

JARRETT SUPPLY CHAIN REPORT



MARKET

- President Joe Biden signed into law an agreement that ends the chance for a potential legal rail strike that would have cost Americans an estimated \$2 billion a day. Railroad workers now do not have the option to strike legally. ([FreightWaves December 2022](#))
- US freight volumes in October declined 1.4% from the previous month, but are up 2.9% year over year (yoy), according to the latest Cass Freight Index. ([JOC November 2022](#))
- Employers added more jobs than forecasted causing wages to surge by the most in nearly a year in November, pointing to enduring inflation pressures that boost chances of higher interest rates from the Federal Reserve. ([TransportTopics December 2022](#))
- Manufacturing output declined in November, falling below the baseline for growth, according to the Institute for Supply Management (ISM). November's contraction ended a stretch of 29 consecutive months of growth. ([SupplyChain 24/7](#))
- The average price for a gallon of diesel fuel in the US was \$5.14 the week of November 28th. It is up 38% yoy. ([US Energy Information Administration November 2022](#))

Less-than-Truckload (LTL)

- As freight costs continue to fall across various sectors of the transportation industry, LTL costs essentially remain flat. The LTL Producer Price Index (PPI) dropped just 0.3% in October after rising 0.3% in September. The measure of total LTL costs is 14.4% higher than a year ago, according to Bureau of Labor Statistics (BLS) data ([JOC November 2022](#))
- XPO, FedEx, and Yellow have all announced that they are offering voluntary furloughs to their employees as a means of reducing expenses due to a recent drop in demand. ([FreightWaves November 2022](#))

TRUCKLOAD (TL)

- Shippers paid less on the US dry-van spot market in November, showing the holiday season failed to boost truck demand as it usually does. In a typical year, rates charged on a one-off basis increase between September and December, but there has been no noticeable peak season for trucking ([JOC December 2022](#))
- Demand for trailers and other commercial vehicles remains high, despite a weakening economy. Trailer orders rose 91% in October from the previous month and 161% yoy, according to FTR Transportation Intelligence. ([JOC December 2022](#))

PARCEL

- UPS said that it will maintain its money-back guarantees for peak-season deliveries of next-day air shipments in domestic and international commerce. ([FreightWaves November 2022](#))
- FedEx said it will suspend money-back guarantees for most peak-season deliveries of domestic and export air express shipments, effective December 13 through January 2. ([FreightWaves November 2022](#)).

MARITIME

- The ship backlog at the Port of Los Angeles and the Port of Long Beach has ended after 25 months. This was caused by an “ample” availability of labor to discharge and load cargo from container ships, and the choice of some ocean carriers to arrive after their estimated time of arrival to optimize their vessel operations. ([SupplyChainDive November 2022](#))
- As demand at the Ports of Los Angeles and Long Beach continues to drop, due to ongoing labor negotiations, volumes at East Coast ports are still near their all-time highs. The Port of Savannah and the Port of Charleston both announced their best October ever for imports. ([FreightWaves November 2022](#))
- After reporting almost \$60 billion in net profits in the third quarter, container shipping is set for a steep fall in earnings in Q4. Analysts are warning that some carriers could see their profits plunge by as much as 70% from Q3. Maersk, the 2nd largest shipping company in the world, is on target to report a 45% drop in earnings before interest and taxes (EBIT) in Q4. ([JOC November 2022](#))