

Report: Drayage rates will continue to surge in 2022

June drayage rates are up 28% compared to a year ago, fueled by port disruptions and delays that are expected to worsen, spot market index report shows.



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Port disruptions and delays worldwide have led to surging drayage rates in North America, a trend that is likely to continue, according to an industry report released this week.

Drayage service provider Book Your Cargo (BYC) released its BYC Drayage Spot Market Index forecast for June, revealing a 28% increase in spot market rates this month compared to June 2021. Drayage is the term for moving freight short distances, typically from a terminal or port to the next mode of transportation.

The BYC report also predicts a more than 18% increase in the national drayage spot rate for the third quarter of 2022, compared to a 7% increase during the same period last year. A growing volume of anchoring vessels outside Shanghai and Ningbo, China, are contributing to the rate hikes here at home, according to BYC.

"While drayage rates had seemed to be softening, the current chassis and capacity crunch is expected to continue straining the supply chain. Our monthly index predicts that [this] will lead to a steady upward climb in drayage rates across all U.S. regions throughout the rest of 2022," Nimesh Modi, BYC's chief executive officer, said in a press release detailing the June forecast. "With China enforcing full or partial lockdowns in many cities, more vessels are delayed in the ports of Shanghai and Ningbo-most of which will eventually have to make their way to the U.S. Booking cargo transportation sooner will give loads more time to reach their destination and at lower cost."

China began to ease its lockdowns in Shanghai this week, but the country's zero-Covid policy remains in place.

BYC's spot market index tracks data from its customers and partners to produce monthly rates dating back to 2016. The company says the rates predict average costs and potential delays in the coming months for drayage transportation across various North American regions.

The June 2022 forecast found that the ports of Los Angeles and Long Beach, Vancouver, and New York/New Jersey are the most congested in the United States, and that the Northeast, Southeast, and Pacific Northwest are predicted to see the highest drayage rate increases, at more than 30%.