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Postal, Paper & Logistics Update

November 2026

In brief: The USPS's financial performance improved in FY 2026 ended Sept. 30; however, volumes continued to decline as revenue increased. The Postal Service said it will continue to rely on price increases as a core strategy to improve its finances. Fuel surcharges are pushing up prices in paper markets. And Quad is monitoring the ratification process after the Pacific Maritime Association and ILWU Local 26 reached a tentative contract agreement covering security watchmen at the ports of Los Angeles and Long Beach; the agreement averted a strike.

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 reports improved financial results for FY 2026

The USPS reported that for FY 2026 (October 2025 through September 2026), its net loss was reduced by nearly 28% to $6.5 billion compared to $9 billion in FY 2025.

The agency attributed the improvement to a $2.4 billion increase in operating revenue, along with a $2.4 billion decrease in workers' compensation expenses and a $277 million decrease in retirement expenses. The USPS's annual operating revenue rose 3% to $82.9 billion in FY 2026.

The revenue increases came despite lower volumes in all mail categories.

- Shipping and Packages revenue increased $1.7 billion, or 5.1%, as volume declined by 359 million pieces, or 5.3%, compared to the prior year.
- Marketing Mail revenue increased $843 million, or 5.3%, on a volume decline of 640 million pieces, or 1.1%.
- First-Class Mail revenue increased $311 million, or 1.2%, on a volume decline of 2.2 billion pieces, or 5.1%, compared to the prior year.

Despite the volume declines, the USPS stated, "Price increases have been and will continue to be part of the Postal Service's strategy in achieving long-term financial sustainability. These changes also provide better alignment between the Postal Service and its competitors within the shipping industry."

In its earnings release, the Postal Service again asked that Congress enact structural changes to its business model to help address the USPS's financial issues.

Postmaster General (PMG) David Steiner emphasized that point when he spoke separately to the Board of Governors about the FY 2026 earnings report.

"As I've been saying in many venues, the Postal Service cannot be financially strong in the long term without fundamental changes to our legislatively dictated business model," Steiner said, as reported by Politico. "We require congressional attention and action, and we require action fast."

Complete FY 2026 financial details can be found here.

USPS Board of Governors approves January Competitive price increase

The USPS Board of Governors has approved an average 5.9% domestic Competitive price increase for Priority Mail, Priority Mail Express, USPS Ground Advantage and Parcel Select to start Jan. 17, 2027. The decision was officially announced Nov. 12 and filed with the Postal Regulatory Commission (PRC) for review.

As a reminder, only Market Dominant prices are generally limited to once-per-fiscal-year general rate adjustments (the next is expected in July 2027).

The January Competitive products price change (pending PRC review) includes proposals to:

- Turn the temporary transportation-related price increase of 8% introduced in April into a permanent fuel surcharge and then add an additional 3% for a total of 11% on specified domestic shipping services.
- Enact a new repricing fee of 20% of postage due on certain parcels that are underpaid. (For overpayments, a 20% fee is deducted from an eligible refund, and the overpayment must exceed $5 to qualify.)
- Expand the USPS's existing $3 dimension noncompliance fee. The expansion would apply the fee, regardless of package size, when required weight or dimension information—or, when applicable, the extra-service code (ESC)—is missing from a covered parcel's shipping manifest or other approved electronic documentation.
- Implement a new shipping label noncompliance fee of $5 for certain parcels when Postal Service equipment detects shipping labels that use incorrect barcode symbology or construction.
- Increase the overweight and oversize items fee to $400 from $200.

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Miscellaneous updates

- Effective Nov. 14, the USPS suspended acceptance of certain commercial parcel services to Germany until further notice. The Postal Service says parcels can still be sent through specified channels using Delivered Duty Paid (DDP), which prepays applicable import duties, taxes and fees.

USPS delivery performance

While the volume of mail entering the USPS system continues to increase as we begin the peak holiday season, October mail processed as expected overall. However, early volume of mail in-home was a bit less than normal mid-month. Columbus Day, observed as Indigenous Peoples' Day in some states and cities, fell on Oct. 12. With no regular mail delivery that day, it extended the in-home window by one day. We will continue to monitor the next few weeks closely.

Below are the average in-home curves for Quad's Marketing Mail clients that used our IMsight application to track their mail across the specified weeks.

	Week of 10/04	Week of 10/11	Week of 10/18	Week of 10/25
Early	23%	13%	11%	19%
Day 1	48%	35%	30%	42%
Day 2	68%	58%	48%	63%
Day 3	84%	77%	70%	82%
Day 4	92%	90%	86%	92%
1 Day Late	96%	93%	93%	95%

The Sectional Center Facilities (SCFs) below struggled to hit the 70% in-home average USPS Service Standard for Flat mail. Letter mail moved according to Service Standards throughout the country.

Entry Type	City	In-Home by Service Standard %
SCF	Harrisburg, Pa.	67%
SCF	Rapid City, S.D.	67%

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USPS volume

Mail volume numbers during October and early November were affected by campaign mail ahead of the Nov. 3 midterm elections.

Mail volume for the week ended Nov. 7, compared to last year	
Total Mail Volume	**Down 1.9%** ▼
Packages	**Up 3.7%** ▲
Single Piece	**Down 12.1%** ▼
Presort First Class	**Down 6.9%** ▼
Marketing Mail	**Down 8.0%** ▼
Periodicals	**Up 3.4%** ▲

Mail volume for the week ended Oct. 31, compared to last year	
Total Mail Volume	**Up 20.7%** ▲
Packages	**Up 4.7%** ▲
Single Piece	**Down 6.3%** ▼
Presort First Class	**Up 1.0%** ▲
Marketing Mail	**Up 7.7%** ▲
Periodicals	**Down 1.2%** ▼

Mail volume for the week ended Oct. 24, compared to last year	
Total Mail Volume	**Up 17.2%** ▲
Packages	**Up 1.2%** ▲
Single Piece	**Down 2.6%** ▼
Presort First Class	**Up 1.9%** ▲
Marketing Mail	**Up 39.6%** ▲
Periodicals	**Down 1.6%** ▼

Mail volume for the week ended Oct. 17, compared to last year	
Total Mail Volume	**Up 11.4%** ▲
Packages	**Down 0.2%** ▼
Single Piece	**Down 6.9%** ▼
Presort First Class	**Up 11.0%** ▲
Marketing Mail	**Up 36.9%** ▲
Periodicals	**Down 26.1%** ▼

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Paper Market

No new developments are significantly affecting paper markets as of this writing, but fuel surcharges imposed by paper producers continue to drive up prices.

Logistics

During our busiest time of year, Quad's logistics team remains focused on serving clients reliably amid volatile supply chain conditions.

- Quad is monitoring the ratification process after the Pacific Maritime Association and ILWU Local 26 reached a tentative contract agreement covering approximately 250 security watchmen at the ports of Los Angeles and Long Beach. The deal, which averted a strike, is subject to a vote by Local 26 members. As of Monday, Nov. 23, no ratification timeline had been announced. The watchmen's previous contract expired in July 2025 (the contract was extended during negotiations). The watchmen's tentative agreement is separate from the agreement covering more than 22,000 West Coast longshore workers, which runs through July 1, 2028.
- For the week of Nov. 16, the U.S. Energy Information Administration (EIA) listed the average U.S. price for diesel fuel at $5.937 per gallon, down from $6.127 on Nov. 9, but still up more than $2 from a year ago.

  The EIA's latest short-term energy outlook projects a 2027 retail average of $5.03 per gallon for diesel, revised upward by 12% from its previous forecast of $4.49. Quad's logistics team will continue monitoring supply chain developments and the potential impacts our clients may experience in 2027, and we will keep you updated as the outlook evolves.

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

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