Midwest Manufacturing Output Fell in June

The Chicago Fed Midwest Manufacturing Index (CFMMI) decreased 0.3% in June, to a seasonally adjusted level of 78.1 (2002 = 100). Revised data show the index was down 3.0% in May, to 78.3. The Federal Reserve Board’s industrial production index for manufacturing (IPMFG) was down 0.6% in June. Regional output in June declined 25.2% from a year earlier—lower than the 15.4% decrease in national output.

Three of the four regional industry sectors decreased in June:
- Regional machinery sector output moved down 1.1%;
- Regional steel sector output decreased 0.9%;
- Regional resource sector output dipped 0.6%; and
- Regional auto sector production rose 1.4%.

The Midwest’s machinery sector output moved down 1.1% in June after declining 2.8% in May. The nation’s machinery output declined 1.3% in June. Regional machinery output in June was 26.3% below year-earlier levels, and national machinery output was down 18.0%.

The region’s steel sector output decreased 0.9% in June after falling 2.9% in May. The nation’s steel output was down 0.4% in June. Regional steel output dropped 36.8% from its June 2008 level, and national steel output fell 25.8%.

The Midwest resource sector’s output dipped 0.6% in June after increasing 0.7% in May. The national resource sector’s output also slipped 0.6% in June. One of the five subsectors of the resource sector—food production—increased from May to June, while chemical, paper, nonmetallic mineral, and wood production edged down. Compared with a year ago, regional resource output was down 9.5% in June, and the national resource output declined 8.3%.

Regional auto sector production rose 1.4% in June after dropping 10.9% in May. The nation’s auto output edged down 0.4% in June. The Midwest’s automotive output was down 42.6% in June relative to its year-ago value, and the nation’s auto output was down 24.5%.

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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.