

eShipping®

April 2025

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LTL Rates Are Projected To Keep Climbing Year Over Year In Q2

- Amid soft demand and trade uncertainty, less-than-truckload (LTL) pricing remained resilient during the first quarter while truckload rates stayed depressed. The trends are expected to continue through the second quarter.
- [First-quarter updates](#) from LTL carriers showed yields were up slightly y/y inclusive of fuel surcharges and more notably when excluding fuel's impact. However, volumes continued to lag as [tonnage was down y/y by mid-single-digit percentages for most carriers](#) in the first two months of this year.
- Cost per LTL shipment remained elevated in the first quarter, up 1.5% sequentially and 0.5% y/y.
- Price bumps from carriers along with [annual general rate increases](#) implemented over the past several months are fully in force for 2025, as a result this pushed the cost index higher.
- Fuel prices rose 3% sequentially in the first quarter. The average carrier fuel surcharge was up 1.8% in the period with the net fuel surcharge per shipment increasing 4%.
- The cost-per-shipment dataset was also influenced by a 2.4% sequential decline in length of haul and a 0.2% dip in weight per shipment (down 9% y/y).



SONAR: Longhaul LTL Monthly Rate per Ton Mile, Class 50-65 Index. Less-than-truckload monthly indices are based on the median rate per ton mile for four National Motor Freight Classification groupings and five different mileage bands.

INDUSTRY UPDATES

LTL

Changes Coming to FedEx Freight

- FedEx is planning to spin off its FedEx Freight division into a separately traded public company. The changeover is on track to conclude by June 2026. The company recently rolled out a separation management office and transition team. It also executed a \$16 billion debt exchange and consent solicitation to facilitate the breakup.
- CFO John Dietrich commented, “This will create more flexibility for both companies’ capital structures as we prepare for the separation, which will come in the form of a tax-efficient spinoff. As our separation management office continues to advance our spin-related work, it’s business as usual for our other team members and all our customers.”
- The unit remains focused on “revenue quality, network utilization and operational efficiency,” levers that will presumably support a favorable valuation when the transaction occurs. The company continues to bolster sales staff to improve the freight mix.
- FedEx is also looking for a new leader to run the stand-alone business. “We are conducting a very comprehensive search for the CEO of FedEx and I’m confident that through our thorough process that we will provide FedEx Freight with the right visionary leader who can help chart the course of this new stand-alone company,” said FedEx CEO Raj Subramaniam.



DAT

March 2025	y/y	2-year	m/m	m/m (SA)
Shipments	-5.3%	-8.7%	0.0%	-2.1%
Expenditures	-2.0%	-20.1%	2.8%	1.5%
TL Linehaul Index	1.5%	-3.2%	-0.1%	NM

Table: Cass Information Systems (SA – seasonally adjusted)

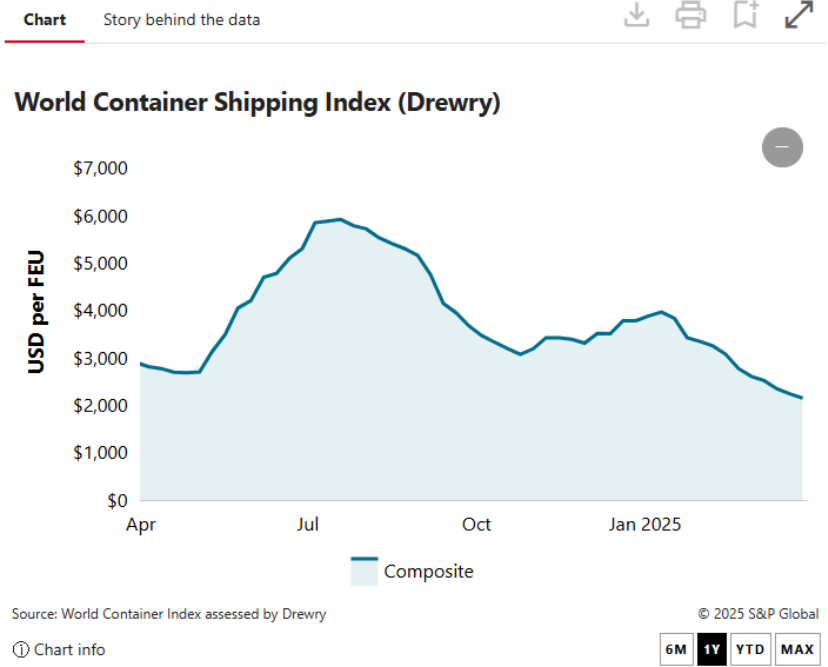
Cass Information Systems

INDUSTRY UPDATES

FTL

Rates Cooling From Hot Start

- According to DAT Trendlines, rates have cooled off in both the van and reefer markets after heating up to start 2025. Capacity is still higher than demand which could be a ripple effect of the ongoing tariff threat regarding imports and exports. California produce is right around the corner and that will certainly flip some markets along with the seasonality of the southeastern freight states. One could expect rates dropping for inbound freight to those states and increased rates on outbound tenders. Logistics companies should focus on the seasonal adjustments that need to be made yearly if they are not already.
- Additionally, the Cass Freight Index dipped .1% month-over-month from February. While it is a marginal drop, there were high expectations for a bounce back in rates throughout the month of March. Most transportation professionals saw this as a let down after rates started to climb in February. Shipments are down compared to the same period in 2024.



INDUSTRY UPDATES

International

Tariff And Ocean Vessel Updates - for the latest developments visit the [eShipping blog](#)

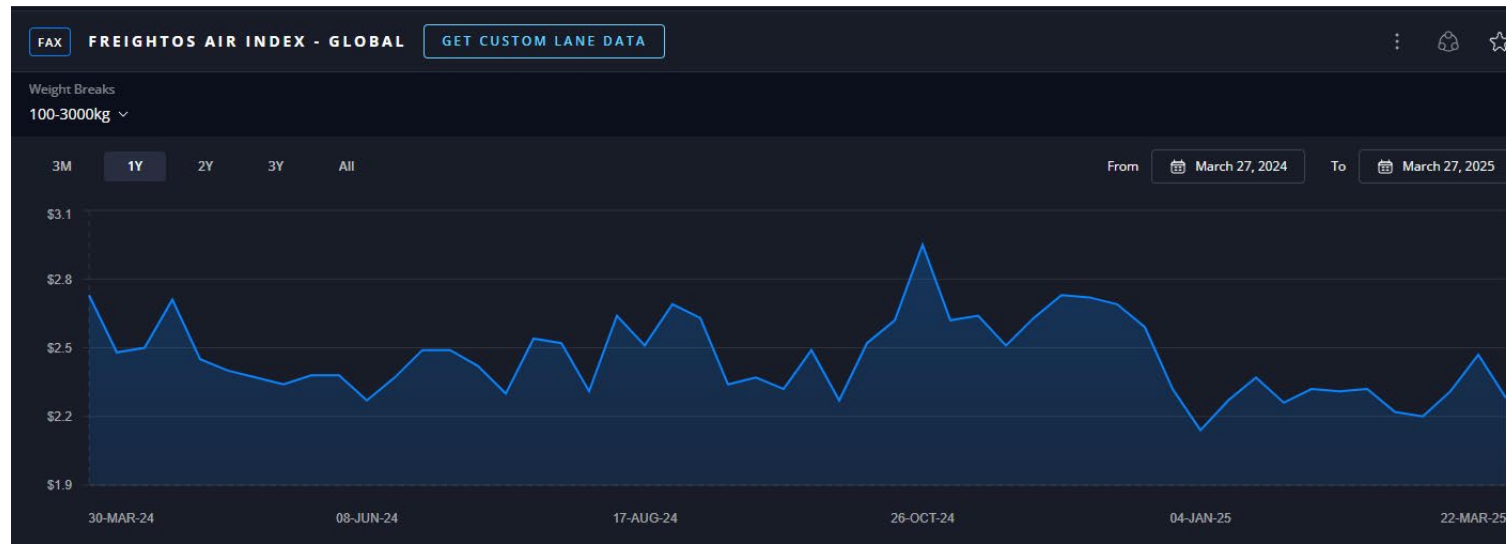
- An Amendment was issued on April 11, 2025, and effective April 10, 2025, [adding additional exemptions](#)
- The Tech Industry originally had raised hopes as this includes some smartphones, laptops, and similar electronics, but were advised by the Administration that these items would face separate increases “in a month or two” as part of a trade investigation into semiconductors.
- [Amendment Issued April 9, 2025, effective April 10th, 2025, pausing ANNEX](#)
- [According to the Wall Street Journal](#), the pause in reciprocal tariffs from non-China origins is spurring another wave of cargo frontloading on ships from Southeast Asia and South America, but vessel loadings from China have plunged.
- Ocean carriers plan to blank more sailings through much of April as freight rates hit new lows for 2025 and more ships are expected to hit the water in the coming months. A total of 68 sailings globally are expected to be canceled during April, according to maritime consultancy Drewry, with about half of the cancellations in trans-Pacific services reporting [the Journal of Commerce](#)
- Global ocean schedule reliability for 2025 Q1 shows a 29% on-time percentage / 5.4 days average delay stated by eeSea.
- Port congestion in Europe has worsened. Hamburg and Rotterdam remain severely congested, with Antwerp, Le Havre, and Southampton also experiencing longer berthing delays. Congestion in China and Southeast Asia are disrupting schedules further due to ongoing adverse weather noting DHL.
- U.S. ocean imports increased 11% YoY in March, the third-highest level recorded for the month noted by [Reuters](#).

INDUSTRY UPDATES

International

Air Cargo Seeing Decline In Growth

- [Global air cargo experienced its first year-on-year decline](#) in February since March 2023, due to the "extraordinary" growth seen a year ago.
- American airlines saw a 0.4% YoY decrease in demand growth for air cargo in February, while capacity decreased by 3.5% year on year.
- [After nine weeks of continuous drops](#) in spot freight rates on the transpacific route, carriers are now starting to reduce capacity in this trade.
- Forwarders are rushing to manage an unexpected increase in air freight frontloading on westbound trans-Atlantic routes in anticipation of new US tariffs on the European Union. Air volume from Western Europe to the U.S. was up 11% YoY in the first week of March, according to the Journal of Commerce.



INDUSTRY UPDATES

Parcel

FedEx and UPS market share decreases with rise of Amazon Logistics / Direct Retail Fleets

- According to Shipmatrix's report, parcel volumes reached a record high in 2024. However, UPS and FedEx saw a decline in market share as Amazon Logistics, along with private fleets from major companies like Walmart & Target, increased their volume. This movement emphasizes the importance of reassessing your current parcel pricing, if you have not already. Our team is happy to assist you, please contact your eShipping Account Manager.

UPS Payment Processing Fee to go into Effect May 19th

- In an update to the previously implemented fee on credit card payments, UPS will now assess a 2% fee to every invoice starting on May 19th. The fee applies to the entirety of the invoice amount. For customers previously utilizing credit cards for payment, if you put a hold on this since the fee went into place, it now makes sense to pay with this method again if you earn points or cash-back incentives.

Warehousing

Manufacturing Contracts After Two Months Of Growth

- With two months of consecutive growth, manufacturing activity in March failed to sustain the momentum.
- The Institute for Supply Management (ISM) report's benchmark reading, the PMI, registered at 49 in March indicating a decline (a reading of 50 or higher indicates growth). This is a 1.3% drop from February's 50.3 reading. January's PMI, at 50.9, marked the first month of growth following a 26-month run of contraction.
- The March PMI reading exceeded the 12-month average of 48.5 by .5%. January's 50.9 and October's 46.9 represented the highest and lowest readings for that period.

Amazon Looks To Expand Warehousing

- Amazon is planning a \$15 billion expansion of its warehouse network, which would add around 80 new logistics facilities across the U.S in both rural and urban areas. The proposed facilities would primarily be delivery hubs, with some including large, automated fulfillment centers. The company is currently seeking proposals from capital partners and is reportedly open to long-term leases ranging from 15 to 25 years. Select locations could potentially receive direct investment from Amazon.