

JARRETT SUPPLY CHAIN REPORT



MARKET

- The Cass Freight Index, which measures overall North American freight volumes and expenditures, reported shipment counts were up 1% month over month (m/m) in August, but are down 1.9% year over year (y/y). Freight expenditures fell 2% m/m, and are down 9% y/y. ([Cass Information Systems September 2024](#))
- Dockworkers from Maine to Texas are finalizing strike plans with less than a month remaining on their labor contract and no negotiations scheduled with port employers, raising the prospects of an Oct. 1 walkout that would hit the U.S. economy in the weeks before the presidential election. Senior shipping industry officials say the first strike in almost 50 years by the International Longshoremen's Association union, which represents dockworkers at East Coast and Gulf Coast ports, is starting to look inevitable. ([WSJ September 2024](#))
- The average price of diesel fuel in the US fell for the 9th consecutive week to \$3.555/gallon on September 9. It is down 21.8% y/y. ([US EIA September 2024](#))

Less-than-Truckload (LTL)

- The flood of LTL freight that drove volumes at some LTL carriers up by double-digit percentages after the collapse of Yellow last year is beginning to recede, however pricing keeps rising. LTL rates were up 7.1% y/y in July, according to the US producer price index (PPI). LTL carriers are expected to announce general rate increases over the next few months in the 5.9% range. ([JOC September 2024](#))
- Startup Jack Cooper LTL is in talks to acquire LTL carrier Standard Forwarding, according to multiple sources familiar with the matter. Little is known about the new offshoot of Jack Cooper – a Teamsters-staffed car hauler. Standard Forwarding is a regional, union LTL carrier with 14 terminals throughout Illinois, Iowa, Wisconsin, Indiana and Minnesota. The 90-year-old company has 350 tractors and 800 trailers. ([September 2024](#))
- A Delaware bankruptcy judge ruled that failed trucker Yellow can't escape its pension withdrawal liability, dealing a blow to other creditors and sending shares in the remnants

of the business spiraling downward. Eleven pension funds say they are owed \$6.5 billion because Yellow withdrew early from their plans. ([WSJ September 2024](#))

TRUCKLOAD (TL)

- RXO became the third-largest freight broker in North America on September 16, completing its acquisition of Coyote Logistics from UPS. ([FreightWaves September 2024](#))
- “Normal Seasonality” has returned to the truckload market this year after there was no seasonality last year. “This seasonality is similar to what you would have seen in 2019 where it wasn’t a strong market but you at least saw seasonal trends and that’s what we’re experiencing right now,” said Jim Filter, Schneider National’s EVP and group president of transportation and logistics. ([FreightWaves September 2024](#))
- As cargo from Southern California ports moves further inland, demand for trucks and intermodal rail capacity is surging in the region, driving up prices across all modes of surface transportation. ([JOC September 2024](#))
- U.S. truckload rates decreased slightly in August when compared to July. Dry van spot rates fell 2.4% m/m, and are down 3.3% y/y. Flatbed spot rates fell 2.7% m/m, and are down 4.1% y/y. The number of spot loads posted in August decreased 13.1% m/m, and are down 19.1% y/y. ([DAT Freight & Analytics September 2024](#))

PARCEL

- FedEx’s package and freight shipping rates will increase by an average of 5.9% on Jan. 6, 2025, the delivery giant announced on September 13. FedEx is also raising many of the fees it applies to certain packages, as well. This includes higher charges for residential deliveries, deliveries to certain ZIP codes and packages that require additional handling. ([SupplyChainDive September 2024](#))
- UPS is acquiring a pair of healthcare-logistics providers based in Germany, extending the carrier’s expansion in a burgeoning distribution sector. UPS officials told analysts earlier this year it expects revenue from its healthcare logistics operations to double from \$10 billion last year to \$20 billion in 2026. ([WSJ September 2024](#))
- FedEx has announced a strategic alliance with Nimble Robotics to scale FedEx Fulfillment with Nimble’s fully autonomous 3PL model. FedEx is also investing an undisclosed sum in Nimble. ([FreightWaves September 2024](#))

INTERNATIONAL

- US retailers have significantly upgraded their forecast for US imports in September as shippers look to frontload cargo ahead of a threatened strike on Oct. 1 by dockworkers along the East and Gulf coasts. ([JOC September 2024](#))
- Danish logistics company DSV said it will buy Deutsche Bahn's DB Schenker Arm for over \$12 Billion. The logistics giants will form the largest freight forwarder in the world, with combined revenue of around \$44 billion and an overall market share of 6-7%, overtaking both DHL Global Forwarding and Kuehne + Nagel International. ([WSJ September 2024](#))
- DHL Express is investing 100 million euros (\$111 million at the time of the announcement) to build out its air cargo and ground handling capacity ahead of the 2024 peak season, according to a Sept. 12 press release. With DHL expecting global e-commerce sales to rise 8.8% in 2024, the company is adding capacity to accommodate cargo volumes on intercontinental lanes between the Asia-Pacific region, the Americas and Europe, according to the press release. ([SupplyChainDive September 2024](#))
- Rates from India to US, Europe in rapid retreat amid cooling demand. ([JOC September 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 \$4,168 per 40-ft container on September 12. It decreased 13% from the previous week, and has decreased 8 consecutive weeks since its 2024 peak of \$5,937 the week of July 18. ([Drewery September 2024](#))