



Trucker Success

By OOFI • Oct 21, 2022
Smart Brevity® count: 2 mins... 570 words

Welcome back to Trucker Success. Today we'll focus on:

- Too much truck capacity
- Hot topics
- Truck Permits

1 big thing: Monthly Trucking Market Update



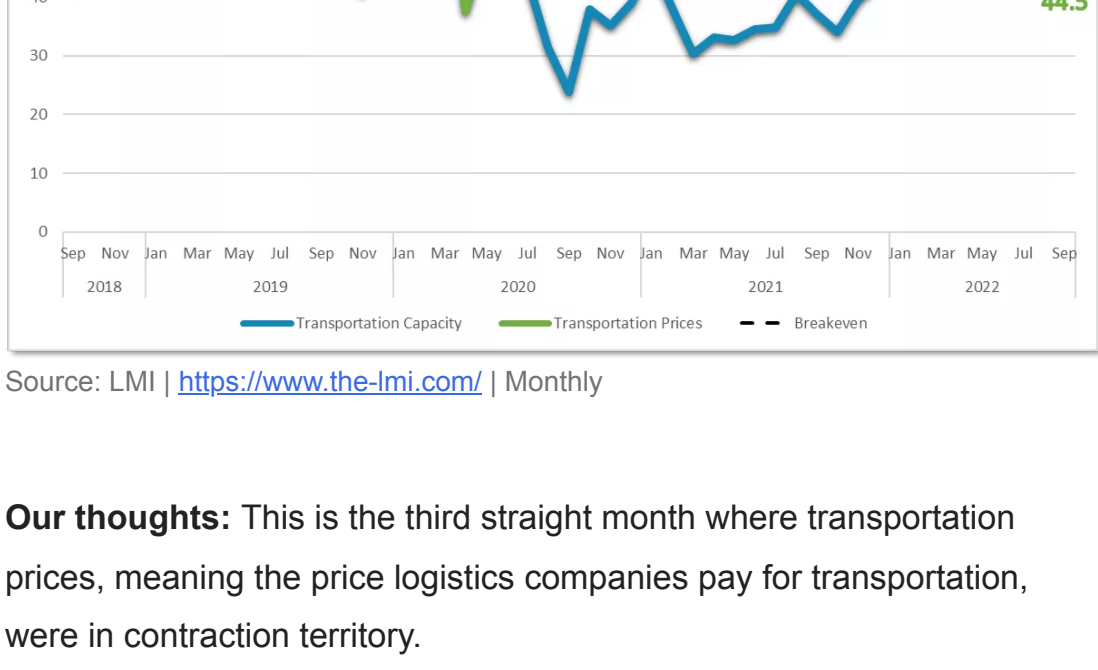
The bottom line: The van and reefer spot markets have been steadily decreasing since the start of 2022.

- **By the numbers:** van spot rates have declined \$0.64 per mile since January, while reefer spot rates have dropped \$0.75 per mile.

Yes, but the reason for the decline is not because there's a lack of freight, but because there are too many trucks.

The big picture: The Logistics Managers' Index (LMI) is a diffusion index that measures supply chain conditions using eight key metrics ranging from inventory to transportation utilization.

- Any number below 50 is indicative of contraction, while any number above 50 is indicative of expansion.
- When the two curves depicted in the chart invert, as they did in 2019, it signals bad news for freight rates.



Source: LMI | <https://www.the-lmi.com/> | Monthly

Our thoughts: This is the third straight month where transportation prices, meaning the price logistics companies pay for transportation, were in contraction territory.

- What's the biggest reason for this? Transportation capacity reached the second highest level of growth in the history of the index.

Go deeper: Find this months full [trucking market update here](#).

2. Trendlines: National spot rates for van, flatbed, reefer

Industry Trends	WEEK OCT 10 - OCT 16 VS. OCT 03 - OCT 09	MONTH SEP 2022 VS. AUG 2022	YEAR SEP 2022 VS. SEP 2021
Spot Load Posts	-10.2%	-9.1%	-48.1%
Spot Truck Posts	+4.6%	-4.2%	+16.7%
Van Load-To-Truck	-13.3%	+0.1%	-43.9%
Van Spot Rates	-0.3%	-2.9%	-13.2%
Flatbed Load-To-Truck	-11.7%	-5.7%	-72.2%
Flatbed Spot Rates	-0.7%	-4.7%	-5.4%
Reefer Load-To-Truck	-14.4%	-10.6%	-53.2%
Reefer Spot Rates	-1.3%	-1.8%	-11.9%
Fuel Prices	+8.0%	-0.4%	+47.5%

Source | DAT Trendlines

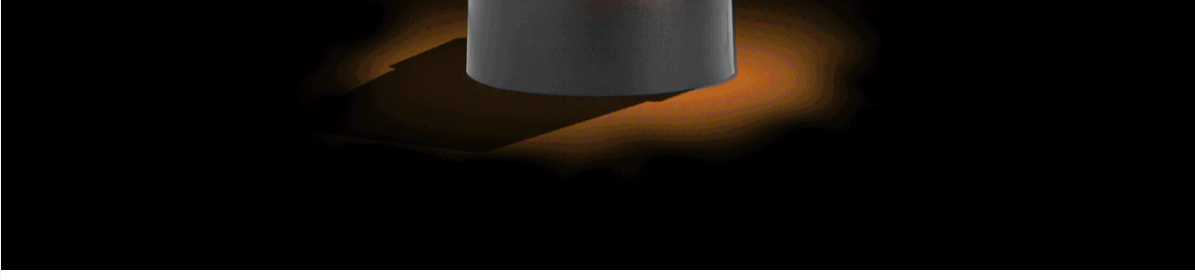
The bottom line: Sep 26 - Oct 3, Load-to-truck ratios tightened after Hurricane Ian disrupted freight flows in the southeast.

Why it matters: The tighter capacity put pressure on rates, with the national averages rising for dry van and flatbed.

- **By the numbers:** Spot load posts were down 9.1% month-over-month, and 48.1% year-over-year.
- On the flipside, spot truck posts were up 16.7% year-over-year, which is contributing to the falling rates.

Go deeper

3. Hot Topics



Every week truckers call in to OOIDA's headquarters with issues they are confronting on a daily basis. Below are the most recent topics.

What truckers are asking:

- What is double brokering?
- Quick pay vs Factoring?
- Who is eligible for per diem?

What truckers are seeing:

- Brokers giving wrong appointments times, and no or not enough detention pay.
- Fuel prices are rising again.

What's next: If you are experiencing any of these situations or have additional ones, contact OOIDA's Business Services Department at BusinessAssistance@ooida.com

4. Education: Permits



October 25-27, 2022

The big picture: Taking that next step to get your own authority is a big decision, as 25% of new trucking companies fail within their first year.

- **The bottom line:** Depending on where you operate and what you haul, you will be required to obtain the appropriate permits.
- **For example,** a few states require that carriers pay an additional tax beyond their IFTA and 2290, called a Weight Distance Tax, for operating on their roads.

Go deeper: Check out our short video on [Truck Permits](#).

5. Diesel Prices

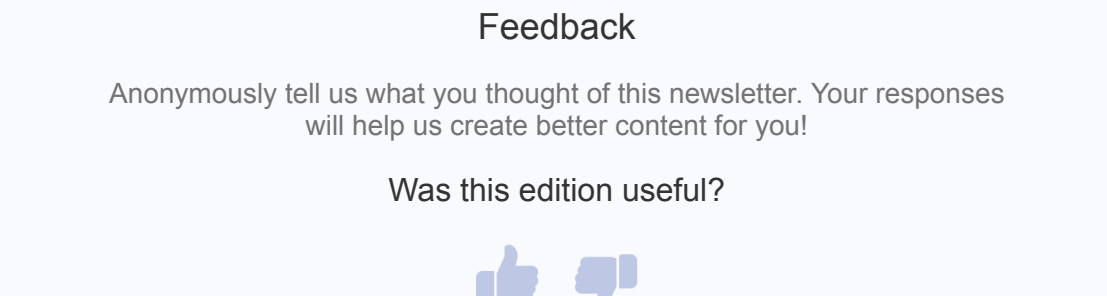


Big picture: Oct 18. The average retail price for diesel was up significantly for the second straight week according to the Energy Information Administration's most recent report.

- **Week-to-week:** the national average price per gallon of diesel is now \$5.339, up 11.5 cents from last week.
- **That national average** is \$1.668 higher than it was one year ago.
- This week's lowest average price per gallon is \$5.018 (Gulf Coast), up 12.1 cents, and the highest is \$6.499 (California), up 1 cent. New England saw the biggest surge at 44.6 cents

Go deeper

The OOIDA Foundation thanks you for all that you do! You truly drive the nation's economy.



Feedback

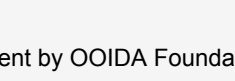
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