Chicago Fed Midwest Manufacturing Index

Midwest Manufacturing Output Fell in March

The Chicago Fed Midwest Manufacturing Index (CFMMI) fell 2.4% in March, to a seasonally adjusted level of 82.0 (2002 = 100). Revised data show the index decreased 0.4% in February, to 84.0. The Federal Reserve Board’s industrial production index for manufacturing (IPMFG) fell 1.7% in March. Regional output in March was down 23.2% from a year earlier—lower than the 14.9% decrease in national output.

Three of the four regional industry sectors decreased in March:

- Regional steel sector output dropped 5.5%;
- Regional machinery sector output also declined 5.5%;
- Regional resource sector output moved down 1.5%; and
- Regional auto sector production rose 0.9%.

The region’s steel sector output dropped 5.5% in March after falling 4.3% in February. The nation’s steel output was down 3.8% in March. Regional steel output dropped 34.1% from its March 2008 level, and national steel output fell 24.2%.

The Midwest’s machinery sector output also declined 5.5% in March after moving down 4.9% in February. The nation’s machinery output decreased 2.9% in March. Regional machinery output in March was 24.6% below year-earlier levels, and national machinery output was down 17.5%.

The Midwest resource sector’s output moved down 1.5% in March after increasing 0.6% in February. The national resource sector’s output was down 1.0% in March. All five subsectors of the resource sector—food, paper, chemical and nonmetallic mineral, and wood production—decreased from February to March. Compared with a year ago, regional resource output was down 12.3% in March, and the national resource output declined 9.7%.

Regional auto sector production rose 0.9% in March after increasing 7.1% in January. The nation’s auto output edged down 0.4% in March. The Midwest’s automotive output was down 33.8% in March relative to its year-ago value, and the nation’s auto output was down 20.5%.

—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 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.