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Feature Article

FDA’s Food Safety Modernization Rules Not Impacted by Regulatory Freeze

On January 20, 2017, the Trump Administration initiated a freeze on Federal regulations through [Presidential Memorandum](#). This affects all new Federal regulations that are currently under development or in the approval “pipeline,” but not approved. However, it does not affect those regulations already approved, but not fully implemented that are “subject to statutory or judicial deadlines.” An example of such a rule is the Food and Drug Administration’s (FDA) Food Safety Modernization Act (FSMA), which includes seven different rules to implement the legislation. Already approved, the FSMA rules feature staggered implementation based on the size of company and the specific rules applied for the Act’s purposes. Many companies are under the jurisdiction of the Sanitary Transportation of Human and Animal Food Final Rule, starting in April. Preparation will ensure a seamless transition and lessen disruptions to the supply chain.

What is the FSMA?

President Obama signed the FDA FSMA into law on January 4, 2011. It aims to ensure the U.S. food supply is safe by shifting the focus of Federal regulators from responding to contamination to preventing it. There are seven rules implementing the law that protect all major pieces of the supply chain.

- Accredited Third-Party Certification Final Rule
- Foreign Supplier Verification Programs (FSVP) for Importers of Food for Humans and Animals Final Rule
- Mitigation Strategies to Protect Food Against Intentional Adulteration Final Rule
- Preventive Controls for Food for Animals Final Rule
- Preventive Controls for Human Food Final Rule
- Sanitary Transportation of Human and Animal Food Final Rule
- Standards for Produce Safety Final Rule

Currently, the most pressing rule is the Sanitary Transportation of Human and Animal Food Final Rule, finalized in April 2016. Realizing that smaller businesses will need more time to comply, the FDA issued an implementa-

tion date of 2 years after the finalized rule for small businesses (by April 2018) and 1 year after the final rule for other businesses (by April 2017).

The goal of this rule is to prevent practices during transportation that create food safety risks, such as failure to properly refrigerate food, inadequate cleaning of vehicles between loads, and failure to properly protect food. The rule establishes requirements for shippers, loaders, carriers by motor or rail vehicle, and receivers involved in transporting human and animal food to use sanitary practices to ensure the safety of that food. The requirements do not apply to transportation by ship or air because of limitations in the law. Specifically, the FSMA rule establishes requirements for vehicles and transportation equipment, transportation operations, records, training, and waivers. The new regulations will force many shippers and carriers to rewrite or tweak contracts to be sure both parties are in compliance.¹

FDA and Industry Offer Assistance during Regulatory Freeze

In lieu of “official guidance documents” from FDA published in the Federal Register, FDA is offering less formal and more easily accessible direction on its website to assist companies in complying with the FSMS regulations. FDA can be involved in a number of ways, including providing technical advice, looking out for potential conflicts with federal regulations, and sharing its experience and insights. For more information on how to obtain guidance during the federal regulation freeze, see “How to Work with FDA on Food Guidance Documents” at: <http://www.fda.gov/Food/NewsEvents/ConstituentUpdates/ucm538434.htm>

Some trade associations are also offering assistance to help carriers and shippers understand the Sanitary Transportation of Human and Animal Food Final Rule and provide training. For example, the International Refrigerated Transportation Association, part of the Global Cold Chain Alliance, developed the Refrigerated Transportation Best Practices Guide.² In addition, according to Land Line Magazine, the Owner-Operator Independent Drivers Association, “... soon plans to offer an overview of the training requirements on the Foundation website.”³

Summary

This article provides readers a reminder of the forthcoming FDA food safety regulations. It directs shippers to assistance during the Presidential transition. For more information about the program visit: <http://www.fda.gov/Food/GuidanceRegulation/FSMA/>.

¹<http://www.fda.gov/downloads/Food/GuidanceRegulation/FSMA/UCM494118.pdf>

²<http://www.gcca.org/resources/sanitary-transportation-food-compliance-resources/>

³<http://www.landlinemag.com/Story.aspx?StoryID=32704#.WJZek1MqUI>

Quarterly Overview

Fruit and Vegetable Shipments

Reported U.S. truck shipments of fresh produce during the third quarter of 2016 were 8.4 million tons, 11 percent lower than the previous quarter, but 10 percent higher than the same quarter last year.

Shipments from California were the highest in the third quarter, totaling 3.1 million tons and accounting for 37 percent of the total reported shipments of fresh fruits and vegetables. Shipments from the Pacific Northwest totaled 1.52 million tons, representing 18 percent of the reported shipments. Movements from Mexico totaled 1.50 million tons, representing 18 percent of the reported total.

The following top five commodities accounted for 44 percent of the reported truck movements during the third quarter of 2016:

- ▶ Potatoes (14 percent)
- ▶ Watermelon (12 percent)
- ▶ Apples (7 percent)
- ▶ Onions, dry (6 percent)
- ▶ Grapes (5 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 +
Q3 2015	6.45	2.43	2.33	1.31
Q4 2015	5.01	2.36	2.07	1.08
Q1 2016	3.98	2.22	2.10	1.27
Q2 2016	3.62	2.34	2.10	1.30
Q3 2016	4.71	2.47	2.05	1.21
Q3 Change from Previous Quarter	30%	6%	-3%	-7%
Q3 Change from Same Quarter Last Year	-27%	2%	-12%	-8%

Diesel Fuel

During the third quarter 2016, the U.S. diesel fuel price averaged \$2.38 per gallon—4 percent higher than last quarter but 9 percent lower than the same quarter last year.

Regulatory News and Updates

Regulatory Freeze Pending Review

On January 20, 2017, Reince Priebus, Assistant to the President and White House Chief of Staff, issued a Memorandum for the Heads of Executive Departments and Agencies regarding the [Regulatory Freeze Pending Review](#). The purpose of the memo was to ensure the President's appointees or designees have a 60-day opportunity to review any new or pending regulations for any questions of fact, law, and policy they raise. On January 24, 2017, Mark Sandy, Acting Director, Office of Management and Budget (OMB), issued a [Memorandum: Implementation of Regulatory Freeze](#). In addition to the 60-day review period, this memo instructs agencies as follows: "Where appropriate and as permitted by applicable law, you should consider proposing for notice and comment a rule to delay the effective date for regulations beyond that 60 day period. In cases where the effective date has been delayed in order to review questions of fact, law, or policy, you should consider potentially proposing further notice-and-comment rulemaking." There are two exceptions to the regulatory freeze. The first is for any regulations "subject to statutory or judicial deadlines." These are regulations where performing the otherwise required review actions would endanger compliance with an operative statutory or judicial deadline. The second exception is for "emergency situations or other urgent circumstances relating to health, safety, financial, or national security matters, or otherwise."

Presidential Executive Order on Reducing Regulation and Controlling Regulatory Costs

On January 30, 2017, President Trump [stated](#), "it is important that for every one new regulation issued, at least two prior regulations be identified for elimination, and that the cost of planned regulations be prudently managed and controlled through a budgeting process. For fiscal year 2017, which is in progress, the heads of all agencies are directed that the total incremental cost of all new regulations, including repealed regulations, to be finalized this year shall be no greater than zero, unless otherwise required by law or consistent with advice provided in writing by the Director of the Office of Management and Budget. Any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least two prior regulations. Any agency eliminating existing costs associated with prior regulations under this subsection shall do so in accordance with the Administrative Procedure Act and other applicable law." The executive order establishes regulatory procedures for fiscal year 2018 and subsequent fiscal years. On February 2, 2017, OMB provided [interim guidance](#) on implementing Section 2 of the Executive Order. On February 8, 2017, several groups filed a [complaint](#) for declaratory and injunctive relief against the executive order with the United States District Court for the District of Columbia.

Effective Date of Rule for Entry-Level Commercial Drivers' Training Delayed

On February 1, 2017, the Federal Motor Carrier Safety Administration (FMCSA) [temporarily extended](#) the effective date of its [final rule](#) on Minimum Training Requirements for Entry-Level Commercial Motor Vehicle Operators to March 21, 2017, in response to the White House [regulatory freeze memorandum](#). The compliance date, February 7, 2020, remains unchanged. The Government Accounta-

bility Office [reviewed the final rule](#) in accordance with the Congressional Review Act, which requires a 60-day delay in the effective date of a major rule from the date of publication in the *Federal Register* or receipt of the rule by Congress, whichever is later. The final rule responds to a statutory mandate imposed under the Moving Ahead for Progress in the 21st Century Act. FMCSA based the final rule on consensus-negotiated rulemaking conducted by FMCSA's Entry-Level Driver Training Advisory Committee, which held a series of meetings between February and May 2015. On December 21, 2016, several groups [filed a petition](#) with FMCSA to reconsider the lack of minimum behind-the-wheel provisions in the final rule.

Electronic Logging Devices for Commercial Truck and Bus Industries Update

On January 11, 2017, the U.S. Court of Appeals for the Seventh Circuit [denied](#) the Owner-Operator Independent Drivers Association's (OOIDA) December 16, 2016 [request](#) for a full court rehearing of OOIDA's petition for review of the FMCSA [final rule](#) on electronic logging devices (ELD). A three-member panel of the court [denied](#) OOIDA's petition on October 31, 2016, following the oral arguments on September 13, 2016. OOIDA maintains that the final rule unlawfully allows ELDs that are not fully automatic; does not sufficiently protect drivers from harassment; inadequately analyzes costs and benefits; does not protect drivers' confidential information; and exposes drivers to unconstitutional searches and seizures.

Greenhouse Gas and Fuel Efficiency Standards for Engines and Vehicles Update

On December 22, 2016, the Truck Trailer Manufacturers Association (TTMA) filed a petition for review of the [final rule](#), Greenhouse Gas Emissions and Fuel Efficiency Standards for Medium- and Heavy-Duty Engines and Vehicles—Phase 2. TTMA is asking the U.S. Court of Appeals for the District of Columbia Circuit to vacate the section of the rules that require trailer manufacturers to provide aerodynamic equipment, low rolling resistant tires, and tire pressure monitoring or automatic tire inflation systems beginning with model year 2018. The trailer rules are designed to reduce the carbon dioxide emissions and fuel consumption of tractor-trailers traveling at highway speeds. Previous [TTMA comments](#) expressed strong concerns about the statutory authority to regulate trailers and trailer manufacturers and assumptions made by the Environmental Protection Agency and the National Highway Transportation Safety Administration. The comments questioned the cost and benefit calculations, and the limited time allowed to provide comments on the proposed rule. Trailer-related comments on the proposed rule were also submitted by: [Utility Trailer Manufacturing Company](#), [Great Dane](#), [Wabash National Corporation](#), [Stoughton Trailers](#), [Owner-Operator Independent Drivers Association \(OOIDA\)](#), and [American Trucking Associations](#). Eight States filed a [motion to intervene](#) in the case on January 23, 2017 in support of the final rule.

U.S./Mexico Cross-Border Trucking Update

OOIDA [announced](#) that on March 15, 2017, the U.S. Court of Appeals for the Ninth Circuit in California will hear oral arguments in OOIDA's challenge to the [U.S.-Mexico Cross-Border](#)

[Trucking Pilot Program](#). On February 8, 2016, OOIDA filed its [Intervenors Reply Brief](#) in concert with the International Brotherhood of Teamsters, Advocates for Highway and Auto Safety, and Truck Safety Coalition's [Reply Brief](#). These briefs challenge the decision of FMCSA to open the border to Mexican trucks. The lawsuit, filed with the Court on March 10, 2015, contends that FMCSA's final report to Congress, which allowed opening the border to Mexican trucks, violated the Administrative Procedures Act.

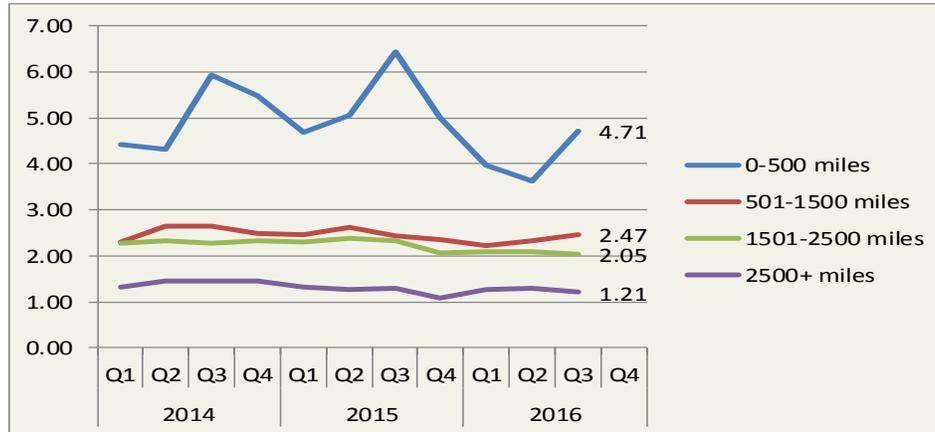
California Air Resources Board Greenhouse Gas Regulations Update

OOIDA [announced](#) that on April 19, 2017, the U.S. Court of Appeals for the Ninth Circuit in California will hear oral arguments in OOIDA's tractor-trailer greenhouse gas regulations (GHG) case against the California Air Resources Board (CARB). On March 7, 2016, OOIDA filed an [Appellant's Reply Brief](#) with the Court on the petition for review concerning OOIDA's objections to the U.S. Environmental Protection Agency [greenhouse gas waiver](#), and CARB's associated [GHG regulations](#). At issue is whether CARB's enforcement of the GHG regulations on out-of-State-based trucks that briefly enter California to conduct interstate commerce is a violation of the Commerce Clause of the U.S. Constitution. Some California-based trucks are exempt from the GHG regulations, even though these California-based trucks travel more miles inside California than the out-of-State-based trucks that briefly enter California.

National Summary

U.S. Truck Rates

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



Source: Agricultural Marketing Service, Specialty Crops 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
2016	2.22	2.34	2.47	-	-
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 Programs, Market News Division

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

Origin	3rd Qtr 2016			2nd Qtr 2016		
	July	August	September	April	May	June
Arizona	2.92	-	-	-	2.83	2.90
California	2.92	-	2.84	2.80	2.67	2.76
Great Lake	3.81	3.26	3.11	2.05	2.29	2.39
Mexico-Ari	1.58	1.15	1.09	3.03	3.05	3.20
Mexico-Tex	1.90	1.83	1.75	2.12	2.26	2.17
PNW	1.70	1.69	1.80	2.06	2.06	1.96
Southeast	4.41	4.42	4.88	2.19	2.41	2.41
Texas	2.33	2.27	2.22	1.81	1.77	1.73

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

Note: "n/a" indicates rates not available.

Note: The rates for 8 long-haul fruit and vegetable truck corridors are included in the national rate, weighted by commodity and origin volume.

Truck Rates for Selected Routes

Table 3: Origin-Destination Truck Rates for Selected Routes , 3rd Quarter 2016 (\$/Mile)

Origin	Destination									
	Atlanta	Baltimore	Boston	Chicago	Dallas	Los Angeles	Miami	New York	Philadelphia	Seattle
Arizona	2.46	2.47	2.45	2.43	2.92	6.00	2.55	2.54	2.52	.
California	2.35	2.20	2.17	2.07	2.69	4.65	2.34	2.23	2.20	2.94
Great Lake	2.96	4.92	2.98	3.90	2.61	.	2.48	3.54	3.00	.
Mexico-Ari	.	.	.	.	.	1.27	.	.	.	.
Mexico-Tex	1.93	1.87	1.96	1.72	2.22	1.39	2.03	2.01	1.86	1.95
Midatlanti	2.53	8.17	3.67	1.87	.	.	.	5.24	6.15	.
New York	1.99	4.09	6.29	2.21	.	.	2.03	6.51	4.49	.
Other	2.49	2.25	2.97	2.29	3.10	1.79	2.13	3.38	5.51	.
PNW	2.08	2.05	2.07	2.01	1.96	1.73	1.88	2.20	2.06	5.00
Southeast	6.42	7.14	4.74	3.53	3.31	.	5.21	5.89	6.17	.
Texas	2.62	2.39	2.40	2.45	3.69	1.59	2.25	2.53	2.36	2.23

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

Truck Rates for Selected Routes

Table 4: Origin-Destination Truck Rates for Selected Routes , 3rd Quarter 2016 (\$/Truck)

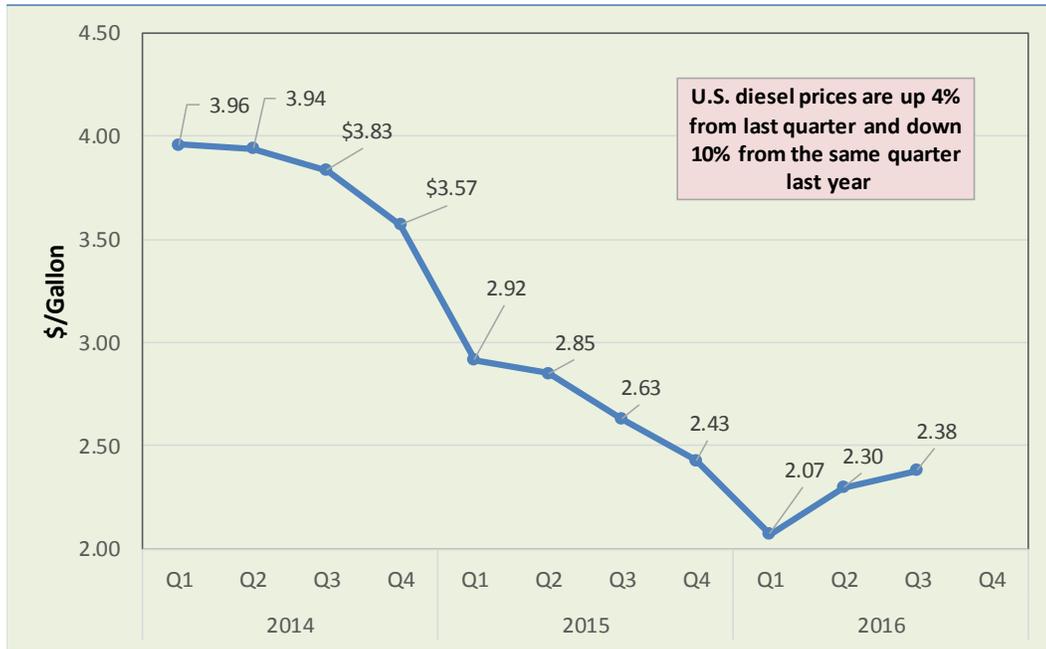
Origin	Destination									
	Atlanta	Baltimore	Boston	Chicago	Dallas	Los Angeles	Miami	New York	Philadelphia	Seattle
Arizona	5,167	6,417	7,100	4,933	3,800	900	6,633	6,867	6,667	.
California	5,316	6,115	6,677	4,399	3,999	846	6,621	6,384	6,202	2,976
Great Lake	2,615	3,711	3,669	1,016	2,887	.	4,136	3,165	2,699	.
Mexico-Ari	.	.	.	.	.	710	.	.	.	.
Mexico-Tex	2,223	3,346	4,319	2,454	1,108	2,227	3,100	4,023	3,538	4,685
Midatlanti	1,769	817	1,650	1,494	.	.	.	1,206	861	.
New York	1,992	1,350	1,313	1,550	.	.	2,950	1,117	1,063	.
Other	2,240	4,042	4,355	2,033	1,585	1,664	4,261	3,607	3,454	.
PNW	4,824	5,056	5,689	3,587	3,617	1,765	5,583	5,606	5,187	700
Southeast	2,158	2,841	3,948	3,027	3,643	.	3,786	3,545	3,136	.
Texas	2,223	3,346	4,323	2,454	1,108	2,227	3,100	4,023	3,538	4,685

Source: Agricultural Marketing Service, Specialty Crops Programs, 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: 3rd Quarter 2016 Average Diesel Fuel Prices (All Types - \$/Gallon)

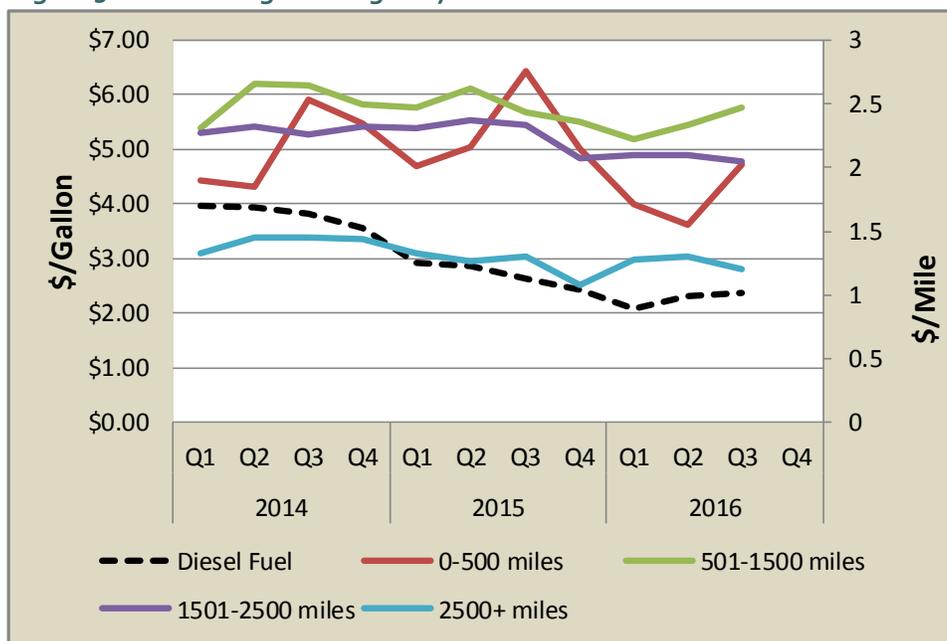
Location	Price	Change From	
		Last Quarter	Same Qtr Last Year
East Coast	2.39	0.06	-0.32
New England	2.42	0.04	-0.39
Central Atlantic	2.48	0.05	-0.35
Lower Atlantic	2.31	0.06	-0.29
Midwest	2.35	0.10	-0.20
Gulf Coast	2.24	0.08	-0.25
Rocky Mountain	2.45	0.15	-0.19
West Coast	2.66	0.12	-0.20
California	2.75	0.13	-0.21
U.S.	2.38	0.08	-0.25

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, Specialty Crops 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
2014	Q1	3.96	2.31	2%	2%	-2%	3%
	Q2	3.94	2.65	-1%	14%	2%	2%
	Q3	3.83	2.65	-3%	0%	-2%	2%
	Q4	3.57	2.50	-7%	-6%	-8%	10%
2015	Q1	2.92	2.47	-18%	-1%	-26%	7%
	Q2	2.85	2.62	-2%	6%	-28%	-1%
	Q3	2.63	2.43	-8%	-7%	-31%	-8%
	Q4	2.43	2.36	-8%	-3%	-32%	-6%
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						

Sources:

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

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

3rd Quarter 2016 Comparison Analysis

Diesel fuel prices averaged \$2.38 per gallon this quarter, 4 percent higher than last quarter but 10 percent lower than the same quarter last year. Average truck rates for shipments between 501 and 1,500 miles were \$2.47 per mile, 6 percent higher than the previous quarter and 2 percent higher than the same quarter last year.

Quarterly Truck Availability

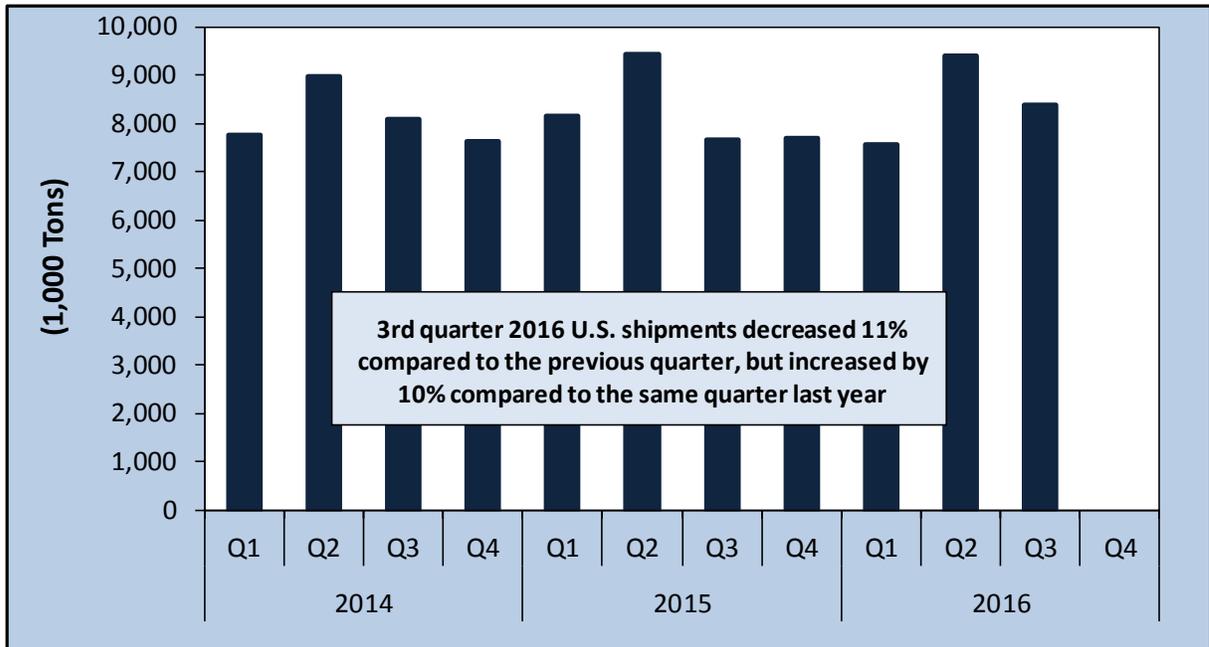
Table 7: U.S. Fresh Fruit and Vegetable Truck Availability, 3rd Quarter 2016

Region ¹	Commodity ¹	Truck Availability												
		Surplus - 1	Slight Surplus - 2	Adequate - 3		Slight Shortage - 4		Shortage - 5						
		Week Ending ¹												
CALIFORNIA, CENTRAL, AND WESTERN ARIZONA		7/5	7/12	7/19	7/26	8/2	8/9	8/16	8/23	8/30	9/6	9/13	9/20	9/27
Imperial & Coachella Valley California, Western & Central Arizona	Cantaloups, Honeydews, Miscellaneous Melons, Watermelon	3	3	3	3									
Kern District California	Carrots, Potatoes, Grapes	3	3	3	3	3	3	3	3	3	3	3	3	3
Salinas-Watsonville California	Broccoli, Cauliflower, Iceberg Lettuce, Leaf Lettuce, Raspberries, Strawberries	3	3	3	3	3	3	3	3	3	3	3	3	3
San Joaquin Valley California	Honeydews, Miscellaneous Melons, Onions, Grapes, Peppers, Cantaloupes, Watermelons	3	3	3	3	3	3	3	3	3	3	3	3	3
Santa Maria California	Broccoli, Cauliflower, Iceberg Lettuce, Leaf Lettuce, Strawberries, Celery	3	3	3	3	3	3	3	3	3	3	3	3	3
South & Central District California	Nectarines, Peaches, Plum Type Tomatoes, Plums, Tomatoes, Grapes, Pomegranates	3	3	3	3	3		2	2	3	3	3	3	3
South District California	Avocados, Citrus	3	3	3	1	3		1	1	3	3	3	3	3
GREAT LAKE (MI & WI)		7/5	7/12	7/19	7/26	8/2	8/9	8/16	8/23	8/30	9/6	9/13	9/20	9/27
Central Wisconsin	Potatoes, Onions	3	3			3	3	3	3	3	3	3	3	3
Michigan	Onions, Apples, Squash, Blueberries, Cucumbers		3	3	3	3	3	3	3	3	3	3		3
MEXICO BORDER CROSSINGS		7/5	7/12	7/19	7/26	8/2	8/9	8/16	8/23	8/30	9/6	9/13	9/20	9/27
Mexico Crossings Through Nogales, Arizona	Grapes, Mangoes, Melons, Mixed Vegetables	2	2	1	1	1	1	1	1	1	1	1	3	2
Mexico Crossings Through Texas	Carrots, Broccoli, Tomatoes, Mangoes, Limes, Mixed Fruits, Vegetables, Lemons	1	2	1	1	1	2	1	1	1	1	2	3	3
PACIFIC NORTHWEST (ID, OR, & WA)		7/5	7/12	7/19	7/26	8/2	8/9	8/16	8/23	8/30	9/6	9/13	9/20	9/27
Columbia Basin Washington	Potatoes, Onions	3	3	3	3	3	2	2	3	3	3	4	4	4
Upper Valley, Twin Falls-Burley District Idaho	Potatoes	3	3	2	2	2	3	3	3	3	3	4	4	4
Yakima Valley & Wenatchee District Washington	Apples, Soft Fruit	3	3	3	3	3	3	2	2	3	3	4	4	4
Idaho And Malheur County, Oregon	Onions								3	3	3	4	5	5
SOUTHEAST (GA, SC, & NC)		7/5	7/12	7/19	7/26	8/2	8/9	8/16	8/23	8/30	9/6	9/13	9/20	9/27
Charleston-Beaufort District South Carolina	Melons	2	3	3	3									
Eastern North Carolina	Sweet Potatoes	4	3	3	3	4	3	3	3	3	3	3	4	4
South Georgia	Peaches, Melons, Corn, Eggplant, Peppers, Squash, Cucumber	3	3	3	3	3	3	3	3			3	3	3
Vidalia District Georgia	Onions	3	3	3	3	3	3	3	3	3	3			
North Carolina	Melons			3	3	3	3	3	3	3	3			
TEXAS AND OKLAHOMA		7/5	7/12	7/19	7/26	8/2	8/9	8/16	8/23	8/30	9/6	9/13	9/20	9/27
Texas	Watermelons.	1	2	2	2	2	2	1	1	1	1	2	3	3

¹ 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 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, Specialty Crops 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
2016	7,562	9,417	8,400		25,379
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 Programs, Market News Division

Reported Shipments by Selected Commodities

Table 9: Reported Top 10 Commodity Shipments for 3rd Quarter 2016 (1,000 Tons)

Commodity	3rd Quarter 2016	Previous Quarter	Same Quarter Last Year	Current Quarter as % change from:	
				Previous Qtr	Same Qtr Last Year
Potatoes	1,162	1,093	1,034	6%	12%
Watermelons, Seedless	990	1,066	837	-	18%
Apples	573	616	689	-7%	-17%
Onions Dry	541	605	497	-11%	9%
Grapes	392	185	358	112%	9%
Cantaloups	380	247	341	54%	12%
Lettuce, Iceberg	327	332	286	-2%	14%
Tomatoes	302	435	292	-31%	4%
Strawberries	282	344	201	-18%	40%
Avocados	252	292	246	-14%	2%

Regional Markets

California

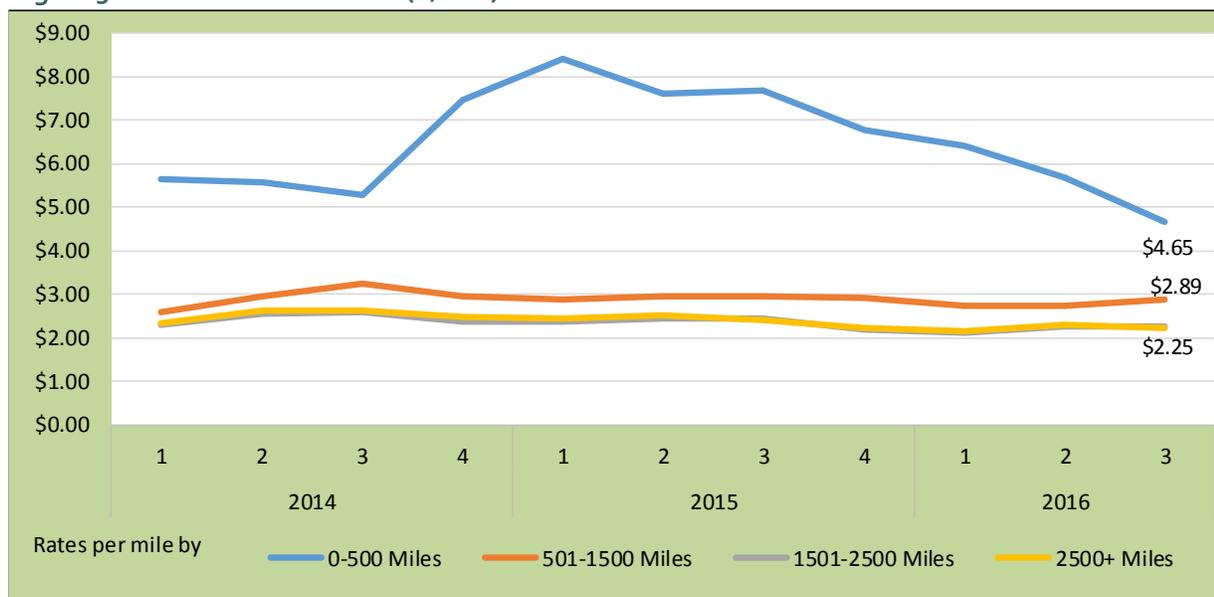
Table 10: Reported Top Five Commodities Shipped from California (1,000 tons)

Commodity	3rd Quarter 2016	Share of California Total	Previous Quarter	Same Quarter Last Year	Current Quarter as %	
					Previous Qtr	Same Qtr Last Year
Grapes	390	12%	43	357	813%	9%
Cantaloups	334	11%	86	289	289%	16%
Lettuce, Iceberg	321	10%	295	282	9%	14%
Strawberries	282	9%	335	201	-16%	40%
Lettuce, Romaine	235	7%	223	200	5%	17%
Top 5 Total	1,562	50%	982	1,329	59%	18%
California Total	3,146	100%	2,266	2,794	39%	13%

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

"-" indicates no reported shipments during the quarter.

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



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

Figure 6: California Truck Overview

Region/Reporting District	Availability Rating, 1=Surplus to 5=Shortage			
	July	August	September	3rd Quarter
Imperial & Coachella Valley California, Western & Central Arizona	3.00	n/a	n/a	3.00
Kern District California	3.00	3.00	3.00	3.00
Salinas-Watsonville California	3.00	3.00	3.00	3.00
San Joaquin Valley California	3.00	3.00	3.00	3.00
Santa Maria California	3.00	3.00	3.00	3.00
South District California	2.56	2.00	3.00	2.52
South & Central District California	3.00	2.50	3.00	2.83
Regional Average Availability	2.94	2.75	3.00	2.90
Diesel Fuel Price (\$/gallon)	2.79	2.72	2.75	2.75

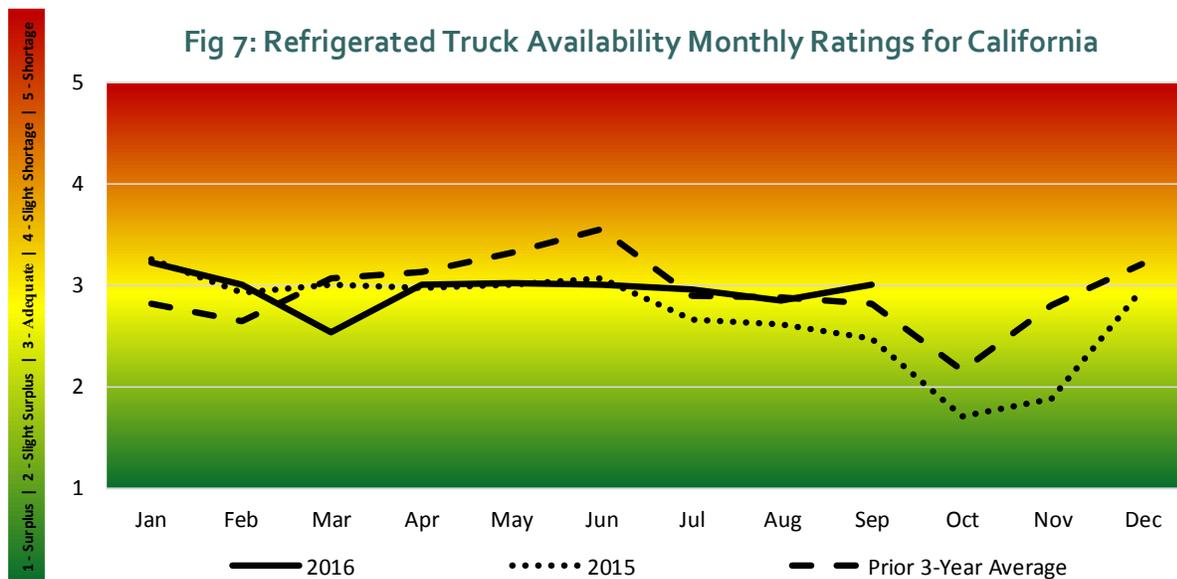
Diesel Fuel Source: Energy Information Administration/U.S. Department of Energy
 For the purpose of this report the California sub-group of the West Coast PAD District 5 was used to represent the diesel fuel price.

Volume: Total reported shipments of fruits and vegetables from California during the third quarter of 2016 were 3.1 million tons, a 13 percent increase from the same quarter last year. The sum of the top five commodities increased by 18 percent from the same quarter last year. Of the top five, strawberries increased the most, by 40 percent, followed by romaine lettuce at 17 percent.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was \$2.89 per mile, 6 percent higher than the previous quarter, but 2 percent below the same quarter last year.

Truck Overview: Diesel fuel prices averaged \$2.75 per gallon, 5 percent higher than the previous quarter, but 7 percent lower than the same period last year. Truck availability for California was adequate in most districts during the quarter with a slight surplus in July and August in the South District.

Fig 7: Refrigerated Truck Availability Monthly Ratings for California



Pacific Northwest (PNW)

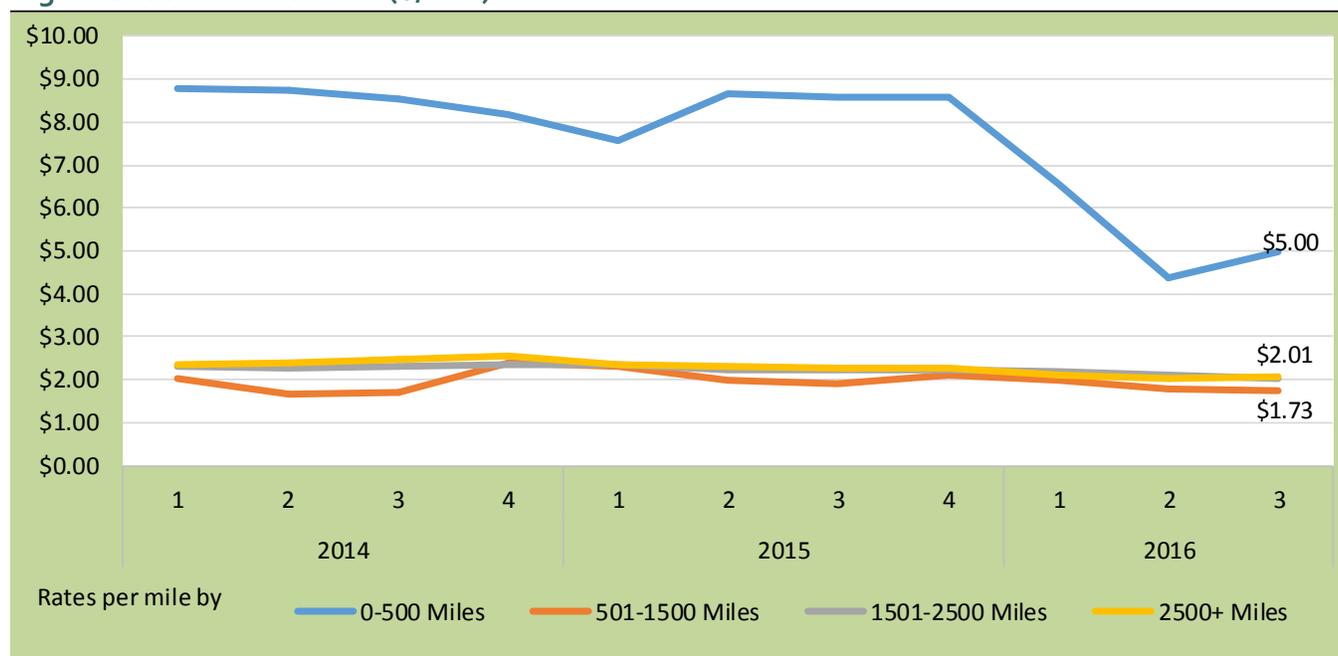
Table 11: Reported Top Five Commodities Shipped from PNW (1,000 tons)

Commodity	3rd Quarter 2016	Share of PNW Total	Previous Quarter	Same Quarter Last Year	Current Quarter as %	
					Previous Qtr	Same Qtr Last Year
Potatoes	593	39%	469	481	26%	23%
Apples	504	33%	541	603	-7%	-16%
Onions Dry	241	16%	139	219	74%	10%
Cherries	66	4%	77	54	-14%	22%
Pears	57	3.7%	66.7	68	-	-16%
Top 5 Total	1,462	96%	1,293	1,425	13%	3%
PNW Total	1,523	100%	1,314	1,456	16%	5%

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

"-" indicates no reported shipments during the quarter.

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



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

Figure 9: PNW Truck Overview

Region/Reporting District	Availability Rating, 1=Surplus to 5=Shortage			
	July	August	September	3rd Quarter
Columbia Basin Washington	3.00	2.60	3.71	3.10
Idaho And Malheur County, Oregon	n/a	3.00	4.25	3.63
Upper Valley, Twin Falls-Burley District Idaho	2.50	2.80	3.50	2.93
Yakima Valley & Wenatchee District Washington	3.00	2.60	3.50	3.03
Regional Average Availability	2.83	2.75	3.74	3.11
Diesel Fuel Price (\$/gallon)	2.58	2.49	2.54	2.53

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

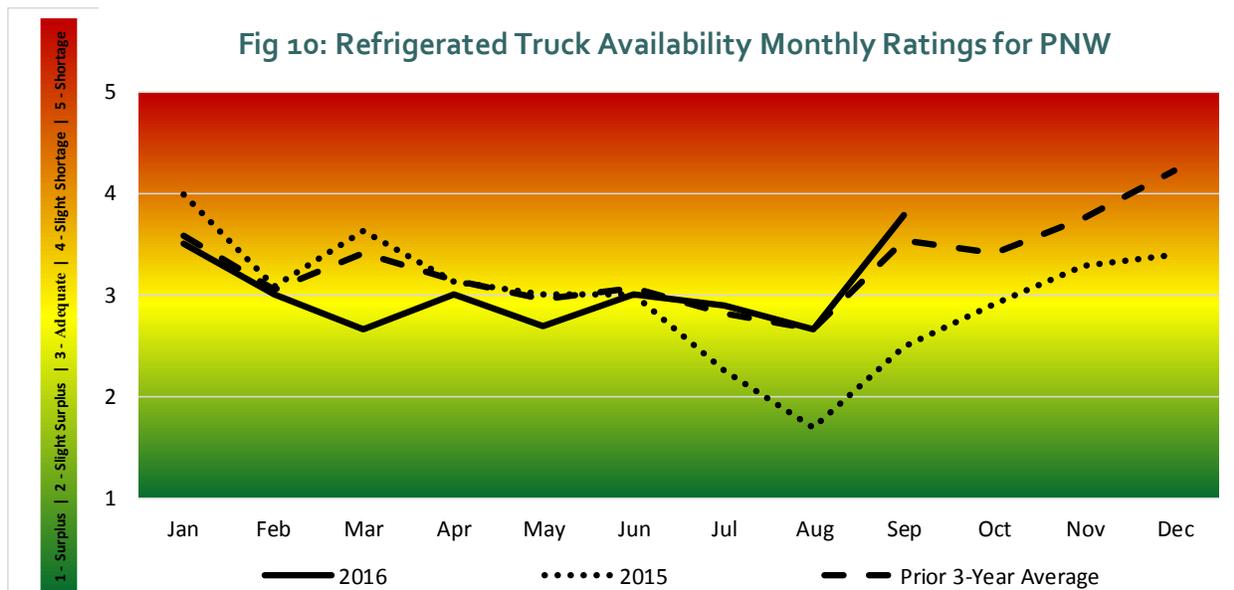
For the purpose of this report the West Coast less California District was used to represent the diesel fuel price for PNW.

Volume: Total reported shipments of fruits and vegetables from the PNW during the third quarter of 2016 were 1.5 million tons, an increase of 5 percent from the same quarter last year. The sum of the top five commodities increased 3 percent. Apple and pear shipments each fell by 16 percent while potatoes, onions, and cherries all increased.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was \$1.73 per mile, 2 percent lower than the previous quarter, and 9 percent lower than same quarter last year.

Truck Overview: Diesel fuel prices averaged \$2.53 per gallon, 4 percent higher than last quarter, but 6 percent lower than the same period last year. Shippers reported slight surplus to slight shortage conditions for truck availability across the region. Availability was the tightest in the Idaho and Malheur County, OR region during September.

Fig 10: Refrigerated Truck Availability Monthly Ratings for PNW



Mexico Border Crossings

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

Commodity	3rd Quarter 2016	Share of Mexico-Tot Total	Previous Quarter	Same Quarter Last Year	Current Quarter as %	
					Previous Qtr	Same Qtr Last Year
Avocados	175	12%	189	198	-7%	-12%
Limes	149	10%	125	134	19%	12%
Peppers, Other	133	9%	115	114	16%	17%
Mangoes	128	9%	161	72	-21%	78%
Tomatoes	124	8%	207	96	-40%	29%
Top 5 Total	709	47%	797	613	-11%	16%
Mexico Total	1,501	100%	2,830	1,285	-47%	17%

Source: Agricultural Marketing Service, Specialty Crops Programs, 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			
	July	August	September	3rd Quarter
Mexico Crossings Through Nogales, Arizona	1.50	1.00	1.75	1.42
Mexico Crossings Through Texas	1.65	1.36	2.25	1.75
Regional Average Availability	1.58	1.18	2.00	1.59
Diesel Fuel Price, through Arizona(\$/gallon)	2.58	2.49	2.54	2.53
Diesel Fuel Price, through Texas (\$/gallon)	2.26	2.22	2.25	2.24

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

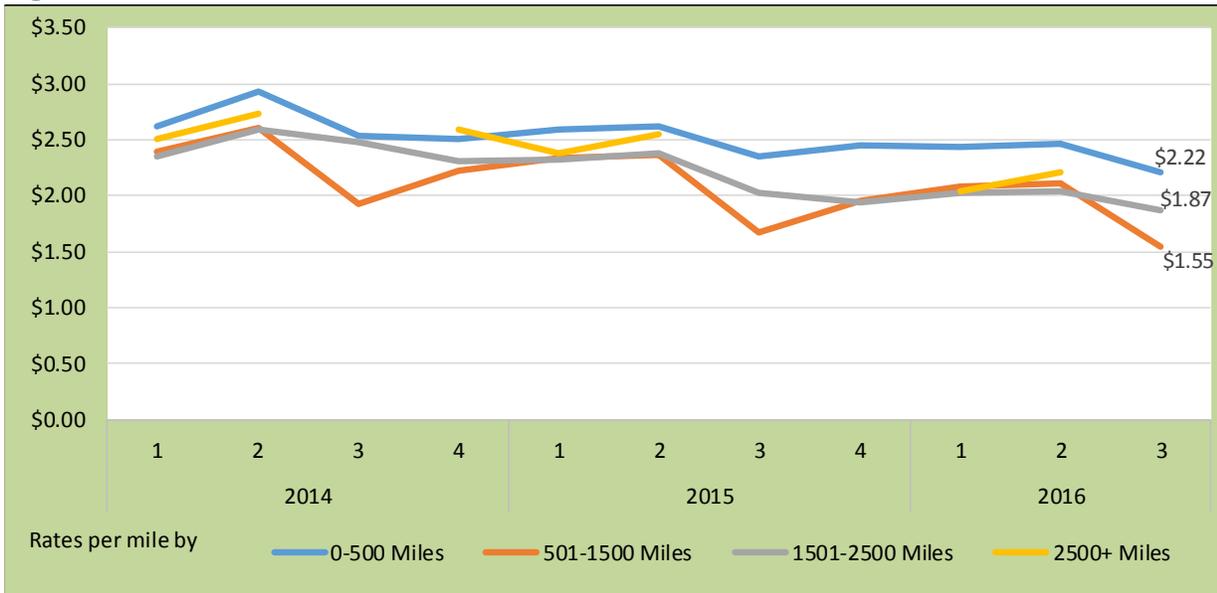
For the purpose of this report the Gulf Coast PAD District 3 was used to represent the diesel fuel price through Texas.

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)

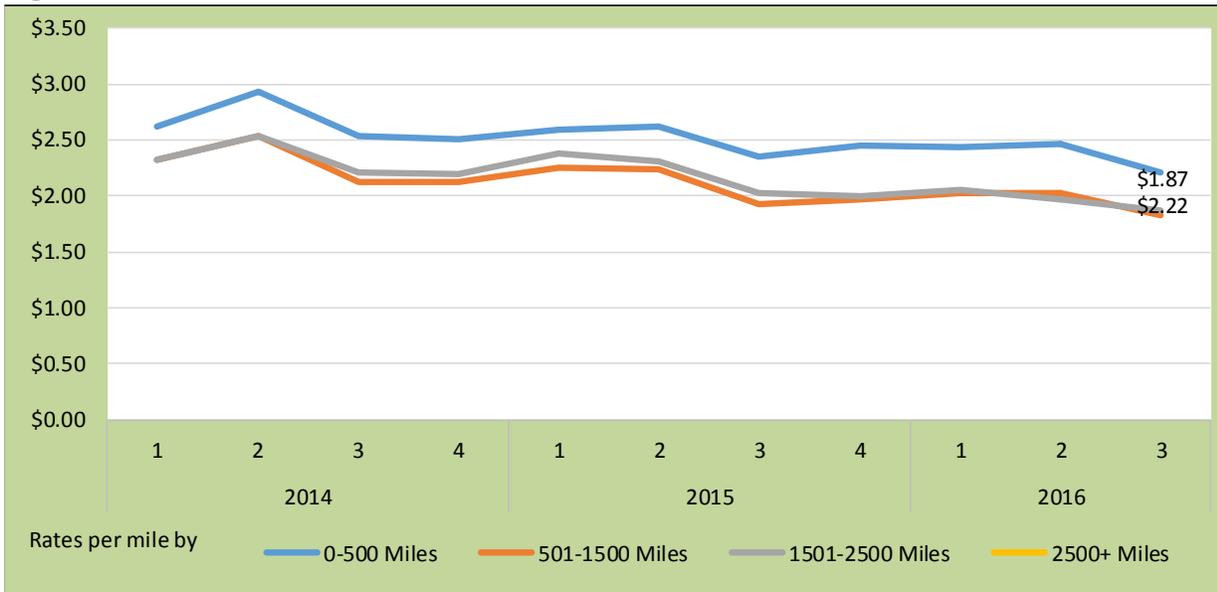
Texas		California		Arizona	
Avocados	171	Tomatoes, Plum Type	46	Mangoes	55
Limes	129	Cucumbers	43	Tomatoes	14
Tomatoes	88	Misc Tropical	36	Watermelons, Seedless	11
Mangoes	72	Onions Green	29	Tomatoes, Plum Type	9
Tomatoes, Plum Type	60	Peppers, Other	24	Cucumbers	8
Top 5 Total	520	Top 5 Total	178	Top 5 Total	97
Mexico-Tex Total	962	Mexico-Cal Total	325	Mexico-Ari Total	137

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



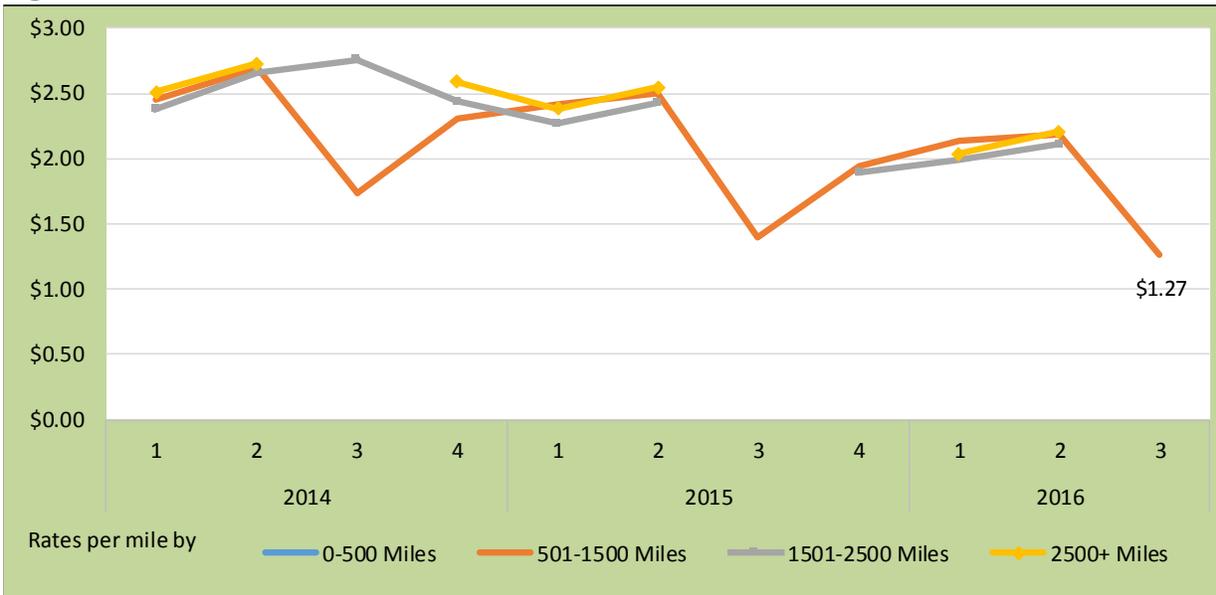
Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

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



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

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



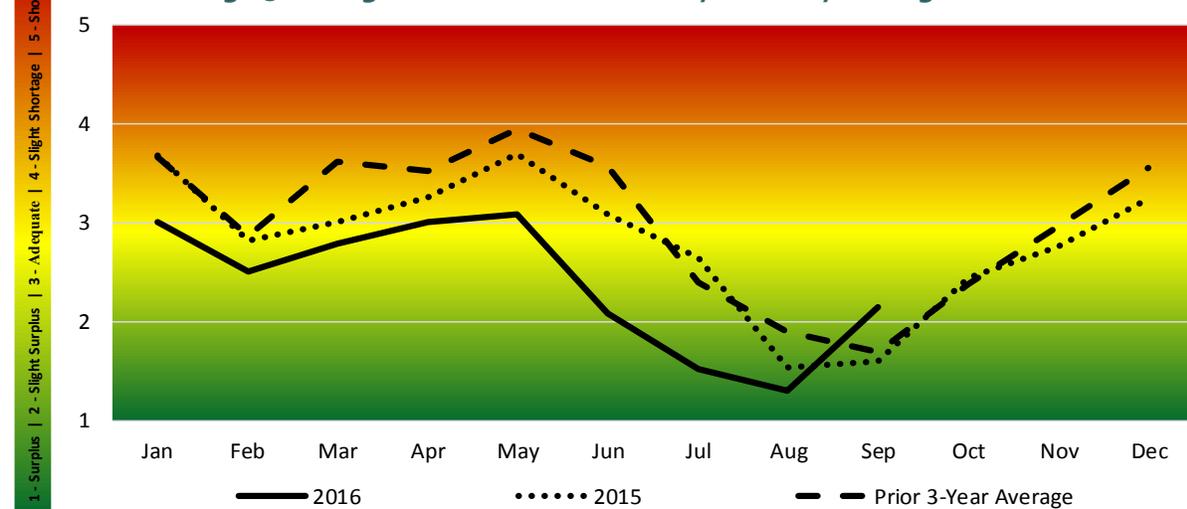
Source: Agricultural Marketing Service, Specialty Crops Programs, Market News Division

Volume: Total reported shipments of fruits and vegetables from Mexico during the third quarter of 2016 were over 1.5 million tons—an increase of 17 percent from the same quarter in 2015, with the sum of the top five commodities increasing 16 percent from last year. Mango shipments increased 78 percent, followed by tomatoes at 29 percent. The top commodity, avocados, fell 12 percent compared with the previous year.

Rates: Truck rates for shipments between 501 and 1,500 miles from the Texas border crossings averaged \$1.82 per mile, down 10 percent from the previous quarter, and 6 percent lower than the same quarter last year. Rates for shipments between 501 and 1,500 miles from the Arizona border crossings averaged \$1.27 per mile, down 42 percent from last quarter, and 9 percent lower than the same quarter last year.

Truck Overview: Diesel fuel prices for border crossings from Texas averaged \$2.24 per gallon, 4 percent higher than the previous quarter, but 10 percent lower than the same quarter in 2015. Diesel fuel prices for border crossings from Arizona averaged \$2.53 per gallon, 4 percent higher than the previous quarter, but 6 percent lower than the same period in 2015. Truck availability averaged a surplus to slight surplus at both major border crossings during the quarter.

Fig 15: Refrigerated Truck Availability Monthly Ratings for Mexico



Southeast

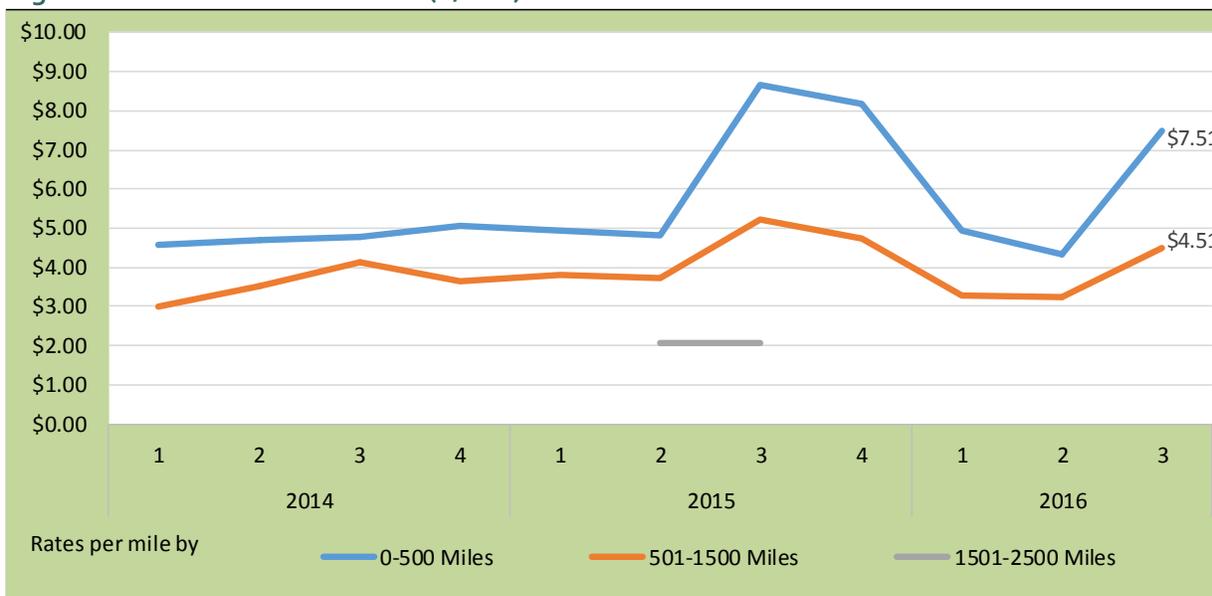
Table 14: Reported Top Five Commodities Shipped from Southeast (1,000 tons)

Commodity	3rd Quarter 2016	Share of Southeast Total	Previous Quarter	Same Quarter Last Year	Current Quarter as %	
					Previous Qtr	Same Qtr Last Year
Watermelons, Seedless	244	52%	173	169	41%	44%
Sweet Potatoes	62	13%	78	64	-20%	-3%
Onions Dry	39	8%	85	14	-54%	173%
Peaches	29	6%	31	36	-6%	-19%
Watermelons, Seeded	14	3%	17	13	-17%	9%
Top 5 Total	388	83%	383	297	1%	31%
Southeast Total	469	100%	744	372	-37%	26%

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

"-" indicates no reported shipments during the quarter.

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



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

Volume: Total reported shipments of fruits and vegetables from the Southeast during the third quarter of 2016 were 469,000 tons, an increase of 26 percent from the same quarter last year. The sum of the top five commodities increased by 31 percent. Onion shipments saw the greatest increase, more than double the same quarter last year, followed by seedless watermelons, which increased 44 percent.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was \$4.51 per mile, 39 percent higher than the previous quarter but 14 percent lower than same quarter last year.

Truck Overview: Diesel fuel prices averaged \$2.31 per gallon, 3 percent higher than last quarter but 11 percent lower than the same period last year. Shippers reported adequate conditions for truck availability across the entire region.

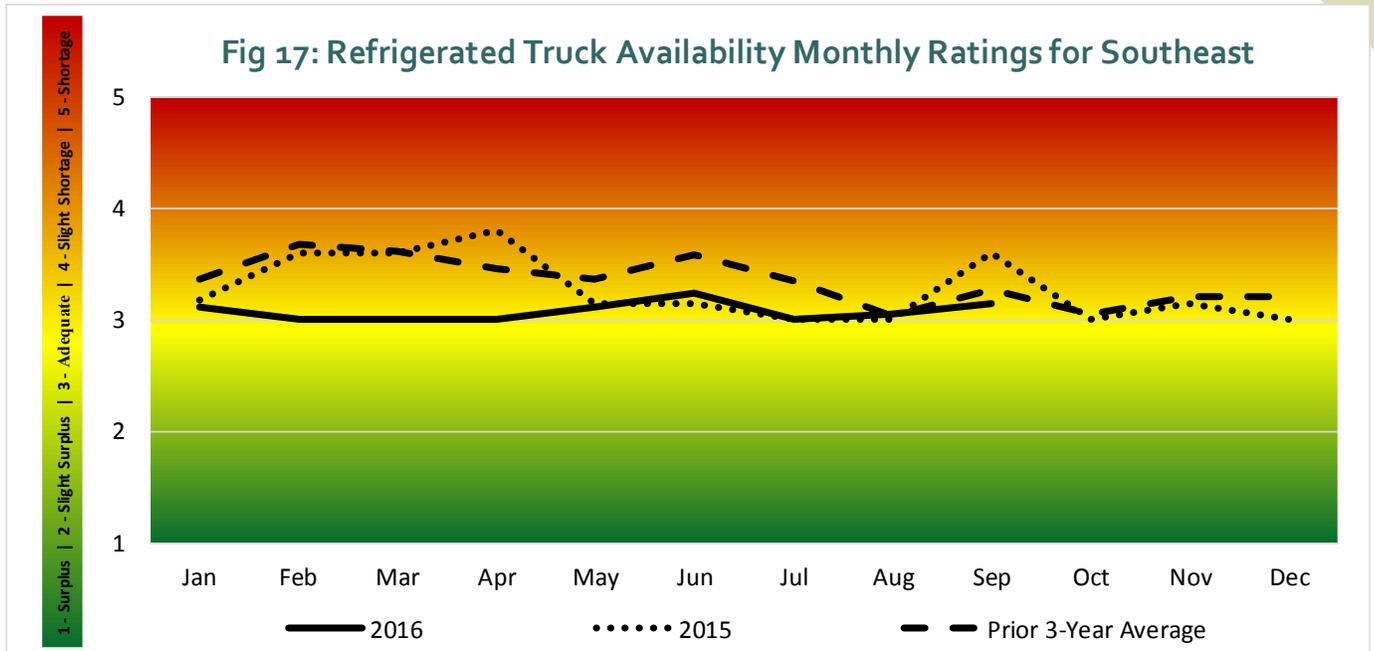


Figure 18: Southeast Truck Overview

Region/Reporting District	Availability Rating, 1=Surplus to 5=Shortage			
	July	August	September	3rd Quarter
Charleston-Beaufort District South Carolina	2.75	n/a	n/a	2.75
Eastern North Carolina	3.25	3.20	3.50	3.32
North Carolina	3.00	3.00	3.00	3.00
South Georgia	3.00	3.00	3.00	3.00
Vidalia District Georgia	3.00	3.00	3.00	3.00
Regional Average Availability	3.00	3.05	3.13	3.06
Diesel Fuel Price (\$/gallon)	2.33	2.28	2.32	2.31

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

For the purpose of this report the Lower Atlantic District was used to represent the diesel fuel price for the Southeast

Great Lakes

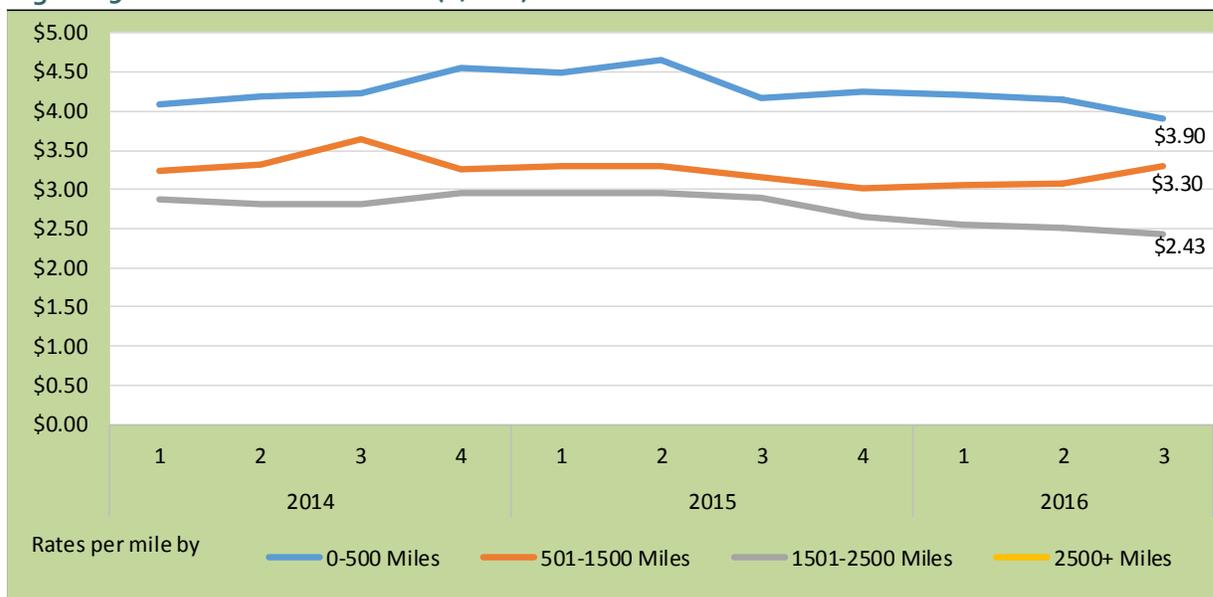
Table 15: Reported Top Five Commodities Shipped from Great Lakes (1,000 tons)

Commodity	3rd Quarter 2016	Share of Great Lake Total	Previous Quarter	Same Quarter Last Year	Current Quarter as %	
					Previous Qtr	Same Qtr Last Year
Potatoes	179	45%	109	160	64%	12%
Watermelons, Seedless	46	11%	0	29	-	59%
Cucumbers	44	11%	1	40	7368%	12%
Peppers, Bell Type	20	5%	0	15	-	39%
Blueberries	20	5%	0	18	-	11%
Top 5 Total	310	77%	110	261	182%	18%
Great Lakes Total	402	100%	145	362	178%	11%

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

"-" indicates no reported shipments during the quarter.

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



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

Volume: Total reported shipments of fruits and vegetables from the Great Lakes region during the third quarter of 2016 increased 11 percent from the same quarter in 2015. The sum of the top five commodities increased 18 percent. Seedless watermelons saw the greatest increase at 59 percent followed by bell peppers at 39 percent.

Rates: The quarterly average truck rate for shipments between 501 and 1,500 miles was \$3.30 per mile, 7 percent higher than the previous quarter, and 5 percent higher than same quarter last year.

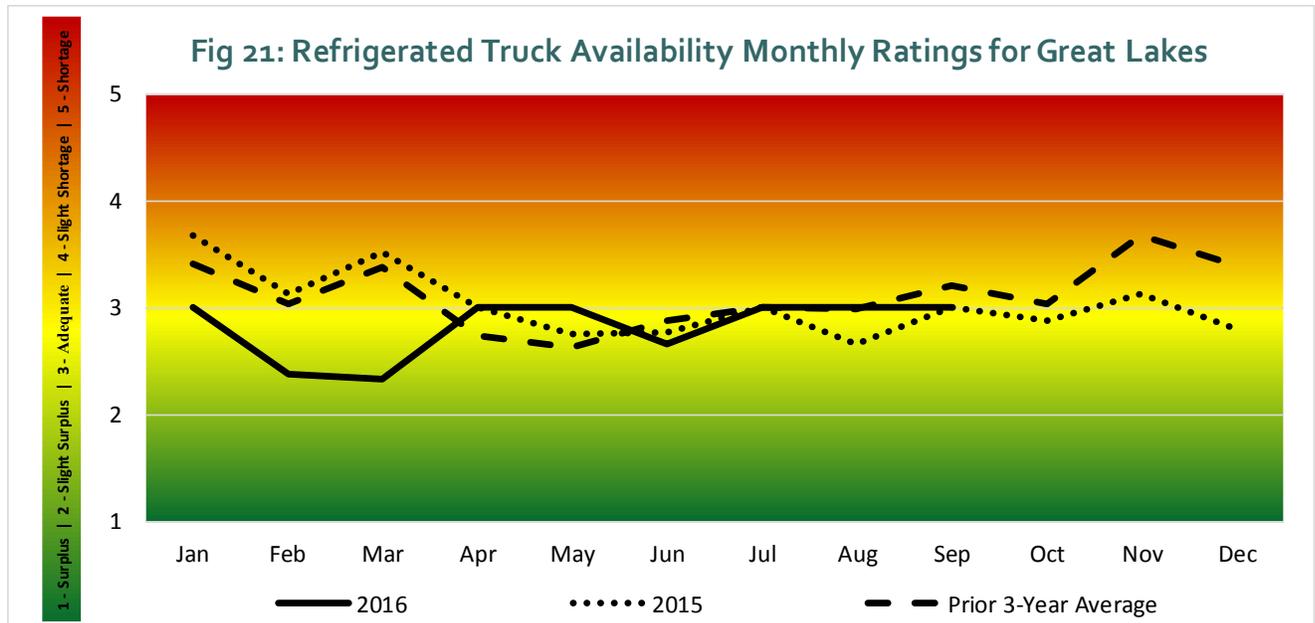
Truck Overview: Diesel fuel prices averaged \$2.35 per gallon, 4 percent higher than last quarter, but 8 percent lower than the same period last year. Truck availability across the Great Lakes regions ranged from surplus to shortage during the third quarter. Availability in the Big Lake and Central Minnesota regions reported a surplus, Central Wisconsin and Michigan reported adequate availability, and the Southwest Indiana and Southeast Illinois regions reported a slight shortage to shortage throughout the quarter.

Figure 20: Great Lakes Truck Overview

Region/Reporting District	Availability Rating, 1=Surplus to 5=Shortage			
	July	August	September	3rd Quarter
Big Lake And Central Minnesota	n/a	1.00	1.00	1.00
Central Wisconsin	3.00	3.00	3.00	3.00
Michigan	3.00	3.00	3.00	3.00
Southwest Indiana And Southeast Illinois	4.00	5.00	5.00	4.67
Regional Average Availability	3.33	3.00	3.00	3.11
Diesel Fuel (\$/gallon)	2.37	2.32	2.37	2.35

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

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

National Rates: The national rates reflect the average of the regional rates, separated by mileage category and weighted by volume between origin and destination.

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Specialty Crops Program

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

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