

Second Quarter 2025 Intermodal Volume

Economic data for the second quarter of 2025 was promising, despite the rocky terrain created by tariffs and the overall uncertainty surrounding trade policy. Retail trade sales rose to a record high, up 3.7 percent year-over-year, and the manufacturing subcomponent of the Federal Reserve’s industrial production index hit its highest quarterly average (100.8) since late 2018, suggesting that the industrial economy is gaining ground. The Advance Estimate released by the Commerce Department shows GDP growth of 3.0 percent for the three months, April - June.

Against this backdrop, total intermodal volume increased 2.4 percent, marking the seventh consecutive quarter of year-over-year growth. International containers climbed 3.9 percent, and domestic containers improved 2.6 percent. While trailers dropped 25.4 percent, total output nearly reached 4.6 million loads, a record set in the first quarter of 2021.

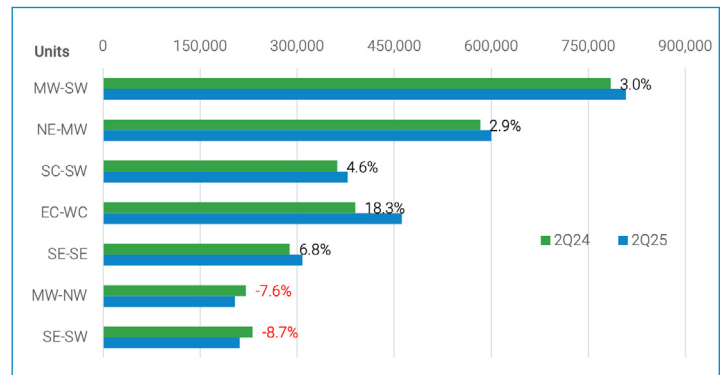
Eight of ten regions showed growth. Western Canada and Eastern Canada led with 9.0 percent and 8.7 percent, respectively, thanks in part to favorable year-over-year comparisons, while the South Central increased 6.4 percent. Other regions showing more volume were the Southeast at 2.5 percent, the Mountain Central at 2.0 percent, and the Northeast at 1.5 percent. The Southwest posted at 1.1 percent, slower-than-usual growth that reflected a return of some imports back east from the West Coast. The Midwest managed 0.7 percent, while the somewhat volatile Northwest fell 9.8 percent, and traffic in Mexico slid 0.2 percent.

The strong first half of the year has been backed by a rush to move as much freight as possible before tariffs go into effect. This “frontloading” created opportunities for both domestic and international intermodal.

Second Quarter Totals

	2024	2025	Change
Trailers	145,981	108,919	-25.4
Domestic Containers	2,065,293	2,119,717	2.6%
All Domestic Equipment	2,211,274	2,228,636	0.8%
ISO Containers	2,263,103	2,351,162	3.9%
Total	4,474,377	4,579,798	2.4%

Second Quarter 2024 - 2025 Corridor Growth



International Intermodal

Eight of the ten regions posted stronger international container volumes. The Northeast realized the highest growth at 10.7 percent. Canada capitalized on stronger year-over-year comparisons, rising 10.0 percent in Western Canada and 9.4 percent in Eastern Canada. The South Central gained 8.2 percent, followed by a 3.1 percent increase in both Southeast and Southwest traffic. Originations in the Midwest were up 2.2 percent, while Mountain Central volume was flat year-over-year. Only the Northwest, which continued to shed market share despite the uptick last year – as well as Mexico - experienced fewer loadings, 18.5 percent and 13.1 percent, respectively.

International container traffic was fueled by the surge in front loaded imports in the first half of the year, and it is reasonable to assume that demand for IPI might take a hit in the back half of 2025. The tentative trade deal with China would go a long way towards preserving international intermodal volume.

Domestic Intermodal

All but two of ten regions reported domestic container growth. Mexico jumped 12.2 percent to a record quarterly total 112,000 loads, leveraging greater rail service along with consistent investment in the country. The Mountain Central, the smallest volume region, saw the next biggest increase, 10.3 percent. Eastern Canada traffic rose 6.9 percent, followed by the South Central at 6.3 percent and Western Canada at 4.7 percent. The Midwest at 3.7 percent, Southeast at 1.5 percent and Southwest at 0.8 percent rounded out the rest of the regions' growth.

The industrial sector, a major driver of domestic container volumes, appears to be diverging from traditional indicators, and the demand picture was complicated. The survey-based ISM Manufacturing Purchasing Managers Index showed the manufacturing economy has been in contraction territory for a majority of the last three years, while new orders for core capital goods were improving, and the manufacturing subcomponent of the Industrial Production Index was hovering around levels not consistently seen since 2007.

The overall implication was that slow and steady growth can exist despite uncertainty, and this will be especially important if trade deals are not reached with key trading partners to create import transloading opportunities.

Trailers

The second quarter contraction in trailer loadings (25.4 percent) was the sixteenth consecutive quarter of year-over-year losses. The decline in originations continued to accelerate, following a more muted dip in the fourth quarter of 2024, ending any sentiment that more substantial losses have subsided. As is typically the case, almost all trailer loadings occurred in the U.S., with only 145 moves (less than 0.1 percent) coming from Canada and Mexico. Of the seven U.S. regions, only the Southeast moved up, 7.1 percent. On the other hand, originations fell 41.8 percent in the Midwest, a loss of over 25,000 moves. They also declined in the Southwest by 26.4 percent, South Central by

IMC Market Trends 2nd Qtr. 2025 vs. 2024

	Q2 2024	Q2 2025	Pct. Change
Intermodal Loads	312,222	286,642	-8.2%
Highway Loads	208,102	183,273	-11.9%
Total Loads	520,324	469,915	-9.7%
Intermodal Revenue	\$907,978,178	\$784,706,100	-13.6%
Highway Revenue	\$382,067,588	\$320,886,078	-16.0%
Total Revenue	\$1,290,045,766	\$1,105,592,178	-14.3%
Average per Intermodal Load	\$2,908	\$2,738	-5.9%
Average per Highway Load	\$1,836	\$1,751	-4.6%

21.4 percent, Mountain Central by 18.9 percent, Northeast by 14.0 percent and Northwest by 13.1 percent. Conversion to domestic containers explained the negative numbers in large part. Additionally, trucking companies continued to have capacity, and they did not need the rail network to supplement their linehaul.

IMC Results

Participating Intermodal Marketing Companies reported that intermodal loads decreased 8.2 percent, ending the prior string of four consecutive quarters of growth. At the same time, trucking volume handled by these same IMCs fell 11.9 percent, netting a 9.7 percent decline. On the revenue side, intermodal revenue dropped 13.6 percent, and highway revenue slid 16.0 percent. Total IMC revenue across both modes was 14.3 percent to the negative, with per-unit revenue off 5.9 percent for intermodal and 4.6 percent for highway.

The downward results across the board speak to a difficult freight market for IMC participants relative to the overall intermodal market where loadings moved up. One was challenged to explain the decline in highway traffic since the overall trucking market was generally flat. Declining rates for intermodal could have spoken to a greater mix of shorter haul loadings or a contentious battle for longer haul freight.

Intermodal Outlook

Imports drove North American intermodal loadings in the first quarter, and they continued to propel intermodal traffic in Q2. While future volumes will likely be reduced as a result, higher prices from tariffs have not yet impacted goods and consumer spending, and thus total 2025 import traffic should still be solid.

Overall intermodal network volume is forecasted to rise 2.1 percent in 2025 on the heels of an 8.5 percent gain in 2024. International container loadings are expected to increase 2.8 percent, and domestic container traffic is predicted to notch 3.0 percent, feeding off transloaded imports and incrementally better position vis-à-vis trucking. Trailers, however, have seen more accelerated declines than originally anticipated and are now projected to dip 21.7 percent this year.

Trucking Industry Performance

Total Class 8 tractor-trailer volume was up 0.7 percent year-over-year in the second quarter. Dry van tractor-trailers were down 0.6 percent, refrigerated ticked up 0.2 percent, and all other tractor-trailer loadings increased 1.9 percent, in line with the first quarter.

On a length-of-haul basis, the greatest improvement came in short-haul (less than 125 miles) which was up 3.7 percent. Super long-haul (550 or more miles) – the most competitive length-of-haul with intermodal – managed .07 percent growth, while medium-haul (125 to 299 miles) posted 0.9 percent, and long-haul (300 to 549 miles) – the largest portion of tractor-trailer volume – declined 0.3 percent.

Other indicators of trucking activity reinforced the notion of a trucking industry still stuck in neutral – especially in the dry van sector that is most competitive with intermodal. Flatbed spot load postings in the Truckstop.com system were up nearly 19.0 percent, but dry van spot loads were down more than 6.0 percent, and refrigerated was down 2.0 percent.

Payroll employment in trucking also showed a weak second quarter, down 3,200 jobs, after a seasonally adjusted increase of 7,300 jobs in the first quarter. Even in Q1, however, the growth was concentrated in local specialized trucking, which added 4,800 jobs. In contrast, general freight truckload employment fell by 2,900.

Another sign of weakness was the low demand for equipment. The second quarter saw the fewest net orders for Class 8 trucks in North America since the second quarter of 2020. Excluding this Pandemic-era outlier, one would have to go back to the first quarter of 2010 to see so few net orders for Class 8 trucks.

Tractor/Trailer Loads Originated 1st Qtr. 2025 vs. 2nd Qtr. 2025

(Tractor/Trailer Loads Originated) Seasonally Adjusted			
Actual Length-of-Haul	1st Quarter 2025	2nd Quarter 2025	Q/Q % Change
<125 Miles	18,446,900	18,477,428	0.2%
125-299 Miles	46,907,266	46,938,169	0.1%
300-549 Miles	64,145,972	63,984,799	-0.3%
550+ Miles	18,304,711	18,351,037	0.3%
Grand Total	147,804,849	147,751,435	0.0%
Trailer Types			
Dry Vans	61,016,863	60,632,855	-0.6%
Reefers	12,346,724	12,349,770	0.0%
All Others	74,441,263	74,768,810	0.4%

Trucking Outlook

Tariffs have yet to produce meaningfully negative consequences for trucking. Most of the goods consumed or purchased thus far were already in inventory before significant tariffs kicked in, and this is likely a big reason why they have not yet had as much effect on consumer or producer pricing as many had anticipated.

Another key point is that aside from a few sector-specific tariffs – steel and aluminum and passenger vehicles, for example – most of the levies announced in early April have been pushed off until at least August. Tariffs on Chinese imports were a major exception, but the U.S. and China de-escalated their trade tensions after only a few weeks.

Nevertheless, tariffs are expected to produce some near-term weakness in the economy and freight transportation by keeping prices high, delaying the lowering of interest rates and slowing job growth. For the Class 8 truck freight market, tractor-trailer loadings for Q3 are forecast to increase just 0.2 percent, and the outlook for the fourth quarter is a loss, down 0.2 percent.

In addition to direct effects from trade barriers that are likely to lie ahead, the frequent changes in timing and tariff rates complicate business investment. Their effect is harder to quantify than those of reduced imports or exports, but they are likely to have significant consequences for freight volume in the medium-to-long term.

In terms of capacity, a few potential developments could yield an accelerated loss of drivers, including the new policy of placing drivers out of service for inadequate English skills. Its impact, however, is not expected to be major, mainly because it excludes drivers in the border commercial zones. Escalating trucking insurance premiums are another factor that could affect capacity, but this has not yet materialized.

Intermodal Implications

For the moment, trucking companies appear to have removed as much driver capacity from the market as they can to bring stability to both the employment and for-hire carrier populations. Nevertheless, very small operations, the same ones used by intermediaries, have been highly resilient, and their capacity remains elevated. Tariffs might be the catalyst for a purge of weak trucking firms within their ranks, but so far that severe hit to freight has not materialized.

The weakness in truck orders offers some hope of a tighter truck freight market down the road, but it is difficult to pinpoint when that factor might come into play. Likewise, consumer-driven stress on trucking that will boost intermodal does not seem to be in the cards for the near term.

Short Term Trucking Outlook

	History	Forecast			
	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
Active Truck Utilization	93.7%	93.6%	92.9%	92.3%	92.3%
Cl. 8 Tractor/Trailer Loadings Originated					
000s of Loadings	147,751	146,915	146,070	146,089	146,672
% Change, Q/Q	0.0%	-0.6%	-0.6%	0.0%	0.4%
% Change, Y/Y	0.7%	0.2%	-0.2%	-1.2%	-0.7%
Driver Labor Availability Index					
Index (1992=100)	131.4	131.9	132.4	133.0	133.5
% Change, Q/Q	0.2%	0.4%	0.4%	0.4%	0.3%
% Change, Y/Y	2.0%	2.1%	2.6%	1.4%	1.6%
Truck Share of Employment Index					
Index (1992=100)	127.6	126.5	126.3	126.8	127.0
Truck Driver Pressure Index					
Index (0 = Neutral)	1.7	1.4	0.8	0.5	0.7