



**Refrigerated
Meeting**

2022 Freight Market Update

Dean Croke

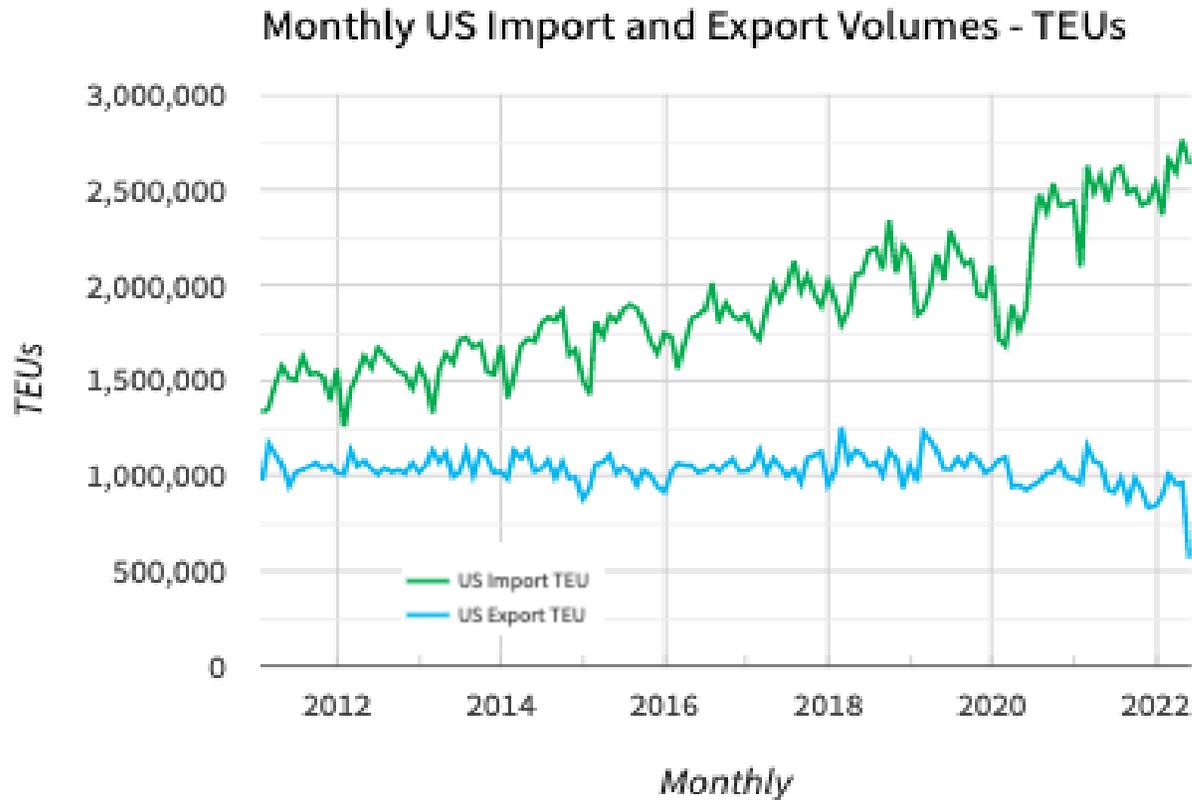
Principal Analyst

DAT Freight & Analytics

Topics

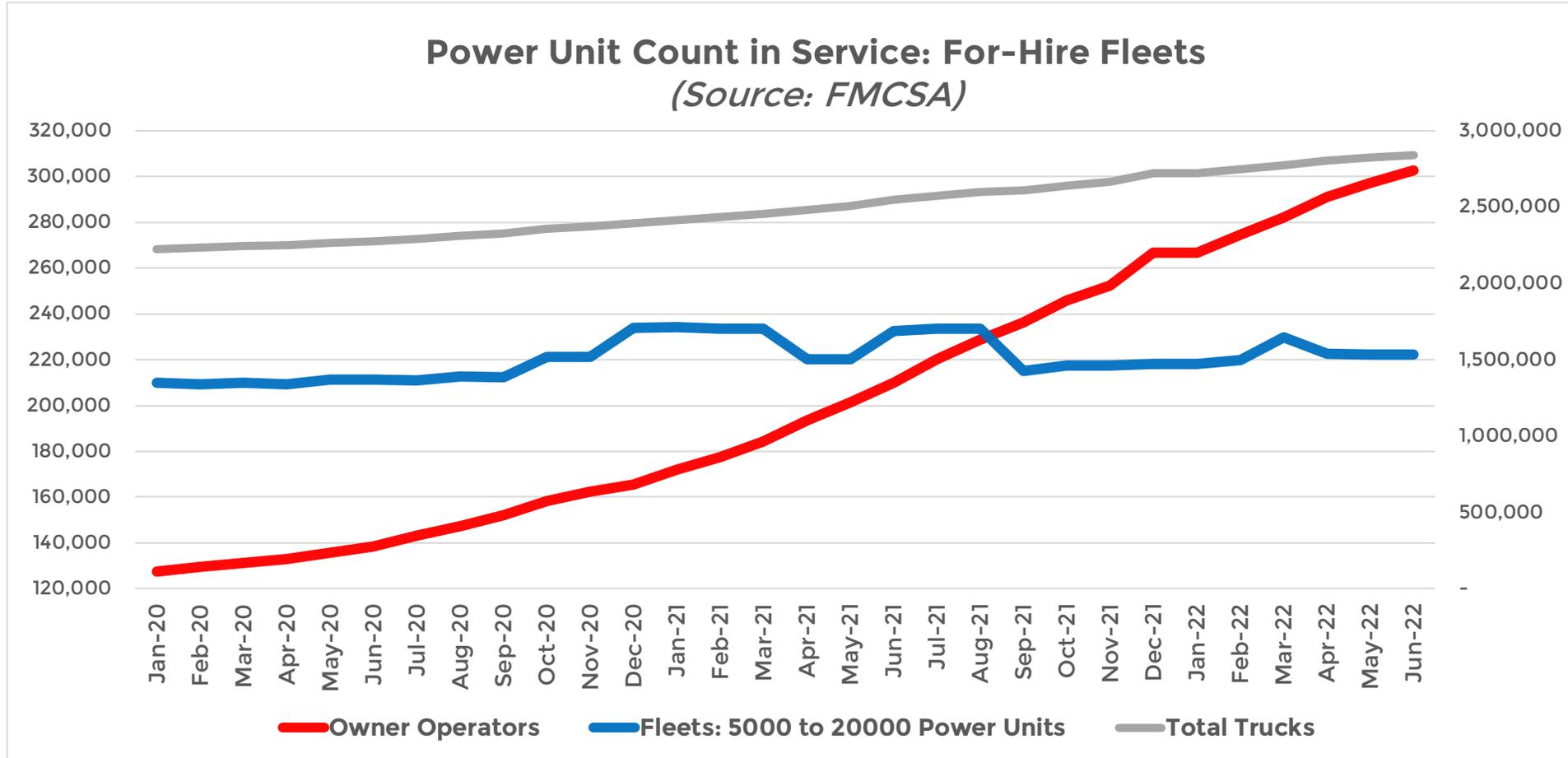
- Macroeconomic Trends
- Refrigerated Demand
- Contract Shipper Trends
- Refrigerated Spot Market Trends
- Canada

June Imports

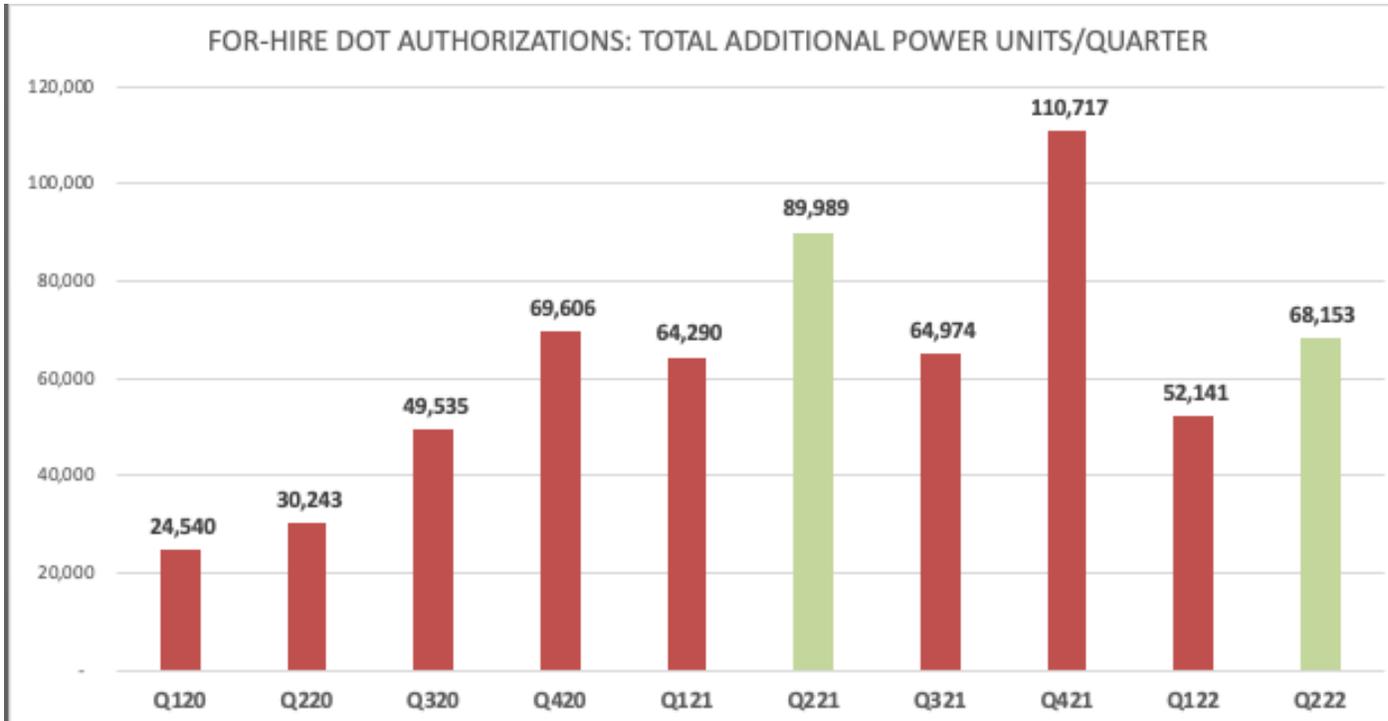


- June containerized imports at 2.64m down 5% m/m but still 8% higher than 2021 levels
 - 2nd busiest month on record
- July is forecast at 2.31m which will be up 5% y/y
 - Could be the 4th busiest month on record
- West Coast vol up 6% y/y
- East Coast up 12% y/y
- Gulf Coast up 8% y/y

Capacity Trends



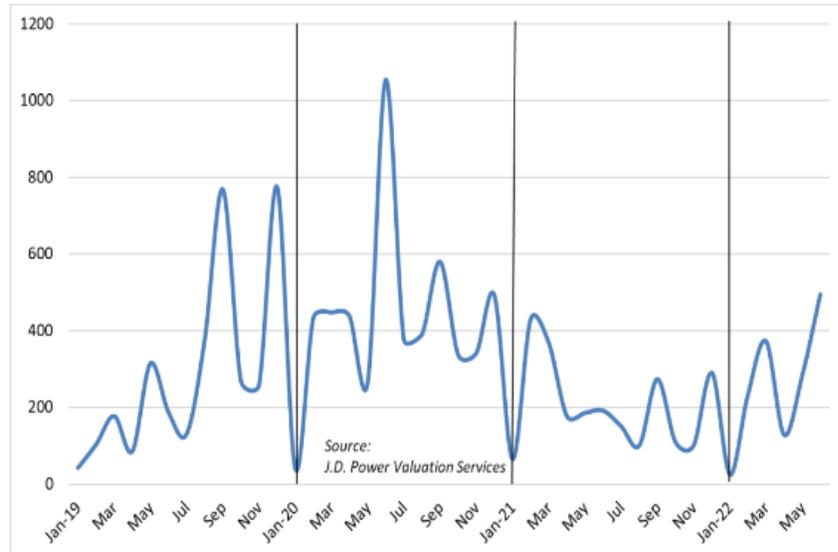
Supply



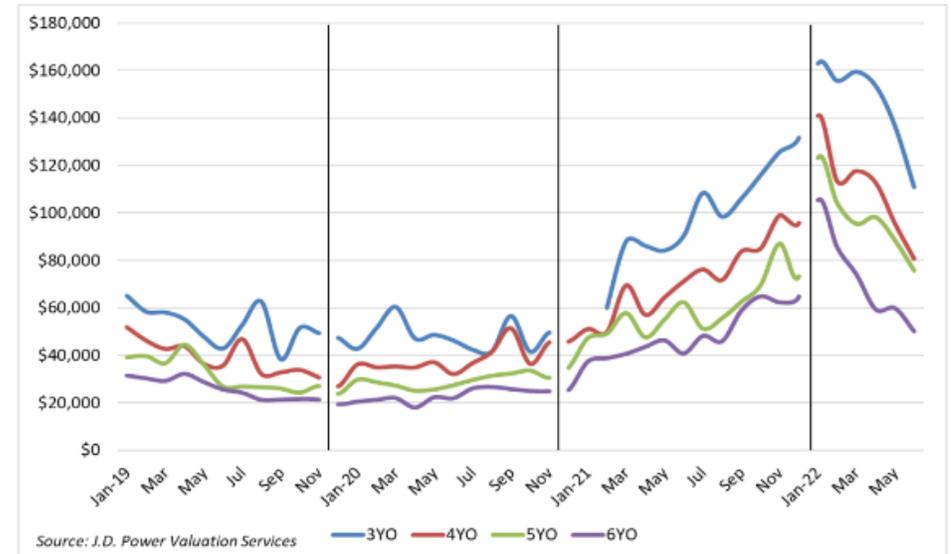
- Q222 Count of power units for DoT authorizations 24% lower y/y
- June 2022
 - Power units up 0.6% m/m
- 31% of capacity in last year from the owner-operator category
- 80% from 1-40 fleet size

Used Truck Market

Volume of the Three Most Common Sleeper Tractors (3- to 7-Year-Old) Sold Through the Two Largest Nationwide No-Reserve Auctions



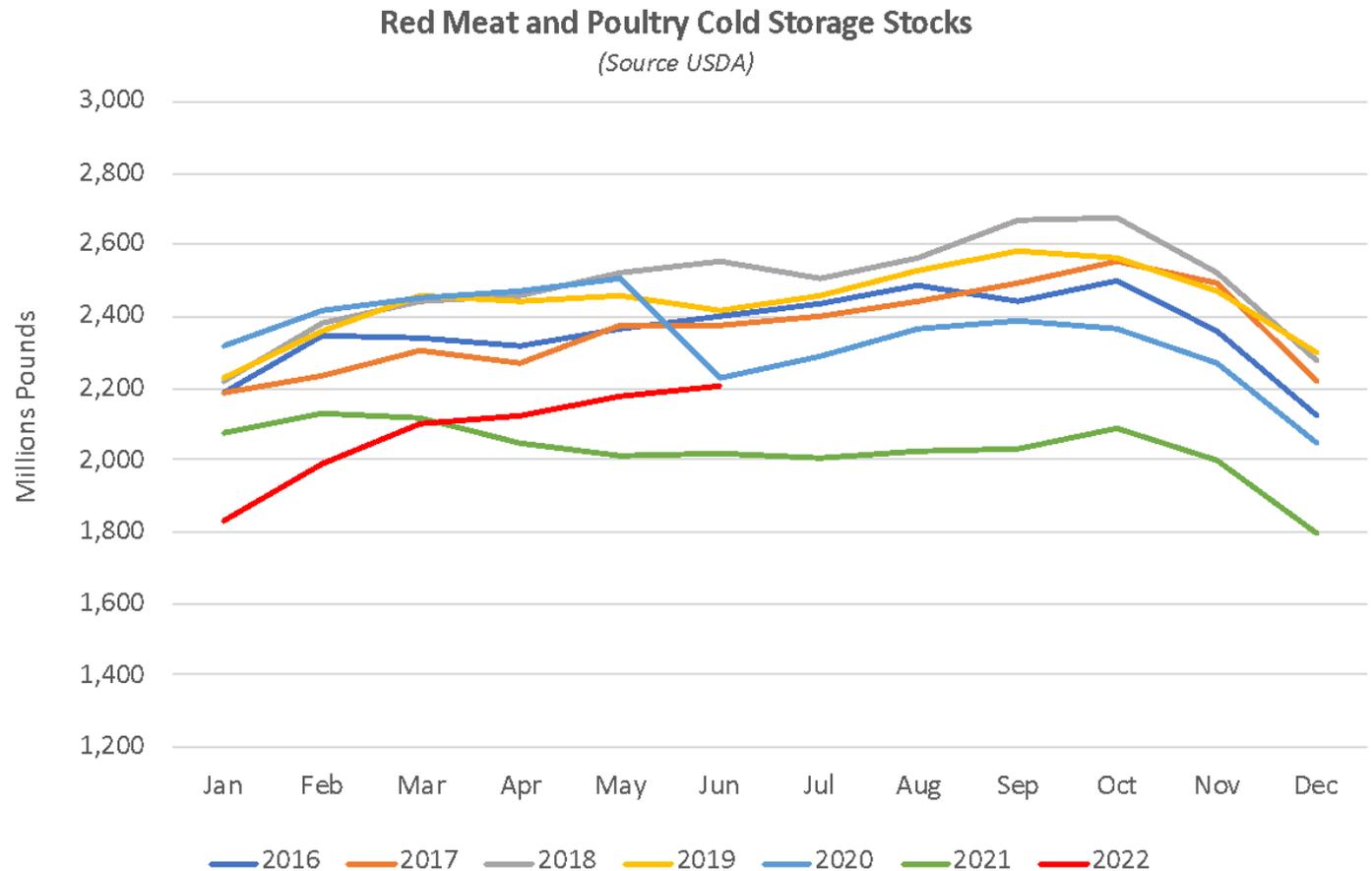
Average Auction Hammer Price: 3- to 6-Year-Old Benchmark Sleeper Tractor



- Used truck inventory at auction up 66% in June.
- In June, 3-5-year-old trucks averaged 17% less money than May, but 19% more money than May 2021.
- Late-model pricing still 68.9% higher than pre-pandemic Q318 peak.



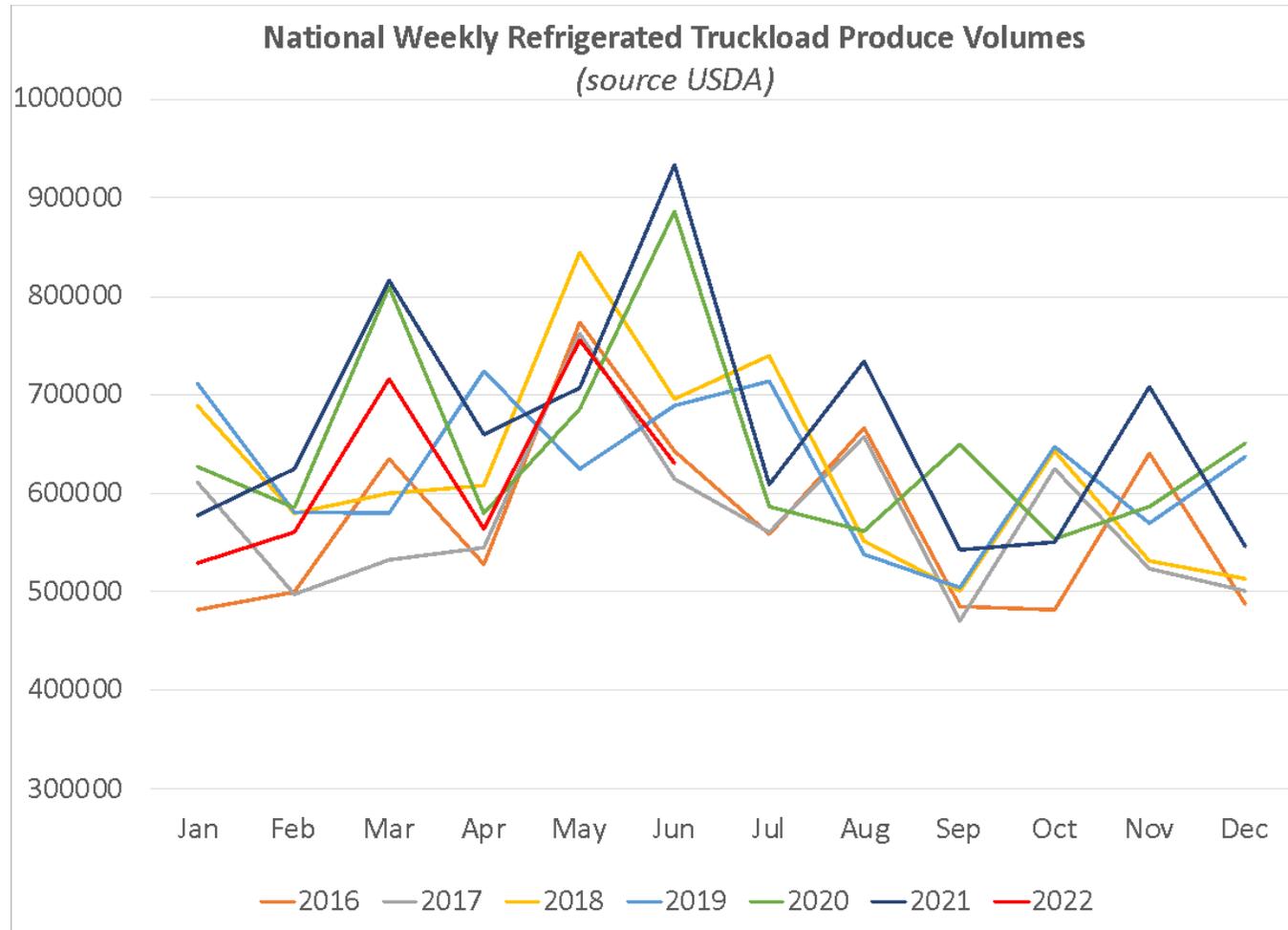
Reefer Demand



- 2020- 2021 cold storage stocks were depleted due to factors relating to the pandemic, such as meat processing plant shutdowns and increased demand.
- 2022 cold storage stocks are increasing indicating meat consumption is decreasing
 - USDA's Consumer Price Index indicates that the average market price of meat has increased 12.3% since May 2021.

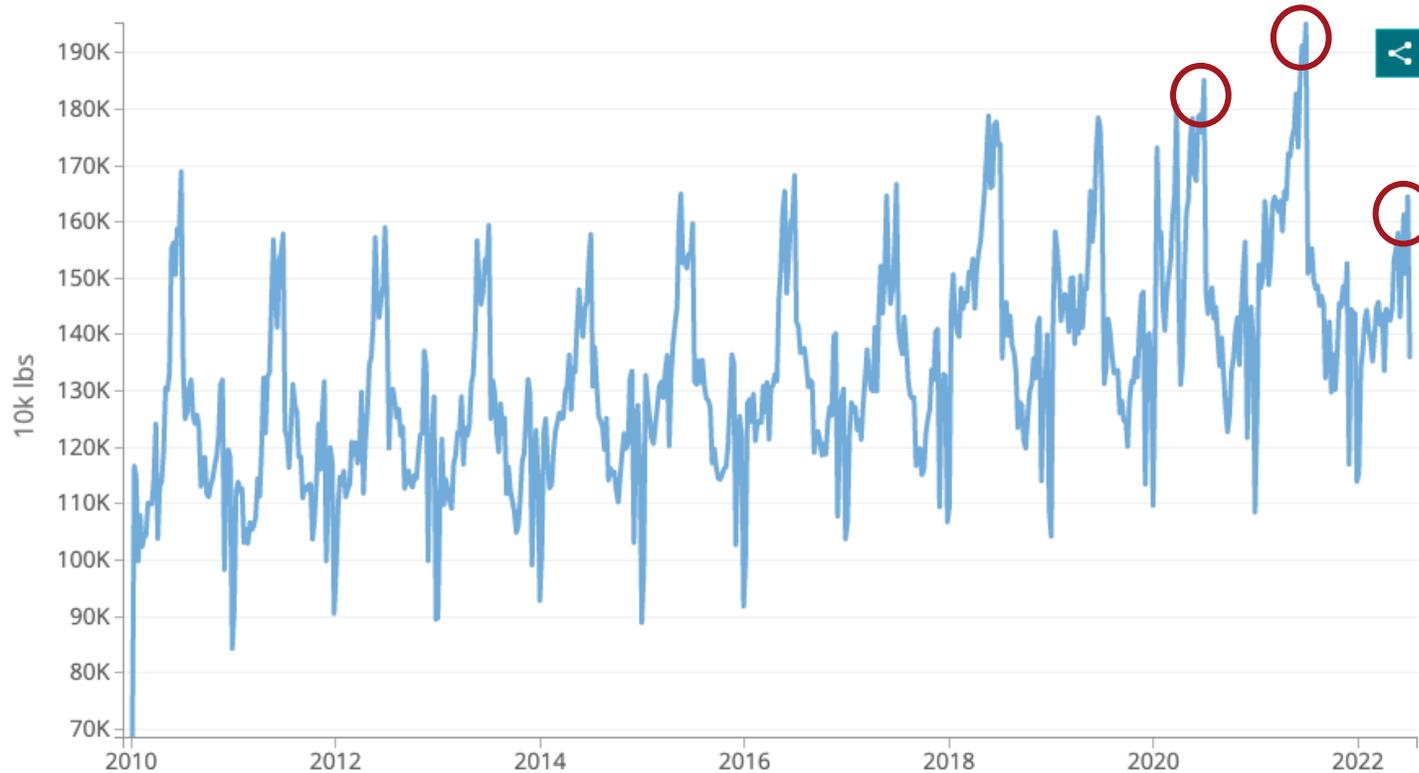


Produce Season



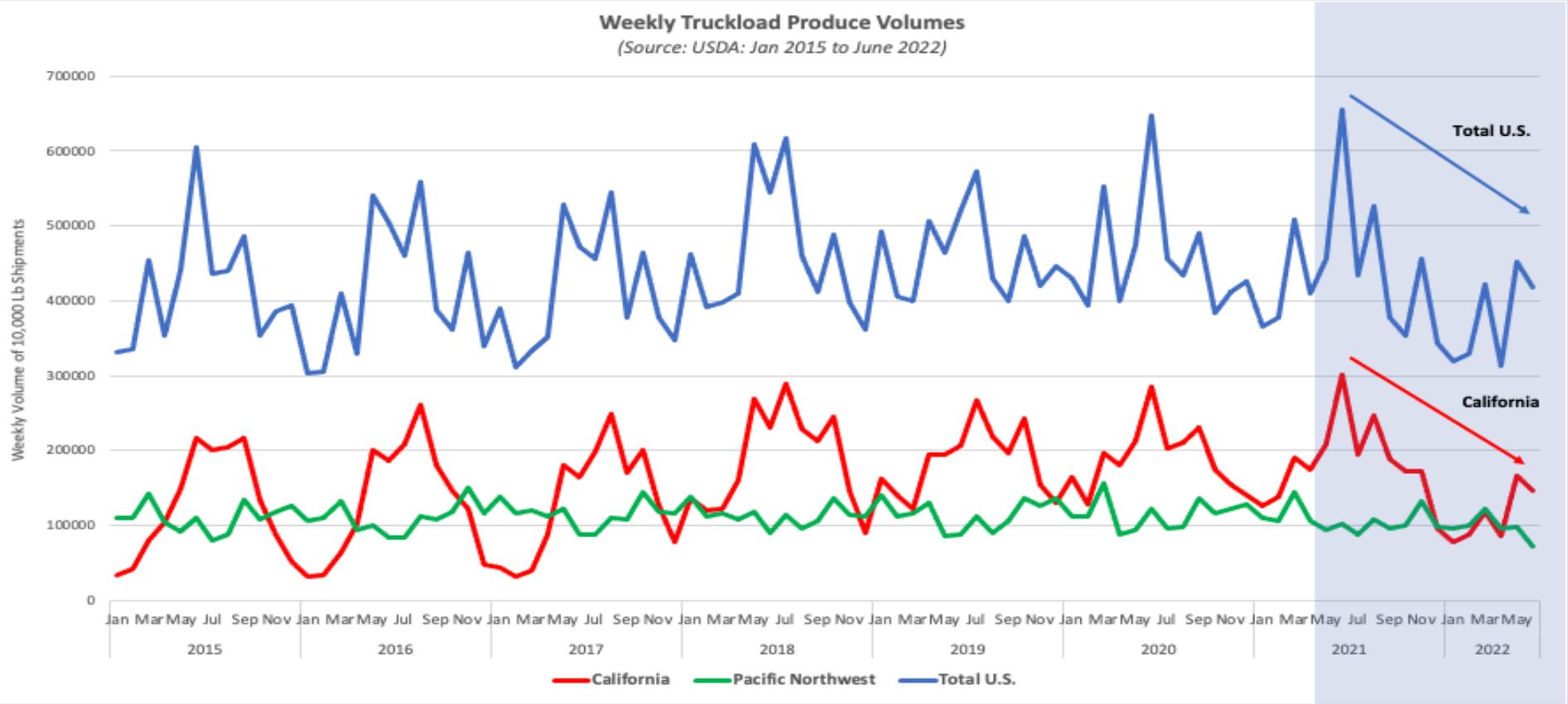
- YTD weekly produce volumes 13% lower than 2021
- Lowest level since 2017
- California citrus is absent from much of the USDA reefer data for 2022. However, the USDA CA Citrus forecast showed a estimated 6% y/y decrease of approximately 236,000 tons

Produce Volumes



- 2021 was an outlier in terms of truckload volume driven by consumer living, working, and eating trends
- June 22 - ~ 16,000 fewer loads y/y
- Equivalent volumes to 2015

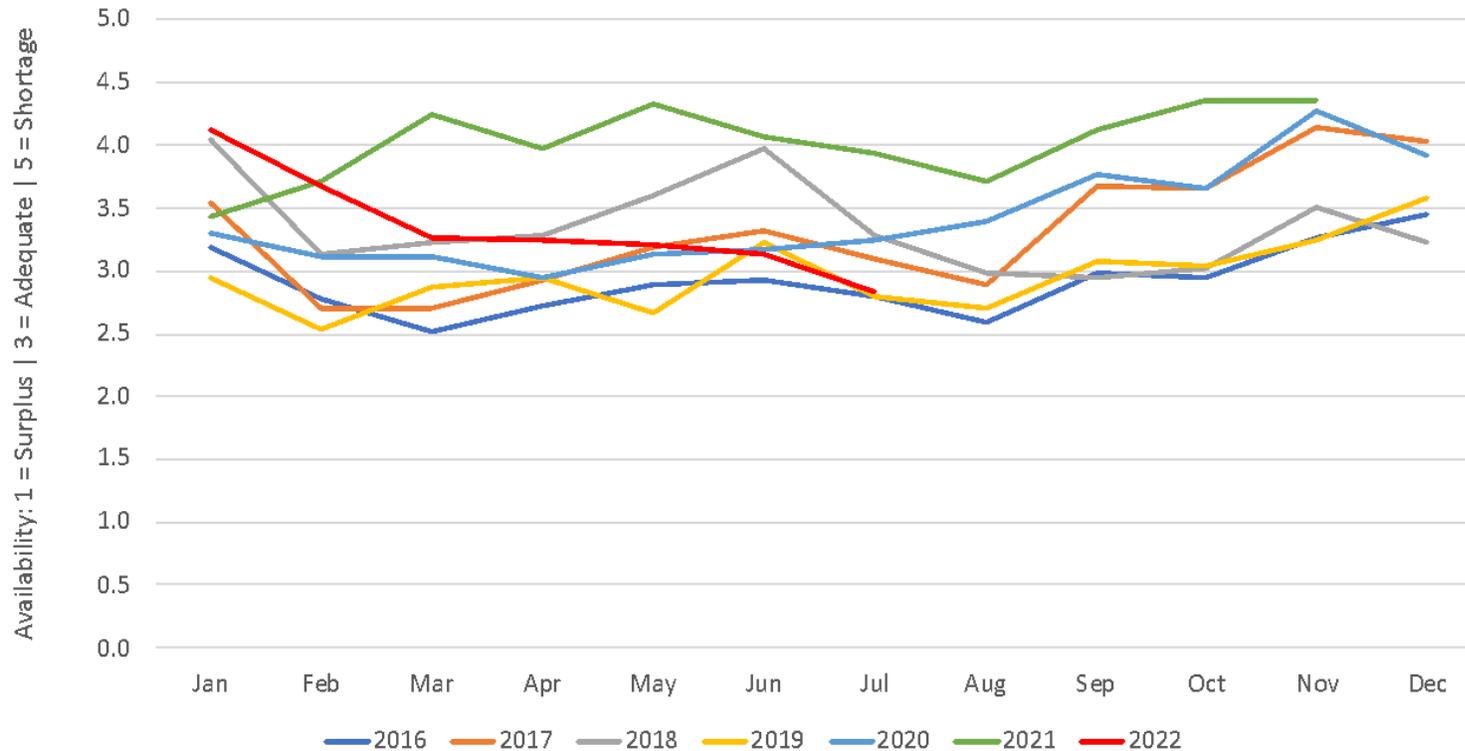
Produce Volumes



Produce Season Truckload Supply

Average Refrigerated Truck Availability Over Time

(Source USDA)



- Truck availability close to the same level as June 2019 and 2020
- Only 2/20 growing regions reporting a shortage (5) of trucks last week:
 - Florida West and South Carolina Southeast Missouri for Eastern North Carolina.
- In late June last year there 15/23 markets reporting a slight shortage (4) or shortage (5)



Shipper Trends



Contract Rate Trends

- Dry Van and Reefer replacement rates are in the negative for the first time since May 2020!
- New rates from recent RFPs are starting to show up in routing guides.
- Reefer active rates starting to drop.

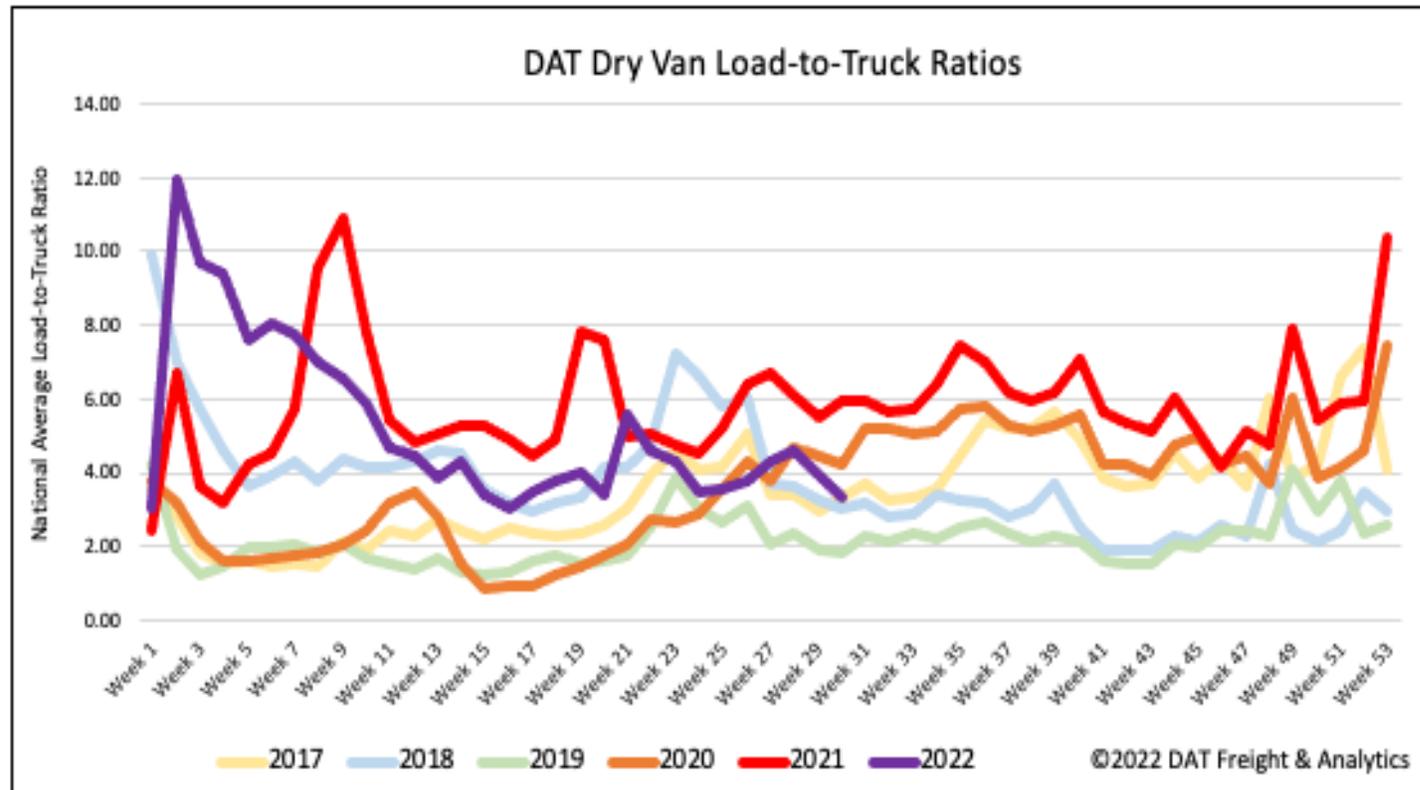
Market	Change in Active Rates	Change in Spot Rates	Current Level of Replacement Rates
Dry Van	Flat (+0.5%)	-3.5% (+2.0%)	-1.0% (+1.0%)
Temp Control	-1.0% (Flat)	Flat (+0.5%)	-8.0% (+2.0%)
Intermodal	+0.5 (+2.0)	-1.0% (Flat)	+2.0% (+11.0%)
Flatbed	-2.5% (-0.5%)	-1.0% (+1.0%)	+2.5% (+3.0%)



Spot Market Trends

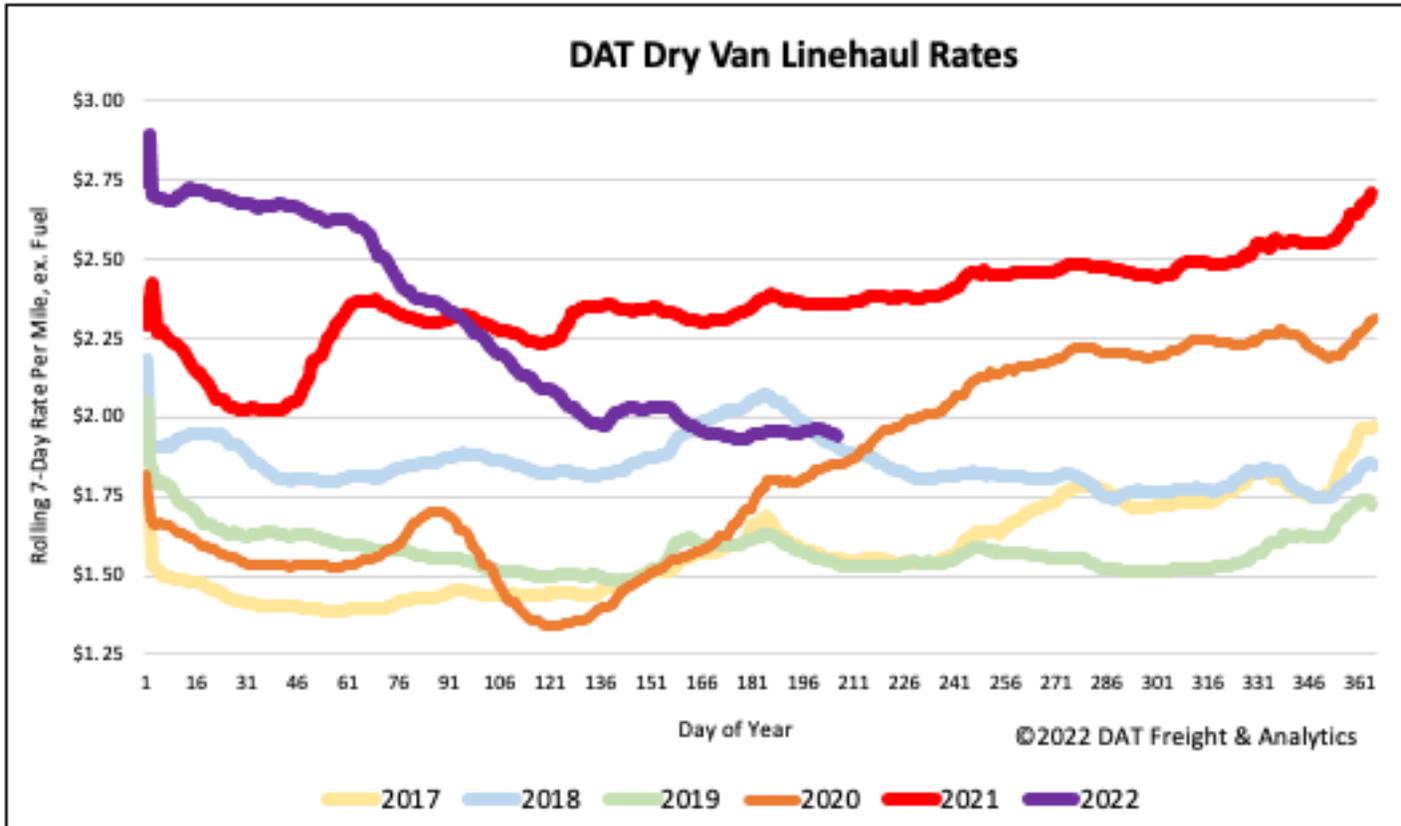


Van Load-to-Truck Ratio



- Dry van load post volumes dropped below 2020 levels for the first time last week following a 15% w/w decrease.
- In contrast, equipment posts remained at their highest level recorded in July and around 8% higher than 2019 levels.
- As a result, last week's dry van load-to-truck ratio decreased for the fourth week in a row to 3.31.

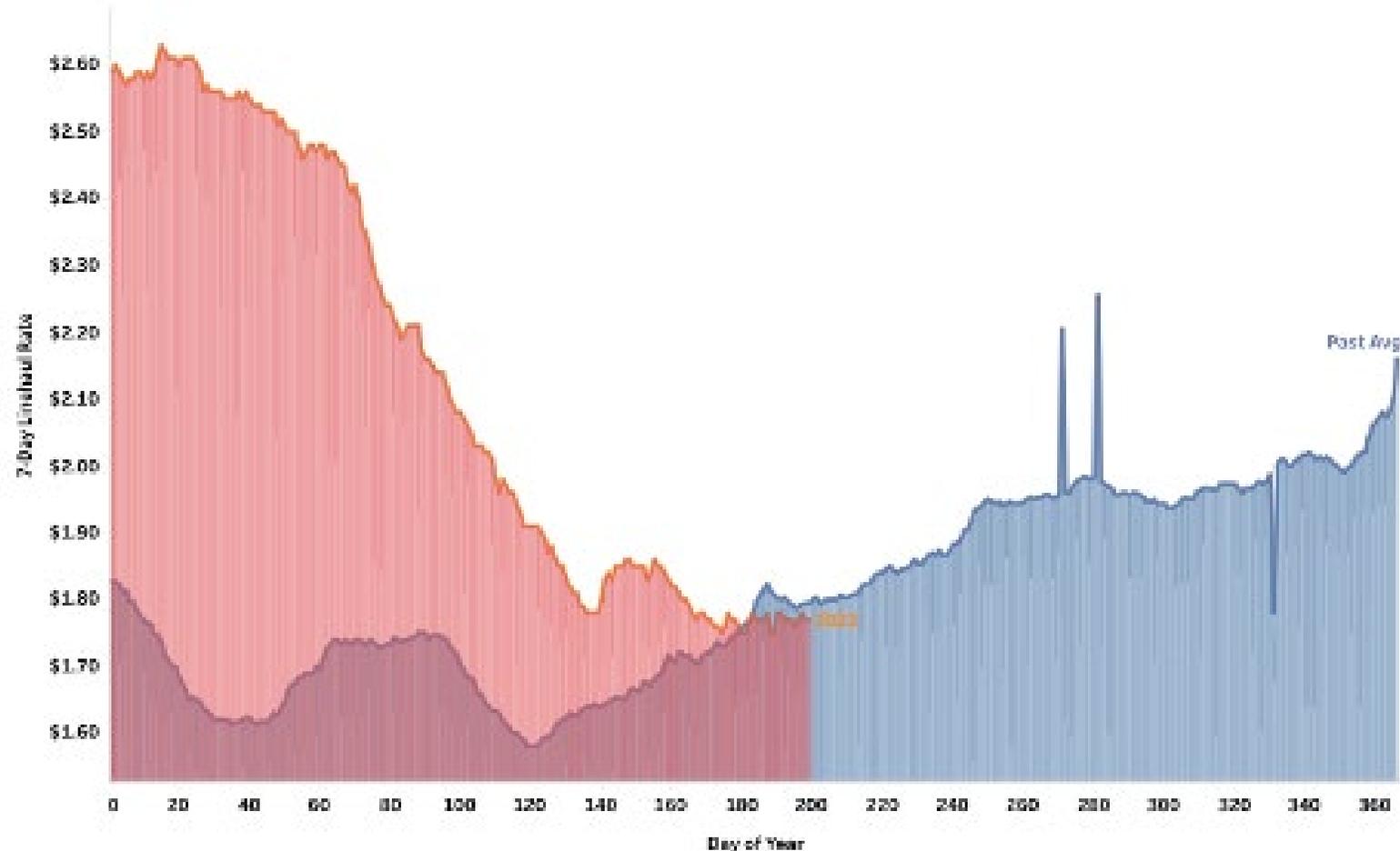
Van Linehaul Spot Rates (excl. FSC)



- Dry van linehaul rates decreased again by less than a penny-per-mile last week to a national average of \$1.96/mile.
- Spot rates are \$0.42/mile lower than the previous year and \$0.04/mile higher than this time in 2018.
- But still \$0.33/mile higher than the average of pre-pandemic years.

Dry Van Long-Term Rate Trends

US to US Van Current Year vs. Past 3 Year Average



Broker-to-Carrier Spot

(Linehaul Only)

\$1.77

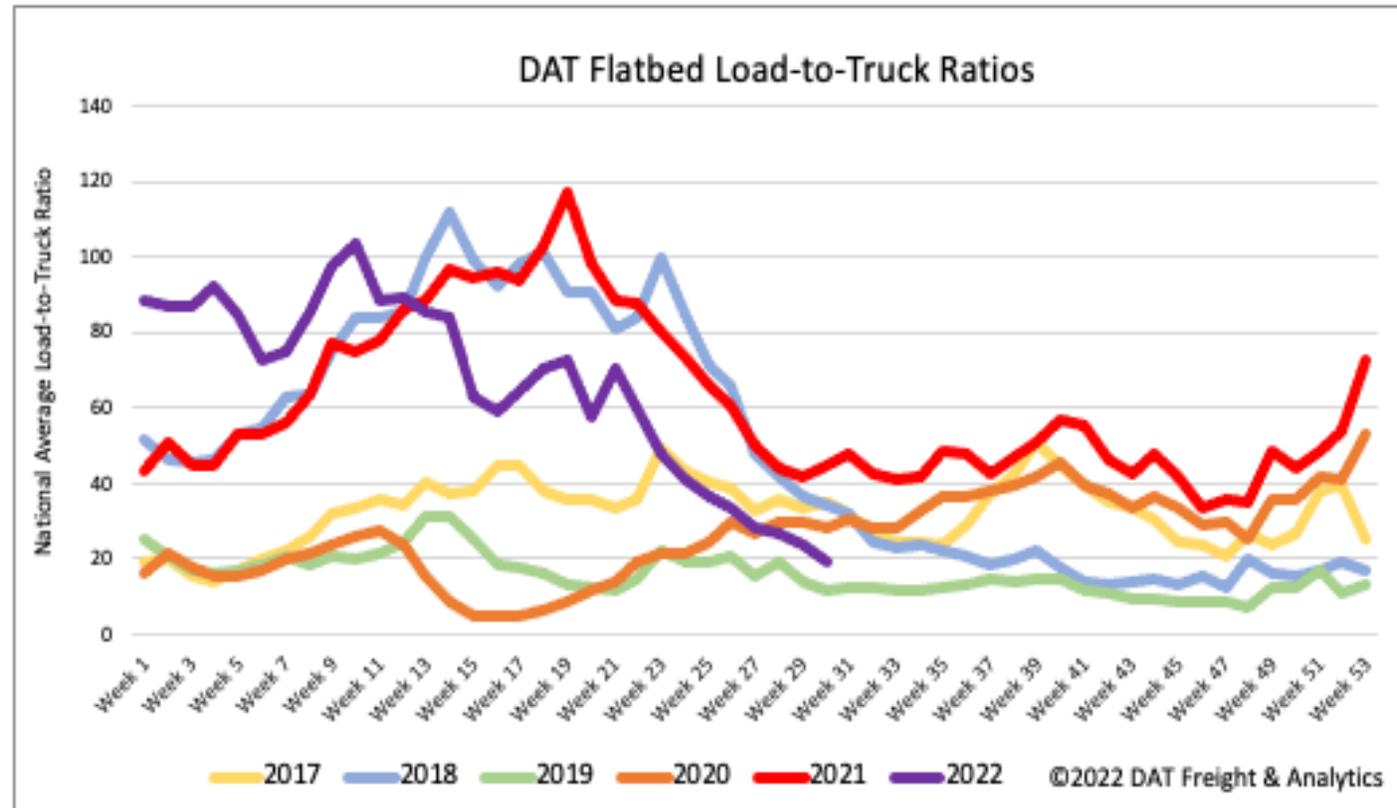
(\$1.41 - \$2.23)



Min. RPM	\$1.75
Avg. RPM	\$2.14
Max RPM	\$2.63
Min. Rate	\$1,921.60
Avg. Rate	\$2,374.94
Max Rate	\$2,963.12

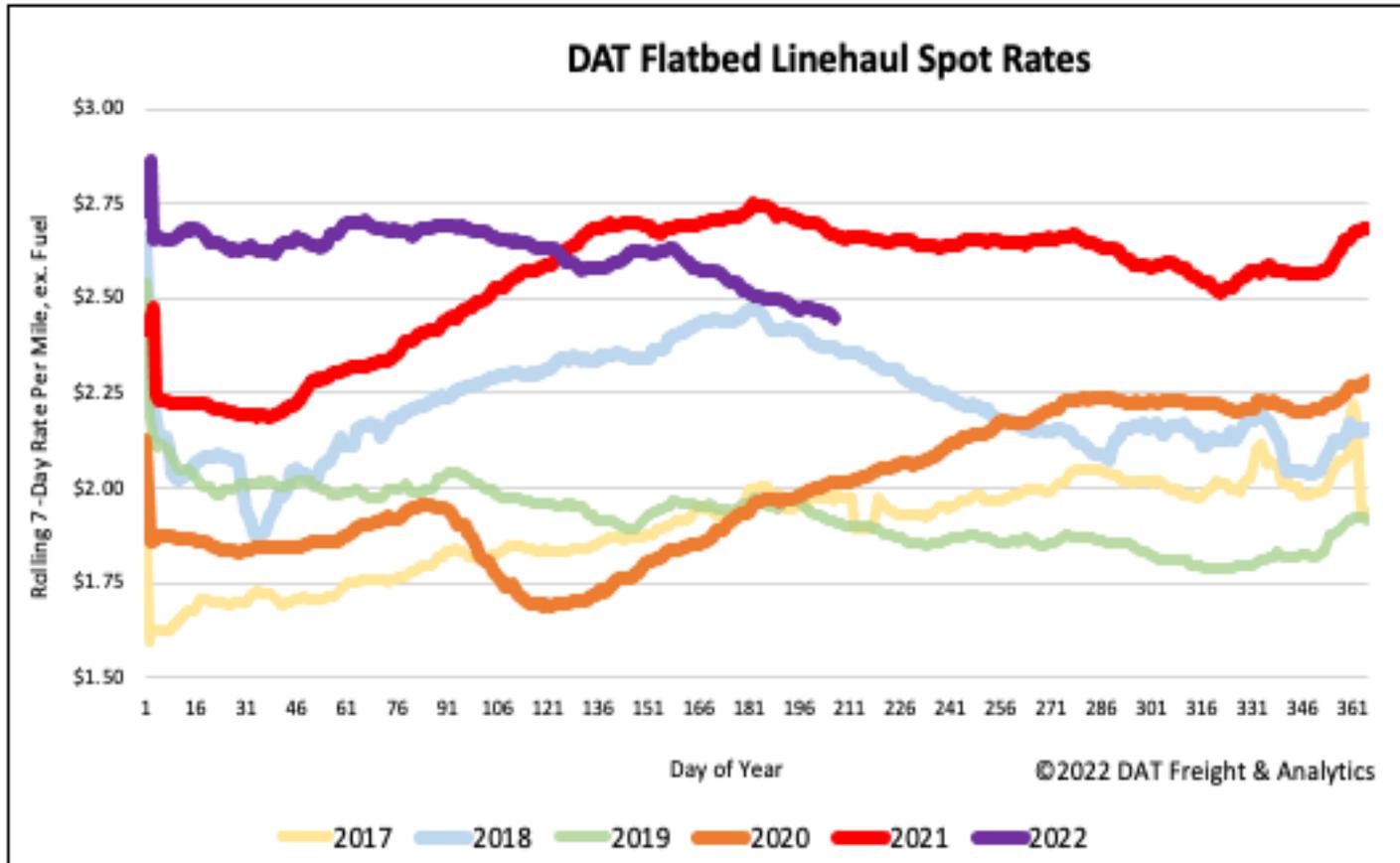


Flatbed Load-to-Truck Ratio



- Flatbed load post (LP) volumes are within 3% of 2020 levels following last week's 17% w/w decrease.
- Volumes are now 10% lower than this time in 2018, having declined 35% in the previous month.
- Equipment post volumes hit an all-time high surpassing the previous record set in late 2019.
- Only 2019 recorded a lower flatbed load-to-truck (LTR) ratio for the third week of July.

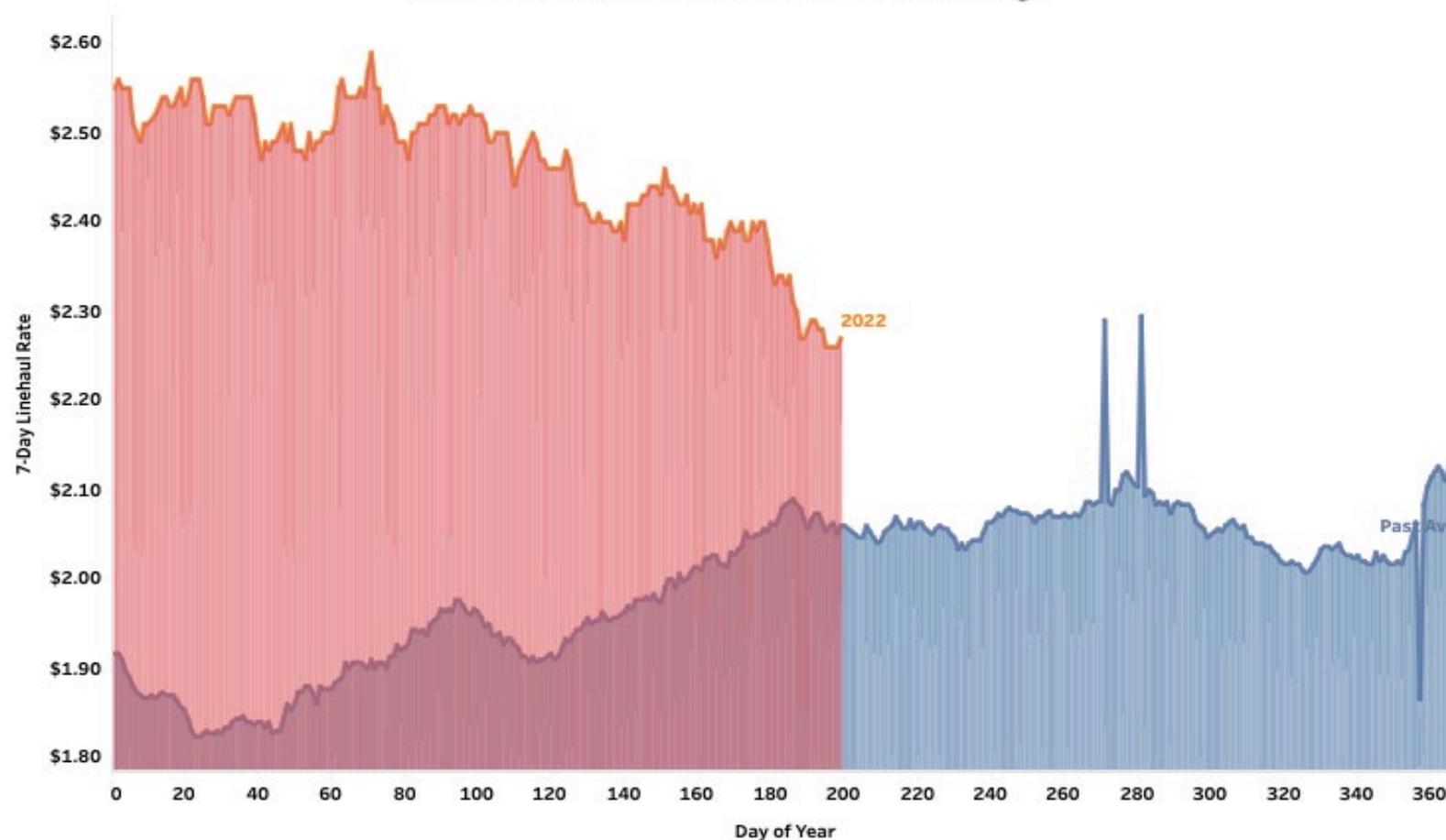
Flatbed Linehaul Spot Rates (excl. FSC)



- Flatbed linehaul rates have dropped \$0.19/mile since the start of the year, with the majority of the decrease occurring in the last seven weeks, with rates dropping \$0.17/mile over that timeframe.
- Following last week's \$0.01/mile decrease, the national average flatbed spot rate is just over \$2.48/mile, which is \$0.22/mile lower y/y but still \$0.08/mile higher than in 2018.

Flatbed Long-Term Rate Trends

US to US Flatbed Current Year vs. Past 3 Year Average



Broker-to-Carrier Spot

(Linehaul Only)

\$2.27

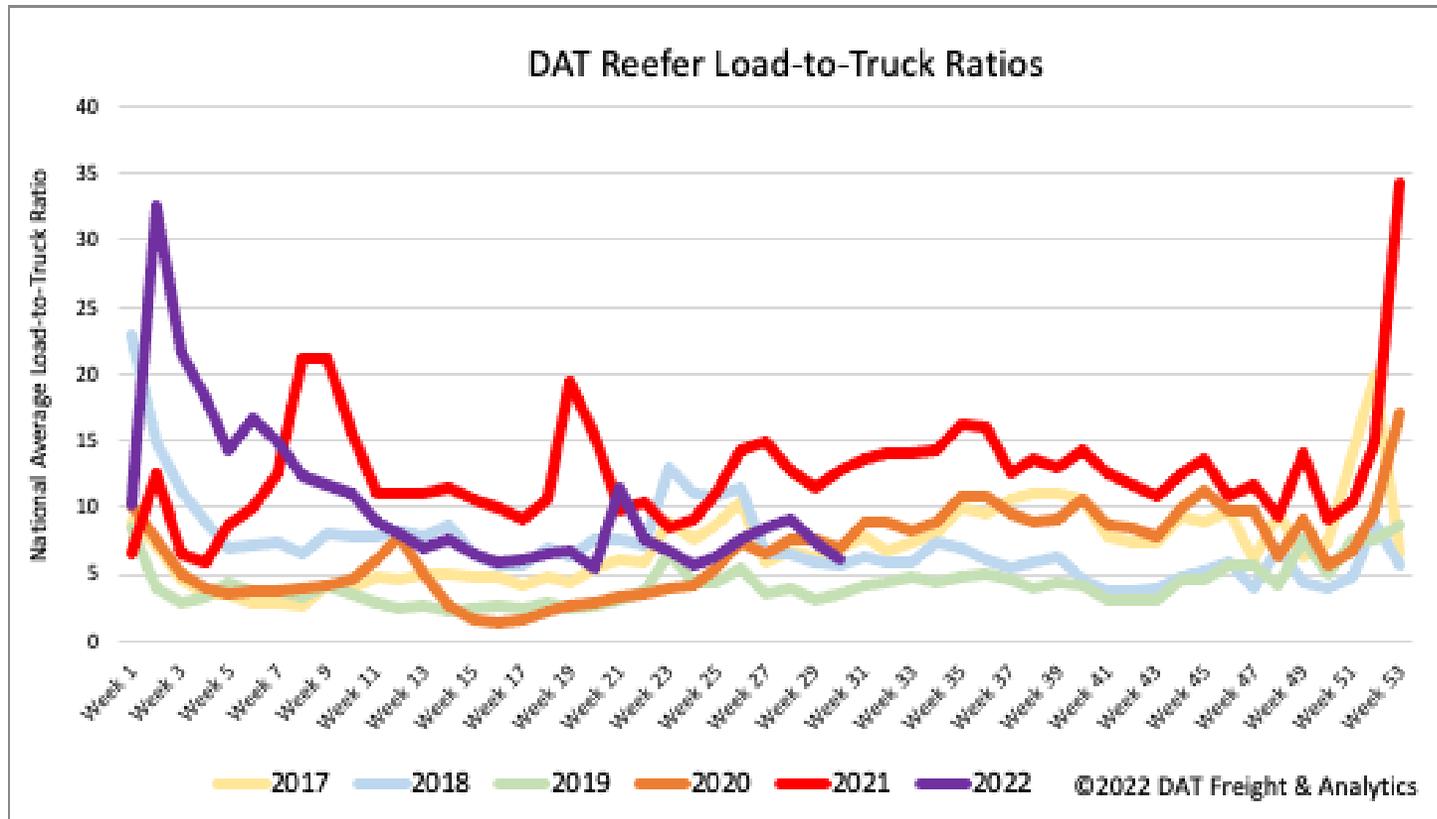
(\$1.73 - \$2.89)



Min. RPM	\$2.26
Avg. RPM	\$2.46
Max RPM	\$2.59
Min. Rate	\$2,361.03
Avg. Rate	\$2,589.84
Max Rate	\$2,812.07

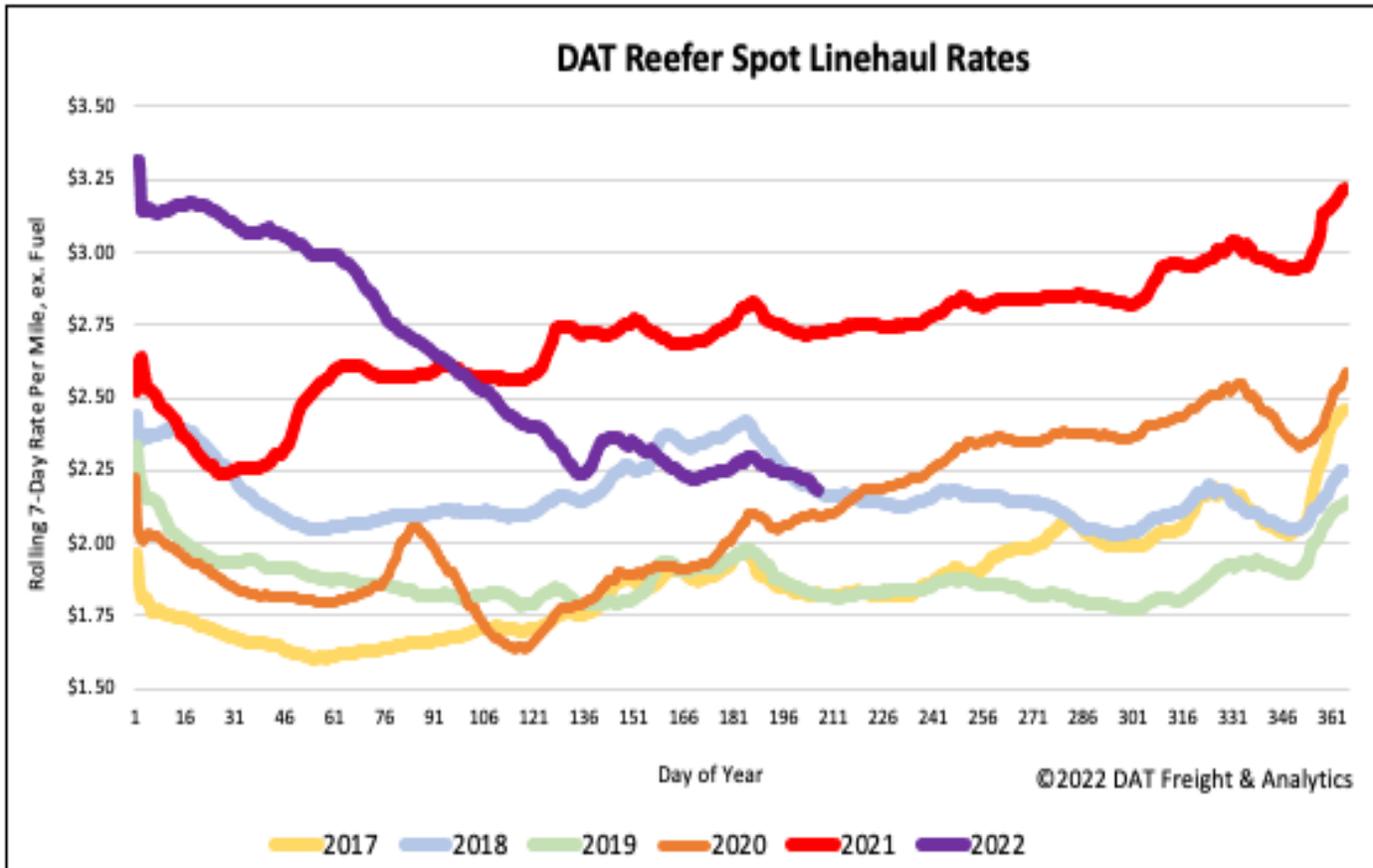


Reefer Load-to-Truck Ratio



- Like dry van, reefer carrier equipment posts are at record-high levels for this time of the year and around 2% higher than the over-supplied 2019 reefer market.
- Load post volumes cooled last week, dropping 17% w/w and 7% below 2020 levels.
- As a result, the reefer load-to-truck (LTR) ratio declined for the third week in a row to 5.99 and was almost identical to this time in 2020.

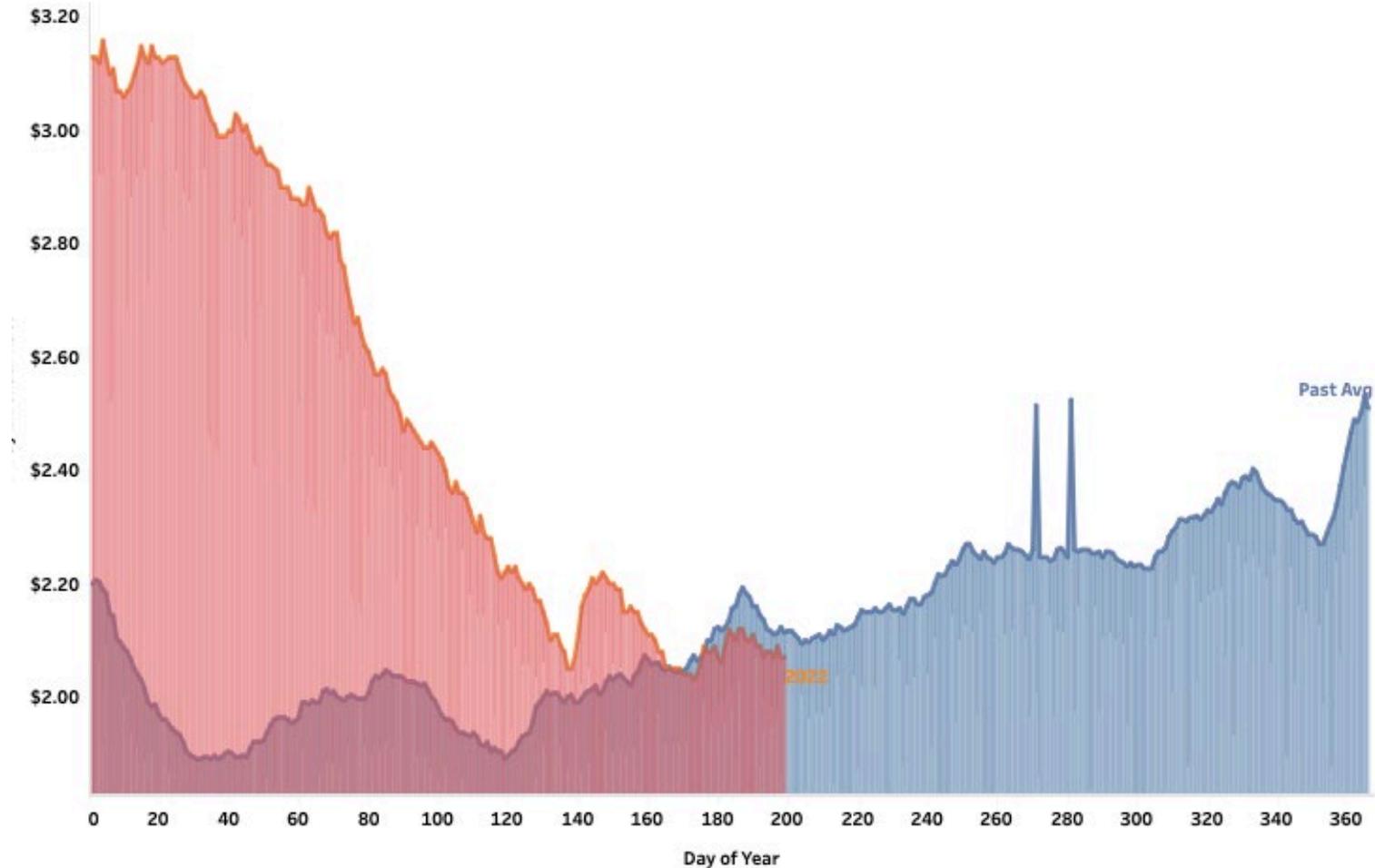
Reefer Linehaul Spot Rates (excl. FSC)



- Reefer linehaul spot rates are identical to this time in 2018, following last week's \$0.01/mile decrease to a national average of \$2.24/mile.
- Compared to the previous year, reefer spot rates are \$0.54/mile lower but still \$0.30/mile higher than the pre-pandemic average for this time of the year.

Reefer Long-Term Rate Trends

US to US Reefer Current Year vs. Past 3 Year Average



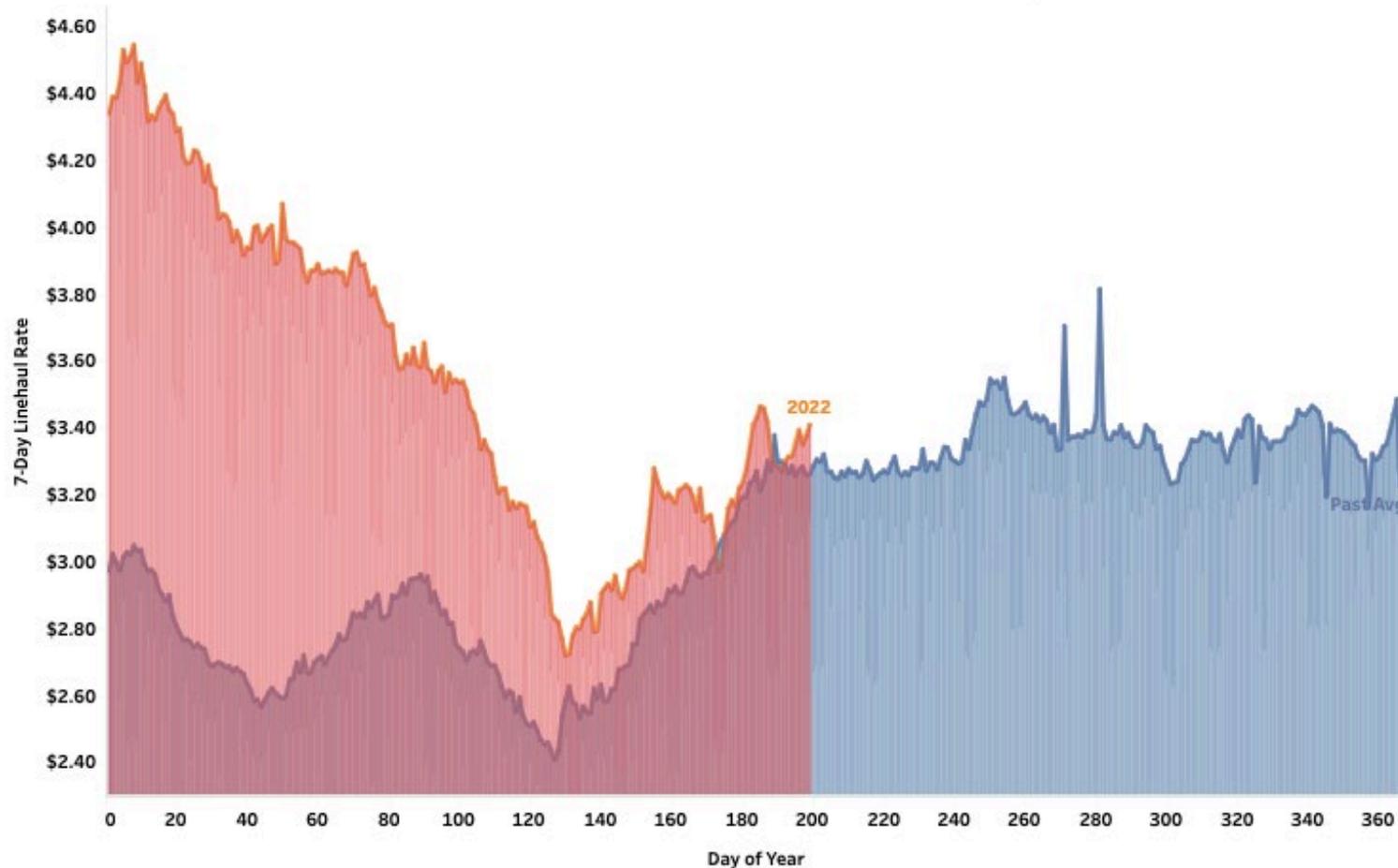
Broker-to-Carrier Spot
(Linehaul Only) 
\$2.07
(\$1.63 - \$2.57)

Min. RPM	\$2.03
Avg. RPM	\$2.51
Max RPM	\$3.16
Min. Rate	\$2,516.82
Avg. Rate	\$3,110.74
Max Rate	\$3,966.44



Reefer Rates: Atlanta to Lakeland

GA_ATL to FL_LAK Reefer Current Year vs. Past 3 Year Average



Broker-to-Carrier Spot

(Linehaul Only)

\$3.41

(\$3.08 - \$3.83)

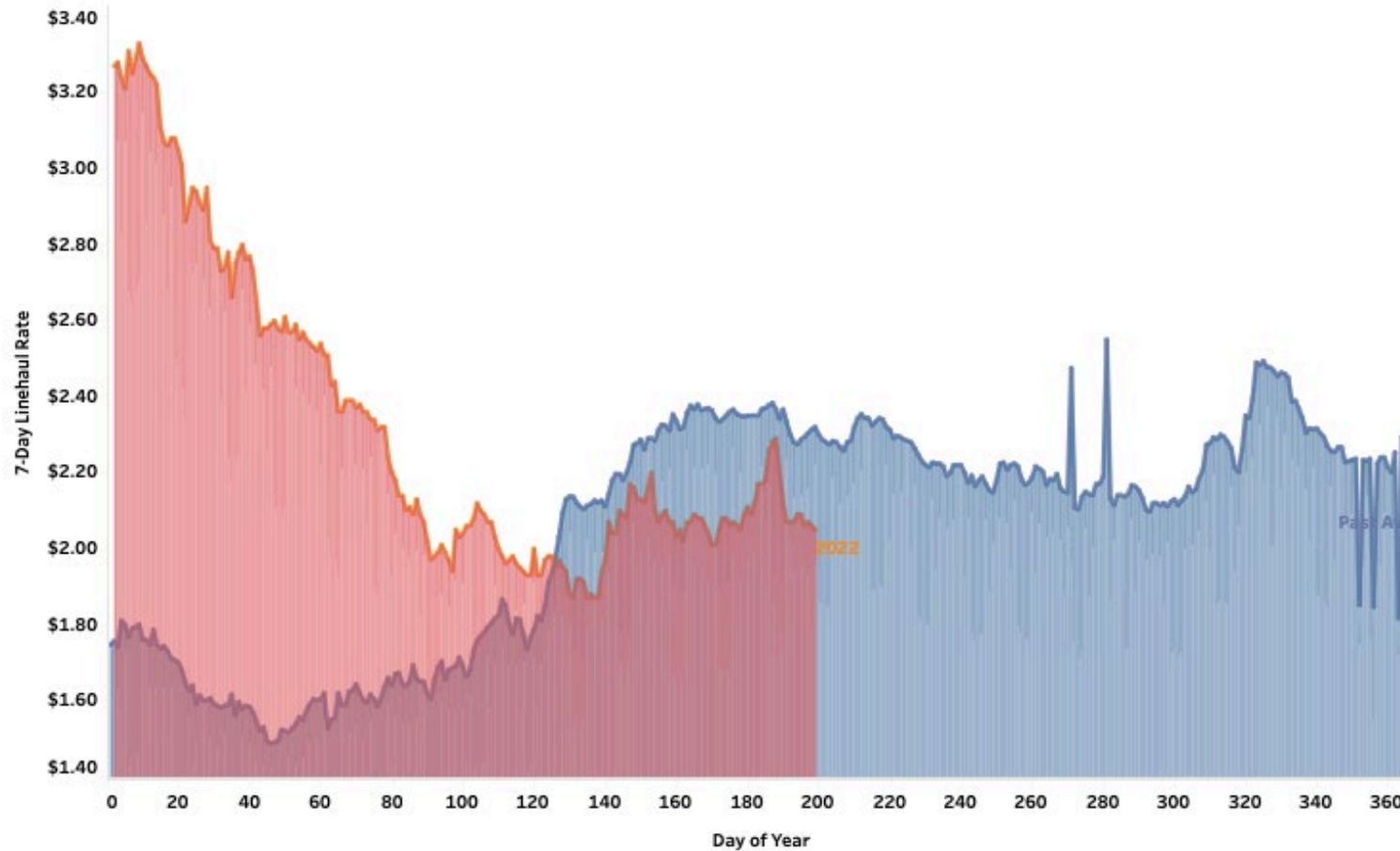


Min. RPM	\$2.61
Avg. RPM	\$3.55
Max RPM	\$4.56
Min. Rate	\$1,304.85
Avg. Rate	\$1,770.42
Max Rate	\$2,414.54



Reefer Rates: Fresno to Chicago

CA_FRS to IL_CHI Reefer Current Year vs. Past 3 Year Average



Broker-to-Carrier Spot

(Linehaul Only)

\$2.05

(\$1.92 - \$2.15)



Min. RPM	\$1.87
Avg. RPM	\$2.32
Max RPM	\$3.33
Min. Rate	\$3,932.87
Avg. Rate	\$4,891.10
Max Rate	\$7,011.05



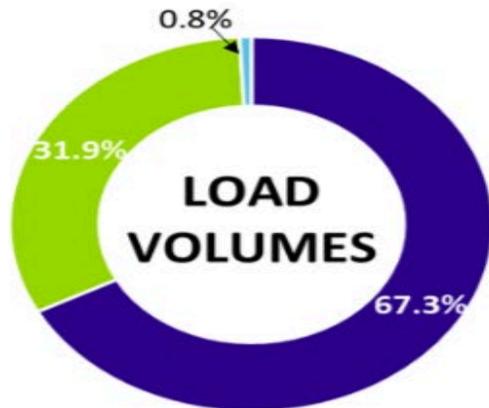
Canada



Canadian Spot Market



Loadlink Volumes - May 2022

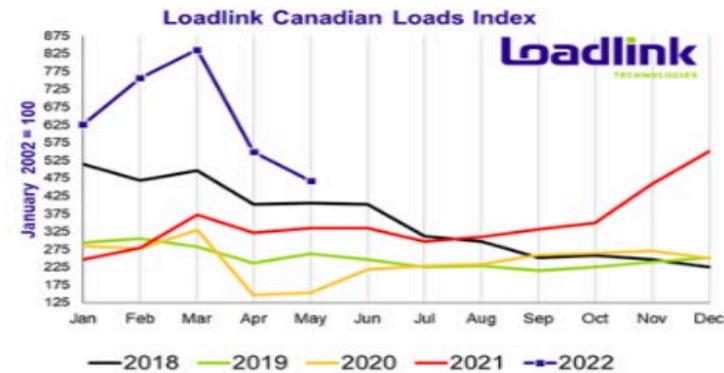


- Cross-Border Loads
- Intra-Canada Loads
- Other

May Load Volume Changes

Month-over-Month
-15%

Year-over-Year
+40%



Outbound Loads (CA to US)

MoM **-30%**

YoY **+82%**

Inbound Loads (US to CA)

MoM **-12%**

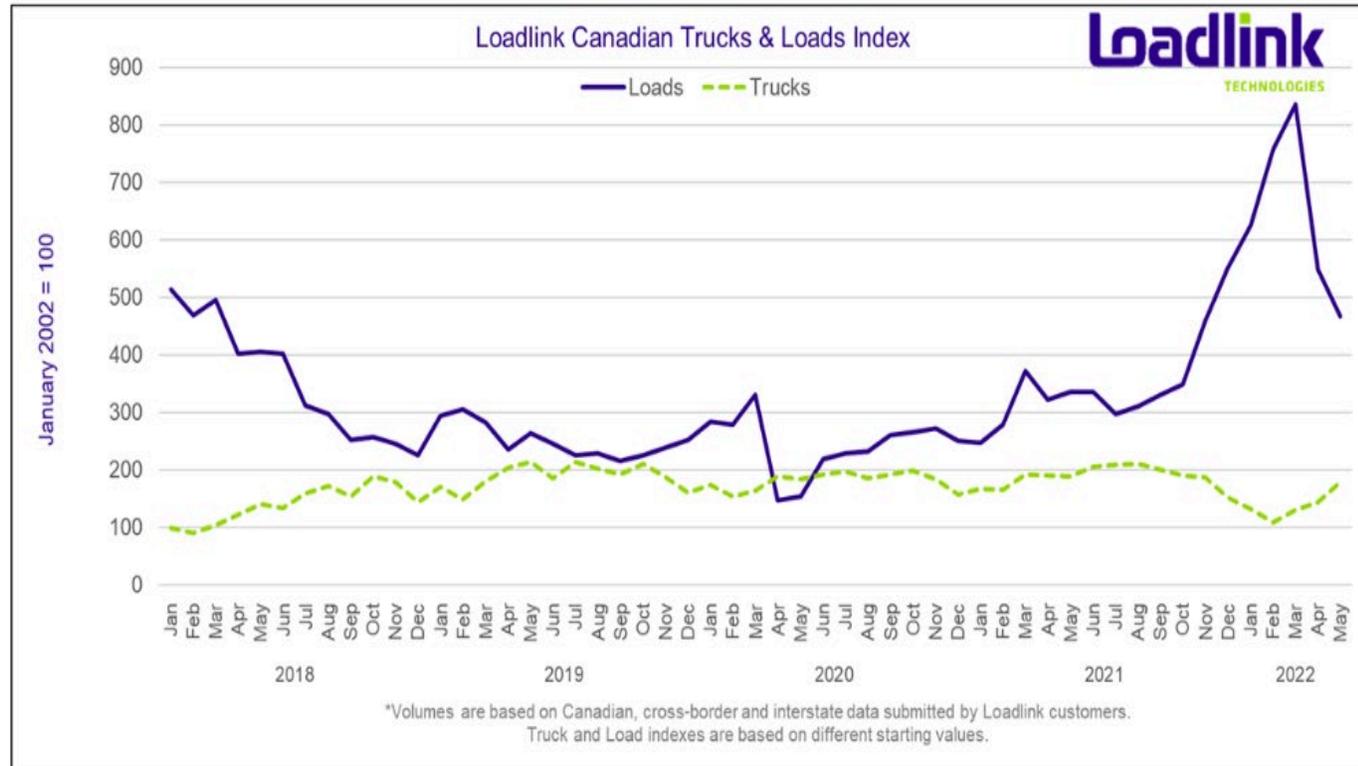
YoY **27%**

Intra-Canada Loads (CA to CA)

MoM **-5%**

YoY **+45%**

Canadian Loadboard



- The ratio for May was 1.68 available trucks for every load posted, up 47.4 percent from 1.14 in April.
- Year-over-year, May's truck-to-load ratio was 32 percent lower compared to a ratio of 2.47 in May 2021.

Thank You

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