C.H. ROBINSON

Freight Market Update: October 2024

The following information is built on market data from public sources and C.H. Robinson information advantage-based on our experience, data and scale. Use these insights to stay informed, make decisions designed to mitigate your risk, and avoid disruptions to your supply chain.

Top Story: U.S. East and Gulf Coast Port Strike Updates

Truckload Bid Season 2025: 7 Key Strategies for Success

For years, the trucking industry has followed a cyclical pattern, each cycle typically lasting 3–4 years, filled with annually reoccurring seasonal events. Despite today's elongated depressed market, there are still stages of over- and under-supply within the cycle. Seasonal events, on the other hand, are more stable and predictable, since they occur approximately at the same time each year.

Some events, like produce season, increase demand, while others, like Roadcheck week, constrain supply. But not all events are supply or demand related. Typically, shippers undergo a procurement event each year. This process is often conducted before the upcoming fiscal cycle. Because so many companies go through this process at the same time, it is commonly known as bid season. Unlike produce season or Roadcheck week, bid season is more of an operational event.

Of course, not all shippers send out a truckload request for proposal (RFP) at the same time of the year. In fact, bids can be sent out year-round. But broadly speaking, most RFPs occur around the turn of the calendar year, with the fourth quarter being the busiest.

Why is bid season so important for trucking?

Bid season is a critical time for all parties in the trucking industry, as approximately two-thirds of truckload freight moves contractually. Given the current economic conditions, shippers need to set the right plan for the upcoming year, focusing on ways to maximize service levels while minimizing freight costs. This often means going beyond asking for a rate from suppliers and waterfall tender as needed.

7 steps to navigating truckload bid season

1. Prepare your data

Clean shipment-level data can help avoid the pitfalls of ghost freight, which includes higher contractual rates from carriers and more procurement work on your part.

2. Analyze segments

All lanes are not created equal, so identifying proper segments by market corridors helps you procure optimal bids. Check out our Procure IQ® tool for a smarter way to buy.

3. Review demand patterns

Understanding the volume and consistency of your freight allows you to bundle certain weaker lanes to make your freight more attractive to providers.

4. Align capacity strategies

Using the results of your segment and demand patterns, you can more easily align proper capacity solutions based on your specific needs—don't try to force a square peg through a round hole.

5. Approach procurement strategically

Rationalize your supplier base, rather than attempting a 'spray and pray' methodology, which are correlated with low route guide performance.

6. Construct your route guide

Build a lean, but thorough, route guide that utilizes a digitally-enabled spot market plan that is intelligently dependent on market conditions, and trends toward underperformance through the life of the execution cycle, don't ride out the storm.

7. Budget and plan ahead

Fine tune your expected budget using the framework developed by MIT's research in collaboration with C.H. Robinson.

Dig deeper into truckload strategy with academic research

Academic research from MIT and Iowa State University, in collaboration with C.H. Robinson, shows market cycles are the most influential factor in first tender acceptance (FTA) from a route guide.

In a loose, or oversupplied, market there tends to be better FTA than in tight/undersupplied markets. That's why when building the best truckload strategy for your business, it pays to know what market cycle will be relevant when the execution of the bid will take place.

What to expect for truckload bid season 2025

The forecast for this upcoming year is already interesting. The first half of 2025 is expected to be a loose market that will transition into a tight market by the second half of the year—check out the truckload forecast below for more details on this.

No matter what 2025 has in store, there are always strategies you can use to successfully navigate shifting truckload markets. The right solution will depend on various factors within your company. For help determining your best course of action, reach out to your C.H. Robinson account team

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North America Truckload Trends & Forecasts

Seasonal pressures and supply trends shape 2025 truckload forecast

U.S. spot market forecast

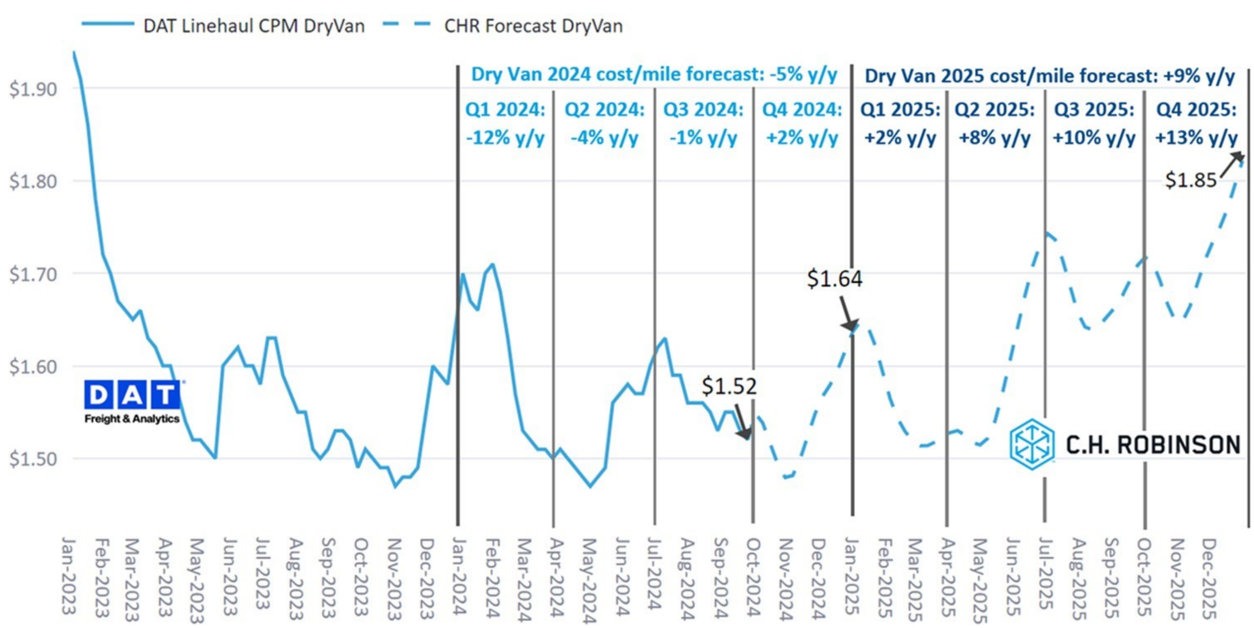
The C.H. Robinson 2024 dry van linehaul cost per mile forecast remains relatively unchanged at -5% year over year (y/y). This month also includes the 2025 forecast, which projects a 9% increase over the full year 2024 cost per mile.

For the near-term outlook, don’t expect costs to decrease too much from today. There has been a slight softening trend in recent weeks, but pressures from end-of-month surges, hurricanes, and port labor issues should prevent new annual lows. As the end of the year approaches, expect standard seasonality to increase costs.

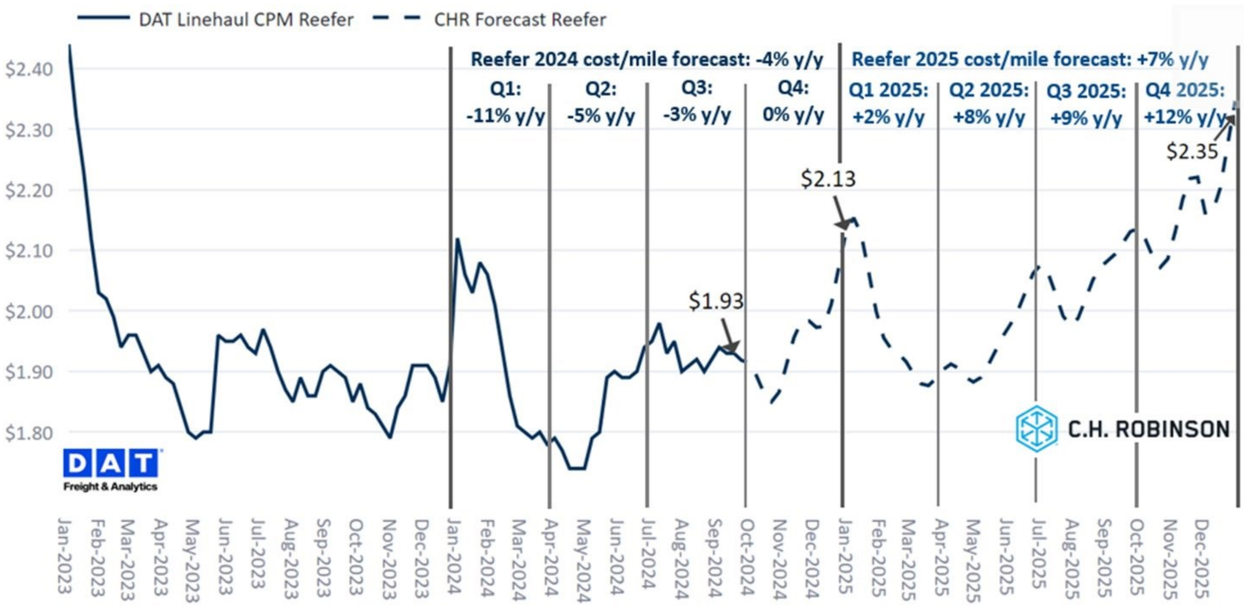
Moving into 2025, expect the first quarter to follow 2024 trends. There is often some deviation from the forecast during this part of the year due to volatile winter storms, but the base-case scenario for the quarter accounts for this.

After the midpoint of the year, expect lower carrier supply to raise the cost per mile. The projected increase within Q3 and Q4 is a smaller increase than previous upcycles, as no large demand catalyst is expected that would materially increase inventory replenishment/freight volumes.

Without this catalyst on the horizon to drive rates up quickly, the forecast predicts a slower ratcheting of rates upward to reflect closer alignment to the cost to operate a truck, as the for-hire carrier base sees further attrition.



The 2024 refrigerated annual linehaul cost per mile forecast has been altered downward slightly from an annual y/y comparison. The 2024 temperature controlled forecast is now at -4% y/y. Within 2025, expect very similar dynamics within the refrigerated space to unfold, like the dry van market, but at a slightly tempered pace. The 2025 refrigerated annual linehaul cost per mile forecast is projected to grow +7% y/y.



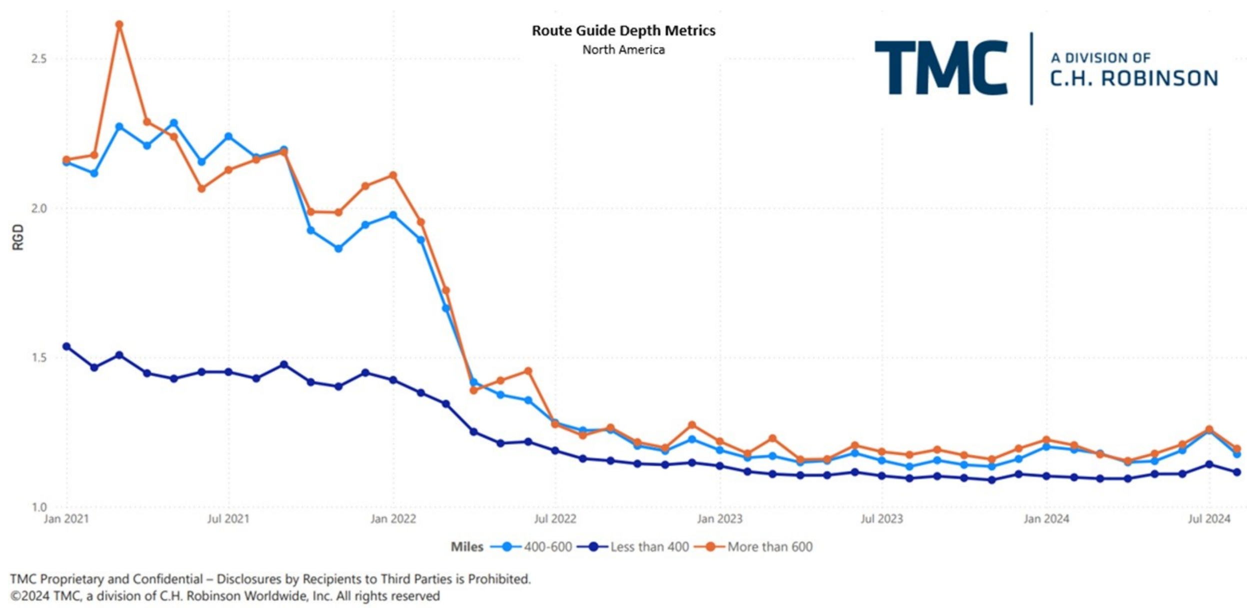
Contract truckload environment

The contractual landscape remains relatively unchanged in 2024. Because the contract environment tends to follow the spot environment, monitoring the spot market over the next few months will be important. Keep the duration of contracts in mind, as longer-term commitments may see different pricing than shorter-term commitments due to the 2025 rate outlook. The following insights are derived from TMC, a division of C.H. Robinson, which offers a large portfolio of customers across diverse industries.

Route guide depth (RGD) is an indicator of how the backup transportation provider strategy works if the awarded provider rejects the tender. As displayed in the following chart, the RGD has remained fairly flat for approximately two years.

For long hauls of more than 600 miles, the RGD in August 2024 was 1.19 (1 would be perfect performance and 2 would be very poor), which is 5.5% better than the month of July at 1.26 but 1.7% worse than August 2023. As expected, RGD performance has improved since the slight increase leading up to July. As visually depicted in the charts, RGD is at very strong levels historically.

The trend for shorter hauls of less than 400 miles is similar. RGD for August 2024 for these shorter hauls was 1.11, which is 2.4% better than the previous month but 1.8% worse than August 2023.

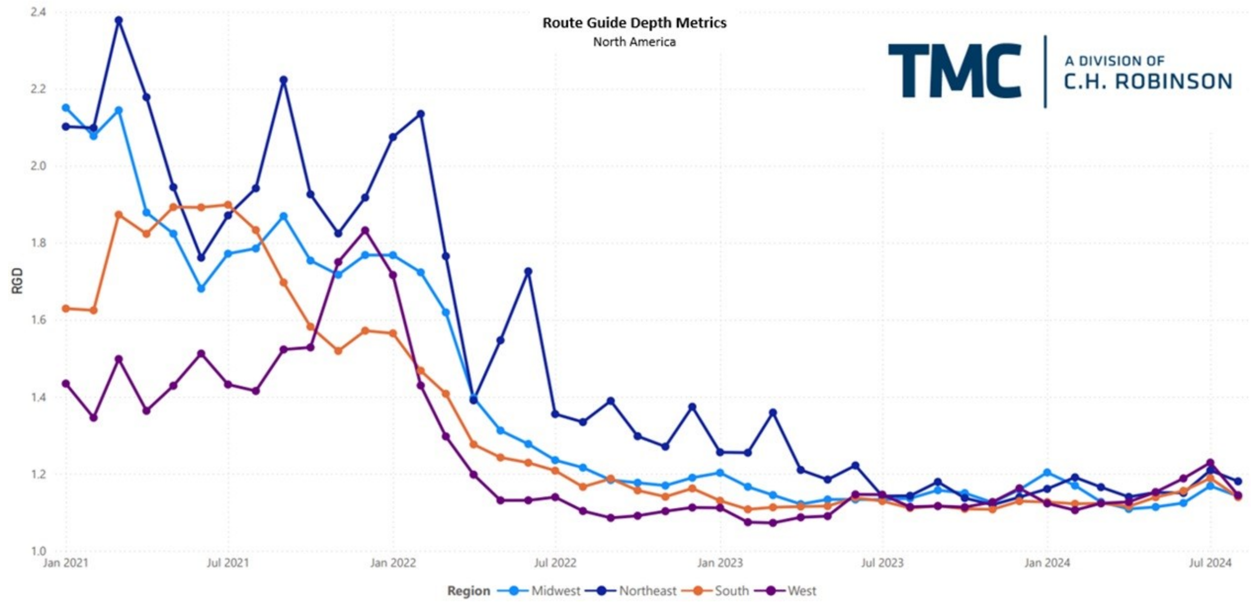


This decreased tension within the RGD highlights the seasonal components over the past couple of months. With so much of the industry waiting to know when the cycle will shift, typically a sustained increase in RGD over several months represents a change in the market. As the chart above shows, RGD has not increased in recent months beyond typical seasonal pressure.

Geographically, the west region has shifted the most in August as we have moved beyond produce season, improving 7.4%. This performance moves it from the worst performing region in July, back to being in line with the other regions at 1.14 in August.

While the other regions have all slightly improved in RGD performance in August, the change in performance is nearly negligible. Some complexities mentioned in last month's report, such as retail season, regional produce, and the Canadian rail labor issues were all driving factors in the temporary worsening in RGD in July that has alleviated in August.

As heads turn to the east and gulf coast ports, there could be some temporary degradation of route guides as supply chains are disrupted.



Voice of the carrier from C.H. Robinson

C.H. Robinson has two customer communities, shipper customers and carrier customers. What follows are aggregated insights from conversations with carriers of all sizes to offer perspective into their top concerns over the past month.

Market insights

- The market remains challenging, carriers continue to attempt to find ways to decrease their operational costs and stay in business
- Bid season is starting to ramp up as is seasonally expected this time of year

Equipment

- Used equipment remains plentiful and at low prices
- New equipment costs remain elevated
- Truck parts and maintenance continue to be expensive

Drivers

- Retention levels overall are comfortable
- Driver pay has been stable recently, no large bonuses or pay raises, and some cut wages

A key value proposition of C.H. Robinson to our contract carriers is aggregating lane volume and demand pattern variability from our vast shipper network. This provides contract carriers with more predictable volume from C.H. Robinson and as a result, they are interested in and able to offer more consistent capacity and market pricing with high performance. Engage your account teams for more information on how to leverage our unrivaled scale.

Refrigerated truckload

Despite regional produce season ramping up out of the Pacific Northwest, the broader temperature controlled market remains loose. Seasonally, there tends to be pressure on capacity within the Northeast, driven by port activity. Given the disruption caused by port labor issues, this could potentially be amplified this year. Disruptions from hurricanes in the Southeast could exacerbate this as well.

Western United States

Since Labor Day, historical trends have prevailed from southwest origin points. Due to the broader market conditions, capacity has been widely available across the region. Markets have begun to tighten out of the Pacific Northwest, which is a trend that will likely continue over the coming months as seasonal freight demand increases. Providing ample lead time will improve coverage and mitigate price increases.

Central United States

The mid-south market continues to soften, with capacity readily available. The mid-north and Great Lakes regions are in the early stages of seasonal tightening, but there hasn't been too much movement of note just yet.

Eastern United States

The Southeast market remains very soft, and capacity is readily available. There is more risk out of this region of the United States than any others currently, due to weather and labor disruptions. Staying vigilant about current market conditions is important in this region.

The Northeast is in a similar situation, as current capacity is ample, but threats of labor issues and even hurricanes remain. Shorter lead time is more challenging in the Northeast than the Southeast.

Subscribe to our Client Advisories for the most up-to-date information about shifting market conditions. Work with your C.H. Robinson team to stay informed on regionalized opportunities and how to best schedule freight to capitalize on the best price and service.

Flatbed truckload

Much of the freight shipped via flatbed truck is industrial in nature. Accordingly, many commodities see demand shifts—whether growth or retraction—stemming from interest rates.

The Federal Reserve's announcement of an interest rate reduction signals inflation is easing. While no immediate changes are expected for flatbed shipping, the interest rate adjustment will likely impact a gradual market correction. Industrial manufacturers are sharing that large capital-intensive projects have long lead times, so their order outlook for the second half of 2025 is optimistic. Interest rate reductions typically lead to increased spending in the construction and manufacturing markets, which directly influence flatbed demand.

Flatbed shippers should stay focused on maintaining reasonable freight rates while balancing service expectations and scorecards heading into the end of 2024. Seasonal weather typically creates regional swings in flatbed capacity, especially in regions where winter conditions are more severe. Carriers will change routes and service areas to avoid the hazards that come with flatbed shipping in winter. Be sure to outline any changes in securement or safety processes, such as tarping and strapping, necessary in cold weather conditions.

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North America Less than Truckload (LTL) Shipping

Navigating the post-Yellow LTL landscape: pricing, capacity, and demand

As the anniversary of Yellow's closure recently passed, it is evident the market is still adjusting. While service levels have stabilized and freight previously handled by Yellow has been swiftly absorbed, procurement activity remains high as shippers strive to cut costs in an environment where carrier expenses have risen in the last year.

LTL carriers have experienced weak tonnage levels, with nine consecutive quarters of y/y decreases. There are many contributors to this experience, including stagnant market demand, a concerted effort by carriers to optimize freight networks, and modal conversion opportunities that shippers took advantage of.

While LTL carriers are likely to maintain pricing discipline, former Yellow terminals reopening capacity under new ownership and volume and profitability comparisons becoming tougher y/y, there might be more strategic pricing adjustments aimed at securing new volume within their networks.

Looking ahead, clear indicators of significant shifts in the LTL market remain elusive. While over 160 of Yellow's terminals have found new ownership (not all within the transportation sector), over 100 owned and leased terminals are still outstanding. The auctions of the remaining terminal locations in January will be another factor that creates new channels of capacity. Of course, there will be several months of onboarding time to consider as those terminals are reorganized and redeveloped.

Economic activity in the manufacturing sector has contracted for the fifth consecutive month, and the truckload market has not shifted enough to drive large-sized shipments back into the LTL market. These factors will shape the future of LTL, but current signals suggest a holding pattern of modest increases at best.

Pay close attention to the truckload market cycle shift, as timing there could have a large impact on LTL volumes and pricing. For more details, see the North America Truckload Trends & Forecasts section or reach out to a C.H. Robinson representative.

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Ocean Shipping

Freight trends to watch: Port strikes, weather disruptions, and capacity shifts

General updates

Port strikes

The International Longshoremen's Association (ILA) and United States Maritime Alliance (USMX) agreement, which covers most U.S. East Coast (USEC) and U.S. Gulf Coast (USGC) ports—36 ports from Maine to Texas—ended on September 30, 2024. Negotiations for a new agreement target the upcoming six years. No new agreement was reached by the deadline and ILA launched a strike on October 1, 2024.

If the conflict lasts longer than one week, ships currently underway will likely have to leave the ports involved to unload containers in Canada or Mexico and return to the port of origin to load more cargo. Shippers will be able to have their goods recovered from Canadian and Mexican ports when the strike is over. If the strike is only short-lived, each day of stoppage will undoubtedly cause a week of congestion at each port to reduce queues and replenish stocks of empty containers that can be used for export.

Sea-Intelligence forecasts the lingering impact of a strike as follows:

- **1 day strike:** 5 days to clear backlog
- **1 week strike:** Slowdowns until mid-November
- **2 week strike:** Backlog wouldn't clear until 2025

Some shippers have begun to re-route freight via the West Coast, creating delays. The steamship lines have been announcing a shortage of railcars on the coast, preventing a clean flow of equipment inland, which in turns leads to containers getting stacked at the terminal, discouraging the standard first-in-first-out pattern.

Hurricane Helene disruption

Additionally, Hurricane Helene has disrupted operations for Miami and the United States Southeast corridor. It is a good time to recalculate lead times to account for sporadic severe weather, which typically occurs until the end of November.

Suez Canal

Since December, 15, 2023, most maritime carriers have announced they will avoid the Suez Canal following a sequence of attacks on container vessels launched from a part of Yemen.

Most vessels now travel around the Cape of Good Hope, which adds, on average, 14 days to transit time. This longer transit route has a significant impact on global shipping—not just on trade that moves via the Red Sea, but across all global trade lanes.

Blank sailings and service changes may continue. It is estimated that 6–9% of global capacity is absorbed by this alternative routing.

Shipping alliance updates

The shipping industry is set for significant changes in 2025 with the dissolution of the 2M Alliance between MSC and Maersk. MSC has reached a vessel sharing arrangement with ZIM on the Trans-Pacific lane and with Premier Alliance on the Asia–Europe lane.

Hapag is gearing up for a new alliance with Maersk in 2025, called the Gemini Cooperation, and ending its cooperation with ACL and adjusting its port calls. This new alliance aims to enhance schedule reliability through a hub-and-spoke network, although its success will depend heavily on the effectiveness of their transshipment program.

Meanwhile, the Ocean Alliance (ONE/Yang Ming Line/Hyundai Merchant Marine) has extended its agreement until 2032, providing some stability amidst the upheaval.

Asia

Asia–Europe

Rates and capacity in this lane are driven by fluctuating demand and evolving geopolitical landscapes. Air freight rates have stabilized after a period of volatility, while ocean freight capacity is gradually increasing as new vessels enter the market.

This has led to more competitive pricing and improved reliability for shippers. Booking in advance and leveraging digital supply chain solutions remains the surest path to enhanced visibility and efficiency.

Asia–U.S.

The market is volatile as the end of peak season approaches, and East Coast labor negotiations in the United States continue to keep the market tense.

Steamship lines are pushing to keep vessel fulfilment above allocations, as well as building rolling pools of cargo to keep assets moving during the Golden Week Holiday in China, when freight traditionally slows down.

However, vessels, equipment, port terminals, and rail capacity could be severely affected by the potential strike on the East and Gulf Coast. October shipping would then return to peak season conditions, instead of the typical slowing.

Port congestion in southeast Asia hub ports (Singapore/Port Klang/Tanjung Pelepas) has improved, but port congestion is picking up in northern Asia ports such as Shanghai and Ningbo.

Europe

Bookings are needed three weeks in advance as demand on the Trans-Atlantic Westbound (TAWB) route increases with the approach of peak season. Ocean carriers are reallocating larger vessels to more in-demand trade lanes, resulting in more blank sailings, especially among Ocean Alliance carriers. This decreased capacity and increased demand may cause carriers to implement general rate increases (GRIs).

Mediterranean/India

The shipping routes between the Mediterranean and India continue to adapt and evolve. Carriers are optimizing their schedules and reallocating vessels to meet the high demand, ensuring more reliable and efficient services. The introduction of new direct services and strategic adjustments in port calls are helping mitigate congestion and delays.

North America

U.S.–Asia

Demand for services via the U.S. West Coast (USWC) has surged due to extended transit times through the Cape of Good Hope and the ILA port strike on the USEC and USGC ports, with volumes increasing by 16–20% compared to 2023.

However, port congestion in Asia and at USWC and some USEC ports, like Charleston, is causing schedule unreliability and blank sailings. Significant delays of 14–21 days at major transshipment ports in Asia, such as Busan, Shanghai, and Singapore, are exacerbated by carriers omitting port calls to maintain schedule integrity.

Some carriers are switching transshipment hubs to ports in Malaysia, India, and Sri Lanka, leading to congestion there as well. Typhoons Yagi and Bebinca have caused extensive delays and damage in China and Vietnam, further impacting schedules.

Meanwhile, MSC has reinstated its Liberty service from the USEC to Asia, offering a unique direct call from Philadelphia to Asia.

U.S.–Europe

Ocean carriers are reallocating larger vessels from Europe to Asia, optimizing capacity where demand is stronger. Hapag is gearing up for a new alliance with Maersk in 2025, ending its cooperation with ACL and adjusting its port calls. Despite tight space, alternative rail services via Houston are being offered. Improved space from the USGC is also a positive sign, though congestion at key Mediterranean and European ports remains a challenge.

However, ACL's new faster service to Ireland promises quicker transit times, and recent labor agreements in German ports are set to ease congestion. Remain mindful of recent severe weather, which may limit port operations—specifically in Austria, Czech Republic, Slovakia, and Hungary.

U.S.–LATAM

Significant delays and congestion at southern Brazil ports, like Navegantes and Rio Grande, are causing blank sailings and port omissions, with heavy rains hindering improvement efforts.

Carriers are diverting vessels to nearby ports, spreading congestion to Itapoa and Paranagua. Despite these challenges, carriers are making strategic adjustments. For example, CMA and Cosco are shifting their BRAZEX service to Imbituba and MSC/Hapag/Maersk are extending their service suspension to Navegantes and Salvador.

Additionally, the Amazon region faces low water levels, prompting carriers to introduce surcharges, while hurricane season is expected to cause further disruptions.

U.S.–South Asia, Middle East, Africa (SAMA)

Cargo shipping continues to be impacted with market instability and low capacity, while piracy risks in the Suez Canal have led carriers to divert vessels via the Cape of Good Hope, increasing transit times.

Services to Red Sea ports are suspended or heavily surcharged, and congestion at West Mediterranean hubs is significant. Limited service to Persian Gulf ports and increased piracy off Somalia are further challenges, but carriers are adapting by expanding transshipment hubs to ports like Abu Dhabi and Mundra.

Despite severe weather and congestion issues, new service configurations and strategic adjustments are helping create a more resilient and dynamic shipping environment.

U.S.–Oceania

Due to congestion in Charleston, NC, Hapag, MSC, and Maersk have shifted their direct service to Savannah until November 2024. Despite softer demand in Oceania, vessel space is tightening as peak season begins.

CMA and ANL have announced GRIs for September and October, while other carriers have not yet followed suit.

Transshipment services via Asia into Oceania will primarily route through the Panama Canal, with daily transits nearly back to normal. Additionally, Brown Marmorated Stink Bug (BMSB) season is in effect, requiring fumigation for applicable cargo from North America.

Canada

Labor negotiations are ongoing, with the Canada Industrial Relations Board reviewing the ILWU Local 514's proposal, and the Port of Montreal's union strike. Despite these challenges, ports like Vancouver and Prince Rupert are making significant progress in clearing backlogs, with container dwell times improving. Toronto and Saint John ports are operating efficiently with minimal delays, while Halifax's Fairview Cove terminal has seen a decrease in dwell times.

South America

LATAM

Argentina's Transport Cost Index saw a significant rise, reflecting ongoing economic adjustments, while Uruguay's economy is accelerating, highlighted by the inauguration of the Capurro Port terminal.

Brazil is making strides with a substantial investment in transport infrastructure, despite high costs from cargo damage.

Colombia has ended a truckers' strike and is seeing growth in containerized cargo movement.

Chile faces logistics challenges with new regulations, and Peru's Chancay Multipurpose Port Terminal is nearing completion, with projects promoting integration between the Peruvian Amazon and Brazil.

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International Air Freight

Capacity constraints and rate volatility on certain routes

Most destinations outside of Asia are challenged when freighter aircraft is required, just not to the extent that Latin America has been impacted. If your cargo can fly on a passenger flight the market is relatively stable globally.

Asia

Freight demand and yields out of Asia continue to incentivize airlines to reposition capacity to that market, resulting in freighter capacity shortages elsewhere.

During the China Golden Week, October 1–7, 2024, air freight cargo volumes from China will soften, but are expected to rebound strongly afterward due traditional peak season.

The drop from China will be offset by ongoing strong demand from southeast Asia. More air charters are expected from ecommerce and general cargo rate (GCR) shippers from the second half of October 2024.

The port strike in the United States, will lead to a spike in charter demand and acute capacity shortages on scheduled flights, leading to a high rate increase.

Shipping freight via passenger flights is relatively stable globally.

Europe

Air shipping in Europe is dynamic, with strong demand and increasing capacity. Key routes from Asia to Europe have seen a significant boost, with air cargo capacity up 8% y/y. However, certain regions like northern Europe are facing capacity constraints, particularly for low-value air exports from China and Hong Kong.

This has led to a rise in spot rates, with prices from China to Europe climbing. Despite these challenges, the overall outlook remains positive, driven by robust ecommerce demand and strategic shifts from sea to air freight.

Pricing considerations are crucial in this evolving landscape. The general air cargo spot rate from Europe to the United States has increased, reflecting the tight capacity and high demand. Conversely, rates from northern Europe to North America have slightly decreased.

LATAM

Air freight demand in and out of LATAM is on a strong recovery path, mirroring global air cargo trends. According to World ACD data, there is significant growth across various routes, with North America to Central and South America up 21% and LATAM to EU up 13%. Despite capacity reductions and rate pressures, the market dynamics suggest continued growth.

North America

From a U.S. export perspective, the most impacted market at this point is to Latin America. Because the Europe to Latin America lane has experienced significant loss of freighter capacity, those shippers are instead flying into the United States and transshipping via Miami. As a result, major backlogs exist in Miami to all major Latin American destinations. Expect conditions to remain this way through the end of the year.

Oceania

The region is experiencing a surge in demand driven by ecommerce and high-value goods, like technology and pharmaceuticals. Australia and New Zealand are showing smooth operations and stable capacity.

Fiji and Papua New Guinea are emerging as crucial hubs, though they face occasional capacity constraints due to limited infrastructure. Smaller Pacific Islands often struggle with low capacity or no capacity for direct air freight, necessitating transshipment through larger hubs.

Pricing considerations are crucial in this dynamic market. Rates are on the rise due to high demand and limited capacity, especially during peak season. Fuel surcharges and geopolitical factors are also contributing to fluctuating costs.

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Intermodal & U.S. Ports

Port strikes and container scarcity on key lanes

Intermodal

Peak season

In early September, Union Pacific (UP) announced California intermodal markets are constrained. Peak season surcharges were announced to match cost with high demand. UP expects these surcharges to be needed through October. Once UP implemented surcharges, major asset players also placed surcharges on their equipment. Containers are still available in California and are still cost effective when compared to truckload. Despite the surcharges, their availability can add flexibility to shipping schedules.

One factor may extend peak season surcharges: The labor situation on the East and Gulf coast ports. Depending on the length of time it takes to work through backlogs caused by this disruption, West Coast ports could continue to see increased demand for several weeks to come.

Volume growth has accelerated following Labor Day, increasing nearly 12% to the busiest week since June 2021. Overall, the domestic U.S. intermodal market is up 9.5% year to date.

Mexico has been a bright spot for intermodal growth in 2024 with double digit increases, keeping up with the last several years of double-digit growth y/y. While the growth in Mexico is impressive, it represents a small part of the overall North American market, which has ample capacity with an estimated 20–25% of container supply stacked ready to deploy. As peak surge continues, those containers are being unstacked and put back into regular rotation.

Pricing prospects

Expect increased pricing in the low, single-digit range for the last quarter of 2024 and through 2025 due to new U.S. railroads have labor agreements and inflationary pressure. Rates have already begun to rise, so the best time to lock in intermodal rates is now.

Service metrics

Intermodal service, as measured by train speeds, is tracking just below the five-year average. Velocity in August fell due to seasonal trends and increased volumes. This is typical since August is historically the slowest month for train speed. Given the sharp spike in volume, trains have been operating well so far.

With strong service and low pricing, contact your C.H. Robinson account team to see how you can best take advantage of intermodal within your portfolio today.

Rail

The blank sailing program on the Asia trade lane has intensified equipment shortages at rail ramps, adding pressure to U.S./Canada exports. Delays in import containers via the Cape of Good Hope have caused significant short-term shortages of empty containers for exports. With rising demand on Trans-Pacific Eastbound (TPEB) and Asia–Europe lanes, carriers are repositioning many containers back to Asia, reducing availability in North America.

COSCO announced they are suspending acceptance of single 20 ft. dry van bookings from U.S. rail ramps, effective immediately. This is due to issues with finding 20 ft. mates to get the 20 ft. containers moving. COSCO will accept 20 ft. dry van bookings made in multiples of two-at-a-time.

Los Angeles/Long Beach

Due the strong increased import volume through Los Angeles/Long Beach ports, there are delays with rail. Particularly at off dock rail connections, which require the use of a trucker and chassis to bring the containers into the port.

Port of Montreal

The Port of Montréal organized a three-day strike that began on September 30, 2024. Their organized stoppage is part of a broader wave of labor actions underway on the United States East and Gulf Coasts. Dockworkers are stopping in solidarity with their counterparts in the United States.

United States East Coast ports

The ILA labor union’s contract for USEC and USGC ports expired on September 30, 2024. The union launched a strike on October 1, 2024, as a deal was not reached by the expiration date.

Despite recent negotiation challenges and the coast-wide strike, the business community is actively seeking government intervention to mediate a solution. This is the first labor disruption on the USEC and USGC since 1977.

Vancouver and Prince Rupert ports

Negotiations with a smaller union of foremen in Vancouver and Prince Rupert are ongoing with the British Columbia Maritime Employers Association (BCMEA). The main sticking point in the current negotiations seems to involve semi-automated cranes operating at the DP World terminal in Vancouver.

The BCMEA has filed a complaint with the CIRB to request government intervention and mediation. The CIRB scheduled hearings took place August 6–9, 2024. The CIRB then reported they needed to hold additional hearings, which were scheduled for September.

The union intends to take a strike vote and be ready for further strike action, pending the results of the CIRB hearings.

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Drayage

Infrastructure upgrades and labor shortages in the United States

Box rules investigation

In February, the Federal Maritime Commission (FMC) ruled that truckers do not have to use a specific pool provider, which allowed draymen to use their preferred chassis provider to move containers. However, after continued reports of chassis providers violating the ruling, the FMC has decided to investigate further. This could result in chassis availability challenges, notably in Chicago and Memphis, and to a lesser extent, at the ports of Los Angeles and Long Beach.

North America

With the widespread strike impacting the USEC and USGC ports, be aware that operational contingency plans will be available in our Client Advisories as news breaks.

Southeast

Charleston

Charleston port is experiencing moderate congestion due to ongoing infrastructure upgrades. Currently, 5–7 vessels are waiting to secure a berth, with an average wait time of six days for vessel discharge.

Norfolk

Norfolk port continues to face challenges with its strict appointment system and limited slots. Capacity constraints and increased wait times persist, necessitating proper carrier onboarding and lead times to ensure reliable on time delivery.

Savannah

Import dwell time at Savannah port is three and a half days, with vessel berth waiting times up to one and a half days, depending on vessel size. The port is managing congestion effectively with minimal delays.

Northeast

New York

The Port of New York and New Jersey is experiencing significant congestion due to high cargo volumes and labor shortages. Vessels are waiting up to 10 days for a berth and import dwell times have increased to five days.

Boston

Boston port is operating smoothly with no significant congestion. Vessel berth waiting times are minimal, averaging less than a day, and import dwell times are around two days.

Central/Ohio Valley

Inland rail terminals across the country are operating normally with plenty of capacity and equipment to support volumes.

West

Houston

Houston port is facing moderate congestion due to increased cargo volumes and ongoing terminal expansions. Vessels are waiting up to four days for a berth and import dwell times are around three days.

Los Angeles/Long Beach

The ports of Los Angeles and Long Beach are dealing with significant congestion due to high import volumes and labor shortages. Vessels are waiting up to 12 days for a berth and import dwell times have increased to six days.

Oakland

Oakland port is experiencing moderate congestion with vessels waiting up to five days for a berth. Import dwell times are around four days, with ongoing efforts to improve efficiency and reduce delays.

This helped me

North American Cross-border, Canada & Mexico

Mexico and Canada freight markets face volatility amid economic shifts

U.S.–Mexico

The freight market in Mexico is closely intertwined with the country's industrial activity, particularly in the automotive sector, which plays a pivotal role in Mexico's economy and represents 21% of Mexico´s manufacturing GDP.

Manufacturing growth slowing in key regions with overall economy growing some

Recent reports indicate some key regions experienced a deceleration in manufacturing growth, with overall industrial activity remaining below 2023 levels. The north experienced a 2.6% decline in the second quarter of 2024. Meanwhile, central Mexico experienced modest manufacturing growth. The Mexican economy grew 1.1% annually in July and August 2024, continuing the slow pace seen in previous months. Analysts expect the third quarter GDP to rise by 0.8% annually, continuing with the deceleration mentioned above.

Factors influencing 2025 projections

Public and private construction also slowed, particularly due to a drop in public investment at the end of President Lopez Obrador´s term. Inflation has slowed a bit in September, down from 5.57% in July to 4.66%, but use this number with caution.

Analysts' projections for 2025 suggest continued sluggishness due to political uncertainty and lower investment and consumption. While investment announcements keep happening, some have yet to actually come to fruition and are still pending execution until the new government enters office.

The Bank of Mexico predicts moderate industrial activity in the near term as Mexico faces a challenging environment impacting production levels and freight volumes. The automotive industry, which relies heavily on cross-border logistics, is particularly affected.

Optimism in nearshoring

The continuing nearshoring trend offers hope, especially in northern Mexico. According to a recent survey, 16.9% of large companies in the region reported increased production, sales, or investment due to the relocation efforts.

Mexico's manufacturing exports saw an annual growth of 6.2% in the first half of 2024, while the Mexican Customs Authority (ANAM) reported a 3.6% increase in international trade operations.

Automotive exports rose by 17%, providing a boost to the freight market in areas with strong infrastructure and proximity to the United States. However, less developed regions, such as the South, struggle to capitalize on these opportunities. Federal government projects, like the Isthmus of Tehuantepec project, aim to address these gaps, though their impact will take time to materialize.

Nearshoring has also led to the rise of new industrial corridors in Mexico, such as Monterrey and Tijuana. Nuevo Laredo, Tijuana, and Ciudad Juárez still account for 60.5% of international trade operations on the northern border. While cities such as Mexicali, Saltillo, and San Luis Río Colorado are now emerging as important industrial centers, industrial space in Mexico is increasingly scarce, with availability below 2%.

Volatile automotive freight volumes

Due to recent volatility, especially within the automotive sector, carriers have shown a renewed willingness to accept lower rates in exchange for steady freight volumes. The prioritization of volume over profit stems from rising operating costs, security issues, and disruptions caused by serious weather events like Hurricanes Helene and John.

U.S.–Canada

In August, the Canadian market experienced a surge in freight activity, primarily due to the rail strike. Now that the strike is over and rails have fully resumed activity, the backlogs created have been cleared and spot market activity has settled to their previous levels.

Currently, there is an imbalanced market with weak northbound freight volumes from the United States delivering to Canada. Due to this softness, carriers are reluctant to take freight southbound from Canada into the United States. This has resulted in increased rates to cover the costs of anticipated deadhead.

A continuing trend in the market is the steady exit of carriers, largely due to the heavy strain of loan repayments during the ongoing freight recession. Many carriers misjudged the recession's length and have been overwhelmed by the dual pressures of loan obligations and increasing insurance costs. While the Bank of Canada has started cutting interest rates, the impact has been slow to take effect. With no clear end to the freight recession in sight, many carriers are either unable or unwilling to hold out for relief.

Like the broader market, bid season is in full swing for intra-Canada and cross-border freight. Due to the current market conditions and carrier supply situation, quarterly pricing to finish the year is expected to remain competitive.

As 2025 approaches, expect pricing trends for Canada-related shipping to be like that of the U.S. forecast found in the North America Truckload Trends & Forecasts section. There will be some differentiation with regions and timeframes due to seasonality and geographic perspectives, so reach out to your C.H. Robinson representative for more specific information.

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Customs

CTPAT benefits, USDA enforcements, and upcoming webinars

CTPAT participants eligible for FTZ benefits

Recently, U.S. Customs and Border Protection (CBP) announced a new benefit for Customs Trade Partnership Against Terrorism (CTPAT) Trade Compliance partners. Having met the requirements outlined, CTPAT Trade Compliance partners are now eligible to utilize a foreign trade zone (FTZ) for the storage of goods subject to forced labor enforcement action. This notice outlines the specific requirements to participate.

USDA National Organics Program import certificate enforcement

Effective September 19, 2024, the U.S. Department of Agriculture (USDA) National Organics Program requires all importers be certified organic and a valid NOP Import Certificate (NOP-IC) be issued for the organic goods being imported. The USDA also advised specific conditional codes that can be used for American Certified Organic goods returned, non-retail sales/donations, personal goods/ecommerce, and reconditioning.

The agency said in their notice, "If a valid NOP-IC is not available at time of filing, the shipment must be reconditioned at an offsite location to a conventional (non-organic) status, including relabeling and reinvoicing. The product must be completely devoid of all organic markings and the "Goods Subject to Reconditioning" code must be used."

APHIS Lacey Act Phase VII implementation webinar announced

Lacey Act Phase VII is a provision that covers most categories of wood products that do not currently require filing. Recently, the U.S. Animal and Plant Health Inspection Service (APHIS) announced they are hosting a webinar on the implementation of APHIS Lacey Act Phase VII implementation requirements as of December 1, 2024. The webinar is on October 30, 2024, from 2:00–3:00 pm ET. Register on their website to participate in the webinar.

Additionally, there is Lacey Act training available for importers, shippers, and interested parties through December 1, 2024, from the International Wood Products Association (IWPA). Register for free on the IWPA website.

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Government & Regulations

FMCSA seeks more industry input on carrier and broker registration

United States

The Federal Motor Carrier Safety Administration (FMCSA) will host its third listening session regarding the modernization of their registration process for both motor carriers and freight brokers. Their focus will be on improving safety and combating fraud. This is a continuation of their ongoing proposed registration updates project.

The FMCSA has opened this call to all industry parties, but there is a limit to the total number of participants. To find out more about this event or to register, visit the FMCSA web page for Registration Modernization Stakeholder Day III.

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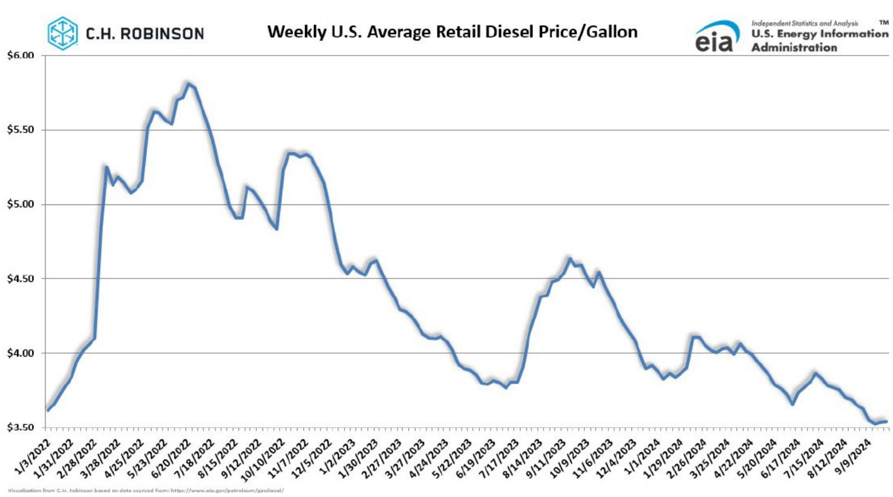
Diesel Fuel

U.S. diesel prices continue to drop

Retail diesel's national U.S. average price per gallon of $3.56 in September is down from $3.70 in August, and much lower than the $4.56 average from September 2023. As mentioned in the August 2024 Freight Market Update, in a soft market carriers often will need to deadhead longer mileage to find a load. While fuel is largely considered a pass-through accessorial, deadhead is often a sunken cost for carriers, especially in soft markets.

This continuing decrease in diesel pricing is another alleviating factor contributing to the persistence of smaller carriers, as the extra deadhead isn't necessarily equating to further sunken costs. If diesel prices increase, it would add more strain to carriers and speed up carrier attrition from the market.

The visual below, created with data provided by the EIA, shows fuel is down year to date (YTD), currently at the lowest level since early 2022.



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