

JARRETT SUPPLY CHAIN REPORT



MARKET

- The Cass Freight Index, which measures overall North American freight volumes and expenditures, reported shipment counts fell 0.2% month over month (m/m) in March, and are down 3.6% year over year (y/y). Freight expenditures rose 0.1% m/m, but are down 18% y/y. ([Cass Information Systems April 2024](#))
- Despite multiple global trade disruptions, import volumes at major U.S. ports are expected to reach two million total TEUs in May, according to the Global Port Tracker report. ([SupplyChainDive April 2024](#))
- According to the Pitney Bowes Parcel Shipping Index, Amazon shipped more U.S. parcel shipments than UPS did last year, the first time in the index's history. Amazon is now the second-largest parcel carrier by volume shipping 5.9 billion shipments in 2023, standing only behind the USPS which shipped 6.6 billion shipments. ([SupplyChainDive April 2024](#))
- Prologis, the world's largest industrial property company, warns of a slowdown in warehousing markets in the coming quarters as customers focus on tamping down logistics costs. The average warehouse vacancy rate across the U.S. climbed to 5.8% in the first quarter from 5.2% the previous period. ([WSJ April 2024](#))
- The average price for a gallon of diesel fuel was \$4.015 the week of April 15. It is down 2.5% y/y. ([U.S. Energy Information Administration April 2024](#))

LESS-THAN-TRUCKLOAD (LTL)

- Six of the 10 largest North American LTL trucking companies saw revenue decline last year, according to the Journal of Commerce Top 40 US and Canadian LTL carrier rankings prepared by SJ Consulting Group. Only 14 of the top 40 increased their

revenue. More LTL carriers than ever focused on the shipment profitability rather than sheer volume, according to Satish Jindel, president of SJ Consulting Group. ([JOC April 2024](#))

- LTL carrier Estes said it has started opening terminals it has acquired from defunct Yellow Corp. as part of a “national expansion.” In total, Estes plans to open at least 20 terminals this year, the first eight by the end of June. The company will add locations in Tacoma, Washington; San Fernando Valley, California; Detroit, Michigan; and Austin, Texas, among other areas this year, adding 985 doors to its network of more than 10,000 doors. ([FreightWaves April 2024](#))
- XPO and SAIA both announced they have begun opening the service centers they acquired from Yellow Corp. XPO purchased 26 terminals from Yellow, while SAIA purchased 28. ([FreightWaves April 2024](#))
- LTL rates remain elevated. The cost per pound of LTL shipments has gone up nearly 60% since 2018, according to the TD Cowen/AFS Logistics freight index. In comparison, the AFS truckload rate index is only up 4.8% from January 2018. “There are different cost drivers in the LTL space,” said Kevin Day, president of AFS Logistics. “LTL pricing is inflationary year-over-year and the only time I haven’t seen that was in 2008-2009.” ([JOC April 2024](#))

TRUCKLOAD(TL)

- Despite signs of improving U.S. industrial activity, truckload and freight brokerage companies “face lingering excess capacity in the market, and the recent signs of net capacity gains only add insult to injury,” analysts at J.P. Morgan wrote in an April 9 report. The firm wrote that rates need to fall further to push more capacity out and “restore balance in the truckload market.” ([WSJ April 2024](#))
- The top 40 U.S. truckload carriers are still weak after the 2023 plunge. These carriers had increased revenue 39.9% from 2020 through 2022, but last year the combined revenue of the 40 largest truckload companies plunged 29.4% to \$36.5 billion. ([JOC April 2024](#))
- U.S. truckload rates decreased slightly in March. Dry van spot rates were down 2.6% m/m, and are down 7.5% y/y. Flatbed spot rates were up 0.6% m/m, but down 8.2% y/y.

The number of spot loads posted in March increased 12.3% from February, but are down 14.6% y/y. ([DAT Freight & Analytics April 2024](#))

PARCEL

- U.S. parcel revenue has seen the first decline in seven years despite increased parcel volume, according to an annual report from Pitney Bowes. Of the four largest carriers, USPS, Amazon, UPS and FedEx, Amazon grew volumes year-over-year at 15.7%. Amazon and USPS both saw revenue growth, but UPS and FedEx experienced declines in parcel volume and revenue. ([FreightWaves April 2024](#))
- The USPS is naming UPS its primary air cargo provider, effective immediately, ending a 20-year relationship with FedEx. The switch comes as both UPS and FedEx reorganize behind the scenes and work to counter flagging volumes. The USPS was FedEx Express's largest customer, accounting for close to \$2 billion in revenue in its last fiscal year, according to filings with the SEC. ([JOC April 2024](#))

INTERNATIONAL

- Red Sea shipping diversions are boosting air freight volumes and rates. On lanes linking the Middle East and South Asia to Europe, average spot rates rose 46% from February to March, a 71% increase from last year. The average global spot rate to ship cargo by air in March rose 7% from a month earlier. ([WSJ April 2024](#))
- The March 26 collapse of the Francis Scott Key Bridge in Baltimore has significantly disrupted U.S. East Coast supply chains. However, ocean freight container shipping rates have remained relatively stable, according to Xeneta, an ocean freight rate benchmarking and intelligence platform. ([FreightWaves April 2024](#))
- Engineers are aiming to restore Port of Baltimore access to normal capacity by the end of May following the deadly Francis Scott Key Bridge collapse that forced the rerouting of container ships in the key shipping hub. ([Axios April 2024](#))
- The Drewry WCI composite index, which measures the bi-weekly ocean freight rate movements of 40-ft. containers in seven major maritime lanes, was \$2,795 per 40-ft. container on April 11. It continues to fall from its peak of \$3,964 on Jan. 25, but it is up 64% y/y. ([Drewry April 2024](#))