

## LOCAL

# Florida's trucking industry collapsed after COVID surge in online shopping declined

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Florida's trucking industry has seen a sharp decline in truckers and freight brokers this year, according to data from the Florida Motor Carriers Safety Association.

Truck drivers and freight brokers, which are the middlemen between shippers and carriers, were in high demand during the height of the coronavirus pandemic from 2019-22 as online shopping surged, leading to more demand.

The decline in consumer spending in the past year also has affected the industry, said Alix Miller, president and CEO of the Florida Trucking Association.

## **Sage Truck Driving School:** Students practice on Fort Pierce course

"There has been a freight recession for several months," she said.

Commercial truck driving training schools on the Treasure Coast and beyond said they are also seeing a decline in student enrollment as the industry shrinks because of the slowdown in the economy and the industry. Small trucking companies in Florida are struggling and many are going out of business, Miller said.

## **Florida freight broker and carrier permits declined in 2023**

The Florida Motor Carriers Safety Association issued more permits to brokers to operate from 2019-22, but issued 283 fewer permits in the past year, according to the data. That's a 10.6% decline.

Here's how many broker permits it issued:

1,571 in 2019  
1,844 in 2020  
2,373 in 2021  
2,669 in 2022  
2,386 by the end of October 2023

Florida had the second-highest percentage change in broker permits in the U.S., followed by Georgia with 17%, according to the data.

Similarly, permits issued to motor carriers in Florida decreased by 13.75% this year:

10,890 in 2019  
12,614 in 2020  
18,204 in 2021  
19,857 in 2022  
17,726 as of the end of October 2023

## Florida's freight industry is 'normalizing' post-pandemic

The sudden rise in e-commerce led to a shift toward "spot markets."

"A lot of the larger-company carriers work on long-term contracts with trucking companies," Miller explained. But when the higher demand overwhelmed them, they needed to increase capacity, either on one-time or short-term contracts, which are typically higher-paying.

The increased demand also encouraged more people to enter the trucking industry, either by buying used trucks to drive or starting small freight companies, Miller said.

But now, people are increasingly spending their money on experiences over shopping for goods.

The decline in demand, along with decreased freight rates and rising fuel costs, have led to the market crashing, Uber Freight CEO Lior Ron said in November, according to CNBC.

There has been a 78% decline in the national freight market since its peak, Miller said.

"Where that has hurt the most are those very small businesses or owner-operators that they were bidding on freight on a daily basis and getting paid a lot of money to move it," Miller said.

Many of these smaller companies are now shutting down, she said.

Commercial truck driving training schools are also seeing a decline in enrollment.

“We have seen what I would say is a leveling off in new enrollments,” said Wayne Lesperance, a spokesperson for Sage Truck Driving School, which operates schools across the country, including Fort Pierce. “The boom during the pandemic has settled back to what we would consider normal.”

Miller hopes the industry will balance out in the next several months as it adjusts to the reduced demand.

Many firms have shut down across the country. When Seattle-based Convoy, which connected truck drivers with freight companies, shut down in October, CEO Dan Lewis cited “massive freight recession and a contraction in the capital markets” in his memo to employees, according to CNBC.

The slowdown of the national freight market can indicate a looming recession too, according to economists and data from the Bureau of Transportation Statistics.

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