

# Navigating a fluctuating flatbed market.

A white and green semi-truck is shown from a side-rear perspective, pulling a flatbed trailer. The trailer is heavily loaded with stacks of light-colored lumber, secured with blue straps. The truck is on a highway with a concrete guardrail on the left and a dense forest of green trees in the background. The sky is overcast.

**In April 2018, flatbed load-to-truck peaked at an all-time high with more than 100 loads per truck on the road. By August, capacity fell to less than 30 loads per truck – levels that hadn't been seen in more than a year.**

**By exploring why such fluctuations can happen in the flatbed shipping market, we can shed some light on exactly what you can do to achieve a level of consistency and predictability about your future shipments.**



### **Supply couldn't keep up with demand.**

In late 2017/early 2018, a number of factors converged to drive up demand for capacity. The active 2017 hurricane season increased the demand for construction supplies and machinery in the Gulf Coast, and the oil and gas industry was booming and in need of pipe and other drilling supplies. At one point, nearly a third of all flatbed freight was centered around the state of Texas.

At the same time, the shipping industry had no way to proportionately increase supply. The nationwide driver shortage was already impacting the industry before the hurricanes, but was exacerbated by the fact that the construction and shipping industries draw from the same workforce. With construction jobs also in great demand, many workers chose the eight-to-five job that let them stay near their families instead of spending their days on the road. Even if there had been enough drivers entering the workforce to supply the strong demand, entry-level drivers usually start by getting experience with dry van; it would take years for them to be ready to take on the unique challenges of flatbed.

With demand high and supply low, the load-to-truck ratio reached record highs, driving up rates and making capacity especially hard to secure.

## **Demand dropped in a short amount of time.**

From July to August 2018 alone, flatbed load-to-truck numbers fell 36% in response to a wide variety of factors. Shippers started getting creative to find ways to lower the demand, using hot shots (smaller trucks) or in extreme situations even retrofitting dry vans to accommodate loads that typically required flatbeds. Many industry experts also point to uncertainty about future economic policies that left the industry waiting to make decisions until the timing was favorable. Together, a wide variety of factors played together to cause demand to drop in a short amount of time.



## **Forecasting the future.**

Now that the picture of how we got to where we are is clearer, what does the future look like? Industry experts believe the load-to-truck ratio will normalize in Q1 2019. The oil and gas industry is likely to increase production, trade agreements will likely get inked and less uncertainty in general will permeate the market. As the load-to-truck ratio approaches that of dry van, many flatbed drivers will make the switch to achieve similar rates without the complications flatbed loads create – thereby lowering overall supply.

As the past year has proven, however, forecasts can't always predict outcomes with accuracy.

# Become a preferred shipper.

When capacity gets tight, drivers will choose their loads based on which looks most attractive. Doing a few simple things like being flexible on pickup and delivery times, being ready for a driver when they arrive and providing some amenities can go a long way. Follow our [Preferred Shipper infographic](#) for some tips that apply to all types of shippers. In addition to those best practices, flatbed shippers can take a few additional steps, including:

## 1) Be ready to lend a hand.

Securing a load before hitting the road can take a driver hours. If you can spare some manpower to help the driver, that's more time he can spend in the cab.

## 2) Offer space to work.

In addition to time, securing a load means a driver needs a place to park and work. Offering a space for them to do their job removes a complication from their job.

## 3) Have supplies on hand.

Pads, chocks, edge protectors and beveled lumber for coils are essential to securing your load. If you know what your shipment will require and have it handy, your driver will remember for next time.

## 4) Request the smallest tarp necessary.

Tarps are heavy and difficult to handle. Drivers will only carry the largest tarp size they're willing and capable of wielding. Requesting the smallest tarp size possible for your load (if it needs one at all) will open up your shipping options to the most trucks possible.

## 5) Provide accurate information upfront.

Take a little time and do a little research about your shipment. Knowing details like dimensions, tonnage, value and how it's loaded (crane/front/side rear) are important. Without this information, a driver may ignore your shipment entirely and accept another.

## 6) Treat drivers with respect.

Driving is often a thankless job. A little nicety can go a long way. You wouldn't return to a restaurant where a waiter was rude to you; would you expect a driver to want to pick up a load from someone who was rude to them?





# Secure capacity at the right time.

With load-to-truck ratios low right now in Q4 2018, now is a good time to begin planning for when the market is expected to rebound in Q1 2019. Freightquote by C.H. Robinson and other freight service providers commonly communicate our clients' future needs to carriers – such as your anticipated volume, types of shipments and lanes – so they can anticipate your shipments and prioritize them ahead of others. Often, you can even agree to favorable pricing, which will allow you to plan out your shipping spend and provide some much-needed predictability to your budget after a tumultuous year.

## About us:

Based in Kansas City, MO, Freightquote by C.H. Robinson is a freight service provider that offers powerful yet easy-to-use online shipping tools, as well as a full-service team of highly responsive freight experts that deliver convenient, one-stop shopping for LTL, truckload and intermodal freight. Freightquote provides customers with streamlined and efficient capabilities to compare competitive rates from multiple contract carriers, book and track shipments and receive dedicated customer service. As a part of C.H. Robinson, Freightquote's stability and resources are strengthened by being part of one of the world's leading freight service providers.

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