

JARRETT SUPPLY CHAIN REPORT



MARKET

- The Cass Freight Index, which measures overall North American freight volumes and expenditures, reported shipment counts rose 0.4% month over month (m/m) in April, and are down 3.6% year over year (y/y). Freight expenditures rose 3.3% m/m, and were up 1.2% y/y. ([Cass Freight Index May 2025](#))
- The United States and China reached an agreement to decrease escalating tariff rates the two countries had placed upon each other in recent months. As part of the agreement, the U.S. will pause for 90 days the 34% tariff on imports from China. The U.S. will also lift additional duties it subsequently levied that raised the combined tariff burden on goods from China to at least 145%. ([SupplyChainDive May 2025](#))
- The average price of diesel fuel in the U.S. is \$3.476/gallon on May 12, 2025. It is down 9.6% y/y. ([US EIA May 2025](#))

LESS-THAN-TRUCKLOAD (LTL)

- Two U.S. manufacturing Purchasing Managers' Indexes (PMIs) indicated either mild contraction or incremental expansion in April. The weakening in U.S. manufacturing comes as imports and exports drop amid uncertainty over U.S. trade policy.....both truckload and less-than-truckload (LTL) are highly dependent on industrial freight. ([JOC May 2025](#))
- UPS no longer owns a less-than-truckload (LTL) subsidiary, but that doesn't mean it's lost all interest in LTL freight. The largest U.S. package carrier has 'reintroduced' UPS Ground with Freight Pricing, a service option that targets shipments weighing more than 150 pounds typically hauled by LTL carriers as part of a palletized shipment. ([JOC May 2025](#))
- Despite an overall decline in freight demand and volume....LTL renewal rates are rising year over year, typically in the mid-single digits, climbing 4% to 6% on average on an annualized basis in the first quarter. ([JOC May 2025](#))

TRUCKLOAD (TL)

- The TL linehaul index, which tracks rates without fuel and accessorial surcharges, posted a 0.9% y/y increase. The index decreased 0.5% m/m. ([Cass Freight Index May 2025](#))
- U.S. truckload shippers aren't surrendering their long-held pricing power as uncertainty disrupts freight volumes and sends them back to the negotiating table with truckload carriers. More and more shippers are pressing for mini-bids as expectations for volumes and rates fluctuate because of U.S. tariffs and the trade dispute with China. ([JOC May 2025](#))
- Capacity loosened after the initial end-of-month push by shippers. Demand picked up in Miami ahead of Mother's Day flower shipments, but produce season volumes have otherwise been muted. Dry van spot rates declined slightly by 0.5% m/m, and were up slightly by 0.5% y/y. Flatbed spot rates were up 1.9% m/m, and were up 1.6% y/y. The number of spot loads posted in April increased 3% m/m, and were up 17% y/y. ([DAT Freight Analytics May 2025](#))

PARCEL

- UPS plans to shed about 20,000 front-line positions in 2025 as it manages the decline in unprofitable business from Amazon and a huge restructuring of its delivery network. ([FreightWaves May 2025](#))
- UPS Mail Innovations is notifying customers of price increases as it adapts to rate changes from the U.S. Postal Service. Some businesses encountered a 40% rate increase...([SupplyChainBrain May 2025](#))
- DHL Supply Chain has acquired Indiana-based logistics company IDS Fulfillment as it aims to expand its network of services for small and midsize e-commerce businesses. ([WSJ May 2025](#))
- USPS board taps FedEx director David Steiner as next postmaster general. David Steiner, former CEO of Waste Management, is slated to join the agency in July as it navigates Trump administration pressures and advances its transformative plan. ([SupplyChainDive May 2025](#))

INTERNATIONAL

- Trump slashes 'De Minimis' tariffs on small shipments from China. The administration said it would cut tariffs on low-value parcels from China to 54% from 120%, hours after Washington and Beijing agreed to a 90-day trade truce. ([WSJ May 2025](#))
- A coalition of West Coast politicians and ports are warning that the Trump administration's tariffs are precipitating significant supply chain disruptions that will have far-reaching consequences for both regional and national economies. ([FreightWaves May 2025](#))
- Yang Ming Marine Transport said container trades on the Asia-Europe, Mediterranean, intra-Asia and Middle East routes have remained stable in the second quarter even while U.S. tariffs have caused a decline in cargo volumes from China to the U.S. ([JOC May 2025](#))
- The Drewry WCI Composite index, which measures the bi-weekly ocean freight rate movements of 40-ft. containers in seven major maritime lanes, was \$2,076 per 40-ft. container on May 8. It is down 1% from the previous week. ([Drewry May 2025](#))