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Labor shortage continues to challenge trucking industry

By

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2020 was a year full of change and challenges for most industries, and the trucking industry was no exception. While things are starting to look up in 2021 with the COVID-19 vaccine rollout, businesses re-opening, and foodservice finally making a comeback, the current state of the trucking industry can still best be described as “complicated,” according to Tony Bradley, president and CEO of the Arizona Trucking Association.

“For the most part, trucking is in a really good spot,” he said in early June. “There is plenty of freight that needs to get delivered, which is a good thing, but we are having a difficult time staffing operations to meet the demand.”

Labor has and continues to be a major issue within the trucking industry. Denny Donovan, Fresh Kist sales manager told *The Produce News* that he knew of brokers who simply couldn't find drivers. “Too many of them are supposedly staying home collecting stimulus checks and not driving,” he said.

While there has been no further mention of ongoing stimulus checks, the American Rescue Plan passed by Congress and signed by the Biden Administration authorized an additional \$300 in weekly benefit checks until Sept. 6, which could bring an unemployed individual's total monthly income anywhere between \$2,000-4,000 depending on the state.

While there was definitely a need for extra unemployment benefits during the height of the pandemic, some in the produce industry worry that this ongoing increase in benefits is disincentivizing people from getting back into the workforce now that jobs are plentiful.

“We are competing with the government to attract employees,” said Bill Nardelli of Cederville, NJ-based Nardelli Lake View Farms, which handles its own growing, packing and transportation. “With them giving all these extra benefits, it affects the pay scale. As long as they continue with this, it makes it a challenge. A lot of these people on unemployment did need help getting through this past year, but now we see operations all over the country with ‘help needed’ signs in the windows. There doesn't seem to be a shortage of jobs.”

The most recent jobs report confirms Nardelli's sentiment; the Bureau of Labor Statistics reports that the U.S. economy added 559,000 positions in May while the unemployment rate fell below 6 percent for the first time since March 2020.

Although Nardelli Lake View Farms has had some success expanding its fleet of trucks, it's still been a challenge to find enough drivers, Nardelli admitted.

“Transportation has been quite the challenge and just being able to find enough equipment,” he said.

“It all stems from it being difficult to find drivers — and that’s in all parts of the country.”

Bradley echoed Nardelli’s sentiments, also noting that the aging workforce in the trucking industry is another big factor in the driver shortage.

“Today, every segment of trucking is struggling to put drivers in seats,” Bradley said. “I had a company in my office the other day who paid \$87,000 to start and had drivers sleeping in their own bed every night and still they can’t get people in the door to apply for a job.”

Nardelli agreed that good pay is not necessarily the issue when it comes to trucking. “Most independent businesses will raise their prices to get the job done,” he noted. “I don’t agree with the idea that a business person won’t be competitive with the pay scale, but on the other hand, you do reach a saturation point. There’s limits with everything.”

Additionally, Bradley noted, with the proliferation of recreational marijuana in Arizona, 70 percent of the people who do apply in the state cannot pass a mandatory drug test. “It is an issue that we are looking at very seriously,” he noted.

Exacerbating the labor shortage issue, manufacturers of name-brand trucks are a year out on orders because of a shortage of components to build the trucks.

“Even if there was a snap fix to get more drivers, there’s not a snap fix to get more equipment,” Nardelli noted.

As for freight rates, overall, they are 25-30 percent higher than they were this time last year, according to Nardelli.

“It’s not something you can long-term forecast,” he said. “We knew it was getting tighter because of lack of drivers but we really had no idea until we got into harvest season. I don’t see anything that’s going to significantly change it down the road.”

“I think the only thing that will help is for the general population and workforce to get back to work, and back up in full production,” Nardelli said.

Photo: Bill Nardelli Sr. (middle) with his sons, Jimmy and Bill Jr.

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