	114	18%	-	125	-	-9%
Oranges	82	13%	-	91	-	-10%
Tangerines	50	8%	-	61	-	-18%
Peppers, bell type	47	8%	-	45	-	4%
Top 5 Total	**423**	68%	**2**	**468**	-	-10%
Florida Total	**626**	**100%**	**36**	**310**	**1639%**	**102%**

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

Figure 18: Florida Truck Rates ($/Mile)



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

Figure 19: Florida Truck Overview

Region/Reporting District	Diesel Fuel	Truck Rate 501 to 1500 miles	October	November	December
			Monthly Rating		
	$/per gallon	$/per mile	1=Surplus to 5=Shortage		
Regional Crossing Average			**1.00**	**2.78**	**3.50**
Central and South FL	$3.96	$2.06	1.00	2.78	3.50

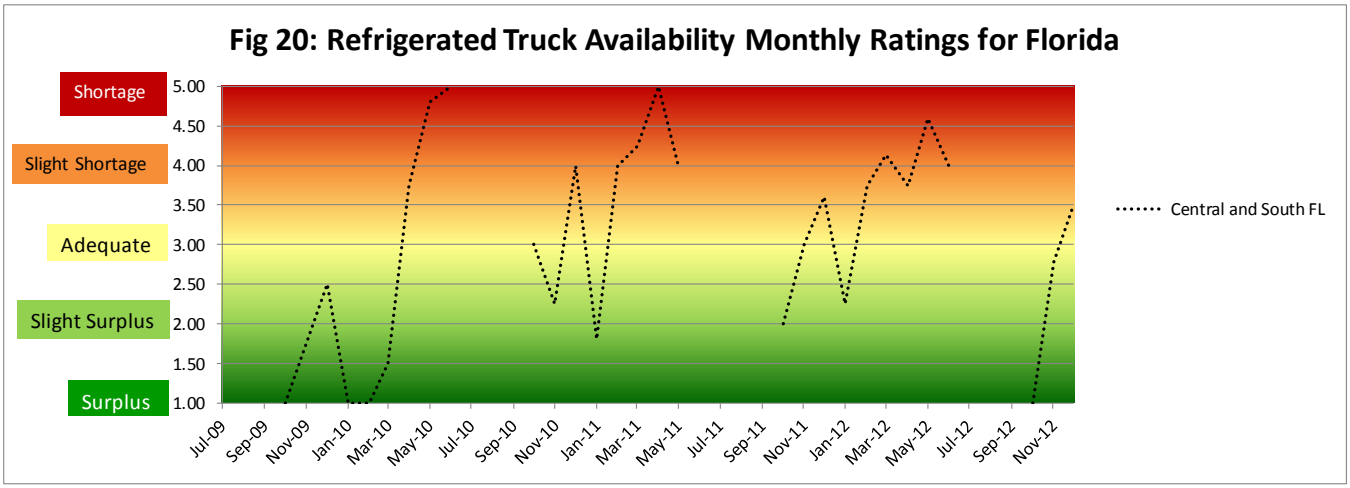
Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy

For the purpose of this report the Gulf Coast PAD District 3 was used to represent the diesel fuel price through Texas.
For the purpose of this report the West Coast PAD District 5 was used to represent the diesel fuel price through Arizona.

Volume: Total shipments from Florida in the fourth quarter 2012 were down 6 percent from the same quarter in the prior year. Tomatoes, sweet corn, and squash, all top 10 commodities, saw noticeable gains over the year. However, shipments of tangerines and oranges, both major Florida crops, decreased by over 10 percent. Consumer preference for different tangerine varieties, particularly seedless tangerines, led to a shift to more production in California, according to the ERS *Fruit and Nuts Tree Outlook*. The Florida orange crop is also anticipated to be lower this year and harvests through December of last year were down, partly due to some drought effects in the region.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was $2.06 per mile. The average rate per mile during this same period last year was $2.02, 2 percent higher than last year.

Truck Overview: Diesel fuel prices averaged $3.96 per gallon, 2 percent higher than last quarter and 4 percent higher than the same period last year. Truck availability started with a surplus at the beginning of the quarter, became adequate by mid-November, and fell to a shortage by the end of December.



Arizona

Table 16: Reported Top 5 Commodities Shipped from Arizona (1,000 tons)

Commodity	4th Quarter 2012	Share of Arizona Total	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
					Previous Qtr	Same Qtr Last Year
Lettuce, iceberg	151	34%	-	127	-	19%
Lettuce, romaine	104	24%	-	92	-	13%
Cantaloups	64	15%	23	71	178%	-10%
Lettuce, processed	32	7%	-	43	-	-26%
Spinach	28	6%	-	9	-	211%
Top 5 Total	**379**	**86%**	**23**	**342**	**1548%**	**11%**
Arizona Total	**441**	**100%**	**45**	**402**	**880%**	**10%**

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

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

Figure 21: Truck Overview

Region/Reporting District	Diesel Fuel	Truck Rate 501 to 1500 miles	October	November	December
			Monthly Rating		
	$/per gallon	$/per mile	1=Surplus to 5=Shortage		
Regional Average	**$4.06**	**$2.99**			
Imperial, Palo Verde, Coachella Valleys, CA; and Central and Western AZ			n/a	n/a	n/a

n/a: availability data not reported

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

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

Volume: In the fourth quarter of 2012, total shipments of fruits and vegetables from Arizona increased by nearly 10 percent from the same quarter in 2011. Shipments of broccoli and cauliflower increased substantially, going up 194 and 21 percent respectively. This is in spite of lower grower prices for broccoli and cauliflower compared to the previous year, although prices were up from the third quarter of 2012, according to the Economic Research Service's *Vegetable and Pulses Outlook*. Prices were negatively affected by seasonal demand fluctuations and good weather in California during the quarter.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was $2.99 per mile.

Truck Overview: Diesel fuel prices averaged $4.06 per gallon, 1 cent lower than last quarter, and 1 cent higher than the same period last year. Truck availability was adequate during the fourth quarter except for a shortage during the second week of November.

Terms and References

Data Sources: This information is compiled from the weekly *Fruit and Vegetable Truck Rate Report* by USDA, Agricultural Marketing Service (AMS), Fruit and Vegetable Programs, Market News Division. The website is: http://marketnews.usda.gov/portal/fv.

Regional Markets: For the regional markets, some States are grouped into producing regions. The Pacific Northwest region includes Idaho, Oregon, and Washington. The Great Lakes region includes Michigan and Wisconsin.

Shipment Volumes: Truck shipments for all commodities and origins are not available. Those obtainable are reported, but should not be interpreted as representing complete movements of a commodity. Truck shipments from all States are collected at shipping points and include both interstate and intrastate movements. They are obtained from various sources, including Federal marketing orders, administrative committees, Federal State Inspection Service, and shippers. Volume amounts are represented in 10,000 pound units, or 1,000 10-lb packages but are converted to 1,000 tons for this report. Mexican border crossings through Arizona and Texas data is obtained from the Department of Homeland Security (DHS), U.S. Customs and Border and Protection (CBP) through USDA, AMS, Market News.

Rates: This information is compiled from the weekly *Fruit and Vegetable Truck Rate Report*. Rates quoted represent open (spot) market rates that shippers or receivers pay depending on basis of sale, per load, including truck brokers fees for shipments in truck load volume to a single destination. Extra charges for delivery to terminal markets, multipickup and multidrop shipments are not included unless otherwise stated. Rates are based on the most usual loads in 48-53 foot trailers from the origin shipping area to the destination receiving city. In areas where rates are based on package rates, per load rates were derived by multiplying the package rate by the number of packages in the most usual load in a 48-53 foot trailer. Slightly cheaper rates will be reported during Quarters 2 and 3 as about 50 percent of onion shipments from California are hauled on open flatbed trailers. During Quarter 3, less than 20 percent of onions hauled from Washington, Idaho, and Oregon are on open flatbeds.

Regional Rates: Rate data for 10 destination markets are used to calculate average origin regional rates.

Long-Haul Route Detail: The national rates reflect long-haul truck rates. The rates include the national rate, weighted by commodity and origin volume. For the purpose of this report long-hauls considered as distance traveled over 100 miles from point of origin to the destination.

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Related Websites:

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

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

Economic Research Service Vegetable and Pulses Outlook
http://www.ers.usda.gov/publications/vgs/

Economic Research Service Fruit and Tree Nuts Outlook
http://www.ers.usda.gov/publications/fts/

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

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