

MARCH  
2026

# STATE OF THE INDUSTRY

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## Volatility renewed

March 4, 2026 | 1 p.m. ET

### Overview

The freight market has become sustainably tighter than any of the previous three winters with rejection and spot rates staying sticky at relatively high levels. This looks like the front end of a market cycle turn.

Geopolitics is once again reshaping oil market expectations, reminding analysts how quickly supply-and-demand forecasts can unravel. Nearly four years after the Russian invasion of Ukraine disrupted global energy flows, markets are confronting another potential flashpoint—this time involving Iran.

Despite persistent sanctions pressure on Russia, the world remains dependent on its energy exports, highlighting the limits of removing major suppliers from global markets. Analysts note that eliminating Russian exports entirely could send prices sharply higher, illustrating how tightly balanced global supply remains.

Those sensitivities are now being tested by concerns over possible U.S. action against Iran. Recent gains in Brent crude oil prices in late February were driven largely by fears that Iranian exports—about 1.3–1.6 million barrels per day—could be disrupted. Even if spare capacity in Gulf producers could eventually offset lost supply, risks surrounding Iranian infrastructure and shipping routes through the Strait of Hormuz have already injected a geopolitical risk premium into oil markets, pushing aside earlier expectations of a looming global supply glut.

The economic backdrop remains somewhat confounding but has become slightly more positive. Industrial and manufacturing data suggest the past few months have shown a meaningful shift in direction. Flatbed activity is

booming on its own and largely without the support of seasonal construction demand.

Energy has once again been thrust into the headlines and could have a strong influence on inflation—and, subsequently, monetary policy—in the coming months, depending on the duration of the conflict in Iran.

### Fleet counts (six-month change)

Total for-hire fleets	300,027 (+8.8%)
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	1,810,000 (+2.3%)
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 (-14%)
Gulf Coast Basin	66 (+4.8%)
Anadarko Basin	47 (-17.5%)
<b>Total</b>	<b>567 (-6%)</b>

### Crude oil prices per barrel (y/y change)

WTI crude	\$77.40 (+16.6%)
Brent crude	\$83.56 (+20.2%)
<b>Brent-WTI Spread</b>	<b>\$2.25 (+12.5%)</b>

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## Oil market

One thing about oil markets: no matter how much effort is put into building supply/demand models as a tool to predict where oil prices may be headed, geopolitical upheaval can turn those forecasts on their head.

That has been driven home most clearly in the first week of March, following the joint U.S. and Israeli attack on Iran. As this report was being finalized, the impact on energy prices was immediate. Supply/demand models heading into 2026 were all predicting a potential oil glut this year. That forecast is now very much upside down.

The largest reaction in oil markets in the first days of military action was not the movements getting the most mentions in the media and in markets. Rather, it was one that cuts right at the heart of commercial trucking: diesel.

Diesel prices in the first four trading days after the attack on Iran and the latter's responses soared far higher than the gains in crude or gasoline, though those markets are the one that got all the attention. It's understandable for both: crude is the basic building block for the entire chain of petroleum-based products, and gasoline is what people put in their cars. A lot more people buy gasoline than buy diesel.

But diesel went bonkers. The reason is mostly tied to the quality of the crude that flows out of the Strait of Hormuz, the gateway out of the Persian Gulf (though oil markets refer to it as the AG, Arab Gulf) for about 20% of the world's crude supply.

Those crudes are heavier than, for example, the oil that is produced in Texas and New Mexico's Permian Basin, or the Bakken fields of North Dakota, or even countries such as Nigeria. That means that those heavier crudes tend to have a lot greater diesel yield when refined compared to lighter crudes (or even heavier crudes, like those from Venezuela or Mexico).

And so diesel reacted. Here are some of the raw numbers.

- The price of ultra low sulfur diesel (ULSD) contract on the CME commodity exchange, in the first four trading days of March, added almost \$1/gallon. The four days had gains of roughly 30 cts/g, 29 cts/g, 10 ct/g and 32 cts/g, respectively. By the end of trading on March 4, ULSD settled at \$3.6143/g, the highest settlement since November 2022.
- Since the settlement on the prior Friday though Thursday March 5, crude prices were up about 20.8%. Gasoline futures rose 28.5%. ULSD was up 39.2% during that time.
- Retail prices usually take a few days to catch up to futures prices. That held in the early post-war reaction as well. But according to the daily AAA average retail diesel price, almost 40 cents per gallon was added to the pump price in just five days. (The AAA surveys weekend prices as well, though futures markets are only open weekdays.)

Philip Verleger is a long-time energy economist whose analysis has always given a prominent spot to what happens in diesel markets. He has long seen that product as a driving force in the overall oil picture.

In a Substack posting soon after markets began their wild run, his outlook was not one diesel consumers are going to want to hear.

"In this crisis, crude prices are not the most important issue," he wrote. "The real threat instead comes from diesel fuel (distillate oil) and natural gas. The supplies of these fuels are threatened, and the potential price shock from this could affect every part of the world economy, from data centers that rely on diesel to power backup generators to truckers to farmers."

But if diesel is the petroleum market most affected by the latest Gulf war, liquified natural gas—LNG—is right behind.

"Many businesses in Europe that rely on natural gas may be forced to shut down as they did in 2022," Verleger wrote of the brewing LNG crisis. "Natural gas prices in Europe rose sharply this week because inventories there are very low for this time of year and because 20% of the world's LNG supply comes from Qatar. The situation will worsen quickly if the attacks on and from Iran continue."

That is going to put an added strain on diesel. That fuel is often a substitute for natural gas in a variety of applications, whether it's for consumers like heating, or for industrial purposes.

The oil market came into the Iranian crisis right about the four-year anniversary of Russia's invasion of Ukraine, an unforeseen development that at first caused a spike in prices due to significant formal and informal sanctions to displace as much Russian supply as possible with other sources of oil and natural gas.

But with Russia producing a little less than 10-million barrels/day of crude at the time of the invasion, plus being a huge supplier of natural gas to European nations both hostile and sympathetic to Moscow in international affairs, walking away from Russian hydrocarbons proved a lot harder in reality than what was desired.

In the months leading up to the start of the Iranian conflict, new sanctions on Russia were starting to bite, more in restricting the price Russia can receive for oil rather than limiting flows.

On the supply side, there is a limit to just how far the world can squeeze Russia. As Brookings said in a recent report, "Russia accounted for around 10% of global oil exports in 2024; completely shutting off this production would lead global oil prices to spike—with an increase of approximately 67% if historical price elasticities are in force."

That's geopolitics in action. And now the oil industry must deal with volatile markets trying to assess the ongoing impact of the military action against Iran.

In a recent “Factbox” about Iran’s oil industry, S&P Global Energy noted how the oil market had shifted from talk of supply in 2026 far outstripping demand. Instead, fears about Iran have stopped that projected glut from remaining the dominant narrative.

In one of its commentaries on the impact of military action against Iran, S&P Global Energy said even if Iran lost all ability to export the 1.6 million b/d of oil it now ships out to global markets, “there is enough spare production capacity in the Gulf region to offset a complete loss of..Iranian crude exports.”

So what’s at stake in that country? S&P Global Energy has put together an in-depth look at what is Iran’s role in oil markets today. Some of its key points.

- Iran produced 3.19 million b/d in January and exported 1.3 million b/d. Within the OPEC+ group, that makes Iran the third or fourth largest oil supplier behind Saudi Arabia, Russia and Iraq. Its output would be at or near that of the United Arab Emirates. All those countries’ production levels are less than the more than 13-million b/d produced by the U.S.
- Its primary export facility is in Kharg Island in the Persian Gulf. An attack on Kharg would probably cause an outsized reaction in markets, given its importance in the Iranian oil flows. “Damage to infrastructure there could significantly impact Iran's ability to generate revenue,” S&P Global Energy said in a report. Oil that comes out of Kharg Island is shipped out of the Persian Gulf via the Strait of Hormuz, the narrow passage whose closure in the event of military action has always been viewed as a calamitous outcome for oil markets.
- There is an alternative Iranian export terminal called Jask that is outside the Strait of Hormuz. But according to news reports, its opening in 2021 did not mark the beginning of it becoming a major route for Iran’s oil. Instead, its usage has been limited.
- Iranian exports in the past had been diversified. But no longer; a large percentage flows to China.

The Center for Strategic and International Studies (CSIS) in February published scenarios for what military action impacting oil flows might occur if talking turns to shooting.

- **U.S. or Israel disrupts Iranian oil shipping.** This would impact supply, obviously, which would work to drive prices higher. The Iranian exports of 1.6 million b/d would be at risk under this scenario.
- **Iran disrupts Persian (Arab) Gulf oil shipping.** The CSIS estimated that about 18 million b/d of oil would be vulnerable to actions that could be taken by Iran if it is attacked, though it obviously can't disrupt all of it. "Oil prices would initially spike with surging freight and insurance rates, and with some ship operators likely fleeing the region, further diminishing export capacity," CSIS wrote.
- **U.S. or Israel directly attacks Iranian oil facilities.** The attack would presumably be against Kharg Island, CSIS said. It would expect a price spike of more than \$10/b to \$12/b under this scenario.

- **Iran directly attacks Arab Gulf oil facilities.** Other countries export also out of the Gulf as well as Qatari LNG.

What is going to constitute “action” against Iran could still take different forms. It isn’t guaranteed that there will be military action against Iranian oil infrastructure; cutting off Iranian exports by bombing them could be seen as a classic “own goal,” as the price surge that would be created by such an action would spread through the global market and impact even countries—like the U.S.—that import no barrels from Iran.

Except that the price is surging anyway and there are no reports of attacks on Iranian oil infrastructure.

The glut talk that was so prominent not long ago seems far away.

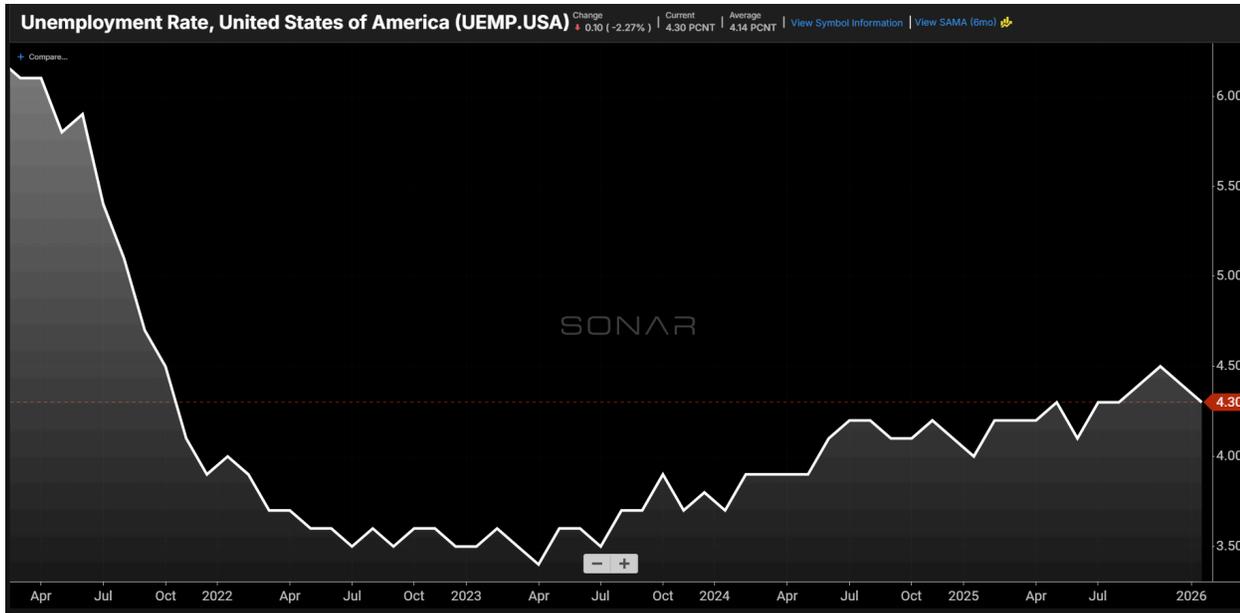
## National economic outlook

### Some cautious green shoots

Much of the economic sentiment remains deeply negative, but most of the data supports a sluggish — though not recessionary — economy. In many cases, the data is slowly recovering from relative lows. It may simply be that we need to reestablish what a “good” economy looks like, as evaluating conditions in the aggregate has become increasingly challenging.

The labor market is a prime example. The ADP report showed a disappointing 22,000 jobs created in January, while the BLS figure surprised to the upside with 132,000. Historically, the two reports do not always align due to ADP’s blind spot around government employment, but they tend to converge over time.

Looking deeper, most of the job creation (82,000) came from health services, making the gains fairly concentrated. There were also notes about a historically low response rate, partly due to winter weather disruptions. Additionally, methodology changes are expected in the near future. With downward revisions being the norm, it is difficult to draw strong conclusions from the BLS figure beyond the fact that it was not disappointing.



The unemployment rate ticked down to 4.3%, but this was partly due to declining labor force participation driven by lower immigration and demographic trends. This does not necessarily make the data negative, but it does suggest the improvement should be viewed as a discounted positive. The longer-running trend of gradual increases in unemployment remains intact, meaning a single monthly decline is not a trend reversal.

Employment figures are critical to the forward outlook, as they are one of the two primary metrics guiding Federal Reserve monetary policy — the other being inflation.

In manufacturing, the surprise growth print in the ISM was January’s highlight. However, like the labor data, it lacks sufficient historical support to confirm a meaningful acceleration in growth and was accompanied by negative commentary from respondents regarding ongoing tariff challenges. In other words, it may prove to be a blip.

The housing market is still questionable, as existing home sales hit a two year low. Weather could have easily depressed these figures and should not be overly targeted for concern. Consumers are still spending despite deepening negative sentiment. However, spending remains highly uneven and top-heavy. Lower-income households are pulling back, while higher-income consumers are offsetting some of the weakness. How long this dynamic can persist remains uncertain. Even so, the overall picture is not bad.

## Manufacturing

### Forward-looking manufacturing data points toward reasons for optimism

The Institute of Supply Management (ISM), Purchasing Managers’ Index (ISM.PMI), raises the question of whether the manufacturing sector is, in fact, expanding. The ISM.PMI ticked reading rose from 47.9 in December to 52.6 in January before growth continued at a slightly slower pace at 52.4 in

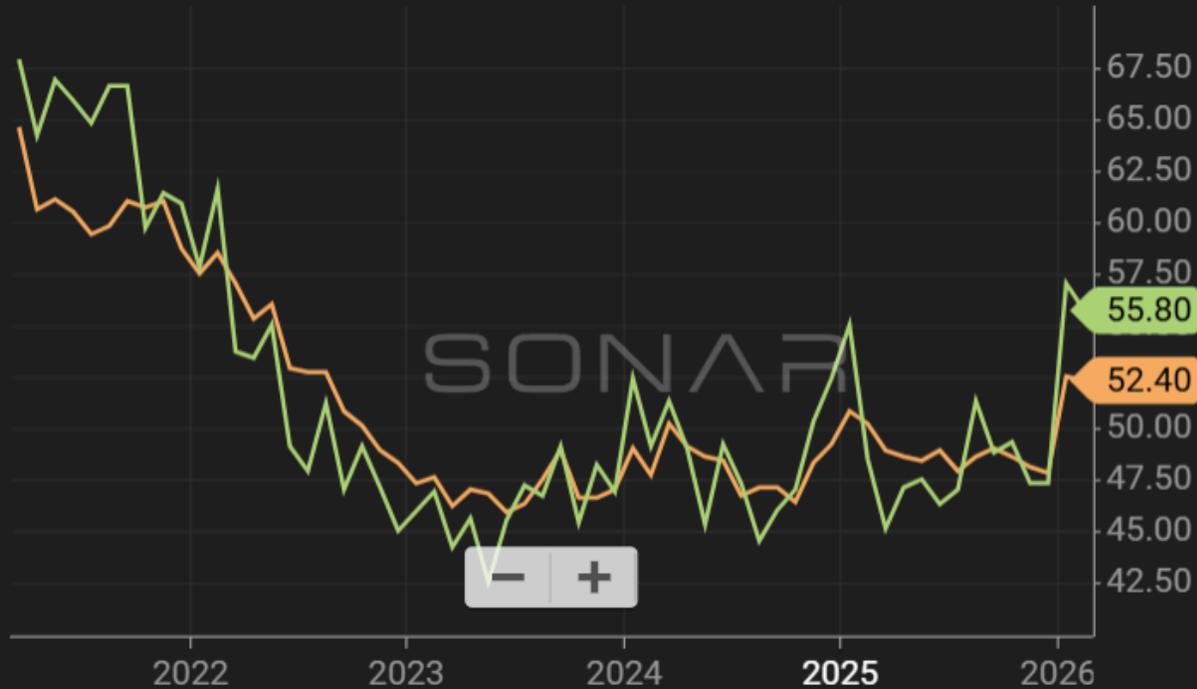
February, which indicates that there was expansion in the manufacturing sector the past two months following 26 straight months of contraction.

The Institute for Supply Management also provided optimistic readings in the forward-looking New Orders Index, which showed expansion for the second time since August with a reading of 55.8 in February. Aside from the prior month, that was the highest value since February 2022. Meanwhile, inventory metrics showed additional declines, with the Inventory Index of 48.8 (up only slightly from 47.6 in January), which may presage a further pickup in orders and backlog.

Bulls on the industrial economy cite pickups in not only the overall ISM, but several of the forward-looking components, such as new orders and backlogs, as well as a decline in inventories. Meanwhile, bears would counter that January and February are reorder months after the holidays, purchases may just be getting ahead of tariff-related price increases, and the Supplier Deliveries Index indicated slower deliveries.

Respondents to the ISM survey generally provided [comments](#) that were much more mixed in February than the generally pessimistic responses in the previous several months. Respondents cite improving demand and backlogs, but continue to cite high cost inputs, tariff uncertainty and also high costs for finished goods, which is making U.S.-produced products less competitive. Inflationary commodities include aluminum and copper, and numerous other metals and minerals. Respondents cited deflation in freight costs, though this is likely short-lived.

Manufacturing Trends

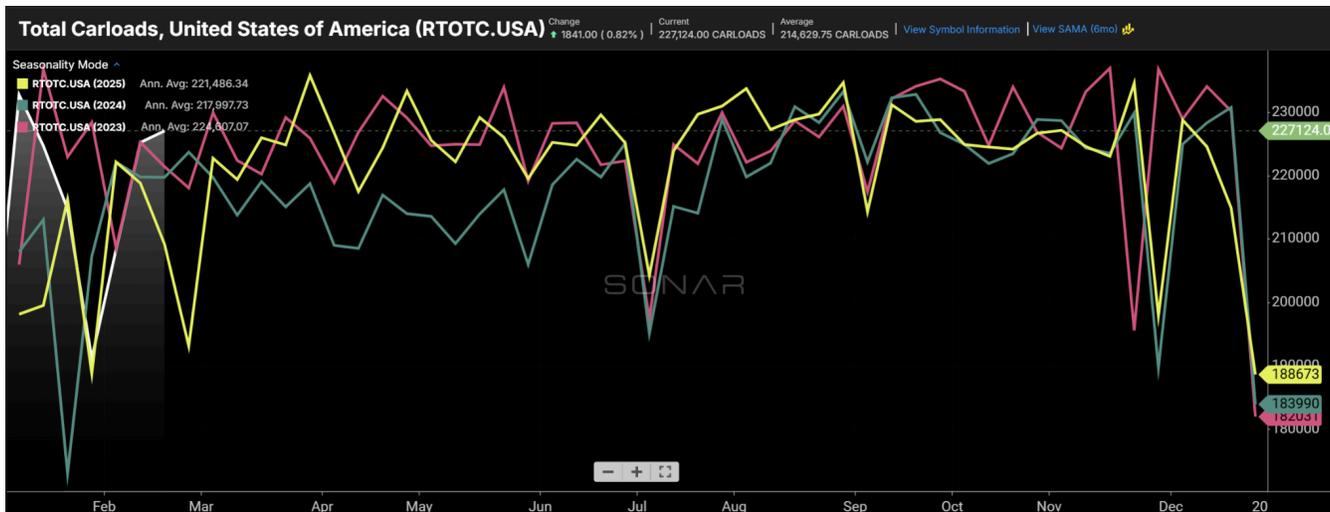


Series Legend

- Institute of Supply Management Metrics, Purchasing Managers' Index (ISM.PMI)
- Institute of Supply Management Metrics, Manufacturing New Orders Index (ISM.MNEW)

The most recent Federal Reserve Board of Governors data on Industrial Production and Capacity Utilization, released February 18th, shows that after growing at an annual rate of 0.7% in the fourth quarter, industrial production grew 0.7% in January. On a year-over-year basis, January Industrial Production grew 2.3% year over year. Notably, the 0.6% increase in manufacturing output in January was the largest monthly increase since February 2025. Some suggest Industrial Production presents a more representative view of the industrial economy than the ISM PMI since it reflects actual, rather than planned, activity and sentiment.

Ways that the industrial economy translates to freight demand include rail carload traffic, flatbed truckload demand, and LTL demand. Rail carload traffic, which is reported each week by the Association of American Railroads, historically grows when the industrial economy does, as it is industrial-heavy after excluding coal and agriculture.



Total U.S. carload traffic, as reported by the Association of American Railroads, is up 5.5% year over year, year-to-date (ending February 28th). That may be a better way to look at rail carloads than the past four weeks, given the volatility caused by the winter storms. Despite the increase, several economically sensitive traffic components have posted declines. For instance, motor vehicle and parts carloads are down 1% year over year, and forest products carloads are down 6% year over year. On their fourth quarter earnings calls, the Class I railroads issued generally cautious statements on the industrial economy, which contributed to guidance for total revenue, with pricing only growing in the mid single-digit range, on average.

## Consumer Conditions & Retail

### Is gloomy consumer sentiment starting to translate to a drop in retail sales?

The U.S. consumer held up well this past holiday season, with credit card processors reporting about a 4% increase in spending during the holiday season. Data from the Census Bureau for December (released February 10th) shows that retail and food services sales increased 2.4% from December 2024, when adjusted for holiday differences, but not for price levels. That was a slowdown from a 3.3% year over year increase in November and below the 3.0% year over year growth for all of the fourth quarter.

Given the CPI of 2.4% over the past 12 months, more than 100% of total retail and food services sales reflect higher price levels with no growth in volume. The major areas where consumers are pulling back include furniture and home improvement, which are segments heavily related to home sales. Still, retail sales continue to exceed sentiment surveys that suggest that most companies are pessimistic about their own financial position, given rising price levels (the University of Michigan survey shows that consumers are expecting 3.4% inflation versus 2.3%-3.0% before the pandemic) and a slowdown in hiring. Never before have consumer behavior and consumer sentiment diverged so widely. The most common explanation is that it's all about the K-shaped economy, with households in the top 10% driving 50% of consumer spending and continuing to spend freely.

Consumer packaged goods (CPG) companies are starting to feel more pressure from changes in consumer behavior since their clientele comprises all income levels. Looking for value, consumers are shopping more in value and club stores. CPG companies have adjusted pack sizes, both by introducing more single-serving items for consumers, minimizing cash outflow, and offering bulk packs for consumers trying to minimize per-serving costs. Snack maker Mondelez said that the average shopping basket for US consumers hasn't grown in the past two to three years. Coca-Cola missed fourth-quarter earnings on disappointing demand, with case growth of only 1% in the U.S. In short, it appears that many consumers are starting to sweat the small expenses.

Companies are keeping inventory levels leaner to hedge against the potential for a more pronounced drop in consumer spending and also to mitigate rising warehousing costs. A more just-in-time approach may increase the time-sensitivity of many goods, supporting demand for long-haul truckload at the expense of rail intermodal (though intermodal volume is likely to be supported by other factors, as described below).

After the Logistics Managers' Index reported one of the biggest declines in inventory in December, it continued to expand for the second month in a row at 53.8. It is likely that the increase in inventory reflected a correction from December and also seasonal restocking, which is typical in January.



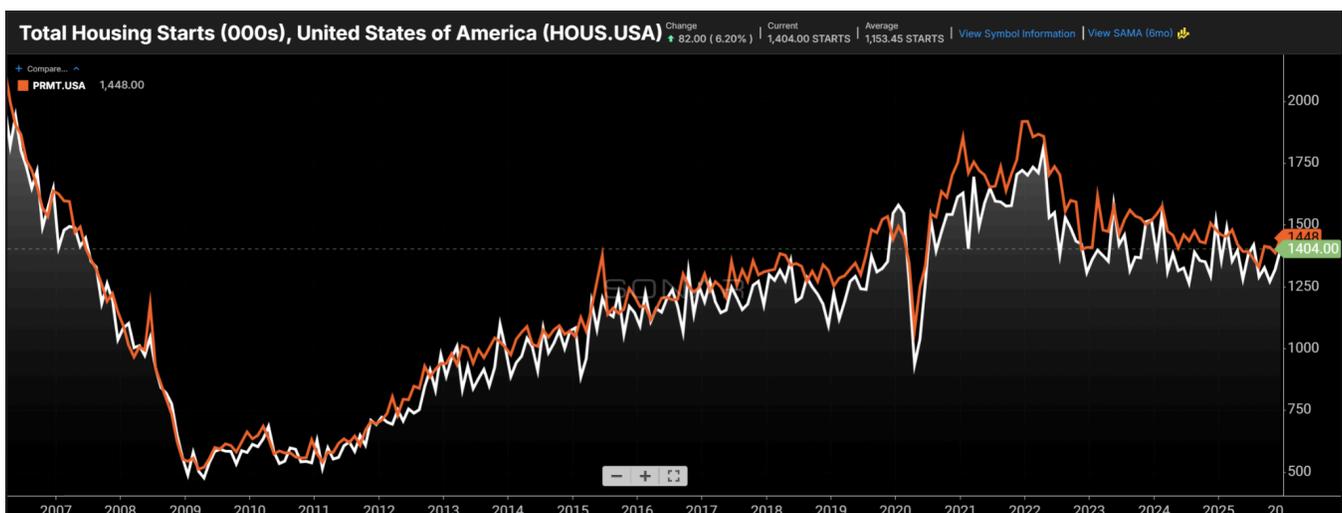
The NRF's latest Retail Monitor [report](#) highlights consumer spending that remains resilient. According to the NRF, total retail sales, excluding auto dealers and gas stations, increased 5.7% in January. That was an acceleration in the growth rate from 3.58% year over year in December. The only categories that are declining on a year-over-year basis, according to the report, are those related to housing, with Building & Garden Supplies and Furniture & Home Furnishings down 2% and 6%, respectively.



## Housing & Construction

Existing home sales have been volatile in recent months, with the general trend of homes sitting on the market for longer and the housing market gradually shifting toward becoming more of a buyers' market. After beating expectations by a wide margin in December (up 5.1% month over month and up 1.1% year over year), existing home sales declined 8.4% month over month in January, which was down 4.4% year over year. Of course, few people househunt in a blizzard.

Housing inventory declined 0.8% from December, which was up 3.4% from January 2025, though this still represents a relatively lean 3.7 months of supply. Homes are taking longer to sell, averaging 46 days versus 41 a year earlier. As a result, homes are more often being taken off the market, if only to "reset the clock" on the number of days on the market. Taking longer to sell typically presages a drop in prices. Mortgage rates are 6.1% versus 6.9% a year ago, the lowest rate in four years, which helps with affordability, but hasn't yet moved the needle on sales volume.



On a more lagging note, housing starts in December had a 1.448mm SAAR, 4.3 percent above the November rate, but 2.2 percent below the December 2024 rate. This data reflects activity that was

too soon after the first interest rate cut to make a difference. Overall builder sentiment remains subdued, which may keep a lid on housing starts data through much of 2026.

While the housing market is showing early signs of stabilization, there is little evidence of a rapid or robust recovery in the near term. The class I railroads called out homebuilding headwinds on their fourth quarter earnings calls as one reason why they are not expecting robust carload volume growth this year. Builders remain cautious amid ongoing affordability challenges, which could keep inventories constrained and prices at elevated levels. Further declines in mortgage rates will be a key factor to monitor in the coming months to determine whether builder activity accelerates and whether homeowners are willing to relinquish their current mortgage rates. Absent that, housing appears poised for a slow and gradual recovery this year, with many homeowners “stuck” and others priced out.

### **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.

<b>Total Fleets, Trucks and Trailers with oilfield or liquid/gas specialization</b>				<b>6 month % Change</b>		
<b>Time Period</b>	<b>Carriers</b>	<b>Tractors</b>	<b>Trailers</b>	<b>% Carriers</b>	<b>% Tractors</b>	<b>% Trailers</b>
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			
<b>Total For-Hire Fleets, Trucks and Trailers with oilfield or liquid/gas specialization</b>				<b>6 month % Change</b>		
<b>Time Period</b>	<b>Carriers</b>	<b>Tractors</b>	<b>Trailers</b>	<b>% Carriers</b>	<b>% Tractors</b>	<b>% Trailers</b>
Feb-22	20,190	326,544	923,705	1.4%	-0.7%	1.2%
6 months ago	19,906	328,902	912,408			
<b>Total Private Fleets, Trucks and Trailers with oilfield or liquid/gas specialization</b>				<b>6 month % Change</b>		
<b>Time Period</b>	<b>Carriers</b>	<b>Tractors</b>	<b>Trailers</b>	<b>% Carriers</b>	<b>% Tractors</b>	<b>% Trailers</b>
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%.

<b>Total Fleets, Tractors and Trailers with oilfield or liquid/gas specialization in California</b>			
<b>Time Period</b>	<b>Carriers</b>	<b>Tractors</b>	<b>Trailers</b>
Jul-22	993	15,858	11,629
<b>Total For-Hire Fleets, Tractors and Trailers with oilfield or liquid/gas specialization in California</b>			
<b>Time Period</b>	<b>Carriers</b>	<b>Tractors</b>	<b>Trailers</b>
Jul-22	549	3,651	5,262
<b>Total Private Fleets, Tractors and Trailers with oilfield or liquid/gas specialization in California</b>			
<b>Time Period</b>	<b>Carriers</b>	<b>Tractors</b>	<b>Trailers</b>
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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