JARRETT SUPPLY CHAIN REPORT

MARKET

- The Cass Freight Index, which measures overall North American freight volumes and expenditures, reported shipment counts fell 5.3% month over month (m/m) in January, and are down 8.2% year over year (y/y). Freight expenditures fell 4.8% m/m, and were down 4.2% y/y. (Cass Information Systems February 2025)
- President Donald Trump signed an executive order on Feb. 13, enacting a reciprocal tariff policy for all current and potential U.S. trading partners. The president said the U.S. will match all tariffs implemented against it now or in the future by other countries. (SupplyChainDive February 2025)
- Imports are forecast to remain elevated at major U.S. container ports as shippers try to stay a step ahead of levies on China and other producer countries, according to the Global Port Tracker report released Feb. 10 by the National Retail Federation and Hackett Associates. (FreightWaves February 2025)
- The average price of diesel fuel in the U.S. fell for the ninth consecutive week to $3.665/gallon on Feb. 14. It is down 10.8% y/y. (US EIA February 2025)

Less-than-Truckload (LTL)

- After going flat for four straight months, the U.S. long-distance LTL producer price index (PPI) shot up 5.8% in January from December, according to data released by the U.S. Bureau of Labor Statistics (BLS). The 5.8% gain in January was the biggest monthly increase in the PPI since the collapse of Yellow in August 2023. A clear signal LTL rates are back on an upward track ahead of any comparable increase in LTL freight demand. (JOC February 2025)
- The biggest revision of the LTL freight classification system in the U.S. in decades is under way, and shippers are increasingly concerned about the potential impact on their LTL pricing. NMFTA will start reviewing feedback on the changes Feb. 25 and hold a public meeting on March 3 to discuss any changes made following feedback. The final changes will become effective, July 19, according to NMFTA. (JOC February 2025)
- Phoenix-based Knight-Swift is acquiring three terminals in Southern California from

defunct LTL carrier Yellow – Downey (71 doors), San Diego (49 doors) and Santa Maria (16 doors) – and one property in Roanoke, Va., (34 doors) for $9.9 million. The nation's largest truckload carrier entered the LTL business in 2021 with the $1.35 billion acquisition of AAA Cooper. It added 51 terminals last year, increasing its LTL door count by more than 30%. (FreightWaves February 2025)
- As nearshoring in American manufacturing continues to grow, LTL companies are pursuing a larger share of cross-border business historically handled more by truckload carriers and intermodal rail providers, while answering demand from U.S. importers for more frequent, smaller shipments. (JOC January 2025)

TRUCKLOAD (TL)

- The TL linehaul index, which tracks rates without fuel and accessorial surcharges, posted a 0.8% y/y increase for the month. This was the first positive y/y change since December 2022. The index also increased 0.6% from December, the fifth consecutive sequential increase. (FreightWaves February 2025)
- Large U.S. truckload carriers are increasingly focused on dedicated trucking because of the capacity needs of customers and a desire for more stable revenue and margins, with many companies moving greater numbers of trucks and drivers to dedicated divisions. (JOC February 2025)
- U.S. truckload rates increased slightly in January when compared to December. Dry van spot rates rose 0.5% m/m, and were flat y/y. Flatbed spot rates were flat m/m, and were up 1.2% y/y. The number of spot loads posted in January increased 27.4% m/m, and were down slightly by 0.2% y/y. (DAT Freight & Analytics February 2025)

PARCEL

- Purolator, Canada's largest overnight parcel carrier, has acquired Livingston International, the country's largest customs brokerage, to create a vertically integrated logistics service supplier for cross-border trade. (FreightWaves February 2025)
- President Donald Trump used emergency powers to close special treatment for low-value goods from China, on Feb. 1, saying the ability to bypass the formal entry process prevented U.S. Customs and Border Protection from assessing parcels for risk of fentanyl smuggling and avoiding tariffs. Three days later, the U.S. Postal Service (USPS), a relatively small conduit for e-commerce shipments, suspended acceptance of

packages. The USPS changed course on Feb. 5, saying authorities needed more time to set up an effective mechanism for collecting duties without disrupting deliveries. (FreightWaves February 2025)

- United Parcel Service (UPS) said it will cut the volumes it handles for Amazon by 50% going into the second half of 2026 as part of a plan to improve profitability at the parcel carrier. E-commerce giant Amazon accounted for 11.8% of revenue at UPS in 2024. (FreightWaves January 2025)

INTERNATIONAL

- The International Longshoremen's Association members will vote on a new master contract covering East and Gulf Coast ports on Feb. 25, according to a statement from the union. (SupplyChainDive February 2025)
- Trans-Pacific container lanes could skate right past the typical post-Lunar New Year lull to peak-season-like traffic if an aborning trade war with China continues to lead U.S.-based shippers to frontload imports. (FreightWaves February 2025)
- In a move that underscores the country's expanding global ambitions, India announced a multifaceted maritime initiative to bolster trade and widen the country's reach in seaborne commerce. (FreightWaves February 2025)
- Plans call for the launch of a new liner operator, Bharat Container Line, which New Delhi hopes will reduce India's reliance on foreign vessel operators.
- The Drewery WCI Composite index, which measures the bi-weekly ocean freight rate movements of 40-ft. containers in seven major maritime lanes, was $3,095 per 40-ft. container on Feb. 13. It is down 22.4% since Jan. 9. (Drewery February 2025)