

JARRETT SUPPLY CHAIN REPORT



MARKET

- The Cass Freight Index, which measures overall North American freight volumes and expenditures, reported shipment counts were unchanged month over month (m/m) in May, but were down 5.8% year over year (y/y). Freight expenditures were up 1.9% m/m, but are down 9% y/y. ([Cass Information Systems June 2024](#))
- Canadian border agents have reached a tentative agreement with the government of Canada. The deal, which must still be ratified by union members, averts a strike that was set to begin Friday, June 14. ([SupplyChainDive June 2024](#)).
- The main ship channel to the Port of Baltimore has been fully cleared of debris and was reopened on Monday, June 10, 11 weeks after a cargo ship lost power and struck the Francis Scott Key Bridge. ([FreightWaves June 2024](#))
- The average price for a gallon of diesel fuel was \$3.658 the week of June 10. It has now fallen for 9 consecutive weeks. ([U.S. Energy Information Administration June 2024](#))

LESS-THAN-TRUCKLOAD(LTL)

- Saia, the ninth-largest US LTL provider by revenue, increased its average daily shipment count 18.6% y/y in May, following an 18% increase in April. ([JOC June 2024](#))
- Old Dominion's tonnage metrics have turned positive for the first time in nearly two years. The company announced that revenue per day was 5.6% higher y/y in May. The carrier also reported a 4.2% y/y increase in revenue per hundredweight, or yield, for the first two months of the second quarter. ([FreightWaves June 2024](#))
- XPO seeing higher volumes, 'above-market yield growth' in Q2. Tonnage in May was up 2.4% y/y, which followed a 3.1% increase in April. ([FreightWaves June 2024](#))

- ArcBest continues to trade volume for higher yields. The company's May update showed tonnage was off 22% y/y for a second consecutive month while yield increased 26% y/y in the month (after it was up 24.6% y/y in April). ([FreightWaves June 2024](#))

TRUCKLOAD(TL)

- Weaker US produce volumes help truckload rates from rising. US shippers and importers are finding plenty of trucks ready to haul produce as the growing season for fruits and vegetables kicks into higher gear. The availability of truck capacity was at least "adequate" for produce shippers in 16 of the 18 regions tracked by the US Department of Agriculture (USDA) in the week ending June 11, the agency said. ([JOC June 2024](#))
- The trucking industry lost a seasonally-adjusted 5,400 jobs in May from a month earlier, according to preliminary figures released by the Bureau of Labor Statistics on June 7. The pullback was the largest single monthly decline in the sector since August 2023 and left trucking payrolls down 29,600 jobs over the past year. ([WSJ June 2024](#))
- U.S. truckload rates increased slightly in May. Dry van spot rates were up 1.5% m/m, but are down 2.1% y/y. Flatbed spot rates were up 0.3% m/m, but down 5% y/y. The number of spot loads posted in May increased 18.7% from April, but are down 2.6% y/y. ([DAT Freight & Analytics June 2024](#))
- U.S. Class 8 retail sales hit their tenth consecutive month of y/y shortfalls in May. Sales decreased 18% to 19,764 units from 24,111 in May 2023. ([TransportTopics June 2024](#))

PARCEL

- The U.S. Postal Service plans to shift daily air cargo volumes to UPS before the contract with FedEx expires in September to ensure no service interruption for customers heading into the busy holiday shipping season. ([FreightWaves June 2024](#))
- FedEx plans to cut between 1,700 and 2,000 back-office and commercial jobs in Europe as it pursues further cost reductions in a weak demand environment. FedEx expects to save between \$125 million and \$175 million annually starting in fiscal year 2027 from the plan. ([SupplyChainDive June 2024](#))

INTERNATIONAL

- Dockworkers at America's East Coast and Gulf Coast seaports canceled labor talks that were due to start the week of June 10th and raised the possibility of a strike later this year at some of the country's biggest trade gateways. The International Longshoremen's Association canceled talks set for Tuesday, June 11, in Newark, N.J., to protest the use of automated machinery at some ports, which the union says violates prior labor agreements. The withdrawal from the bargaining table marks a harsh start to negotiations aimed at securing a contract covering more than 45,000 dockworkers at ports from Maine to Texas ahead of the current agreement's expiration Sept. 30. ([WSJ June 2024](#))
- Operations of the Panama Canal are continuing to return to normal as water levels rise and it recovers from a record drought. The Canal will increase the current number of daily transits from 32 to 33, effective July 11. Furthermore, this number will increase to 34 as of July 22. ([Seatrade Maritime June 2024](#))
- The Drewry WCI composite index, which measures the bi-weekly ocean freight rate movements of 40-ft. containers in seven major maritime lanes, was \$4,716 per 40-ft. container on June 13. It increased 12% from the previous week, and it is up 181% y/y. ([Drewry June 2024](#))