

# THE FOUNDATION OF FREIGHT PRICING

Understanding the wholesale carrier rate at the core.



## KEY LESSON

The wholesale carrier rate is the cost beneath the movement. Retail freight sits on top of it.



## SHIPPER RISK

Without baseline visibility, retail pricing becomes harder to test.

# How freight pricing is built and why shippers need to understand the components.

Most importers and exporters see freight as a simple transaction. A container moves from one country to another, an invoice arrives, and the shipment is complete. But international freight pricing is far more layered than most businesses realise.

This is the first article in the FreightFixed “Shipper Mastery” series — designed to help shippers better understand how international freight actually works, where freight costs come from, and why many businesses struggle to control them.

## **This is where many businesses lose control of their freight spend.**

At the core of most international freight pricing is a wholesale carrier rate. This is the underlying buy-rate paid by freight forwarders to shipping lines, airlines, co-loaders or transport providers. These rates move with market conditions, capacity, demand, fuel costs and global disruptions.

## **The challenge for many shippers is that they rarely see these wholesale rates directly.**

Instead, freight is usually sold at a retail level, where margins, service fees, surcharges and operational costs are added to create the final sell rate. Some of these costs are completely legitimate. Freight forwarders have staffing, systems, compliance, operational risk and service obligations to manage.

But this is also where freight pricing can become difficult to understand. Two businesses shipping the same cargo on the same lane can sometimes receive very different pricing structures depending on visibility, buying power, governance controls and how the shipment is managed.

**This is why freight cost control is no longer just rate negotiation every year.** Real freight cost reduction comes from understanding:

- how freight pricing is structured
- what charges are market-driven
- what charges are avoidable
- how shipment execution affects final cost
- how pricing changes between quote and invoice

Many freight charges also sit outside the base freight rate itself.

- These may include:
- terminal handling charges
- peak season surcharges
- fuel surcharges
- customs clearance fees
- storage
- detention and demurrage
- quarantine charges
- local cartage
- documentation fees

# FREIGHT PRICING VISIBILITY

Financial structure behind every shipment.



## KEY LESSON

Visibility turns freight pricing into a structure that can be understood and managed.



## FREIGHTFIXED PRINCIPLE

The more a shipper can see, the more effectively costs can be controlled.

Some are unavoidable operational costs. Others can increase through poor planning, weak execution or lack of shipment control. This is where many importers and exporters experience “invoice leakage” — where the final freight invoice no longer resembles the original expectation. The businesses that control freight best are usually not the businesses chasing the cheapest quote.

They are the businesses that:

- benchmark correctly
- understand their freight structure
- govern shipment execution
- validate charges properly
- monitor cost movement over time

**International freight is not just about moving cargo.**

It is about understanding the financial structure behind every shipment.

The more visibility a shipper has into freight pricing, the stronger their freight cost control, supply chain governance and long-term operational performance become.

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Note:

Darren Ash has more than 25 years’ experience in freight, logistics and supply chain cost control. Through FreightFixed, he helps importers and exporters understand the gap between retail freight pricing and wholesale baseline pricing, identify verified savings, and protect those savings through governed shipment execution, invoice validation and ongoing freight cost control.

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