

JARRETT SUPPLY CHAIN REPORT



MARKET

- The logistical impacts from the aftermath of Hurricane Ian are expected to affect Supply Chains all across the US for weeks – possibly longer. Major Ports and rail facilities across the US Southeast have halted operations. All Less-than-Truckload (LTL) carriers, as well as UPS and FedEx, are reporting on-going delivery delays across the Southeast. ([Freightwaves September 2022](#))
- The International Brotherhood of Electrical Workers (IBEW) have voted to ratify the union's labor contract with U.S. freight railroads. They become the 3rd union to approve the proposed labor agreement to avoid a potential strike. Tentative agreements with nine other labor organizations remain subject to ratification. ([Freightwaves September 2022](#))
- The average price for a gallon of diesel fuel in the US fell to \$4.89 on September 26. This marks its lowest point since March 7, 2022. ([US EIA September 2022](#))
- Transportation costs are coming under pressure, but not necessarily because of lower linehaul rates. The reduction in the cost for diesel fuel, since its peak in mid-June, is pulling down all-in costs for shippers in both the truckload and LTL sectors. ([JOC September 2022](#))

Less-than-Truckload (LTL)

- The US Producer Price Index (PPI) for LTL fell 4.7% from July, following a revised 3.9% drop that month, according to data released by the US Bureau of Labor Statistics. ([JOC September 2022](#))
- In recent weeks, multiple trucking executives have said the LTL market is softening compared with last year, but is still healthy. "In the short term, we're seeing softer demand, but over the long term, we see very strong demand," said Mario Harik, president of LTL at XPO Logistics. ([JOC September 2022](#))

TRUCKLOAD (TL)

- The PPI for long-distance trucking declined this past month. The truckload PPI fell 1.5% sequentially and is down 5.1% from its March peak. ([JOC September 2022](#))
- Domestic chassis providers believe there will be enough 53-foot chassis injected into the market in 2023 to overcome the existing supply shortage despite production delays experienced by manufacturers this year, US railroads and chassis lessors say. ([JOC September 2022](#))
- The wave of hiring that boosted US transportation and warehousing employment in the 2022 second quarter is still strong, but is showing signs of weakening in some sectors, especially warehousing. US transportation and warehousing businesses added 20,300 actual, unadjusted jobs in August. However, warehousing jobs have dropped in four of the past five months, falling by 21,000 since their peak in March. In August, 1,500 warehousing jobs were lost, according to the Bureau of Labor Statistics. ([JOC September 2022](#)).

PARCEL

- FedEx withdrew its financial guidance for the rest of its fiscal year, and updated its first-quarter earnings per share results to come in massively below analysts' consensus forecasts. The combined revenue at FedEx Express and FedEx Ground will come in \$800 million below the company's original forecasts. ([FreightWaves September 2022](#))
- FedEx will levy a general rate increase averaging 6.9% for its Express, Ground and Home Delivery services starting January 2, 2023, the company announced September 22. The rate increase is larger than previous iterations — FedEx upped rates by an average of 4.9% in 2021 and 5.9% this year. ([SupplyChainDive September 2022](#))

MARITIME

- Spot rates for trans-Pacific container loads continue to fall as demand weakens on durable goods. "It's exactly the opposite of what happened in early 2021. We're now seeing less demand and more supply, which means we will have a relatively rapid normalization of freight rates," said Maersk CEO, Soren Skou. ([Freightwaves September 2022](#))