

JARRETT SUPPLY CHAIN REPORT



MARKET

- The Cass Freight Index, which measures overall North American freight volumes and expenditures, reported that shipment counts fell 1.6% month over month (m/m) in Dec., and fell 7.2% year over year (y/y). Freight expenditures fell 3% m/m and 24% y/y. ([Cass Information Systems January 2024](#))
- The 10 largest U.S. LTL providers picked up 68% of the 48,600 shipments a day Yellow handled as recently as the first quarter of 2023 before its late July collapse and bankruptcy. ([JOC January 2024](#))
- Rates for ocean shipping continues to climb as safety remains uncertain for carriers moving cargo through the Red Sea ([SupplyChainDive January 2024](#))
- An expected Q1 drop in US trucking jobs is not likely to move the needle on pricing or capacity. ([JOC January 2024](#))
- The average price for a gallon of diesel fuel was \$3.828 the week of Jan. 16. It is down 15.8% y/y. ([U.S. Energy Information Administration January 2023](#))

LESS-THAN-TRUCKLOAD (LTL)

- The biggest winners in the post Yellow era have been FedEx Freight, ABF Freight System and R+L Carriers, followed by Estes Express Lines and Saia Motor Freight Line. Those five carriers picked up 19,870 daily shipments combined, or 41% of Yellow's business. ([JOC January 2024](#))
- Bankrupt trucking company Yellow said it had sold 23 leased terminal properties to six winning bidders, adding \$82.9 million to the \$1.9 billion already raised by real estate auction. Yellow still needs to unwind 118 leased properties and 46 owned terminals. A

separate liquidation of Yellow's 12,000 tractors and 35,000 trailers remains ongoing. ([FreightWaves January 2024](#))

- Pitt Ohio expands next-day service in New England. The regional LTL carrier now provides 24-hour service from half of its terminals. ([FreightWaves January 2024](#))

TRUCKLOAD(TL)

- Soft seasonal spot gains deflate U.S. truckload expectations for rebound. The truckload spot market benefited only marginally from very soft seasonality in Dec. There's no sign that spot pricing has enough fuel in the first month of 2024 to rise far from the bottom it established in the 2023 third quarter, when rates ranged from \$2.25 to \$2.27 per mile. ([JOC January 2024](#))
- TFI International is buying trucking company Daseke in an all-cash deal for about \$386 million that will make the company the largest operator by revenue of flatbed rigs targeting the construction industry. ([WSJ January 2024](#))
- U.S. truckload rates decreased slightly in Dec. Dry van spot rates were up 1.6% from Nov. to Dec., and are down 12.5% y/y. The number of spot loads posted in Dec. decreased 23.3% from Nov., and are down 57.2% y/y. ([DAT Freight & Analytics January 2023](#))

PARCEL

- FedEx Corp. expects its air express unit will lose half of its business with the U.S. Postal Service when an existing contract expires, making more pilots expendable. The loss of a substantial portion of Postal Service work means FedEx will have 200 to 300 more excess pilots by Oct. ([FreightWaves January 2024](#))
- FedEx Corp. announced a restructuring of its FedEx Express international air network in an effort to boost its largest unit's sagging profits amid continued macro weakness. The tri-color initiative, as the name implies, will divide the network into three colors: Purple will focus on priority deliveries of packages. Orange will emphasize the deferred package and air freight segments, where much of the air shipment density lies, and will be handled through FedEx's nonurgent sortation network. The third color, white, will

incorporate the airlift of what will be FedEx's air partner network. ([FreightWaves December 2023](#))

INTERNATIONAL

- Ocean carriers have suspended offering long-term agreements in the Asia-Europe market because of the impact of the Red Sea shipping disruption. ([JOC January 2024](#))
- Trade is swinging back to the ports of Los Angeles and Long Beach after a period in which pandemic-driven shipping disruptions and broader shifts in manufacturing pushed supply chains more heavily toward Gulf Coast and East Coast ports. The Southern California ports in Sept., Oct. and Nov. recorded year-over-year increases in containerized imports of between 17% and 31%, according to ports data. At the same time imports fell at East Coast gateways such as Georgia's Port of Savannah and the Port of New York and New Jersey. ([WSJ January 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 \$3,072 per 40-ft. container on Jan. 11. It is up 44% y/y and is at its highest point since Oct. 2022. ([Drewry January 2024](#))