

JARRETT SUPPLY CHAIN REPORT



MARKET

- The Cass Freight Index, which measures overall North American freight volumes and expenditures, reported shipment counts rose 7.3% month over month (m/m) in February but are down 4.5% year over year (y/y). Freight expenditures rose 4% m/m, but are down 20% y/y. ([Cass Information Systems March 2024](#))
- An upturn in U.S. manufacturing activity and strong service sector output is leading to higher freight demand. The S&P Global Sector PMI, which tracks growth across seven U.S. business sectors, showed growth in all sectors for the first time since April 2022, with consumer goods as the strongest U.S. sector. ([JOC March 2024](#))
- The pricing divide between the U.S. truckload and less-than-truckload (LTL) sectors deepened in January as LTL rates rose and truckload pricing slipped further, the latest producer price index (PPI) data from the U.S. Bureau of Labor Statistics reported. ([JOC February 2024](#)).
- The average price for a gallon of diesel fuel was \$4.004 the week of March 11, down 5.7% y/y. ([U.S. Energy Information Administration March 2024](#))

LESS-THAN-TRUCKLOAD (LTL)

- TFI International, parent company of TForce, announced the acquisition of LTL carrier Hercules Forwarding on March 11. Hercules operates a 31-terminal network throughout the U.S. and Canada, focusing on intra-U.S. and U.S.-to-Canada shipments. The company has more than 210 trucks, nearly 600 trailers and approximately 75 containers, generating revenue of more than \$100 million annually. ([JOC March 2024](#))
- Southeastern Freight Lines opened an expanded service center in Bowling Green, Ky.

on March 11, the latest development in a land rush reshaping U.S. LTL networks. The 45-door facility replaces a 23-door terminal that was opened eight years ago. In addition, the company is building a 185-door service center with a warehouse and driver rest facility in Charlotte, N.C. ([JOC March 2024](#))

- XPO and SAIA both reported increased shipment counts in February compared to a year ago. XPO reported a 5.8% in shipment count y/y, and SAIA reported a 19% y/y increase. ([Freightwaves March 2024](#))
- A going concern bid for the remaining assets of bankrupt Yellow Corp. appears to be back on the table. A ballot sent to local union heads asks members to agree to settle their WARN Act claims against Yellow with the acquiring company, Next Century Inc. The plan would swap the claims for equity in the startup and potentially recall as many as 14,000 former Yellow workers. ([FreightWaves March 2024](#))

TRUCKLOAD(TL)

- U.S. shippers are fighting a two-pronged battle against cargo theft and fraud, first on a digital front and then in the physical realm of loading docks, trailer yards and truck stops. In the 12 months ending last November, CargoNet, a Verisk company, reported more than 600 strategic cargo thefts in the U.S. That compares with a pre-2023 average of 58 strategic cargo thefts per year. To prevent cargo crime, shippers and their transportation partners must make greater use of digital tools, from electronic bills of lading (eBOLs) to tracking devices and AI, experts say. ([JOC March 2024](#))
- U.S. Class 8 retail sales in February continued a trend of year-over-year declines, according to data from Wards Intelligence. Sales decreased 12.5% y/y, the seventh consecutive month of y/y declines. ([Transport Topics March 2024](#))
- U.S. truckload rates decreased slightly in February. Dry van spot rates were down 3.9% m/m, and are down 8.6% y/y. Flatbed spot rates were up 0.4% m/m, but down 8.4% y/y. The number of spot loads posted in February decreased 28.2% from January, and are down 11.9% y/y. ([DAT Freight & Analytics March 2023](#))

PARCEL

- OnTrac is launching Saturday and Sunday delivery for the majority of its network this month. According to Chief Commercial Officer Josh Dinneen, 75% of the carrier's network is going to seven-day delivery in March, although, "There are some desert locations that we may not deliver on Saturday and Sunday," he said. Eligible service areas offer deliveries from 8 a.m. to 9 p.m. on weekends. ([SupplyChainDive March 2024](#))
- In a surprise maneuver, a rebel group of FedEx Express pilots forced union leadership to break off contract negotiations by requesting that federal authorities release the parties from mediation before the company could even respond to its latest counteroffer. In July FedEx pilots rejected a tentative contract agreement worth \$3.8 billion that would have raised pay by up to 30% over 4.5 years. ([FreightWaves March 2024](#))

INTERNATIONAL

- February U.S. container import volumes decreased 6% m/m, a better-than-expected performance, as the sector enters its slow season. Other signs point to potential softness in domestic freight in March and April. ([Freightwaves March 2024](#))
- Contract talks at East Coast and Gulf Coast ports are starting this year under the threat of a strike. The International Longshoremen Association (ILA), a union that represents 45,000 workers at ports from Maine to Texas, is seeking to build on strong wage gains other transportation unions have won. The dockworkers' union is already threatening a strike against shipping companies and port employers if a deal on a new multi-year contract can't be reached before the current agreement expires Sept. 30. ([WSJ March 2024](#))
- China's Cosco Shipping, CMA CGM of France, Taiwan's Evergreen Marine and Hong Kong-based Orient Overseas Container Line, a unit of Cosco, agreed to continue sharing ship capacity through 2032 under the Ocean Alliance pact they formed in 2017. ([WSJ February 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 \$3,162 per 40-ft.

container on March 14. It continues to fall from its peak of \$3,964 on Jan. 25, but it is up 77% y/y. ([Drewry March 2024](#))