

# WHAT'S CAUSING THE TIGHT TRANSPORTATION MARKET AND EXTENDED LEAD TIMES?

## Load-to-Truck Ratio



### AVAILABLE LOADS FOR EVERY FLATBED TRUCK:

- 2019 – Ranged from 10-22
- 2020 – Ranged from 8-40
- 2021 – Ranged from 48-80+

## HISTORICAL CONTEXT

The extremely tight transportation market isn't new. Disruptions began back in 2017 with the implementation of ELD. In 2018, challenges from Section 232 tariffs increased transportation struggles. Now we are experiencing the post COVID-19 recovery, compounding these issues.

## PRICING INCREASES IN TRANSPORTATION

Over the last 9 months we've seen freight increases related to their destination and lane segments anywhere from 5-40%. Contributing factors include customer requested delivery date, annualized opportunity, multi-spot order configuration, out of route miles, and stop offs. Each of these have played into the creation of a Carrier's Market.

## COVID-19 IMPACT

At the height of the COVID-19 pandemic, reduced volumes forced companies to furlough or layoff drivers. Open Deck fleets were reduced in size by 10-25%. Many of these drivers haven't re-entered the market due to continued unemployment benefits. Also, there was a reduction in Over the Road Drivers because of a transition to Regional Fleets and Drop Trailer Agreements, further impacting transportation capacity.

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