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US drayage providers bracing for container plunge say rebound could reset market

Some of the largest US drayage providers expect volumes to drop 30% on the West Coast in May. Photo credit: tonton / Shutterstock.com.

William B. Cassidy, Senior Editor | Apr 30, 2025, 4:37 PM EDT

Drayage providers who handled the early 2025 surge of US-bound cargo booked ahead of US tariffs are now bracing for a significant drop in business that will begin in May and potentially last into the third quarter.

They're also girding for a disruptive import rebound once trade disputes abate.

"What happens in the third quarter is going to be the big story," said Paul Brashier, vice president of global supply chain for ITS Logistics, a Reno, Nevada-based third-party logistics provider offering over-the-road truckload and drayage services.

Once US trade disputes with China and other trading partners are resolved, “there will be a wave of freight that will stress the system,” Brashier said. “We’re pretty much looking at a similar event as we saw with COVID in 2020. There will be pent-up demand.”

Indeed, container shipping lines are already warning that a rebound in Asian imports following the expected plunge linked to the US-China trade dispute may overwhelm major US ports. The biggest danger, they say, could be a lack of capacity outside port gates to handle a rapid acceleration in freight.

That concern starts at drayage.

“We’re warning customers to be very strategic with their dray partners,” said Ken Kellaway, CEO of RoadOne IntermodaLogistics, a nationwide drayage provider with headquarters near Boston.

“If we lose drivers over the next 30 to 45 days, it will take weeks to get them back,” Kellaway said. “Shippers will be in trouble if we can’t preserve the capacity we have in the system today.” He said a freight “whiplash” could hit US ports as early as mid-June.

Potential for a ‘reset’

US drayage capacity appears to be slowly shrinking from a 2022 high, with some of those losses attributed to the migration of owner-operators to the security of larger carriers. Still, excess drayage capacity persists, putting pressure on already-low rates.

However, the Trump administration’s efforts to reshape global trade could reset the drayage market, especially if trade negotiations drag on without a resolution or a lowering of tariff rates that would encourage beneficial cargo owners (BCOs) to boost US imports.

“The market’s been soft anyway, so a lot of small drayage companies are struggling with cash flow, taking any freight to keep going,” said Joel Henry, CEO of IMC Logistics, a nationwide drayage provider with headquarters near Memphis.

“Now without the volume, they’ll not even have that cash flow,” Henry said. That could push small carriers that have stayed in business despite low rates the past two years out of the market, tightening capacity immediately when a rebound hits US ports.

“I think there’s going to be a shakeout in capacity in the next month,” said Brian Kempisty, co-founder of drayage broker Port X Logistics, based in Buffalo, New York. “It could be three months, but when freight comes back, it will come back with a vengeance.”

Drayage on the edge

With the trajectory of trade disputes with China and other countries uncertain, many shippers in April canceled or postponed purchase orders from China. That big pause will lead to a real plunge in drayage demand at US ports and inland rail ramps.

The US imposed combined tariffs of 145% on China on April 2, and China in turn imposed a 125% tariff on many US goods, including agricultural products. Another tranche of reciprocal tariffs on trading partners around the globe was paused for 90 days until July 9.

And importers are also dealing with a 10% tariff on goods from almost all US trading partners, as well as 25% tariffs on steel, aluminum and automotive products and 25% tariffs on other goods from Mexico and Canada that took effect in March.

Bookings for containers headed from China to the US dropped nearly 54% during the week of April 21–28 versus the comparable week in March, according to maritime visibility provider Vizion and data and analytics company Dun & Bradstreet.

“One of our large customers who imports through Savannah shared with us that they canceled all their purchase orders from China for the next 30 days,” said Kent Williams, executive vice president of sales and marketing for Cookeville, Tennessee-based Averitt.

The regional trucking and drayage provider, which drays about 45,000 containers a year in the Southeast, saw its drayage business jump 10% to 12% year over year in the first quarter as customers rushed goods to the US ahead of the tariffs.

In the past month, as the tariffs on China took effect, Averitt’s drayage volumes have dropped 5% year over year. “There’s a real fear it could get worse,” Williams said. “All the canceled bookings and blanked sailings are about to hit the supply chain in a big way.”

The effects of the trade war on drayage are just becoming apparent, said Port X’s Kempisty. “Freight that sailed April 1,” just before the US tariffs on China took effect, “is arriving in the US now,” he said. But that will be the last frontloaded freight from China.

“In drayage, we’re at the front end of this,” said Kempisty.

The initial impact will be on the West Coast, but it won’t be long before inland markets begin to see volumes drop. “Inland drayage markets in Chicago and Kansas City are going to see a fairly substantial decline in the next couple of weeks,” he said.

IMC Logistics, purchased by global forwarder Kuehne + Nagel last November, saw its drayage volume drop 14.2% in the last seven days as of Tuesday, and 8.1% in the last 30 days. “We’re seeing double-digit decreases in the orders we’re tracing,” Henry said.

Added RoadOne’s Kellaway: “We haven’t seen the business fall off yet, but we know it’s coming.”

Over the next few weeks, RoadOne anticipates its drayage volumes will drop 30% on the West Coast, 20% in the Midwest and 15% on the East Coast. “We could see a three- to four-week lull in volumes, so we’re moving equipment around,” he said.

How long a decline?

Other drayage providers offered similar forecasts of shipment decline, but no one has a clear idea of how long it will last. Guesses — it’s hard to call them estimates — have ranged from three weeks to three months or longer, in worst-case scenarios.

The monthly Global Port Tracker produced by the National Retail Foundation (NRF) and Hackett Associates in April predicted US retail imports will be down 20% year over year in the second half of 2025, with a 20.2% decline in May and a 26.6% drop in June.

“Even if there’s a [US-China] agreement today, there will still be this period where there will be less work coming inbound to the ports, with less drays, less transload, less truckload and less-than-truckload [LTL],” said Williams. “All this is already in motion.”

The longer the “lull” or “pause” in Asian imports lasts, the bigger the long-term impact on drayage. And the bigger the rebound may be when trade disputes are settled.

“If we get agreements before July, we could have an aggressive second half of the year,” Keith Prather, managing partner at Armada Capital Intelligence, said during an SMC3 webinar Tuesday on tariffs, the economy and the LTL sector.

A big enough freight snap could boost not only drayage but other transportation modes out of what’s now a four-year freight downturn.

“I look forward to dealing with the congestion,” said Henry. “That’s a much better challenge than this decline, because our driver base will be stable.”

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Associate editor Laura Robb contributed to this story.