

Tackling Transportation EFFICIENCY

Going into 2020, how can growers address logistical challenges affecting their businesses?

BY LAUREN SNYDER

Transporting plants economically, effectively and efficiently — all while maintaining their hard-earned quality — continues to be a challenge for growers across the nation. As 2019 comes to a close, we offer insights on the federal regulation and logistics issues facing growers who transport crops.

FEDERAL REGULATION

Federal regulation and oversight of the trucking industry remains ambiguous, tedious and bureaucratic. Full compliance has been in place since 2018 for the Federal Motor Carrier Safety Administration's (FMCSA) Electronic Logging Device (ELD) and Hours of Service (HOS) rules. Compliance, however, is the least of our industry's concerns. Rather, the rules' exemption for "agricultural commodities" still remains unclear despite AmericanHort and others' best advocacy efforts to have this clarified.

Tal Coley, AmericanHort director of government affairs, says, "The rigidity of these rules has been what people have been griping about, rather than the rules themselves. Our focus has been in advocating for flexibility in HOS rules and the specific inclusion of our horticulture industry in the 'agricultural commodities' definition."

The HOS agricultural commodities exemption allows for some flexibility when applying ELD and HOS rules to the transportation of agricultural goods. Traditionally, horticultural products have been considered agricultural when they are grown and sold, but the language in FMCSA's rules leaves it open to interpretation whether horticultural products are in fact included.

Fortunately, there are multiple attempts currently being made to resolve this issue of language and definition:

- H.R. 1673 - Agricultural Trucking Relief Act of 2019, introduced March 2019 (and Senate companion bill S. 2025). Its purpose is to amend the Motor Carrier Safety Improvement Act of 1999 with respect to the definition of agricultural commodities and for other purposes.
- Amendment by FMCSA to the rules initiated by an advanced notice of proposed rulemaking (ANPR), which allowed for public comment about what should be included as an "agricultural commodity." What follows an ANPR is the release of the proposed rule, an open comment period, and then finally the finalized update to the regulation.

Coley says of these multiple attempts for a resolution, "Legislation is a backstop in case FMCSA rule changes don't come through. If we can get as many people as we can educated on the issue and in support of it, then we can either get the bill passed, or — if it doesn't — we'd have enough advocates to speak up about any FMCSA rule changes and to advocate for language that benefits our industry."

In the meantime, many growers who have their own trucks have gone ahead and acted as if they are included in the agricultural commodities exemption.

Deciding actual exemptions has largely fallen on state enforcement officers, who can choose to issue citations if they decide horticultural crops are not included in the agricultural commodities exemption. The biggest challenge facing growers right now then is these difficult conversations with enforcement officers.

The risk is that the longer ambiguity reigns, the greater the chances of these difficult conversations turning into disagreements that put growers on the losing side.





LOGISTICS

Those who rely on common carrier might find that many don't treat horticultural goods as exempt under the agricultural commodities exemption. As a result, growers have experienced headaches trying to find common carriers willing to work with them. If growers don't have lean flow shipping strategies in place, many trucks aren't willing to wait hours for product to be loaded as these hours spent waiting count against HOS stipulations.

Gerson "Gary" Cortes with FlowVision has helped countless companies battle these logistical challenges, namely that trucking companies no longer want to haul nursery or greenhouse stock when it's a "touch-load," where products are not on racks but on shelves or the floor.

Cortes comments, "The reason for that is because of the new ELD/HOS rules. If the truck driver pulls up to the nursery and they have to wait to be loaded with a floor stack load, most of them will not take the load because it means three to four hours at minimum and as much as eight hours of waiting for the truck to get loaded. That time they sit there waiting counts

against their work hours. From a nursery side, that's the biggest challenge. They're just not getting companies that are willing to work with them."

Once trucks can be found by common carrier to transport plants, the next logistical challenge becomes maximizing payload. FlowVision has developed software, called RIO (Rack Item Optimizer), for expressly this purpose. RIO takes an order from a customer, runs it through the system, and outputs how many racks and shelves are needed. A grower can then take that data and optimize shipments, running their payload up into the 90th percentile and above.

Cortes shares, "We recommend our customers not ship partially filled racks and instead go back to their customer and upsell them. This helps growers increase sales and reduce transportation by getting more product on the truck — payloads up to 97%. Increasing payload by even 5% per truck add ups when you ship 30-plus trucks a day. By increasing your payload, you reduce the cost of shipping because you're shipping more at once than before."

FlowVision and Container Centralen Inc. (CC Inc.) have recently partnered to provide growers with additional solutions to logistical challenges. With their combined experience in logistics, lean flow, and shipping, CC Inc. now offers growers a consolidation program that uses FlowVision's RIO software with CC Inc.'s distribution centers, racks,



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and warehouses. The RIO software takes grower orders and produces a report for CC Inc. that indicates the number of racks needed and shelf location to maximize air usage and payloads. CC Inc. can then work with their customers to ensure that all the available space is utilized to maximize payload and to consolidate shipments as effectively as possible.

AJ Lambert, director of sales and account management for CC Inc., shares, "Our new logistics program using FlowVision's RIO software works really well for smaller growers because they can share the cost of shipment. We work with large growers who are buying from eight to 10 specialty growers and turnaround to work with those smaller growers to combine shipments in the most efficient way possible and to maximize payloads. By working with us, we can help significantly reduce the all-in transportation costs."

While CC Inc.'s consolidation and logistics program is only available out of two locations in Florida right now (Apopka and Homestead), CC Inc. has plans to extend this operation significantly in the future. Growers who have used this program through CC Inc. so far have seen the biggest savings in labor and handling at the backend and then in transportation costs for actual shipments. Growers have also commented that it's easier to secure transportation dock-to-dock, rather than needing to plan around multiple stops.

Lambert adds, "What used to take four employees over four hours to load now takes four employees 30 minutes. Working with the RIO software has allowed us to help our customers also reduce credits and claims because now the right things are on the right racks going to the right places. Everyone wins."

TAKING ACTION

Headed into 2020, growers can resolve to address efficiency challenges when shipping plants through both logistical solutions and speaking directly to their elected representatives.

AmericanHort has excellent resources for staying informed of proposed legislation

and rulemaking regarding transportation issues. You can learn more at AmericanHort.org/Advocacy and go to www.regulations.gov/document?D=FMCSA-2018-0348-0102 to see AmericanHort's official comments on the issue.

To learn more about CC Inc.'s rack and logistics program, contact Diane Soard at CC Inc. at diane.soard@cc-racks.com. To connect with FlowVision's consultants and learn more about their RIO software, contact Gary Cortés at cortes@flowvision.com. [gpn](#)

Lauren Snyder is an enthusiastic horticulturalist and works as an independent writing and marketing professional. Her work can be found at www.agardenofwords.com, and she can be reached at hilaurensnyder@gmail.com.



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