The Ultimate Guide To Freight Shipping	

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Freight shipping is the bulk transportation of goods and commodities via air, road, rail, and sea. The mode of transportation may be changed during the journey, and it may be done both domestic as well as international. As I already mentioned, the quantity of goods is significantly higher as compared to individual parcels. The pricing is considered in terms of the weight and number of the containers and pallets instead of the individual weight of the items. This makes freight shipping a cost-effective solution for businesses, and in this concise guide, I am going to discuss the benefits, modes, and factors that impact freight shipping charges. I will also cover an FAQ section for your reference. Read the blog ahead to learn more about freight shipping.

## Modes Of Freight Shipping

In this section, I am going to discuss various modes of freight shipping. Primarily, there are five modes through which freight is transported, and it may change mode as per the requirements and shipper's feasibility. Have a look at them below:

# **Ground Freight Shipping**

When the goods are carried by road using trucks and trailers for domestic/international hauling, it is known as ground freight shipping. It is further classified into four categories, as mentioned below:

#### Full truckload (FTL)

When the freight requires a complete semi trailer/15,000+ pounds load capacity, it is designated as a full truckload. It generally consists of up to 26 pallets. FTL is cheaper, and it is also safer for your goods as minimal handling is required. The route has the purchasing party on one end and the buyer on the other end, making the deliveries faster than other alternatives.

#### Partial Truckload (PTL)

If your shipment consists of up to 5,000 to 7000 pounds/6-12 pallets, you have to go for a partial truckload. This allows you to share the trailer with another party and increases the shipment time as well as the handling involved.

#### Less-Than-Truckload (LTL)

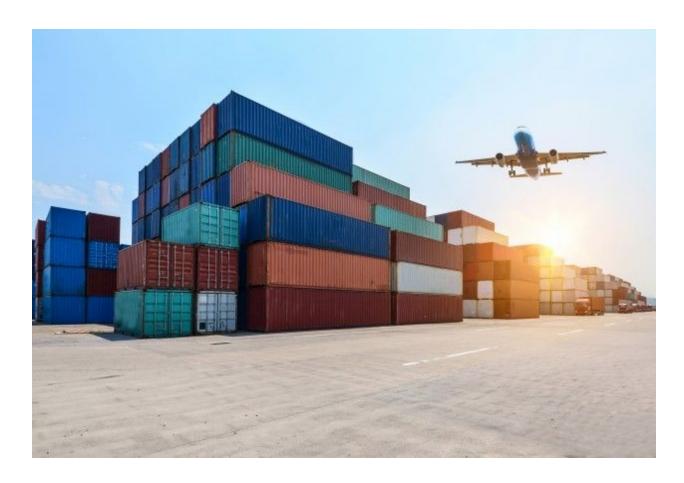
When your shipment is limited to up to 6 pallets, you will need a less than truckload. LTL may take longer than other alternatives, and you need to ensure that packaging is proper to save your products from any damage due to mishandling. This also results in slower deliveries as the shipper has to fulfill multiple commitments.

#### Flatbed Freight Shipping

For large items like engineering components, the conventional hauling methods aren't useful. This is done using full-sized flatbed trailers, and cranes are used for loading and unloading the items. You also need to install the supporting props and reflective tapes for road safety.

## Oceanic Freight Shipping

The movement of goods on oceanic carriers is known as oceanic freight shipping, and ISO containers are used to carry the payload. Based on the goods loaded, it is also classified into Full container (FCL) or Less-than-container (LCL).



## Air Freight Shipping

Hauling goods in bulk via air cargo is known as air freight shipping. This is an expensive option, but it helps cut down the supply lead times drastically. It is essential to use air cargo in case of emergency fulfillment, next day fulfilments, and when the item's delivery is time-sensitive. Also, using air cargo reduces the complexities in the customs clearance as well as lowers your insurance costs as the time in transit is considerably lower.

## **Intermodal Freight Shipping**

When the freight is carried by multiple modes of transport, including air, sea, and railways, we call it intermodal freight shipping. It is suitable when your freight can be transported through different modes to save money and improve safety as well as environmental sustainability.

## Multimodal Freight Shipping

It shares a lot of similarities with intermodal shipping, with the major point of difference being that each carrier is addressed separately without an intermediary party like brokers.

### **Expedited Freight Shipping**

When faster deliveries are needed, the shipments are transported through the air or by road. It is the costliest option, but it helps you save big on time.



Freight shipping is done primarily for inventory fulfillment purposes. The transfer of goods is for commercial consumption, and the direct consumers aren't on the receiving end of the freight in most cases. This also means that there are a few compliances involved in the freight movement. The local authorities and the ones governing the shipping route must submit the documents confirming the ownership and nature of the goods. This includes a bill of lading and other documents as required by the concerned authority. For international transport, customs documents are also required as applicable. It is necessary to get the relevant documentation for hazardous materials, including biologically threatening materials.

# Advantages Of Freight Shipping For Businesses

In this section, I am going to discuss the benefits of moving your freight through professional shippers. They are applicable in general terms, and you could ask your shippers for the exclusive benefits given by them. Have a close look here:

### Timely Delivery

Since the freight comprises mostly of the inventory, using shipping carriers will help you in ensuring timely delivery. You also get a wide range of options for choosing the carrier that suits your convenience the best.

#### Affordable

This is the most affordable solution for bulk transfer of goods as the larger vehicles like trailers, and oceanic carriers are used for transporting them.

## Safety Of Goods

The professional services extended by the shippers, as well as the palletized packaging, ensure minimum damage to the good. Also, you can track the freight movement using your <u>shipping management</u> software.

### **Compliance Clearance**

For international transportation, shippers hire customs agents at various ports to ensure that compliance clearances are managed properly. This is necessary as getting your consignment strangled can dent your bottom line and derail the entire supply chain.

## **Eco-Friendly**

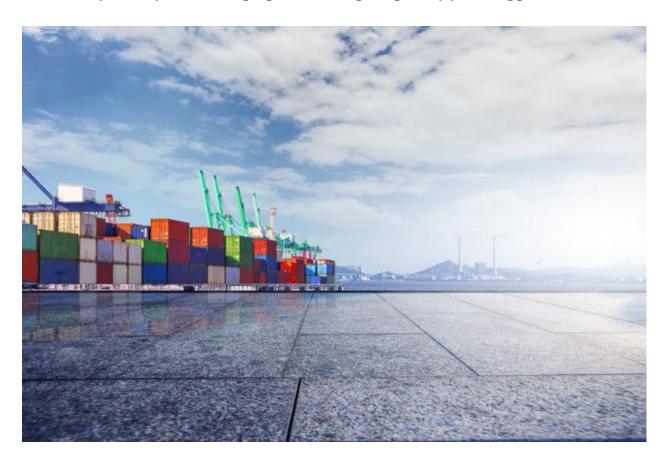
The use of larger carriers and trucks helps utilize the load-carrying capacity better as compared to smaller vehicles, and hence, the process is more eco-friendly.

Stat Time: APM Maersk is the top container ship operator as per TEU capacity considerations. (Source: <u>Statista</u>)

# Step By Step Process To Prepare Your Freight For Shipping

In this section, I am going to share the step by step process for preparing your goods for transit. Again, I am covering it as a generic process, and you may modify it for your consignment as required, like taking additional precautions for the hazardous materials. Have a look at the preparation procedure here:

- Conduct warehouse picking to fetch the goods at the pickup zone for handing it over to the shipper.
- Pack it in pallets of equal weight and dimensions. Keep it strong enough to bear the weight of the goods and bear the handling process. You can use bubble wrap, foam, and other reinforcing materials as required.
- Label them using barcodes or RFID tags. You need to label the pallets individually as well as the whole consignments in order to ensure the best trackability.
- Arrange the compliance-based documents like customs clearance and keep the bill of lading ready for the shipper. Prefer using an electronic bill of lading to improve trackability as well as safeguarding your interests.
- Carry out any additional preparations as prompted by your shipper.



# Which Factors Affect Freight Shipping Charges/Rates

One of the top questions for businesses is whether which factors will impact the freight shipping charges for their goods? In this section, I am listing down the main parameters which determine the charges paid for the haulage:

### **Dimensions Of The Shipment**

The volumetric dimensions viz. the length, breadth, and height are important considerations for the shippers as they determine how much space is available to them for placing other items inside their containers.

### Weight Of The Shipment

The weight of your shipment is also a crucial factor, but the calculations are done on the basis of volumetric weight. For this purpose, the volume of your pallet (in meters) is multiplied by 167 to get the volumetric weight.

### Cost Of The Consignment

The freight-carrying rates are affected by the cost of your consignment as the shipper needs to buy insurance as well as take handling precautions according to the price. Also, the hazardous nature of the items can impact the overall shipping rates.

# **Delivery Schedule**

Having tighter delivery deadlines increases the costs while slower deliveries are more economical. You will have to pay premium prices for time-based priorities like in the case of expedited shipping. You will also have to pay additional charges in case of a delay in customs clearances and other such instances.

#### Distance Covered

Naturally, the distance between the pickup location and the delivery location will impact the costs. This will also include the broker's fees and customs clearance charges in the case of international shipping.

#### Destination

The further your shipment needs to go, the more you have to pay for shipping because of greater fuel costs. Some destinations are categorized into zones, and the ease of access for carriers can also affect how much they'll charge you.

# **FAQs On Freight Shipping**

Have a look at the FAQs that people have on the topic of freight shipping. They will help you in having clarity about the process:

1. Which things can be shipped as freight?

You may freight ship anything that is legally recognized and permitted by the concerned authorities.

2. Are parcel and freight shipping two different things?

Yes. Parcels are smaller individual consignments, whereas the term 'freight' is used for bulk transport of goods.

3. What is freight classification?

To standardize the freight shipping rates, NMFC (National Motor Freight Classification) has laid down classification criteria, and the consignment is assigned a number between 50 and 500 according to it.

4. Do I need a bill of lading for freight shipping?

Yes. Due to its commercial nature and other compliance-related considerations involved, you will require a bill of lading to facilitate the movement of goods.

5. Which factors determine the freight shipping costs?

See the above section on 'Factors Affecting Freight Shipping Charges.'

6. Can I hire freight shipping services?

Yes. You can hire the services of a freight forwarding and delivery company as well as brokers who may or may not own the transportation vehicles. They will conduct the process on your behalf in exchange for fees. You can also outsource it completely to a shipping company.

7. Which are the top freight shipping companies?

The list of some big freight shipping companies is as follows:

- UPS Freight
- DHL Freight
- FedEx Freight
- R+L Carriers
- YRC
- Estes

# Wrap Up

I have tried to cover most of the terminologies regarding freight shipping along with its benefits. With the step by step process to ready your goods and factors determining the shipping rates, I have included a FAQ section to address the queries of our broad audiences. As the economies around the globe start to reopen after the pandemic, the freight shipping industry will witness a major boost as enterprises buckle up to make up for the cold period. I hope you find this guide on freight shipping insightful for your organization.

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