

Postal, Paper & Logistics Update

November 2025

In brief: The United States Postal Service (USPS) reported its fiscal 2025 financial results this month, with slightly higher revenue offset by continuing volume declines. The freight market is stable as the holiday season kicks off. Elimination of North American paper mill capacity has led to an increase in mill operating rates at the end of the year.

Built on our roots as a printer, mail industry partner and logistics leader, Quad is a marketing experience (MX) company focused on delivering streamlined solutions at scale to our clients. As the largest USPS customer, we are uniquely positioned to provide clients with best practices and insights on the latest postal, paper and logistics topics. If you have any questions or concerns during these challenging times for our industry, contact your Quad representative. We'll tap our in-house experts to investigate and get you the answers you need.

Postal

USPS full-year revenue edges up but volume continues to fall

The USPS [reported](#) a net loss of \$9 billion for the fiscal year ended Sept. 30 — lower than the \$9.5 billion net loss it posted for the same period last year (SPLY).

- First-Class Mail revenue increased 1.5% to \$370 million on a volume decline of 2.2 billion pieces, or 5%, compared to the SPLY.
- Marketing Mail revenue rose 2.3% to \$350 million, as volume fell 764 million pieces, or 1.3%, compared to the SPLY.
- Shipping and Packages revenue grew 1% to \$315 million, despite a volume decline of 415 million pieces, or 5.7%, compared to the SPLY.

The USPS's total operating revenue was \$80.5 billion for the fiscal year, up \$916 million or 1.2% compared to the SPLY. The agency attributed the increase to continued growth of the USPS Ground Advantage shipping service as well as to "strategic price increases" in both mail and shipping categories. Total volume was 108.7 billion pieces, down 3.3% from fiscal year 2024.

In its earnings news release, the USPS said that in addition to higher revenue, a reduction in transportation and workers' compensation costs contributed to the lower net loss for FY 2025. However, Postmaster General David Steiner cautioned that the USPS still faced "significant systemic annual revenue and cost imbalance."

The earnings news release stated, "The USPS will be seeking further administrative and legislative reforms to remedy outdated and unwarranted financial and regulatory burdens," referring primarily to retiree pension benefits and a limit on the agency's borrowing authority.

"To correct our financial imbalances, we must explore new revenue opportunities and public policy changes to improve our business model," Steiner said.

The USPS will also be pursuing additional operational efficiencies and new product strategies to generate growth, according to the news release.

Quad will continue to work with the USPS to express concerns over already high postage costs and advocate for improved service without unsustainable rate increases.

Miscellaneous updates

- **No January Market Dominant rate hikes.** As we reported in September, there will be no January 2026 price increases for Market Dominant mail, which includes First-Class Mail, Periodicals, Marketing Mail and Bound Printed Matter.
- **Competitive Products price increases requested.** As expected, the Postal Service [filed notice](#) with the Postal Regulatory Commission (PRC) that it intends to raise prices for Competitive Products in January 2026. This category includes Priority Mail, Priority Mail Express, USPS Ground Advantage and commercial package services including Parcel Select. The move was expected because pricing for shipping services is based on market conditions, and both FedEx and UPS had previously announced price hikes.

The USPS planned increases include:

- About 6.6% for Priority Mail service
- 5.1% for Priority Mail Express service
- 7.8% for USPS Ground Advantage
- 6% for Parcel Select

The full pricing tables are available on the Postal Service's Postal Explorer website [here](#).

The PRC will review the requested increases before they take effect on Jan. 18, 2026.

- **Optimizing service during the holidays.** This month Quad had discussions with the USPS to minimize holiday season service delays on our Wisconsin Detached Mail Unit (DMU) mail. As a result, from Dec. 1 through Dec. 26:
 - Any USPS DMU loads that include direct pallets destined for Wisconsin or Minnesota will go to Oak Creek for processing.
 - All other loads will be routed to Fox Valley, Ill., near Chicago.
- The USPS resumed its guarantee on Priority Mail Express International (PMEI) delivery to Canada effective Oct. 24.

USPS delivery performance

Below are the average in-home curves for our Marketing Mail clients who tracked their mail with Quad's IMsight application over the four weeks specified. Traditionally, the USPS slows significantly from mid-October through the first week of December. This year, we are not seeing marked shifts in the average in-home curves.

	Week of 10/20	Week of 10/27	Week of 11/3	Week of 11/10
Early	23%	24%	25%	15%
Day 1	51%	52%	49%	42%
Day 2	73%	75%	73%	57%
Day 3	86%	89%	89%	82%
Day 4	93%	96%	95%	95%
1 Day Late	94%	97%	97%	98%

Currently, we are unable to provide information on the processing of Flat mail.

The USPS struggled with Letter Mail in the following Sectional Center Facilities (SCFs): Dallas; Grand Forks, N.D.; Casper, Wyo.; and Duncansville, Pa. — all averaging 54% to 69% in-home on time when it should have been over 90%.

We are seeing some improvement in the processing of DMU/Local mail in Wisconsin. This is happening just as the USPS plans to make some changes in December to handle the anticipated high parcel volume, as mentioned above. The Postal Service will be moving loads that are mostly Mixed pallets to Fox Valley, Ill., for processing, keeping only the loads with most of the mail for Wisconsin areas. It's hoped that this will reduce the volume of mail going through the Milwaukee/Oak Creek facility and improve overall performance for both mail and parcels. We will have to see whether these changes impact the mail, as Chicago tends to wait a few days after receiving the mail before they start to process it.



USPS volume

Mail volume for the week ended November 8, compared to last year		
Total Mail Volume	Down 2.6%	▼
Packages	Down 8.1%	▼
Single Piece	Down 11.9%	▼
Presort First Class	Down 4.3%	▼
Marketing Mail	Up 5.6%	▲
Periodicals	Down 20.9%	▼

Mail volume for the week ended November 1, compared to last year		
Total Mail Volume	Down 22.7%	▼
Packages	Down 8.0%	▼
Single Piece	Down 24.1%	▼
Presort First Class	Up 6.0%	▲
Marketing Mail	Down 9.1%	▼
Periodicals	Up 3.4%	▲

Mail volume for the week ended October 25, compared to last year		
Total Mail Volume	Down 20.4%	▼
Packages	Down 11.1%	▼
Single Piece	Down 25.8%	▼
Presort First Class	Down 6.1%	▼
Marketing Mail	Down 27.5%	▼
Periodicals	Down 18.2%	▼

Mail volume for the week ended October 18, compared to last year		
Total Mail Volume	Down 17.1%	▼
Packages	Down 12.7%	▼
Single Piece	Down 24.0%	▼
Presort First Class	Down 9.6%	▼
Marketing Mail	Down 28.3%	▼
Periodicals	Down 31.9%	▼

Paper Market

The paper market is seeing higher mill operating rates, driven by supply elimination, seasonal demand and the impact of U.S. tariffs on imports.

- More than 1 million tons per year of paper production in North America has been eliminated this year, including newsprint, uncoated freesheet and supercalendered grades.
- Newsprint mills increased prices Nov. 1. Reductions in newsprint production capacity have driven operating rates into the 90% range. If additional capacity is permanently eliminated, mills may attempt to raise prices more than they have already.

Logistics

The freight market is relatively stable as we enter the holiday peak shipping season.

As always, your Quad representative will work diligently to find you the lowest rates with the most efficient transportation available.

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