Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output is Unchanged in December

The Chicago Fed Midwest Manufacturing Index (CFMMI) was unchanged in December, maintaining a seasonally adjusted level of 112.4 (2002=100). The Federal Reserve Board’s industrial production index for manufacturing (IPMFG) rose 0.2% in December. Regional output in December was 3.4% higher than a year earlier, lower than the nation’s 4.1% increase.

Two of the four regional subsectors, steel and auto production, fell in December, while machinery and resource rose. The decrease in December was driven by a 0.4% drop in regional steel production and a 0.5% drop in regional auto production. Midwest machinery rose 0.1%, and regional resource output increased by 0.8%.

Midwest steel sector production fell 0.4% in December after rising 0.4% in November. The nation’s steel output was unchanged in December. Compared with a year earlier, the Midwest’s steel output was 2.3% higher in December while the nation’s expanded 3.0%.

The region’s auto sector output decreased 0.5% in December, after falling 2.8% in November. The nation’s auto output fell 0.9% in December. Regional auto output was 1.2% above its December 2004 level, compared with a 2.9% increase in the national output.

Midwest machinery sector output rose 0.1% in December after declining 0.2% in November. The nation’s machinery output rose 1.7% in December. Regional machinery output in December was 8.5% above year-ago levels while national output was up 17.0%.

The Midwest resource sector’s output increased 0.8% in December after increasing 1.2% in November. The nation’s resource sector’s output rose by 0.4% in December. December increases in regional chemical and food were offset by a decrease in regional nonmetallic mineral, paper, and wood production. Compared with levels from a year earlier, the regional resource output was 3.0% higher than year earlier levels, while the nation’s resource output was up 0.8% over the same time period.

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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 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 hours worked data as measures of industry output for about 60 percent of its total production index.