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2026

STATE OF THE INDUSTRY

REPORT

SUPPLY CHAIN | DEDICATED TRANSPORTATION | FLEET MANAGEMENT SOLUTIONS

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A somewhat confounding start

January 29, 2025 | 1 p.m. ET

Overview

The freight market continues to experience elevated volatility as winter weather exacerbates an already fragile capacity environment.

The late-January surge in diesel prices challenged the prevailing view that oil markets are headed for a steady decline in 2026. While prices may still end the year lower, the sharp rally underscored how vulnerable markets remain to simultaneous supply and demand shocks. Ultra-low sulfur diesel (ULSD) futures spiked amid a severe U.S. cold snap, reaching their second-highest level since April 2024. Physical diesel markets followed, with U.S. prices outpacing Europe, and diesel widening its premium over crude as cold weather boosted heating oil demand and disrupted refinery and production operations.

This volatility contrasts with the broader bearish outlook reflected in the International Energy Agency's forecasts. While the IEA has modestly raised its expectations for global demand growth in 2026, it still projects supply to significantly exceed demand, driven largely by rising OPEC+ output as earlier production cuts are unwound. Such imbalances, if sustained, would likely force adjustments elsewhere in the market.

With OPEC+ less willing to curb supply, the burden of rebalancing may shift to U.S. producers. Early signs point to slowing U.S. output and reduced drilling activity, highlighted by falling rig counts and major producers like Continental Resources stepping back from key shale regions.

Fleet counts (six-month change)

Total for-hire fleets	208,690 (-1.6%)
Total private fleets	158,865 (+1.2%)
For-hire oil field specialization	20,190 (+1.4%)
Private fleet oil field specialization	8,256 (-1%)

Tractor counts (six-month change)

Total for-hire tractors	1,644,923 (-0.6%)
Total private tractors	766,799 (+0.6%)
For-hire oil field specialization	326,544 (-1%)
Private fleet oil field specialization	53,747 (+1%)

Active daily rig count (y/y change)

Permian Basin	227 (-16.2%)
Gulf Coast Basin	63 (-1.6%)
Anadarko Basin	43 (-20.4%)
Total	**580 (-1.9%)**

Crude oil prices per barrel (y/y change)

WTI crude	$65.25 (-10.3%)
Brent crude	$66.28 (-12.4%)
Brent-WTI Spread	**$1.03 (-66.6%)**

John Kingston
Oil and Gas Market Specialist
jkingston@friecrown.com

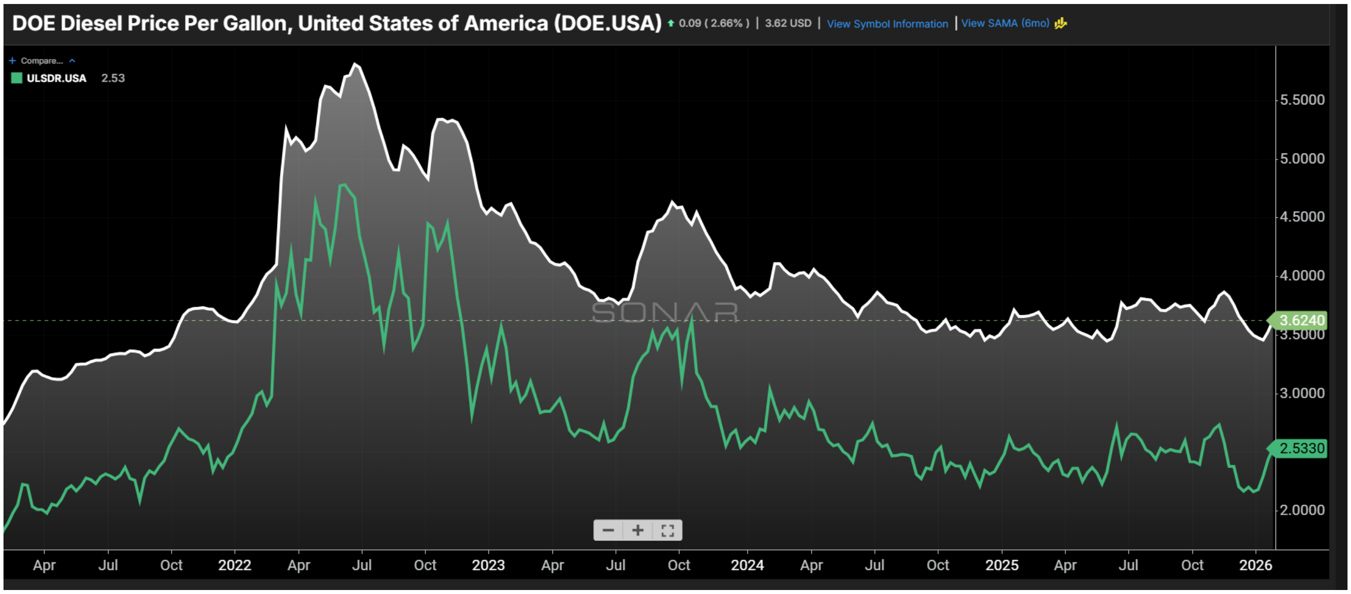
Oil market

The second half of January put the brakes, at least for now, on the prevailing conventional wisdom that oil markets were headed for a relentless decline in 2026.

It's early in the year and prices may end up significantly lower on December 31 than they were on January 31. But the last days of January were a reminder that oil markets can still be subject to supply and demand shocks, occasionally at the same time.

That was made clear in the futures price of ultra low sulfur diesel (ULSD) on the CME commodity exchange, which soared in the final days of January on the back of U.S. winter weather that professional and amateur meteorologists were comparing to some of the more memorable deep freezes in the last 50 years.

By the close of trading January 27, ULSD on CME settled at $2.6462/gallon. It was the second-highest settlement since April 2024, the last time ULSD had settled in that range. The price on CME after that day's trading had added just under 28 cts/g in three days, and was almost 60 cts/g more than the lowest settlement recorded in December.



(Chart: SONAR)

And it wasn't just in futures markets. Various physical markets that trade as a differential against the CME ULSD price were all screaming higher, and the U.S. price was said to be exceeding European prices–which wasn't in the grip of such a cold snap–by levels not seen in several years.

Diesel also was moving higher at a far greater rate than what was happening in crude. A simple comparison between the front month price of global crude benchmark Brent and ULSD on CME by January 27 showed diesel exceeding crude by more than $1/gallon. A few weeks ago it was close to 60 cts/g.

Diesel and heating oil are both distillates. A cold snap will boost the price of diesel in part because of the concern of some element of a supply shock: a shifting by refiners of their distillate molecules to make heating oil rather than diesel, even as the two products' physical characteristics have become more aligned over the years due to tightening environmental standards. And for obvious reasons, the cold weather can create a demand shock as well.

The market also was driven higher by concerns over other developments that might not rise to the level of a "supply shock," but were certainly bullish on their own. Specifically, the cold weather had an impact on both refinery operations and upstream crude production, though at publication time statistical reports that might have measured the extent of those disruptions had yet to be issued due to the normal lag in collecting and distributing data.

The cold snap and price surge was another market move that might be seen as yet another in an aberration that is disrupting the narrative that oil prices are operating under a set of fundamentals that are relentlessly pushing prices lower.

That outlook has been on display for many months in the Oil Market Report of the International Energy Agency.

If anything, the latest report issued mid-January was slightly less bearish than earlier forecasts.

For example, the IEA's January forecast was that global oil demand would grow by an average 930,000 barrels/day in 2026. That was more than the December forecast, which saw the increase at 860,000 b/d. And that number released in December was 90,000 b/d more than what had been forecast in November.

But those small corrections are not enough to compensate for the other numbers in the IEA January report.

Global demand on average for 2026 is expected to be 105 million b/d, according to the IEA. That's for the year after the IEA estimate for 2025 supply was 106.2 million b/d; in other words, supply exceeding demand, and not by a small amount.

But that's misleading because it smooths out in its averaging the rising OPEC+ output over the course of the year that came about as the group unwound its earlier production cuts. By the fourth quarter, output was 107.8 million b/d, and the IEA forecast for 2026 is 108.7 million b/d, well above the 105 million b/d of demand that is being forecast for 2026.

These sorts of imbalances can not be sustained. Or in the famous words of Herb Stein, a senior fellow at the American Enterprise Institute (and father of comedian and actor Ben Stein of "Bueller, Bueller" fame), "if something can not go on forever, it will stop."

OPEC is an organization that was not primarily designed to push up prices. Even if that was the goal at the beginning of its history, it has morphed into a cartel aimed at making sure oil prices don't collapse, as the supply/demand balance over history has tended to drift toward supply in excess of demand.

Instead of letting competition settle out the winners and losers, OPEC and later the larger OPEC+ group members decide among themselves to remove supply from the market in order to seek out a balance.

The decision by OPEC+ going back into 2024 to unwind earlier production cuts, a policy that for now appears to have run its course, is one of the key reasons for the sort of imbalances being projected by the IEA. There are other factors as well: the tepid rise in demand and the growth coming out of places like Guyana and Brazil.

But without OPEC+ being willing to shoulder its usual burden of balancing supply and demand, it needs to fall somewhere else.

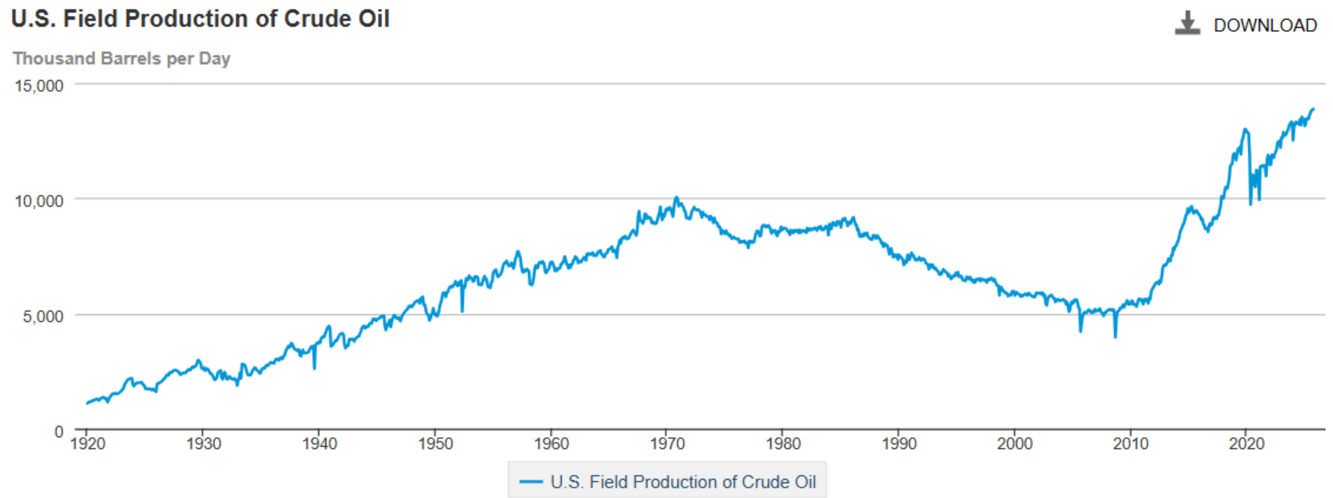
The U.S. oil industry is likely to be one of those places. There are some signs of it in various pieces of data; for example, the Baker Hughes rig count for the U.S. for January 23 was 544. A year ago it was 576. However, as drilling technology has gained in efficiency, the rig count as a predictor of future production has become less reliable. It's been going down steadily for years even as production has been increasing.

Rig Count by Basin

Play	01/21/26	01/22/26	01/23/26	01/24/26	01/25/26	01/26/26	01/27/26	01/28/26	1 Day Δ	%	1 Month Δ	%	1 Year Δ	%
ANADARKO BASIN	42	42	44	43	43	43	44	43	-1	-2.3	-1	-2.3	-11	-20.4
APPALACHIA	40	40	41	41	41	39	39	39	0	0	-2	-4.9	9	30
DJ BASIN	10	10	10	10	10	10	9	10	1	11.1	1	11.1	0	0
GULF COAST BASIN (INCLUDING EAGLE FORD)	62	61	61	61	62	63	63	63	0	0	-4	-6	-1	-1.6
PERMIAN	227	226	228	228	228	228	229	227	-2	-0.9	1	0.4	-44	-16.2
WILLISTON BASIN	29	29	29	29	29	28	29	29	0	0	1	3.6	-6	-17.1
OTHER	164	162	165	167	168	166	165	169	4	2.4	11	7	42	33.1
Total	574	570	578	579	581	577	578	580	2	0.3	7	1.2	-11	-1.9

Figure 1:Rig Count by Basin. Source: Enervus

As for U.S. production, there are a few early signs of weakness. Production peaked in the week ended December 26 at 13.827 million b/d. But by the end of January, it was down to 13.696 million b/d. That would have been before the cold weather led to some shut-ins of output, even into the more southerly climate of west Texas.



(Chart: EIA)

One of the more stunning declarations of the U.S. industry potentially taking on the role of swing producer, through the decisions of hundreds of individual producers rather than any sort of centrally-directed policy, came out of North Dakota.

Harold Hamm, the founder and executive chairman of Continental Resources, one of the companies that led the development of the Bakken oil field in North Dakota through fracking and horizontal drilling, told Bloomberg in an interview earlier this month that his company was quitting the Bakken for the foreseeable future.

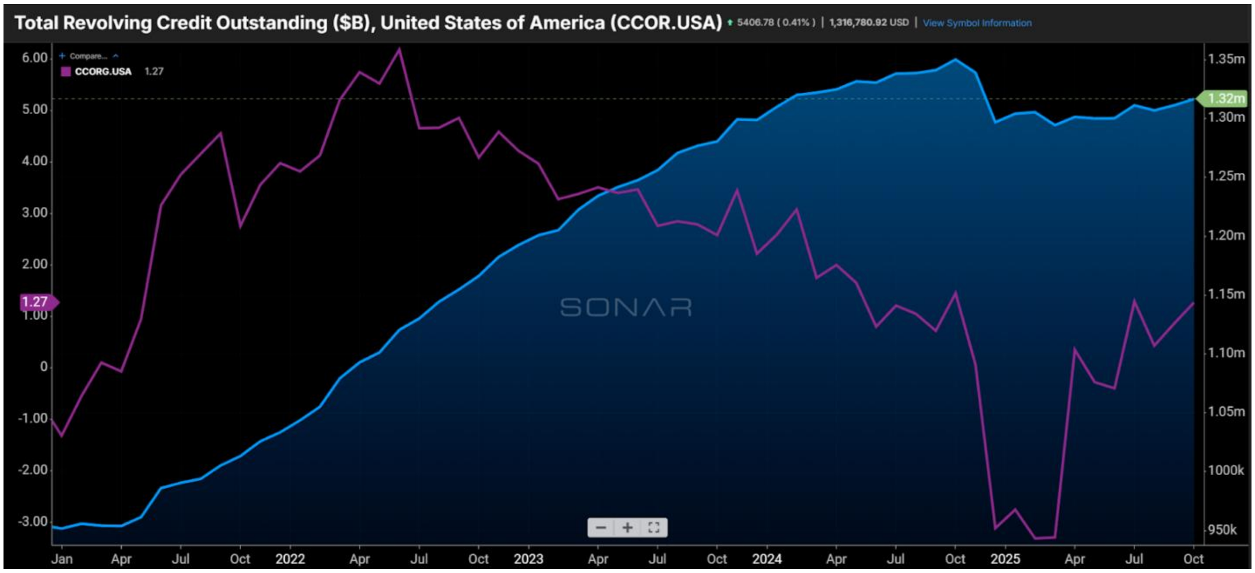
“This will be the first time in over 30 years that Harold Hamm has not had an operation with drilling rigs in North Dakota,” Hamm told Bloomberg. “There’s no need to drill it when margins are basically gone.”

If those sorts of decisions spread through the oil patch, and the anecdotal evidence is that trend is occurring, it should show up fairly quickly in the weekly Energy Information Administration statistical report. That report is the source of the previously-mentioned data that shows U.S. oil production declining in January.

National economic outlook

Consumers pay more for less

Black Friday and Cyber Monday data show that consumers are still spending heavily, but getting a lot less for what they are paying for. According to a recent Flexport webinar, consumer spending increased 7% year-over-year on those two days, driven by a 7% increase in average selling price and flat volume. The implication for freight is that a continued increase in consumer spending is not translating to higher freight volume. While that data shows consumer willingness and ability to keep spending, there are also hits of consumer pressure on Black Friday and Cyber Monday. Those include a 1%-2% decline in the number of units purchased per transaction and an 11% increase in the use of "buy now, pay later," which is primarily targeting younger consumers and is often used by consumers to afford items with higher average selling prices.



Meanwhile, the National Retail Federation (NRF) continues to lobby against tariffs and is expecting the trade policies that it disagrees with to put a damper on ocean volume early next year. It remains to be seen whether the Administration's trade policies will be upheld by courts. The NRF's Global Port Tracker shows October TEU volume down 7.9% year over year and is expecting to report declines of 11.6% and 12.7% in November and December, respectively.

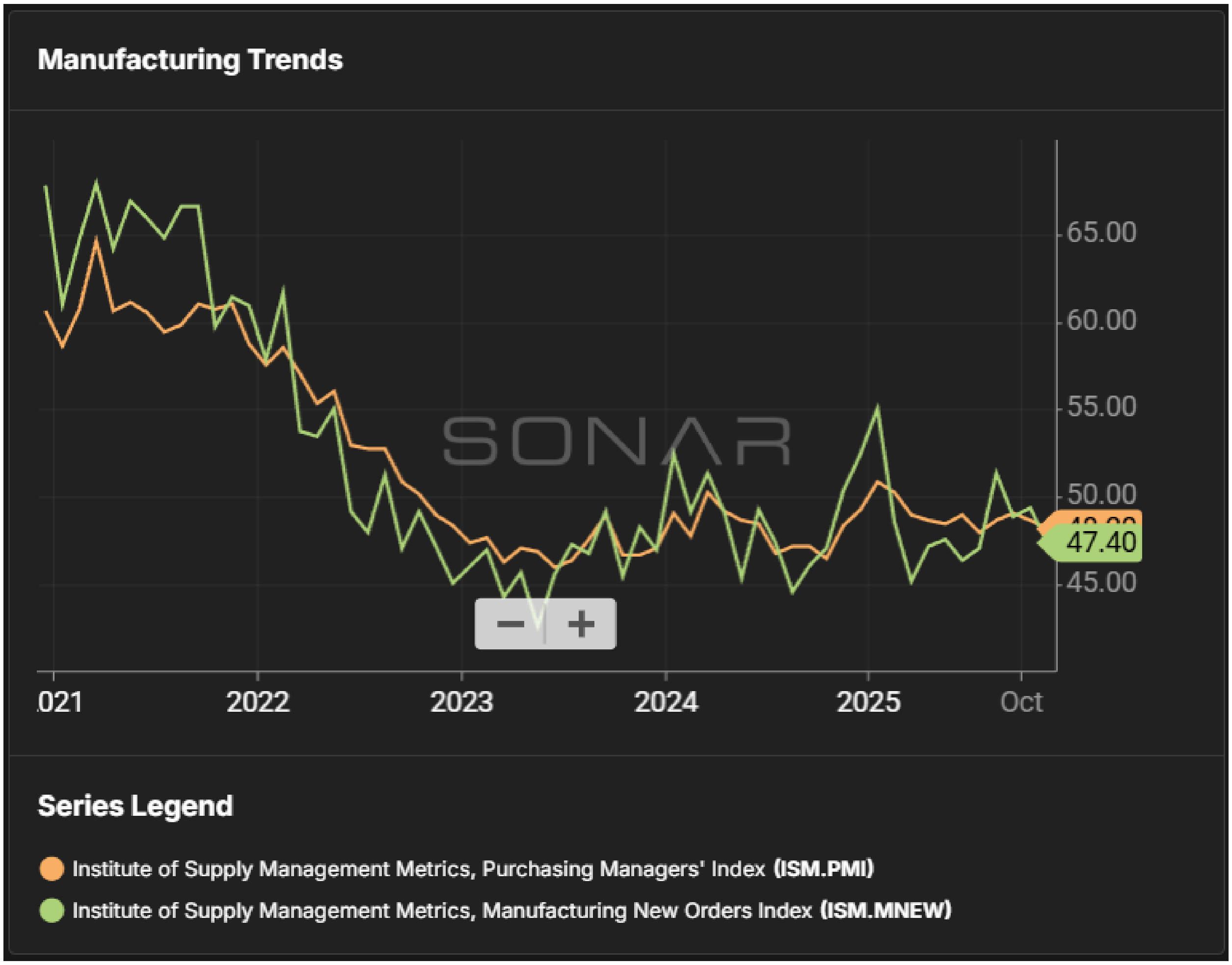
The NRF's latest Retail Monitor report shows that total consumer spending increased 4.53% year over year, the lowest growth since June. Categories that result in little or no freight seem to be growing the fastest. According to the NRF, the category that grew the most in October was "digital products," up 15% year over year, and the category that declined the most was "building and garden supplies," down 9.4% year over year.

Meanwhile, the Consumer Packaged Goods industry is showing results that are mixed by category, reflecting macro trends. Categories faring the best are those that cater to higher-income households, including health-focused categories and fresh pet food. At the same time, amid food inflation, which has become a major political football, many consumers are trading down to private label brands that are typically priced 20%-30% less than national brands while also shifting grocery shopping to big-box retailers, such as Walmart. To save costs and mitigate sales pressure, many national brands are cutting lower-velocity SKUs, which also streamlines their supply chains while increasing automation.

Uncertainty, commodity inflation hold back manufacturing sector

The manufacturing sector is slowing its activity due to uncertainty over tariffs and potential retaliation from foreign trading partners. The Institute of Supply Management Metrics, Purchasing Managers' Index (ISM.PMI) reading of 48.2 in November shows manufacturing in contraction, and has been in the past nine months. That is down half a point from 48.7 in October, suggesting the manufacturing decline is worsening.

The Institute for Supply Management provides numerous other readings that go into the Manufacturing PMI. The general trend that those metrics show greater contraction in many of the forward-looking demand indicators, such as New Orders (47.4 in November, from 49.4 in October), Supplier Deliveries (49.3 in November from 54.2 in October), and Backlog of Orders (44.0 in November from 47.9 in October). Respondents to the ISM survey cited tariff uncertainty, softening demand, and inflation in certain key commodities as reasons for the decline in manufacturing activity. Inflationary commodities include aluminum, copper, electrical components, and rare earth materials, which more than offset deflation in petroleum-based fuels and freight packing materials.



Source: SONAR Executive Dashboard.

The Federal Reserve Board of Governors releases Industrial Production and Capacity Utilization data. The most recent data (released December 3) shows industrial production up 1.6% year over year in September (though down .3 and .2 percentage points from June and July, respectively). Capacity utilization was 75.9% in September, which is 3.6 percentage points below its long-run average, and down slightly from 76.1%-76.2% in June and July.

Two ways that the industrial economy translates to freight demand are rail carload traffic and flatbed truckload demand. Rail carload traffic historically grows when the industrial economy does, as it is industrial-heavy after excluding coal and agriculture. According to data from the Association of American Railroads, total U.S. carload traffic is up 1.86% year over year in the past four weeks. However, coal and agriculture are up both up 5.0% year over year, in the past four weeks, while many industrial-oriented sectors are faring much worse – for instance, forest products carloads and motor vehicle carloads (below) are down 7.2% and 4.5% year over year, respectively, in the past four weeks. Stubbornly high auto prices appear to have finally changed buyers' behavior. The November 2025 light vehicle sales seasonally-adjusted annual rate in November 2025 was 15.596, down 5.5% from 16.514 in November 2024.

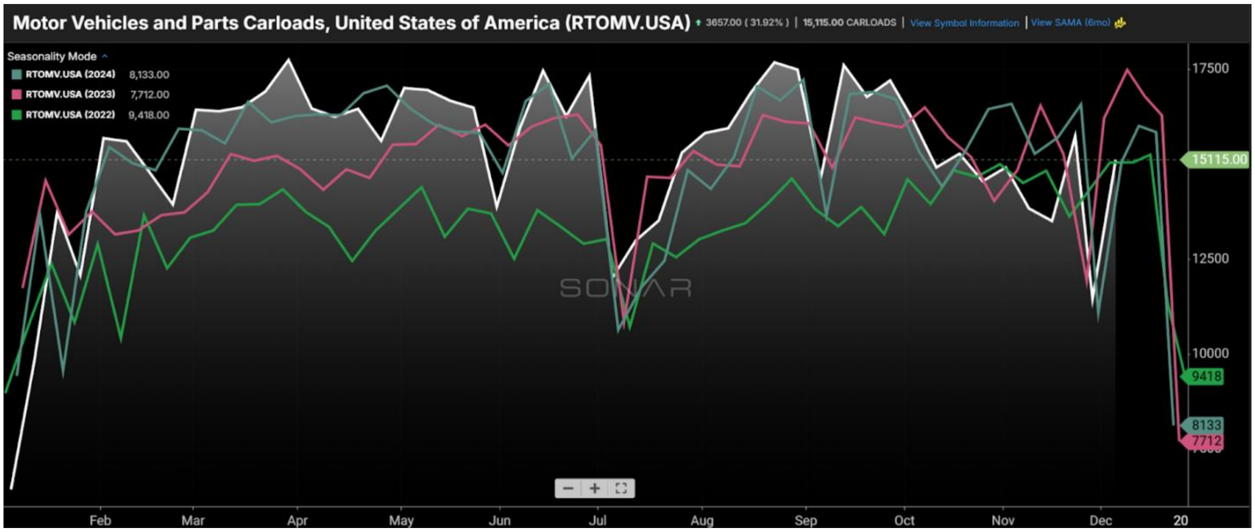


Chart: SONAR. Rail carload originations, motor vehicles, which primarily consist of finished vehicles: 2025 (white), 2024 (blue), and 2023 (pink).

Regulatory pressures will continue to be a theme in 2026

Regulatory concerns—including non-domiciled CDL issuances, English language proficiency (ELP) enforcement, ELD standards, and CDL school oversight—remain top of mind for the industry and are likely to remain a theme into 2026.

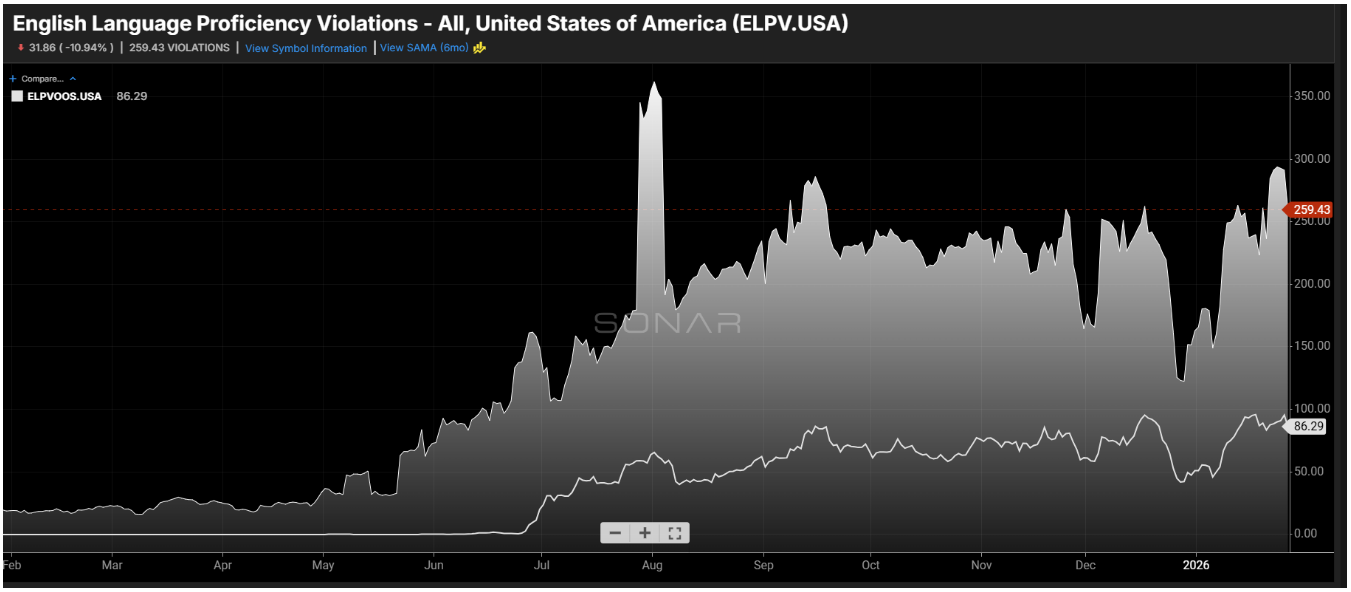


Chart: SONAR. English Language Proficiency Violations (ELPV), out of service (ELPVOOS) reported by the DOT

ELP violations have accelerated over the past month, averaging roughly 250 per week, with approximately 85 resulting in out-of-service orders, according to DOT data. The cause of the increase remains unclear and may be partly attributable to reporting lags related to the holidays.

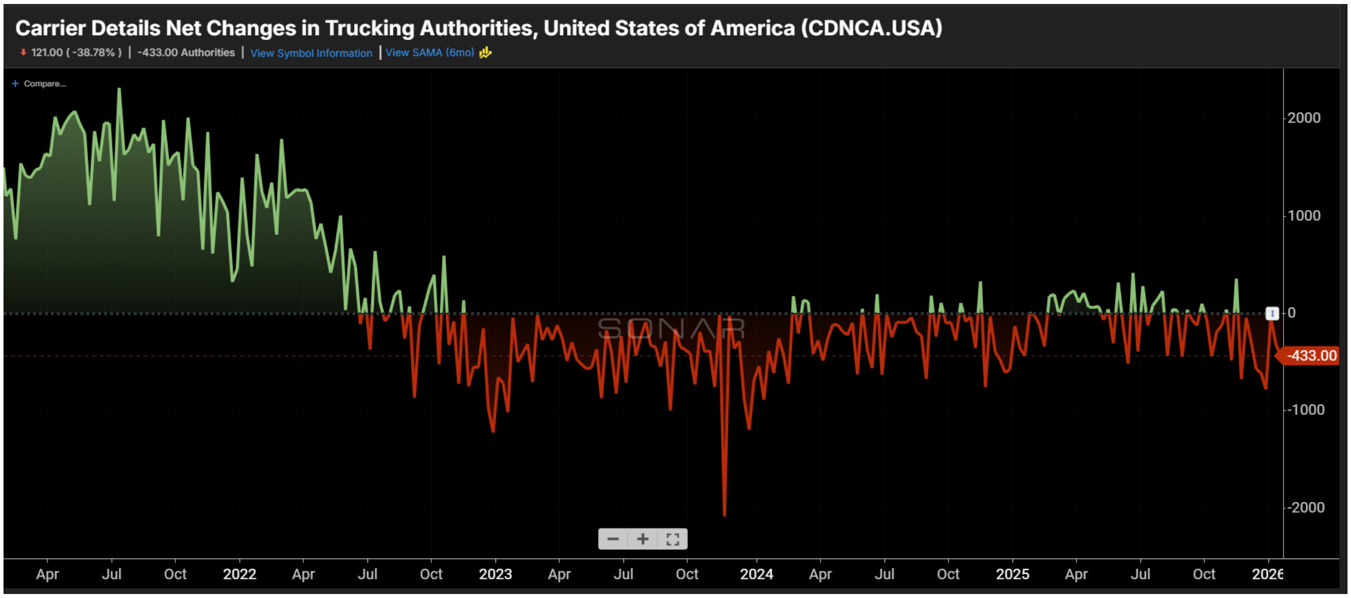
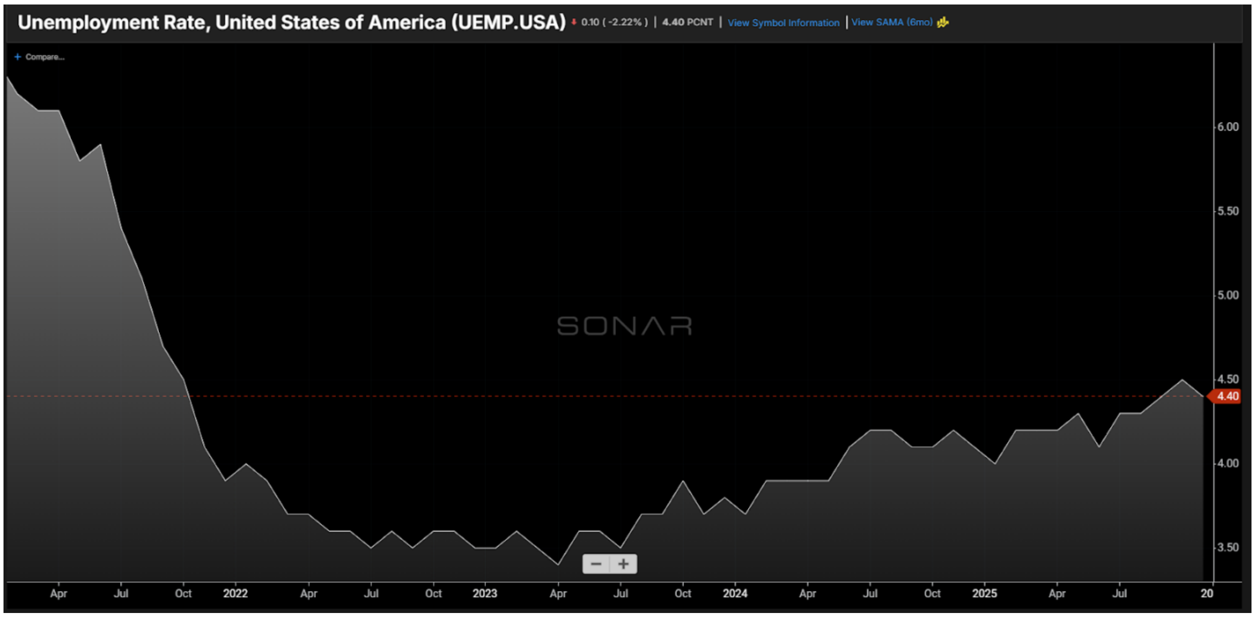


Chart: SONAR. Carrier Details Net Changes in Trucking Authorities reported weekly

Net changes in operating authorities have entered their peak seasonal period for exits (or reduced new entrants), with net losses averaging more than 400 authorities per week over the past month. The data suggests a renewed acceleration in capacity reduction, likely involving a more experienced carrier base than in 2023, when over 60% of the revoked authorities had less than three years of experience.

More up than down

The overall read on the U.S. economy is sluggish, but not recessive in aggregate. The three GDP releases in 2025 paint a fairly robust growth picture, though shifting trade flows have made those figures more difficult to interpret in terms of how businesses and consumers are actually faring domestically. The primary challenge is erratic trade policy implementation, which has caused import and export volumes to fluctuate in ways not seen in recent years, complicating historical comparisons. Imports are a net drag on GDP, while exports are additive, and both are measured in dollar terms. As a result, higher-value goods such as pharmaceuticals and electronics have had an outsized impact on volatility, particularly as tariffs have been imposed unevenly. Over the past 30 to 40 years, trade behavior has generally been stable, with changes occurring gradually—making the recent volatility especially disruptive.

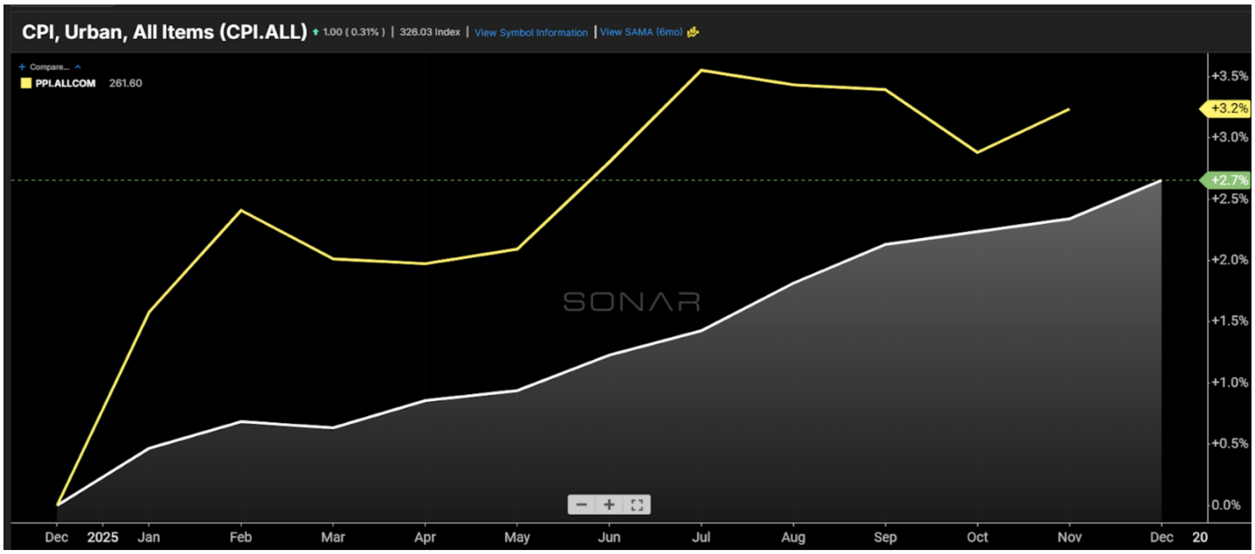


While many economists agree that GDP figures are less representative than they once were, labor market data has become a focal point due to mixed signals. For example, December's unemployment rate declined to 4.4% from 4.5% in November, yet payrolls increased by only 50,000 jobs. This weaker-than-expected reading capped off the softest year of job growth since the pandemic, even as overall employment remains historically solid.

There is a growing sense of stagnation in the labor market. The terms "low hire" and "low fire" are frequently used to describe businesses' reluctance to meaningfully adjust staffing levels. While artificial intelligence often receives the credit—or blame, depending on perspective—there is stronger evidence that companies are adopting defensive strategies as they wait for greater clarity from policymakers or more consistent demand from consumers.

Consumer outperformance during the recent holiday season—highlighted by a 0.6% month-over-month increase in retail sales in November and sharp inventory drawdowns reflected in January's LMI—should help bolster confidence heading into the year, at least from a demand standpoint. Trade policy, however, remains in limbo.

The largest unresolved question centers on the legality of the IEEPA tariffs imposed by the Trump administration last year, which account for roughly $130 billion of the $250 billion in total tariffs collected. While the administration has indicated it would pursue alternative avenues to implement these duties if the Supreme Court rules against them, the resulting policy uncertainty continues to be a significant headwind for businesses seeking a more stable path forward.

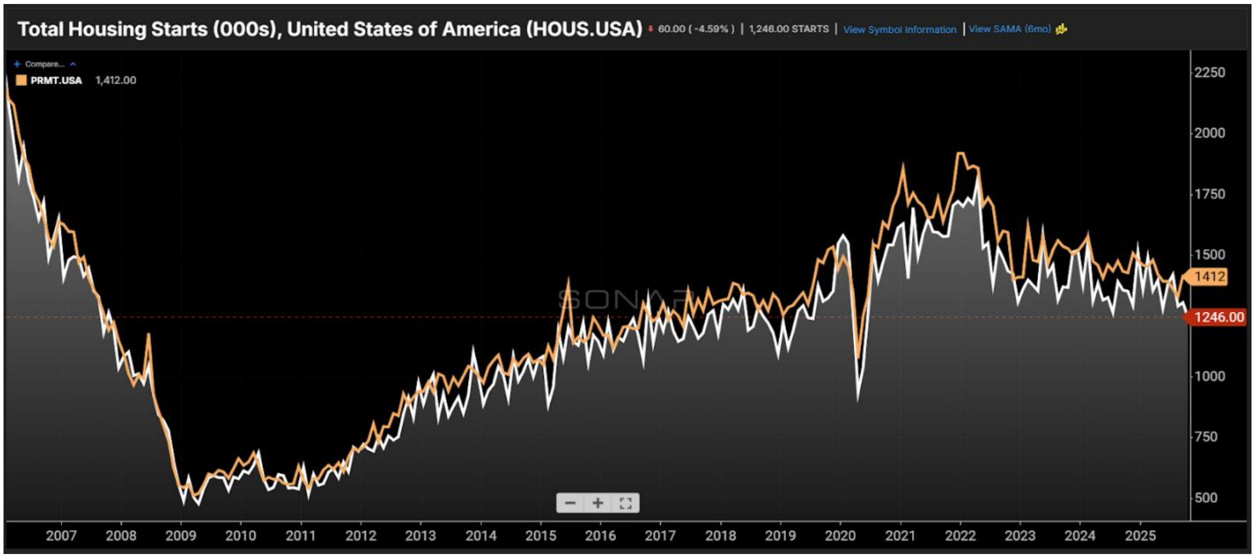


Inflation held steady in December at approximately 2.7%, still above the Fed's 2% target but not indicative of renewed acceleration. Questions remain regarding how much influence tariffs have already had—or may still have—on inflation, particularly as companies appear to have absorbed some of these costs. This is reflected in the faster rate of increase in Producer Price Indices (PPI) relative to the Consumer Price Index (CPI). Should inflation continue to ease and the labor market soften further, the Federal Reserve would have a clearer path to continue lowering interest rates.

While the economy remains uneven across sectors, the overall picture is tilted modestly toward optimism.

Housing's crawl off the floor

Existing home sales beat expectations by a wide margin in December, rising 5.1% month over month and 1.1% year over year. Inventory increased to 1.8 million units, up 3.5% from December 2024, though this still represents a relatively lean 3.3 months of supply. Notably, these figures reflect closings that occurred before the recent decline in mortgage rates, which were around 6.18% in early January—down from above 7% in early 2024. This suggests underlying demand may be stronger than headline affordability conditions implied late last year.



On a more lagging note, housing starts in October were disappointing, falling to their lowest level since 2020. The weakness was driven primarily by a downturn in multifamily construction. Single-family starts edged higher during the month but remained near multi-year lows. This data reflects activity shortly after the first interest rate cut, when mortgage rates had yet to meaningfully decline. Builder sentiment was also subdued at that time and remained weak through December, which is likely to weigh on starts data through much of 2025.

While the housing market is showing early signs of stabilization, there is little evidence of a rapid or robust recovery in the near term. Builders remain cautious amid ongoing affordability challenges, which could keep inventories constrained and prices relatively stable. Further declines in mortgage rates will be a key factor to monitor in the coming months to determine whether builder activity accelerates. Absent that, housing appears poised for a slow and gradual recovery this year.

Flatbed safety is exacting but essential

Given the open nature of flatbed trailers, it is arguably more important for flatbed drivers to follow best safety practices than for drivers in any other mode. This is compounded by the fact that flatbed drivers are uniquely responsible for ensuring that their loads are properly secured and, if necessary, covered by tarps. Otherwise, cargo can shift or even fall in transit, harming not only drivers and their equipment but also fellow motorists.

Thus, drivers should first choose high-quality straps, chains and binders that are designed to withstand the weight and type of cargo being transported. When loading, drivers must be careful to confirm that cargo is distributed evenly across the deck to maintain stability and to prevent excessive stress on specific areas of the flatbed. If applicable, drivers should employ edge or corner protectors to protect straps from sharp edges as well as sensitive cargo from damage caused by undistributed downward force.

Flatbeds also serve a vital role for the domestic oil and gas industry, in part because safety can be compromised by the (often) time-sensitive nature of such deliveries. As such, it is critical that the pre-trip inspection be fully carried out, not only with regard to the vehicle and trailer but also to the rigging equipment used, checking for frays or other signs of excessive wear.

Finally, special attention should be paid to the surroundings when the flatbed is not in use, particularly during loading and unloading. Trucks should be parked on a surface that is as flat as possible, taking care that the truck is not only level from front to back but also untroubled by side grades. To be sure, side grades need special attention when the truck is in motion, such that a heavy object does not suddenly shift forward into the cab or backward into any traffic. When dealing with hazardous materials, drivers should be aware of potential obstacles during loading and unloading that could impede an evacuation route.

Truck capacity outlook

The trucking capacity outlook is showing signs that capacity is exiting the market, which is needed to firm up pricing, but at a relatively slow rate. The back half of the year is traditionally a period when capacity tightens across modes. But with all the added capacity throughout the year, the usual tightening was muted throughout the fourth quarter of 2023.

The interesting growth areas haven't necessarily been in carriers or tractors but in the number of trailers added over the past few years. When the market reacted to the COVID-19 pandemic, semiconductor shortages prevented new truck order backlogs from being worked through. This led to fleets investing elsewhere, namely in trailer counts, which was one of the first areas addressed when the increased rates were sustained throughout the back half of 2020 and early '21.

With rates falling rapidly, the growth in capacity will likely return to levels closer to 2019 until some of the capacity added over the past year is removed from the market.

Total Fleets, Tractors and Trailers				**Percent Change since February 2022**		
Time Period	**Carriers**	**Tractors**	**Trailers**	**% Carriers**	**% Tractors**	**% Trailers**
Jul-22	498,170	2,780,000	4,298,588	5.75%	1.83%	14.34%
Feb-22	471,102	2,730,000	3,759,410			
Total For-Hire Fleets, Tractors and Trailers				**Percent Change since February 2022**		
Time Period	**Carriers**	**Tractors**	**Trailers**	**% Carriers**	**% Tractors**	**% Trailers**
Jul-22	300,027	1,810,000	3,022,330	8.76%	2.26%	1.00%
Feb-22	275,856	1,770,000	2,992,449			
Total Private Fleets, Tractors and Trailers				**Percent Change since February 2022**		
Time Period	**Carriers**	**Tractors**	**Trailers**	**% Carriers**	**% Tractors**	**% Trailers**
Jul-22	158,865	766,799	1,147,612	1.20%	0.63%	49.63%
Feb-22	156,979	761,967	766,961			

Source: Federal Motor Carrier Safety Administration monthly census data.

Since February 2022, the total number of fleets, which is filtered to those that report having at least one tractor and 20,000 or more annual miles per tractor on their MCS150 forms, has increased by 5.75%. Carriers have to report the data only once every two years, so the growth over the past two years is evident from the rise in July's numbers compared to February's. The average fleet size (number of tractors divided by fleet count) declined from 5.8 to 5.5, which indicates that growth is stemming from smaller carriers entering the market.

Growth in carrier and tractor counts is emerging from for-hire carriers, which is expected as the number of owner-operators has increased dramatically over the past two years. Overall, the number of carriers has jumped by 8.8% since February, but the number of tractors has increased by only 2.3%. This signals that owner-operators are the largest group to experience growth between February and July 2022.

While the for-hire side of the trucking industry is experiencing gains in carriers and tractors, private fleets are where most of the growth in trailer counts is originating. Between February and July 2022, private fleet trailer counts increased by 49%. Again, it is important to note that carriers have to report this number only biennially, so it really shows the growth over the past two years.

The for-hire market may see some consolidation — and bankruptcies — over the next six to 12 months, but it may not actually show up in the data, with carriers having to report only once every two years and new carriers always entering the market. As the freight market softens, the difference is that drivers will return to the umbrella of large enterprise carriers and thus may actually be double counted at some point in the future.

Total Fleets, Trucks and Trailers with oilfield or liquid/gas specialization				6 month % Change		
Time Period	**Carriers**	**Tractors**	**Trailers**	**% Carriers**	**% Tractors**	**% Trailers**
Feb-22	28,446	380,291	1,074,897	0.7%	-0.5%	0.9%
6 months ago	28,260	382,131	1,065,222			
Total For-Hire Fleets, Trucks and Trailers with oilfield or liquid/gas specialization				**6 month % Change**		
Time Period	**Carriers**	**Tractors**	**Trailers**	**% Carriers**	**% Tractors**	**% Trailers**
Feb-22	20,190	326,544	923,705	1.4%	-0.7%	1.2%
6 months ago	19,906	328,902	912,408			
Total Private Fleets, Trucks and Trailers with oilfield or liquid/gas specialization				**6 month % Change**		
Time Period	**Carriers**	**Tractors**	**Trailers**	**% Carriers**	**% Tractors**	**% Trailers**
Feb-22	8,256	53,747	151,192	-1.2%	1.0%	-1.1%
6 months ago	8,354	53,229	152,814			

Source: FMCSA monthly census data.

The capacity landscape for carriers with oil and gas exposure was relatively unchanged from six months ago as their numbers have increased across the board. The largest rise is in the for-hire market, where the number of carriers has risen by 1.4%.

Even with additional carriers in the market, the number of available tractors has declined by nearly 1%, indicating a couple of things: Smaller carriers are entering the market, and larger carriers with exposure to oil and gas are thinning out their fleets.

While the number of tractors has declined in the past six months, for-hire carriers have added trailer capacity to their fleets, increasing the number of available trailers by 1.2% in the six-month span.

Private fleets haven't experienced the same fate, as there were 98 fewer private carriers operating in the oil and gas space over the past six months. Those continuing to operate have added to their fleets, however, as the number of available tractors has increased by 1%.

Total Fleets, Tractors and Trailers with oilfield or liquid/gas specialization in California

Time Period	Carriers	Tractors	Trailers
Jul-22	993	15,858	11,629

Total For-Hire Fleets, Tractors and Trailers with oilfield or liquid/gas specialization in California

Time Period	Carriers	Tractors	Trailers
Jul-22	549	3,651	5,262

Total Private Fleets, Tractors and Trailers with oilfield or liquid/gas specialization in California

Time Period	Carriers	Tractors	Trailers
Jul-22	395	11,799	5,967

Source: FMCSA monthly census data.

Nearly 1,000 carriers based in California were operating in oil field services or liquid/gas specialization as of last July. The vast majority, in both the overall trucking industry and the oil and gas industry, were for-hire carriers. More than 55% of the fleets in California that operate in the space are for-hire carriers, whereas private fleets make up just under 40% of carriers.

Private fleets do make up the vast majority of tractors in California. Of the 15,858 total tractors that operate in the oil and gas industry, 11,799 are from private fleets, which is roughly 75%. For-hire fleets have an average of 6.65 tractors, compared to private fleets with nearly 300 tractors in operation.

The difference in trailers is less dramatic as for-hire fleets have 45% of the trailers in California. But it is important to note that this data only includes owned trailers and not those that carriers have leased.

Ultimately, the capacity outlook appears quite different than it did at the beginning of 2022. The extreme growth over the past two years has passed its peak and is slowly starting to correct itself. However, having to report counts to the FMCSA only once every two years may mean the data does not show the capacity exiting the market as quickly as it actually does.

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