



LTL and Truckload Monthly Market Update: August 2022

Fuel prices ease slightly, but uncertainty persists in the market

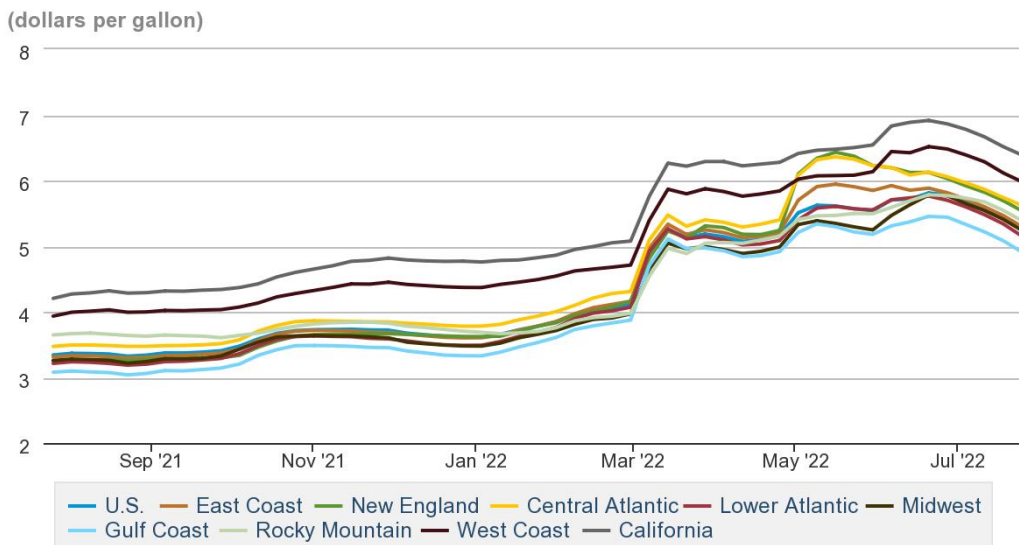


Diesel prices decline

Carriers received some much-needed though minor relief from record high fuel prices, as the average price of diesel declined through July. The U.S. average diesel price dropped to \$5.26/gallon the week of July 25th, well off the record high of \$5.81/gallon from the week of June 20th the previous month. However, diesel was still nearly \$2/gallon more expensive than the same week last year.



On-Highway Diesel Fuel Prices

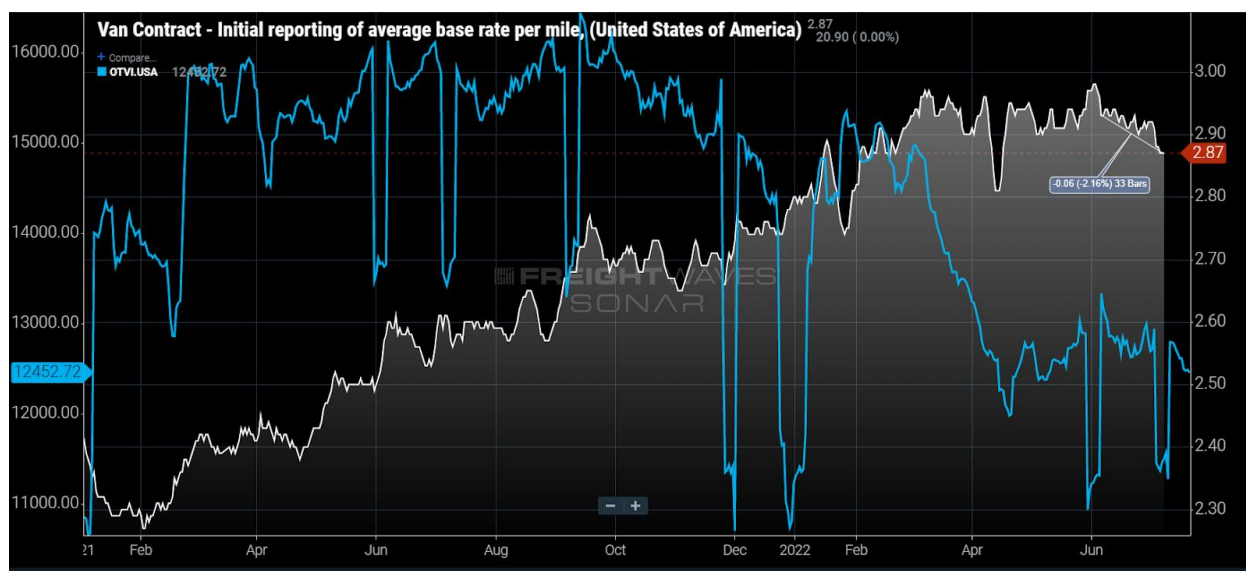


eia Data source: U.S. Energy Information Administration

Source: [EIA](#)

TL Contract rates soften

Full truckload contract rates began to decline in July, following the trend that spot rates have been on for the last few months. According to Freightwaves, truckload contract rates fell 2% in July. Previously contract rates had remained high even as spot rates softened, but it appears that contract rates are no longer immune to the overall trend of rate decline in the truckload market.



Source: [FreightWaves](#)



News from around the industry

LandAir closes its doors

Northeastern LTL carrier LandAir abruptly shut its doors on July 5th, after more than 50 years in business. The closure reportedly resulted in more than 450 lost jobs. (Source: [FreightWaves](#))

Pitt Ohio buys Teal's Express

Pitt Ohio expanded its direct coverage of New York State by purchasing former partner Teal's Express. The move gives Pitt Ohio an increased footprint in a Northeastern LTL market that is rapidly consolidating through acquisitions and closures of carriers. (Source: [JOC.com](#))

Protests block the Port of Oakland

The Port of Oakland was closed for five days due to trucker protests against a California labor law known as AB5. Critics of the law claim that it will make it nearly impossible for drivers to operate as owner operators/independent contractors in California. Further protests are expected as drivers and industry groups continue to try to fight the law in court. (Source: [Truckinginfo](#))

Market Outlook

Truckload rates look set to continue to decline as high inflation pinches consumers and lowers the demand for goods. Even with the recent decline, high fuel prices will continue to put pressure on carriers (especially smaller fleets) as rates drop, but costs remain high.

LTL rates may begin to show more softening as a reflection of the overall market, though high fixed costs and a smaller pool of providers will most likely keep rates above 2021 levels.

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