GROWERTALKS

Growers Talk Business

12/1/2017

Drive Time Will be Your Biggest Headache

Art Parkerson

I just jumped out of a truck after a 30-hour round-trip haul and I'm ready to do it again. Here's what I loved about driving a truck: it's probably the closest thing there is to being a cowboy. Riding hard, sleeping rough and clocking mile after endless mile—it's exhilarating. Essentially this is the same job Han Solo had (minus the Princess-saving, of course).

But the Wild West of freight is about to get a whole lot tamer. There's a new sheriff in town and he's going to make your life difficult. On December 17, electronic logbooks—they're called ELDs—become mandatory. These devices replace the paper version truckers have used since the 1930s and they "talk" to the truck. Big Brother will know how long the truck's been in service, how many miles it's travelled, at what speed it's gone, and at what latitude and longitude it's sat for the past two hours while it was waiting to get unloaded.

And it all counts, every single minute. There's no wiggling, no way to fudge the numbers. There's little room for grace or common sense. If your 11 hours of drive-time is up (actually 10.5, since you were required to take a 30-minute break), you must stop, even if you're only 40 minutes from home. You have to pull over and rest for 10 hours. No exceptions.

How big of a deal is this? All the large national carriers have been using the ELDs for years. They've tightened their logistics, found ways to make it work and we haven't seen huge rate increases. They say their productivity loss has only been around 3% to 5%. That's because the hours of service rules are not changing. They've been in place since 2013 and the national carriers have been running "by the book" all along.

Or have they? I won't accuse anyone of breaking the law, but let's just say I assume ALL truckers use more than a modicum of grace and common sense. My bet is that next spring, we'll see an overall economy-wide reduction of freight capacity of 20% to 30%. Maybe I'm way off here, but I really doubt it will be as low as 5%.

How are we going to deal with it? Here are some things we're thinking about here at the nursery:

1. Timing is everything. The truck must depart at the right time, every time. If the customer can begin unloading at 7:00 a.m., roll the clock back 10 hours—the required down-time before the 14-hour/11-hour cycle resets. The truck should arrive at the destination no later than 10:00 p.m. the night before.

2. Load and unload time is critical. This is so obvious, but it will be where a lot of the serious pain comes this spring. If customers delay the unload time, they'll be breaking the whole orchestration of the supply chain. Material handling must be sped up significantly at the delivery site. Most greenhouse operations are already using rolling

carts extensively, but the nursery side has a long way to go here.

3. Sales strategy redefined. Where do you want to sell? It makes sense to stay closer to home. We're all going to become more regional in our mentality. Cheap "deals" on out-of-market plant material won't be quite so attractive anymore.

4. Team logistics will become a thing. Does it make sense to send two drivers? One sleeps while the other is on the clock. Or perhaps we coordinate so that two drivers meet at a rendezvous location and swap loads so they can keep rolling.

5. Smaller trucks might be worth it. We're looking at using vehicles just under the maximum weight and size for the hours-of-service rules. A non-CDL driver in a non-CDL truck is cheaper. You lose efficiency, but gain flexibility and can keep the truck turning.

6. New partnerships will bloom. The entire industry may change, with large growers far removed for the market partnering with (or acquiring?) growers and distributors with closer market proximity in order to service accounts. The daily distance a truck can travel is now under 500 miles, people. That means the effective radius for good service would be around 200 miles.

7. Roadside infrastructure is inadequate. Have you seen a rest area lately? Trucks are everywhere. They have to be; they're out of hours. The parking capacity just isn't there and this will be a big problem in the new year.

All of this is going to cost money. We'll be investing in smaller trucks, more rolling carts and more trailers with liftgates. Also, we'll be spending a whole lot of time and effort to plan the intricate choreography required to get the same amount of product out the door next year. Who knows ... I might have to pull a few loads myself! **GT**

(Editor's note: For more on the new trucking regulations, see "New Rules for the Road" from the November issue of *GrowerTalks*.)

Art Parkerson lives and works at Lancaster Farms, a wholesale nursery in Suffolk, Virginia. To say hello, write to art@lancasterfarms.com.