

MARKET

- Weakness in freight shipments is expected to linger throughout 2023. Total freight shipments declined slightly by 0.3% in February year over year (y/y), however total freight expenditures declined 9.7%. “Soft real retail sales trends and ongoing destocking remain the primary headwinds to freight volumes, and sharp import declines suggest this type of environment will persist for several more months,” ACT Research’s Tim Denoyer said. ([FreightWaves March 2023](#))
- Layoffs and a sizable drop in freight demand from last year’s record volumes led to the loss of 84,300 US transportation and warehousing jobs in February from January, according to non-seasonally adjusted data from the US Bureau of Labor Statistics (BLS). However, transportation employment was still up 1.9% y/y. ([JOC March 2023](#))
- Warehouse development across the U.S. has declined in recent months as costs have increased and e-commerce sales growth has retreated. However, the industry may now be facing a regulatory wall as growing backlash against traffic and other quality-of-life issues has been forming around the country and moratoriums on warehousing are being put into place. ([WSJ March 2023](#))
- The average price for a gallon of diesel fuel dropped for the 9th consecutive week to \$4.128/gal the week of March 27. ([US Energy Information Administration March 2023](#))

Less-than-Truckload (LTL)

- The LTL Producer Price Index fell only 0.6% in February from January showing that LTL carriers continue to exercise pricing discipline despite falling shipment volumes. ([JOC March 2023](#))
- FedEx Freight, the largest US trucking company by revenue, is shrinking its physical footprint to match lower demand for LTL freight. The carrier is parking trucks, furloughing employees, and limiting new hires, according to an announcement in its latest quarterly results. The carrier’s LTL volume dropped 12% from a year ago in its fiscal quarter that ended February 28, however it increased its operating profit by 14.5% y/y in the quarter. ([JOC March 2023](#))

- The Teamsters union has notified LTL carrier Yellow Corp. that it can no longer use outside transportation capacity to move its freight. Purchased transportation expenses accounted for 14.3% of Yellow's revenue last year. This announcement follows the Teamsters' recent rejection of Yellow's proposed change of operations, which would consolidate terminals at regional carriers New Penn and Holland with YRC Freight locations and redefine work rules for some union members. ([FreightWaves March 2023](#))

TRUCKLOAD (TL)

- The national dry-van average truckload spot rate is down 27% y/y so far in March, according to DAT Freight & Analytics. ([DAT March 2023](#))
- Truck tonnage in February increased 2.3% y/y, according to American Trucking Associations' For-Hire Truck Tonnage Index, marking the 18th straight y/y gain and the largest since October. ([Transport Topics March 2023](#))
- North American transborder truck freight in January jumped nearly 13% y/y, with solid increases in total goods traded both with Canada and Mexico, according to new Bureau of Transportation Statistics figures released March 22. ([Transport Topics March 2023](#))
- Knight-Swift, the largest full truckload carrier in the U.S., reached an agreement to acquire U.S. Xpress for approximately \$808 million on March 21st. Knight-Swift expects its revenue to grow by nearly 30% because of the deal. It is the 2nd largest truckload acquisition in history. ([FreightWaves March 2023](#))

PARCEL

- A leading parcel industry consultant said that he expects a contract agreement between UPS Inc. and the Teamsters union to be reached no later than June 30. The comments from Satish Jindel, president of Ship Matrix Inc., are the first from any consultant to go as far as forecasting a time frame for averting what could be a potentially devastating walkout by 350,000 UPS-employed Teamsters. Jindel has also gone on record as saying there is no chance there will be a strike. The current contract expires July 31. ([FreightWaves March 2023](#))
- U.S. parcel shipping activity is expected to grow 5% per year over the next five years, continuing what is expected to be an increase over pre-pandemic volume projections despite a slowdown in 2022, according to an annual parcel shipping index published

Tuesday by global shipping and mailing company Pitney Bowes Inc. ([FreightWaves March 2023](#))

MARITIME

- Ocean carriers are struggling to fill space on ships after a steep drop-off in cargo that began in the fall and that has continued into 2023. Spot market rates have crashed more than 90% from pandemic-era highs as shipping demand has declined. The average spot rate to ship a container from Asia to the U.S. West Coast as of March 23 was \$1,289, according to Norway-based transportation data specialist Xeneta, about \$668 lower than the contract price. ([WSJ March 2023](#))
- Tensions in long-running contract talks as West Coast ports are worsening, with employers accusing unionized dockworkers of slowing cargo handling at the ports of Los Angeles and Long Beach, the nation's busiest gateway for imported consumer goods. Negotiations for a new labor agreement have been going on since May of 2022. ([WSJ March 2023](#))