



Circle Logistics

Personalized Logistics & Transportation Solutions

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THE CIRCLE DISPATCH™

Navigating Capacity, Rates, and
Margins in a Changing
Landscape

Executive Summary

May 2025 marked a period of subtle but meaningful transition in the U.S. trucking market. As economic uncertainty and industry headwinds persist, Circle Logistics has identified key shifts in van, reefer, and flatbed segments that signal both challenge and opportunity for shippers and carriers.

This white paper analyzes the latest trends in freight rates, margin pressures, and sector-specific performance, including notable gains in specialty flatbed services and the impact of regulatory events on capacity. Drawing on our industry expertise, we share actionable insights to help logistics professionals navigate evolving market dynamics with confidence and operational excellence

1. Van and Reefer Rates Climb: Early Signs of Capacity Crunch

In the past month, the trucking market experienced notable rate increases in both the van and reefer segments. Van rates climbed by approximately 3.2% month-over-month, while reefer rates rose by about 3.4%. These increases are significant in a market that has struggled with overcapacity and rate stagnation in recent quarters.

The upward movement in rates suggests a tightening of available capacity, driven by a combination of increased spot market demand and selective carrier participation. This trend may signal the early stages of a market rebound, as carriers become more selective and shippers face higher costs to secure reliable transportation.

Quarterly Results

	RGN	Step Deck	Flatbed	Reefer	Van	Conestoga
Q1 '23	4.39	3.13	2.78	2.67	2.32	3.49
Q2 '23	4.83	3.60	2.73	2.41	2.09	3.22
Q3 '23	4.83	3.10	2.69	2.50	2.14	2.87
Q4 '23	4.50	2.58	2.61	2.49	2.25	2.68
Q1 '24	4.09	2.60	2.61	2.45	2.15	2.64
Q2 '24	4.44	2.79	2.78	2.44	2.21	2.64
Q3 '24	4.27	2.58	2.69	2.49	2.23	3.05
Q4 '24	4.07	2.61	2.67	2.49	2.29	3.24
Q1 '25	4.57	2.59	2.74	2.48	2.26	3.21
Q2 '25	4.23	2.62	2.78	2.42	2.25	2.88

2. Broker Margins Squeeze Tightens Despite Rate Gains

Despite the positive movement in freight rates, broker margins compressed further in May. Van broker margins fell to 13.0% (down from 13.9% in April), and reefer broker margins dropped to 12.5% (down from 14.1% in April). These declines reflect heightened competition among brokers and increased pressure to secure loads in a market where capacity is tightening.

Margins for both segments remain below historical industry averages, indicating that while carriers may be seeing modest improvement, brokers are absorbing much of the competitive pressure and are forced to operate with slimmer profit margins.

3. Flatbed Freight Holds Steady, Specialty Services Surge

The flatbed segment remained relatively stable, with rates and average lengths of haul showing little change from April. However, margins for flatbed freight improved slightly to 14.6%. Notably, specialty flatbed services—such as over-weight/over-dimension freight—delivered robust performance, with margins reaching 26.1%. Step deck margins also increased, indicating strong demand for specialized hauling.

These developments suggest that while the general flatbed market is steady, niche and value-added flatbed services are outperforming the broader sector, providing opportunities for carriers and brokers with specialized capabilities.

Brokerage Margins by Equipment Type

	Nov '24	Dec '24	Jan '25	Feb '25	Mar '25	Apr '25	May '25
VAN	13.8%	14.2%	13.9%	13.7%	14.0%	13.9%	13.0%
REEFER	12.4%	13.3%	12.0%	13.3%	14.4%	14.1%	12.5%
FLATBED	16.7%	17.5%	17.5%	16.8%	16.1%	14.4%	14.6%
STEPDECK	16.4%	16.6%	16.3%	16.5%	12.9%	13.3%	14.5%
RGN	24.3%	22.8%	22.2%	18.9%	21.7%	19.5%	17.9%
CONESTOGA	16.2%	13.3%	12.0%	13.2%	12.9%	12.5%	10.4%

4. Year-Over-Year and Quarterly Data Reveal a Market in Flux

On a year-over-year basis, van rates increased by 3.2% compared to May 2024, while reefer rates remained flat and flatbed rates declined by 1.4%. Conestoga rates rose significantly, up 11.7% year-over-year, while step deck rates dropped by 7.4%. When comparing quarterly trends, flatbed rates were unchanged from Q2 2024, reefer rates decreased by 0.8%, and van rates rose by 1.8%.

These figures indicate that while there are pockets of growth, the market overall remains relatively flat, with only incremental changes in most major segments.

5. Spot Market Surges and External Forces SHake Up Capacity

Spot market demand slightly exceeded expectations in May 2025, contributing to the tightening of capacity and upward pressure on rates. This was influenced by improved weather conditions and the annual “Road Check” event, which temporarily reduced the number of trucks available as some carriers parked equipment to avoid inspections.

Additionally, a 46% drop in international shipments was observed, although this did not significantly impact domestic rate trends. Despite ongoing uncertainties such as potential tariff changes, the market showed no signs of deterioration. Favorable fuel costs, compared to 2024, continued to support carrier operations and helped offset some of the cost pressures faced by the industry.

Month Over Month Stats

Month	RGN	Step Deck	Flatbed	Reefer	Van	Conestoga
Apr '25	4.03	2.59	2.79	2.38	2.21	2.89
May '25	4.42	2.64	2.76	2.46	2.28	2.87
	9.7%	1.9%	-1.1%	3.4%	3.2%	-0.7%

Year Over Year Stats

Month	RGN	Step Deck	Flatbed	Reefer	Van	Conestoga
May '24	4.38	2.85	2.80	2.46	2.21	2.57
May '25	4.42	2.64	2.76	2.46	2.28	2.87
	0.9%	-7.4%	-1.4%	0.0%	3.2%	11.7%

Conclusion: Adapting with Agility: Key Lessons from May 2025 Trends

Circle Logistics saw that May 2025 reflects a trucking market at a crossroads, where modest rate gains in van and reefer segments signal a tightening capacity landscape amid ongoing economic uncertainties. While broker margins continue to face pressure, specialty flatbed services demonstrate resilience and growth opportunities.

In addition, year-over-year and quarterly data underscore a market in gradual transition rather than rapid change, influenced by external factors such as regulatory events and shifting shipment volumes.

For logistics professionals, these dynamics highlight the importance of strategic agility, operational efficiency, and targeted specialization to capitalize on emerging opportunities and navigate persistent challenges.

Key Takeaways:

Modest Rate Growth Signals Capacity Tightening: Van and reefer freight rates increased by over 3% month-over-month, indicating a shift toward a more balanced market.

Broker Margins Under Pressure: Despite rising rates, broker profitability declined, underscoring intense competition and margin compression.

Specialty Flatbed Freight Outperforms: Over-weight and over-dimension flatbed services posted strong margins, presenting lucrative niches for carriers and brokers.

Market Trends Show Incremental Change: Year-over-year and quarterly comparisons reveal a market evolving slowly, with pockets of growth amid overall stability.

External Factors Impact Capacity and Demand: Weather improvements, regulatory inspections, and a sharp drop in international shipments influenced capacity availability and market dynamics.

About Circle Logistics

Circle Logistics is a technology-forward freight brokerage and logistics provider specializing in full truckload, flatbed, reefer, and specialized equipment freight. Powered by proprietary technology and a culture of high performance, Circle delivers real-time insight, national reach, and personalized logistics solutions.



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