



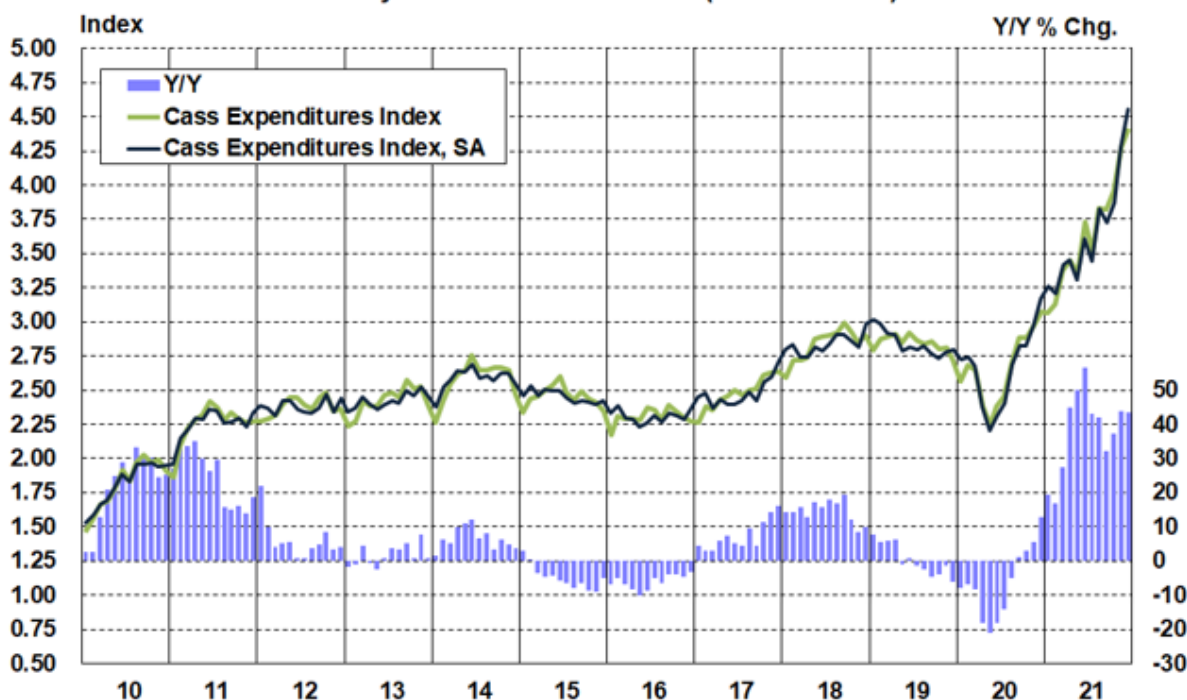
LTL and Truckload Monthly Market Update: February 2022

2022 has begun much as 2021 finished, with capacity pressures and underlying carrier costs continuing to drive up freight costs across the industry. Freight volume is expected to remain strong through Q1 while carriers continue to face rising costs from labor, fuel, equipment, and insurance.

Costs continue to rise:

- Freight costs were up in 2021:
 - Up 38% y/y in 2021 after a 7% drop in 2020
 - Source: [Cass Transportation Index Report December 2021](#)

Cass Freight Index - Expenditures January 2010 - December 2021 (01'1990=1.00)



Source: Cass Information Systems, Inc., ACT Research Co., LLC: Copyright 2022



- Fuel prices continue to rise:
 - On-highway diesel price averages for Q4 of 2021 were up nearly 49% from Q4 of 2020
 - Source: [U.S. Bank Freight Payment Index](#)

Carriers continue taking advantage of market conditions to increase rates:

- LTL carrier Old Dominion Freight Line (ODFL) raises its long-term margin target.
 - ODFL now expects OR to improve to 70% or better. The company's OR for 2021 was 73.5%, with a 31% increase in year-over-year revenue.
 - Source: [Freight Waves](#)
- Yellow Corp., the parent company of carriers YRC Freight, Holland, Reddaway, and New Penn, reported stronger than expected Q4 results. The company has taken advantage of market conditions to increase rates and shed less desirable freight, leading to a 12% increase in revenue despite a 14% decrease in tonnage. (Source: [Freight Waves](#))
- SAIA and Midwest Motor Express announce GRIs: SAIA and Midwest Motor Express joined the list of LTL carriers who have announced general rate increases, with increases of 7.5% and 5.9% respectively. Recent carrier GRIs:
 - ArcBest: 6.9%, 11/15/21
 - YRC: 5.9%, 11/1/21
 - Estes: 5.9%, 11/29/21
 - FedEx: 5.9% for P/E Zone rates / 7.9% for other rate bases, 1/3/22
 - Old Dominion: 4.9%, 1/3/22
 - A Duie Pyle: 6.0%, 1/3/22
 - Forward Air: 7.9%, 2/1/22
 - SAIA: 7.5%, 1/25/22
 - Midwest Motor Express: 5.9%, 2/1/22

Supply chain:

- Truck manufacturers reported increased deliveries of new power units compared to Q4 of 2020, but chip and other component shortages continued to delay deliveries and limit. (Source: [Freight Waves](#))

As always, you can contact your IL2000 Client Serves team if you have any questions.

Sources: Cass Information Systems, Freight Waves, US Bank Freight Payment Index