

GrasslandOregon

Blog

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Fall is just around the corner. Our latest shipping update lets you know just what to expect for your seed deliveries.

Trucking Ugly- What to Expect for Fall Shipping, 2018

By Phill Lindgren

Expect delays in pickup and delivery due to overwhelming volumes. With the new ELD laws in full effect for both Over the Road and Intermodal drayage carriers, we're now seeing the fall out. Capacity and pricing on the Over the Road has pushed the demand over to Intermodal that is presently at a twelve-year high, or 120 % full capacity by ramp, across the US domestic market.

Some of the transit times expected (from Oregon) are:

- 6 to 8 days to the Midwest
- 9 to 12 days to the Memphis area
- 7 to 10 days to Kansas & St. Louis
- 8 to 10 days to Texas ramps
- 11 to 15 days to the Northeast and Southeast



Multi stop loads-

With the ELD Laws, this function takes much longer and will become a filler, or secondary business, for the drayage carriers regardless if it's at the origin or destination. In addition, the stop off charge cost will double or triple depending on the distance and time factor for each load. Pricing for this application will be determined on a case by case scenario. If at all possible, please consolidate your orders to 1 location for pickup.

Cargo Weight-

Drayage carriers are moving from day cabs to sleeper cabs because of the ELD laws; heavier tractors mean less weight for cargo. Rail forwarders feel that 41,000 pounds, plus pallets, will help alleviate possible over-weight issues and increase your chances for what the dray carriers will accept. Time is money and dray carriers don't have time to adjust loads or an abundance of driver supply to handle over weight situations. Also note, drayage carriers are predominantly owner operators so if they have weight issues, they will likely pass on your business. Again, in your best interest, plan for 41,000 lbs. plus pallets and expect that this will be the norm for 2018.

Equipment Supply-

2017 was a nasty year for equipment because of issues produced by the CSX RR (Eastern carrier). Equipment flow's producing imbalances and equipment shortages out of the Portland market didn't help either. 2018, with longer transit time and equipment turns plus factors like congestion and drayage power issues, will make 2017 look like a cake walk. Then you throw into the mix the ELD Laws and shortages of over the road capacity and you now have a perfect storm. Equipment will be extremely tight!!!

Allocation-

This is a process that our rail partners put into play when equipment becomes tight. Basically, our allocation is based on the volume numbers for the first six months of the year. Unfortunately, thanks to mother nature, the spring season saw a lower volume of outbound shipments thus producing lower fall allocation numbers than we saw for fall 2017.

Note: All rail vendors have informed us if standard and allocated equipment supply is maxed out, a peak season surcharge will come into effect. What that represents is a \$ 300.00 to \$ 500.00 added cost over and above the quoted rate based by vendor per container.

Over the Road-

A strong economy, fewer drivers and the added pressure of the ELD Laws will produce shortages on equipment and cause pricing levels to be at an all-time high. Like the drayage community, OTR carriers will become selective on what they want or don't want by weight, destination, what you're willing to pay and what's best for them. Transit times will also increase because of the service hours issues with the ELD Laws. Longer transit times will affect driver and carrier income levels and thus, they will offset with higher pricing

Recommendations-

Please let your sales person know as soon as possible what you will need and when you will need the shipment. Advanced planning is the best way to help get you the best freight rate and delivery when you need it.