

Trucker Success

By OOFI • Jul 26, 2023

Smart Brevity® count: 2 mins...568 words

Welcome back. Today we'll discuss differing opinions on when the freight market will turn upward again and a free preview of Truck to Success.

1 big thing: Monthly Trucking Market Update May



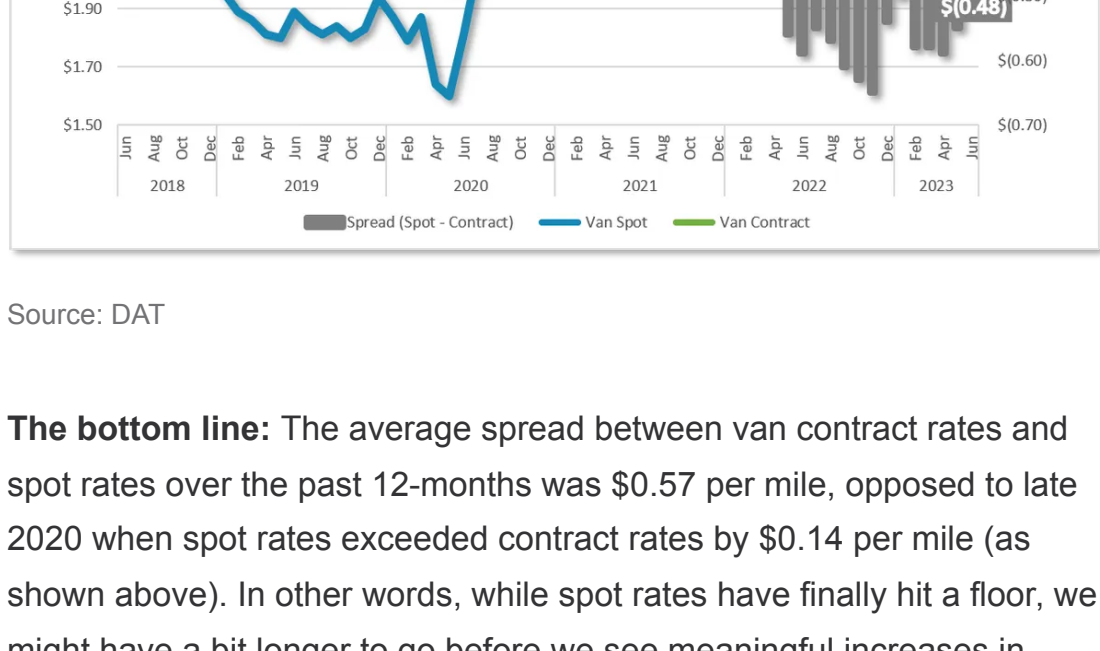
The big picture: While some analysts believe that a new freight cycle will begin this fall, others analysts believe truckers won't see any meaningful increase in rates until the second quarter of 2024.

- Which view is correct? Unfortunately, it's difficult to answer.

1 big thing: Either one of two things need to occur before we enter into the next up-cycle.

1. **Demand surges** to such an extent that it outstrips available supply and/or enough capacity leaves the industry to lower the supply of trucks on the road; or

2. **Contract rates and spot rates inverse**, meaning spot rates must exceed contract rates.



Source: DAT

The bottom line: The average spread between van contract rates and spot rates over the past 12-months was \$0.57 per mile, opposed to late 2020 when spot rates exceeded contract rates by \$0.14 per mile (as shown above). In other words, while spot rates have finally hit a floor, we might have a bit longer to go before we see meaningful increases in rates.

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

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

Industry Trends	WEEK July 10-16 VS. July 03-09	MONTH June 2023 VS. May 2023	YEAR June 2023 VS. June 2022
Spot Load Posts	+31.4%	-6.1%	-54.4%
Spot Truck Posts	+26.7%	-3.5%	-0.6%
Van Load-To-Truck	+2.1%	+3.4%	-33.3%
Van Spot Rates	-0.7%	+0.7%	-22.6%
Flatbed Load-To-Truck	+0.8%	-17.2%	-74.2%
Flatbed Spot Rates	+0.1%	-1.6%	-23.7%
Reefer Load-To-Truck	+1.0%	+5.7%	-45.6%
Reefer Spot Rates	-1.5%	+1.1%	-18.4%
Fuel Prices	+1.0%	-2.9%	+33.9%

Source | DAT Trendlines

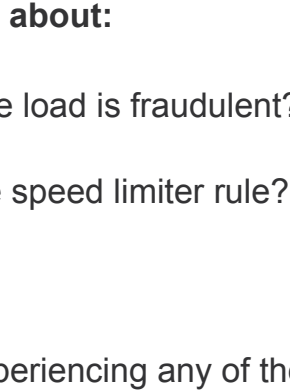
The bottom line: *July 10-16*, Spot market activity picked up in the first full shipping week following the Fourth of July holiday.

DAT is seeing load posts outpace truck posts on the DAT One network, creating slightly higher load-to-truck ratios for each of the major trailer types.

- It wasn't enough however to lift rates, with dry van and reefer averages falling while flatbed remaining flat.

[Go deeper](#)

3. Hot Topics



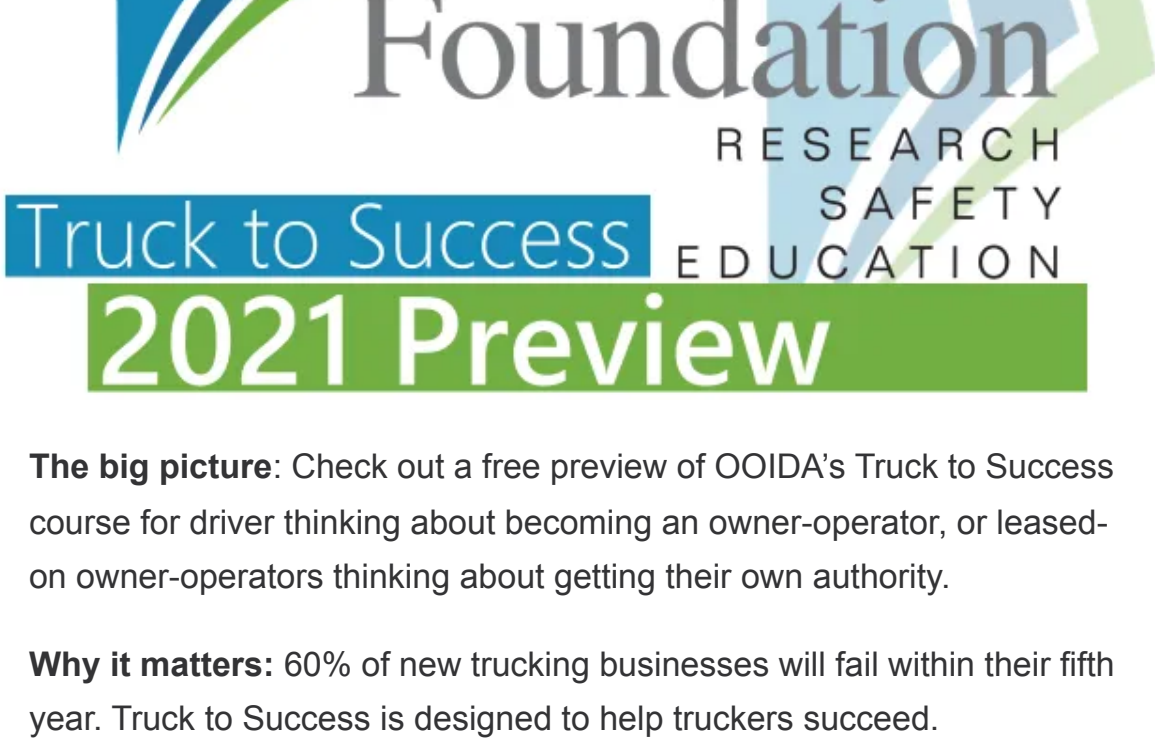
Every week truckers call in to OOIDA's headquarters with issues they are confronting on a daily basis. Below are the most recent topics.

What truckers are talking about:

- How do I get paid if the load is fraudulent?
- Did Congress stop the speed limiter rule?
- Predatory towing.

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

4. Education: Truck to Success Preview



The big picture: Check out a free preview of OOIDA's Truck to Success course for driver thinking about becoming an owner-operator, or leased-on owner-operators thinking about getting their own authority.

Why it matters: 60% of new trucking businesses will fail within their fifth year. Truck to Success is designed to help truckers succeed.

- If you're on the fence about taking the full-course, maybe this free preview on cost of operations will help you decide to jump in.

This year's seminar is October 17-19 in Blue Springs, MO.

- The course is available in-person and online.
- Visit our [Truck to Success](#) webpage to learn more.

Go deeper: Check out our [free preview here](#).

5. Diesel Prices

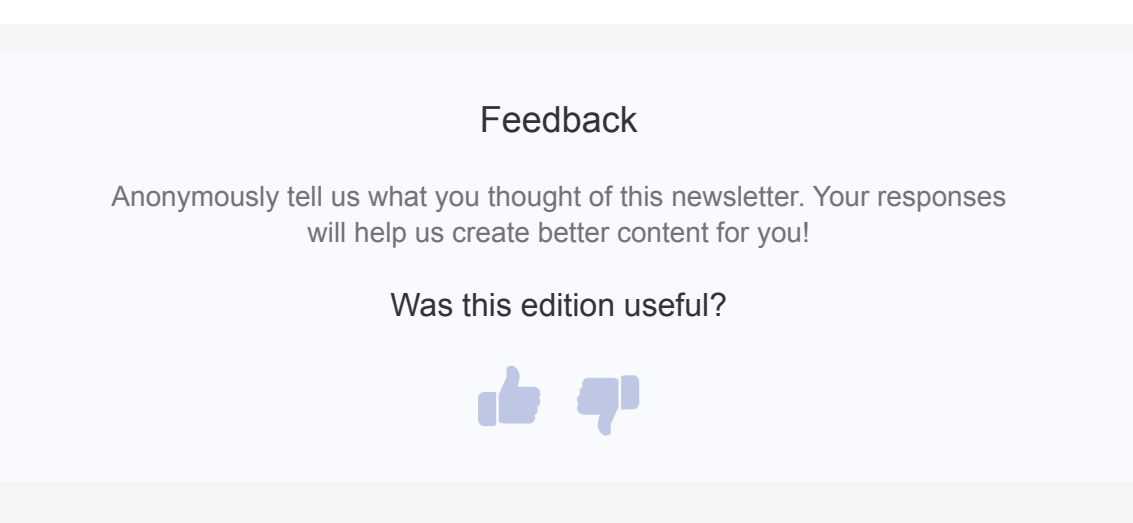


Source: U.S. Energy Information Administration

What's new: *July 24*. The average retail price for diesel increased a little under a dime per gallon compared to last week according to the Energy Information Administration's most recent report.

- **Week-to-week:** the national average price per gallon of diesel is now \$3.905, up 0.099 cents from last week.
- **That national average** is \$1.363 lower than it was one year ago.
- This week's largest change occurred in the Gulf Coast region where prices increased \$0.134 from \$3.506 to \$3.640.

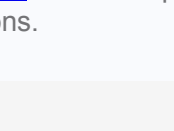
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