Midwest Manufacturing Output Falls in November

The Chicago Fed Midwest Manufacturing Index (CFMMI) decreased 1.6% in November, to a seasonally adjusted level of 96.4 (2002 = 100). Revised data show the index decreased 1.2% in October, to 98.0. The Federal Reserve Board’s industrial production index for manufacturing (IPMFG) decreased 1.5% in November. Regional output in November was down 10.8% from a year earlier—lower than the 7.3% decrease in national output.

Three of the four regional industry sectors decreased in November:
- Regional steel sector output declined 4.3%;
- Regional machinery sector output moved down 2.0%;
- Regional resource sector output decreased 1.9%; and
- Regional auto sector production moved up 1.1%.

The region’s steel sector output declined 4.3% in November for the second consecutive month. The nation’s steel output was down 3.6% in November. Regional steel output dropped 14.1% from its November 2007 level, and the national steel output declined 11.4%.

The Midwest’s machinery sector output moved down 2.0% in November after decreasing 1.7% in October. The nation’s machinery output moved down 1.6% in November. Regional machinery output in November was 6.6% below year-earlier levels, while national machinery output was down 2.6%.

The Midwest resource sector’s output decreased 1.9% in November after rising 2.3% in October. All of the five subsectors of the resource sector—food, chemical, paper, wood, and nonmetallic mineral production—decreased from October to November. The national resource sector’s output was down 2.1% in November. Compared with a year ago, regional resource output was down 4.8% in November, and the national resource output declined 5.3%.

The Midwest’s auto sector production moved up 1.1% in November after falling 3.6% in October. The nation’s auto output increased 1.5% in November. The Midwest’s automotive output was down 24.0% in November relative to its year-ago value, and the nation’s auto output was down 15.7%.

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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.