

Falling US LTL volumes putting pressure on margins, rates



Some LTL carriers continue to expand as they try to draw more freight to their networks. Photo credit: FOTOGRIN / Shutterstock.com

[William B. Cassidy](#) | Sep 9, 2025, 9:46 AM EDT

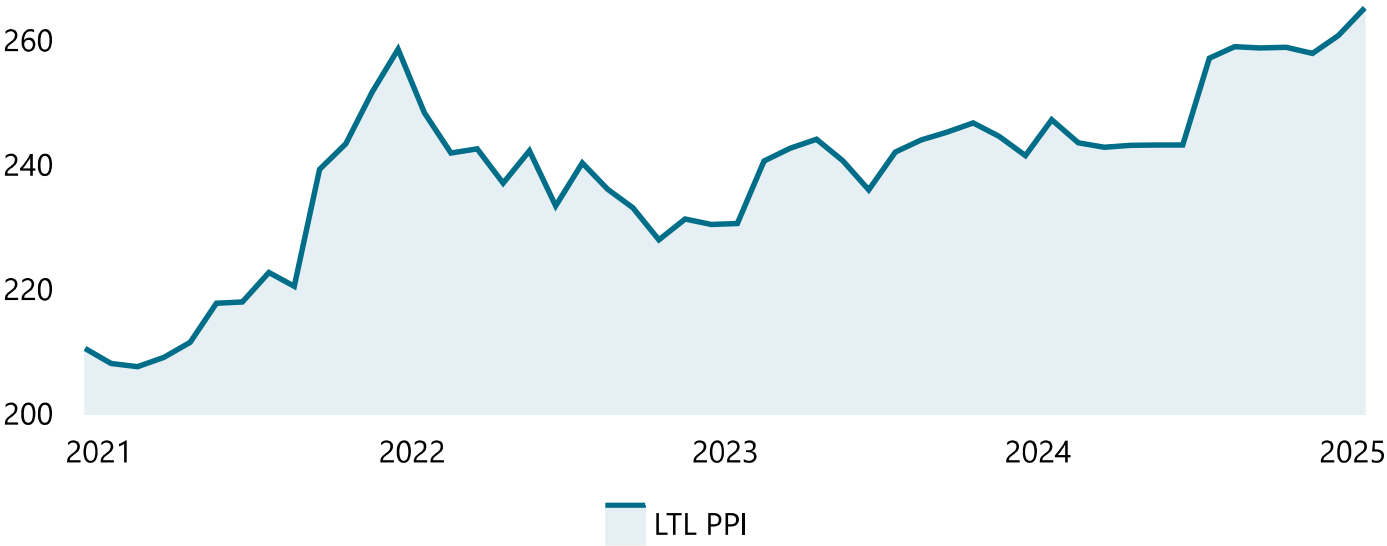
Daily shipment volumes fell at some of the largest US less-than-truckload (LTL) carriers in August, as soft demand reportedly brought new pressure to bear on rates and challenged the LTL industry's pricing discipline.

Continued market softness could open more opportunities for cost savings as LTL shippers renew contracts with their carriers or at least hold price increases to a minimum.

Even so, LTL carriers continue to expand as they seek new customers and additional volume and build greater density into their freight networks. And LTL costs remain elevated, even compared with pandemic-era highs.

US BLS long-haul LTL producer price index hit new high in July

Producer price index based on selling prices for trucking services



Source: US Bureau of Labor Statistics data, JOC analysis

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1Y

2Y

YTD

MAX

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Financial updates released last week by Old Dominion Freight Line (ODFL), XPO and Saia gave no indication that freight demand rose in August, a month when S&P Global reported a surge in manufacturing output.

The S&P Global purchasing manager’s index (PMI) for US manufacturing rose from 49.8 in July to a reading of 53 in August, signaling expansion and inventory growth.

Instead, daily shipment counts at Saia, the sixth-largest US LTL carrier ranked by revenue, dropped 2.2% year over year in August. Shipments at XPO, the fourth-largest carrier, fell 3.4%.

Daily volumes at second-largest-ranked Old Dominion Freight Line (ODFL), fell 8.2% in August, reflecting “ongoing softness in the domestic economy,” ODFL said.

ABF Freight System, a subsidiary of ArcBest, bucked the trend, increasing its shipment count 5% year over year in August and 1% from July, the company said Monday.

Working the core

Despite “continued softness” in manufacturing and housing, ABF said it succeeded in adding new core LTL business in August. “The company remains focused on onboarding new business while maintaining consistent reliability,” Arcbest said in a filing with the US Securities and Exchange Commission.

Total revenue per hundredweight, a measure of pricing, surcharges and costs often called yield, was flat at ABF in August.

ODFL said its revenue per day fell 4.8% from a year ago in August. However, revenue per hundredweight, excluding fuel surcharges, rose 4.5%.

That’s a sign that pricing, excluding surcharges, continued to rise at ODFL.

Since the Great Recession ended in 2009, LTL carriers have become known for their pricing “discipline,” and for placing more emphasis on profitability than market share.

Some sources say that discipline is showing cracks as lower volume raises the cost of operating LTL networks and hammers trucking companies’ bottom lines.

Some LTL carriers are becoming “super aggressive,” said Mike Regan, chief of relationship development at TranzAct Technologies, a freight audit, payment and procurement firm.

“I had the CEO of an LTL company tell me ‘we’re going to price to get our trucks full, then we’ll go back to the (rates) we want,’” Regan said.

Other sources, including a major logistics provider, said they are seeing more targeted price cuts in lanes and markets where LTL carriers want freight.

Costing models and analytics – technology many LTL providers didn’t have 10 years ago -- are helping carriers determine where they can cut without endangering profits and margins.

Adding space, chasing freight

At the same time, LTL companies continue to expand their networks. Ohio-based Midwestern regional LTL provider Dayton Freight Lines on Monday said it is opening a terminal in Bedford, Pa., to provide more direct LTL coverage linking the Midwest with Pennsylvania and Maryland.

Dayton partners with A. Duie Pyle in the region, and Pyle has also been expanding in Ohio.

The US producer price index (PPI) for long-distance LTL trucking has shown no signs of slowing through July, the last month for which data was available.

The PPI – which represents all-inclusive LTL “selling prices” paid by shippers – rose 7.3% year over year in July to 265.4, a reading 2.6% higher than its previous peak in 2022.

LTL carriers are still winning increases of 2% to 3% in contract renewals or extensions, according to Satish Jindel, president of research firm SJ Consulting Group.

“They’re all looking for more business,” Jindel said. Discounting “would just put pressure on their margins. It would begin to look like 2009 again” -- a time when heavy discounts during a recession led to losses for several LTL carriers.

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