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# Agricultural Refrigerated Truck Quarterly

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## Feature Article

### Refrigerated Truck Rates Reach Historic Highs

Over the last several years, the combination of overall economic growth and ongoing driver shortages has contributed to diminishing capacity in the trucking industry. This situation peaked at the end of 2017 and beginning of 2018, as additional factors contributed to record high truck rates and widespread shortages across the trucking industry. Spot rates for some refrigerated trucks reached 40-year highs, as reported by USDA’s Specialty Crops Market News division. This article provides background and context to shed light on the various factors contributing to these record high rates.

#### **Background: Supply and Demand**

Economic growth increases the demand for truck services in one of two ways: either as a primary mode of transportation, or as the critical link in the first-mile/last-mile segment of the supply chain. American Trucking Associations (ATA) data shows that since 2013, as the economy has continued to improve, quarterly truck tonnage has been steadily increasing.<sup>1</sup> Furthermore, ATA indicates trucking activity is a barometer of the U.S. economy, representing 70.6 percent of domestic freight tonnage carried.<sup>2</sup> Thus, as the economy grows, so does demand for truck service. The ATA’s Monthly Truck Tonnage Report in February shows that fourth quarter tonnage in 2017 was up 3.7 percent from the previous quarter and 8.1 percent from the previous year. As a whole, 2017 tonnage was up 3.8 percent from 2016 – the largest annual increase since 2013. The growth in trucking activity corresponds with overall U.S. economic growth, which has increased annually by about 2.2 percent since 2010.<sup>3</sup>

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<sup>1</sup> The ATA’s truck tonnage is based on a survey of all intercity freight moved by large, small, and less-than-truckload motor carriers. This would include flatbed, dry van, and reefer tonnage.

<sup>2</sup> American Trucking Associations. Advance Truck Tonnage News Release. January 23, 2018.

<sup>3</sup> U.S. Department of Commerce, Bureau of Economic Analysis: Annual percent change in real gross domestic product

According to USDA Market News data, a similar trend shows reported shipments of refrigerated fruit and vegetables have been increasing steadily since 2000. At 7.72 million tons, reported shipments of refrigerated fruit and vegetables, in the fourth quarter of 2017, were the third highest on record for any fourth quarter; behind 2016 at 8.05 million tons and 2011 at 7.99 million tons. As a whole, the reported annual tonnage for 2017 was the highest on record at 33.6 million tons, a 0.5 percent increase from 33.4 million tons reported in 2016.

The ongoing driver shortage issue continues to strain truck availability, even as demand for trucking services continues to grow. The results of the American Transportation Research Institute's (ATRI) annual survey, *Critical Issues in the Trucking Industry – 2017*, ranked the perennial driver shortage issue as the top issue facing the industry for the first time since 2006. Low driver wages, regulatory concerns, long periods away from home, attractive wages in competing industries such as construction or oil production, and other issues have kept potential candidates from applying to open positions. The ATA estimated the driver shortfall of 48,000 in 2015 could grow to 175,000 by 2025, if the trend continues.<sup>4</sup>

The amount of U.S. economic growth has outpaced the gains in the number of truck driver jobs added over the last seven years, despite the number of truck drivers fully recovering to its pre-recessional level. The Bureau of Labor Statistics shows the trucking industry has recovered the roughly 400,000 jobs lost following the economic downturn of 2008 and 2009, an increase of 11 percent.<sup>5</sup> In contrast, the Bureau of Economic Analysis reports U.S. gross domestic product has grown 19 percent, in real terms, from the bottom of the economic downturn in 2009.<sup>6</sup> The difference in growth rates underscores the current driver shortage situation. Some economic growth can provide additional revenue opportunities for existing drivers so long as there is excess capacity. However, in theory, additional drivers are needed to prevent economic growth from slowing once demand for trucking services exceeds the capacity of drivers to supply additional service. In such circumstances without additional drivers, truck rates will escalate, and truck shortages will occur in many areas.

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<sup>4</sup> Costello, Bob and Rod Suarez. "Truck Driver Shortage Analysis 2015". American Trucking Associations. October 2015.

<sup>5</sup> U.S. Department of Labor, Bureau of Labor Statistics: Labor Force Statistics from the Current Population Survey;

<sup>6</sup> U.S. Department of Commerce, Bureau of Economic Analysis: National Data, Gross Domestic Product.

### **Contributing Factors**

High diesel fuel prices, Hurricanes Harvey and Irma, and the December compliance deadline on electronic logging devices (ELD) contributed to the underlying supply and demand issues, resulting in record high rates and widespread capacity shortages at the end of 2017. The refrigerated truck market was heavily impacted as well. While some situations only impact certain market segments, others impact the industry as a whole. The interrelationship between truck markets spans different geographic regions and covers specialized equipment, such as flatbed, dry van, reefer, or tanker. As drivers attempt to avoid empty backhauls, this can mean, for example, dry freight being moved in reefers on backhaul segments. Similarly, some drivers may operate in different regions or on different equipment if demand is high. Thus, large enough situational changes can impact the truck industry across regions and equipment types.

Higher diesel prices contribute to higher truck rates, and diesel prices have been gradually increasing since early 2016. At the end of November 2017, the national average diesel price hit a two year high—\$2.93—and has remained in that range. ATRI estimated fuel costs were 21 percent of the total average marginal cost for operating a truck in 2016—the second largest component after driver wages, at 33 percent.<sup>7</sup> However, fuel costs will likely have an even greater impact on truck costs in 2018. Based on 2014 data, when diesel prices were last above \$3.00, ATRI estimated fuel costs were 34 percent of truck costs—the largest component of truck operational costs, followed by driver wages at 27 percent.

Transportation disruptions in Houston can widely impact transportation patterns across the country because of the city's strategic importance as a freight hub for trucking activity (due to the oil and gas industries), and also as one of the top markets for refrigerated freight. According to DAT Trendlines, spot market volumes hit an all-time high on the top 100 truck lanes for dry-van loads, due to supply chain disruptions caused by Hurricanes Harvey and Irma.<sup>8</sup> This was compounded by an increase in fuel costs due to disruptions in Houston's oil and gas industries, which temporarily took many area refineries offline. Truckload capacity remained tight, and prices stayed elevated, even after the initial spikes in rates caused by the storms.

The implementation of ELDs has further constrained capacity through a combination of uncertainty in their implementation and strict compliance with the Department of Transportation's Federal Mo-

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<sup>7</sup> Sullivan, Matt. "Spot Market Van Volume Hits Record-Breaking High". DAT Blog. September 26, 2017.

<sup>8</sup> With the exception of a 90-day compliance waiver for drivers of livestock and agricultural commodities as well as other temporary case-by-case waivers granted by the Federal Motor Carrier Safety Administration.

tor Carrier Safety Administration Hours of Service (HOS) of Drivers regulation. As of December 18, 2017, nearly all commercial motor vehicle operators, who are required to keep a Record of Duty to meet HOS regulation, are also required to use an ELD.<sup>9</sup> The mandate includes drayage movements, which typically are relatively short distance movements with long amounts of time spent waiting at terminals. Time spent waiting in terminals, traffic, or customers' facilities counts against drivers' hours of service. Some movements now require an additional driver, or an additional truck haul segment, if a delay exceeds the driver's HOS; this violation will be recorded by the ELD.

DAT Trendlines reported the ELD mandate has been disruptive for many carriers. Shippers and brokers have had a harder time finding trucks and are paying more in most major markets.<sup>10</sup> Rates peaked in almost every market, except Chicago and a couple of California locations. Demand for reefer trucks was especially high, with volumes up in big produce markets in California, Texas, and Florida.

### **Impacts on Refrigerated Shipments of Fruit and Vegetables**

USDA's Specialty Crops Market News Truck Rate Report reflected a steady increase in truck rates and a decrease in truck availability for fresh fruit and vegetables during the 4th quarter of 2017. After the December 18th ELD deadline, the majority of districts reported a switch from having adequate truck capacity to a slight shortage, and reported truck rates increased from many districts across California, Florida, and at U.S.-Mexico border crossings. In addition, the average rates during the 4th quarter of 2017, on many origin-destination routes, set either all-time quarterly records or 4th-quarter only records.

Market News reported in the January 10, 2018, Truck Rate Report that truck rates in many reporting districts crossed the \$10,000 range, requiring a change to the Market News data entry system to accommodate a fifth digit. When the system was implemented 40 years ago, it only allowed rates as high as \$9,999. January rates to Miami from Idaho and Oregon were \$10,200 per truck, up from \$6,800 the previous year. Rates to New York from Mexico, crossing through

Texas, were \$10,000 per truck, up from \$5,000 a year ago. Rates to New York and Philadelphia from Yakima Valley, WA, were \$10,400 and \$10,200 per truck, up from \$7,200 and \$7,100 a year ago, respectively. In addition, 17 out of 26 crop reporting districts reported full shortages in truck availability. Five districts reported slight shortages and 4 reported adequate availability. In contrast, only 5 out of 29 districts reported full shortages during the same week last year; with 5 reporting slight shortages, 18 reporting adequate availability, and 1 reporting a slight surplus in availability.

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<sup>9</sup> With the exception of a 90-day compliance waiver for drivers of livestock and agricultural commodities as well as other temporary case-by-case waivers granted by the Federal Motor Carrier Safety Administration.

<sup>10</sup> Sullivan, Matt. "Load-to-Truck Ratio Sets New Record for Vans". DAT Blog. December 27, 2017.

**Conclusion**

Increased annual volume, from strong economic growth, was felt in the trucking industry and across all other modes such as ports, railroads, and intermodal. However, trucking is experiencing the greatest impact, both as the primary mode of transportation and as the critical link in the first -mile/last-mile segment of the intermodal supply chain. Sustained economic growth in 2018 could continue to put pressure on truck rates and capacity. However, with diminished excess capacity in the system, any disruptions to the supply chain could be widespread.

[Adam.Sparger@ams.usda.gov](mailto:Adam.Sparger@ams.usda.gov)

## Quarterly Overview

### Fruit and Vegetable Shipments

Reported U.S. truck shipments of fresh produce during the fourth quarter of 2017 were 7.72 million tons, 7 percent lower than the previous quarter, and 4 percent lower than the same quarter last year.

Shipments from Mexico were the highest in the fourth quarter, totaling 2.32 million tons and accounting for 30 percent of the total reported shipments of fresh fruits and vegetables. Shipments from the Pacific Northwest totaled 1.87 million tons, representing 24 percent of the reported shipments. Movements from California totaled 1.43 million tons, representing 19 percent of the reported total.

The following top five commodities accounted for 42 percent of the reported truck movements during the fourth quarter of 2017:

- ▶ Potatoes (15 percent)
- ▶ Apples (12 percent)
- ▶ Onion, dry (7 percent)
- ▶ Tomatoes (4 percent)
- ▶ Lettuce, iceberg (4 percent)

### Truck Rates

The table below provides a snapshot of quarterly truck rates for U.S. produce shipments over four mileage categories—0-500, 501-1,500, 1,501-2,500, and 2,500+ miles. Please note the U.S. average truck rates provided below are calculated using weighted regional rates and volumes.

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 +
<b>Q4 2016</b>	3.36	2.04	2.03	1.08
<b>Q1 2017</b>	2.81	1.86	2.05	1.05
<b>Q2 2017</b>	4.10	2.40	2.12	1.04
<b>Q3 2017</b>	5.06	2.52	2.25	1.26
<b>Q4 2017</b>	3.16	2.55	2.52	1.22
<b>Q4 Change from Previous Quarter</b>	-38%	1%	12%	-4%
<b>Q4 Change from Same Quarter Last Year</b>	-6%	25%	24%	13%

### Diesel Fuel

During the fourth quarter 2017, the U.S. diesel fuel price averaged \$2.87 per gallon—9 percent higher than the previous quarter and 16 percent higher than the same quarter last year.

## Regulatory News and Updates

### **FMCSA Announces New ELD Waiver for Transporters of Agricultural Commodities**

On March 13, 2018, the Federal Motor Carrier Safety Administration (FMCSA) [granted](#) an additional 90-day temporary waiver from the Electronic Logging Device (ELD) rule for agriculture related transportation. The ELD rule went into effect in December 2017, with DOT granting the agriculture industry an initial exemption that was set to expire on March 18, 2018. With the granting of another extension, the agriculture industry will now have additional time to comply. During this time period, FMCSA will publish final guidance on both the agricultural 150 air-mile hours-of-service exemption and personal conveyance. FMCSA will continue its outreach to provide assistance to the agricultural industry and community regarding the ELD rule.

### **Agricultural Exceptions and Exemptions to the Federal Motor Carrier Safety Administration Rules**

FMCSA [updated](#) their "Agricultural Exceptions and Exemptions to the Federal Motor Carrier Safety Administration Hours of Service (HOS) and Commercial Driver's License (CDL) Rules" webpage. The updated site provides clarification on when farm, ranch, and agriculture haulers are subject to FMCSA's rules and regulations, including electronic logging devices (ELD). Interested parties can "[Sign up for Agricultural email updates.](#)" For more information regarding the ELD rule, visit [FMCSA's ELD webpage](#). Questions may be submitted to [agricultural@dot.gov](mailto:agricultural@dot.gov).

### **Application for ELD Exemption for Short-Term Rental Vehicles**

FMCSA [announced](#) receiving an application from the Truck Renting and Leasing Association Inc. (TRALA), requesting an exemption from the Electronic Logging Device (ELD) requirements until December 31, 2018, for all drivers of property-carrying commercial motor vehicles rented for 30 days or fewer. In the exemption request, TRALA says the 90-day waiver, granted in January 19, 2018, and expiring on April 19, 2018, is not sufficient to address the ELD problems they and their short-term lessors are encountering and need additional time to develop compliance strategies for the unique issues impacting short-term rental vehicles. TRALA believes the exemption would not have any adverse impacts on operational safety, as drivers would continue to remain subject to the hours-of-service regulations as well as the requirements to maintain a paper record of duty status.

### **FMCSA Facilitates the Issuance of Licensing Documents to Former Residents of Puerto Rico**

On February 20, 2018, FMCSA [granted](#) a limited 90-day waiver of certain requirements concerning proof of U.S. citizenship or legal permanent residence and domicile. This will enable State driver licensing agencies (SDLAs) to accept commercial learner's permit (CLP) and commercial driver's license (CDL) applications from individuals relocating from Puerto Rico, as a result of hurricanes Irma and Maria. FMCSA also [announced](#) it has received an exemption application from the Commercial Vehicle Training Association (CVTA), on behalf of the States, to assist drivers from Puerto Rico who must rely on alternate documents to establish identity, as a result of loss from the hurricanes. Comments and documents may be viewed in Docket Number [FMCSA-2017-0374](#).

**Crash Preventability Demonstration Program Update**

On February 7, 2018, FMCSA [provided](#) additional information to help submitters, and other interested parties, understand the Crash Preventability Demonstration Program, initiated in July of 2017, to accept requests for data review (RDRs). The additional information includes how to correctly submit requests, types of crashes that will be reviewed, documentation required, re-opening a request, public input, FMCSA use of data, and the national data correction system known as DataQs. The crash preventability demonstration program began accepting RDRs on August 1, 2017, for crashes that occurred on or after June 1, 2017. FMCSA used the data to evaluate the preventability of certain categories of crashes through DataQs. Additional information is available in Docket Number [FMCSA-2014-0177](#).

**FMCSA Assists Carriers Experiencing Problems Integrating PeopleNet ELD System Updates**

On January 31, 2018, FMCSA [announced](#) an application for exemption for Old Dominion and other motor carriers experiencing problems integrating PeopleNet ELD system updates into their fleet management systems. This announcement followed the limited 90-day waiver [granted](#) to the carriers, which expires March 18, 2018. An exemption would allow the carriers to install ELD devices, running on automatic on-board recording device (AOBRD) software, in commercial motor vehicles (CMVs). ELD Devices can be added to a company's fleet for up to one year from the December 18, 2017, ELD compliance date. If granted, this modified ELD phase-in period will allow PeopleNet to complete the development of the software necessary to integrate ELD data with a company's fleet management and safety systems, to fully meet the ELD mandate. Comments can be viewed in Docket Number [FMCSA-2018-0002](#).

**Application for ELD Exemption for SikhsPAC and the North American Punjabiz Trucker Association**

On January 26, 2018, FMCSA [announced](#) the application by SikhsPAC and the North American Punjabiz Trucker Association for an exemption from the electronic logging device (ELD) requirements. The exemption would allow members involved in segments of America's agricultural transportation industry to delay using ELDs. The applicants expressed their concerns about how the ELD mandate would negatively impact their industry, if the exemption is not granted. According to the applicants, granting the exemption would achieve a level of safety equivalent to the level achieved by the ELD mandate. Comments can be viewed in Docket Number [FMCSA-2017-0342](#).

**Comments Available Concerning the Transportation of Agricultural Commodities**

On February 20, 2018, the additional 30-day comment period ended for FMCSA's proposed regulatory guidance concerning the transportation of agricultural commodities. Comments can be viewed in Docket Number [FMCSA-2017-0360](#).

**Comments Available Concerning Personal Use of a Truck While Laden and Unladen**

On February 20, 2018, the additional 30-day comment period ended for FMCSA's proposed regulatory guidance concerning the use of a commercial motor vehicle for personal conveyance, while laden and unladen. Comments can be viewed in Docket Number [FMCSA-2017-0108](#).

**FMCSA Granted a Limited 90-day ELD Waiver for Trucks Rented for a Period not exceeding 30 Days**

On January 19, 2018, FMCSA [granted](#) a limited 90-day waiver of the requirements for ELDs to motor carriers and drivers operating property-carrying commercial motor vehicles (CMVs), rented for a period not exceeding 30 days. FMCSA took this action in response to a waiver request from the Truck Renting and Leasing Association, Inc. (TRALA). FMCSA determined that granting this waiver was in the public interest and would likely achieve a level of safety that is equivalent to the level that would be achieved absent the waiver, based on the terms and conditions imposed. The waiver is effective through April 19, 2018.

**Application for ELD Exemption for Transportation of Propane Fuel and Anhydrous Ammonia**

On January 10, 2018, FMCSA [announced](#) that STC, Inc. requested an exemption from the requirement that motor carriers and their drivers use an ELD. STC uses up to 75 trucks to transport propane fuel and anhydrous ammonia for agricultural use. In the requested exemption, STC states that because their agricultural operations are seasonal and dependent on the weather, the ELD requirement creates an undue financial burden on its business. STC states that its operations under the exemption would achieve a level of safety equivalent to, or greater than, the level that would be achieved absent the proposed exemption. Comments may be viewed in Docket Number [FMCSA-2017-0373](#).

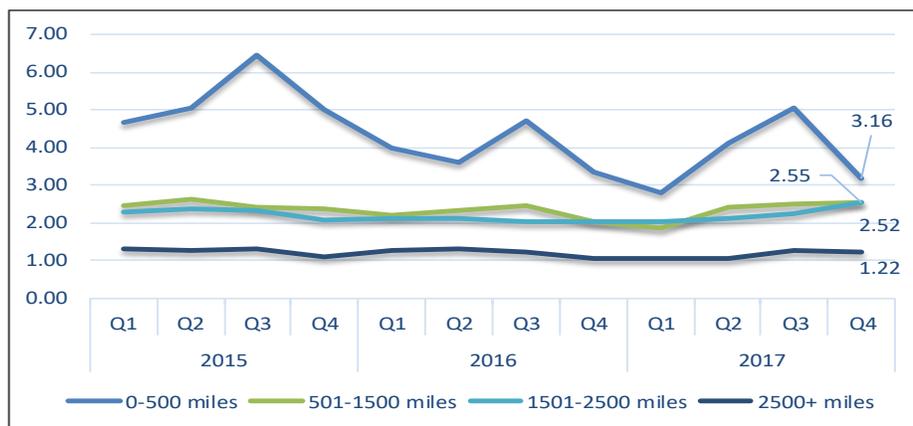
**Application to Allow Alternate Methods for Securing Agricultural Commodities**

On January 5, 2018, FMCSA [requested](#) public comment on an application for exemption, from the Agricultural and Food Transporters Conference (AFTC) of the American Trucking Associations (ATA), to allow certain alternate methods for securing agricultural commodities transported in wood and plastic boxes and bins and large fiberglass tubs; along with hay, straw, and cotton bales that are grouped together into large singular units. Federal Motor Carrier Safety Regulations generally require loads to be secured by a minimum number of tiedowns, based on article length. The aggregate working load limit of those tiedowns must be at least one-half times the weight of the article or group of articles being transported. Based on the results of a comprehensive test program conducted by FMCSA, in collaboration with the California Highway Patrol (CHP), the California Department of Food and Agriculture, the California Trucking Association, and others, AFTC believes that use of certain alternate cargo securement methods will maintain a level of safety that is equivalent to, or greater than, the level of safety achieved without the exemption. This is verified by test results confirming that the performance requirements of the regulations are met when using the alternate securement methods. Comments may be viewed in Docket Number [FMCSA-2017-0319](#).

# National Summary

## U.S. Truck Rates

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



Source: Agricultural Marketing Service, Specialty Crops Program, 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
2017	1.86	2.40	2.52	2.55	2.33
2016	2.22	2.34	2.47	2.04	2.26
2015	2.47	2.62	2.43	2.36	2.47
2014	2.31	2.66	2.65	2.50	2.53
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, Specialty Crops Program, Market News Division

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

Origin	4th Qtr 2017			3rd Qtr 2017		
	October	November	December	July	August	September
Arizona	2.50	3.27	2.69	-	-	-
California	2.70	2.78	2.86	3.02	2.78	2.71
Florida	-	1.90	2.60	-	-	-
Great Lakes	3.54	3.52	3.47	3.75	3.64	3.55
New York	3.14	2.95	2.40	-	-	-
Other	2.39	2.67	2.85	-	-	-
Mexico-Arizona	2.27	2.33	2.56	2.44	2.37	2.57
Mexico-Texas	2.25	2.31	2.53	2.10	1.94	1.99
Texas	-	-	-	2.71	2.46	2.53
PNW	2.05	2.37	2.82	1.66	1.71	1.89
Southeast	4.56	2.75	2.59	3.97	4.86	6.26

Source: Agricultural Marketing Service, Specialty Crops Program, 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, 4th Quarter 2017 (\$/Mile)

Origin	Destination									
	Atlanta	Baltimore	Boston	Chicago	Dallas	Los Angeles	Miami	New York	Philadelphia	Seattle
Arizona	2.73	2.82	2.67	2.53	2.88	.	2.66	2.75	2.75	.
California	2.51	2.57	2.55	2.41	2.58	.	2.52	2.59	2.56	2.89
Florida	2.38	2.31	2.43	1.83	.	.	.	2.60	2.46	.
Great Lake	3.45	3.40	3.73	4.23	3.01	.	3.03	3.42	3.75	.
Mexico-Arizona	.	.	.	2.32	2.65	2.11	2.63	2.64	2.70	.
Mexico-Texas	2.47	2.43	2.60	2.24	2.86	1.87	2.52	2.43	2.44	2.21
New York	2.65	4.55	10.75	.	2.40	.	3.06	11.38	6.43	.
Other	2.68	2.81	2.98	2.46	3.10	2.42	2.73	2.80	2.83	.
PNW	2.39	2.40	2.43	2.42	2.48	2.38	2.31	2.58	2.48	7.14
Southeast	6.36	5.73	3.94	4.14	2.37	.	4.84	4.78	5.06	.

Source: Agricultural Marketing Service, Specialty Crops Program, Market News Division

## Truck Rates for Selected Routes

Table 4: Origin-Destination Truck Rates for Selected Routes, 4th Quarter 2017 (\$/Truck)

Origin	Destination									
	Atlanta	Baltimore	Boston	Chicago	Dallas	Los Angeles	Miami	New York	Philadelphia	Seattle
Arizona	5,215	6,785	7,350	4,695	3,315	.	6,695	6,935	6,780	.
California	5,621	7,062	7,747	5,089	3,849	.	7,147	7,358	7,114	3,243
Florida	1,319	2,286	3,467	2,250	.	.	.	3,133	2,767	.
Great Lake	3,441	3,846	4,124	1,412	3,330	.	5,045	4,204	3,571	.
Mexico-Arizona	.	.	.	4,177	2,592	1,181	5,973	6,596	6,481	.
Mexico-Texas	2,846	4,350	5,727	3,200	1,431	2,985	3,854	4,858	4,627	5,308
New York	2,650	1,500	1,827	.	4,000	.	4,438	1,708	1,478	.
Other	2,777	4,386	4,260	2,129	1,820	2,248	5,391	3,979	3,989	.
PNW	5,289	5,608	6,661	4,303	4,534	2,422	6,678	6,540	6,208	1,000
Southeast	2,074	2,274	3,261	3,521	2,465	.	3,729	2,870	2,556	.

Source: Agricultural Marketing Service, Specialty Crops Program, Market News Division

## 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 2017 Average Diesel Fuel Prices (All Types - \$/Gallon)**

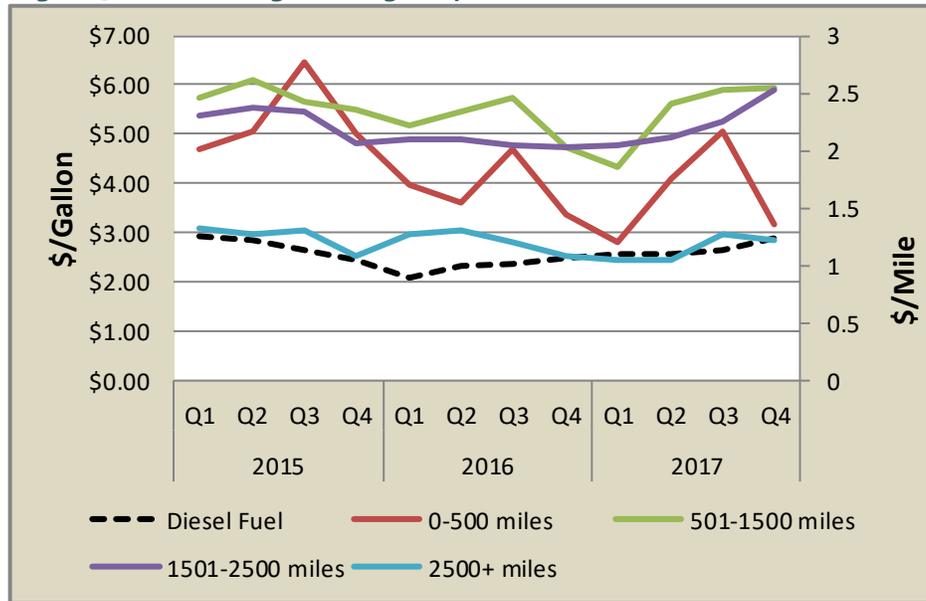
Location	Price	Change From	
		Last Quarter	Same Qtr Last Year
East Coast	2.86	0.20	0.38
New England	2.84	0.19	0.34
Central Atlantic	3.01	0.23	0.43
Lower Atlantic	2.77	0.20	0.38
Midwest	2.83	0.25	0.41
Gulf Coast	2.67	0.21	0.33
Rocky Mountain	2.96	0.26	0.46
West Coast	3.27	0.35	0.52
California	3.44	0.44	0.61
U.S.	2.87	0.24	0.40

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

## Relationship Between Diesel Fuel and 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, Specialty Crops Program, 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
2015	Q1	2.92	2.47	-25%	9%	-28%	10%
	Q2	2.85	2.62	-2%	6%	-26%	1%
	Q3	2.63	2.43	-8%	-7%	-33%	-7%
	Q4	2.43	2.36	-8%	-3%	-37%	4%
2016	Q1	2.07	2.22	-15%	-6%	-29%	-10%
	Q2	2.30	2.34	11%	5%	-19%	-11%
	Q3	2.38	2.47	3%	6%	-10%	2%
	Q4	2.47	2.04	4%	-17%	2%	-14%
2017	Q1	2.57	1.86	4%	-9%	24%	-16%
	Q2	2.55	2.40	-1%	29%	11%	3%
	Q3	2.63	2.52	3%	5%	11%	2%
	Q4	2.87	2.55	9%	1%	16%	25%

Sources:

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

Truck Rates: Agricultural Marketing Service, Specialty Crops Program, Market News Division

**4th Quarter 2017 Comparison Analysis**

Diesel fuel prices averaged \$2.87 per gallon this quarter, 9 percent higher than last quarter and 16 percent higher than the same quarter last year. Average truck rates for shipments between 501 and 1,500 miles were \$2.55 per mile, 1 percent higher than the previous quarter and 25 percent higher than the same quarter last year.

# Quarterly Truck Availability

**Table 7: U.S. Fresh Fruit and Vegetable Truck Availability, 4th Quarter 2017**

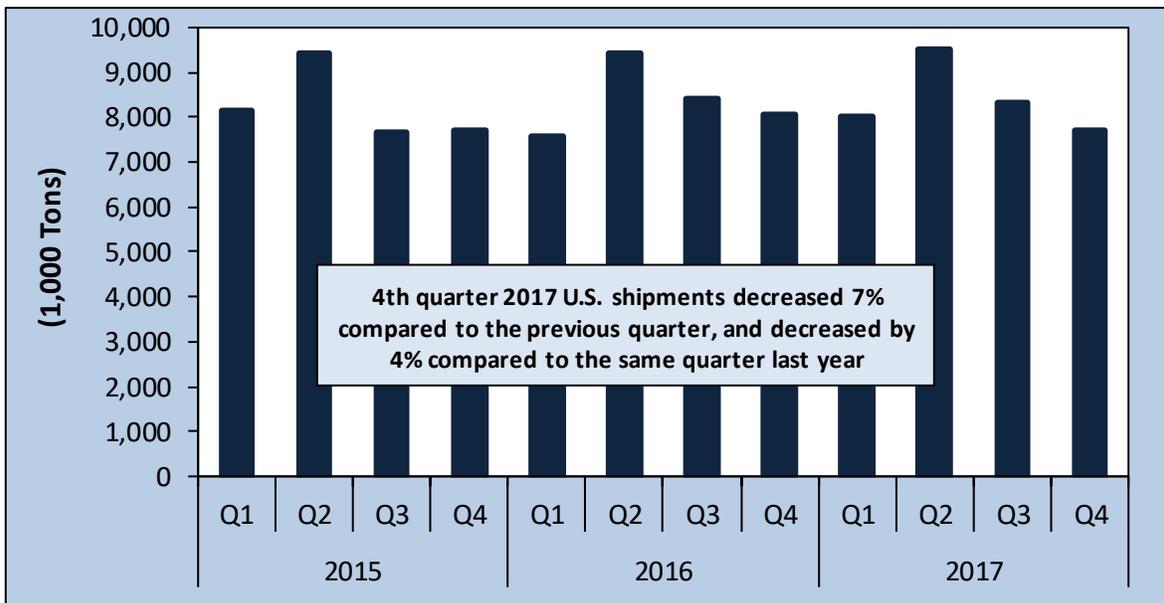
Region <sup>1</sup>	Commodity <sup>1</sup>	Truck Availability												
		Surplus - 1		Slight Surplus - 2		Adequate - 3		Slight Shortage - 4		Shortage - 5				
		Week Ending <sup>1</sup>												
		10/3	10/10	10/17	10/24	10/31	11/7	11/14	11/21	11/28	12/5	12/12	12/19	12/26
<b>CALIFORNIA, CENTRAL, AND WESTERN ARIZONA</b>														
Central District California	Artichokes, Corn, Roma Tomatoes, Tomatoes	3	3	3	3	3	3	3						
Kern District California	Carrots, Grapes	3	3	3	3	3	3	4	5	4	4	4	4	4
Oxnard District California	Cabbage, Cilantro, Kale, Parsley, Leaf Lettuce, Lettuce Romaine,	3	3	3	3	3	3	4	5	4	4	4	4	4
Salinas-Watsonville California	Broccoli, Cauliflower, Leaf Lettuce, Lettuce, Lettuce Romaine,	3	3	3	3	3	3	4	5	4	4			
San Joaquin Valley California	Grapes, Apples, Peaches, Plums, Pomegranates, Kiwi, Persimons	4	4	4	3	3	3	5	5	3	3	3	3	3
Santa Maria California	Broccoli, Cauliflower, Leaf Lettuce, Lettuce, Lettuce Romaine,	3	3	3	3	3	3	4	5	4	4	4	4	4
South District California	Avocados, Citrus	4	3	3	3	3	3	5	5	3	3	3	3	4
Central And Western Arizona	Broccoli, Cauliflower, Leaf Lettuce, Lettuce, Lettuce Romaine, Honeydews, Cantaloups, Iceberg Lettuce				3	3	4	4	5	4				
Central San Joaquin Valley California	Iceberg Lettuce				3	3	3	4	5					
Imperial, Palo Verde And Coachella Valleys, California And Central And Western Arizona	Broccoli, Cauliflower, Leaf Lettuce, Lettuce Romaine, Iceberg Lettuce										4	4	5	5
<b>GREAT LAKE (MI &amp; WI)</b>														
Central Wisconsin	Onions, Potatoes	5	4	3	3	5	5	5	5	5	3	4	5	5
Michigan	Apples, Cucumbers	4	4	3	3	3	3	4	4	3	3	3	3	3
<b>MEXICO BORDER CROSSINGS</b>														
Mexico Crossings Through Nogales, Arizona	Cucumbers, Mixed Vegetables, Watermelons, Cucumber, Squash, Honeydews, Cantaloup, Honeydew, Watermelon	3	3	3	3	3	3	3	5	5	5	4	5	5
Mexico Crossings Through Texas	Tomatoes, Carrots, Broccoli, Limes, Mangoes, Mixed Fruits, Vegetables	3	3	4	4	5	3	5	5	5	5	4	4	4
<b>PACIFIC NORTHWEST (ID, OR, &amp; WA)</b>														
Columbia Basin Washington	Onions, Potatoes	5	5	4	4	4	5	5	5	5	5	5	4	4
Idaho And Malheur County, Oregon	Onions	5	5	4	4	4	5	5	5	5	5	5	5	5
Upper Valley, Twin Falls-Burley District Idaho	Potatoes	5	5	5	5	5	5	5	5	5	5	5	5	5
Yakima Valley & Wenatchee District Washington	Apples, Pears	3	3	3	3	3	3	5	5	5	5	5	4	5
<b>SOUTHEAST (GA, SC, &amp; NC)</b>														
Eastern North Carolina	Sweet Potatoes	4	5	4	4	3	3	4	5				4	4
South Georgia	Corn, Cabbage, Cucumber, Eggplant, Peppers, Squash, Beans, Greens, Broccoli	3	3	3	3	3	3	3	3	3	3	3	3	3
<b>FLORIDA</b>														
Central & South Florida	Tomatoes, Mixed Vegetables, Berries							1	3	2	1	2	5	5
South Florida	Melons													5

<sup>1</sup> Regions reported and commodities shipped vary by week, month, season, and year. Within a region, truck availability may vary by commodity and destination.

Source: weekly Specialty Crops Truck Rate Report, Agricultural Marketing Service, Specialty Crops Program, Market News Division

## Reported U.S. Shipments

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



Source: Agricultural Marketing Service, Specialty Crops Program, 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
2017	8,017	9,518	8,334	7,722	33,592
2016	7,562	9,417	8,400	8,053	33,433
2015	8,166	9,434	7,663	7,699	32,962
2014	7,779	8,965	8,081	7,643	32,468
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, Specialty Crops Program, Market News Division

## Reported Shipments by Selected Commodities

Table 9: Reported Top 10 Commodity Shipments for 4th Quarter 2017 (1,000 Tons)

Commodity	4th Quarter 2017	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
				Previous Qtr	Same Qtr Last Year
Potatoes	1,170	1,205	1,221	-3%	-4%
Apples	895	605	968	-	-8%
Onions Dry	525	569	526	-8%	0%
Tomatoes	334	312	400	7%	-16%
Lettuce, Iceberg	289	306	324	-6%	-11%
Lettuce, Romaine	281	237	300	19%	-6%
Grapes	267	355	260	-25%	3%
Cucumbers	258	150	264	72%	-2%
Avocados	235	205	210	15%	12%
Celery	202	167	223	21%	-9%

# Regional Markets

## California

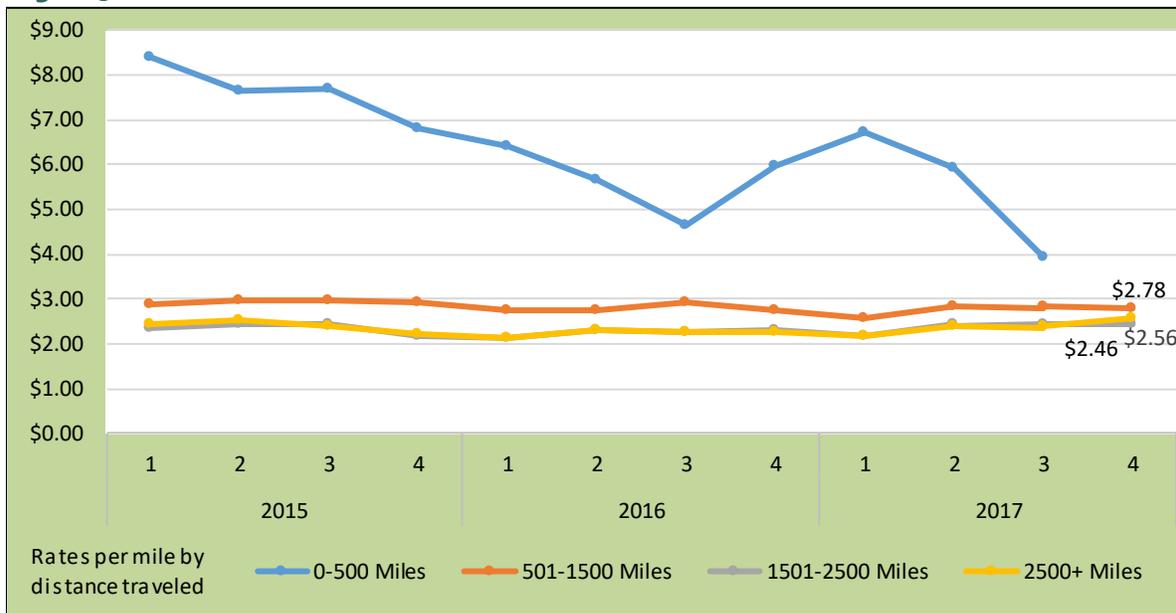
Table 10: Reported Top Five Commodities Shipped from California (1,000 tons)

Commodity	4th Quarter 2017	Share of California Total	Previous Quarter	Same Quarter Last Year	Current Quarter as %	
					Previous Qtr	Same Qtr Last Year
Grapes	267	19%	353	260	-25%	3%
Celery	179	12%	144	201	24%	-11%
Lettuce, Iceberg	146	10%	298	161	-51%	-9%
Lettuce, Romaine	137	10%	236	140	-42%	-2%
Strawberries	113	8%	292	86	-61%	32%
<b>Top 5 Total</b>	<b>842</b>	<b>59%</b>	<b>1,324</b>	<b>848</b>	<b>-36%</b>	<b>-1%</b>
<b>California Total</b>	<b>1,433</b>	<b>100%</b>	<b>2,944</b>	<b>1,399</b>	<b>-51%</b>	<b>2%</b>

Source: Agricultural Marketing Service, Specialty Crops Program, Market News Division

"-" indicates no reported shipments during the quarter.

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



Source: Agricultural Marketing Service, Specialty Crops Program, Market News Division

Figure 6: California Truck Overview

Region/Reporting District	Availability Rating, 1=Surplus to 5=Shortage			
	October	November	December	4th Quarter
Central District California	3.00	3.00	n/a	3.00
Central San Joaquin Valley California	3.00	3.67	n/a	3.33
Imperial, Palo Verde, And Coachella Valleys	n/a	n/a	4.50	4.50
Kern District California	3.00	4.00	4.00	3.67
Oxnard District California	3.00	4.00	4.00	3.67
Salinas-Watsonville California	3.00	4.00	4.00	3.67
San Joaquin Valley California	3.60	4.00	3.00	3.53
Santa Maria California	3.00	4.00	4.00	3.67
South District California	3.18	4.00	3.25	3.48
<b>Regional Average Availability</b>	<b>3.10</b>	<b>3.83</b>	<b>3.82</b>	<b>3.58</b>
<b>Diesel Fuel Price (\$/gallon)</b>	<b>3.17</b>	<b>3.59</b>	<b>3.56</b>	<b>3.44</b>

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

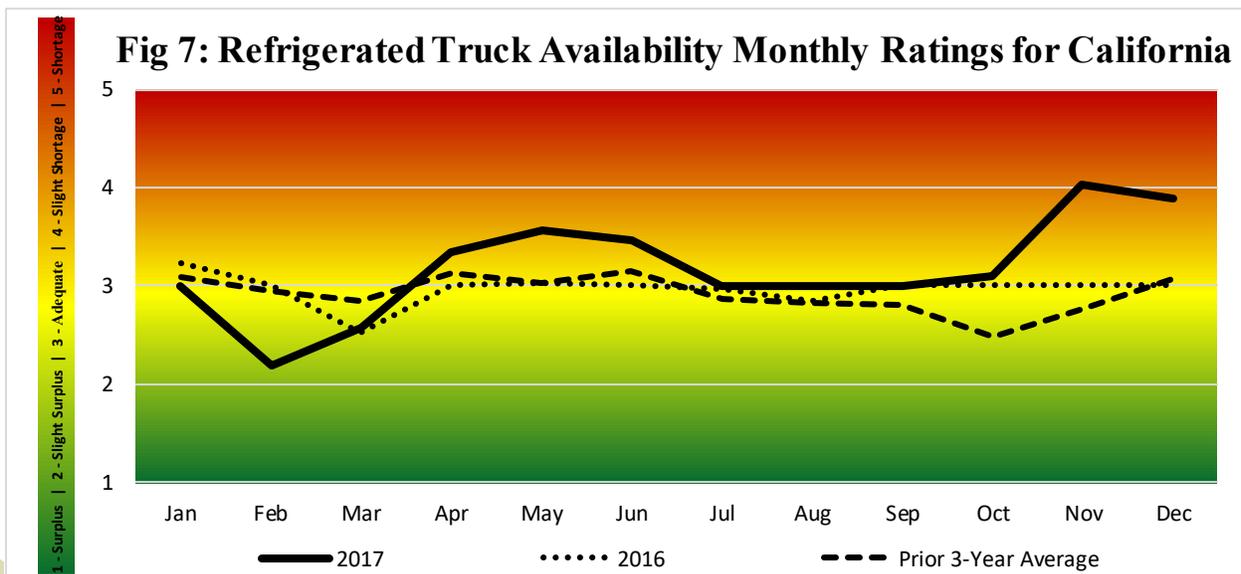
For the purpose of this report the California sub-group of the West Coast PAD District 5 was used to represent the diesel fuel price.

**Volume:** Total reported shipments of fruits and vegetables from California during the fourth quarter of 2017 were 1.4 million tons, a 2 percent increase from the same quarter last year. The sum of the top five commodities decreased 1 percent from the previous year, despite a strong increase in strawberries and a 3 percent increase in grapes.

**Rates:** The quarterly average truck rate for shipments between 501 and 1,500 miles was \$2.78 per mile, 2 percent lower than the previous quarter, but 1 percent higher than the same quarter last year.

**Truck Overview:** Diesel fuel prices averaged \$3.44 per gallon, 15 percent higher than the previous quarter, and 22 percent higher than the same period last year. Truck availability for California was reported as adequate in most districts through early November; from mid-November through the end of the year shippers reported availability as a slight shortage except for shortage indications reported during the week of Thanksgiving.

Fig 7: Refrigerated Truck Availability Monthly Ratings for California



## Pacific Northwest (PNW)

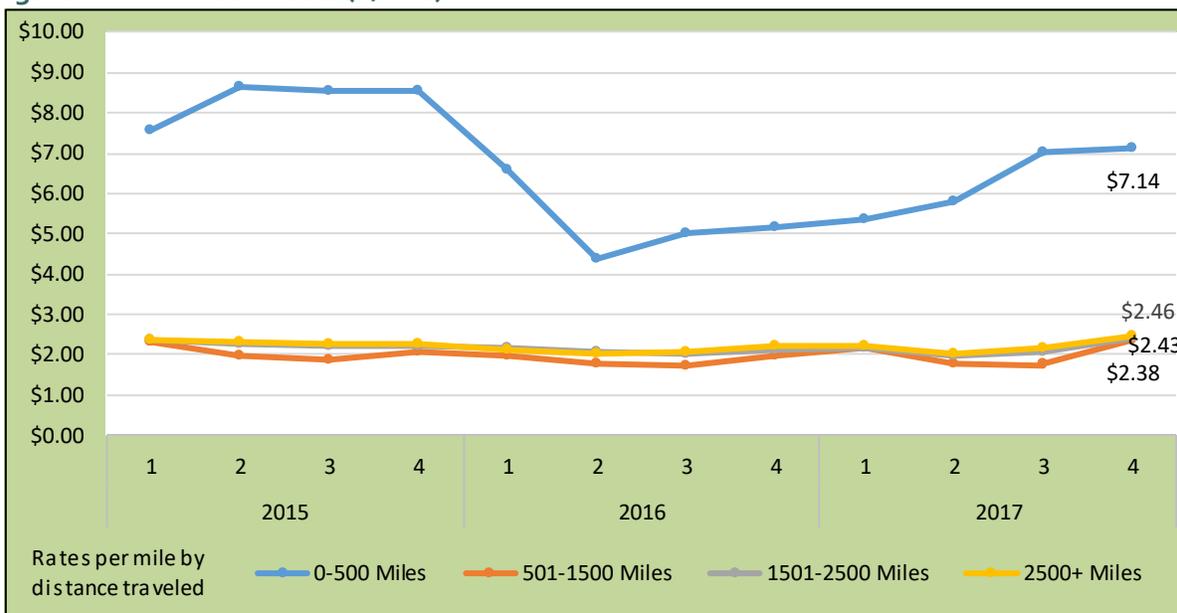
Table 11: Reported Top Five Commodities Shipped from PNW (1,000 tons)

Commodity	4th Quarter 2017	Share of PNW Total	Previous Quarter	Same Quarter Last Year	Current Quarter as %	
					Previous Qtr	Same Qtr Last Year
Apples	743	40%	517	792	44%	-6%
Potatoes	588	31%	609	581	-3%	1%
Onions Dry	382	20%	230	385	66%	-1%
Pears	155	8%	54	178	187%	-13%
Cranberries	1	0%	0	1	1175%	-11%
<b>Top 5 Total</b>	<b>1,870</b>	<b>100%</b>	<b>1,411</b>	<b>1,937</b>	<b>33%</b>	<b>-3%</b>
<b>PNW Total</b>	<b>1,871</b>	<b>100%</b>	<b>1,601</b>	<b>1,937</b>	<b>17%</b>	<b>-3%</b>

Source: Agricultural Marketing Service, Specialty Crops Program, Market News Division

"-" indicates no reported shipments during the quarter.

Figure 8: PNW Truck Rates (\$/Mile)



Source: Agricultural Marketing Service, Specialty Crops Program, Market News Division

Figure 9: PNW Truck Overview

Region/Reporting District	Availability Rating, 1=Surplus to 5=Shortage			
	October	November	December	4th Quarter
Columbia Basin Washington	4.40	5.00	4.50	<b>4.63</b>
Idaho And Malheur County, Oregon	4.40	5.00	5.00	<b>4.80</b>
Upper Valley, Twin Falls-Burley District Idaho	5.00	5.00	5.00	<b>5.00</b>
Yakima Valley & Wenatchee District Washington	3.00	4.50	4.75	<b>4.08</b>
<b>Regional Average Availability</b>	<b>4.20</b>	<b>4.88</b>	<b>4.81</b>	<b>4.63</b>
<b>Diesel Fuel Price (\$/gallon)</b>	<b>3.01</b>	<b>3.10</b>	<b>3.06</b>	<b>3.06</b>

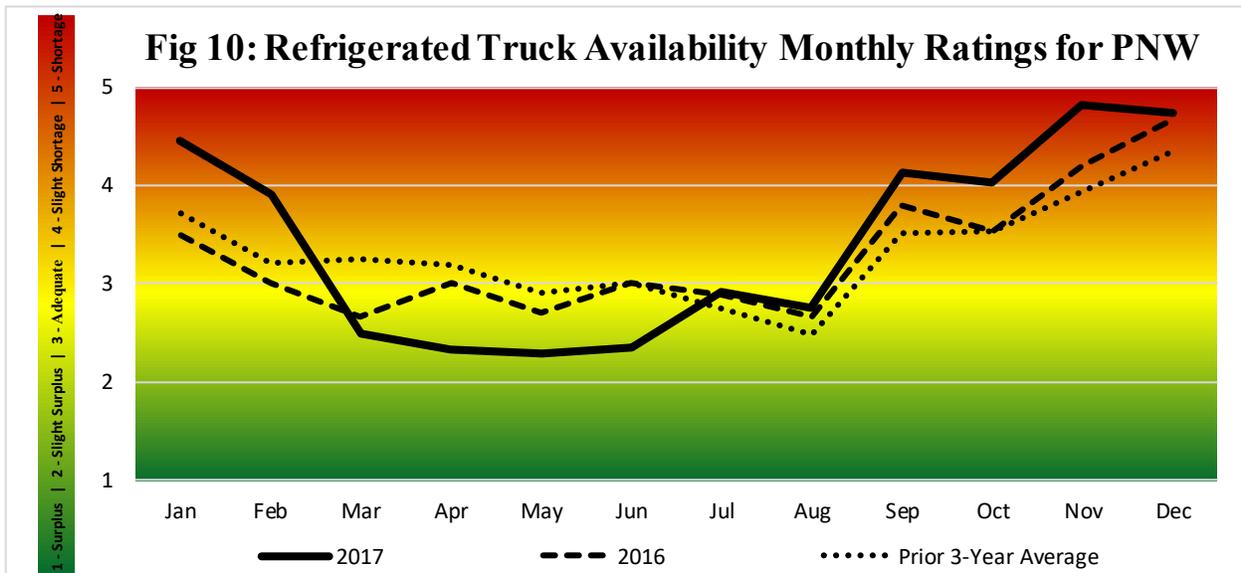
Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy

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 fourth quarter of 2017 were 1.87 million tons, a decrease of 3 percent from the same quarter last year. The sum of the top five commodities also decreased 3 percent. Four of the top five shipments decreased this quarter including apple shipments by 6 percent, dry onion shipments by 1 percent, pear shipments by 13 percent, and cranberry shipments by 11 percent. Potato shipments increased by 1 percent.

**Rates:** The quarterly average truck rate for shipments between 501 and 1,500 miles was \$2.38 per mile, 35 percent higher than the previous quarter and 20 percent higher than the same quarter last year.

**Truck Overview:** Diesel fuel prices averaged \$3.06 per gallon, 9 percent higher than last quarter, and 15 percent higher than the same period last year. Shippers in the PNW reported shortage conditions for truck availability for nearly the entire quarter. The Yakima Valley and Wenatchee District, WA, was the only region to report adequate conditions until mid-November then shortage conditions followed through the end of the year.



## Mexico Border Crossings

**Table 12: Reported Top Five Commodities Shipped from Mexico (1,000 tons)**

Commodity	4th Quarter 2017	Share of Mexico Total	Previous Quarter	Same Quarter Last Year	Current Quarter as %	
					Previous Qtr	Same Qtr Last Year
Avocados	235	10%	158	202	48%	16%
Cucumbers	221	10%	80	199	176%	11%
Tomatoes	199	9%	122	182	63%	9%
Peppers, Other	180	8%	118	229	53%	-21%
Squash	166	7%	25	154	550%	8%
<b>Top 5 Total</b>	<b>1,002</b>	<b>43%</b>	<b>504</b>	<b>966</b>	<b>99%</b>	<b>4%</b>
<b>Mexico Total</b>	<b>2,319</b>	<b>100%</b>	<b>1,514</b>	<b>2,237</b>	<b>53%</b>	<b>4%</b>

Source: Agricultural Marketing Service, Specialty Crops Program, Market News Division

"-" indicates no reported shipments during the quarter.

**Figure 11: Mexico Truck Overview**

Region/Reporting District	Availability Rating, 1=Surplus to 5=Shortage			
	October	November	December	4th Quarter
Mexico Crossings Through Nogales, Arizona	3.00	4.00	4.75	<b>3.92</b>
Mexico Crossings Through Texas	3.80	4.50	4.25	<b>4.18</b>
<b>Regional Average Availability</b>	<b>3.40</b>	<b>4.25</b>	<b>4.50</b>	<b>4.05</b>
<b>Diesel Fuel Price, through Arizona(\$/gallon)</b>	<b>3.01</b>	<b>3.10</b>	<b>3.06</b>	<b>3.06</b>
<b>Diesel Fuel Price, through Texas (\$/gallon)</b>	<b>2.62</b>	<b>2.69</b>	<b>2.71</b>	<b>2.67</b>

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.

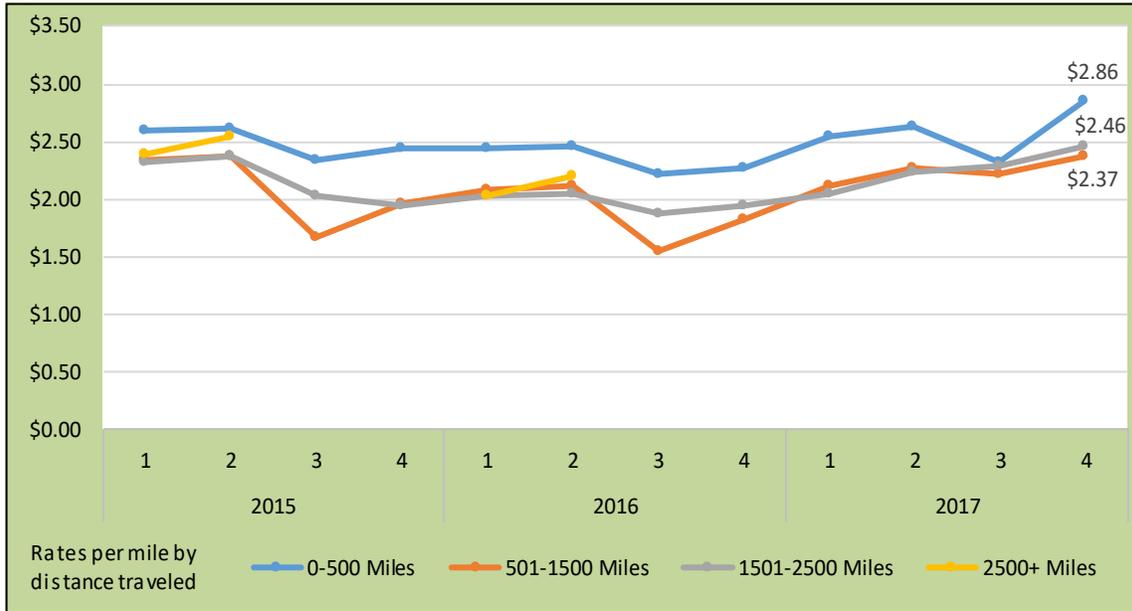
For the purpose of this report the West Coast less California District was used to represent the diesel fuel price through Arizona.

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

Texas		California		Arizona		New Mexico	
Avocados	230	Tomatoes, Plum Type	51	Cucumbers	154	Peppers, Other	97
Tomatoes	143	Onions Green	45	Squash	149	Corn-Sweet	2
Limes	121	Misc Tropical	33	Watermelons, Seedless	123	Misc Tropical	1
Tomatoes, Plum Type	68	Peppers, Other	25	Peppers, Bell Type	60	Pineapples	<1
Broccoli	60	Cucumbers	18	Tomatoes	41	Watermelons	<1
<b>Top 5 Total</b>	<b>622</b>	<b>Top 5 Total</b>	<b>172</b>	<b>Top 5 Total</b>	<b>527</b>	<b>Top 5 Total</b>	<b>100</b>
<b>Mexico-TX Total</b>	<b>1,123</b>	<b>Mexico-CA Total</b>	<b>346</b>	<b>Mexico-AZ Total</b>	<b>751</b>	<b>Mexico-NM Total</b>	<b>100</b>

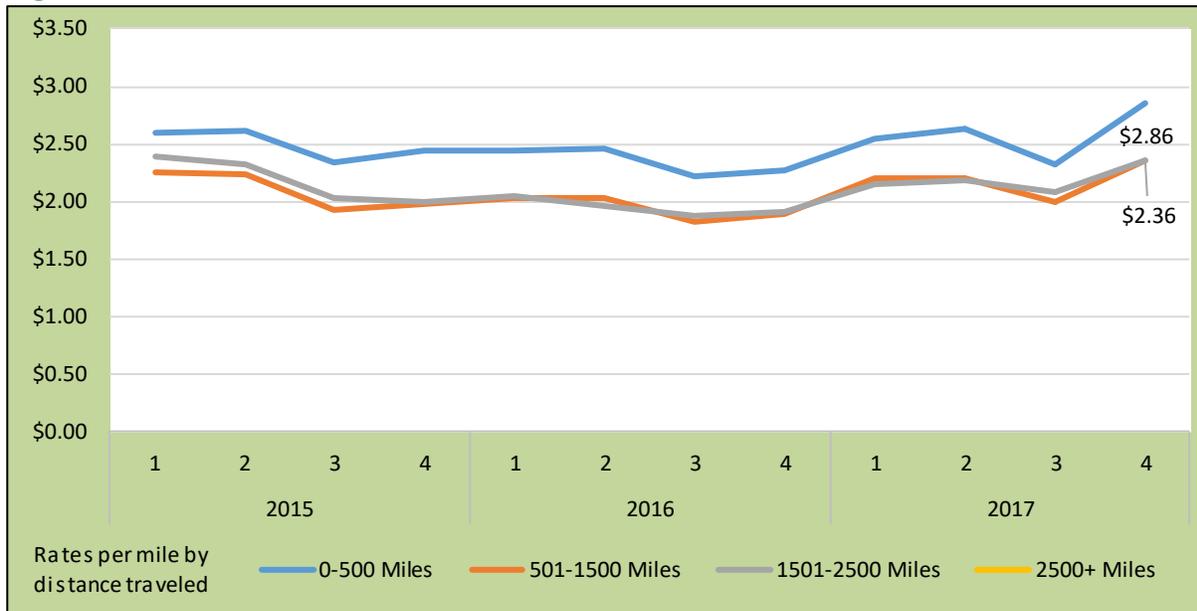
Source: Agricultural Marketing Service, Specialty Crops Program, Market News Division

Figure 12: Mexico Truck Rates (\$/Mile)



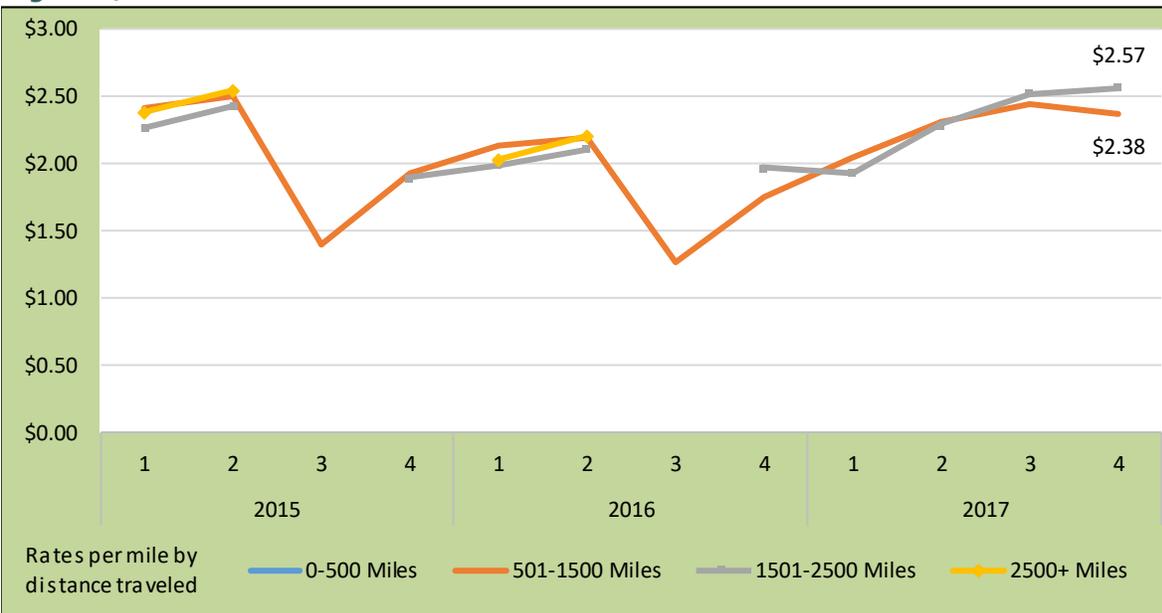
Source: Agricultural Marketing Service, Specialty Crops Program, Market News Division

Figure 13: Mexico-Texas Truck Rates (\$/Mile)



Source: Agricultural Marketing Service, Specialty Crops Program, Market News Division

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



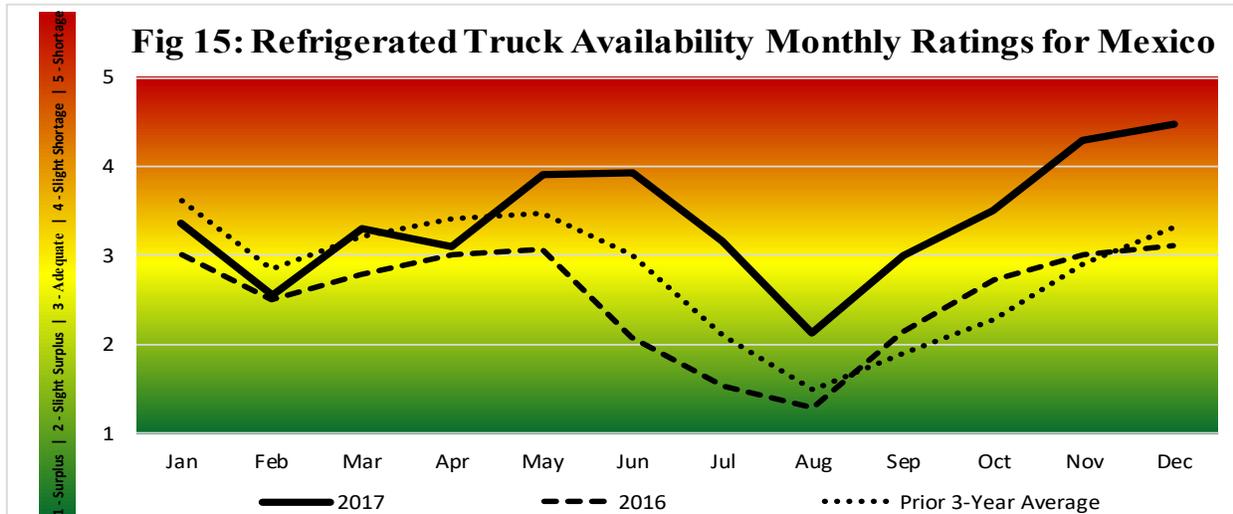
Source: Agricultural Marketing Service, Specialty Crops Program, Market News Division

**Volume:** Total reported shipments of fruits and vegetables from Mexico during the fourth quarter of 2017 were 2.32 million tons, 4 percent more than the same quarter in 2016. The sum of the top five commodities also increased 4 percent from last year. Increases in avocado, cucumber, tomato, and squash shipments were offset slightly by a 21 percent decrease in peppers.

**Rates:** Truck rates for shipments between 501 and 1,500 miles from the Texas border crossings averaged \$2.36 per mile, up 18 percent from the previous quarter, and 25 percent higher than the same quarter last year. Rates for shipments between 501 and 1,500 miles from the Arizona border crossings averaged \$2.38 per mile, down 3 percent from last quarter, but 35 percent higher than the same quarter last year.

**Truck Overview:** Diesel fuel prices for border crossings from Texas averaged \$2.67 per gallon, 9 percent higher than the previous quarter, and 14 percent higher than the same quarter in 2016. Diesel fuel prices for border crossings from Arizona averaged \$3.06 per gallon, 9 percent higher than the previous quarter, and 15 percent higher than the same period in 2016. Truck availability through the Arizona crossing was adequate through mid-November followed by shortage conditions through the end of the year. Truck availability through the Texas border crossings was reportedly adequate only 3 weeks during the fourth quarter; shortage and slight shortage conditions were reported the rest of the quarter.

Fig 15: Refrigerated Truck Availability Monthly Ratings for Mexico



# Arizona

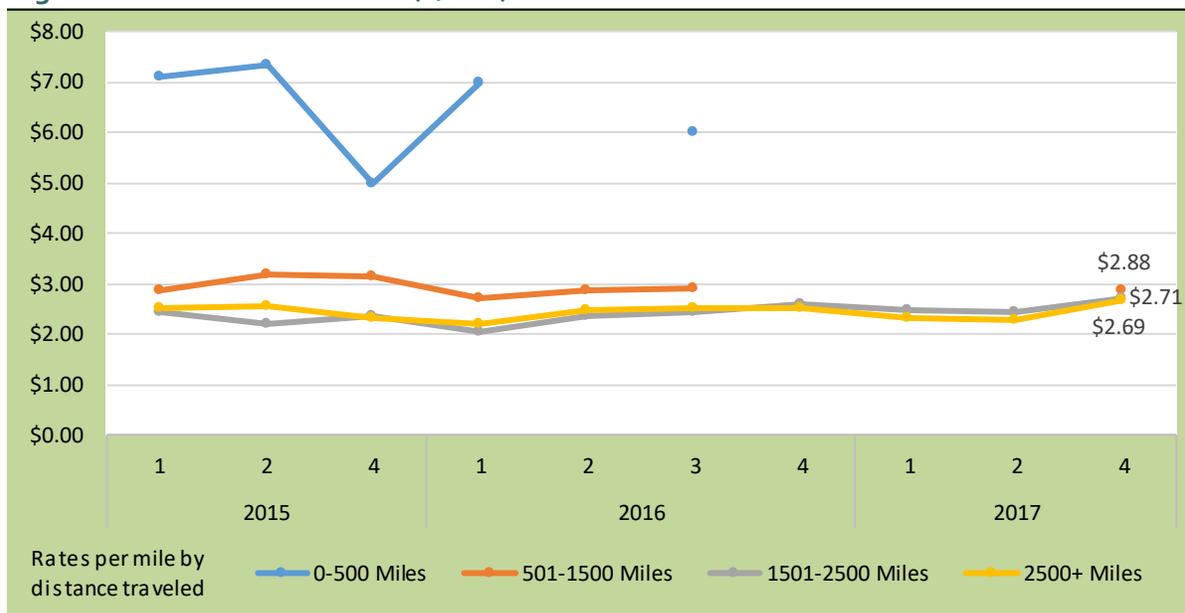
**Table 14: Reported Top Five Commodities Shipped from Arizona (1,000 tons)**

Commodity	4th Quarter 2017	Share of Arizona Total	Previous Quarter	Same Quarter Last Year	Current Quarter as %	
					Previous Qtr	Same Qtr Last Year
Lettuce, Romaine	131	31%	0	150	-	-13%
Lettuce, Iceberg	121	28%	0	149	-	-18%
Lettuce, Processed	57	13%	0	63	-	-9%
Cantaloups	37	9%	10	38	270%	-3%
Lettuce, Green Leaf	15	3%	0	17	-	-14%
<b>Top 5 Total</b>	<b>361</b>	<b>85%</b>	<b>10</b>	<b>416</b>	<b>3480%</b>	<b>-13%</b>
<b>Arizona Total</b>	<b>427</b>	<b>100%</b>	<b>28</b>	<b>497</b>	<b>1445%</b>	<b>-14%</b>

Source: Agricultural Marketing Service, Specialty Crops Program, Market News Division

"-" indicates no reported shipments during the quarter.

**Figure 16: Arizona Truck Rates (\$/Mile)**



Source: Agricultural Marketing Service, Specialty Crops Program, Market News Division

**Volume:** Total reported shipments of fruits and vegetables from Arizona during the fourth quarter of 2017 were 427 thousand tons, a 14 percent decrease from the same quarter last year. The sum of the top five commodities decreased 13 percent from the same quarter last year, led by decreases for all the major lettuce categories including iceberg, romaine, green leaf, and processed.

**Rates:** The quarterly average truck rate for shipments between 501 and 1,500 miles was \$2.88 per mile. Insufficient data was available for truck rates from Arizona in the third quarter 2017 and the fourth quarter of 2016.

**Truck Overview:** Diesel fuel prices averaged \$3.06 per gallon, 9 percent higher than the previous quarter and 15 percent higher than the same period last year. For the weeks reported during the quarter, truck availability in Arizona was adequate in late October followed by slight shortages and shortages through the end of the year.

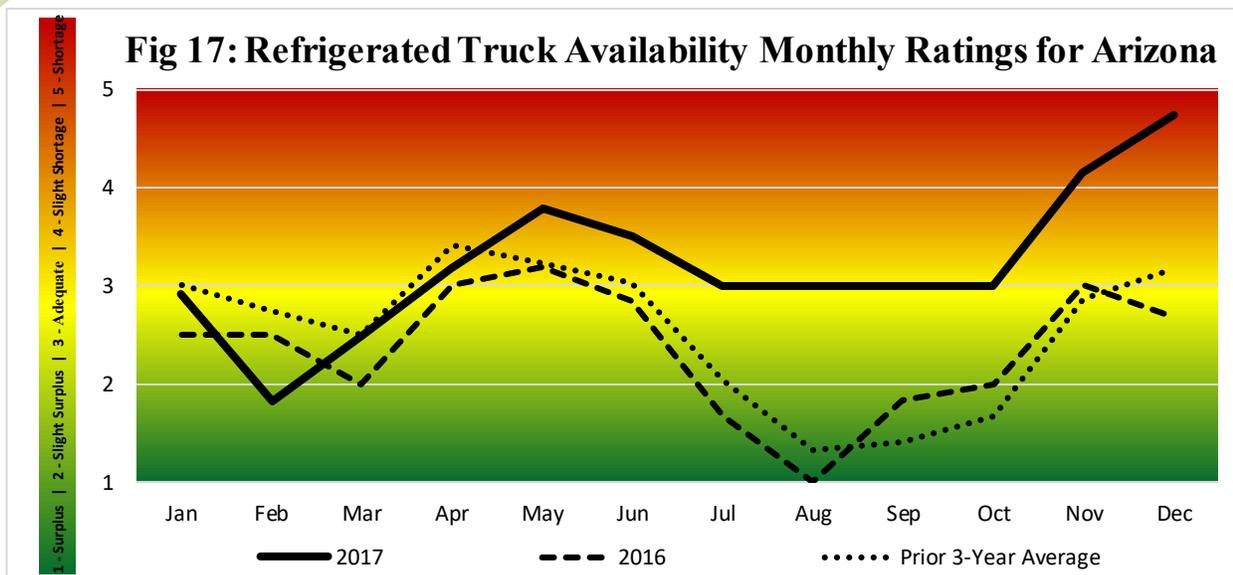


Figure 18: Arizona Truck Overview

Region/Reporting District	Availability Rating, 1=Surplus to 5=Shortage			
	October	November	December	4th Quarter
Central And Western Arizona	3.00	4.25	n/a	<b>3.63</b>
Imperial, Palo Verde And Coachella Valleys, California And Central And Western Arizona	n/a	n/a	4.50	<b>4.50</b>
Mexico Crossings Through Nogales, Arizona	3.00	4.00	4.75	<b>3.92</b>
<b>Regional Average Availability</b>	3.00	4.13	4.63	<b>3.92</b>
<b>Diesel Fuel Price (\$/gallon)</b>	3.01	3.10	3.06	<b>3.06</b>

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 Arizona.

# Great Lakes

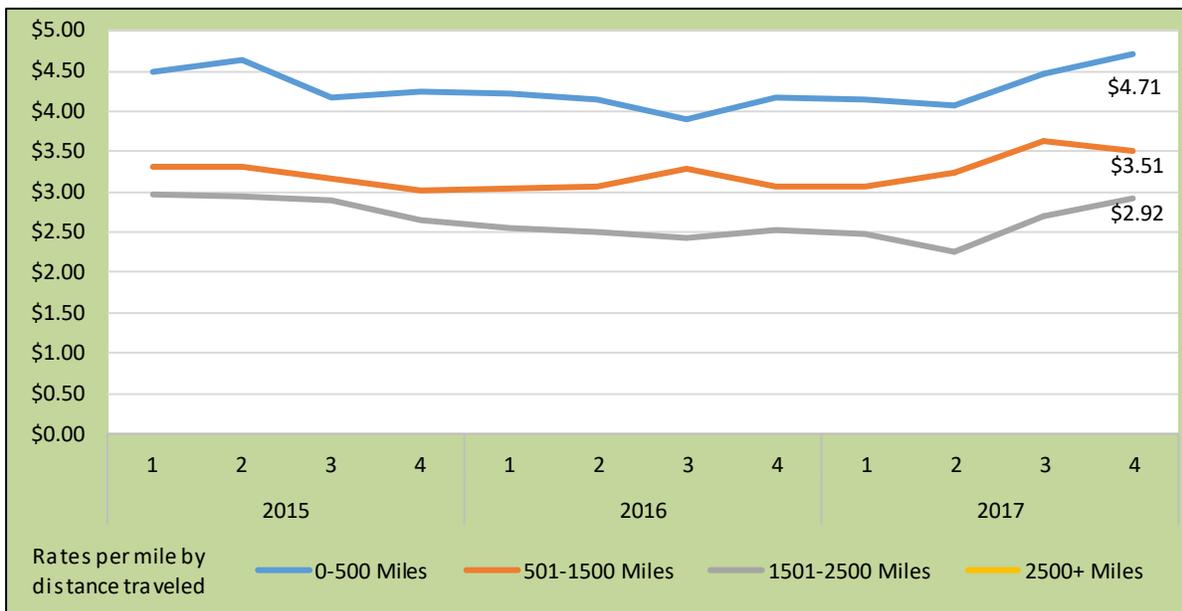
**Table 15: Reported Top Five Commodities Shipped from Great Lakes (1,000 tons)**

Commodity	4th Quarter 2017	Share of Great Lakes Total	Previous Quarter	Same Quarter Last Year	Current Quarter as %	
					Previous Qtr	Same Qtr Last Year
Potatoes	183	64%	171	189	7%	-3%
Apples	58	20%	26	77	121%	-25%
Onions Dry	22	8%	6	20	266%	11%
Cranberries	6	2%	1	7	775%	-8%
Celery	6	2%	19	3	-69%	137%
<b>Top 5 Total</b>	<b>276</b>	<b>97%</b>	<b>224</b>	<b>296</b>	<b>23%</b>	<b>-7%</b>
<b>Great Lakes Total</b>	<b>286</b>	<b>100%</b>	<b>418</b>	<b>300</b>	<b>-32%</b>	<b>-5%</b>

Source: Agricultural Marketing Service, Specialty Crops Program, Market News Division

"-" indicates no reported shipments during the quarter.

**Figure 19: Great Lakes Truck Rates (\$/Mile)**



Source: Agricultural Marketing Service, Specialty Crops Program, Market News Division

**Volume:** Total reported shipments of fruits and vegetables from the Great Lakes during the fourth quarter of 2017 were 286 thousand tons, down 5 percent from the same quarter in 2016. The sum of the top five commodities decreased by 7 percent with decreases in potatoes, apples and cranberries offset slightly by increases in dry onions and celery.

**Rates:** The quarterly average truck rate for shipments between 501 and 1,500 miles was \$3.51 per mile, 3 percent lower than the previous quarter, but 15 percent higher than the same quarter last year.

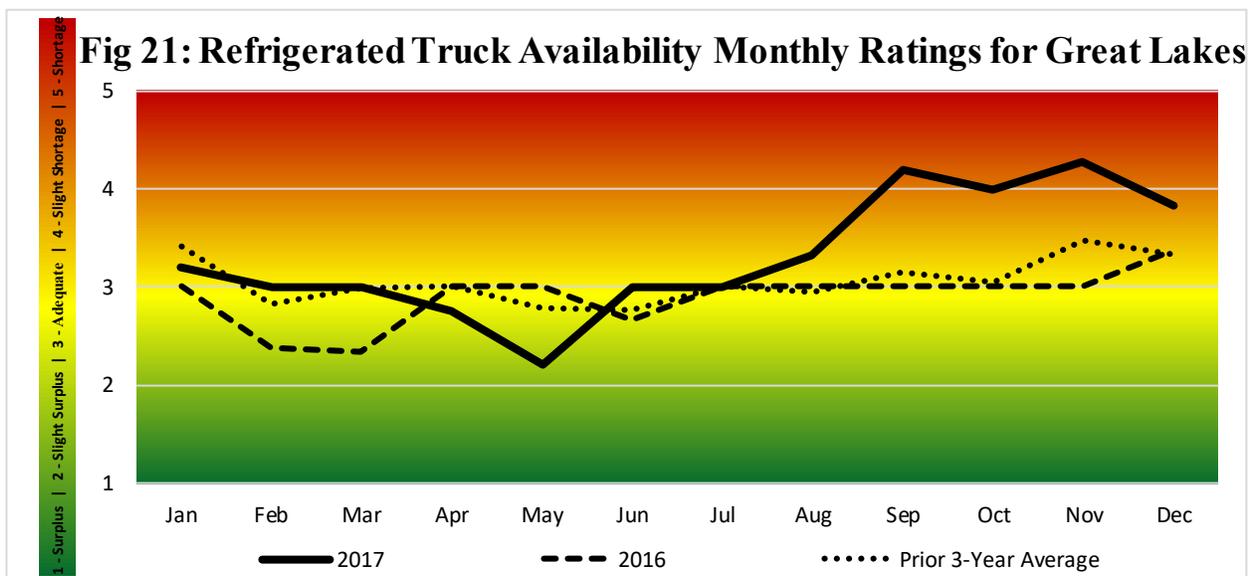
**Truck Overview:** Diesel fuel prices averaged \$2.83 per gallon, 10 percent higher than last quarter, and 17 percent higher than the same period last year. Shippers in Central Wisconsin reported adequate truck availability only 3 weeks out of the quarter, then shortage and slight shortage conditions through the end of the year. Shippers in Michigan reported adequate conditions most of the quarter with pockets of slight shortage conditions in early October and around Thanksgiving.

Figure 20: Great Lakes Truck Overview

Region/Reporting District	Availability Rating, 1=Surplus to 5=Shortage			
	October	November	December	4th Quarter
Central Wisconsin	4.00	5.00	4.25	4.42
Michigan	3.77	3.43	3.00	3.40
Minnesota-North Dakota (Red River Valley)	4.80	4.50	3.50	4.27
<b>Regional Average Availability</b>	4.19	4.31	3.58	4.03
<b>Diesel Fuel (\$/gallon)</b>	2.77	2.88	2.86	2.83

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

For the purpose of this report the Midwest District was used to represent the diesel fuel price for the Great Lakes.



## Terms and References

**Data Sources:** This information is compiled from the weekly Specialty Crops *Truck Rate Report* by USDA, Agricultural Marketing Service (AMS), [Specialty Crops Program](https://www.marketnews.usda.gov/mnp/fv-home), Market News Division. The website is: <https://www.marketnews.usda.gov/mnp/fv-home>.

**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 Specialty Crops *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.

## Contact Us

Coordinator Adam Sparger	<a href="mailto:Adam.Sparger@ams.usda.gov">Adam.Sparger@ams.usda.gov</a>	202.205.8701
Quarterly Overview, U.S. Diesel Prices April Taylor	<a href="mailto:April.Taylor@ams.usda.gov">April.Taylor@ams.usda.gov</a>	202.295.7374
Regulatory News/Updates Brian McGregor	<a href="mailto:Brian.McGregor@ams.usda.gov">Brian.McGregor@ams.usda.gov</a>	202.720.0035
U.S. Truck Rates and Shipments Pierre Bahizi	<a href="mailto:Pierre.Bahizi@ams.usda.gov">Pierre.Bahizi@ams.usda.gov</a>	202.690.0992
Truck Availability Jesse Gastelle	<a href="mailto:Jesse.Gastelle@ams.usda.gov">Jesse.Gastelle@ams.usda.gov</a>	202.690.1144
Specialty Crops Program, Market News Division Data Patty Willkie	<a href="mailto:Patty.Willkie@ams.usda.gov">Patty.Willkie@ams.usda.gov</a>	202-720-2175
To subscribe, please send e-mail to: (Printed copies are available upon request.)	<a href="mailto:Adam.Sparger@ams.usda.gov">Adam.Sparger@ams.usda.gov</a>	

### Related Websites:

Specialty Crops Program

<http://www.ams.usda.gov/about-ams/programs-offices/specialty-crops-program>

Specialty Crops Truck Rate Report

<http://www.ams.usda.gov/market-news/fruits-vegetables>

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

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