

Winter 2025 Report

What's going on right now in the world of logistics? Count on Redwood to keep you informed.



Truckload Trends

- Truckload demand is currently trending below typical seasonality
- The Load-to-Truck Ratio decreased 7% month-over-month
- Seasonality is slowing inventory levels
- Trucking authorities have dropped nearly 5% year-over-year
- More freight is being pushed to the spot market

What does it mean? Although demand is down right now, so is capacity. Shippers will be exposed to more volatility as rejections grow and spot rates climb.



Less-Than-Truckload News

- Increasing LTL costs are sending volume to the truckload market
- LTL tonnage declined by 9% in 2024
- Volumes will only grow by 4% in 2025
- Dominance by a few carriers will keep rates high
- Changes to NMFTA classification codes may send rates higher

What does it mean? Smaller shipments are being consolidated into truckloads for now — but may return to the LTL market as truckload rates climb.

Let's Talk Tariffs

- US manufacturers are stockpiling parts, products and raw materials
- Buying activity is at its highest level in 12 months
- US retailers have modified their year-end forecasts by 350,000 TEUs
- Inbound Ocean TEU Index is up 8.8% month-over-month, 32.4% year-over-year

What does it mean? Imports to the US are way up, in anticipation of new tariffs. Soon Chinese shipments may be diverted to Canada and Mexico, where US import tariffs will be lower.



Fuel Fluctuations Ahead?

- Diesel continues its decline, falling 2%
- Fuel benchmark price is at its lowest since January 2022
- Diesel is \$3.494 a gallon as of 12/16/24
- Future price projections are unclear due to Middle East tensions and potential new Trump policies

What does it mean? Concern about fuel prices, coupled with tariffs, has many shippers choosing to move products now.

A quick closing word about parcels:

With the major carriers increasing their rates for 2025, it's time to brace for, and minimize, the impacts. Your 2024 shipping behaviors might cost more in the new year.

What can you do to prepare for so many future uncertainties?

Partner with Redwood to get a clearer picture of your opportunities, threats and risks heading into 2025.