

# TODAY'S MARKET AND WAVES TO WATCH

Considerations and Strategies



**C.H. ROBINSON**  
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# DISCLAIMER – U.S. TRUCKING MARKETPLACE

The following presentation report is a compilation of economic and freight transportation indicators. Our intent is to offer an easy reference tool for the purpose of collaborative conversation on trends in the economy and freight transportation.

The report will review figures in the following categories:

- Distribution of For-Hire Carriers in the U.S.
- Distribution of For-Hire Tractors in the U.S.
- Market Indicators – Trucking Activity
- Transportation Supply & Demand Drivers

The information positions set forth in this report are gathered from independent third parties and are, to C.H. Robinson's knowledge, based on accurate transportation industry and economic market indicator information. Readers of this report should understand that many factors can and may quickly and significantly influence and change such transportation industry and/or economic market indicator information. These factors cannot be accurately identified and/or forecasted within this report. Report readers should consider other sources of information when making decisions regarding the economic and freight transportation indicators.





# DISTRIBUTION OF FOR-HIRE CARRIERS IN THE U.S.<sup>1</sup>

206,667 for-hire motor carriers

1,003,939 truck tractors



1-5 Trucks

286,972 Units  
28.6%

183,916 Carriers  
89.0%



6-50 Trucks

287,492 Units  
28.6%

20,691 Carriers  
10.0%



51-399 Trucks

211,739 Units  
21.1%

1,890 Carriers  
0.9%



400-3,999 Trucks

149,103 Units  
14.9%

162 Carriers  
0.1%



4000+ Trucks

68,633 Units  
6.8%

8 Carriers  
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<sup>1</sup>C.H. Robinson 2015 analysis of May 2015 FMCSA's MCMIS Census Data

• Carriers Included: For Hire, USA 48 state, active status updated in 2014 and 2015

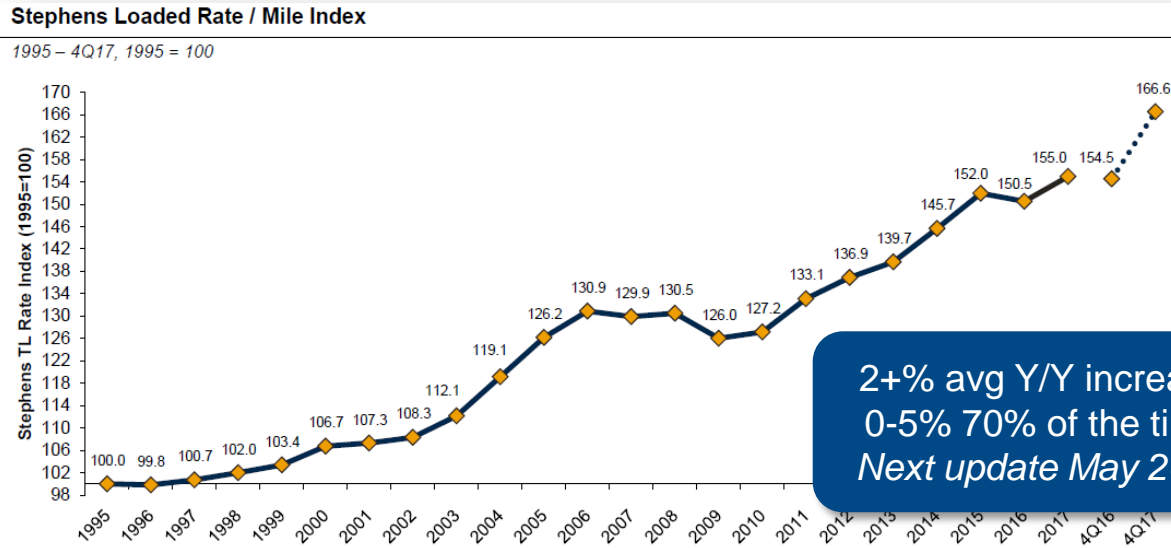
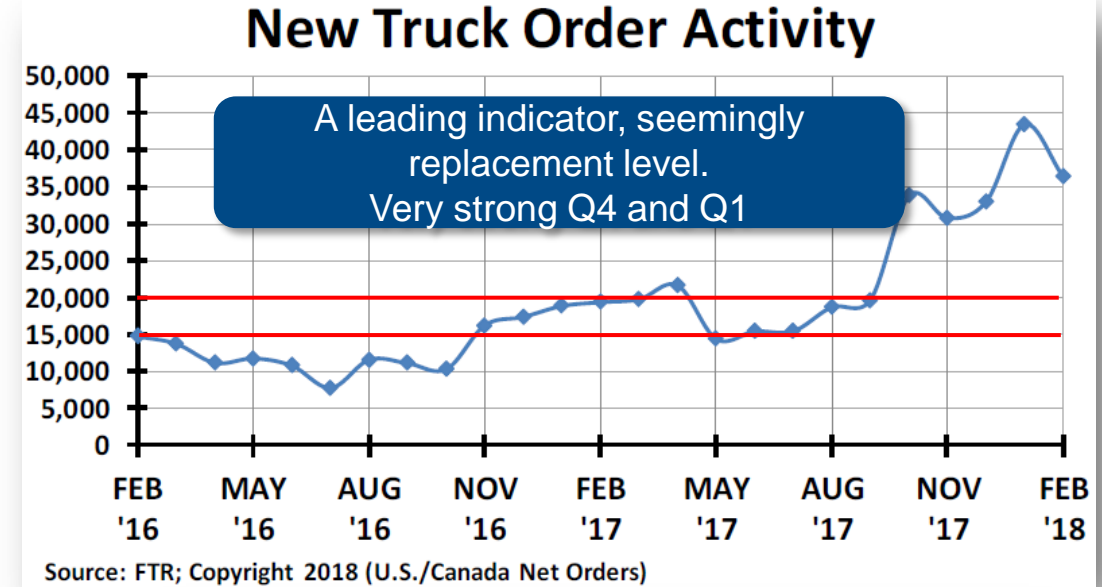
• Carriers Excluded: Bus companies, LTL carriers, parcel, government vehicles, private, forwarders and brokers (audit performed on carriers of 500 tractors and greater)

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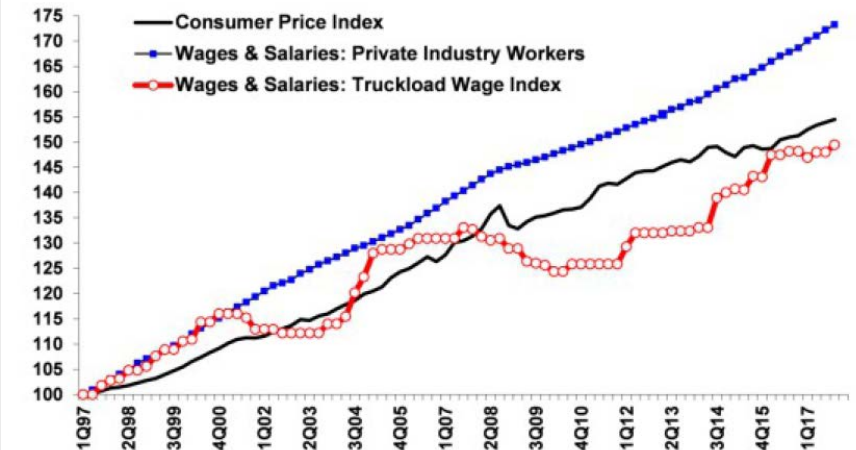


# MARKET INDICATORS

- 2 yrs underinvestment turning corner
- Strong forecast for investment
- Shared labor pool pressure
- Projected labor cost increases

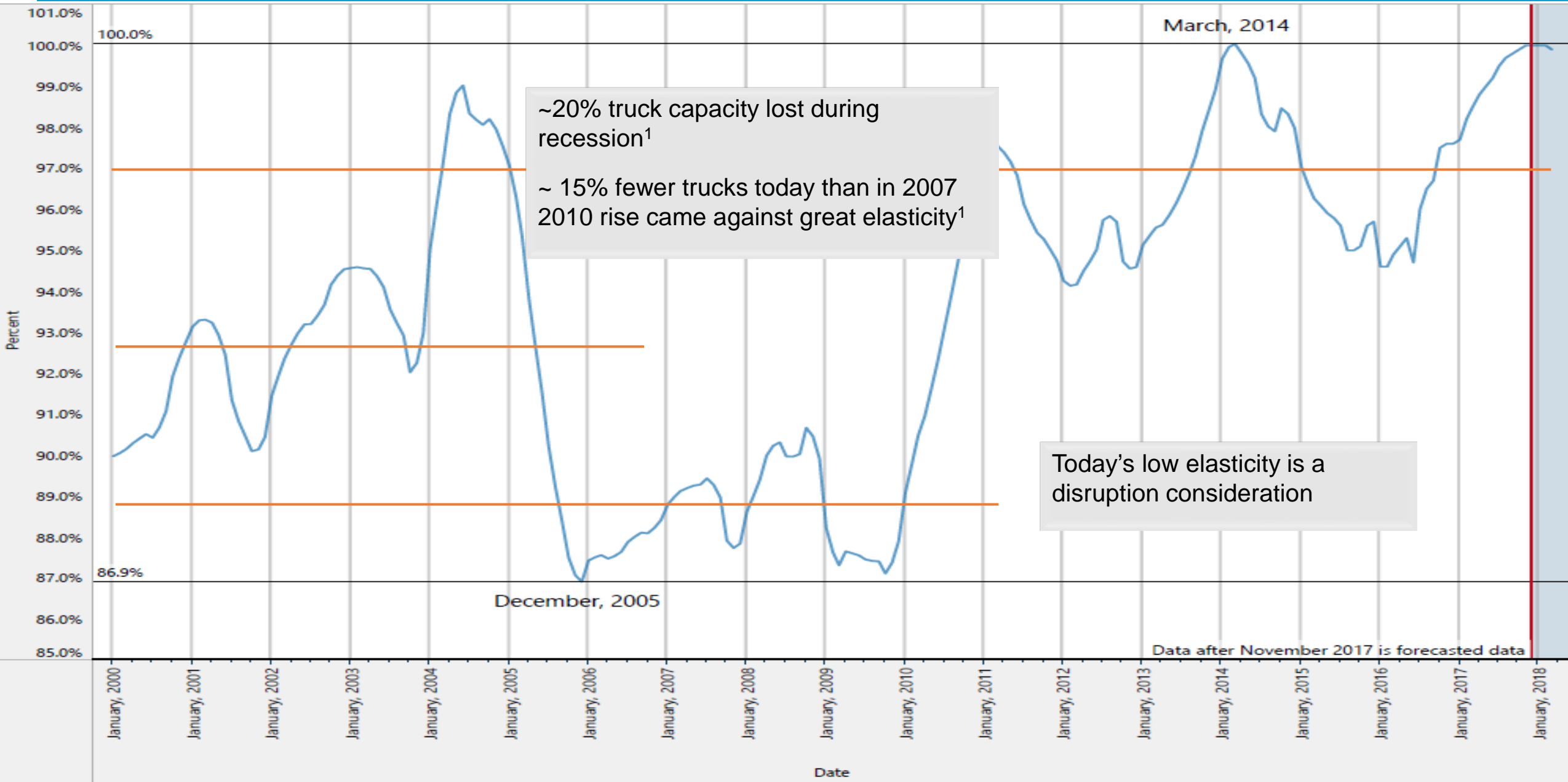


**Exhibit 197:** Starting Driver Pay (Per Mile) for Drivers With 3 Years Experience vs. Inflation



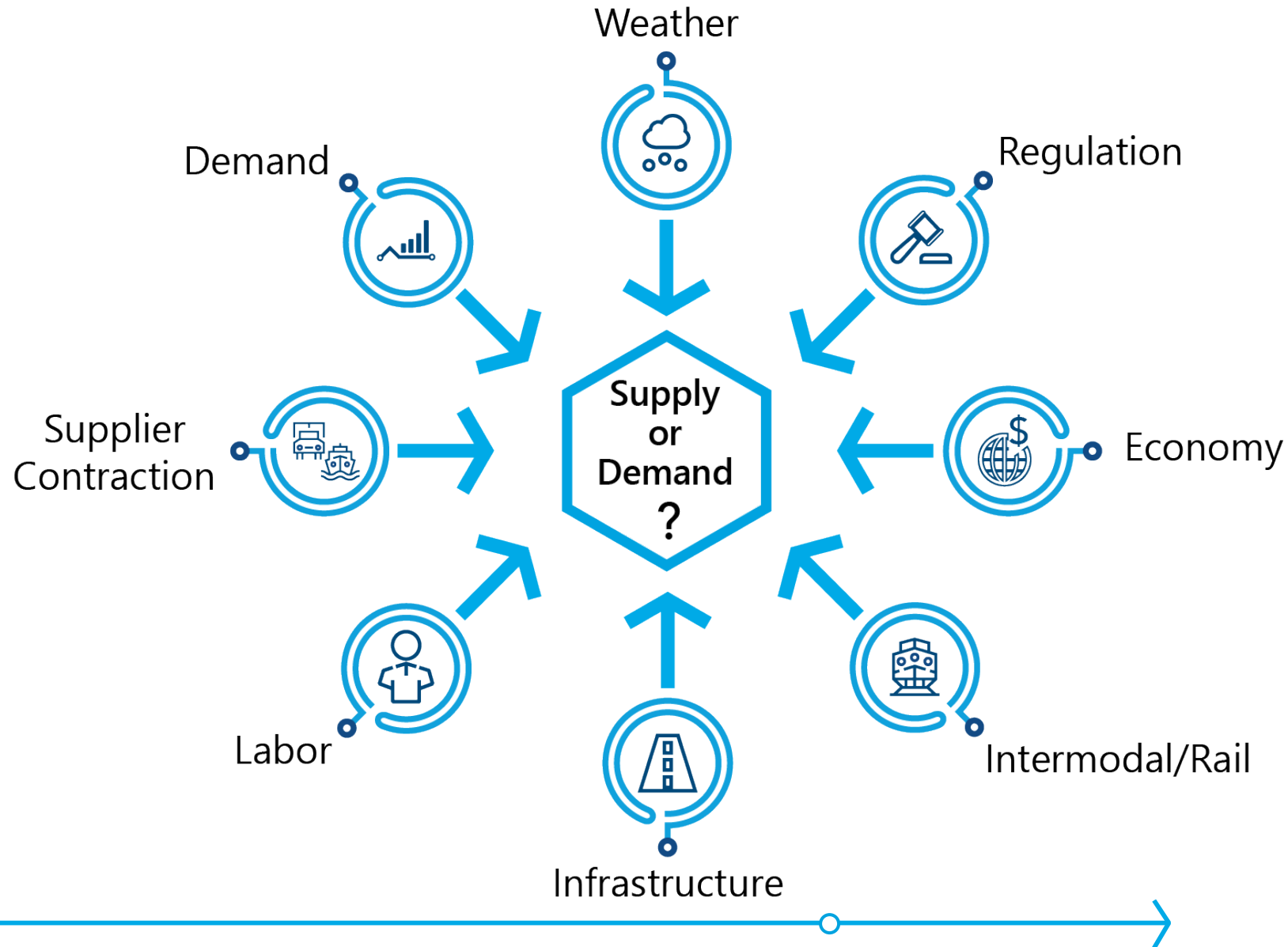
Source: National Survey of Driver Wages, BLS, Morgan Stanley Research

# CARRIER MARKET UTILIZATION





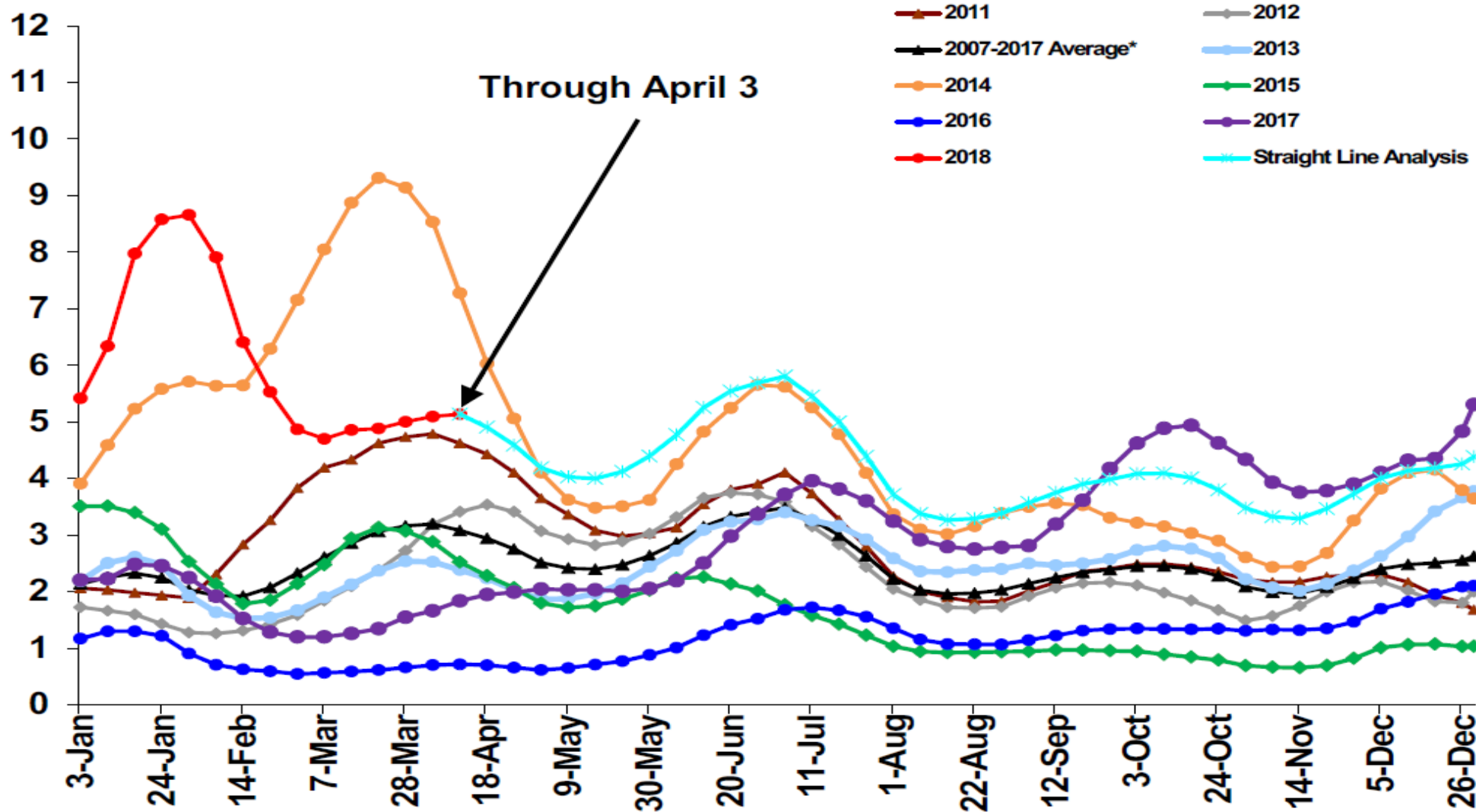
# SUPPLY AND DEMAND DRIVERS





# MORGAN STANLEY – TRUCKLOAD FREIGHT INDEX

Exhibit 2: Morgan Stanley Dry Van ONLY Truckload Freight Index



Source: The index measures the incremental demand for Dry-Van Truckload services compared to the incremental supply. When a given reading is above prior years' level, it means there is more freight demand relative to available capacity. When a given reading is below prior years' level, it means there is less freight demand relative to capacity. \*2007-2017 average trend line excludes financial crisis years of 2008 and 2009; Source: Morgan Stanley Research



# FORECASTING THE TRUCK MARKET

## **New Normal**

- High utilization
- Controlled asset investment
- Focus on yield
- Market visibility

## **Disruptive elements**

- Carrier Technology: yield management software and dimensionalizers
- ELD Mandate
- Growth economy and competition for labor

