Wonder what's causing the headaches? You are not alone. Spinnaker is also experiencing challenges on inbound shipments and freight costs and we understand your frustrations. We continue to work with our logistics partner to try to lessen the impact these current challenges are having on our customers.

Beginning in 2017, major unexpected weather events and a continuingly robust economy, have rapidly increased demand across all industries while simultaneously decreasing the available capacity for shipments. Matthew Randecker, VP Solutions, Rockfarm Supply Chain Solutions, says it's as simple as "more goods sold equals more freight, which requires more trucks." The reality of this, is that there are no more trucks.

The trucking industry has found it harder to find and to keep truck drivers. According to LTX Solutions, the average age of a truck driver is 55 years old. As drivers age and start retiring at a faster rate, more drivers need to be hired and many young adults are reluctant to join the trucking industry. LTX estimates there is a current shortage of about 48,000 drivers which is projected to increase to 330,000 drivers by 2024 if freight forecasts remain where they are today.

While the driver shortage is a major factor in today's challenges, Randecker says another major challenge has been the recent implementation of the Electronic Logging Device, or ELD, rules. Though the rules went into effect December 2017, enforcement didn't begin until April 1st. Law enforcement has since begun shutting carriers down that are not compliant with the mandate or are in violation of the hours of service ruling. The mandate is also impacting supply chains as carriers turn down multi-stop loads and detention prone shippers.

Julie Thuston, Assistant VP Operations & Account Management, Unyson, says that an increasing number of drivers dislike multi-stop routes "because it kills driver utilization," which is huge in staying compliant with the ELD mandate. Because many drivers feel this way, it is making it difficult to find trucks to take on these more difficult routes at any cost.

Keep in mind that this is not just a PS label industry issue. General Mills announced last month an increase in their product prices stating that "freight costs now represent about 20% of shipments, against a historical 5%." Halliburton Co., an oilfield services company, shaved ten cents per share from its earnings forecast due to delays in deliveries.

The freight industry has been hit hard with these challenges, causing freight costs to continuously rise and be passed from supplier to customer throughout the supply chain.

Here are some ways to mitigate these challenges:

- Provide flexible shipping/receiving hours
- Keep facilities on schedule to avoid wait times
- Allow for adequate lead time when placing orders to ensure on time deliveries
- Provide a forecast whenever possible for all products
  - *This will help Spinnaker ensure our own inventory levels and raw material deliveries are kept at adequate levels to serve you, our customers, more efficiently.*
- Arrange your own freight
  - *Maintain more control of when you receive your orders and mitigate some of the costs to your company.*

Sources: Rockfarm Supply Chain Solutions, LTX Blog: *What is Causing the Truck Driver Shortage and How Can We Fix It*; Freight Waves: *Treating drivers, carrier partners with respect can reduce shipping costs*; Fortune: *Cheerios, Haagen-Dazs Maker to Rasie Prices, Sheding $2.5 Billion in Market Value*; Reuters: *Corporate America's new dilemma: raising prices to cover higher transport costs*

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