2027 GENERAL RATE INCREASE · PREDICTION ANALYSIS

Prediction for the 2027 UPS and FedEx Rate Increase

5.9%

Our headlined prediction. The headline is not the story. Underneath a flat 5.9% GRI, the carriers are re-pricing your network — hardest on the lightweight packages most shippers move every day.

6.34%
Projected 2027 ground increase on 1–5 lb packages — the steepest of any weight class.

$12.71
Projected 2027 ground minimum, up 6.0% — in line with the GRI itself.

8.29%
Average international increase predicted for imports and exports on both UPS/FDX.

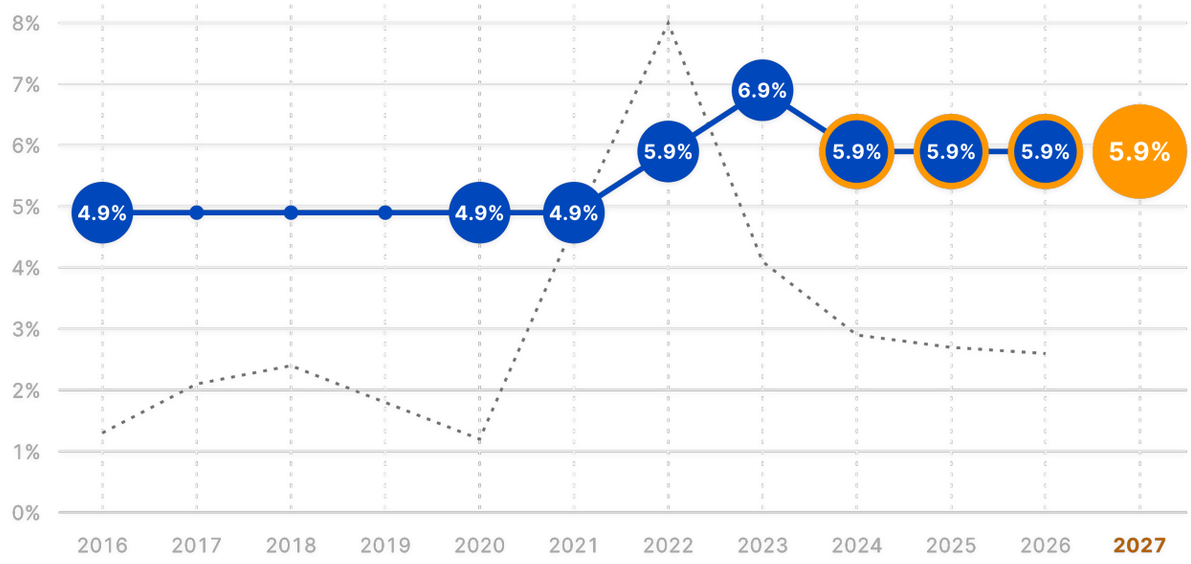
WHAT THIS IS

Eleven cuts of UPS and FedEx published rate data: express, ground, international, minimums, and every surcharge that moves. For each one: what the carriers actually did in 2026, and what we're forecasting for 2027.

Rate increases are not a single number. They are hundreds of decisions, and the carriers are counting on you reading only one of them.

01 The GRI may be double inflation for four straight years

2026 has been a volatile inflation year — 2.4% in January, a spike to 4.2% in May on energy costs tied to geopolitical disruption, then easing to 3.5% in June. Hotter than 2025, nowhere near the 8% average that pushed the 2023 GRI to its all-time high of 6.9%. We expect 2027 to land at **5.9%**: moderate acceleration, not a repeat of 2023.



Our published prediction, the orange line, has matched the actual GRI exactly every year since 2024 and lands on 5.9% again for 2027. Inflation plotted as annual average; 2026 through June. Source: US Inflation Calculator.

02 Domestic air increases are cooling — unevenly

Next Day led 2026 at 6.13% while 3 Day landed at 4.61% — a 1.5-point spread between services that used to move together. Both carriers landed within a rounding error of each other on the blended number — 5.46% UPS, 5.38% FedEx. Read that as coordination of outcome, not of intent: neither carrier gives up ground on the other.

1 DAY 2026 actual 6.13%

1 DAY PM 2026 actual 5.12%

2 DAY 2026 actual 5.84%

3 DAY 2026 actual 4.61%

Domestic air service increase by year

SERVICE	2022	2023	2024	2025	2026	2027 PROJECTED
1 Day	6.61%	7.53%	6.57%	5.97%	6.13%	5.80%
1 Day PM	6.51%	7.58%	6.56%	5.86%	5.12%	5.24%
2 Day	4.89%	7.65%	6.87%	6.70%	5.84%	6.37%
3 Day	9.72%	10.02%	6.44%	5.99%	4.61%	5.45%

UPS Air — average increase

SERVICE	2024	2025	2026	2027
2 Day	6.87%	6.55%	5.53%	6.22%
3 Day	6.44%	5.62%	5.39%	5.91%
Next Day	6.57%	6.07%	5.51%	5.47%
Next Day Saver	6.56%	5.77%	5.43%	5.36%
All air	6.61%	6.00%	5.46%	5.74%

FedEx Express — average increase

SERVICE	2024	2025	2026	2027
2 Day	6.87%	6.85%	6.15%	6.52%
Express Saver	6.44%	6.35%	3.84%	5.17%
Priority Overnight	6.57%	5.87%	6.75%	6.13%
Standard Overnight	6.56%	5.94%	4.80%	5.12%
All express	6.61%	6.25%	5.38%	5.74%

03 Domestic air minimums didn't soften. They accelerated.

Minimums accelerated in 2026 rather than easing. UPS pushed 1.0–1.4 points harder across every service; FedEx was mixed, with Priority Overnight hot while 2 Day and Express Saver stayed comparatively restrained. For 2027 we're forecasting further acceleration, with UPS Next Day Saver at 6.95% and FedEx Priority Overnight at 7.06%, pushing back toward the three-year historical average of 7.2–7.3% on 1 Day services.

The direction is clear: carriers are leaning *harder* on minimum charges, not easing off them. Minimums are the most efficient lever they have for capturing revenue on lightweight packages.

FedEx express minimums

SERVICE	2025	2026	2027 PROJ.	2027 ↑
Priority Overnight	$42.31	$45.22	$48.41	7.06%
Standard Overnight	$38.55	$40.82	$43.48	6.52%
2 Day	$25.23	$26.46	$28.03	5.94%
Express Saver	$22.95	$23.84	$25.18	5.64%

UPS express minimums

SERVICE	2025	2026	2027 PROJ.	2027 ↑
Next Day Air	$42.42	$45.06	$47.84	6.16%
Next Day Saver	$38.78	$41.31	$44.18	6.95%
Second Day Air	$25.43	$27.13	$28.95	6.71%
Three Day Select	$16.03	$16.90	$17.82	5.42%

Three-year average minimum increase for reference: 1 Day 7.3% · 1 Day PM 7.2% · 2 Day 6.3% · 3 Day 5.6%.

04 The ground minimum is now moving in line with the GRI

Both carriers have kept ground minimum increases in lockstep for more than a decade — 2017 the lone exception — and the minimum has more than doubled since 2012. We projected $11.97 for 2026; the carriers landed at $11.99. Off by two cents.

For 2027 we project **$12.71, a 6.0% jump** — a bit sharper than the 5.7–5.9% band held through 2024–2026, and above the headline GRI. Historically, regional-carrier competition capped how far above GRI the minimum could go. That dynamic looks like it's shifting: pulling the minimum lever harder than the GRI prices lightweight ground volume out of the network in favor of heavier, higher-margin freight.

Ground minimum & increases by year

YEAR	MINIMUM	MIN ↑	GRI	AVG RATE ↑	INFLATION
2022	$9.36	6.85%	5.90%	5.90%	8.00%
2023	$10.10	7.91%	6.90%	7.10%	4.10%
2024	$10.70	5.94%	5.90%	6.10%	3.00%
2025	$11.32	5.79%	5.90%	6.00%	2.60%
2026	$11.99	5.92%	5.90%	5.80%	3.26% (avg YTD)
2027 projected	**$12.71**	**6.00%**	**5.90%**	**5.90%**	**—**

THE GAP THAT MATTERS

Inflation is running 3.26% year to date. The GRI holds at 5.9%. Carriers are pursuing revenue well past anything inflation justifies — and have been for four years running.

05 Your lightest packages are now your fastest-rising cost

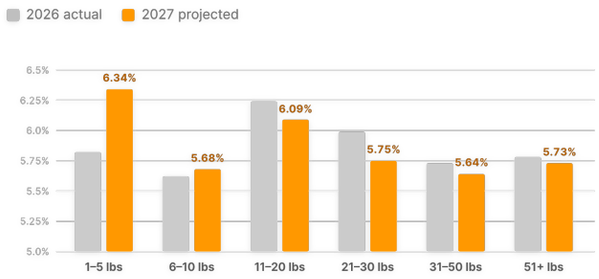
2026 rewrote the weight curve: 11–20 lbs led all classes at 6.24%, 51+ lbs came in lowest at 5.78%, and every tier under 30 lbs accelerated.

That shift carries into 2027: **1–5 lbs now leads at 6.34%**, while 31–50 and 51+ lbs trail at 5.64–5.73%. Small, minimum-adjacent shipments are being priced to discourage them; capacity is steered toward larger, higher-margin freight.

UPS OVERALL GROUND
5.71%
2027 projected, all tiers

FEDEX OVERALL GROUND
5.88%
2027 projected, all tiers

Where the increase moved: 2026 → 2027 by weight



Only the two lightest tiers move up. 1–5 lbs jumps half a point to become the steepest increase of any weight class; every tier above 10 lbs eases.

Ground increase by weight

WEIGHT	2025	2026	2027 PROJECTED
1–5 lbs	5.34%	5.82%	6.34%
6–10 lbs	5.25%	5.62%	5.68%
11–20 lbs	6.09%	6.24%	6.09%
21–30 lbs	6.15%	5.99%	5.75%
31–50 lbs	6.07%	5.73%	5.64%
51+ lbs	6.06%	5.78%	5.73%

06 Ground Saver and Ground Economy are converging

Read these rates as a **1–9 lb story**. That band is where the deferred services are genuinely the right product, it is where the overwhelming majority of the volume actually sits, and it is the only place the two carriers can be compared honestly — so that is the weight range these percentages reflect.

Both services used to hand the final mile to USPS. The 4.8-point gap in 2025 is the UPS–USPS split: when UPS pulled Ground Saver's final mile away from the Postal Service and took it in-house, it had to reprice the service in one move — hence the **9.90%** increase that year, against 5.14% at FedEx. UPS then came back down to 5.90%; FedEx has taken the slower route up to 5.67%.

For 2027 we project FedEx keeps climbing to 5.80% while UPS eases to 5.25%. Two services that sat **4.8 points apart in 2025 land within 0.6 points of each other** — and the order flips. FedEx is still mid-ramp; UPS has finished its run-up and is stabilizing. If you tender 1–9 lb residential volume to only one of them, that is a rate comparison worth reopening.

Deferred ground services — 1–9 lb

CARRIER	2025	2026	2027 PROJ.
FedEx Ground Economy	5.14%	5.67%	5.80%
UPS Ground Saver	9.90%	5.90%	5.25%

07 International is where 2027 gets expensive

Every international lane we track is forecast above the GRI in 2027 — FedEx Export at **9.86%**, FedEx Import at 8.27%, UPS Import at 7.87%. International ran below the domestic GRI in 2026 at 5.93–6.32%; for 2027 every lane is forecast above it.

International increase by carrier and direction

LANE	2026	2027 PROJECTED
FedEx Export	5.93%	9.86%
FedEx Import	6.01%	8.27%
UPS Export	6.32%	7.14%
UPS Import	6.11%	7.87%

FedEx: service-driven

Priority Express drives the increase — Imports 12.6%, Exports 17.7%. Asia Pacific (Zone J) Export Priority Express tops out at 21%.

UPS: zone-driven

Expedited leads, driven predominantly by exports, but the weighting is geographic — Zone 604 (also Asia Pacific) tops out at +13.6%.

Zone appears to matter more than service — consistent with the surge-fee activity of the past year. UPS alone has issued at least five updates since January, most touching all services but weighted toward specific zones, several carried over from last year. Surge fees are the standing lever both carriers use on long-haul lanes.

08 Accessorials are converging on the GRI — with a few sharp exceptions

Additional Handling applies to lightweight but oddly-shaped, oversized, or hard-to-handle packages. We project both carriers hold AHS close to the headline GRI in 2027 and the double-digit era is over. The pressure shifts to residential, Home Delivery and oversize lines, where a handful of charges run well above the GRI while extended delivery-area fees moderate sharply.

FEDEX: WE PROJECT AHS WELL ABOVE THE GRI

We project AHS-DIM at 8.27%, AHS-Package at 8.30% and AHS-Weight at 8.01% — roughly two and a half points above the headline GRI. Residential pushes harder still: DAS Standard Residential 9.62%, Residential HD 8.53% and Unauthorized Oversize 8.41%. DAS is now a single set of rates across ground and air at both carriers — the only split left is residential versus commercial.

UPS: WE PROJECT AHS JUST ABOVE THE GRI

We project Length, Pkg, Weight and Width at 7.0–7.2% — more than a point above FedEx and far enough above the GRI that UPS is still using AHS as a margin lever, not just a rate line. The exception is AHS-Cubic, a newer category we project at 11.43%.

FedEx Accessorial Increases — 16 of 16 · avg 7.22%

ACCESSORIAL	2026	2027 PROJECTED
AHS — DIM	6.30%	8.27%
AHS — Package	6.41%	8.30%
AHS — Weight	6.25%	8.01%
Address Correction	6.25%	5.49%
DAS Standard Residential	6.45%	9.62%
DAS Extended Residential	6.02%	6.15%
DAS Standard Commercial	5.95%	7.05%
DAS Extended Commercial	5.71%	7.79%
DAS Remote (Commercial and Residential)	8.06%	8.26%
Hazmat	6.04%	4.77%
Non-Machinable	8.40%	4.45%
Oversize Commercial	6.94%	6.87%
Oversize Residential	6.94%	7.82%
Residential Express	6.11%	5.76%
Residential HD	8.40%	8.53%
Unauthorized Oversize	5.63%	8.41%

UPS Accessorial Increases — 18 of 18 · avg 7.57%

ACCESSORIAL	2026	2027 PROJECTED
AHS — Cubic	0.00%	11.43%
AHS — Length	6.98%	7.21%
AHS — Length + Girth	6.98%	7.21%
AHS — Package	7.07%	7.01%
AHS — Weight	6.80%	7.06%
AHS — Width	6.98%	7.21%
Address Correction	7.45%	7.45%
DAS Standard Residential	6.50%	8.45%
DAS Extended Residential	6.63%	7.71%
DAS Standard Commercial	7.14%	9.23%
DAS Extended Commercial	6.54%	7.44%
DAS Remote (Commercial and Residential)	7.49%	7.28%
Hazmat	6.77%	4.66%
Large Package Commercial	8.18%	8.14%
Large Package Residential	6.97%	7.94%
Overmax	5.63%	7.90%
Residential Air	6.87%	5.27%
Residential Ground	6.56%	7.72%

2027 figures are TransImpact projections; 2026 figures are actual published increases.

09 The double-digit era for AHS and LPS/OS increases looks like it is ending

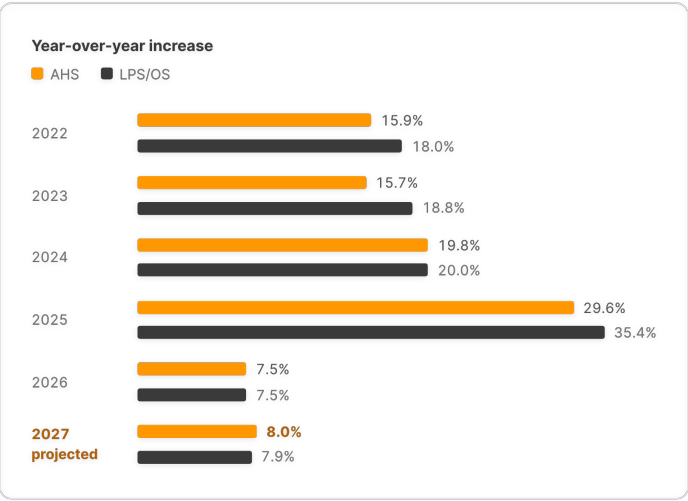
From 2022 to 2025, average AHS charges went from $20.64 to $37.07 and LPS/OS nearly doubled from $138.33 to $266.91. 2025 alone: AHS +29.6%, LPS/OS +35.4% — both above any single-year GRI on record.

2026 broke that pattern: AHS rose 7.45% and LPS/OS 7.54% — the first single-digit year in five. For 2027 we project **7.98% on AHS and 7.93% on LPS/OS**, holding in that same high-single-digit band. Four straight years of teens-to-thirties increases appear to be behind us: these charges

have reached a price point that already deters the awkward, oversized parcels they were built to price out. They still outrun the GRI, so the penalty on that parcel keeps widening — just far more slowly than your 2022–2025 invoices trained you to expect.

Average AHS & LPS/OS charge by year

YEAR	AHS AVG	AHS ↑	LPS/OS AVG	LPS/OS ↑
2022	$20.64	15.89%	$138.33	17.97%
2023	$23.87	15.65%	$164.29	18.77%
2024	$28.60	19.82%	$197.14	20.00%
2025	$37.07	29.62%	$266.91	35.39%
2026	$39.83	7.45%	$287.04	7.54%
2027 projected	**$43.01**	**7.98%**	**$300.30**	**7.93%**



DON'T READ THE PERCENTAGE ALONE

The rate is only half the story. Since the 2025 GRI, AHS carries an added **minimum billable weight**, so an AHS parcel is priced off a floor weight rather than its actual one — an increase that never shows up in the percentage above. The thresholds are moving too: 2026 introduced **AHS-Cubic**, a dimension-based trigger that pulls in packages no length or girth rule would have caught. Expect the same pattern in 2027 — the definition widens, more of your parcels qualify, and your effective AHS spend rises faster than 7.98%.

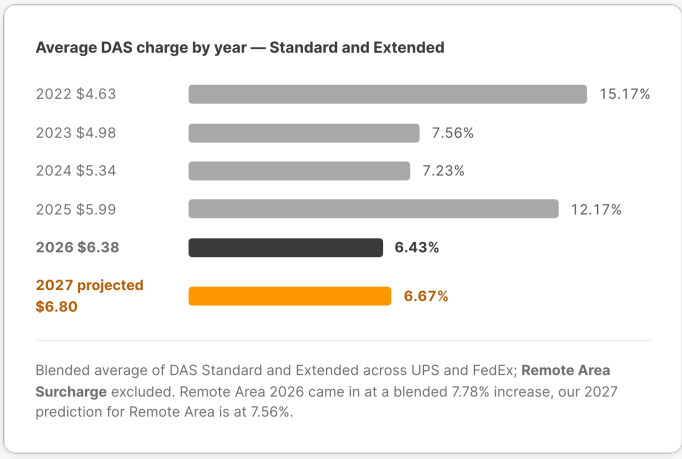
10 Delivery Area Surcharge: the map keeps growing

DAS is not a single fee. Standard and Extended tiers at both UPS and FedEx each carry their own rate, and blended across them the average charge rose **6.43%** in 2026 to $6.38 — noticeably cooler than the 12.17% of 2025.

Two forces still pull in opposite directions: DAS rates keep climbing, while the ZIP lists that trigger them keep expanding and updating. For 2027 we project the blended DAS average rises **6.67%** to $6.80 — a second consecutive year in the 6–7% band the headline GRI itself occupies, after the 12.17% spike of 2025.

+47%

Cumulative growth in the average DAS charge from 2022 to our 2027 projection ($4.63 → $6.80) — on a charge that applies to a delivery map that keeps getting larger.



11 Residential: the steady, unavoidable one

The Residential Surcharge is the most common accessorial there is — applied to every residential delivery except Ground Economy and Ground Saver. We called about 7% for 2026 and actual came in at 7.58%.

For 2027 we project moderation to **6.00%**, bringing the average charge to $7.07 — a 40% cumulative increase since 2022's $5.05. No drama, no reversal, just the steady upward march this charge has shown since it started.

Residential surcharge by year

YEAR	AVG CHARGE	INCREASE
2022	$5.05	8.14%
2023	$5.47	8.32%
2024	$5.76	5.30%
2025	$6.20	7.64%
2026	$6.67	7.58%
2027 projected	**$7.07**	**6.00%**

12 Bold predictions

Everything above is modeled from published rate data. What follows is not. These are the structural moves we think the carriers make next — the ones worth building contingency into your 2027 plan for, even without a number attached.

HIGH CONVICTION

Your steepest increases land on lightweight residential volume

Every lever in this analysis points the same way — 1–5 lb ground at 6.34%, minimums outpacing the GRI, residential holding at 6%.

MEDIUM CONVICTION

An "AHS Jr." tier appears below full Additional Handling

A cheaper handling charge, Amazon-style — more packages caught, at a lower unit price. With AHS now settling near the GRI, a new lower tier is how the carriers keep growing that revenue.

LOW CONVICTION

FedEx applies Remote Area Surcharge to Ground Economy

Remote-area exposure extends to the deferred service. This would bring FedEx in line with UPS Ground Saver.

WATCH LIST — STRUCTURAL MOVES

SBR adds a fuel surcharge

Fuel becomes a line item where it wasn't one before.

USPS reunites with FedEx for Ground Economy

The in-house final mile reverses after one cycle.

UPS matches the Delivery & Returns surcharge

Parity moves have followed within a cycle for years.

The ground minimums finally diverge

Matched to the penny for over a decade — 2017 the lone exception. Check both before you assume parity.

Out-of-home delivery expands

Lockers and access points pushed harder as the residential-cost escape valve.

Minimum billable weight rises for AHS and LPS/OS

Rate stays flat, the floor moves — a quiet increase that never shows up in a GRI percentage.

An ultra-urban DAS distinction

Dense metro ZIPs priced separately from remote ones, after 2026's 6.37% DAS increase.

The ground minimum rises faster than the headline GRI

Whatever percentage they announce, expect the minimum charge to beat it. We model 6.0% against a 5.9% headline.

Amazon and UPS pair up on deliveries

UPS starts shifting volume to Amazon for final mile delivery. Similar to what is done with the USPS.

The standard DIM factor changes

Its been almost a decade since the DIM divisor changed. This may be the year they go below 139.

FedEx adds a payment processing or emergency surge fee

A new fee category outside the GRI entirely.

UPS charges you for being a customer

Said with a smile — but an account-level fee with no shipment attached to it is no longer unthinkable.

These are informed opinions, not projections from the rate data. We'll revisit them here next year.

13 When the Big 2 raise rates, this is where you can turn

A 5.9% GRI is not a negotiation. Where you ship, and who ships it, still is. Our partner network exists so that every increase in this analysis has an answer that isn't "absorb it" — and so the incumbents know part of your volume can move.

WHAT'S RISING IN 2027	WHY IT HURTS	WHERE YOU CAN TURN
Lightweight residential ground 6.34%	The tier most e-commerce shippers live in, now the steepest of any weight class.	Regional partners priced for light, dense residential work rather than a national air network.
Ground minimum $12.71 · 6.0%	A floor increase that outpaces the headline GRI and hits your smallest parcels hardest.	Alternatives whose floor sits below the Big 2's — the smaller the package, the bigger the delta.
Delivery Area Surcharge 6.67%	Expanding ZIP lists mean more of your map is "extended" every year.	Coverage-based routing: partners strong where the Big 2 charge extra to go.
Same-day and local promise	Not a GRI line item — a service the Big 2 don't price competitively at local distance.	On-demand local delivery for the metro radius around each of your facilities.
International export 9.86%	Every lane forecast above the GRI, with Asia Pacific zones to 21%.	A dedicated international network instead of a domestic carrier's export product.

THE NETWORK — THREE PARTNERSHIPS, THREE DIFFERENT JOBS

DHL
INTERNATIONAL

Cross-border volume on a network built for it, against a FedEx export forecast of 9.86% and Asia Pacific lanes double-digit increases.

OnTrac
NATIONAL GROUND

Residential ground at national scale — the direct answer to a 6.34% lightweight increase and a $12.71 minimum.

GOFO
LAST-MILE E-COMMERCE

National last-mile covering 12,000+ ZIP codes across 47 states. For the residential deliveries where the DAS increase and the $12.71 minimum land hardest.

01
Score your book against 2027
Your shipments, your service mix, the projected rates above. The output is a per-lane cost delta, not a percentage.

02
Find the divertible slice
Usually a minority of volume carrying a majority of the increase: light, residential, extended-area, or same-metro.

03
Split it, then hold everyone accountable
Route the slice to the partner that fits, keep the rest where it is, and audit every invoice — incumbent and alternative alike.

MODE SHIFT ANALYSIS

Sometimes the cheaper answer isn't a different carrier — it's a different mode.

We run mode shift analysis across your book: ground versus deferred air, direct versus consolidated, and the service and packaging mix underneath it. When a 6.0% minimum increase makes a multi-parcel order cheaper as one freight shipment, we find it — and we size it before you commit.

- Ground Residential → Ground Saver or Economy service
- Air → ground where the transit day doesn't change
- Service and packaging mix that avoids AHS, DIM and minimum charges

See what 2027 does to your invoices — before the carriers do.

Send us twelve months of parcel data and we'll model the 2027 increase against your actual shipment profile, service mix, and surcharge exposure. You'll see the real number, not the headline one.

No obligation. No kidding.

Request Your 2027 Impact Analysis →

THREE THINGS THE 5.9% HEADLINE WON'T TELL YOU

01 **Light packages carry the increase**

1–5 lb ground at 6.34%, minimums at 6.0–7.1%, express minimums accelerating. If your profile skews light, your effective increase is well north of 5.9%.

02 **Surcharges are increasing**

AHS at 7.98% and LPS/OS at 7.93% land above the GRI, DAS at 6.67% below it, and FedEx AHS tiers run 8.0–8.3% against UPS at 7.0–7.2%. Which surcharges you touch matters more than the GRI does.

03 **International is the outlier**

FedEx Export at 9.86% and Asia Pacific lanes to 21%. Cross-border shippers should model international separately from domestic.