

APRIL  
2026

# STATE OF THE INDUSTRY

R E P O R T

SUPPLY CHAIN | DEDICATED TRANSPORTATION | FLEET MANAGEMENT SOLUTIONS

SONAR



## Continued conflict

March 31, 2026 | 1 p.m. ET

### Overview

The freight market continues to remain tighter than expected. The flatbed market is leading the way, driven by data center construction and a surprising resurgence of manufacturing activity. Sentiment remains cautious as geopolitical strain and uncertainty remain a constant pressure on economic expectations despite some still lingering green shoots.

War with Iran has sent energy markets into turmoil, with diesel bearing the brunt of the shock. Since military operations began in late February, ultra-low sulfur diesel prices have surged 68% — outpacing both crude oil and gasoline. The causes are layered: Mideast refineries have been damaged or shut down, a major Texas refinery fire knocked out key diesel production capacity, and the region's crude — which yields a higher proportion of diesel when refined — is no longer flowing freely through the Strait of Hormuz.

The price pressure is spreading globally, with physical diesel markets in Singapore, Rotterdam, and across Asia already exceeding \$200 per barrel. As one prominent energy analyst put it, there is no policy fix — these are physical supply chains, and you can't print molecules.

Alternative pipeline routes are being maxed out, but they offer limited relief. And despite near energy-independence on paper, the U.S. remains exposed — because not all petroleum molecules are interchangeable.

The economy was showing positive signs of adjustment in February. The IEEPA tariffs were

struck down, though replacement tariffs were temporarily put in place. Inflation was below 2.5%, but before it was even released it was out of date due to the Iranian conflict.

### 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	229 (-13.7%)
Gulf Coast Basin	61 (-7.8%)
Anadarko Basin	44 (-21.3%)
<b>Total</b>	<b>562 (-8.6%)</b>

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

WTI crude	\$104.32 (+45.92%)
Brent crude	\$107.99 (+44.43%)
<b>Brent-WTI Spread</b>	<b>\$3.67 (+11.97%)</b>

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## Oil market

In our last Ryder-sponsored update on oil markets, we contemplated the prospect of war over Iran which began just a few days after publication.

As we know: war is here.

And even now as this is written, oil markets on this particular day are plunging on the back of what it perceives to be good news about a possible settlement that would end the hostilities and maybe even result in the Strait of Hormuz being opened.

If that were to occur, great. (We offer no opinion on the politics of it). If it happens, next month we can discuss how the supplies of energy products coming out of the Strait of Hormuz are getting back to normal, and how long that is going to take.

But for now, we'll look at the damage that already has been done. And if there is no peace, these conditions will remain in place.

**The diesel surge:** No petroleum product has risen more in the first 4+ weeks since military operations began than diesel. Its spread against crude has exploded and while all the focus is naturally on gasoline, since that's what everyday people use, the rise in diesel prices has been enough that its price level has started to garner significant media attention despite the fact that the average person never buys it. But they buy things that are transported through the combustion of diesel. And particularly in the northeast U.S., they buy heating oil, which is structurally similar to diesel and whose price path will be similar.

Here's the scorecard: On February 27, the last day of trading before military action against Iran commenced, Brent, the world's crude benchmark, settled at \$72.48/barrel. Ultra low sulfur diesel (ULSD) settled at \$2.596/g.

On March 30--that date has been chosen to "end" the month because March 31 ULSD prices were somewhat distorted by the expiration of the April contract on CME--ULSD settled at \$4.3643/g. Brent settled at \$112.78.

The gains during that month? Diesel moved up 68.1%. Brent rose 55.6%.

RBOB, an intermediate product traded on CME as a proxy for gasoline, settled at \$3.3515/g. On the last trading day of February, the settlement was \$2.0779/g. That's a gain of 61.3%, so more than crude but less than diesel.

Why? First, product prices have been boosted faster than crude because refineries in the Mideast have been damaged or shut. Crude is ultimately a worthless product unless it can be turned into products like diesel or gasoline.

Second, in the U.S., the Port Arthur, Texas refinery was closed after an explosion March 23 at the 435,000 b/d plant. While the refinery was ramping back up at the end of the month, its diesel hydrotreater, where the fire began, remained closed. That will help keep diesel markets tight.

Third, the types of crudes that came out of the Mideast tend to be diesel-rich. When refined, they often yield a large percentage of diesel from those operations. All crudes are not alike, and other crudes can't simply be substituted for, say, a barrel of diesel-rich Saudi crude and the same amount of diesel is produced. This is another factor boosting the price of diesel relative to crude and gasoline.

The light crudes that have been pouring out of the Texas and New Mexico Permian basin have a strong gasoline yield. But U.S. refineries in many cases are ill-suited to refine them which is why the export market for them is strong, while refiners would often prefer to import diesel-rich heavier crudes that are a better fit for their refineries.

**The \$200 barrel of diesel:** The highest ULSD settlement in the month was on March 20 at \$4.6084/g. At 42 gallons per barrel, that works out to \$193.55/barrel, so it's almost at \$200/b.

But that benchmark number, if it is, already has been breached in numerous other countries. The physical price of diesel in many markets, especially those most directly hit by the loss of crude and product supplies out of the Strait of Hormuz, already has been in excess of \$200/b, and in some cases had pushed well above \$200/b by the end of March.

That view was summed up recently by Jeffrey Currie, the one-time head commodities analyst at Goldman Sachs and now the Chief Strategy Officer of Energy Pathways at The Carlyle Group. Currie's views have long held an outsized place in markets.

In that interview, he referred to something called "molecular contagion."

"Last week we were talking about shortages in Singapore where jet fuel spiked to \$230 a barrel," he said. "This week it's in Rotterdam. Rotterdam is \$220 a barrel, Thailand, Philippines, New Zealand, Australia. So this thing's going intercontinental."

There was no easy way to stop the spread of that "contagion," he said. "There's no more price spread, there's no more spare battles, there's no policy fix, and it's just physics," he said. "These are physical supply chains, and that idea of financialization and the ability to print money doesn't apply here. You can't print molecules."

**The damage that won't get fixed overnight:** So far, it does not appear that there have been attacks on actual oil producing fields in the Mideast. But the list is extensive of other facilities that have been hit: numerous refineries, the Ras Laffan liquified natural gas (LNG) infrastructure in Qatar, and the one known attack on an actual producing operation, the South Pars gas field in Iran. It is therefore possible to look at what has been wrought and take a relaxing breath, knowing that at least the capacity to produce oil.

Speaking of molecules, which Currie did, some uses can be generated by different types of molecules (and sometimes they can't). In particular, industrial or heating operations powered by

natural gas that may have come from LNG can sometimes operate on diesel. And that could be a problem for diesel consumers: if the fuel they need gets diverted to any uses that had been using natural gas, that's a new source of diesel demand that did not exist pre-war.

**Reducing the role of the Strait of Hormuz:** There are pipelines in the Mideast that were designed to move crude away from the Persian Gulf and by extension the need to transit the Strait of Hormuz. They have been getting a lot of attention recently.

For example, Saudi Arabia has a pipeline that runs east to west across the country to an export port of Yanbu on the Red Sea. It generally is not heavily used; the growing Asian markets for Saudi crude favor exports through the Strait of Hormuz headed east.

But in recent weeks, the Saudis have focused heavily on cranking up the pipeline. Late in the month, it was reported by Argus Media that the 7-million b/d pipeline had reached capacity. (Though any Red Sea port is vulnerable to attack from the Houthis in Yemen).

An Iraqi pipeline that goes into Turkey and on to the Mediterranean export port of Ceyhan. It has been used sporadically in recent years, but has fired up with the loss of access through the Strait of Hormuz.

Why not build more? Note that the Saudi line as well as one in the United Arab Emirates have their entire route in one country. The Iraqi line goes through Turkey and that's been an issue in getting it running.

The problem is that any new pipelines are likely to be expensive unless they are done cooperatively among nations in a region where cooperation hasn't been a strong suit. And why put all that capital into a pipeline if the Strait of Hormuz returns to normalcy?

**The myth of energy independence:** In the latest monthly report of the Energy Information Agency, total U.S. supply of crude and refined products was 20.4 million b/d. Total demand was 20.65 million b/d. So why is the U.S. so exposed to the global increase in the price of oil when it can almost completely supply its needs domestically?

This question gets asked a lot on social media these days. It comes down to the fact that those petroleum molecules are wildly different in their structure and use. They are not the "widgets" of economics class, all of them utterly identical.

For example, the U.S. produced about 778,000 b/d of a product called petroleum coke in January. It has no value as a transportation fuel but is used in various industrial products.

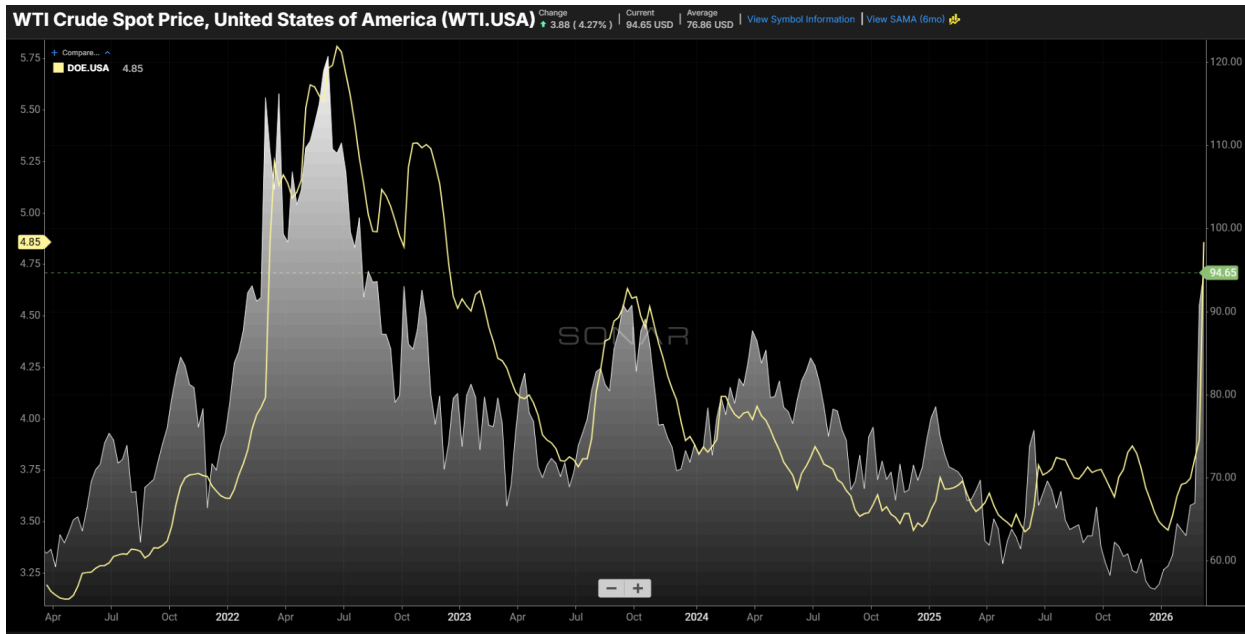
The U.S. produces more than 7 million b/d of natural gas liquids like propane and butane. They are mostly used for heating (propane) or in petrochemicals (like ethane).

This all adds up to the U.S. production not matching precisely its consumption. Imports are needed; exports of things we have more than we need are necessary too. The end result is that the U.S. gets tied to the world market, regardless of how narrow that domestic supply/demand balance may look.

## National economic outlook

### Iranian conflict renews inflation concerns

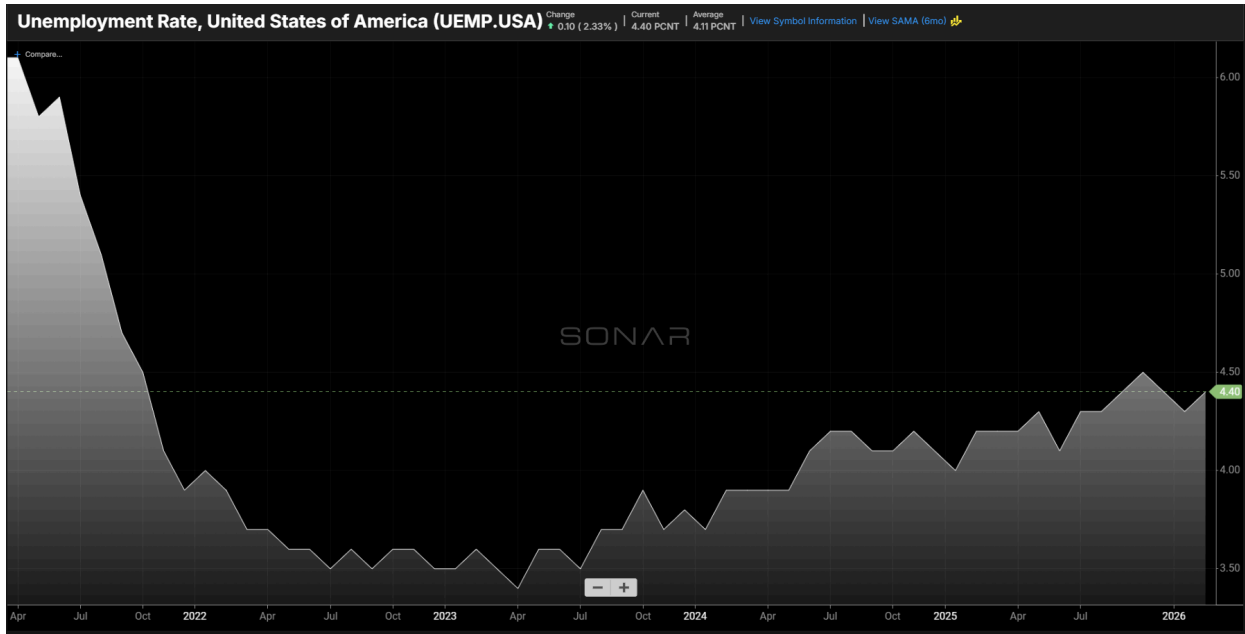
It is a true sign of the times that the February headline CPI print of 2.4%—a fairly positive indication that inflation was moving closer to the Fed's 2% target—was already outdated by the time it was released. The joint U.S.-Israel attack on Iran sent oil prices soaring and is expected to place significant upward pressure on goods and transportation costs.



The surge in oil and energy prices comes at a time when businesses had begun adapting to volatility driven by geopolitical and trade policy swings. Industrial activity was starting to improve, along with capital expenditure. Tax benefits were also beginning to reach consumers, which was expected to support retail spending. Now, much of that positive momentum is in question, depending on how long the oil market remains in a supply shock.

So far, the disruption has not lasted long enough to have a full impact, as many businesses and consumers have yet to fully absorb the recent price increases or assess their persistence. Some of the disinflationary pressure from moderating food (3.1%) and shelter (3%) costs will likely be offset by rising energy prices in the coming months.

The labor market continues to reflect a “low-hire, low-fire” environment. There is still no clear consensus on the extent to which AI is influencing employment trends, but many leaders within AI-focused organizations have pointed to “AI washing”—a phenomenon in which layoffs driven by COVID-era overhiring and corporate inefficiencies are attributed to productivity gains from AI.



The unemployment rate ticked up to 4.4% in February from 4.3% in January. Nonfarm payrolls declined by approximately 92,000—an alarming figure at face value—but the report noted that strike activity in the healthcare sector had a significant, though likely temporary, impact on the monthly total.

Long-term unemployment (those jobless for 27 weeks or longer) was unchanged month over month but is up 26% year over year to 1.9 million. The labor force participation rate fell to 62% in February, continuing a downward trend that began in late 2024 and accelerated in the second half of last year. While still above the pandemic-era low of 61.4%, this trend warrants close attention.

Participation has been declining over the longer term as older baby boomers retire, raising the potential for structural labor shortages—particularly if immigration trends remain negative. At the same time, the long-term impact of AI on job creation and displacement remains uncertain.

The Fed, as expected, decided to hold interest rates steady, citing non-alarming inflation levels and a stable — though sluggish — labor market. Chair Powell described the economy as strong and noted that GDP forecasts were revised upward. While this update may seem unremarkable compared to other meetings, it supports the case for a reasonably healthy economic backdrop, however unsatisfying or uncertain it may appear.

The overarching theme of the past month is renewed economic caution, as geopolitical instability continues to weigh on sentiment and act as a persistent headwind.

## Manufacturing

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

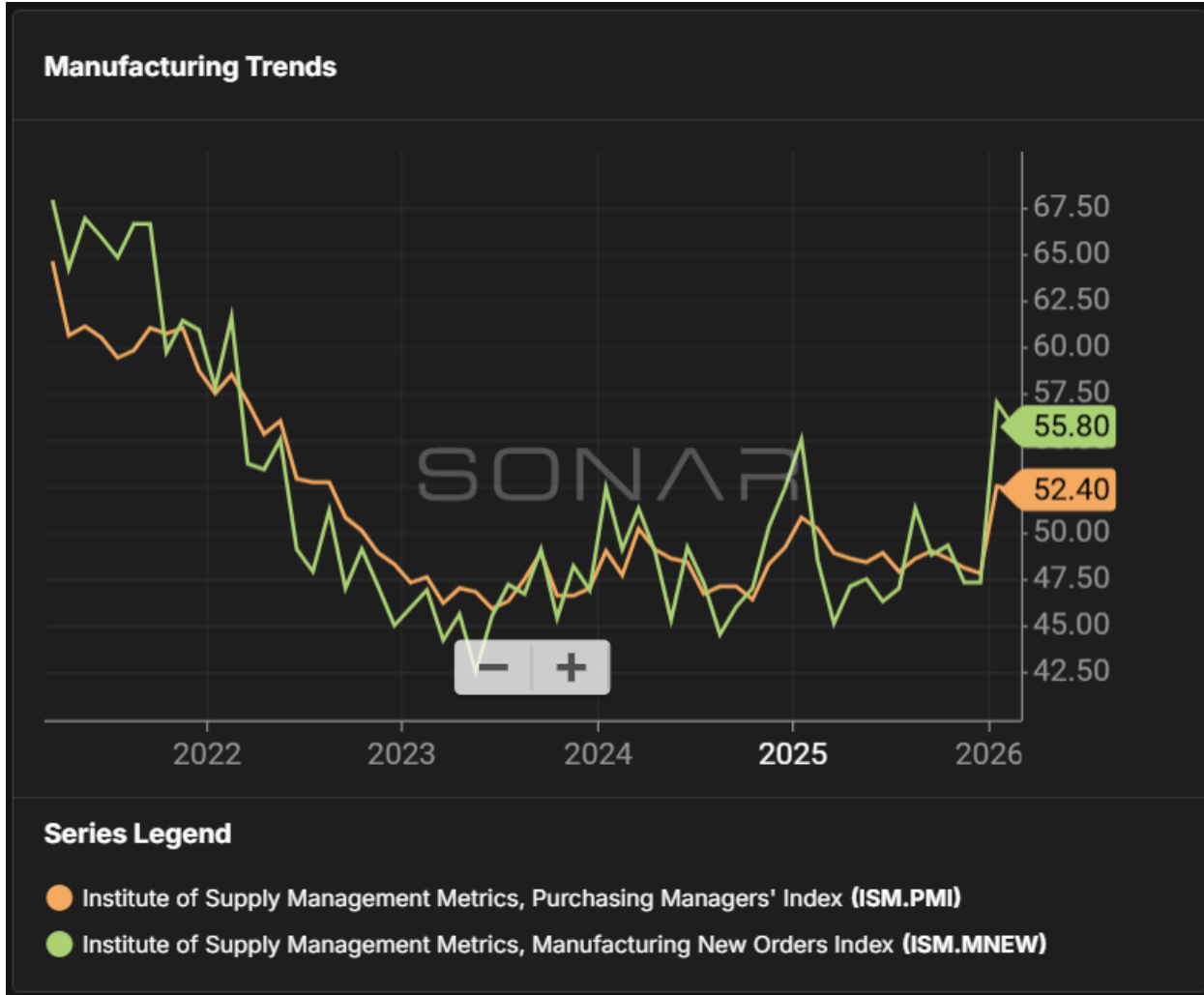
The Institute of Supply Management (ISM), Purchasing Managers' Index (ISM.PMI), raises the question of whether the manufacturing sector is, in fact, expanding. The ISM.PMI ticked reading rose

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.

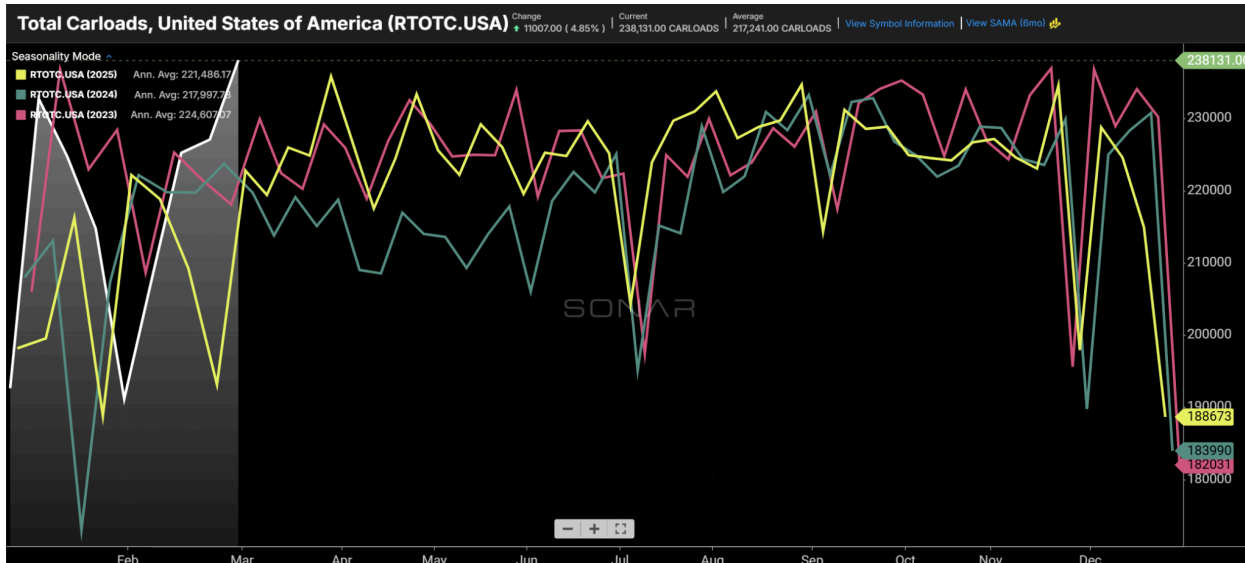
Bulls on the industrial economy cite pickups in not only the overall ISM, but several of the forward-looking components, such as new orders and backlogs, as well as a decline in inventories. Meanwhile, bears would counter that January and February are reorder months after the holidays, purchases may 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.



The most recent Federal Reserve Board of Governors data on Industrial Production and Capacity Utilization, released March 16th, shows that after growing at an annual rate of 0.7% in the fourth quarter, industrial production grew 0.2% in February after growing 0.7% in January. On a year-over-year basis, February Industrial Production grew 1.4% year over year. 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 6.5% year over year, in the past four weeks (ending March 7th), and is up 5.5% year over year, year-to-date. In the past two weeks, there has been a surge in traffic tied to commodity prices that have been lifted by the Iran conflict. For instance, grain carloads were up 27% in the week ending March 7th. Despite the increase, some economically sensitive traffic components are still posting declines. The segment that stands out the most is forest products carloads, which are down 6% year over year in the four weeks ending March 7. 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. Traffic appears to be beating those cautious expectations.

## Consumer Conditions & Retail

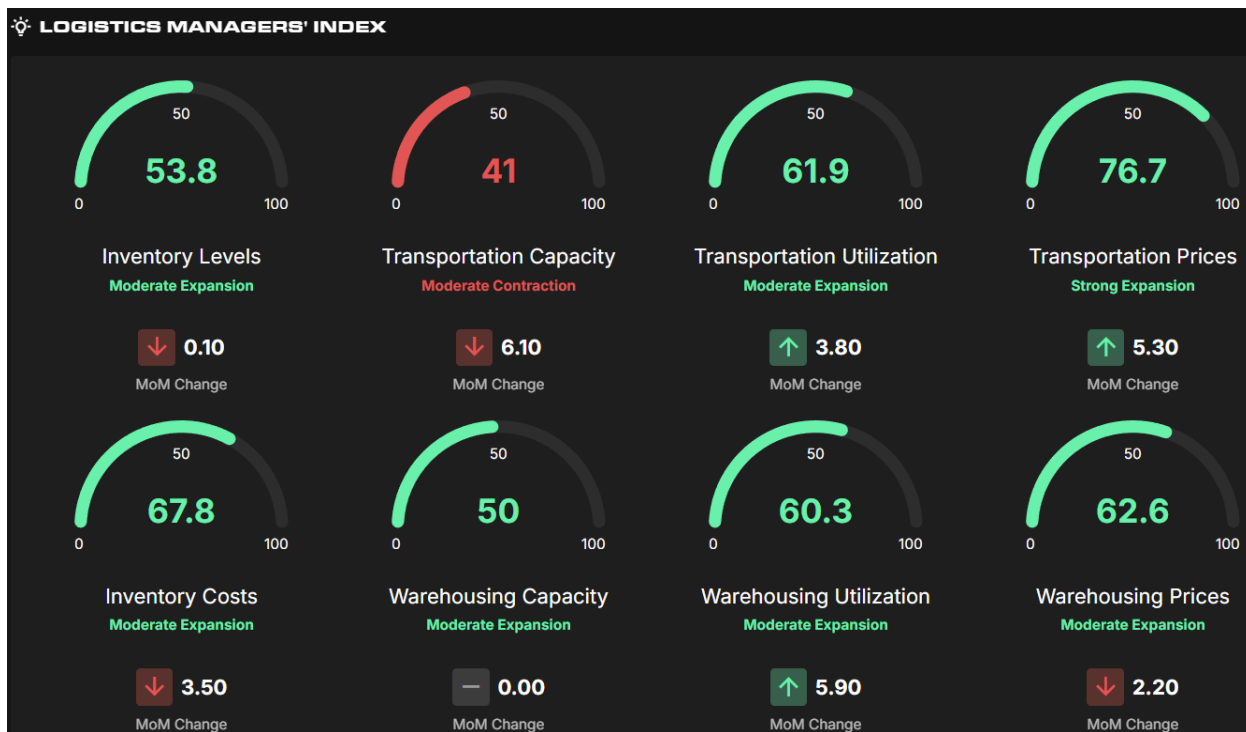
### Is gloomy consumer sentiment starting to translate to a drop in retail sales?

Data from the Bureau of Economic Analysis for January (released March 13th) shows that Personal Consumption Expenditures increased 2.3 from January 2025. Given that the latest CPI reading was 2.4% (February), essentially 100% of the growth in expenditures reflects higher price levels. The major areas where consumers are pulling back include areas related to the volume of home sales, such as furniture and home improvement. In addition, consumers are buying fewer vehicles due to higher sticker prices and monthly payments. Still, retail sales continue to exceed our sentiment surveys that suggest most consumers are pessimistic about their own financial position. Following some of the lowest readings in history in recent months, the University of Michigan sentiment survey had actually shown some improvement at the start of March, but those gains were immediately erased upon the onset of the war with Iran. The war has hit sentiment across income groups. Understandably, the war led to an increase in inflation expectations; after six months of consecutive declines, year-ahead expectations stalled at 3.4%.

Consumer packaged goods (CPG) companies are starting to feel more pressure from changes in consumer behavior since their clientele comprises all income levels, including those that are disproportionately impacted by rising gasoline prices. 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. Finally admitting that GLP-1 drugs are causing consumers to eat less, CPG companies are introducing products to match diminished cravings. CPG companies are also dealing with volatile ingredient markets, including ingredients that are impacted by the ~30% surge in fertilizer prices.

Companies are keeping inventory levels leaner to hedge against the potential for a more pronounced drop in consumer spending and also to mitigate historically high 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, such as a significant rate discount to truckload, as described below).

After the Logistics Managers' Index reported one of the biggest declines in inventory in December, it rebounded to expansion in January and February at 53.9 and 53.8, respectively. It is likely that the increase in inventory reflected a correction from December and also seasonal restocking, which is typical in the early months of the year.



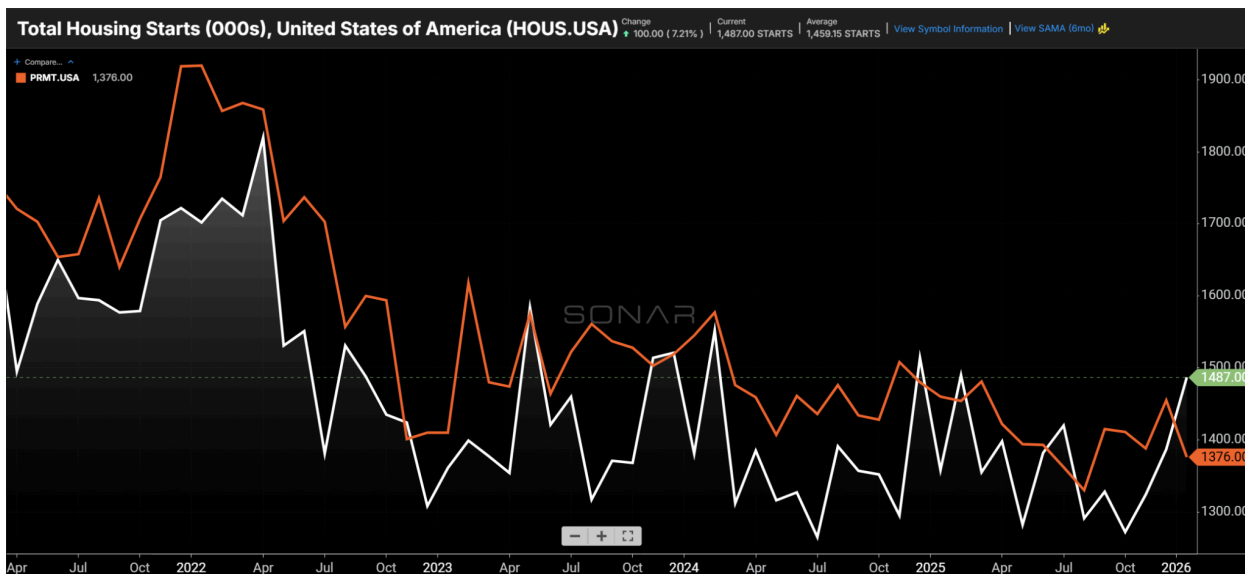
The NRF's latest Retail Monitor [report](#) highlights consumer spending that remained resilient in February despite harsh winter weather. According to the NRF, total retail sales, excluding auto dealers and gas stations, increased 6.2% year over year in January and are up 6.0% year over year in

the first two months of the year. The only category that declined on a year-over-year basis, according to the report, is building & garden supplies and furniture.

### 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. The volume of existing home sales this year declined 4.4% and 1.4% year over year in January and February, respectively. Of course, few people househunt in a blizzard.

Housing inventory is rising, up 2.4% in February from January and up 4.9% year over year. That still represents a relatively lean 3.8 months of supply, up from 3.6 months one year ago. Homes are taking longer to sell, averaging 47 days, up from 46 days versus 42 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 may presage a drop in prices. Mortgage rates are about 6.05% versus 6.84% a year ago, which helps with affordability, but hasn't yet moved the needle much on sales volume.



On a more lagging note, housing starts in January (released March 12) had a 1.487mm SAAR, 5.4 percent below the November rate, and 5.8 percent below the January 2025 rate. This data reflects builder sentiment that remains subdued due to concerns of consumer affordability and homes taking longer to sell, which may keep a lid on housing starts data through much of 2026.

While the housing market is showing early signs that the housing affordability crisis is past its peak, both in terms of home values and interest rates, a huge portion of would-be homeowners remains priced out of the market or "stuck" in their current home. The Class I railroads called out homebuilding headwinds, and their related impacts on freight, on their fourth-quarter earnings calls as one of the reasons why they are not expecting robust carload volume growth 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.

<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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