Midwest Manufacturing Output Falls in June

The Chicago Fed Midwest Manufacturing Index (CFMMI) fell 0.2% in June, to a seasonally adjusted level of 97.0 (1997=100). Revised data show the index declined 0.5%, to 97.2 in May. The Federal Reserve Board’s industrial production index for manufacturing (IPMFG) rose 0.4% in June. While June marked the second consecutive monthly increase in factory output for the nation, it was the third consecutive monthly decline in Midwest manufacturing production. June output in the region was 4.9% lower than a year earlier, while output in the nation was 1.2% below year-ago levels.

Output in three of the four CFMMI sub-sectors fell in June. Midwest steel sector output posted the largest decline, falling 1.0% in June. Regional auto sector output decreased 0.6% in June. Output in the Midwest machinery sector dropped 0.2% in June. The resource sector’s output posted the only sub-sector gain, rising 0.3% in June.

The region’s steel sector output decreased 1.0% in June while the nation’s steel output was down 0.1%. Regional steel output was 7.7% below its June 2002 level compared with a 4.6% decrease in the nation.

Midwest automotive output fell 0.6% in June but rose 0.4% in the nation. Compared with a year earlier, Midwest automotive output was 6.3% lower in June while national output was down 1.5%.

Midwest machinery output fell 0.2% in June while the nation’s output increased 0.1%. Regional machinery output in June was 3.8% below year-earlier levels while national machinery output was up 2.1%.

The Midwest resource sector’s output increased 0.3% in June while the nation’s output rose 0.6%. June gains in regional food, chemical and wood production were tempered somewhat by losses in nonmetallic mineral and paper production. Compared with a year ago, regional resource output was 3.5% lower in June while the nation’s output was down 0.6%.

— William A. Strauss • Senior Economist and Economic Advisor • 312-322-8151
The Chicago Fed Midwest Manufacturing Index (CFMMI) is a monthly estimate of manufacturing output in the region by major industry. The Midwest is defined as the five states comprising the Seventh Federal Reserve District: Illinois, Indiana, Iowa, Michigan, and Wisconsin. The CFMMI is a composite index of 15 manufacturing industries (identified by 3-digit NAICS codes) that uses electrical power and hours worked data to measure monthly changes in regional activity. The CFMMI provides a regional comparison with the manufacturing component of the Industrial Production Index (IPMFG) compiled by the Federal Reserve Board. Although the IPMFG is constructed differently than the CFMMI, it also uses electrical power and hours worked data as measures of industry output for about 60 percent of its total production index.

The Chicago Fed Midwest Manufacturing Index (CFMMI) is a monthly estimate of manufacturing output in the region by major industry. The Midwest is defined as the five states comprising the Seventh Federal Reserve District: Illinois, Indiana, Iowa, Michigan, and Wisconsin. The CFMMI is a composite index of 15 manufacturing industries (identified by 3-digit NAICS codes) that uses electrical power and hours worked data to measure monthly changes in regional activity. The CFMMI provides a regional comparison with the manufacturing component of the Industrial Production Index (IPMFG) compiled by the Federal Reserve Board. Although the IPMFG is constructed differently than the CFMMI, it also uses electrical power and hours worked data as measures of industry output for about 60 percent of its total production index.

Auto Sector CFMMI Components:
- Plastics and Rubber Products; Transportation Equipment

Steel Sector CFMMI Components:
- Primary Metal Industries; Fabricated Metal Products

Machinery Sector CFMMI Components:
- Machinery; Computer and Electronic Product; Electrical Equipment, Appliance, and Components Manufacturing

Resource Sector CFMMI Components:
- Food; Wood Product; Paper; Chemicals; Nonmetallic Mineral Products

The Manufacturing Activity: Summary Table shows the index values and percent changes for various sectors and components of the CFMMI and IPMFG indices. For instance, the CFMMI index is shown for the months of April 2003, May 2003, and June 2003, with corresponding percent changes for the monthly and annual periods. The table also highlights the CFMMI components for each sector.