Trucks in Produce Marketing

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Guy Black

Highway trucks transported the equivalent of 55,513 rail carloads of interstate shipments of California fresh fruits and vegetables during 1953.

Counts at the border check stations showed outbound passings for 1952 to be 51,155 carloads, and 44,646 in 1951. These figures compare with the 1953 railroad car passings of 297,946, with 283,721 in 1952, and with 273,337 in 1951. On the average for those three years, about 15% of interstate shipments of California fresh produce were by truck.

A special study of 1,477 trucks leaving California during the week of July 25–31, 1953—loaded with fruit and vegetables—showed that, on the average, the trucks carried 19% more packages than the rail-car equivalent used in Federal-State Market News Service reports.

Truck movement from California is predominantly to western points. On the average—for the three years 1951 to 1953—96.7% of interstate trucks crossing the borders were destined for points west of the Mississippi River.

Rates vary seasonally as truckers of fresh produce—exempt from route and rate supervision by the Interstate Commerce Commission—are free to bargain on rates. However, the rate advantage of trucking decreases with distance, and—according to obtainable information—disappears in the area south of the Great Lakes.

The amount of produce trucking to western markets means that figures on interstate passings of rail cars probably exaggerate the importance of the eastern markets to the California produce industry. The indications from truck unloads at the three major California markets—San Francisco, Oakland, and Los Angeles—suggest that over one quarter of all California produce is marketed within the state.

According to 1950 data—the last available—28.05% of outbound shipments went through the Oregon border station of Dorris; 22.80% went through Yuma, and 16.60% through Blythe into Arizona; Yermo passed 11.14%, and Truckee, 6.07% into Nevada.

Another important factor in truck transportation is speed. The exact time en route varies with each trucker, and there is no guarantee of any particular performance, but—as an example—36 hours is fairly standard time from Central California to Denver.

In a special survey in 1953, the Federal-State Market News Service found that—during one week of March—64% of trucks were carrying mixed loads, and during a week of the heavy shipping season—July 25–31—55% of the trucks carried mixed loads. Approximately half of these mixed loads consisted of five or more types of items.

The importance of multiple pickups and unloads available in trucking is hard to assess in any sound statistical manner. Data from a number of large shippers indicate that about one third of all truckloads are assembled from three or more points and, in about one fourth of the cases, those points are separated by 200 miles or more. However, such figures are only rough approximations.

Los Angeles is an especially important assembly point for mixed truckloads of produce. It is estimated that one third of all truckloads of produce leaving the state are assembled there.

Trucking has definite advantages for some shippers and receivers because most produce will arrive in good, marketable condition—if adequately precooled. Other shippers find trucking to their advantage because they use irregular containers or can dispense with much of the bracing and loading otherwise required.

Some of the disadvantages of trucking certain shippers have found are the extra facilities required for truck loading, the frequent disruption of packing house routine by truckers not arriving at appointed times, and truckers' demands for prompt loading when they do arrive. However, comparable criticisms of shippers and receivers are made by truckers.

Another type of problem arises from the limited financial backing of some of the small truckers, who are often unable to get cargo insurance. Therefore, they cannot grant the same protection to shippers as can railroads or large trucking organizations.

Because transportation of produce is exempt from Interstate Commerce Commission authorization requirements and control of rates, the competition of the small truckers has tended to keep the large organizations disinterested in produce hauling and within the more stable competitive field of operating on authorized routes at established rates.

Following a court ruling in 1951, the Interstate Commerce Commission established the policy that authorized carriers—when hauling straight loads of exempt commodities—are exempt from rate and route regulations which apply when they haul nonexempt commodities. As a result of this policy, some of the larger trucking organizations have shown an interest in produce hauling.

A current issue is the proposal by the Interstate Commerce Commission that—starting in March, 1955—authorized carriers shall be prevented from leasing individual trucks, with owners as drivers, for a period of under 30 days unless they have just completed a haul of exempt commodities. Since some haulers of exempt commodities lease their equipment to authorized carriers for backhauls to the produce-raising districts, this proposal, which is under Congressional investigation, is considered by many in the produce industry to threaten the available supply of trucks.

Even though the Interstate Commerce Commission proposal would cause some changes in the structure of the exempt commodities transportation industry, it is possible the changes would be to the advantage of the produce industry.

Guy Black is Lecturer in Agricultural Economics, University of California, Berkeley.

CALIFORNIA AGRICULTURE

Progress Reports of Agricultural Research, published monthly by the University of California Division of Agricultural Sciences.

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