

Shipping by rail an accessible option for growers, retailers



Trains line the rail yard along the Willamette River in Portland. Shipping by railroad using intermodal trailers used to be a more specialized delivery method for the nursery industry, but some are finding that it has become a more accessible option for growers and retailers. ADOBE STOCK

Some companies offer specialization to handle nursery businesses

BY EMILY LINDBLOM

SHIPPING BY RAILROAD USED TO BE a more specialized delivery method for the nursery industry, but now it has become more accessible for growers and retailers, according to Kyle Russell, shareholder and vice president at **Russell's Nursery** in Aurora, Oregon.

"Nowadays it is commoditized and if anyone wants to use it, they can," Russell said. "It's a great option to use for freight and it always will be."

Russell said rail is also a safer choice than it used to be, and plants are consistently delivered on time and in healthy condition.

Shipping by rail is usually more consistent on delivery time compared to over-the-road with trucks, he said.

"Especially on the delivery end, they call and request a timeframe and it seems to be more accurate than over-the-road, because you don't know when a driver is going to get there," Russell said. "That's what I love about rail. Plus, it's more environmentally friendly, keeping some long-haul trucks off the road and not putting the wear and tear on the free-ways. It's just a better system if you want to go more green."

"I do wish the railroads would expand for more capacity," Russell said. "I feel it's the future for the transportation industry."



Domingo Hernandez Nestor (left) and Julio Hernandez Nestor secure plants on a pallet in a truck at Palmer Creek Nursery in Dayton, Oregon. PHOTO COURTESY OF PALMER CREEK NURSERY

Shipping by rail

Intermodal coordination

Russell's Nursery partners with freight forwarding service **Independent Dispatch, Inc.** in Portland, Oregon, to coordinate shipping plants by rail to retailers.

Independent Dispatch has been handling dry intermodal containers during the nursery stock season every year for at least the past decade, according to Erica Hill, the company's director of intermodal shipping.

"Railroads are a very good option again for nursery stock," Hill said. "We've been handling it for many years now and we have a specific person assigned to it each year, and we're extra staffed for the season."

Independent Dispatch also works with other companies, including **Northland Express Transport** and **A&R Spada Farms**, Hill said. A couple of Independent Dispatch's long-term customers own trucks with salaried truck drivers to transport the product to the railroad.

Independent Dispatch is a family-owned company that handles nursery stock and works personally with each customer, Hill said. "We're very personalized and we have receptionists so customers can talk to a real person."



Domingo Hernandez Nestor (left) and Julio Hernandez Nestor load plants on a pallet in a truck at Palmer Creek Nursery. PHOTO COURTESY OF PALMER CREEK NURSERY

Pricing for the season

Nursery season — from February through April — is not the busy season for railroads. So pricing for shipping by rail is usually competitive at that time of year, compared with shipping over-the-road, Hill said.

So far this fall, rail prices have stayed competitive for shipping Christmas trees, wreaths and other seasonal products, Hill said.

Some trucking companies like **Integrity Logistics Inc.** in Wilsonville, Oregon, offer more flexibility for nurseries. While other companies work with truck drivers to transport containers to a railroad on a case-



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— Erica Hill, director of intermodal shipping at Independent Dispatch

by-case basis, Integrity has its own storage yard and carriers and can work more closely with nurseries, said Steve Solomon, nursery buyer at the company.

Solomon has 18 years of experience coordinating shipping by rail at different companies. "One of the primary things of great value for us is that I believe we are the only logistics company that maintains a storage yard with empty containers and our own staff to do the pick-ups," he said.

The company's yard in Aurora has an empty trailer pool, so the dray carriers can pick up an empty trailer to fill at a nursery, according to the nursery's

own timeline. Solomon said his company's flexibility is very advantageous for the nurseries.

"We'll do whatever the nurseries want. Because we have our own employees and empties, we can react quickly," Solomon said. "They can call us at 6 a.m. and say they forgot to schedule a pickup, so can they come get it in two hours? And 99 times out of 100 we can do that."

Pros and cons

Some, however, are not convinced that rail is more cost effective than trucking. John Ollis worked with shipping by rail through a previous employer in the mid-2000s. He said in the immediate years following the financial crisis in 2008, the cost of shipping by rail was less than transporting plants by truck.

"In 2010 it seemed rail was a better price option than over-the-road, but I don't know that to still be true," Ollis said.

Now, Ollis is a logistics specialist at **Eason Horticultural Resources** in Fort Wright, Kentucky, where the company has chosen not to ship by rail.

When Ollis worked at **Monrovia Nursery Company** in Dayton, Oregon, years ago, they did shipments by rail to the East Coast, he said. But it had its pros and cons.

“There were some good and bad shipments,” Ollis said. “Everything going that direction was getting held up a bit in Chicago, so it could be a problem. The weather was nice in Oregon, but by the time the plants got to Chicago it was cold, and if we weren’t using temperature-controlled containers, which we weren’t early [on], the plants froze.”

Temperature-controlled containers are much more common now than they were then, he said.

Solomon at Integrity Logistics said



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— **Steve Solomon, buyer at Integrity Logistics**

his customers have the choice between dry, refrigerated or lined dry containers, which offer a level of protection between dry and refrigerated.

“We have liners that we sell at a small cost to our customers if they want to line dry rail loads for some protection for their load,” he said. “It’s not as

protected as refrigerated, but we line the trailer with foil and cardboard.” That prevents wild fluctuations in temperature.

Solomon said there are many pros to choosing rail. The fuel rates are stable for the entire year, so customers aren’t caught in a swing of rates like they may be for the trucking industry. >>

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Shipping by rail

Because of the fluctuation in over-the-road fuel prices, a nursery might choose rail 60% of the time when those prices are high, but only 40% of the time when those over-the-road prices are low.

“The only con of rail is that rail can tend to be one day longer than over-the-road,” Solomon said. “That’s not always the case, but it’s something you have to factor in because it comes off the rail and gets delivered the next day.”

He added delays happen with over-the-road too, especially during severe weather when roads close but railroads stay open.

But cost savings is the biggest pro, said Hill at Independent Dispatch.

“The cons are that it has a slightly longer transit time, and multi-stops are limited to two or three maximum,” Hill said.

“It’s on the railroad tracks, so unlike over-the-road, it can’t stop in transit for multiple stops. It really depends on the nursery.”

She said intermodal — meaning using multiple forms of transportation — is certainly faster than a boxcar, but it’s still a slower transportation time than only using a truck.

“But sometimes that’s good to give more lead time on intermodal shipments,” Hill said.

Nurseries have to consider the weight capacity when making their choice, Hill said.

“The maximum weight in a 53-foot container is between 42.5 and 43 thousand pounds, and some of the bigger, heavier trees sometimes hit that maximum.”

For Russell’s Nursery, rail was much cheaper than trucks when the grower first

shifted to shipping by rail in 2012. But Russell said that’s not necessarily the case today.

“Rail has become more expensive so it’s much closer in margin,” Russell said. “It was roughly 40% cheaper in 2012 and now it’s about 10% or not even that.”

Russell said his nursery chooses whichever mode of transportation makes sense at the time because the market changes.

“Last spring we only used rail 10% of the time. It changes because my customers and who handles the freight sometimes changes too,” Russell said. He added he anticipates using a mix of rail and over-the-road in the coming year.

He said his customers that choose rail have to order a larger number of plants in one container than they would have to if they chose over-the-road.

“There has to be more volume to make it work because there can’t be too many stops for one container,” Russell said.

Ready for the season

Hill said in the past year, some of Independent Dispatch’s customers have been reluctant to return to shipping by rail due to some bad experiences during the coronavirus pandemic.

“During COVID there was a big supply crunch, but now we’re back to normal, thank goodness,” Hill said.

“I want to assure customers that railroad service is back to pre-pandemic levels,” Hill said. “Equipment and driver availability will be surplus for the 2024 season. We’re ready to handle the new season of nursery stock.”

Emily Lindblom is an Oregon-based freelance journalist covering business, environmental and agricultural news. She has a background in community reporting and a master’s degree in multimedia journalism. Visit her website at EmilyLindblom.com or reach her at Emily@EmilyLindblom.com.

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