

# JARRETT SUPPLY CHAIN REPORT



## MARKET

- The Cass Freight Index, which measures overall North American freight volumes and expenditures, reported shipment counts fell 1.9% month over month (m/m) in October, and are down 2.4% year over year (y/y). Freight expenditures fell 1.5% m/m partly due to another decline in fuel prices, and are down 5.9% y/y. ([Cass Information Systems November 2024](#))
- Unionized dockworkers resumed labor talks with employers across a swath of U.S. ports. The two sides are racing to reach a deal ahead of the expiration of the current contract on Jan. 15, when dockworkers could stage a repeat of a three-day strike last month that shut down ports from Maine to Texas. ([WSJ November 2024](#))
- A monthly supply chain survey published Nov. 5 showed a jump in sentiment around transportation pricing. The Logistics Managers' Index reported a 64.1 reading for transportation prices in October, a 5.7-percentage-point increase from September and the highest reading for the dataset since May 2022. ([Freightwaves November 2024](#))
- The average price of diesel fuel in the U. S. fell for the ninth consecutive week to \$3.521/gallon on Nov. 11. It is down 18% y/y. ([US EIA November 2024](#))

## Less-than-Truckload (LTL)

- US freight demand may be soft, but LTL carriers are defying a two-year freight slump and increasing contractual pricing heading into 2025. The U.S. LTL producer price index (PPI), a measure of all-inclusive LTL selling prices, is up 6.6% from its latest trough in April 2023 and 5.2% from Yellow's collapse. Long-haul LTL carriers Saia and XPO both reported contract rates rising in the high single-digit range y/y in the third quarter, with Saia fixing its average gain at 7.9%. ([JOC November 2024](#))
- LTL general rate increases (GRIs) buck pricing concerns for the industry. Old Dominion Freight Line announced a 4.9% GRI across multiple tariff codes effective Dec. 2. ABF Freight implemented a 5.9% GRI on Sept. 9. Saia announced a 7.9% GRI on Oct. 21 and FedEx Freight will implement a 5.9% increase on the first Monday of the year. ([FreightWaves November 2024](#))

- Chicago-based Moran Transportation announced on Nov. 1 that it was buying RMX Freight Systems, another small LTL provider, expanding its coverage area, terminals and workforce. Terms of the deal were not disclosed, but it adds three states to Moran's service map, bringing its total number of terminals to 12 and its truck fleet to 675 vehicles. Moran will now have coverage from points in the Dakotas and Missouri in the West to Ohio and points in Kentucky and West Virginia in the East. ([JOC November 2024](#))
- SAIA opened three new terminals in October, all in Kentucky, pushing 2024's new facility count to more than 20. ([Freightwaves November 2024](#))

## TRUCKLOAD (TL)

- Spot truckload rates are moving higher and exceeding last year's prices and are expected to be up by low double-digit percentages by late 2025. Those tailwinds may not be blowing too hard right now, but they are expected to strengthen over the course of 2025. By the fourth quarter of next year, DAT Freight & Analytics expects dry-van spot rates to be up 12% to 15% y/y. Contract rates will follow at a lower, slower pace. ([JOC November 2024](#))
- U.S. truckload rates remained relatively flat in October when compared to September. Dry van spot rates were flat m/m, and are up 0.5% y/y. Flatbed spot rates dropped 0.4% m/m, and are up 3.2% y/y. The number of spot loads posted in October increased 26.6% m/m, and are up 19.9% y/y. ([DAT Freight & Analytics November 2024](#))

## PARCEL

- Canada's unionized postal workers walked off the job on Nov. 15, halting handling of almost all mail and parcels and threatening lengthy delivery delays heading into the busy holiday season. The strike by tens of thousands of Canadian Union of Postal Workers members began after a year of contentious bargaining failed to yield a collective contract agreement for mail carriers. ([WSJ November 2024](#))
- UPS forecasts softer peak shipping season. "Part of this, we believe, is influenced by the tight, compressed peak period. There are only 17 shipping days between Thanksgiving and Christmas Eve. And what forecasters and some of our customers are saying is, because of the [short] shipping season, many customers will go into a store to complete their holiday purchases." said CEO Carol Tome. ([Freightwaves November 2024](#))

- FedEx's package and freight shipping rates will increase by an average of 5.9% on Jan. 6, 2025, the delivery giant announced. ([SupplyChainDive September 2024](#))
- UPS will increase rates for its ground, air and international shipping services by an average of 5.9% on Dec. 23, according to the carrier's website. ([SupplyChainDive October 2024](#))

## INTERNATIONAL

- Canadian Prime Minister Justin Trudeau's government has stepped in to force the country's major seaports to resume operations, ending lockouts on both coasts and pushing employers and labor unions into binding arbitration. The decision affects the Port of Montreal, the Port of Quebec and seaports on British Columbia's coast including in Vancouver, the country's busiest gateway for seaborne trade. ([WSJ November 2024](#))
- U.S. retailers in November and December plan to import 350,000 TEUs more than they had expected a month ago as they rush to bring merchandise into the country ahead of a possible strike in January by East and Gulf coast dockworkers and billions of dollars in new tariffs proposed by President-elect Donald Trump. Retailers revised their import projections for November to an increase of 13.6% year over year from the previous forecast of a 0.9% increase just one month ago. ([JOC November 2024](#))
- Mail carriers across Canada could walk off the job as early as Nov. 15 as tensions between their union and the government-owned postal agency ratchet up leading into the busy holiday season. ([WSJ November 2024](#))
- Kuehne+Nagel announced on Nov. 14 that it has acquired a majority stake in IMC Cos., one of the largest ocean drayage providers in the U.S. with terminals in almost every major port city and rail hub. Terms of the deal were not disclosed. ([JOC November 2024](#))
- The Drewery WCI Composite index, which measures the bi-weekly ocean freight rate movements of 40-ft. containers in seven major maritime lanes, was \$3,440 per 40-ft. container on Nov. 14. It remained unchanged from the previous week, but has increased 11.1% over the past three weeks. ([Drewery November 2024](#))