

Price Movements

March 1978

Summary

The Producer Price Index for Finished Goods moved up 0.6 percent from February to March on a seasonally adjusted basis. This was considerably less than the 1.1 percent advance in February but was about the same as in each month during the October-to-January period (table A). The Finished Goods Price Index reflects only changes in prices received by producers for goods that are in the form in which they eventually are sold to final users. (See "Brief Explanation of Producer Price Indexes," page 78.)

Prices of food products continued their rise begun late last year. Food items at the finished and crude stages of processing, however, rose much less in March than in February. This slowdown was partly caused by an improvement in supplies of some items that had been limited earlier by severe winter weather. Price increases for non-food commodities at the intermediate (semifinished) stage

of processing also moderated, largely because of slower advances for steel and construction materials. Finished and crude nonfood products increased about the same as in most recent months.

Among finished goods, prices for consumer foods rose 0.8 percent, much less than in February. The indexes for other consumer goods and finished producer goods moved up about as much as in recent months (table B). The index for intermediate materials rose 0.8 percent, nearly as much as in February and January. (Intermediate materials are semifinished commodities that have been processed but require further processing before they become finished goods.) The Producer Price Index for crude materials increased 1.6 percent over the month—the sixth consecutive monthly advance, although smaller than those recorded in February and January. (Crude materials are products entering the market for the first time which have not been

Table A. Percent changes from preceding month in selected stage-of-processing price indexes, seasonally adjusted*

Month	Finished goods			Intermediate goods			Crude goods		
	Total	Consumer foods	Other	Total	Foods and feeds ¹	Other	Total	Food-stuffs and feed-stuffs	Other
1977:									
March	0.8	1.3	0.6	1.0	2.9	0.8	0.9	0.3	1.8
April .....	.7	.7	.8	.9	5.3	.7	2.0	2.8	.8
May .....	.8	1.4	.5	.4	2.1	.3	-1.4	-2.1	-.5
June .....	.1	-1.0	.5	-.2	-7.8	.3	-4.0	-5.1	-2.3
July .....	.2	-.2	.3	.3	-7.3	.7	-1.7	-2.2	-1.0
August .....	.2	-.3	.4	.2	-4.9	.5	-1.7	-3.0	.1
September .....	.3	r-1	.6	.4	-1.9	r.5	-.3	-.2	-.5
October .....	.6	r.2	.7	r.3	-.1	r.4	r.8	1.3	r.2
November .....	.6	1.2	.4	r.5	7.3	r.1	r.3.4	4.2	r.2.3
December .....	.5	.5	.4	.3	-1.1	.4	1.3	.6	1.8
1978:									
January .....	.6	1.1	.6	.9	1.8	.9	2.0	2.8	1.5
February	1.1	2.9	.4	.9	2.1	.8	3.2	4.7	1.0
March .....	.6	.8	.5	.8	5.4	.5	1.6	1.8	1.5

¹ Intermediate materials for food manufacturing and manufactured animal feeds.

* Data for September and October 1977 have been revised to reflect the availability of late reports and corrections by respondents.

ents. For this reason, some figures shown above and elsewhere in this report may differ from those previously reported.

r= revised.

Table B. Percent changes in finished goods price indexes, selected periods*

Month	Changes from preceding month, seasonally adjusted						Changes in finished goods from 12 months ago (unadjusted)
	Finished goods	Producer finished goods	Consumer finished goods	Consumer finished goods excluding foods			
				Total	Durables	Nondurables	
1977:							
March	0.8	0.4	0.9	0.7	0.5	0.8	5.7
April .....	.7	.6	.7	.9	.8	.8	5.8
May .....	.8	.6	.8	.5	.5	.5	6.4
June .....	.1	.5	-.1	.5	.4	.5	6.2
July .....	.2	.4	0	.1	.3	.1	6.3
August .....	.2	.5	.1	.3	.9	.1	6.6
September .....	.3	.5	.3	.5	.2	.6	6.6
October .....	.6	1.3	.3	.4	.6	.3	6.8
November .....	.6	.5	.6	.3	.3	.3	7.1
December .....	.5	.6	.4	.3	.4	.4	6.6
1978:							
January .....	.6	.5	.7	.5	.7	.4	6.7
February	1.1	.7	1.3	.3	.3	.3	6.6
March .....	.6	.6	.5	.5	.6	.3	6.5

* Data for September and October 1977 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some figures shown above and elsewhere in

this report may differ from those previously reported. r= revised.

manufactured or fabricated but will be processed before becoming intermediate or finished goods.)

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 0.4 percent to 189.0 (1967=100). Over the year, the Finished Goods Price Index was up 6.5 percent. The finished producer goods index rose 7.6 percent from March 1977 to March 1978, the consumer foods index was up 7.2 percent, and the index for consumer finished goods excluding foods was 5.3 percent higher than a year earlier. The Producer Price Index for intermediate materials increased 6.0 percent over the past year, and the crude materials price index was up 5.1 percent.

Finished goods

Consumer finished goods. The Producer Price Index for consumer finished goods (those eventually sold to retailers) moved up much less in March (0.5 percent) than in February (1.3 percent), principally because of a deceleration in price increases for consumer foods. On the other hand, durable good prices rose more in March than in the preceding month, and prices for nondurable goods increased about the same as in February.

The index for consumer foods rose 0.8 percent over the month, following advances of 2.9 and 1.1 percent in February and January, respectively. Prices turned down after increasing in the previous month for pork, processed poultry, refined sugar in consumer-size packages, and fresh fruits. Prices rose less in March than in February for beef and veal, eggs, and dairy products. On the other hand, prices turned up in March after February declines for vegetable oil end products, flour base mixes and

doughs, and milled rice. Confectionery end products increased after no change in February. Prices for roasted coffee fell less in March than in the previous month.

The consumer durables index increased 0.6 percent in March, more than in February (0.3 percent) and nearly as much as in January (0.7 percent). Jewelry prices turned up following a decrease in February, and prices for household appliances rose much more in March than in the preceding month. Increases for passenger cars, mobile homes, and floor coverings were about the same as in February. Prices moved up more slowly than in February for home electronic equipment and household furniture.

Prices for consumer nondurable goods other than foods rose 0.3 percent over the month, about the same as in each month since October. Higher prices were recorded for cosmetics and other toilet preparations, pharmaceutical preparations, sanitary papers and health products, alcoholic beverages, and luggage and small leather goods. Prices were lower for gasoline, home heating oil, and tires and tubes.

Finished producer goods. The Producer Price Index for finished producer goods advanced 0.6 percent in March, the same as the average monthly increase during the past 12 months. Some of the largest price increases were registered for food products, machinery, commercial furniture, mining machinery and equipment, machine shop products, machine tools, and industrial material handling equipment.

Intermediate materials

The Producer Price Index for intermediate materials, supplies, and components rose 0.8 percent over the month

after seasonal adjustment, about the same as in February and January but much more than the changes in any of the 8 months prior to that.

The index for intermediate materials, excluding materials used in food manufacturing and manufactured animal feeds moved up 0.5 percent over the month, less than the February and January increases. The March deceleration was largely caused by smaller increases for steel mill products and construction-related materials such as millwork, fabricated structural metal products, and concrete products. Prices of coke, synthetic rubber, and motor vehicle parts also moved up less than in February. Prices for inedible fats and oils declined slightly in March after 5 months of steep increases, and prices for residual fuel and diesel fuel also moved down. On the other hand, precious metals, some aluminum products, electric power, and gray fabrics rose more than in the preceding month.

The index for intermediate foods and feeds (a composite index introduced this month, combining stage-of-processing categories for intermediate materials for food manufacturing and manufactured animal feeds) advanced 5.4 percent in March, seasonally adjusted, considerably more than the increases of 2.1 and 1.8 percent in February and January, respectively. Prices of soybean meal, crude vegetable oils, flour, and confectionery materials turned up following February declines. Prices of refined sugar used in food manufacturing, however, followed the reverse pattern, falling in March after rising in the previous month.

Crude materials

The Producer Price Index for crude materials for further processing moved up 1.6 percent in March, seasonally adjusted, less than the 3.2 and 2.0 percent advances registered in February and January, respectively. The slowdown was due to smaller price rises for crude foodstuffs and feedstuffs, which rose 1.8 percent in March after much larger increases in the first 2 months of the year. Prices of hay, raw cane sugar, and live poultry moved down following several months of generally rising prices, and green coffee decreased for the third consecutive month. Hog prices continued to rise but much less than in recent months. On the other hand, prices for grains, fluid milk, and cattle rose more than in the previous month; cocoa bean and oilseed prices turned up after February declines.

Crude materials other than crude foodstuffs and feedstuffs rose 1.5 percent over the month, somewhat more than in February but about the same as in January. Prices of natural gas, crude petroleum, and plant and animal fibers advanced more than in most recent months. The coal index rose nearly as much as in the preceding month, when it recorded the largest increase since February 1977. On the other hand, nonferrous scrap prices fell for the first time since last September, and wastepaper declined much more than in February.

Price Movements

April 1978

Summary

The Producer Price Index for Finished Goods moved up 1.3 percent from March to April on a seasonally adjusted basis, considerably more than the increases recorded in most recent months. This acceleration was due to larger advances for finished consumer foods and consumer durables, especially jewelry (table A). More than one-fourth of the April rise in the Finished Goods Price Index was caused by jewelry prices. Prices of commodities at the intermediate (semifinished) stage of processing rose somewhat less than in March. Prices of crude materials increased more in April than in March because of advances for a broad range of crude food products.

Among finished goods, prices for finished consumer foods rose 1.9 percent in April, following increases of 0.8 and 2.9 percent in March and February, respectively. (The Finished Goods Price Index reflects only changes in prices received by producers for goods that are in the form in which they eventually are sold to final users. See "Brief

Explanation of Producer Price Index," page 78.) The index for finished consumer goods excluding foods advanced 1.3 percent over the month, principally because a steep rise in jewelry prices helped to raise the consumer durables index 2.8 percent (table B). The index for capital equipment (formerly called producer finished goods) rose 0.6 percent, about the same as in most recent months. The Producer Price Index for intermediate materials rose 0.5 percent in April, somewhat less than the increases registered during the first 3 months of this year. (Intermediate materials are semifinished commodities which have been processed but which require further processing before they become finished goods.) The index for crude materials increased 2.5 percent over the month, the seventh consecutive monthly advance. (Crude materials are products entering the market for the first time which have not been manufactured or fabricated but which will be processed further before becoming intermediate or finished goods.)

Table A. Percent changes from preceding month in selected stage of processing price indexes, seasonally adjusted¹

Month	Finished goods			Intermediate goods			Crude goods		
	Total	Consumer foods	Other	Total	Foods and feeds ²	Other	Total	Foodstuffs and feedstuffs	Other
1977:									
April	0.7	0.7	0.8	0.9	5.3	0.7	2.0	2.8	0.8
May .....	.8	1.4	.5	.4	2.1	.3	-1.4	-2.1	-.5
June .....	.1	-1.0	.5	-.2	-7.8	.3	-4.0	-5.1	-2.3
July .....	.2	-.2	.3	.3	-7.3	.7	-1.7	-2.2	-1.0
August .....	.2	-.3	.4	.2	-4.9	.5	-1.7	-3.0	.1
September .....	.3	-.1	.6	.4	-1.9	.5	-.3	-.2	-.5
October .....	.6	.2	.7	r.4	-.1	.4	.8	1.3	.2
November	r.7	r.1.3	.4	r.4	7.3	.1	3.4	4.2	r.2.4
December	r.4	r.4	r.5	r.4	-1.1	r.5	1.3	.6	r.2.1
1978:									
January .....	.6	1.1	r.5	.9	r.1.9	r.8	2.0	2.8	r.1.2
February	1.1	2.9	.4	.9	2.1	.8	3.2	4.7	1.0
March .....	.6	.8	.5	.8	5.4	.5	1.6	1.8	1.5
April	1.3	1.9	1.0	.5	.1	.5	2.5	3.7	.9

¹ Data for November and December 1977 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some figures shown above and elsewhere in this report may differ from those previously reported.

² Intermediate materials for food manufacturing and manufactured animal feeds.
r= revised.

Table B. Percent changes in finished goods price indexes, selected periods¹

Month	Changes from preceding month, seasonally adjusted						Changes in finished goods from 12 months ago (unadjusted)
	Finished goods	Capital equipment ²	Finished consumer goods	Finished consumer goods excluding foods			
				Total	Durables	Nondurables	
1977:							
April	0.7	0.6	0.7	0.9	0.8	0.8	5.8
May .....	.8	.6	.8	.5	.5	.5	6.4
June .....	.1	.5	-.1	.5	.4	.5	6.2
July .....	.2	.4	0	.1	.3	.1	6.3
August .....	.2	.5	.1	.3	.9	.1	6.6
September .....	.3	.5	.3	.5	.2	.6	6.6
October .....	.6	1.3	.3	.4	.6	.3	6.8
November	r.7	.5	r.7	.3	r.4	r.4	7.1
December	r.4	r.7	r.3	r.4	.4	.4	6.6
1978:							
January .....	.6	r.4	.7	.5	r.6	.4	6.7
February	1.1	.7	1.3	.3	.3	.3	6.6
March .....	.6	.6	.5	.5	.6	.3	6.5
April	1.3	.6	1.6	1.3	2.8	.4	7.0

¹ Data for November and December 1977 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some figures shown above and else-

where in this report may differ from those previously reported.

² Formerly called producer finished goods.
r= revised.

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 1.3 percent to 191.4 (1967=100). Over the year, the Finished Goods Price Index was up 7.0 percent. The finished consumer foods index rose 8.5 percent from April 1977 to April 1978, the capital equipment index was up 7.6 percent, and the index for finished consumer goods excluding foods was 5.9 percent higher than a year earlier. The intermediate materials price index increased 5.6 percent over the past year, and the Producer Price Index for crude materials was up 5.7 percent.

Finished goods

Finished consumer goods. The Producer Price Index for finished consumer goods (those eventually sold to retailers) advanced 1.6 percent in April. Prices rose more than in the prior month for both finished consumer foods and for finished consumer goods other than foods.

The index for finished consumer foods advanced 1.9 percent from March to April, more than in March (0.8 percent) but less than in February (2.9 percent). Prices for processed poultry and pork turned up in April after declining in March. Fresh and dried fruits and vegetables, dairy products, and miscellaneous processed foods rose more than in March. Roasted coffee prices fell much less than in most recent months. On the other hand, prices for beef and veal and processed fruits and vegetables continued to increase but less than in March, and milled rice and refined vegetable oil prices turned down after rising in March.

The index for consumer durables rose 2.8 percent in April, following a 0.6 percent rise in March. Most of the

acceleration in April was caused by a sharp rise in the index for jewelry, which partly reflected the increase in gold prices during late 1977 and early 1978. Prices also rose more than in March for passenger cars, floor coverings, household furniture, and household appliances.

The index for consumer nondurable goods other than foods rose 0.4 percent over the month, about the same as in each month since last October. The largest increases in April occurred for leather footwear, rubber footwear, tires and tubes, and sanitary papers and health products. Prices for gasoline and home heating oil turned up following 2 months of decreases.

Capital equipment. The Producer Price Index for capital equipment advanced 0.6 percent in April, the same as the average monthly increase during the past 12 months. Some of the largest price increases in April were registered for railroad equipment, industrial process furnaces and ovens, construction machinery and equipment, and machine tools. Prices of commercial furniture and mining machinery and equipment moved up much less than in March.

Intermediate materials

The Producer Price Index for intermediate materials, supplies, and components rose 0.5 percent from March to April after seasonal adjustment, following increases of 0.8 percent in March and 0.9 percent in both February and January. The April deceleration was due to prices for intermediate foods and feeds, which edged up 0.1 percent after advancing sharply in each of the first 3 months of 1978. Most of this slowdown was caused by a reversal in prices of manufactured animal feeds, which fell in April after a

rapid upward movement during the first quarter of the year. On the other hand, prices of flour and confectionery materials rose much more from March to April than they did in the entire first quarter.

The index for intermediate materials excluding materials used in food manufacturing and manufactured animal feeds moved up 0.5 percent over the month, the same as in March but less than in either February or January. Prices advanced more than in March for steel mill products, foundry and forge shop products, motor vehicle parts, paper, and cement. After declining in the previous month, prices were higher in April for asphalt roofing, gypsum products, mixed fertilizers, industrial chemicals, and diesel fuel. Prices of residual fuel and plywood fell less than in either of the 2 preceding months. On the other hand, prices decreased in April after rising in March for liquefied petroleum gas, coke, electric power, nonferrous mill shapes, and glass containers. Prices rose less than in March for building paper and board, paperboard, millwork, and gray fabrics.

Crude materials

The Producer Price Index for crude materials for further processing was up 2.5 percent from March to April on a

seasonally adjusted basis. This was more than the 1.6 percent increase in March but less than the 3.2 percent advance in February. Prices of crude foodstuffs and feedstuffs moved up twice as much in April (3.7 percent) as in March (1.8 percent). Prices for grains and fresh and dried fruits and vegetables rose much more than in the previous month, and live poultry and raw sugar prices turned up following March decreases. On the other hand, prices of oilseeds and cattle rose much less in April than in the preceding month. Fluid milk and hog prices turned down after increasing in March, and green coffee prices declined for the fourth consecutive month.

The index for crude nonfood materials increased 0.9 percent over the month, following rises of 1.5 percent in March and 1.0 percent in February. Raw cotton prices declined after 3 consecutive months of rapid advances. Wastepaper prices fell for the third consecutive month after increasing sharply from October through January. Prices for hides and skins also decreased in April. On the other hand, prices for both nonferrous and ferrous scrap moved up in April following declines in the previous month. Among crude fuels, coal prices rose much more than in recent months, and natural gas increased nearly as much as in March.

Price Movements

May 1978

Summary

The Producer Price Index for Finished Goods moved up 0.7 percent from April to May on a seasonally adjusted basis. This was considerably less than the 1.3 percent advance in April and about the same as the 0.6 percent increase in March (table A). The slowdown in May was caused in large part by smaller increases for finished consumer foods. The index for other finished goods rose 0.8 percent in May. This increase was smaller than in the previous month because jewelry prices rose much less. Prices of commodities at the intermediate (semifinished) stage of processing rose about as much as in April, while prices of crude materials moved up much less than in any of the 7 preceding months.

Among finished goods, prices for finished consumer foods increased 0.5 percent in May, the smallest rise so far this year. The index for finished consumer goods excluding foods rose 0.8 percent in May (table B). Except for the 1.3

percent increase during the previous month, this was the largest advance since April 1977. The index for capital equipment increased 0.9 percent from April to May, more than in any month since last October. (The Finished Goods Price Index reflects only changes in prices received by producers for goods that are in the form in which they eventually are sold to final users. See "Brief Explanation of Producer Price Indexes," page 81.)

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 0.8 percent to 193.0 (1967=100). Over the year, the Finished Goods Price Index was up 7.0 percent. From May 1977 to May 1978, the finished consumer foods index was up 7.6 percent, the index for finished consumer goods excluding foods was 6.1 percent higher, and the capital equipment index rose 7.9 percent. The Producer Price Index for intermediate materials increased 5.7 percent over the year, and the crude materials was up 7.4 percent.

Table A. Percent changes from preceding month in selected stage of processing price indexes, seasonally adjusted¹

Month	Finished goods			Intermediate goods			Crude goods		
	Total	Consumer foods	Other	Total	Foods and feeds ²	Other	Total	Food-stuffs and feed-stuffs	Other
1977:									
May	0.8	1.4	0.5	0.4	2.1	0.3	-1.4	-2.1	-0.5
June .....	.1	-1.0	.5	-.2	-7.8	.3	-4.0	-5.1	-2.3
July .....	.2	-.2	.3	.3	-7.3	.7	-1.7	-2.2	-1.0
August .....	.2	-.3	.4	.2	-4.9	.5	-1.7	-3.0	.1
September .....	.3	-.1	.6	.4	-1.9	.5	-.3	-.2	-.5
October .....	.6	.2	.7	.4	-.1	.4	.8	1.3	.2
November .....	.7	1.3	.4	.4	7.3	.1	3.4	4.2	2.4
December .....	.4	.4	.5	.4	-1.1	.5	1.3	.6	2.1
1978:									
January	r.7	1.1	r.6	.9	r.2.1	r.9	2.0	2.8	1.2
February	r.1.0	2.9	.4	.9	r.1.9	.8	3.2	4.7	1.0
March .....	.6	.8	.5	.8	5.4	.5	1.6	1.8	1.5
April	1.3	1.9	1.0	.5	.1	.5	2.5	3.7	.9
May .....	.7	.5	.8	.6	2.6	.5	.3	0	.4

¹ Data for January 1978 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some of the figures shown above and elsewhere in this report may differ from those previously reported.

² Intermediate materials for food manufacturing and manufactured animal feeds.
r= revised.

Table B. Percent changes in finished goods price indexes, selected periods¹

Month	Changes from preceding month, seasonally adjusted						Changes in finished goods from 12 months ago (unadjusted)
	Finished goods	Capital equipment ²	Finished consumer goods	Finished consumer goods excluding foods			
				Total	Durables	Nondurables	
1977:							
May	0.8	0.6	0.8	0.5	0.5	0.5	6.4
June .....	.1	.5	-.1	.5	.4	.5	6.2
July .....	.2	.4	0	.1	.3	.1	6.3
August .....	.2	.5	.1	.3	.9	.1	6.6
September .....	.3	.5	.3	.5	.2	.6	6.6
October .....	.6	1.3	.3	.4	.6	.3	6.8
November .....	.7	.5	.7	.3	.4	.4	7.1
December .....	.4	.7	.3	.4	.4	.4	6.6
1978:							
January	r.7	r.5	r.8	r.6	r.8	.4	r6.8
February	r1.0	r.5	r1.1	r.2	r.1	.3	6.6
March .....	.6	.6	.5	.5	.6	.3	6.5
April	1.3	.6	1.6	1.3	2.8	.4	7.0
May .....	.7	.9	.6	.8	1.2	.5	7.0

¹ Data for January 1978 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some of the figures shown above and elsewhere

in this report may differ from those previously reported.

² Formerly called producer finished goods.

r= revised.

Finished goods

Finished consumer goods. The Producer Price Index for finished consumer goods (those eventually sold to retailers) rose 0.6 percent in May, seasonally adjusted, compared with a 1.6 percent rise in April. Price increases decelerated markedly for foods. The index for consumer durables also moved up less than in the previous month, but the May advance was considerably greater than in other recent months. Prices for nondurable goods increased slightly more than in recent months.

The index for finished consumer foods moved up 0.5 percent from April to May, following increases of 1.9 percent in April and 0.8 percent in March. Prices turned down for fresh and dried fruits and vegetables, processed poultry, beef and veal, and pork after increasing in April. Prices also declined for milled rice and roasted coffee, following smaller decreases in the previous month. Prices rose less in May than in April for flour base mixes and doughs, dairy products, and miscellaneous processed foods. On the other hand, prices turned up for refined sugar in consumer-size packages and refined vegetable oils, after decreasing in April. Prices also moved up for confectionery end products and eggs following virtually no change in April.

The index for consumer durables advanced 1.2 percent in May. Although this was considerably smaller than the 2.8 percent rise in April, it was the second largest upward movement in this index since October 1974. Jewelry prices rose much less than in April, but price increases were greater in May than in the previous month for

passenger cars and tires and tubes. Prices rose less than in April for household appliances, floor coverings, household furniture, and mobile homes. Prices for home electronic equipment turned down after increasing in April.

The index for consumer nondurable goods other than foods rose 0.5 percent in May, about the same as in April. Prices turned up in May for kerosene, alcoholic beverages, and tobacco products, following declines or no change in April. Apparel and home heating oil prices rose more than in April. On the other hand, prices for gasoline edged down after increasing in April. Prices rose less in May than in the previous month for leather and rubber footwear, sanitary papers and health products, and soaps and synthetic detergents.

Capital equipment. The Producer Price Index for capital equipment rose 0.9 percent in May, somewhat faster than in recent months. Price increases accelerated markedly for motor trucks. Prices also rose more than in April for mining machinery and equipment, oilfield machinery and tools, and metal cutting machine tools. On the other hand, prices rose less than in April for railroad equipment, agricultural machinery and equipment, construction machinery and equipment, industrial process furnaces and ovens, and pumps, compressors, and equipment. Prices turned down in May after rising in the previous month for metal forming machine tools and commercial furniture.

Intermediate materials

The Producer Price Index for intermediate materials, supplies, and components rose 0.6 percent, seasonally

Price Movements

June 1978

Summary

The Producer Price Index for Finished Goods moved up 0.7 percent from May to June on a seasonally adjusted basis. This was the same as in May but considerably smaller than the 1.3-percent advance in April (table A). Food prices rose 1.1 percent, more than the increase in May but less than the April advance. Prices for consumer durables, however, moved up less in June than in any of the previous 3 months. Prices of commodities at the intermediate (semifinished) stage of processing moved up less in June than in any other month so far this year. Prices of crude materials increased much more than in May.

In June, prices for both finished consumer foods and for finished goods other than foods rose at rates approximately equal to their average increases during the previous 9 months. Among finished nonfood items, price increases for capital

equipment and consumer nondurables accelerated during the last 2 months. (table B). On the other hand, prices for consumer durables slowed sharply because of smaller upward movements for passenger cars and jewelry. (The Finished Goods Price Index reflects only changes in prices received by producers for goods than are in the form in which they eventually are sold to final users. See "Brief Explanation of Producer Price Indexes," page 79.)

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 0.7 percent to 194.4 (1967=100). Over the year, the Finished Goods Price Index was up 7.7 percent. The finished consumer foods index was up 9.8 percent from June 1977 to June 1978, the index for finished consumer goods excluding foods rose 6.2 percent, and the capital equipment index was 8.2 percent higher than a year earlier. The Producer Price Index for intermediate materials increased 6.3 percent over the year, and crude materials prices rose 13.9 percent.

Table A. Percent changes from preceding month in selected stage of processing price indexes, seasonally adjusted¹

Month	Finished goods			Intermediate goods			Crude goods		
	Total	Consumer foods	Other	Total	Foods and feeds ²	Other	Total	Food-stuffs and feed-stuffs	Other
1977:									
June	0.1	-1.0	0.5	-0.2	-7.8	0.3	-4.0	-5.1	-2.3
July .....	.2	-2	.3	.3	-7.3	.7	-1.7	-2.2	-1.0
August .....	.2	-3	.4	.2	-4.9	.5	-1.7	-3.0	.1
September .....	.3	-1	.6	.4	-1.9	.5	-3	-2	-5
October .....	.8	.2	.7	.4	-.1	.4	.8	1.3	.2
November .....	.7	1.3	.4	.4	7.3	.1	3.4	4.2	2.4
December .....	.4	.4	.5	.4	-1.1	.5	1.3	.6	2.1
1978:									
January .....	.7	1.1	.6	.9	2.1	.9	2.0	2.8	1.2
February	r 1.1	r 3.0	r .4	.9	r 2.0	.8	3.2	4.7	1.0
March	r .5	r .6	r .4	.8	r 5.2	.5	1.6	1.8	1.5
April	1.3	1.9	1.0	.6	.1	.5	2.5	3.7	.9
May .....	.7	.5	.8	.6	2.6	.5	.3	0	.4
June .....	.7	1.1	.6	.3	-2.7	.5	1.8	1.9	1.7

¹ Data for February 1978 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some of the figures shown above and elsewhere in this report may differ from those previously reported.

² Intermediate materials for food manufacturing and manufactured animal feeds.
r=revised.

Table B. Percent changes in finished goods price indexes, selected periods¹

Month	Changes from preceding month, seasonally adjusted						Changes in finished goods from 12 months ago (unadjusted)
	Finished goods	Capital equipment ²	Finished consumer goods	Finished consumer goods excluding foods			
				Total	Durables	Nondurables	
1977:							
June	0.1	0.5	-0.1	0.5	0.4	0.5	6.2
July .....	.2	.4	0	.1	.3	.1	6.3
August .....	.2	.5	.1	.3	.9	.1	6.6
September .....	.3	.5	.3	.5	.2	.6	6.6
October .....	.6	1.3	.3	.4	.6	.3	6.8
November .....	.7	.5	.7	.3	.4	.4	7.1
December .....	.4	.7	.3	.4	.4	.4	6.6
1978:							
January .....	.7	.5	.8	.6	.8	.4	6.8
February	r 1.1	r .6	r 1.2	r .3	r .2	.3	r 6.7
March	r .5	r .5	.5	r .4	.6	.3	6.5
April	1.3	.6	1.6	1.3	2.8	.4	7.0
May .....	.7	.9	.6	.8	1.2	.5	7.0
June .....	.7	.8	.7	.4	.2	.6	7.7

¹ Data for February 1978 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some of the figures shown above and elsewhere in this

report may differ from those previously reported.

² Formerly called producer finished goods.

r—revised.

Finished goods

Finished consumer goods. The Producer Price Index for finished consumer goods (those eventually sold to retailers) rose 0.7 percent in June, seasonally adjusted, about the same as in May (0.6 percent) but less than in April (1.6 percent). In June, price increases for foods accelerated. The index for finished consumer goods other than foods rose more slowly over the month, largely because of a sharp deceleration in price increases for consumer durables. Prices for consumer nondurable goods other than foods rose slightly more than in May.

The index for finished consumer foods advanced 1.1 percent from May to June, after increases of 0.5 percent in May and 1.9 percent in April. Prices turned up sharply in June after decreasing in May for processed poultry, pork, beef and veal, fresh and dried fruits and vegetables, and milled rice. Prices rose faster in June than in May for fish, dairy products, and flour base mixes and doughs. On the other hand, prices turned down following May increases for eggs, refined vegetable oils, and refined sugar in consumer-size packages. Roasted coffee prices were unchanged after declining in each of the 4 previous months.

The index for consumer durables moved up 0.2 percent, following sharp advances in both May and April (1.2 and 2.8 percent, respectively). The June slowdown was primarily due to a much smaller increase for passenger cars in June than in May. Prices also rose less than in May for tires and tubes and floor coverings. Jewelry prices were unchanged after an increase in May and an unusually steep advance in

April. On the other hand, prices rose faster in June than in the previous month for household furniture and mirrors.

The index for consumer nondurable goods other than foods moved up 0.6 percent in June, following increases of 0.5 percent in May and 0.4 percent in April. In June, prices were higher for razor blades, tobacco products, finished lubricants, ethical pharmaceutical preparations, textile house-furnishings, and home heating oil. Gasoline prices were lower over the month.

Capital equipment. The Producer Price Index for capital equipment increased 0.8 percent from May to June, following a rise of 0.9 percent in May. Motor truck prices registered a large increase for the second consecutive month, although the June advance was smaller than May's. Substantial increases were also recorded for metal cutting machine tools, transformers and power regulators, special purpose machinery and equipment, photographic equipment, and pumps, compressors, and equipment. Prices were lower for fans and blowers (except portable) and commercial furniture.

Intermediate materials

The Producer Price Index for intermediate materials, supplies, and components rose 0.3 percent in June, seasonally adjusted, following 5 months of considerably larger advances. The slowdown was caused by the index for intermediate foods and feeds, which fell 2.7 percent from May to June after a 2.6-percent increase in the preceding month. Sharply lower prices for manufactured animal

feeds were largely responsible for this reversal. Prices for crude vegetable oils and refined sugar for food manufacturing also moved down in June. On the other hand, prices for animal fats and oils and flour rose after falling in May.

The index for intermediate materials excluding foods and feeds increased 0.5 percent in June, the same as in each of the 3 preceding months. Prices for coke, diesel fuel, inedible fats and oils, and synthetic fibers turned down in June following May increases, and liquefied petroleum gas prices fell sharply for the third consecutive month. On the other hand, prices for a number of construction materials advanced considerably more in June than in May, particularly within the commodity groupings for lumber and wood products and nonmetallic mineral products. Prices for electric power also rose more than in May, and leather and industrial chemicals turned up after declining in May. Prices of residual fuels and gray fabrics also rose but not as much as in the previous month. (Intermediate materials are semifinished commodities which have been processed but which require further processing before they become finished goods.)

Crude materials

The Producer Price Index for crude materials for further processing moved up 1.8 percent after seasonal adjustment in June. This was considerably larger than the 0.3-percent rise recorded in May and somewhat smaller than the average monthly rise of 2.1 percent during the 7 months prior to that. The index for crude foodstuffs and feedstuffs increased 1.9 percent over the month, after showing no change in May. Prices for live poultry, fresh and dried fruits and vegetables, raw sugar, and hogs turned up in June after declining in the preceding month. Cattle, green coffee, hay, and fluid milk

rose more than in May. On the other hand, prices fell for grains, cocoa beans, and oilseeds.

The index for crude nonfood materials advanced 1.7 percent in June, following a 0.4-percent upward movement in May. Prices for nonferrous scrap and for hides and skins turned up sharply following decreases in May. Iron and steel scrap, iron ore, natural gas, crude petroleum and crude natural rubber increased more in June than in the previous month. On the other hand, raw cotton prices rose much less than in May. (Crude materials are products entering the market for the first time which have not been manufactured or fabricated but which will be processed further before becoming intermediate or finished goods.)

Release of initial data from the Producer Price Index Revision

Effective with the release of data for July 1978 on August 10, data from the pilot program for the Producer Price Index Revision (PPIR) became available for January through July 1978. Updated PPIR data will be available as of the day of the monthly news release for Producer Price Indexes but will not be published in the release. PPIR data will be published in this report starting with the next issue. Data also are available by telephone from BLS, (Area code 202-523-1715 or 523-1204).

The Producer Price Index Revision is a long-term comprehensive redesign of the industrial price measurement system of the Bureau of Labor Statistics. The PPIR is designed to institute substantial improvements over the currently published price indexes for pre-retail markets. Price indexes from four industries will be published in the PPIR pilot program: Soybean oil mill products; newspaper publishing; concrete products, other than brick and block; and household laundry equipment.

Price Movements

July 1978

Summary

The Producer Price Index for Finished Goods moved up 0.5 percent from June to July on a seasonally adjusted basis. This was somewhat less than the 0.8 percent average monthly increase in the first 6 months of the year (table A). Prices of commodities at the intermediate (semifinished) stage of processing moved up slightly more than in June but about the same as in both May and April. A downturn in crude foodstuffs prices led to a decrease in the index for crude materials, which had registered large advances during most of the previous 9 months.

In July, finished consumer food prices moved down 0.3 percent, the first decline since last summer. The index for finished consumer goods other than foods advanced 1.0 percent in July, after an increase of 0.4 percent in June and a 0.8 percent rise in May (table B). The acceleration in July was caused by sharper price increases for consumer durables. Capital equipment prices moved up 0.5 percent, less than in June and May but about as much as in each of

the first 4 months of the year. (The Finished Goods Price Index reflects only changes in prices received by producers for goods that are in the form in which they eventually are sold to final users. See "Brief Explanation of Producer Price Indexes," page 91.)

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 0.8 percent to 195.9 (1967=100). Over the year, the Finished Goods Price Index was up 8.1 percent. The finished consumer foods index was up 9.7 percent from July 1977 to July 1978, the index for finished consumer goods excluding foods rose 7.0 percent, and the capital equipment index was 8.3 percent higher than a year earlier. The Producer Price Index for intermediate goods increased 6.5 percent over the year, and crude materials prices rose 15.3 percent.

Finished goods

Finished consumer goods. The Producer Price Index for finished consumer goods (those eventually sold to retailers) rose 0.5 percent in July, seasonally adjusted, somewhat

Table A. Percent changes from preceding month in selected stage of processing price indexes, seasonally adjusted¹

Month	Finished goods			Intermediate goods			Crude goods		
	Total	Consumer foods	Other	Total	Foods and feeds ²	Other	Total	Food-stuffs and feed-stuffs	Other
1977:									
July	0.2	-0.2	0.3	0.3	-7.3	0.7	-1.7	-2.2	-1.0
August .....	.2	-.3	.4	.2	-4.9	.5	-1.7	-3.0	.1
September .....	.3	-.1	.6	.4	-1.9	.5	-.3	-.2	-.5
October .....	.6	.2	.7	.4	-.1	.4	.8	1.3	.2
November .....	.7	1.3	.4	.4	7.3	.1	3.4	4.2	2.4
December .....	.4	.4	.5	.4	-1.1	.5	1.3	.6	2.1
1978:									
January .....	.7	1.1	.6	.9	2.1	.9	2.0	2.8	1.2
February	1.1	3.0	.4	.9	2.0	.8	3.2	4.7	1.0
March .....	.5	r.7	r.5	.8	r.5.3	.5	r.1.3	r.1.2	r.1.6
April	r.1.2	r.1.8	1.0	.5	.1	.5	r.2.8	r.4.3	r.8
May .....	.7	.5	.8	.6	2.6	.5	.3	0	.4
June .....	.7	1.1	.6	.3	-2.7	.5	1.8	1.9	1.7
July .....	.5	-.3	.8	.5	1.5	.4	-.6	-2.5	2.3

¹ Data for March 1978 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some of the figures shown above and elsewhere in this report may differ from those previously reported.

² Intermediate materials for food manufacturing and manufactured animal feeds.
r= revised.

Table B. Percent changes in finished goods price indexes, selected periods¹

Month	Changes from preceding month, seasonally adjusted						Changes in finished goods from 12 months ago (unadjusted)
	Finished goods	Capital equipment	Finished consumer goods	Finished consumer goods excluding foods			
				Total	Durables	Nondurables	
1977:							
July	0.2	0.4	0	0.1	0.3	0.1	6.3
August .....	.2	.5	.1	.3	.9	.1	6.6
September .....	.3	.5	.3	.5	.2	.6	6.6
October .....	.6	1.3	.3	.4	.6	.3	6.8
November .....	.7	.5	.7	.3	.4	.4	7.1
December .....	.4	.7	.3	.4	.4	.4	6.6
1978:							
January .....	.7	.5	.8	.6	.8	.4	6.8
February	1.1	.6	1.2	.3	.2	.3	6.7
March .....	.5	r.6	r.6	r.5	.6	.3	6.5
April	r.1.2	r.5	r.1.5	1.3	2.8	.4	7.0
May .....	.7	.9	.6	.8	1.2	.5	7.0
June .....	.7	.8	.7	.4	.2	.6	7.7
July .....	.5	.5	.5	1.0	1.8	.6	8.1

¹ Data for March 1978 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some of the figures shown above and elsewhere

in this report may differ from those previously reported.
r= revised.

less than in June and May (0.7 and 0.6 percent, respectively). The slowdown in July was primarily due to the first decline in the finished consumer foods index since September 1977. Between September and June, this index recorded monthly advances averaging about 1.1 percent. Among finished consumer goods other than foods, prices for consumer durables registered the third large increase in the past 4 months. Consumer nondurables other than foods increased about as much as in the 2 preceding months.

The decrease for finished consumer foods in July largely reflected sharply lower prices for meats. Prices also declined for milled rice and vegetable oil end products following advances in June. Roasted coffee prices fell after showing no change in the preceding month. Prices for processed poultry rose less than in June. On the other hand, price increases accelerated for fresh and dried fruits and vegetables, fish, bread, flour base mixes and doughs, and processed fruits and vegetables. Prices turned up for eggs, refined vegetable oils, and miscellaneous processed foods after declining a month earlier.

The consumer durables index increased 1.8 percent from June to July, after increases of 0.2 percent in June and 1.2 percent in May. Jewelry prices turned up sharply. Prices for home electronic equipment and dinnerware also advanced following no change in June. Prices rose more than in June for household flatware, household furniture, household appliances, and passenger cars.

The index for consumer nondurables goods other than foods moved up 0.6 percent in July, about the same as in both June and May but slightly more than earlier in the year. Prices rose in July for tobacco products, sanitary

papers and health products, finished lubricants, apparel, pharmaceutical preparations, and rubber footwear. Gasoline prices declined.

Capital equipment. The Producer Price Index for capital equipment advanced 0.5 percent in July, after increasing 0.8 percent in June and 0.9 percent in May. Price increases in July slowed markedly for motor trucks, photographic equipment, transformers and power regulators, special purpose machinery, and pumps and compressors. Increases for construction machinery, agricultural machinery, industrial process furnaces and ovens, machine tools, and integrating and measuring instruments were roughly the same as in June. On the other hand, prices turned up for commercial furniture following a small decline in June, and railroad equipment advanced after showing no change in the previous month.

Intermediate materials

The Producer Price Index for intermediate materials, supplies, and components rose 0.5 percent in July, seasonally adjusted, following increases of 0.3 percent in June and 0.6 percent in May. After declining 2.7 percent during the preceding month, the index for intermediate foods and feeds advanced 1.5 percent from June to July. This pattern largely reflected prices for manufactured animal feeds, which turned up sharply in July following a June decrease. On the other hand, flour and animal fats and oils moved down in July after rising in the previous month, and prices for crude vegetable oils and refined sugar for food manufacturing fell more than in June.

The index for intermediate materials excluding foods and feeds moved up 0.4 percent over the month, following 4 consecutive monthly increases of 0.5 percent. Prices for plywood, electric power, residual fuel, and plastic construction products turned down after rising in June. Liquefied petroleum gas prices dropped for the fourth consecutive month. Glass containers, paper, industrial chemicals, and millwork moved up considerably less than in the preceding month. On the other hand, prices turned up following June declines for inedible fats and oils, paper boxes and containers, and coke. Prices increased more than in June for aluminum castings, gypsum products, refractories, bituminous paving materials, leather, fabricated metal products, lumber, and motor vehicle parts. (Intermediate materials are semifinished commodities which have been processed but which require further processing before they become finished goods.)

Crude materials

The Producer Price Index for crude materials for

further processing declined 0.6 percent from June to July after seasonal adjustment, following advances of 1.8 and 0.3 percent in June and May, respectively. The July downturn was caused entirely by crude foodstuffs and feedstuffs. Prices for hogs, cattle, and green coffee fell after rising in June, grain prices dropped more in July than in the prior month, and live poultry increased much less than in June. On the other hand, prices for oilseeds and cocoa beans turned up following June decreases.

The index for crude nonfood materials moved up 2.3 percent over the month, after a 1.7 percent rise in June and a 0.4 percent increase in May. The largest increases in July occurred for leaf tobacco, crude natural rubber, natural gas, iron and steel scrap, and crude petroleum. Prices for plant and animal fibers, hides and skins, and nonferrous scrap declined. (Crude materials are products entering the market for the first time which have not been manufactured or fabricated but which will be processed further before becoming intermediate or finished goods.)

Price Movements

August 1978

Summary

The Producer Price Index for Finished Goods edged down 0.1 percent from July to August on a seasonally adjusted basis. The August decline was the result of lower food prices and followed increases of 0.5 percent in July and 0.7 percent in both June and May (table A). Prices for intermediate (semifinished) goods increased about as much as in most recent months. Crude materials prices decreased for the second consecutive month, following a period of sharply rising prices from September 1977 through June 1978.

In August, finished consumer food prices fell 1.5 percent, the largest decline in 2 years. The index for finished consumer goods other than foods moved up 0.4 percent over the month, considerably less than the 1 percent rise in July (table B). The deceleration was caused by slower price increases for both consumer durables and nondurables excluding foods. Prices for capital equipment rose about as much as in July but less than in other months

so far this year. (The Finished Goods Price Index reflects only changes in prices received by producers for goods that are in the form in which they eventually are sold to final users. See "Brief Explanation of Producer Price Indexes," page 85.

Before seasonal adjustment, the Producer Price Index for Finished Goods moved down 0.3 percent to 195.3 (1967=100). Over the year, the Finished Goods Price Index rose 7.7 percent. The finished consumer foods index was up 8.4 percent from August 1977 to August 1978, the index for finished consumer goods other than foods increased 7.1 percent, and the capital equipment index was 8.1 percent higher than a year earlier. The Producer Price Index for intermediate goods rose 6.8 percent over the year, and crude materials prices advanced 15.6 percent.

Finished goods

Finished consumer goods. The Producer Price Index for finished consumer goods (those eventually sold to retailers)

Table A. Percent changes from preceding month in selected stage of processing price indexes, seasonally adjusted¹

Month	Finished goods			Intermediate goods			Crude goods		
	Total	Con- sumer foods	Other	Total	Foods and feeds ²	Other	Total	Food- stuffs and feed- stuffs	Other
1977:									
August	0.2	-0.3	0.4	0.2	-4.9	0.5	-1.7	-3.0	0.1
September .....	.3	-.1	.6	.4	-1.9	.5	-.3	-.2	-.5
October .....	.6	.2	.7	.4	-.1	.4	.8	1.3	.2
November .....	.7	1.3	.4	.4	7.3	.1	3.4	4.2	2.4
December .....	.4	.4	.5	.4	-1.1	.5	1.3	.6	2.1
1978:									
January .....	.7	1.1	.6	.9	2.1	.9	2.0	2.8	1.2
February	1.1	3.0	.4	.9	2.0	.8	3.2	4.7	1.0
March .....	.5	.7	.5	.8	5.3	.5	1.3	1.2	1.6
April	r1.3	1.8	1.0	.5	r0	.5	r2.9	4.3	r.8
May .....	.7	.5	.8	.6	r2.7	.5	r.2	0	r.3
June .....	.7	1.1	.6	.3	-2.7	.5	1.8	1.9	1.7
July .....	.5	-.3	.8	.5	1.5	.4	-.6	-2.5	2.3
August	-.1	-1.5	.4	.5	-3.4	.7	-1.3	-1.8	-.5

¹ Data for April 1978 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some of the figures shown above and elsewhere in this report may differ from those previously reported.

² Intermediate materials for food manufacturing and manufactured animal feeds.

r= revised.

Table B. Percent changes in finished goods price indexes, selected periods¹

Month	Changes from preceding month, seasonally adjusted						Changes in finished goods from 12 months ago (unadjusted)
	Finished goods	Capital equipment	Finished consumer goods	Finished consumer goods excluding foods			
				Total	Durables	Nondurables	
1977:							
August	0.2	0.5	0.1	0.3	0.9	0.1	6.6
September .....	.3	.5	.3	.5	.2	.6	6.6
October .....	.6	1.3	.3	.4	.6	.3	6.8
November .....	.7	.5	.7	.3	.4	.4	7.1
December .....	.4	.7	.3	.4	.4	.4	6.6
1978:							
January .....	.7	.5	.8	.6	.8	.4	6.8
February	1.1	.6	1.2	.3	.2	.3	6.7
March .....	.5	.6	.6	r.5	.6	.3	6.5
April	r.1.3	r.6	1.5	1.3	2.8	r.5	r.7.1
May .....	.7	r.8	.6	r.7	1.2	r.4	7.0
June .....	.7	.8	.7	.4	.2	.6	7.7
July .....	.5	.5	.5	1.0	1.8	.6	8.1
August	-.1	.4	-.3	.4	.7	.3	7.7

¹ Data for April 1978 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some of the figures shown above and elsewhere

in this report may differ from those previously reported. r = revised.

declined 0.3 percent in August after seasonal adjustment, the first decrease since June 1977. This index had registered an average increase of 0.6 percent per month during the previous 13 months. The finished consumer foods index decreased more than in the preceding month, and the indexes for both consumer durables and nondurables rose less than in July.

The finished consumer foods index declined 1.5 percent in August, following a 0.3 percent decrease in July and generally large advances in the 9 months before July. Prices turned down sharply after rising a month earlier for processed poultry, fresh and dried fruits and vegetables, and eggs. Prices for roasted coffee, vegetable oil end products, and whole black pepper fell more than in July. Beef and veal prices fell about as much as in the prior month. On the other hand, prices for pork and dairy products turned up after declining a month earlier. Fish prices increased somewhat more than in July, and processed fruits and vegetables rose about as much in August as in July.

The index for consumer durables moved up 0.7 percent over the month, after a sharp rise in July (1.8 percent) and a small increase in June (0.2 percent). Jewelry prices advanced markedly less in August than in the preceding month. Household flatware prices also rose less than in July. Prices turned down after increasing a month before for floor coverings. After rising in July, dinnerware prices were unchanged in August. On the other hand, prices for mobile homes rose somewhat faster than in July. Price increases for passenger cars, household furniture, and appliances were about the same as in the previous month.

The index for consumer nondurable goods other than foods rose 0.3 percent from July to August, compared with increases of 0.6 percent in each of the 2 preceding months. Prices for tobacco products increased much less than in either July or June. After advancing in July, prices for apparel, sanitary papers and health products, finished lubricants, and prescription drugs were virtually unchanged in August. On the other hand, prices fell much less than in July for tires and tubes, and gasoline prices turned up after declining in July. Alcoholic beverages and leather footwear increased more than in the previous month.

Capital equipment. The Producer Price Index for capital equipment moved up 0.4 percent in August, about the same as in July (0.5 percent) and somewhat less than in June (0.8 percent). Prices were higher in August for machine tools, hand tools, internal combustion engines, and mining machinery.

Intermediate materials

The Producer Price Index for intermediate materials, supplies, and components rose 0.5 percent in August, seasonally adjusted, the same as in July. The index for intermediate materials excluding foods and feeds increased 0.7 percent over the month, somewhat more than in any of the preceding 5 months. Much of this acceleration was caused by steel mill products, which advanced substantially for the third time this year. Prices for primary nonferrous metal refinery shapes, fabricated metal products, lumber, leather, refractories, and concrete products rose considerably more than in the previous month, and plywood and

plastic construction products turned up following decreases in July. On the other hand, prices for inedible fats and oils, motor vehicle parts, building paper and board, and millwork fell after increasing in July. Liquefied petroleum gas and residual fuels declined more than in the preceding month.

The index for intermediate foods and feeds moved down 3.4 percent from July to August, following a 1.5 percent increase in July. This reversal was principally due to prices for manufactured animal feeds, which turned sharply lower in August after registering a large advance in July. In contrast, prices for flour and for refined sugar for food manufacturing rose following July decreases. Confectionery materials also increased in August but not as much as in the previous month. (Intermediate materials are semifinished commodities which have been processed but which require further processing before they become finished goods.)

Crude materials

The Producer Price Index for crude materials for further processing declined 1.3 percent from July to August

after seasonal adjustment, following a 0.6 percent decrease in July and a 1.8 percent advance in June. The index for crude nonfood materials moved down for the first time in nearly a year. Prices for natural gas and leaf tobacco fell after rising in July. Crude petroleum prices increased substantially less than in either of the 2 preceding months. On the other hand, prices for hides and skins, plant and animal fibers, and nonferrous scrap turned up following declines in July. Iron and steel scrap and crude natural rubber rose more in August than in the previous month.

The index for crude foodstuffs and feedstuffs decreased for the second consecutive month. Prices for grains and green coffee dropped more than in July. Oilseeds and live poultry turned down after increasing in July. Livestock prices also decreased but not as much as in the prior month. Fluid milk prices rose less than in any other month so far this year. On the other hand, raw cane sugar prices turned up following a July decline, and cocoa beans advanced more than in July. (Crude materials are products entering the market for the first time which have not been manufactured or fabricated but which will be processed further before becoming intermediate or finished goods.)

Price Movements

September 1978

Summary

The Producer Price Index for Finished Goods moved up 0.9 percent from August to September on a seasonally adjusted basis. The September advance followed a 0.1 percent decline in August and a 0.5 percent rise in July (table A). Prices for intermediate (semifinished) goods increased somewhat more than in most recent months. Crude materials prices moved up following decreases in both of the previous 2 months. The acceleration in the price indexes for all three stages of processing was caused primarily by a sharp upturn in food prices.

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 0.8 percent to 196.9 (1967=100). Over the year, the Finished Goods Price Index rose 8.2 percent. The finished consumer foods index was up 10.2 percent from September 1977 to September 1978, the index for finished consumer goods other than foods increased 7.1 percent, and the capital equipment index

was 8.3 percent higher than a year earlier. The Producer Price Index for intermediate goods rose 7.1 percent over the year, and crude materials prices advanced 17.9 percent.

Finished goods

Finished consumer goods. The Producer Price Index for finished consumer goods (those eventually sold to retailers) advanced 0.9 percent from August to September after seasonal adjustment (table B). This index had declined 0.3 percent in August after increasing in each month since June 1977. In September, finished consumer foods prices rose 1.7 percent, in contrast to the declines registered in August (1.5 percent) and July (0.3 percent). Food prices had risen sharply during the first half of the year. The index for finished consumer goods other than foods was 0.5 percent higher in September, slightly more than the 0.4 percent rise in August but considerably less than the 1 percent advance in July. Prices for consumer nondurables

Table A. Percent changes from preceding month in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods			Intermediate goods			Crude goods		
	Total	Consumer foods	Other	Total	Foods and feeds ²	Other	Total	Food-stuffs and feed-stuffs	Other
1977:									
September	0.3	-0.1	0.6	0.4	-1.9	0.5	-0.3	-0.2	-0.5
October .....	.6	.2	.7	.4	-.1	.4	.8	1.3	.2
November .....	.7	1.3	.4	.4	7.3	.1	3.4	4.2	2.4
December .....	.4	.4	.5	.4	-1.1	.5	1.3	.6	2.1
1978:									
January .....	.7	1.1	.6	.9	2.1	.9	2.0	2.8	1.2
February	1.1	3.0	.4	.9	2.0	.8	3.2	4.7	1.0
March .....	.5	.7	.5	.8	5.3	.5	1.3	1.2	1.6
April	1.3	1.8	1.0	.5	0	.5	2.9	4.3	.8
May .....	.7	r.4	.8	.6	r.2.6	.5	.2	0	r.4
June .....	.7	r.1.2	r.5	.3	r.-2.6	r.4	1.8	1.9	r.1.6
July .....	.5	-.3	.8	.5	1.5	.4	-.6	-2.5	2.3
August	-.1	-1.5	.4	.5	-3.4	.7	-1.3	-1.8	-.5
September .....	.9	1.7	.6	.7	2.2	.6	1.6	1.9	1.0

¹ Data for May 1978 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some of the figures shown above and elsewhere in this report may differ from those previously reported.

² Intermediate materials for food manufacturing and manufactured animal feeds.

r= revised.

Table B. Percent changes in finished goods price indexes, selected periods¹

Month	Changes from preceding month, seasonally adjusted						Changes in finished goods from 12 months ago (unadjusted)
	Finished goods	Capital equipment	Finished consumer goods	Finished consumer goods excluding foods			
				Total	Durables	Nondurables	
1977:							
September	0.3	0.5	0.3	0.5	0.2	0.6	6.6
October .....	.6	1.3	.3	.4	.6	.3	6.8
November .....	.7	.5	.7	.3	.4	.4	7.1
December .....	.4	.7	.3	.4	.4	.4	6.6
1978:							
January .....	.7	.5	.8	.6	.8	.4	6.8
February	1.1	.6	1.2	.3	.2	.3	6.7
March .....	.5	.6	.6	.5	.6	.3	6.5
April	1.3	.6	1.5	1.3	2.8	.5	7.1
May .....	.7	.8	.6	.8	1.4	.5	7.1
June .....	.7	.8	.7	.3	0	.5	7.7
July .....	.5	.5	.5	1.0	1.8	.6	8.1
August	-.1	.4	-.3	.4	.7	.3	7.7
September .....	.9	.6	.9	.5	.4	.6	8.2

¹ Data for May 1978 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some of the figures shown above and elsewhere

in this report may differ from those previously reported.
r= revised.

other than foods rose somewhat more than in August but about as much as in July. The index for consumer durables rose much less than in the previous 2 months.

Much of the reversal in food prices was caused by an upturn in prices for beef and veal. Prices also turned up after decreasing in August for processed poultry, vegetable oil end products, and whole black pepper. Prices rose more than in August for refined sugar in consumer size packages. Prices also rose, but less than in August, for pork, fish, dairy products, processed fruits and vegetables, and flour base mixes and doughs. Prices for fresh and dried fruits and vegetables, eggs, and milled rice declined. Roasted coffee prices were unchanged after decreasing in August.

The index for consumer nondurables other than foods rose 0.6 percent in September, somewhat more than the 0.3 percent increase in August. Prices turned up in September after declining a month earlier for rubber footwear, home heating oil, and textile housefurnishings. Prices rose over the month after showing no change in August for non-alcoholic beverages, prescription drugs, and soaps and synthetic detergents. Compared with last month, larger increases were registered for gasoline, over-the-counter drugs, and disposable plastic dinnerware and tableware. On the other hand, prices for finished lubricants moved down after no change in August. Prices for tires and tubes fell somewhat more than in the preceding month. Prices for leather footwear, alcoholic beverages, and sporting and athletic goods rose less than in August.

The index for consumer durables moved up 0.4 percent in September, much less than in August (0.7 percent) and July (1.8 percent). Prices turned down in September after

increasing in August for luggage and small leather goods, household appliances, and household flatware. Prices for household furniture rose less than in August. Prices for jewelry and electronic hearing aids were unchanged after increasing in August. On the other hand, prices for home electronic equipment turned up after declining in August, and prices for dinnerware moved up in September after no change in the previous month. Prices rose more than in the preceding month for passenger cars, mobile homes, and lawnmowers. Prices for floor coverings fell less in September than in August.

Capital equipment. The Producer Price Index for capital equipment advanced 0.6 percent in September, somewhat more than in August (0.4 percent) and about as much as in most other months this year. Prices for motor trucks and photographic equipment turned up after declining in August. Prices rose more than in August for railroad equipment, fixed wing utility aircraft, agricultural machinery and equipment, and metal forming machine tools. Prices turned up following no change in August for pumps, compressors, and equipment and unitary air conditioners.

Intermediate materials

The Producer Price Index for intermediate materials, supplies, and components rose 0.7 percent in September on a seasonally adjusted basis, following 0.5 percent advances in both August and July. The larger increase was caused by an upturn in the intermediate foods and feeds index, which registered a 2.2 percent increase after falling 3.4 percent in August. Prices for animal fats and oils and

crude vegetable oils turned up following declines in August. Prices for refined sugar for food manufacturing and confectionery materials also rose. In contrast, prices for flour decreased after rising in August. The index for manufactured animal feeds also moved down but much less than in the preceding month.

The index for intermediate materials excluding foods and feeds rose 0.6 percent, slightly less than 0.7 percent increase registered in August. Prices for steel mill products were virtually unchanged after a large advance in August. Prices for construction materials rose much less than in most recent months. Price increases for lumber, plastic construction products, and concrete products were smaller than in August. Plywood and refractories prices turned down after rising in August, and building paper and board prices fell more than in the previous month. On the other hand, prices for many materials for nondurable manufacturing, particularly paper products, gray fabrics, leather, and inedible fats and oils, registered large increases over the month. Prices for nondurable manufacturing materials had generally risen much less in other months so far this year. Among processed fuels, prices for residual fuels rose after falling in the 2 preceding months, and liquefied petroleum gas prices were higher after declining for 7 consecutive months.

Crude materials

The Producer Price Index for crude materials for further processing advanced 1.6 percent seasonally adjusted in September, contrasting with the 1.3 percent decline in August. The index for crude foodstuffs and feedstuffs turned sharply upward, increasing 1.9 percent following a 1.8 percent drop in August. Prices for livestock, green coffee, oilseeds, and live poultry rose after declining in August. Cocoa bean prices also rose, but less than in the previous month. On the other hand, raw cane sugar prices fell somewhat after rising sharply in August. Grain prices also decreased, but not as much as in any of the 4 preceding months.

The index for crude nonfood materials rose 1.0 percent in September, reversing the 0.5 percent decline of the previous month. Natural gas prices turned up after declining in August, and crude petroleum registered a larger price increase than in the prior month. Prices for hides and skins, crude natural rubber, nonferrous scrap, and plant and animal fibers also advanced. On the other hand, iron and steel scrap prices fell after rising in August, and wastepaper prices decreased for the third consecutive month. Coal prices rose less than in August.

Price Movements

October 1978

Summary

The Producer Price Index for Finished Goods moved up 0.9 percent from September to October on a seasonally adjusted basis. The October advance followed an increase of the same size in September and a 0.1 percent decline in August (table A). Prices for both intermediate (semi-finished) goods and crude goods rose substantially more than in recent months, as increases for nonfood as well as food-related materials accelerated.

Among finished goods, prices for consumer foods rose sharply for the second consecutive month, following falling prices in August and July and generally large increases in the first 6 months of 1978. Consumer nondurables other than foods advanced much more than in any other month so far this year (table B). On the other hand, the index for consumer durables was unchanged after rising rapidly during most of the year to date; a seasonally adjusted decline in passenger car prices offset increases for other consumer durables. Capital equipment prices continued to increase about as much as in most other recent months.

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 1.4 percent to 199.7 (1967=100). Over the year, the Finished Goods Price Index rose 8.6 percent. The finished consumer foods index was up 11.9 percent from October 1977 to October 1978, the index for finished consumer goods other than foods increased 7.5 percent, and the capital equipment index was 7.5 percent higher than a year ago. The Producer Price Index for intermediate goods rose 8.0 percent over the year, and crude material prices advanced 20.4 percent.

Finished goods

Finished consumer goods. The Producer Price Index for finished consumer goods (those eventually sold to retailers) rose 1.0 percent from September to October after seasonal adjustment, about the same as in September. This index had declined in August. In October, prices for consumer foods rose at the same rapid rate as in September (1.7 percent). Before that, the finished consumer foods index had declined for 2 months. Prices rose in October for most

Table A. Percent changes from preceding month in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods			Intermediate goods			Crude goods		
	Total	Consumer foods	Other	Total	Foods and feeds ²	Other	Total	Food-stuffs and feed-stuffs	Other
1977:									
October	0.6	0.2	0.7	0.4	-0.1	0.4	0.8	1.3	0.2
November .....	.7	1.3	.4	.4	7.3	.1	3.4	4.2	2.4
December .....	.4	.4	.5	.4	-1.1	.5	1.3	.6	2.1
1978:									
January .....	.7	1.1	.6	.9	2.1	.9	2.0	2.8	1.2
February	1.1	3.0	.4	.9	2.0	.8	3.2	4.7	1.0
March .....	.5	.7	.5	.8	5.3	.5	1.3	1.2	1.6
April	1.3	1.8	1.0	.5	0	.5	2.9	4.3	.8
May .....	.7	.4	.8	.6	2.6	.5	.2	0	.4
June .....	.7	1.2	r.6	r.4	r-2.7	r.6	1.8	1.9	1.6
July .....	.5	-3	r.7	r.4	r1.6	r.3	-6	-2.5	r2.4
August	-.1	-1.5	.4	.5	-3.4	.7	-1.3	-1.8	-.5
September .....	.9	1.7	.6	.7	2.2	.6	1.6	1.9	1.0
October .....	.9	1.7	.6	1.2	2.8	1.1	3.0	3.6	2.1

¹ Data for June 1978 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some of the figures shown above and elsewhere in this report may differ from those previously reported. All data

are subject to revision 4 months after original publication.

² Intermediate materials for food manufacturing and manufactured animal feeds.

r= revised.

Table B. Percent changes in finished goods price indexes, selected periods¹

Month	Changes from preceding month, seasonally adjusted						Changes in finished goods from 12 months ago (unadjusted)
	Finished goods	Capital equipment	Finished consumer goods	Finished consumer goods excluding foods			
				Total	Durables	Nondurables	
1977:							
October	0.6	1.3	0.3	0.4	0.6	0.3	6.8
November .....	.7	.5	.7	.3	.4	.4	7.1
December .....	.4	.7	.3	.4	.4	.4	6.6
1978:							
January .....	.7	.5	.8	.6	.8	.4	6.8
February	1.1	.6	1.2	.3	.2	.3	6.7
March .....	.5	.6	.6	.5	.6	.3	6.5
April	1.3	.6	1.5	1.3	2.8	.5	7.1
May .....	.7	.8	.6	.8	1.4	.5	7.1
June .....	.7	r.7	r.8	r.5	r.2	r.7	r.7.8
July .....	.5	r.6	r.4	r.9	r.1.6	r.4	8.1
August	-.1	.4	-.3	.4	.7	.3	7.7
September .....	.9	.6	.9	.5	.4	.6	8.2
October .....	.9	.6	1.0	.6	0	1.1	8.6

¹ Data for June 1978 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some of the figures shown above and elsewhere

in this report may differ from those previously reported. All data are subject to revision 4 months after original publication.

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finished consumer foods, including pork, fish, beef and veal, fresh and dried fruits, packaged cocoa, milled rice, eggs, refined sugar in consumer-size packages, processed fruits and vegetables, and dairy products. Prices declined for processed poultry, fresh and dried vegetables, and confectionery end products.

Price increases accelerated for consumer nondurable goods other than foods, after rising moderately in most other months so far this year. The 1.1 percent advance in October was the largest in 4 years. The acceleration from September to October was mainly due to larger price increases for gasoline, home heating oil, and tires and tubes. Advances were also recorded for soaps and synthetic detergents, leather footwear, nonalcoholic and alcoholic beverages, and apparel.

Prices for consumer durable goods were unchanged over the month, the first time since October 1976 that they did not rise. Decreases for passenger cars balanced increases for metal household containers, household flatware, jewelry, dinnerware, and mobile homes. (Prices for 1979 model-year automobiles were reflected for the first time in October. See USDL news release 78-921 titled "Report on Quality Changes for 1979 Model Passenger Cars," issued on November 3.) The decrease for the passenger car index over the month after seasonal adjustment reflected the decision by domestic automobile manufacturers to institute price changes throughout the model year rather than wait until the fall when new models are usually introduced. Automobile producers had raised prices across the board this past spring and therefore did not increase prices of new models as much as they would have under

the former pricing policy. Over the year, passenger car prices were up 6.2 percent.

Capital equipment. The Producer Price Index for capital equipment rose 0.6 percent in October, the same as the average monthly advance recorded in the first 9 months of the year. Smaller price increases than in September were registered for some kinds of capital goods, such as agricultural machinery, motor trucks, railroad equipment, and photographic equipment. These slowdowns were offset by an acceleration in price increases for several other types of capital equipment, including construction machinery, special industry machinery, and power-driven hand tools. Prices for most other capital goods continued to rise about as much as in recent months.

Intermediate materials

The Producer Price Index for intermediate materials, supplies, and components advanced 1.2 percent in October, seasonally adjusted, the largest monthly increase since November 1974. The acceleration was caused primarily by the index for intermediate materials excluding foods and feeds, which advanced 1.1 percent in October after rising 0.6 and 0.7 percent in September and August, respectively.

Price indexes for durable manufacturing materials and construction materials both rose much more than in September. Among durable manufacturing materials, sharply higher prices were recorded for nonferrous metals. Plywood, lumber, asphalt roofing, cement, and building paper and board led the advance for construction materials. Large increases in prices for motor vehicle parts and electronic components accounted for much of the acceleration

in the manufacturing components index. Among processed fuels and lubricants, prices for diesel fuel rose substantially more than in most recent months, but residual fuel and coke prices turned down. Increases for nondurable manufacturing materials such as leather, gray fabrics, and paperboard were not as large as in September but were generally larger than those in many other recent months.

The intermediate foods and feeds index moved up 2.8 percent over the month, following a 2.2 percent increase in September and a 3.4 percent decline in August. Prices for manufactured animal feeds turned sharply higher after falling during the 2 preceding months. Refined sugar for food manufacturing was also up, but prices for animal fats and oils, crude vegetable oils, and flour decreased.

Crude materials

The Producer Price Index for crude materials for further processing advanced 3.0 percent seasonally adjusted in October, following a 1.6 percent increase in September and

a 1.3 percent decrease in August. The index for crude foodstuffs and feedstuffs moved up 3.6 percent over the month after rising 1.9 percent in September. The acceleration in October was due to two factors: First, an upturn in prices for fresh and dried fruits, grains, and raw cane sugar, all of which had moved down in the previous month; and second, larger price increases than in September for hogs and oilseeds. Cattle prices continued to rise rapidly. In contrast, prices were lower for live poultry, green coffee, and cocoa beans following September advances.

The index for crude nonfood materials also rose considerably more in October (2.1 percent) than in the preceding month (1.0 percent). Prices rose much more than in September for nonferrous scrap, plant and animal fibers, and crude natural rubber; in addition, prices for iron and steel scrap and wastepaper turned up after falling in September. Prices were also higher in October for most other crude nonfood materials, including hides and skins, iron ore, natural gas, and crude petroleum.

Price Movements November 1978

The Producer Price Index for Finished Goods moved up 0.8 percent from October to November on a seasonally adjusted basis. The November increase followed advances of 0.9 percent in both October and September (table A). Prices for intermediate (semifinished) and crude goods rose considerably less than in October. Price increases for foods and food-related materials eased at all stages of processing.

Among finished goods, prices for consumer foods rose much less than in either of the 2 preceding months. Prices for finished goods excluding foods, however, increased more rapidly. Capital equipment prices advanced more than in any month since October 1977. Prices for consumer durables moved up after showing no change in October, but the November pace was somewhat slower than in the first 9 months of 1978. The index for consumer nondurables other than foods rose more than in any other month so far this year except for October (table B).

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 0.5 percent to 200.6 (1967=100).

Over the year, the Finished Goods Price Index rose 8.7 percent. The finished consumer foods index was up 11.2 percent from November 1977 to November 1978, the index for finished consumer goods excluding foods rose 7.8 percent, and the capital equipment index was 7.9 percent higher than a year ago. The Producer Price Index for intermediate goods increased 8.2 percent over the year, and crude material prices advanced 18.0 percent.

Finished goods

Finished consumer goods. The Producer Price Index for finished consumer goods (those eventually sold to retailers) rose 0.7 percent in November after seasonal adjustment, somewhat less than in October (1.0 percent) and September (0.9 percent). Price increases slowed down markedly for finished consumer foods, but prices for consumer goods other than foods moved up slightly more than in October.

The finished consumer foods index rose 0.6 percent in November, after increasing 1.7 percent in both October and

Table A. Percent changes from preceding month in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods			Intermediate goods			Crude goods		
	Total	Con- sumer foods	Other	Total	Foods and feeds ²	Other	Total	Food- stuffs and feed- stuffs	Other
1977:									
November	0.7	1.3	0.4	0.4	7.3	0.1	3.4	4.2	2.4
December . . . . .	.4	.4	.5	.4	-1.1	.5	1.3	.6	2.1
1978:									
January . . . . .	.7	1.1	.6	.9	2.1	.9	2.0	2.8	1.2
February	1.1	3.0	.4	.9	2.0	.8	3.2	4.7	1.0
March . . . . .	.5	.7	.5	.8	5.3	.5	1.3	1.2	1.6
April	1.3	1.8	1.0	.5	0	.5	2.9	4.3	.8
May . . . . .	.7	.4	.8	.6	2.6	.5	.2	0	.4
June . . . . .	.7	1.2	.6	.4	-2.7	.6	1.8	1.9	1.6
July . . . . .	.5	r-5	r.8	.4	1.6	r.4	-.6	-2.5	2.4
August	r-.2	r-1.4	r.3	r.4	-3.4	r.6	-1.3	-1.8	-.5
September . . . . .	.9	1.7	.6	.7	2.2	.6	1.6	1.9	1.0
October . . . . .	.9	1.7	.6	1.2	2.8	1.1	3.0	3.6	2.1
November . . . . .	.8	.6	.8	.7	-.3	.8	1.5	1.3	1.8

¹ Data for July 1978 have been revised to reflect the availability of late reports and corrections by respondents. All data are subject to revision four months after original publication. For this reason, some of the figures shown above and elsewhere in this

report may differ from those previously reported.

² Intermediate materials for food manufacturing and manufactured animal feeds.

r= revised.

Table B. Percent changes in finished goods price indexes, selected periods¹

Month	Changes from preceding month, seasonally adjusted						Changes in finished goods from 12 months ago (unadjusted)
	Finished goods	Capital equipment	Finished consumer goods	Finished consumer goods excluding foods			
				Total	Durables	Nondurables	
1977:							
November	0.7	0.5	0.7	0.3	0.4	0.4	7.1
December . . . . .	.4	.7	.3	.4	.4	.4	6.6
1978:							
January . . . . .	.7	.5	.8	.6	.8	.4	6.8
February	1.1	.6	1.2	.3	.2	.3	6.7
March . . . . .	.5	.6	.6	.5	.6	.3	6.5
April	1.3	.6	1.5	1.3	2.8	.5	7.1
May . . . . .	.7	.8	.6	.8	1.4	.5	7.1
June . . . . .	.7	.7	.8	.5	.2	.7	7.8
July . . . . .	.5	.6	r.5	r.1.0	r.1.7	r.5	8.1
August	r-.2	.4	-.3	r.3	r.5	r.2	7.7
September9	.6	.9	.5	.4	.6	8.2
October9	.6	1.0	.6	0	1.1	8.6
November8	1.0	.7	.7	.5	.9	8.7

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reason, some of the figures shown above and elsewhere in this report may differ from those previously reported.

r= revised.

September. The slowdown in price increases for food was due in part to a downturn in prices for beef and veal and fresh fruits and a considerably smaller increase for pork. In November, prices were higher for fresh and dried vegetables, processed poultry, eggs, refined sugar in consumer size packages, and processed fruits and vegetables. Prices were lower for milled rice and roasted coffee.

The index for consumer nondurable goods other than foods moved up 0.9 percent in November, after rising 1.1 percent in October and 0.6 percent in September. Prices increased less in November for nonalcoholic beverages, apparel, leather footwear, and gasoline. On the other hand, prices increased faster than in October for sanitary papers and health products and for both prescription and over-the-counter drugs. As in October, large increases were registered for tires and tubes, home heating oil, and alcoholic beverages. Prices for tobacco products declined.

Prices for consumer durables rose 0.5 percent over the month after showing no change in October and after rising an average of 1 percent during the preceding 9 months. Prices were higher for passenger cars, household flatware, and cutlery, while prices for jewelry declined.

Capital equipment. The Producer Price Index for capital equipment moved up 1.0 percent over the month; these prices had registered an average monthly increase of 0.6 percent during the first 10 months of 1978. Some of the largest price rises in November occurred for transformers and power regulators, special purpose machinery, machine tools, power driven hand tools, pumps and compressors, aircraft, and railroad equipment. Prices for agricultural

and construction machinery, however, moved up much less than in October, and motor truck prices edged down after a small increase in the previous month.

Intermediate materials

The Producer Price Index for intermediate materials, supplies, and components rose 0.7 percent in November on a seasonally adjusted basis. This increase was smaller than the 1.2 percent rise in October and was the same as the average monthly increase thus far in 1978.

Prices for intermediate materials excluding foods and feeds advanced 0.8 percent, compared with a 1.1 percent rise in October and an average monthly advance of 0.6 percent in the 9 months before that. Price increases for durable manufacturing materials slowed: Prices for gold, silver, tin, and copper cathode fell, and finished steel products advanced less than in the previous month. On the other hand, prices for copper and aluminum mill shapes and copper wire and cable rose sharply, partly reflecting earlier increases in primary metal prices. Among nondurable manufacturing materials, the industrial chemicals index turned down, and prices for woodpulp, paper, and paperboard registered smaller increases than in October. Higher prices were recorded for inedible fats and oils, leather, textile products, and synthetic rubber. The index for plastic resins and materials moved up for the first time since May.

Prices for materials and components for construction continued to rise in November, led by advances for lumber and plywood. Substantially higher prices were also registered for gypsum products, asphalt roofing, structural clay

products, and plastic construction products. Among other intermediate goods, prices for electric motors registered the largest advance in more than 2 years, electronic components and accessories rose more than in any month since January, and diesel fuel prices increased more than in most recent months. In contrast, the index for electronic power moved down, and prices for motor vehicle parts rose much less than in October.

The intermediate foods and feeds index declined 0.3 percent from October to November, after 2 months of substantial increases. Prices fell for both crude vegetable oils and refined sugar for use in food manufacturing. On the other hand, prices for flour, animal fats and oils, and manufactured animal feeds moved up.

Crude materials

The Producer Price Index for crude materials for further processing was up 1.5 percent, seasonally adjusted, in

November, following a 3.0 percent increase in October. Most of the deceleration was caused by a smaller increase in the crude foodstuffs and feedstuffs index, which rose 1.3 percent compared with 3.6 percent in the previous month. Prices fell after rising in October for fresh fruits, raw cane sugar, livestock, and oilseeds. On the other hand, grain prices moved up substantially for the second consecutive month following 5 months of falling prices. Prices for live poultry, green coffee, and cocoa beans moved up after declining in October.

The crude nonfood materials index advanced 1.8 percent, slightly less than the 2.1 percent increase in the preceding month but more than the 1.0 percent average rise in the first 9 months of the year. Large price increases were recorded for iron and steel scrap, crude natural rubber, and wastepaper. On the other hand, lower prices were registered for hides and skins.

Price Movements

December 1978

The Producer Price Index for Finished Goods moved up 0.8 percent from November to December on a seasonally adjusted basis. This was about the same as in each of the last 3 months. Prices for intermediate (semifinished) goods rose nearly as much as in November, while prices for crude goods rose considerably less than in any of the previous 3 months (table A).

Among finished goods, prices for consumer foods rose more than in November but considerably less than in the 2 months before that. Prices for consumer nondurable goods other than foods rose about as much as in November and October but much more than in most other months of the year. The index for consumer durables rose moderately (0.5 percent) for the second consecutive month after showing virtually no change in October and September; this index had registered an average monthly rise of 1.1 percent during the first 8 months of the year. Although capital equipment prices increased somewhat less than in the previous month, the December advance was larger than

in most other months in 1978 (table B).

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 0.9 percent to 202.4 (1967=100). Over the year, the Finished Goods Price Index rose 9.1 percent—the largest advance for any calendar year since 1974, when this index moved up 18.3 percent. The finished consumer foods index was up 11.9 percent from December 1977 to December 1978, the index for finished consumer goods excluding foods rose 8.3 percent, and the capital equipment index was 8.0 percent higher than a year ago. The Producer Price Index for intermediate goods increased 8.5 percent over the year, and prices for crude materials advanced 17.1 percent.

Finished goods

Finished consumer goods. The Producer Price Index for finished consumer goods (those eventually sold to retailers) advanced 0.9 percent in December after seasonal adjust-

Table A. Percent changes from preceding month in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods			Intermediate goods			Crude goods		
	Total	Consumer foods	Other	Total	Foods and feeds ²	Other	Total	Food-stuffs and feed-stuffs	Other
1977:									
December	0.4	0.4	0.5	0.4	-1.1	0.5	1.3	0.6	2.1
1978:									
January .....	.7	1.1	.6	.9	2.1	.9	2.0	2.8	1.2
February	1.1	3.0	.4	.9	2.0	.8	3.2	4.7	1.0
March .....	.5	.7	.5	.8	5.3	.5	1.3	1.2	1.6
April	1.3	1.8	1.0	.5	0	.5	2.9	4.3	.8
May .....	.7	.4	.8	.6	2.6	.5	.2	0	.4
June .....	.7	1.2	.6	.4	-2.7	.6	1.8	1.9	1.6
July .....	.5	-.5	.8	.4	1.6	.4	-.6	-2.5	2.4
August	r ⁰	-1.4	r ⁴	.4	-3.4	.6	-1.3	-1.8	-.5
September	r ⁷	1.7	r ⁵	.7	2.2	.6	1.6	1.9	1.0
October .....	.9	1.7	.6	1.2	2.8	1.1	3.0	3.6	2.1
November .....	.8	.6	.8	.7	-.3	.8	1.5	1.3	1.8
December .....	.8	.9	.8	.6	1.2	.5	.4	-.2	1.3

¹ Data for August 1978 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some of the figures shown above and elsewhere in this report may differ from those previously reported. All data are subject to

revision 4 months after original publication.

² Intermediate materials for food manufacturing and manufactured animal feeds.
r= revised.

Table B. Percent changes in finished goods price indexes, selected periods¹

Month	Changes from preceding month, seasonally adjusted						Changes in finished goods from 12 months ago (unadjusted)
	Finished goods	Capital equipment	Finished consumer goods	Finished consumer goods excluding foods			
				Total	Durables	Nondurables	
1977:							
December	0.4	0.7	0.3	0.4	0.4	0.4	6.6
1978:							
January . . . . .	.7	.5	.8	.6	.8	.4	6.8
February	1.1	.6	1.2	.3	.2	.3	6.7
March . . . . .	.5	.6	.6	.5	.6	.3	6.5
April	1.3	.6	1.5	1.3	2.8	.5	7.1
May . . . . .	.7	.8	.6	.8	1.4	.5	7.1
June . . . . .	.7	.7	.8	.5	.2	.7	7.8
July . . . . .	.5	.6	.5	1.0	1.7	.5	8.1
August	r0	.4	r-.2	r.5	r.8	r.3	r7.9
September	r.7	r.5	r.8	r.4	r.1	r.5	8.2
October . . . . .	.9	.6	1.0	.6	0	1.1	8.6
November . . . . .	.8	1.0	.7	.7	.5	.9	8.7
December . . . . .	.8	.8	.9	.8	.5	1.0	9.1

¹ Data for August 1978 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some of the figures shown above and elsewhere in this report

may differ from those previously reported. All data are subject to revision 4 months after original publication.

r= revised.

ment, compared with increases of 0.7 percent in November and 1.0 percent in October.

The finished consumer foods index rose 0.9 percent in December after rising 0.6 percent in November and 1.7 percent in both October and September. Price changes for meats in December were mixed: Beef and veal prices turned up after declining in the previous month, while pork prices moved down after a November advance. Prices were higher for processed poultry, fresh and dried fruits and vegetables, processed fruits and vegetables, vegetable oil end products, dairy products, and confectionery end products. Prices were lower for eggs and refined sugar in consumer size packages.

The index for consumer nondurable goods other than foods increased 1.0 percent in December, about the same as in November and October. Substantial increases were registered over the month for gasoline and home heating oil. Prices were also higher for textile housefurnishings, leather footwear, prescription drugs, and tires and tubes. Prices for tobacco products declined for the third consecutive month.

Prices for consumer durables moved up 0.5 percent in December, following an increase of the same amount in November and after showing no change in October. Some of the largest advances in December occurred for household glassware, mirrors, jewelry, household flatware, electronic hearing aids, home electronic equipment, and floor coverings.

Capital equipment. The Producer Price Index for capital equipment moved up 0.8 percent over the month. Although

this was somewhat less than the 1.0 percent advance registered in November, it was larger than the average monthly increase of 0.6 percent recorded during the first 10 months of the year. In December, prices for machine tools continued to rise sharply, motor trucks and commercial furniture rose substantially after several months of relatively small changes, and prices for several kinds of general purpose machinery increased more than in most recent months. On the other hand, prices for fixed wing utility aircraft and for transformers and power regulators turned down after rising rapidly in November, and prices for special industry machinery, oilfield machinery, and railroad equipment rose less than in most recent months.

Intermediate materials

The Producer Price Index for intermediate materials, supplies, and components moved up 0.6 percent from November to December on a seasonally adjusted basis. This was slightly less than the 0.7-percent average monthly increase for all of 1978.

Excluding foods and feeds, the intermediate materials index rose 0.5 percent, the smallest increase since July. The slowdown was most pronounced within the index of materials and components for construction (up 0.3 percent in December vs. 1.2 percent in November). Prices declined after rising in November for plywood, lumber, building paper and board, and plastic construction products. Prices advanced less than in the previous month for gypsum products, asphalt roofing, millwork, and cement.

Among durable manufacturing materials, prices for nonferrous mill shapes, wire and cable, and flat glass rose sharply. Higher prices for domestic copper and precious metals led to an upturn in the index for nonferrous refinery shapes, which had declined in November. Among materials for nondurable manufacturing, prices advanced for unsupported plastic film, synthetic rubber, industrial chemicals, plastic resins and materials, finished fabrics, and leather. On the other hand, prices fell after rising in November for inedible fats and oils, processed yarns and threads, and gray fabrics. Fertilizer material prices moved down for the eighth consecutive month.

The processed fuels and lubricants index increased more in December than in the previous month. Prices for liquefied petroleum gas, electric power, commercial jet fuel, and diesel fuel registered large advances. In contrast, the residual fuel index declined following a sharp November increase. Among other intermediate nonfood materials, prices for paper boxes and containers recorded a sharp decrease.

The intermediate foods and feeds index advanced 1.2 percent in December, after a small decline in the previous month. Prices for crude vegetable oils and refined sugar

for use in food manufacturing turned up after falling in November. Flour prices also rose but much less than in November.

Crude materials

The Producer Price Index for crude materials for further processing moved up 0.4 percent in December, seasonally adjusted, following 3 months of much larger increases. Much of this deceleration was due to the 0.2 percent decrease in prices for crude foodstuffs and feedstuffs, which had risen rapidly in the preceding 3 months. Prices fell after rising in November for grains and green coffee, and hog prices declined for the second consecutive month following 3 months of substantial increases. On the other hand, higher prices were recorded for live poultry, cattle, oilseeds, raw cane sugar, and fluid milk.

The crude nonfood materials index rose 1.3 percent, less than the increases in the 2 previous months. Crude natural rubber prices declined for the first time since April, and coal prices continued to fall. Prices for both ferrous and nonferrous scrap, as well as for crude petroleum, rose less than in November. On the other hand, price increases accelerated for natural gas and wastepaper.

Price Movements

January 1979

The Producer Price Index for Finished Goods moved up 1.3 percent from December to January on a seasonally adjusted basis. The increase was considerably more than the average monthly increase of 0.8 percent during the last 4 months of 1978 and was the largest monthly advance since November 1974. Prices for intermediate (semi-finished) and crude goods also rose sharply in January. The acceleration in all three stages of processing occurred primarily in beef and cattle prices and in a broad range of nonfood commodities (table A).

For the first time in more than 4 years, all major components of the Finished Goods Price Index rose 1 percent or more. Prices for finished consumer foods were up 1.8 percent, a continuation of the sharp advances recorded during most of 1978. Prices for consumer nondurable goods other than foods rose sharply for the fourth consecutive month, and increases for consumer durable prices accelerated following relatively small changes in the closing months of 1978. Capital equipment prices rose somewhat more than

in any month last year (table B).

Before seasonal adjustment, the Producer Price Index for Finished Goods rose 1.4 percent to 205.3 (1967=100). Over the year, the Finished Goods Price Index increased 9.8 percent. The finished consumer foods index was up 12.9 percent from January 1978 to January 1979, the index for finished consumer goods excluding foods rose 9.0 percent, and capital equipment prices were 8.4 percent higher than a year ago. The Producer Price Index for intermediate goods increased 8.9 percent over the year, and prices for crude materials advanced 18.5 percent.

Finished goods

Finished consumer goods. The Producer Price Index for finished consumer goods (those eventually sold to retailers) rose 1.4 percent after seasonal adjustment, compared with increases of 0.9 percent in December and 0.7 percent in November.

Table A. Percent changes from preceding month in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods			Intermediate goods			Crude goods		
	Total	Consumer foods	Other	Total	Foods and feeds ²	Other	Total	Food-stuffs and feed-stuffs	Other
1978:									
January	0.7	1.0	0.6	0.8	1.7	0.8	1.2	1.5	0.9
February . . . . .	.8	1.9	.4	.8	.2	.7	1.9	2.9	.5
March . . . . .	.6	1.0	.5	.6	4.2	.5	1.2	1.3	1.2
April	1.1	1.0	1.0	.5	1.4	.5	2.0	2.7	1.0
May . . . . .	.7	.3	.8	.6	.1	.6	.9	.9	.8
June . . . . .	.7	1.4	.5	.5	.5	.7	2.1	2.4	1.7
July . . . . .	.7	.1	.9	.5	-.2	.3	.2	-1.1	2.2
August . . . . .	.3	-.4	.5	.6	-1.3	.7	0	0	.1
September . . . . .	.8	1.5	.6	.6	2.3	.6	1.7	1.8	1.6
October . . . . .	.9	1.9	.5	1.1	2.1	1.0	3.1	3.9	2.1
November . . . . .	.8	.7	.8	.8	-.1	.9	1.0	.9	1.2
December . . . . .	.8	1.0	.8	.7	2.4	.7	.5	.1	1.2
1979:									
January	1.3	1.8	1.1	1.2	1.0	1.2	2.4	2.8	1.7

¹ Seasonal adjustment factors have been recalculated to reflect developments during 1978. The new factors, to be used through December 1979, are published in table 17. In addition, data for September 1978 have been revised to reflect the availability of late reports and corrections by respondents. For these reasons, some

figures shown above and elsewhere in this report may differ from those previously reported.

² Intermediate materials for food manufacturing and manufactured animal feeds (not seasonally adjusted).

Table B. Percent changes in finished goods price indexes, selected periods¹

Month	Changes from preceding month, seasonally adjusted						Changes in finished goods from 12 months ago (unadjusted)
	Finished goods	Capital equipment	Finished consumer goods	Finished consumer goods excluding foods			
				Total	Durables	Nondurables	
1978:							
January	0.7	0.6	0.7	0.5	0.8	0.3	6.8
February . . . . .	.8	.6	.9	.3	.1	.4	6.7
March . . . . .	.6	.5	.7	.5	.6	.4	6.5
April	1.1	.7	1.2	1.3	2.6	.4	7.1
May . . . . .	.7	.8	.6	.8	1.4	.5	7.1
June . . . . .	.7	.8	.8	.4	.2	.6	7.8
July . . . . .	.7	.7	.7	1.0	1.8	.6	8.1
August . . . . .	.3	.4	.2	.5	.8	.4	7.9
September . . . . .	.8	.5	.9	.5	.7	.5	8.4
October . . . . .	.9	.5	1.0	.5	-.3	1.0	8.6
November . . . . .	.8	.9	.7	.7	.4	.9	8.7
December . . . . .	.8	.7	.9	.8	.5	1.0	9.1
1979:							
January	1.3	1.0	1.4	1.2	1.2	1.2	9.8

¹ Seasonal adjustment factors have been recalculated to reflect developments during 1978. The new factors, to be used through December 1979, are published in table 17. In addition, data for September 1978 have been revised to reflect the availability of late

reports and corrections by respondents. For these reasons, some figures shown above and elsewhere in this report may differ from those previously reported.

The finished consumer foods index advanced 1.8 percent over the month, much more than in December (1.0 percent) and November (0.7 percent), and about as much as in October (1.9 percent). The January acceleration was caused by prices for beef and veal, which moved up over 13 percent. This was half as much as the increase in beef and veal prices during all of 1978. Milled rice prices turned up after falling most of last year. Higher prices were also recorded for fresh and dried vegetables, vegetable oil end products, processed poultry, pork, and whole black pepper. Prices for dairy products and processed fruits and vegetables also moved up but considerably less than in most recent months. Prices for fresh fruits, roasted coffee, and fish declined sharply.

The index for consumer durables advanced 1.2 percent in January, after rising 0.5 percent and 0.4 percent in December and November, respectively. Prices for passenger cars were up considerably more than in recent months. Prices were also higher for household flatware, jewelry made of platinum and karat gold, luggage and small leather goods, household furniture, household appliances, and lawnmowers. On the other hand, prices for household glassware moved down.

Prices for consumer nondurable goods other than foods moved up 1.2 percent over the month, somewhat more than the 1.0 percent average increase in each of the last 3 months of 1978. Some of the largest advances in January occurred for tobacco products, gasoline, tires and tubes, and cosmetics. Increases were also registered for home heating oil, pharmaceutical preparations, razor blades, sporting and athletic goods, nonalcoholic beverages, sani-

tary papers and health products, apparel, and footwear. Prices for textile housefurnishings decreased over the month.

Capital equipment. The Producer Price Index for capital equipment rose 1.0 percent over the month, following increases of 0.7 and 0.9 percent in December and November, respectively. Some of the largest advances in January occurred for motor trucks, commercial furniture, oilfield machinery and tools, and hand tools. Prices for machine tools, however, rose considerably less than in most recent months.

Intermediate materials

The Producer Price Index for intermediate materials, supplies, and components advanced 1.2 percent in January after seasonal adjustment, more than in any month since November 1974. The acceleration in the index was the result of sharply higher prices for a broad range of manufacturing and construction materials.

The index for intermediate materials less foods and feeds also rose 1.2 percent from December to January. The largest upward price movements were in the durable manufacturing materials category. Almost half of this increase was caused by a 3.6 percent increase in prices for finished steel products. Prices also rose for copper and copper products, precious metals, hardwood lumber, pig iron and ferroalloys, flat glass, and jewelers' materials and findings.

Among nondurable manufacturing materials, the price indexes for industrial chemicals and plastic resins and

materials both advanced more over the month than in all of 1978. Prices were also higher for woodpulp, inedible fats and oils, leather, and paint materials.

The index for materials and components for construction moved up in January at about the same rate as it had during most of 1978. Prices for plywood, millwork, Portland cement, concrete products, gypsum products, asphalt roofing, and fabricated structural metal products registered some of the largest advances over the month. On the other hand, the indexes for softwood lumber and building paper and board declined for the second consecutive month.

Among processed fuels and lubricants, price increases were recorded for residual fuel, diesel fuel, commercial jet fuel, and lubricating oil materials. In contrast, liquefied petroleum gas prices declined, as they had during most of last year.

Among other intermediate nonfood goods, some of the largest increases occurred for metal containers, mining machinery parts, valves and fittings, notions, photographic supplies, abrasive products, and fluid power equipment.

The intermediate foods and feeds index moved up 1.0 percent from December to January. (This index is no longer

seasonally adjusted.) Prices for animal fats and oils and crude vegetable oils were up sharply; refined sugar for use in food manufacturing also rose. On the other hand, prices for flour and manufactured animal feeds declined.

Crude materials

The Producer Price Index for crude materials for further processing rose 2.4 percent in January on a seasonally adjusted basis, after a much smaller increase in December. Prices for crude foodstuffs and feedstuffs moved up 2.8 percent, after a 0.1 percent rise in the previous month. This acceleration was mainly due to a rise of about 11 percent for cattle prices. Prices for live poultry, hay, oilseeds, and fluid milk also moved up. In contrast, prices for wheat and raw cane sugar were lower.

The crude nonfood materials index advanced 1.7 percent in January. Prices increased for natural gas, crude petroleum, hides and skins, nonferrous scrap, and wastepaper. On the other hand, prices declined after rising in most recent months for iron and steel scrap and crude natural rubber.

Price Movements

February 1979

Summary

The Producer Price Index for Finished Goods moved up 1.0 percent from January to February on a seasonally adjusted basis. This compares with a 1.3 percent rise in January and an average monthly increase of 0.8 percent during the last quarter of 1978. Prices for intermediate (semifinished) goods rose more than 1 percent for the second consecutive month, and crude material prices increased over 3 percent, considerably more than in most recent months (table A).

Prices for most major components of the Finished Goods Price Index rose sharply, although not as much as in January. Prices for finished consumer foods were up 1.6 percent, slightly less than in the previous month but much more than in December or November. Prices for consumer nondurable goods other than foods rose substantially for the fifth consecutive month. Consumer durable prices rose 0.7 percent over the month, considerably less than the January advance. The rise in capital

equipment prices slowed slightly (table B).

Before seasonal adjustment, the Producer Price Index for Finished Goods rose 1.0 percent to 207.4 (1967=100). Over the year, the Finished Goods Price Index increased 10.0 percent. The finished consumer foods index was up 12.5 percent from February 1978 to February 1979, the index for finished consumer goods excluding foods rose 9.6 percent, and capital equipment prices were 8.7 percent higher than a year ago. The Producer Price Index for intermediate goods increased 9.3 percent over the year, and prices for crude materials advanced 20.2 percent.

Finished goods

Finished consumer goods. The Producer Price Index for finished consumer goods (those eventually sold to retailers) rose 1.2 percent after seasonal adjustment, compared with increases of 1.4 percent in January and 0.9 percent in both December and November.

Table A. Percent changes from preceding month in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods			Intermediate goods			Crude goods		
	Total	Consumer foods	Other	Total	Foods and feeds ²	Other	Total	Food-stuffs and feed-stuffs	Other
1978:									
February	0.8	1.9	0.4	0.8	0.2	0.7	1.9	2.9	0.5
March . . . . .	.6	1.0	.5	.6	4.2	.5	1.2	1.3	1.2
April	1.1	1.0	1.0	.5	1.4	.5	2.0	2.7	1.0
May . . . . .	.7	.3	.8	.6	.1	.6	.9	.9	.8
June . . . . .	.7	1.4	.5	.5	.5	.7	2.1	2.4	1.7
July . . . . .	.7	.1	.9	.5	-.2	.3	.2	-1.1	2.2
August . . . . .	.3	-.4	.5	.6	-1.3	.7	0	0	.1
September . . . . .	.8	1.5	.6	.6	2.3	.6	1.7	1.8	1.6
October	r.8	r.1.6	.5	r.1.2	2.1	r.1.1	r.2.8	r.3.7	r.1.7
November	r.9	r.9	.8	r.7	.1	r.8	r.1.3	r.1.1	r.1.6
December . . . . .	.8	1.0	.8	.7	2.4	.7	.5	.1	1.2
1979:									
January	1.3	1.8	1.1	1.2	1.0	1.2	2.4	2.8	1.7
February	1.0	1.6	.9	1.1	1.8	.9	3.3	3.8	2.8

¹ Data for October 1978 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some of the figures shown above and elsewhere in this report may differ from those previously reported. All data are sub-

ject to revision 4 months after original publication.

² Intermediate materials for food manufacturing and manufactured animal feeds (not seasonally adjusted).

r= revised.

Table B. Percent changes in finished goods price indexes, selected periods¹

Month	Changes from preceding month, seasonally adjusted						Changes in finished goods from 12 months ago (unadjusted)
	Finished goods	Capital equipment	Finished consumer goods	Finished consumer goods excluding foods			
				Total	Durables	Nondurables	
1978:							
February	0.8	0.6	0.9	0.3	0.1	0.4	6.7
March . . . . .	.6	.5	.7	.5	.6	.4	6.5
April	1.1	.7	1.2	1.3	2.6	.4	7.1
May . . . . .	.7	.8	.6	.8	1.4	.5	7.1
June . . . . .	.7	.8	.8	.4	.2	.6	7.8
July . . . . .	.7	.7	.7	1.0	1.8	.6	8.1
August . . . . .	.3	.4	.2	.5	.8	.4	7.9
September . . . . .	.8	.5	.9	.5	.7	.5	8.4
October	r.8	r.6	r.8	r.4	r-.8	r.1.1	r.8.5
November	r.9	r.7	r.9	r.9	r.9	r.8	8.7
December . . . . .	.8	.7	.9	.8	.5	1.0	9.1
1979:							
January	1.3	1.0	1.4	1.2	1.2	1.2	9.8
February	1.0	.8	1.2	.9	.7	.9	10.0

¹ Data for October 1978 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some of the figures shown above and elsewhere in this report

may differ from those previously reported. All data are subject to revision 4 months after original publication.

r= revised.

The finished consumer foods index rose 1.6 percent from January to February, following a 1.8 percent advance in the preceding month. Prices for beef and veal rose much less than in January (4.7 vs. 13.3 percent). Prices for some foods, however, rose at a faster rate than in January—fresh and dried vegetables, pork, vegetable oil end products, refined sugar in consumer-size packages, and confectionery end products. Fresh fruits and fish turned up after falling in January. Prices for roasted coffee and processed poultry declined.

Prices for consumer nondurable goods other than foods advanced 0.9 percent in February after rising 1.2 percent in January. The largest increases occurred for leather footwear, tires and tubes, gasoline, and textile housefurnishings. Prices also rose for disposable plastic dinnerware and tableware, alcoholic beverages, and most other nondurables.

The index for consumer durables rose 0.7 percent over the month after an increase of 1.2 percent in January. Most of the slowdown in February was caused by a smaller rise (0.7 percent) in the passenger car index, which had advanced 2.1 percent in January. Prices for household furniture also rose much less than in the previous month. Luggage and small leather goods turned down after a substantial rise in January.

Capital equipment. The Producer Price Index for capital equipment rose 0.8 percent after increasing 1.0 percent in January. Motor truck prices advanced more than 2 percent for the second consecutive month. Commercial furniture prices rose sharply for the third consecutive month, but not as much as in January (1.5 vs. 3.6 percent). Prices for

special industry machinery and equipment and for oilfield machinery and tools also rose considerably less than in the preceding month. After rising rapidly in most recent months, prices fell for pumps and compressors, hand tools, and mining machinery and equipment.

Intermediate materials

The Producer Price Index for intermediate materials, supplies, and components rose 1.1 percent in February, seasonally adjusted, nearly as much as in the previous month. Higher prices for nonferrous metals and chemicals accounted for much of the February increase.

The index for intermediate materials less foods and feeds moved up 0.9 percent from January to February after rising 1.2 percent from December to January. The index for durable manufacturing materials advanced 1.6 percent, somewhat less than the 2.2 percent rise in January. Steep increases for copper and copper products and for precious metals accounted for much of the February advance. Prices were also higher for plastic resins and materials, laminated plastic sheets, foamed plastic products, flat glass, and jewelers' materials and findings. Steel mill prices, which had risen sharply in the preceding month, were virtually unchanged in February.

Among nondurable manufacturing materials, industrial chemical prices rose sharply for the second consecutive month; this index increased as much during the first 2 months of 1979 as it had from December 1976 to December 1978 (3.3 percent). Price increases were also registered for paper, paperboard, leather, and inedible fats

and oils. In contrast, prices for gray fabrics declined for the third consecutive month after rising substantially during most of 1978.

Prices for construction materials were generally higher. Some of the largest advances were registered for plastic construction products, asphalt roofing, bituminous paving materials, gypsum products, prepared paint, and fabricated structural metal products. On the other hand, prices for both softwood lumber and building paper and board declined for the third consecutive month, and plywood turned down after rising in January.

The processed fuels index edged down as prices fell for commercial jet fuel, residual fuel, liquefied petroleum gas, electric power, and coke. Diesel fuel prices rose, but less than in any month since last September.

Prices rose for a broad range of other intermediate non-food goods, including motor vehicle parts, rubber products, mechanical power transmission equipment, mixed fertilizers, bearings, and fluid power equipment. On the other hand, prices for pesticides declined.

The index for intermediate foods and feeds advanced 1.8 percent in February after rising 1.0 percent the month before. Prices for manufactured animal feeds and flour rose after decreasing in January, and crude and refined vegetable oil prices continued to rise. In contrast, prices for confectionery materials and for refined sugar used in food manufacturing turned down after increasing in January.

Crude materials

The Producer Price Index for crude materials for further processing rose 3.3 percent in February on a seasonally adjusted basis, the largest monthly advance since May 1975. Prices for crude foodstuffs and feedstuffs moved up 3.8 percent following a 2.8 percent rise in the preceding month. The acceleration in February was partly due to an upturn in prices for grains and raw cane sugar, both of which had declined in January. Prices for hogs, soybeans, and fluid milk rose more than in the previous month. Cattle prices rose sharply for the second consecutive month, although not as steeply as in January. In contrast, prices for live poultry turned down after rising substantially in each of the previous 3 months. Prices for green coffee and cocoa beans both decreased much more than in January.

The crude nonfood materials index advanced 2.8 percent over the month, after a 1.7 percent rise from December to January. Much of the February increase was caused by substantially higher prices for both ferrous and nonferrous scrap, especially copper base scrap. Prices for hides and skins moved up 12.6 percent, more than twice as much as in January. Prices also rose for natural gas, crude petroleum, and crude natural rubber. On the other hand, raw cotton prices turned down for the first time since last July.

Price Movements

March 1979

The Producer Price Index for Finished Goods moved up 1.0 percent from February to March on a seasonally adjusted basis. Over the first 3 months of 1979, the Finished Goods Price Index increased at a seasonally adjusted annual rate of 14.1 percent, the largest quarterly advance since the fourth quarter of 1974. Prices for intermediate (semi-finished) goods also rose 1.0 percent over the month, almost as much as in both February and January. However, crude material prices, largely reflecting a slowdown in increases for foodstuffs, rose considerably less than in either of the first 2 months of the year (table A).

Among finished goods, prices for consumer nondurable goods other than foods rose 1.4 percent, the sixth consecutive large monthly increase. Consumer food prices rose more than 1 percent for the sixth time in the last 7 months, but the March advance was more moderate than in the first 2 months of 1979. Prices for capital equipment and con-

sumer durables both rose 0.6 percent, slightly less than in February and considerably less than in January (table B).

Before seasonal adjustment, the Producer Price Index for Finished Goods rose 0.7 percent to 208.8 (1967=100). Over the year, the Finished Goods Price Index increased 10.4 percent. The finished consumer foods index was up 12.8 percent from March 1978 to March 1979, the index for finished consumer goods excluding foods rose 10.2 percent, and capital equipment prices were 8.6 percent higher than a year ago. The Producer Price Index for intermediate goods increased 9.7 percent over the year, and prices for crude materials advanced 20.0 percent.

Finished goods

Finished consumer goods. The Producer Price Index for finished consumer goods (those eventually sold to retailers) rose 1.1 percent in March, following increases

Table A. Percent changes from preceding month in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods			Intermediate goods			Crude goods		
	Total	Consumer foods	Other	Total	Foods and feeds ²	Other	Total	Food-stuffs and feed-stuffs	Other
1978:									
March	0.6	1.0	0.5	0.6	4.2	0.5	1.2	1.3	1.2
April	1.1	1.0	1.0	.5	1.4	.5	2.0	2.7	1.0
May . . . . .	.7	.3	.8	.6	.1	.6	.9	.9	.8
June . . . . .	.7	1.4	.5	.5	.5	.7	2.1	2.4	1.7
July . . . . .	.7	.1	.9	.5	-.2	.3	.2	-1.1	2.2
August . . . . .	.3	-.4	.5	.6	-1.3	.7	0	0	.1
September . . . . .	.8	1.5	.6	.6	2.3	.6	1.7	1.8	1.6
October . . . . .	.8	1.6	.5	1.2	2.1	1.1	2.8	3.7	1.7
November	r.7	r.8	r.7	r.8	r.0	r.9	r.1.1	r.9	r.1.7
December	r.9	r.1.2	r.9	r.6	r.2.2	r.6	r.7	r.3	1.2
1979:									
January	1.3	1.8	1.1	1.2	1.0	1.2	2.4	2.8	1.7
February	1.0	1.6	.9	1.1	1.8	.9	3.3	3.8	2.8
March	1.0	1.2	.9	1.0	.3	1.1	1.0	.2	2.1

¹ Data for November 1978 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some of the figures shown above and elsewhere in this report may differ from those previously reported. All data are subject to

revision 4 months after original publication.

² Intermediate materials for food manufacturing and manufactured animal feeds (not seasonally adjusted).

r= revised.

Table B. Percent changes in finished goods price indexes, selected periods¹

Month	Changes from preceding month, seasonally adjusted						Changes in finished goods from 12 months ago (unadjusted)
	Finished goods	Capital equip-ment	Finished consumer goods	Finished consumer goods excluding foods			
				Total	Durables	Nondurables	
1978:							
March	0.6	0.5	0.7	0.5	0.6	0.4	6.5
April	1.1	.7	1.2	1.3	2.6	.4	7.1
May . . . . .	.7	.8	.6	.8	1.4	.5	7.1
June . . . . .	.7	.8	.8	.4	.2	.6	7.8
July . . . . .	.7	.7	.7	1.0	1.8	.6	8.1
August . . . . .	.3	.4	.2	.5	.8	.4	7.9
September . . . . .	.8	.5	.9	.5	.7	.5	8.4
October . . . . .	.8	.6	.8	.4	-.8	1.1	8.5
November	r.7	r.8	r.6	r.6	r.1	r.9	r.8.5
December	r.9	r.6	r.1.2	r.1.1	r.1.3	r.9	9.1
1979:							
January	1.3	1.0	1.4	1.2	1.2	1.2	9.8
February	1.0	.8	1.2	.9	.7	.9	10.0
March	1.0	.6	1.1	1.1	.6	1.4	10.4

¹ Data for November 1978 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some of the figures shown above and elsewhere in this

report may differ from those previously reported. All data are subject to revision 4 months after original publication.
r= revised.

of 1.2 percent in February and 1.4 percent in January.

The finished consumer foods index advanced 1.2 percent in March, following sharper rises in February and January. Although beef and veal prices moved up rapidly for the fourth consecutive month, prices declined for fresh vegetables and pork after rising rapidly a month earlier. Prices also were lower in March for vegetable oil end products, roasted coffee, and processed poultry. Prices for eggs, on the other hand, rose sharply after declining in each of the preceding 3 months. Prices were also higher for milled rice, confectionery end products, and whole black pepper.

The index for consumer nondurables other than foods increased 1.4 percent in March, following increases of 0.9 percent in February and 1.2 percent in January. In March, price increases accelerated for home heating oil and gasoline. Leather footwear prices rose sharply for the second consecutive month. However, prices declined for tires and tubes.

Prices for consumer durables rose 0.6 percent in March, compared with 0.7 percent in February and 1.2 percent in January. Prices were higher for mobile homes, jewelry, household flatware, luggage and small leather goods, and bicycles. Passenger car prices edged slightly higher for the second consecutive month following a large advance in January.

Capital equipment. The Producer Price Index for capital equipment moved up 0.6 percent after rising 0.8 percent in February and 1.0 percent in January. Motor truck prices, which had risen sharply in each of the 2 previous months, were unchanged in March. Prices for machine

tools and construction machinery moved up, but less than in most recent months. Price increases were also registered for most other capital goods, led by commercial furniture, hand tools, and fixed wing utility aircraft.

Intermediate materials

The Producer Price Index for intermediate materials, supplies, and components advanced 1.0 percent, seasonally adjusted, from February to March. This rise was nearly as much as the increases in each of the first 2 months of 1979. The 13.7 percent annual rate of increase for the first quarter of this year was greater than for any 3-month period since the fourth quarter of 1974.

Excluding foods and feeds, the intermediate materials index rose 1.1 percent, following a 0.9 percent upward movement in February. The March acceleration was principally due to substantial advances for processed fuels and for materials used in nondurable manufacturing. Prices for most other major categories of the intermediate non-food materials index, however, rose less than in the preceding month.

The processed fuels and lubricants index rose sharply (1.9 percent), after a 0.2 percent drop in February. Prices for residual fuel, liquefied petroleum gas, coke, electric power, and commercial jet fuel all turned up after declining the month before. Diesel fuel prices rose considerably more than in February.

The nondurable manufacturing materials category registered a 1.4 percent advance, more than in any recent month. The industrial chemicals index recorded its third consecutive large increase, and leather prices were up

nearly 20 percent. Prices for inedible fats and oils, phosphates, nitrogenates, processed yarns and threads, wood-pulp, and rubber products also advanced. On the other hand, finished fabrics declined for the first time since last June.

Among durable manufacturing materials, nonferrous metals generally recorded smaller increases than in the previous month, and prices for precious metals turned down after 3 consecutive large advances. In contrast, the price increases for plastic resins and materials and foundry and forge shop products exceeded those for the prior month.

Within the construction materials and components category, prices advanced for softwood lumber, millwork, plastic construction products, heating equipment, concrete products, and structural clay products. On the other hand, lower prices were recorded for building paper and board and insulation materials.

Several other intermediate nonfood goods also registered large advances, including plastic parts and components, paper boxes and containers, ball and roller bearings, mining machinery parts, plastic packaging and shipping products, wiring devices, and metal containers.

The intermediate foods and feeds index rose only 0.3 percent in March, following 3 months of much larger

advances. Crude vegetable oil prices fell sharply after rising for 3 months. Prices for manufactured animal feeds also declined after a steep advance in the previous month, and the index for flour rose less than in February.

Crude materials

The Producer Price Index for crude materials for further processing rose 1.0 percent in March on a seasonally adjusted basis, following 2 months of much larger increases. Much of this deceleration was due to a smaller increase in prices of crude foodstuffs and feedstuffs, which had risen rapidly in both February and January. Prices turned down for hogs, raw cane sugar, and wheat after rising sharply in February. Cocoa beans fell for the third consecutive month. Cattle prices continued to rise substantially, but the rise was smaller than in either February or January. Green coffee prices turned up after declining for 3 consecutive months. Prices for fluid milk, barley, and oats also moved up.

The crude nonfood materials index rose 2.1 percent. Prices for nonferrous scrap, crude petroleum, and sand, gravel, and crushed stone moved up much less than in February. Increases accelerated, however, for hides and skins, natural rubber, iron and steel scrap, coal, and natural gas.

Price Movements

April 1979

The Producer Price Index for Finished Goods moved up 0.9 percent from March to April on a seasonally adjusted basis. This followed increases of 1.0 percent in both March and February and a 1.2 percent advance in January. Prices for intermediate (semifinished) goods rose 1.5 percent, even more than the large monthly increases registered during the first quarter. Crude material prices, however, declined slightly after rising sharply in the first 3 months of the year (table A).

Among finished goods, consumer food prices edged down in April after increasing rapidly during the 7 preceding months. On the other hand, prices for consumer goods other than foods and for capital equipment both rose more than in any month during the last year (table B).

Before seasonal adjustment, the Producer Price Index for Finished Goods rose 1.1 percent to 211.2 (1967=100). Over the year, the Finished Goods Price Index increased 10.3 percent. The finished consumer foods index was up

11.3 percent from April 1978 to April 1979, the index for finished consumer goods excluding foods rose 10.4 percent, and capital equipment prices were 9.2 percent higher than a year ago. The Producer Price Index for intermediate goods increased 10.7 percent over the year, and prices for crude materials advanced 17.1 percent.

Finished goods

Finished consumer goods. The Producer Price Index for finished consumer goods (those eventually sold to retailers) increased 0.8 percent in April, after rising about 1.2 percent in each of the preceding 4 months. Prices for finished consumer foods declined from the preceding month, while prices rose more rapidly for consumer durables and consumer nondurables other than foods.

The finished consumer foods index edged down 0.3 percent, the first decrease since August 1978. Prices for pork and roasted coffee fell more than in the previous

Table A. Percent changes from preceding month in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods			Intermediate goods			Crude goods		
	Total	Consumer foods	Other	Total	Foods and feeds ²	Other	Total	Food-stuffs and feed-stuffs	Other
1978:									
April	1.1	1.0	1.0	0.5	1.2	0.5	2.0	2.7	1.0
May . . . . .	.7	.3	.8	.6	.1	.6	.9	.9	.8
June . . . . .	.7	1.4	.5	.5	.5	.7	2.1	2.4	1.7
July . . . . .	.7	.1	.9	.5	-.2	.3	.2	-1.1	2.2
August . . . . .	.3	-.4	.5	.6	-1.3	.7	0	0	.1
September . . . . .	.8	1.5	.6	.6	2.3	.6	1.7	1.8	1.6
October . . . . .	.8	1.6	.5	1.2	2.1	1.1	2.8	3.7	1.7
November . . . . .	.7	.8	.7	.8	0	.9	1.1	.9	1.7
December	r1.0	1.2	r1.0	r.7	2.2	r.7	.7	.3	1.2
1979:									
January	r1.2	1.8	1.1	r1.1	1.0	r1.1	r2.3	2.8	r1.6
February	1.0	1.6	.9	1.1	1.8	.9	3.3	3.8	2.8
March	1.0	1.2	.9	1.0	.3	1.1	1.0	.2	2.1
April . . . . .	.9	-.3	1.3	1.5	.9	1.6	-.4	-.3	-.5

¹ Data for December 1978 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some figures shown above and elsewhere in this report may differ from those previously reported. All data are subject to revision 4 months after original publication.

² Intermediate materials for food manufacturing and manufactured animal feeds (not seasonally adjusted).
r= revised.

Table B. Percent changes in finished goods price indexes, selected periods¹

Month	Changes from preceding month, seasonally adjusted						Changes in finished goods from 12 months ago (unadjusted)
	Finished goods	Capital equipment	Finished consumer goods	Finished consumer goods excluding foods			
				Total	Durables	Nondurables	
1978:							
April	1.1	0.7	1.2	1.3	2.6	0.4	7.1
May . . . . .	.7	.8	.6	.8	1.4	.5	7.1
June . . . . .	.7	.8	.8	.4	.2	.6	7.8
July . . . . .	.7	.7	.7	1.0	1.8	.6	8.1
August . . . . .	.3	.4	.2	.5	.8	.4	7.9
September . . . . .	.8	.5	.9	.5	.7	.5	8.4
October . . . . .	.8	.6	.8	.4	-.8	1.1	8.5
November . . . . .	.7	.8	.6	.6	.1	.9	8.5
December	r1.0	.6	1.2	r1.2	r1.4	r1.0	r9.2
1979:							
January	r1.2	1.0	r1.3	r1.1	r1.0	1.2	9.8
February	1.0	.8	1.2	.9	.7	.9	10.0
March	1.0	.6	1.1	1.1	.6	1.4	10.4
April . . . . .	.9	1.1	.8	1.4	.9	1.7	10.3

¹ Data for December 1978 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some of the figures shown above and elsewhere in this

report may differ from those previously reported. All data are subject to revision 4 months after original publication.
r= revised.

month, fresh vegetable prices dropped sharply for the second consecutive month, and poultry prices decreased about as much as a month earlier. Prices for beef and veal, eggs, and confectionery end products increased less than in March. On the other hand, prices rose more than in the preceding month for milled rice, bakery products, and fresh fruits. Prices turned up after falling in March for vegetable oil end products and fish.

Prices for consumer nondurables other than foods rose more rapidly in April (1.7 percent) than in any other month since July 1974, when they moved up 1.9 percent. Gasoline prices advanced 4.4 percent in April, the ninth consecutive monthly increase over 1 percent. Home heating oil prices moved up 6.7 percent following a 5.3 percent rise in March. Prices also rose more than in March for apparel, over-the-counter drugs, consumer plastics, rubber footwear, and bicycles. On the other hand, prices for tires and tubes edged down for the second consecutive month after 5 months of sharply rising prices. Prices for leather footwear rose considerably less than in most recent months.

The index for consumer durables advanced 0.9 percent, somewhat more than in the 2 previous months and nearly as much as in January. The acceleration in price increases in April was due to higher prices for passenger cars. Prices for precious metal jewelry and mobile homes, however, rose less than in March.

Capital equipment. The Producer Price Index for capital equipment advanced 1.1 percent in April, much more than in March (0.6 percent) and February (0.8 percent). The faster rise in April was partly due to an upturn in prices for motor trucks, which showed no change in the previous

month. Prices for both construction and agricultural machinery rose considerably more than in most recent months. The largest increases among other capital goods occurred for industrial furnaces and ovens, pumps and compressors, mining machinery, chemical industrial machinery, and machine tools. Prices for commercial furniture moved down.

Intermediate materials

The Producer Price Index for intermediate materials, supplies, and components rose 1.5 percent in April on a seasonally adjusted basis, following advances of 1.0 percent in March and 1.1 percent in both February and January. The acceleration from the already rapid rate of advance in this price index during the first quarter of the year was largely due to nonfood materials, which increased more than in any month since August 1974. Some of the largest increases were for products derived from petroleum, including fuels, plastics, and chemicals. In addition, prices for many other manufacturing and construction materials, particularly nonferrous metals, continued to climb.

The processed fuels and lubricants index rose 3.2 percent after advancing 1.9 percent in March. Accelerating price increases were recorded by residual fuel, diesel fuel, and commercial jet fuel. Prices for liquefied petroleum gas rose sharply for the second consecutive month after falling during most of 1978 and early 1979. Electric power rose about as much as in March.

The durable manufacturing materials index increased more sharply than in the previous month, largely because of continuing large rises in primary nonferrous metals,

particularly copper, nickel, aluminum, silver, zinc, and lead. Steel mill products and pig iron and ferroalloys rose more than in March. Prices for plastic components and hardwood lumber also advanced, while the jewelers' materials and findings index fell after rising throughout the first quarter.

Prices for nondurable manufacturing materials increased somewhat more than in March. The industrial chemicals index rose substantially for the fourth consecutive month; the April advance was the largest since November 1974. The largest increases within this group were for petroleum-derived basic organic chemicals. Price increases also accelerated for plastic resins and materials, woodpulp, paper, paperboard, inedible fats and oils, drugs and pharmaceutical materials, nitrogenates, and phosphates. Leather prices rose considerably less than in March. Among textile products, gray fabrics increased for the first time since November, but processed yarns and threads declined after an advance in the previous month.

Prices for construction materials continued to move up about as much as during the first 3 months of 1979. Price increases accelerated for millwork, fabricated structural metal products, and fasteners. The indexes for nonferrous wire and cable, asphalt roofing, bituminous paving materials, softwood lumber, concrete products, and structural clay products also advanced. On the other hand, prices for plastic construction products, plywood, and Portland cement were lower.

Among components for manufacturing, large price increases were recorded for motor vehicle parts, bearings, and internal combustion engines. Other intermediate non-food materials which rose rapidly in April included metal containers, paper boxes and containers, plastic packaging and shipping products, pallets and boxes, mixed fertilizers, and tractor parts.

The intermediate foods and feeds index moved up 0.9 percent in April following a smaller increase in March. Prices for animal fats and oils rose sharply after edging up slightly for 2 months. Flour prices continued to advance, while the indexes for manufactured animal feeds and confectionery materials declined.

Crude materials

The Producer Price Index for crude materials for further processing declined 0.4 percent on a seasonally adjusted basis, the first decrease since August 1977. The downturn was due to lower prices for both food and nonfood materials.

The index for crude nonfood materials moved down 0.5 percent over the month, in contrast to the 29.5 percent annual rate of increase registered in the first quarter of the year. The largest decreases in April occurred in prices for iron and steel scrap and for hides and skins, both of which had been rising substantially for several months. Coal prices moved down slightly following a moderate increase in March. Natural gas prices moved up but less than in most recent months. On the other hand, prices for crude natural rubber and nonferrous scrap rose much more than in the previous month. Higher prices were also registered for iron ore, wastepaper, and crude petroleum.

The index for crude foodstuffs and feedstuffs dropped 0.3 percent, seasonally adjusted, after a 0.2 percent rise in March and much larger increases in the first 2 months of the year. Prices were lower in April for hogs, fresh and dried vegetables, cocoa beans, live poultry, and oilseeds. In contrast, prices for wheat and corn turned up sharply after edging down in the preceding month; raw cane sugar prices also rose after a March decrease. Prices for green coffee rose about twice as much as in March. Cattle prices continued to advance, but the April increase was the smallest so far this year.

Price Movements

May 1979

The Producer Price Index for Finished Goods moved up 0.4 percent from April to May on a seasonally adjusted basis. This was considerably less than in any month since August 1978 (table A). Consumer food prices fell much more than in the preceding month, but prices for other consumer goods continued to increase at a rapid pace. Prices for capital equipment rose more slowly than in April (table B).

Prices for intermediate (semifinished) goods rose less than in April but about as much as in each of the first 3 months of the year. Prices for crude materials turned up after a slight decline in the preceding month, although the May advance was smaller than most monthly increases during the past year.

Before seasonal adjustment, the Producer Price Index for Finished Goods rose 0.6 percent to 212.4 (1967=100). Over the year, the Finished Goods Price Index increased 10.0 percent. The finished consumer foods index was up 9.6 percent from May 1978 to May 1979, the index for finished consumer goods excluding foods rose 10.8 percent,

and capital equipment prices were 9.0 percent higher than a year ago. The Producer Price Index for intermediate goods increased 11.1 percent over the year, and crude material prices advanced 17.0 percent.

Finished goods

Finished consumer goods. The Producer Price Index for finished consumer goods (those eventually sold to retailers) rose 0.3 percent in May. During the first 4 months of the year, this index had risen at a seasonally adjusted annual rate of 14.0 percent. Prices for finished consumer foods declined sharply in May, and prices for nonfood consumer goods increased at about the same rapid rate as in April.

The finished consumer foods index fell 1.3 percent, after declining 0.3 percent a month earlier. The May decrease was the largest since February 1976. Beef and veal prices fell substantially after 5 consecutive months of large increases. Prices also turned down sharply after rising in April for fresh fruits, eggs, and vegetable oil end products. Pork

Table A. Percent changes from preceding month in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods			Intermediate goods			Crude goods		
	Total	Consumer foods	Other	Total	Foods and feeds ²	Other	Total	Food-stuffs and feed-stuffs	Other
1978:									
May	0.7	0.3	0.8	0.6	0.1	0.6	0.9	0.9	0.8
June . . . . .	.7	1.4	.6	.6	.6	.7	2.1	2.4	1.7
July . . . . .	.7	.1	.9	.5	-.2	.3	.2	-1.1	2.2
August . . . . .	.3	-.4	.6	.6	-1.3	.7	0	0	.1
September . . . . .	.8	1.6	.6	.6	2.3	.6	1.7	1.8	1.6
October . . . . .	.8	1.6	.5	1.2	2.1	1.1	2.8	3.7	1.7
November . . . . .	.7	.8	.7	.8	0	.9	1.1	.9	1.7
December	1.0	1.2	1.0	.7	2.2	.7	.7	.3	1.2
1979:									
January	↑1.3	1.8	1.1	1.1	1.0	↑1.2	2.3	2.8	1.6
February	1.0	↑1.6	↑.8	↑1.0	↑1.9	.9	3.3	↑3.7	2.8
March	1.0	1.2	.9	1.0	.3	1.1	1.0	.2	2.1
April9	-.3	1.3	1.6	.9	1.6	-.4	-.3	-.6
May4	-1.3	1.0	1.0	-.7	1.0	.8	-.3	2.3

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² Intermediate materials for food manufacturing and manufactured animal feeds (not seasonally adjusted).
↑= revised.

Table B. Percent changes in finished goods price indexes, selected periods¹

Month	Changes from preceding month, seasonally adjusted						Changes in finished goods from 12 months ago (unadjusted)
	Finished goods	Capital equipment	Finished consumer goods	Finished consumer goods excluding foods			
				Total	Durables	Nondurables	
1978:							
May	0.7	0.8	0.6	0.8	1.4	0.6	7.1
June . . . . .	.7	.8	.8	.4	.2	.6	7.8
July . . . . .	.7	.7	.7	1.0	1.8	.6	8.1
August . . . . .	.3	.4	.2	.5	.8	.4	7.9
September . . . . .	.8	.5	.9	.6	.7	.6	8.4
October . . . . .	.8	.6	.8	.4	-.8	1.1	8.5
November . . . . .	.7	.8	.6	.6	.1	.9	8.5
December	1.0	.6	1.2	1.2	1.4	1.0	9.2
1979:							
January	r1.3	1.0	r1.4	r1.2	r1.1	1.2	9.8
February	1.0	.8	r1.1	r.8	.7	.9	10.0
March	1.0	.6	1.1	1.1	.6	1.4	10.4
April . . . . .	.9	1.1	.8	1.4	.9	1.7	10.3
May . . . . .	.4	.7	.3	1.3	.7	1.6	10.0

¹ Data for January 1979 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some of the figures shown above and elsewhere in this

report may differ from those previously reported. All data are subject to revision 4 months after original publication.

r= revised.

prices fell even more sharply than in the previous 2 months. On the other hand, prices turned up after declining in April for roasted coffee and refined sugar in consumer size packages. Prices for fish and dairy products also rose.

Prices for consumer nondurables other than foods rose 1.6 percent in May, the third consecutive large monthly increase. In the 3 months ended in May, these prices advanced at a seasonally adjusted annual rate of 20.1 percent, the fastest rate for any 3 month period since the summer of 1974. Prices continued to moved up rapidly for gasoline (4.2 percent) and home heating oil (5.4 percent). Increases were also registered for tires and tubes, consumer plastics, leather footwear, and beverages.

The index for consumer durables advanced 0.7 percent, somewhat less than the 0.9 percent rise in April but about the same as the increases in March and February. The slowdown in May was mostly due to a smaller rise in passenger car prices. Prices were higher for household flatware, luggage and small leather goods, lawnmowers, and jewelry.

Capital equipment. The Producer Price Index for capital equipment increased 0.7 percent, much less than in April (1.1 percent) but about the same as in March (0.6 percent). Motor truck prices rose but considerably less than in April. Other capital goods which recorded smaller increases in May included hand tools, industrial process furnaces, pumps and compressors, industrial material handling equipment, special industry machinery, and mining machinery. On the other hand, prices for oil field machinery rose considerably more than in the preceding month, and agricultural machinery prices advanced substantially for the second consecutive month.

Intermediate materials

The Producer Price Index for intermediate materials, supplies, and components rose 1.0 percent in May, seasonally adjusted. Although this increase was smaller than the 1.5 percent jump in April, it was substantially larger than most of the increases registered in 1978. The index for intermediate materials less foods and feeds also advanced 1.0 percent. Continued sharp rises for fuels and other petroleum-related products partly offset slower price increases for many construction materials and durable manufacturing materials.

The processed fuels and lubricants group advanced 4.3 percent, even more than the 3.2 percent increase in April. Prices continued to climb rapidly for commercial jet fuel, residual fuel, diesel fuel, and liquefied petroleum gas. The electric power index rose sharply after showing relatively small changes in each of the first 4 months of the year.

Prices for nondurable manufacturing materials rose substantially for the third consecutive month. The indexes for industrial chemicals and plastic resins and materials (both of which are derived from petroleum) continued their recent pattern of rapid advances. Price increases accelerated for leather, synthetic rubber, and synthetic fibers. Paperboard and woodpulp prices registered smaller rises than in the preceding month, however, and prices for inedible fats and oils fell after 4 months of sharp increases.

The construction materials index edged up 0.1 percent; these prices had advanced at a seasonally adjusted annual rate of 13.1 percent in the first 4 months of the year. Lower prices for millwork, plywood, gypsum products, and nonferrous wire and cable offset advances for fabri-

cated structural metal products, plastic construction products, and asphalt roofing.

The index for durable manufacturing materials also rose considerably less than in recent months. Prices for copper fell sharply following a 9 month period of generally rapid increases. The finished steel products index moved up less than in April, while sharp increases were recorded for precious metals, nickel, and pig iron and ferroalloys. Prices were also higher for laminated plastic sheets, foamed plastic products, and jewelers' materials and findings.

Among manufacturing components, prices for internal combustion engines and switchgear and switchboards advanced, while bearings declined. Among other intermediate nonfood goods, higher prices were registered for glass containers, metal cutting machine tool parts, nonfarm tractor parts, arc welding electrodes, and plastic packaging products.

The intermediate foods and feeds index moved down 0.7 percent, the first decline since August 1978. Prices fell for animal fats and oils and refined vegetable oils. In contrast, prices for flour and confectionery materials rose sharply.

Crude materials

The Producer Price Index for crude materials for further processing moved up 0.8 percent in May on a seasonally

adjusted basis, following a small decline in April. The turnaround was due to an upturn in prices for nonfood materials.

The index for crude nonfood materials moved up 2.3 percent over the month, following a 0.5 percent decrease in April. The largest increases in May occurred for natural gas and crude petroleum, both of which rose more than in any month since February 1977. Substantially higher prices were also registered for raw cotton, aluminum base scrap, and leaf tobacco. Hides and skins prices moved up after falling substantially last month, but the May increase was much smaller than those in the first 3 months of the year. Prices fell for copper base scrap, iron and steel scrap, natural rubber, and wastepaper.

The index for crude foodstuffs and feedstuffs declined 0.3 percent, seasonally adjusted, the same as in April. Livestock prices were responsible for much of the decline: Cattle prices fell for the first time since last November, and hog prices moved down sharply for the third consecutive month. Prices were also lower for soybeans and raw sugar. In contrast, wheat prices moved up nearly 12 percent, more than double their April increase, and green coffee prices rose much more than in any month since last September. Increases were also recorded for corn, live poultry, and fluid milk. Cocoa bean prices turned up following 3 months of sharply lower prices.

Price Movements

June 1979

The Producer Price Index for Finished Goods rose 0.5 percent from May to June on a seasonally adjusted basis. The June increase followed a 0.4 percent rise in May and much larger advances in each of the preceding 8 months. Prices for intermediate (semifinished) goods moved up almost as much as in most other months so far this year. Crude material prices rose about the same as in May (table A).

Among finished goods, prices for consumer foods declined about as much as in May. Prices for capital equipment and consumer durables rose less than in most recent months. Price increases for consumer nondurable goods other than foods accelerated, however, largely because of continued steep advances for fuels (table B).

Before seasonal adjustment, the Producer Price Index for Finished Goods rose 0.5 percent to 213.4 (1967=100). Over the year, the Finished Goods Price Index increased 9.7

percent. The finished consumer foods index was up 6.8 percent from June 1978 to June 1979, the index for finished consumer goods excluding foods rose 11.9 percent, and capital equipment prices were 8.8 percent higher than a year ago. The Producer Price Index for intermediate goods increased 11.5 percent over the year, and prices for crude materials advanced 15.3 percent.

Finished goods

Finished consumer goods. The Producer Price Index for finished consumer goods (those eventually sold to retailers) increased 0.5 percent in June. Over the second quarter, this index rose at a 6.5 percent annual rate, considerably less than the 15.6 percent annual rate recorded in the first quarter. Prices for finished consumer foods fell sharply for the second consecutive month. The index for

Table A. Percent changes from preceding month in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods			Intermediate goods			Crude goods		
	Total	Consumer foods	Other	Total	Foods and feeds ²	Other	Total	Food-stuffs and feed-stuffs	Other
1978:									
June	0.7	1.4	0.6	0.5	-1.6	0.7	2.1	2.4	1.7
July .....	.7	.1	.9	.5	2.8	.3	.2	-1.1	2.2
August .....	.3	-.4	.5	.8	-.6	.7	0	0	.1
September .....	.8	1.5	.6	.6	1.6	.6	1.7	1.8	1.6
October .....	.8	1.6	.5	1.2	2.8	1.1	2.8	3.7	1.7
November .....	.7	.8	.7	.8	-.9	.9	1.1	.8	1.7
December	1.0	1.2	1.0	.7	1.6	.7	.7	.3	1.2
1979:									
January	1.3	1.8	1.1	1.1	.2	1.2	2.3	2.8	1.6
February	r 1.1	r 1.8	r .9	r 1.1	3.0	r 1.0	3.3	r 3.8	r 2.7
March	r .8	r 1.0	r .8	r .9	0	r 1.0	1.0	.2	r 2.2
April .....	.0	-.3	1.3	1.5	-.5	1.8	-.4	-.3	-.5
May .....	.4	-1.3	1.0	1.0	.7	1.0	.8	-.3	2.3
June .....	.5	-1.2	1.1	.9	-.6	1.0	.7	-1.2	3.3

¹ Data for February 1979 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some figures shown above and elsewhere in this report may differ from those previously reported.

² Intermediate materials for food manufacturing and manufactured animal feeds. Data for this series are now seasonally adjusted and therefore differ from figures previously reported. r=revised.

Table B. Percent changes in finished goods price indexes, selected periods¹

Month	Changes from preceding month, seasonally adjusted						Changes in finished goods from 12 months ago (unadjusted)
	Finished goods	Capital equipment	Finished consumer goods	Finished consumer goods excluding foods			
				Total	Durables	Nondurables	
1978:							
June	0.7	0.8	0.8	0.4	0.2	0.6	7.8
July .....	.7	.7	.7	1.0	1.8	.8	8.1
August .....	.3	.4	.2	.5	.8	.4	7.9
September .....	.8	.5	.9	.5	.7	.5	8.4
October .....	.8	.6	.8	.4	-.8	1.1	8.5
November .....	.7	.8	.6	.8	.1	.9	8.5
December	1.0	.6	1.2	1.2	1.4	1.0	9.2
1979:							
January	1.3	1.0	1.4	1.2	1.1	1.2	9.8
February	r 1.1	r .9	r 1.2	r .9	r .9	.9	r 10.2
March	r .8	r .5	r 1.0	r 1.0	r .4	1.4	10.4
April .....	.9	1.1	.8	1.4	.9	1.7	10.3
May .....	.4	.7	.3	1.3	.7	1.8	10.0
June .....	.5	.5	.5	1.4	.4	2.0	9.7

¹ Data for February 1979 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some figures shown above and elsewhere in this report

may differ from those previously reported.
r= revised.

finished nonfood consumer goods moved up 1.4 percent in June, about the same as in both May and April. When prices of energy items are excluded from this index, the June advance was 0.6 percent.

The finished consumer foods index fell 1.2 percent, after moving down 1.3 percent in the previous month. In June, practically all of the decline was due to decreases in prices for beef and veal (2.4 percent), pork (6.0 percent), and processed poultry (15.8 percent). Prices rose for roasted coffee, fresh and dried fruits and vegetables, fish, eggs, vegetable oil end products, and dairy products.

Prices for consumer nondurables other than foods advanced 2.0 percent in June, the largest monthly increase since June 1974. For the 3 months ended in June, this index rose at a 23.1 percent annual rate, compared with a 14.7 percent annual rate in the first quarter of 1979. In June, prices continued to move up rapidly for home heating oil (8.4 percent) and gasoline (3.7 percent). Increases were also registered for leather footwear, tires and tubes, and pharmaceutical preparations.

The index for consumer durables advanced 0.4 percent in June, following a 0.7 percent rise in May. Over the second quarter, this index increased at an annual rate of 8.4 percent, compared with a 9.9 percent annual rate in the first quarter. In June, passenger car prices moved up slightly less than a month earlier. Large increases were registered for precious jewelry and household flatware.

Capital equipment. The Producer Price Index for capital equipment rose 0.5 percent in June, after rising 0.7 percent in May. For the 3 months ended in June, this index rose

at an annual rate of 9.6 percent, about the same as in the first quarter. The June advance was led by increases for railroad equipment, motor trucks, metal cutting machine tools, and photographic equipment. Many other kinds of capital equipment also moved up but generally not as much as in May.

Intermediate materials

The Producer Price Index for intermediate materials, supplies, and components rose 0.9 percent in June, seasonally adjusted, about the same as in May. The index for intermediate materials less foods and feeds advanced 1.0 percent for the second consecutive month; as in May, most of the increase was caused by sharply higher energy-related prices. Prices for intermediate goods less foods and energy moved up 0.5 percent, about the same as the 0.6 percent rise in May but much less than the increases registered in each of the first 4 months of 1979.

The index for processed fuels and lubricants moved up 3.8 percent in June, following an increase of 4.3 percent in May. During the second quarter, this index advanced at a seasonally adjusted annual rate of 55.7 percent, after rising at a 10.4 percent rate in the first 3 months of the year. In June, prices for commercial jet fuel, diesel fuel, lubricating oil materials, and liquefied petroleum gas rose more than in any other month so far this year. Prices for residual fuel and electric power also increased but not as much as in May.

The nondurable manufacturing materials index increased 0.8 percent over the month, somewhat less than in May

(1.2 percent). Prices for industrial chemicals, plastic resins and materials, paper, and paperboard rose considerably less than in most recent months, leather prices turned down after rising steeply during each of the first 5 months of 1979, and inedible fats and oils fell sharply for the second consecutive month. In contrast, prices for synthetic rubber and paint materials rose more rapidly than in most other months so far this year.

Construction material prices were 0.5 percent higher than in May, a somewhat larger increase than the 0.1 percent rise in the previous month but considerably smaller than the increases recorded in the first 4 months of the year. The largest advances in June occurred for nonmetallic mineral products such as refractories, asphalt roofing, concrete products, and gypsum products. Prices for fabricated structural metal products, heating equipment, and plastic construction products also rose but not as much as in most recent months. Lower prices were recorded for millwork, building paper and board, and nonferrous wire and cable.

Prices for durable manufacturing materials rose 0.4 percent, the second consecutive moderate increase after 4 months of steep advances. Lower prices for copper, silver, steel, plywood, and hardwood lumber partly offset sharply higher prices for lead, nickel, gold, and jewelers' materials and findings.

Among other intermediate nonfood goods, some of the largest advances occurred for unsupported plastic film and sheeting, plastic packaging and shipping products, mechanical power transmission equipment, and parts for farm machinery other than tractors. On the other hand, prices fell for mining machinery parts and for switchgear and switchboard equipment.

The index for intermediate foods and feeds dropped 0.6 percent, following a 0.7 percent rise in May. Lower

prices for animal fats and oils, refined vegetable oils, flour, and manufactured animal feeds more than offset higher prices for crude vegetable oils, confectionery materials, and refined sugar for manufacturing.

Crude materials

The Producer Price Index for crude materials for further processing moved up 0.7 percent in June on a seasonally adjusted basis, following a 0.8 percent increase in May.

The index for crude nonfood materials rose 3.3 percent over the month after a 2.3 percent increase in May. The largest advance in June occurred for iron and steel scrap, which increased sharply following 2 months of substantial decreases. The 6.2 percent rise in the crude petroleum index (which includes only domestic production) was double the May increase and was the largest since June 1975. Natural gas prices rose but not as much as in most recent months. Raw cotton moved up substantially for the second consecutive month. Crude natural rubber turned up after decreasing in May. Price increases were also registered for iron ore, aluminum base scrap, and sand, gravel and crushed stone. On the other hand, prices for hides and skins declined moderately after a small rise in May, and copper base scrap fell almost as much as in the preceding month.

The index for crude foodstuffs and feedstuffs fell 1.2 percent after declining slightly for 2 consecutive months. Cattle prices fell somewhat less than in May, and hog prices fell at a steep rate for the fourth consecutive month. Live poultry declined sharply after a moderate increase in May. On the other hand, wheat prices moved up more than 10 percent for the second consecutive month, and green coffee and cocoa beans advanced 12.8 and 10.9 percent, respectively. Higher prices were also recorded for hay, raw cane sugar, fluid milk, and corn.

Price Movements

July 1979

The Producer Price Index for Finished Goods rose 1.1 percent from June to July on a seasonally adjusted basis. The July advance was considerably larger than the increases in either May or June. Price increases for intermediate (semifinished) goods and crude materials also accelerated (table A).

Among finished goods, prices for consumer goods rose much more than in June: Food prices were unchanged after 3 consecutive months of falling prices, and prices for finished consumer goods excluding foods rose even more than in recent months. The increase in capital equipment prices also accelerated (table B).

Before seasonal adjustment, the Producer Price Index for Finished Goods rose 1.1 percent to 215.8 (1967=100). Over the year, the Finished Goods Price Index increased 10.1 percent. The finished consumer foods index was up 6.7 percent from July 1978 to July 1979, the index for finished consumer goods excluding foods rose 12.8 percent, and capital equipment prices were 8.9 percent higher than a year ago. The Producer Price Index for

intermediate goods increased 13.1 percent over the year, and prices for crude materials advanced 17.1 percent.

Finished goods

Finished consumer goods. The Producer Price Index for finished consumer goods (those eventually sold to retailers) rose 1.2 percent in July, much more than in each of the previous 3 months and about the same as in each month during the first quarter of this year. Prices for consumer nondurables other than foods continued to rise sharply and price increases for consumer durables accelerated, but consumer food prices were unchanged.

Much of the 1.9 percent rise in the index for consumer nonfood finished goods was due to continued sharp advances for energy items: Home heating oil prices climbed 9.0 percent over the month, and gasoline prices were up 3.9 percent. When prices of energy items are excluded from this index, the July advance was 0.8 percent. Much of this increase was due to considerably higher prices for passenger cars and many other consumer durables, such as precious

Table A. Percent changes from preceding month in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods			Intermediate goods			Crude goods		
	Total	Consumer foods	Other	Total	Foods and feeds ²	Other	Total	Food-stuffs and feed-stuffs	Other
1978:									
July	0.7	0.1	0.9	0.5	2.8	0.3	0.2	-1.1	2.2
August . . . . .	.3	-.4	.5	.6	-.6	.7	0	0	.1
September . . . . .	.8	1.5	.6	.6	1.6	.6	1.7	1.8	1.6
October . . . . .	.8	1.6	.5	1.2	2.8	1.1	2.8	3.7	1.7
November . . . . .	.7	.8	.7	.8	-.9	.9	1.1	.9	1.7
December	1.0	1.2	1.0	.7	1.6	.7	.7	.3	1.2
1979:									
January	1.3	1.8	1.1	1.1	.2	1.2	2.3	2.8	1.6
February	1.1	1.8	.9	1.1	3.0	1.0	3.3	3.8	2.7
March	r1.0	r1.2	r.9	r1.1	r-.1	r1.1	1.0	r.3	2.2
April	r.8	r-.4	r1.2	r1.3	-.5	r1.4	-.4	r.4	-.5
May . . . . .	.4	-1.3	1.0	1.0	.7	1.0	.8	-.3	2.3
June . . . . .	.5	-1.2	1.1	.9	-.6	1.0	.7	-1.2	3.3
July	1.1	0	1.4	1.9	6.7	1.6	1.8	2.1	1.4

¹ Data for March 1979 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some figures shown above and elsewhere in this report may differ from those previously reported. All data are subject to revision.

² Intermediate materials for food manufacturing and manufactured animal feeds.

r = revised.

Table B. Percent changes in finished goods price indexes, selected periods¹

Month	Changes from preceding month, seasonally adjusted						Changes in finished goods from 12 months ago (unadjusted)
	Finished goods	Capital equipment	Finished consumer goods	Finished consumer goods excluding foods			
				Total	Durables	Nondurables	
1978:							
July	0.7	0.7	0.7	1.0	1.8	0.6	8.1
August . . . . .	.3	.4	.2	.5	.8	.4	7.9
September . . . . .	.8	.5	.9	.5	.7	.5	8.4
October . . . . .	.8	.6	.8	.4	-.8	1.1	8.5
November . . . . .	.7	.8	.6	.6	.1	.9	8.5
December	1.0	.6	1.2	1.2	1.4	1.0	9.2
1979:							
January	1.3	1.0	1.4	1.2	1.1	1.2	9.8
February	1.1	.9	1.2	.9	.9	.9	10.2
March	^r 1.0	^r .6	^r 1.1	^r 1.1	^r .5	1.4	^r 10.6
April	^r .8	^r 1.0	^r .7	^r 1.3	^r .7	^r 1.6	10.3
May . . . . .	.4	.7	.3	1.3	.7	1.6	10.0
June . . . . .	.5	.5	.5	1.4	.4	2.0	9.7
July	1.1	.8	1.2	1.9	1.0	2.3	10.1

¹ Data for March 1979 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some figures shown above and elsewhere in this report may

differ from those previously reported. All data are subject to revision 4 months after original publication.

^r = revised.

metal jewelry, floor coverings, dinnerware, lawnmowers, household flatware, household appliances, and sporting and athletic goods. Prices for many consumer nondurable goods other than fuels, however, rose less than 0.5 percent.

The finished consumer foods index was unchanged after 3 months of declines. Lower prices for meats, poultry, fresh and dried vegetables, and eggs offset advances for roasted coffee, vegetable oil end products, confectionery end products, canned vegetables and juices, and bakery products.

Capital equipment. The Producer Price Index for capital equipment was up 0.8 percent in July, after rising 0.7 percent in May and 0.5 percent in June. Prices rose considerably more than in most recent months for railroad equipment, metal forming machine tools, construction machinery, plastic and rubber industry machinery, office and store machinery, and hand tools. In contrast, motor truck prices declined more than in any month since November 1977.

Intermediate materials

The Producer Price Index for intermediate materials, supplies, and components advanced 1.9 percent seasonally adjusted from June to July, the largest monthly increase since the 2.2 percent advance in October 1974. Although prices for energy products continued to advance rapidly and food and feed prices turned up markedly, most of the acceleration in July was due to larger price increases for a broad variety of materials other than food and energy.

Prices for intermediate goods other than food and energy increased 1.3 percent over the month, far more than in either of the 2 previous months. This was primarily the result of sharper price advances among materials used in manufacturing. After 2 months of small increases, the durable manufacturing materials index advanced 1.8 percent. Prices rose sharply for steel mill products, pig iron and ferroalloys, precious metals, aluminum, lead, and zinc. The nondurable manufacturing materials category which also registered a sharp increase moved up 2.0 percent after June's 0.8 percent rise. Price increases accelerated substantially for a number of petroleum-related products, including industrial chemicals, plastic resins and materials, synthetic rubber, gray fabrics, and paint materials. In contrast, prices for leather fell more sharply than in the previous month; leather prices had climbed very rapidly from mid-1978 through May.

Prices for construction materials moved up at a faster pace (0.7 percent) than in either May or June, but less than in any of the first 4 months of 1979. Price increases were registered for plywood, softwood lumber, structural clay products, bituminous paving materials, plastic construction products, and prepared paint. In contrast, prices for millwork and building paper and board each fell for the third consecutive month.

Among components for manufacturing, prices were considerably higher for motor vehicle parts, electronic components and accessories, and electric motors. Other intermediate nonfood nonenergy items which recorded

large increases included electric lamps and bulbs, mining machinery parts, metal forming machine tools parts, nonfarm tractor parts, and parts for farm machinery other than tractors.

The processed fuels and lubricants index advanced 4.0 percent, about the same as in recent months. Prices for liquefied petroleum gas rose nearly 16 percent. Large increases were also recorded for diesel fuel, residual fuel, and commercial jet fuel.

After a 4-month period of relative stability, the intermediate foods and feeds index moved up 6.7 percent, as prices for manufactured animal feeds climbed substantially. Flour, confectionery materials, and refined vegetable oils rose rapidly. On the other hand, prices fell for crude vegetable oils and animal fats and oils.

Crude materials

The Producer Price Index for crude materials for further processing rose 1.8 percent in July on a seasonally adjusted basis, more than twice as much as in either of the 2 preceding months. The acceleration was largely due to an upturn in prices for crude food materials. Prices for crude energy-related materials (principally natural gas and crude petroleum) continued to climb, but prices for other nonfood materials generally declined.

The index for crude foodstuffs and feedstuffs increased 2.1 percent, in contrast to the 1.2 percent drop in June. The largest advances in July occurred for green coffee prices (up more than 25 percent) and for corn prices, which advanced 16.1 percent following 3 months of considerably smaller increases. Prices for wheat, fluid milk, fresh fruits, and raw cane sugar also rose but much less than in June. Hog prices decreased substantially for the fifth consecutive month, and live poultry prices dropped for the second consecutive month. Prices for fresh and dried vegetables and cocoa beans turned down after sharp June increases. Cattle prices edged down, after 2 months of much larger declines.

Among energy-related materials, natural gas prices moved up more than 2 percent for the sixth time in the last 8 months. Crude petroleum prices rose substantially for the third consecutive month, although the July rise was not as large as in June.

Prices for crude materials other than food and energy fell 1.9 percent, after advancing 3.5 percent in the previous month. Prices for iron and steel scrap, cotton, and crude natural rubber decreased after substantial June advances. Hides and skins fell sharply for the third time in the last 4 months. Higher prices were registered, however, for non-ferrous scrap and sand, gravel, and crushed stone.

Price Movements

August 1979

The Producer Price Index for Finished Goods moved up 1.2 percent from July to August on a seasonally adjusted basis. The August advance was about the same as in July. Prices for intermediate (semifinished) goods also rose 1.2 percent, following an even larger increase in the preceding month. After increasing sharply in July, crude material prices edged up only slightly (table A).

Among finished goods, prices for finished consumer goods advanced 1.6 percent following a 1.2 percent upward movement in July, but capital equipment prices rose much less in August (0.1 percent) than in the preceding month (0.8 percent). Much of the acceleration in consumer goods was caused by food prices, which rose 1.2 percent after showing no change in July (table B). Prices for finished energy goods climbed 5.8 percent, only slightly less than the 6.2 percent advance in the previous month. Prices for finished consumer goods other than food and energy rose

0.9 percent, about the same as the 0.8 percent increase in July.

Before seasonal adjustment, the Producer Price Index for Finished Goods moved up 0.7 percent to 217.3 (1967=100). Over the year, the Finished Goods Price Index increased 11.1 percent. The finished energy goods index was up 47.4 percent from August 1978 to August 1979, the finished consumer foods index rose 8.4 percent, the index for finished consumer goods other than food and energy was 8.2 percent higher than a year ago, and capital equipment prices were up 8.6 percent. The Producer Price Index for intermediate goods increased 13.7 percent over the year, and prices for crude materials advanced 17.3 percent.

Finished goods

Finished consumer goods. The Producer Price Index for finished consumer goods (those eventually sold to retailers)

Table A. Percent changes from preceding month in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods			Intermediate goods			Crude goods		
	Total	Consumer foods	Other	Total	Foods and feeds ²	Other	Total	Food-stuffs and feed-stuffs	Other
1978:									
August	0.3	-0.4	0.5	0.6	-0.6	0.7	0	0	0.1
September.....	.8	1.5	.6	.6	1.6	.6	1.7	1.8	1.6
October.....	.8	1.6	.5	1.2	2.8	1.1	2.8	3.7	1.7
November.....	.7	.8	.7	.8	-.9	.9	1.1	.9	1.7
December.....	1.0	1.2	1.0	.7	1.6	.7	.7	.3	1.2
1979:									
January.....	1.3	1.8	1.1	1.1	.2	1.2	2.3	2.8	1.6
February.....	1.1	1.8	.9	1.1	3.0	1.0	3.3	3.8	2.7
March.....	1.0	1.2	.9	1.1	-.1	1.1	1.0	.3	2.2
April.....	r.9	-4	r1.3	r1.5	-5	r1.6	-4	-4	-5
May.....	r.3	r-1.4	r.9	r.8	.7	r.8	.8	r-2	2.3
June.....	.5	-1.2	1.1	.9	-6	1.0	.7	-1.2	3.3
July.....	1.1	0	1.4	1.9	6.7	1.6	1.8	2.1	1.4
August.....	1.2	1.2	1.2	1.2	-2.6	1.4	.1	-2	.5

¹ Data for April 1979 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some figures shown above and elsewhere in this report may differ from those previously reported.

² Intermediate materials for food manufacturing and manufactured animal feeds.
r=revised.

Table B. Percent changes in finished goods price indexes, selected periods ¹

Month	Changes from preceding month, seasonally adjusted						Changes in finished goods from 12 months ago (unadjusted)
	Finished goods	Capital equipment	Finished consumer goods	Finished consumer goods excluding foods			
				Total	Durables	Nondurables	
1978:							
August	0.3	0.4	0.2	0.5	0.8	0.4	7.9
September.....	.8	.5	.9	.5	.7	.5	8.4
October.....	.8	.6	.8	.4	-.8	1.1	8.5
November.....	.7	.8	.6	.6	.1	.9	8.5
December.....	1.0	.6	1.2	1.2	1.4	1.0	9.2
1979:							
January	1.3	1.0	1.4	1.2	1.1	1.2	9.8
February.....	1.1	.9	1.2	.9	.9	.9	10.2
March.....	1.0	.6	1.1	1.1	.5	1.4	10.6
April.....	r.9	r.1.2	.7	1.3	r.9	1.6	r.10.4
May.....	r.3	r.5	.3	r.1.2	r.6	1.6	r.10.0
June.....	.5	.5	.5	1.4	.4	2.0	9.7
July.....	1.1	.8	1.2	1.9	1.0	2.3	10.1
August.....	1.2	.1	1.6	1.8	.5	2.6	11.1

¹ Data for April 1979 have been revised to reflect the availability of late reports and corrections by respondents. For

this reason, some figures shown above and elsewhere in this report may differ from those previously reported.

r=revised.

advanced 1.6 percent in August, more than in any other month since November 1974. The finished consumer foods index increased 1.2 percent, after registering no change in July and decreasing for 3 consecutive months before that. Price increases accelerated sharply for fresh and dried fruits and vegetables. Prices also rose for milled rice, whole black pepper, flour base mixes and doughs, roasted coffee, bakery products, dairy products, vegetable oil end products, and refined sugar in consumer size packages. Prices turned up for pork and poultry after declining for several months. Beef and veal prices, however, declined for the fourth consecutive month, and egg prices fell even more than in July.

The index for consumer nondurables other than foods rose 2.6 percent, after rising 2.0 percent and 2.3 percent in June and July, respectively. As in July, the largest increases were registered for energy items: Gasoline prices rose 6.1 percent, compared with 3.9 percent last month, while prices for home heating oil rose less (6.0 percent) than in July (9.0 percent). Prices for sanitary papers and health products, soaps and synthetic detergents, tobacco products, and tires and tubes increased considerably more than in the preceding month.

The index for consumer durables rose only half as much in August (0.5 percent) as in July (1.0 percent). The slowdown was mainly due to a 0.4 percent decline for passenger car prices, which had advanced 1.3 percent in July. Cutlery prices also decreased. On the other hand, large increases were registered for household flatware, lawnmowers, and jewelry.

Capital equipment. The index for capital equipment edged up 0.1 percent, the smallest rise in more than 6 years. Motor truck prices decreased even more than in July, and prices for office and store equipment and commercial furniture also moved down. Prices rose less than in the previous month for many other kinds of capital equipment, such as railroad equipment, machine tools, construction machinery, and special industry machinery.

Intermediate materials

The Producer Price Index for intermediate materials, supplies, and components rose 1.2 percent in August on a seasonally adjusted basis, following a 1.9 percent increase in the previous month. Prices for processed fuels advanced even more than in recent months, but food and feed prices turned down and increases for most other intermediate goods slowed somewhat.

The index for processed fuels and lubricants moved up 5.2 percent, more than in any other month so far this year. Prices for both residual fuel and commercial jet fuel increased more than 12 percent, and diesel fuel prices also continued to rise sharply. On the other hand, prices for liquefied petroleum gas rose much less than in July, and electric power continued to move up moderately.

The intermediate foods and feeds index decreased 2.6 percent, after a 6.7 percent increase in July. Prices fell after rising in the previous month for manufactured animal feeds, flour, and refined vegetable oils. Prices for animal fats and oils dropped even more sharply than in the 3 pre-

ceding months. Confectionery materials prices continued to rise but considerably less than in July.

The index for intermediate materials less food and energy rose 0.9 percent, following a 1.3 percent increase in July. This slowdown was most noticeable in the durable manufacturing materials category, as prices declined for steel mill products, zinc, lead, and tin. Aluminum prices rose less than in July, but copper prices turned up markedly after falling for 3 consecutive months.

The nondurable manufacturing materials index moved up 1.2 percent, after advancing 2.0 percent in July. Prices continued to rise, although less than in the previous month, for synthetic rubber, industrial chemicals, and plastic resins and materials. Leather prices declined for the third consecutive month. Price increases accelerated, however, for paper-board and inedible fats and oils.

Construction material prices continued to advance moderately (0.5 percent). Prices rose more than in July for softwood lumber, plumbing fixtures and brass fittings, and heating equipment. Following 3 months of declines, prices increased for building paper and board. In contrast, asphalt roofing turned down.

Prices for components for manufacturing were up 0.8 percent, following a 1.1 percent rise in July. Higher prices were registered for electronic components and accessories, internal combustion engines, and switchgear and switchboards; however, prices for motor vehicle parts declined. Other intermediate nonfood nonenergy items which rose in price included paper boxes and containers, mixed fertilizers, farm machinery parts, plastic packaging and shipping

products, electric lamps and bulbs, and cutting tools and accessories.

Crude materials

The Producer Price Index for crude materials for further processing edged up 0.1 percent on a seasonally adjusted basis, following a 1.8 percent advance in the previous month. Much of the deceleration was due to a 0.2 percent decrease in prices for crude foodstuffs and feedstuffs, which had climbed 2.1 percent in July. Corn and green coffee prices turned down in August after increasing substantially for several months. Cattle prices declined for the fourth consecutive month, and cocoa beans fell almost as sharply as in July. On the other hand, hog and live poultry prices increased after several months of decreases, and prices for wheat, soybeans, and raw cane sugar advanced more than in the preceding month.

Prices for crude energy materials moved up 2.7 percent over the month, about the same as in July, as crude petroleum and natural gas prices continued to rise rapidly. Prices for crude materials other than food and energy, however, decreased 2.6 percent, even more than the 1.9 percent drop in July. Nonferrous scrap prices declined sharply after rising in most other months so far this year, and hides and skins decreased more than 9 percent for the second consecutive month. Prices for iron and steel scrap also fell, although not as much as in the previous month. Higher prices were registered for potash and sand, gravel, and crushed stone.

Price Movements September 1979

Summary

The Producer Price Index for Finished Goods moved up 1.4 percent from August to September on a seasonally adjusted basis. During the third quarter this index advanced at a seasonally adjusted annual rate of 15.7 percent, compared with a 6.8 percent rate in the previous 3 months and a 14.3 percent rate in the first quarter of the year. Prices for intermediate (semifinished) goods continued to rise at a rapid pace (1.5 percent). Crude material prices rose 2.1 percent, substantially more than in recent months (table A).

Among finished goods, the index for finished energy goods climbed 6.8 percent, even more than the 6.2 and 5.8 percent advances in July and August, respectively. (The September index for finished energy goods largely reflects August prices because most prices are lagged 1 month.) Consumer food prices rose 1.8 percent, following a 1.2 percent increase in August and no change in July. The

index for finished consumer goods less food and energy, however, rose slightly less (0.7 percent) than in either of the 2 preceding months, and, for the second consecutive month, capital equipment prices rose much less than in any of the first 7 months of the year (table B).

Before seasonal adjustment, the Producer Price Index for Finished Goods moved up 1.4 percent to 220.4 (1967=100). Over the year, the Finished Goods Price Index increased 11.8 percent. The finished energy goods index was up 55.9 percent from September 1978 to September 1979, the finished consumer foods index rose 8.8 percent, the index for finished consumer goods other than food and energy was 8.4 percent higher than a year ago, and capital equipment prices were up 8.3 percent. The Producer Price Index for intermediate goods increased 14.6 percent over the year, and prices for crude materials advanced 17.6 percent.

Table A. Percent changes from preceding month in selected stage-of-processing price indexes, seasonally adjusted ¹

Month	Finished goods			Intermediate goods			Crude goods		
	Total	Con-sumer foods	Other	Total	Foods and feeds ²	Other	Total	Food-stuffs and feed-stuffs	Other
1978:									
September	0.8	1.5	0.6	0.6	1.6	0.6	1.7	1.8	1.6
October .....	.8	1.6	.5	1.2	2.8	1.1	2.8	3.7	1.7
November .....	.7	.8	.7	.8	-.9	.9	1.1	.9	1.7
December	1.0	1.2	1.0	.7	1.6	.7	.7	.3	1.2
1979:									
January	1.3	1.8	1.1	1.1	.2	1.2	2.3	2.8	1.6
February	1.1	1.8	.9	1.1	3.0	1.0	3.3	3.8	2.7
March	1.0	1.2	.9	1.1	-.1	1.1	1.0	.3	2.2
April .....	.9	-.4	1.3	1.5	-.5	1.6	-.4	-.4	-.5
May	r.4	r-1.5	r1.1	r1.0	.7	r1.0	.8	-.2	r2.4
June	r.4	r-1.1	r.8	r.7	-.6	r.8	r.6	-1.2	r3.2
July	1.1	0	1.4	1.9	6.7	1.6	1.8	2.1	1.4
August	1.2	1.2	1.2	1.2	-2.6	1.4	.1	-.2	.5
September	1.4	1.8	1.3	1.5	.8	1.5	2.1	1.5	2.9

¹ Data for May 1979 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some figures shown above and elsewhere in this report may differ from those previously reported.

² Intermediate materials for food manufacturing and manufactured animal feeds.
r=revised.

Table B. Percent changes in finished goods price indexes, selected periods ¹

Month	Changes from preceding month, seasonally adjusted						Changes in finished goods from 12 months ago (unadjusted)
	Finished goods	Capital equipment	Finished consumer goods	Finished consumer goods excluding foods			
				Total	Durables	Nondurables	
1978:							
September.....	0.8	0.5	0.9	0.5	0.7	0.5	8.4
October.....	.8	.6	.8	.4	-.8	1.1	8.5
November.....	.7	.8	.6	.6	.1	.9	8.5
December.....	1.0	.6	1.2	1.2	1.4	1.0	9.2
1979:							
January.....	1.3	1.0	1.4	1.2	1.1	1.2	9.8
February.....	1.1	.9	1.2	.9	.9	.9	10.2
March.....	1.0	.6	1.1	1.1	.5	1.4	10.6
April.....	.9	1.2	.7	1.3	.9	1.6	10.4
May.....	r.4	r.6	r.4	r.5	r.1.0	r.1.8	r.10.2
June.....	r.4	r.4	r.3	r.1.1	r.1	r.1.8	r.9.7
July.....	1.1	.8	1.2	1.9	1.0	2.3	10.1
August.....	1.2	.1	1.6	1.8	.5	2.6	11.1
September.....	1.4	.3	1.8	1.9	.7	2.6	11.8

¹ Data for May 1979 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some figures shown above and elsewhere in this

report may differ from those previously reported.
r=revised.

Finished goods

Finished consumer goods. The Producer Price Index for finished consumer goods (those eventually sold to retailers) rose 1.8 percent from August to September on a seasonally adjusted basis, after rising 1.6 percent a month earlier. During the third quarter, these prices rose at an annual rate of 20.3 percent, compared with a 6.1 percent annual rate in the second quarter and a 16.0 percent annual rate in the first quarter.

The finished consumer foods index rose 1.8 percent in September, after increasing 1.2 percent in August. This index rose sharply in the first quarter, declined in the second quarter, and turned up again in the quarter ended in September. Beef and veal prices rose sharply in September following 4 months of decline, and prices for pork rose for the second consecutive month following 5 consecutive decreases. Large increases were also recorded for milled rice, roasted coffee, processed poultry, and bakery products. Prices declined sharply for fresh and dried fruits and vegetables, which had advanced rapidly in the previous month.

The index for consumer nondurables other than foods advanced 2.5 percent in September, about the same as in August. For the quarter ending in September, this index rose at a seasonally adjusted annual rate of 34.0 percent, the steepest rise since early 1974. As in most months this year, the September rise was due in large part to sharp advances for finished energy goods. Since December 1978, prices for home heating oil and gasoline increased at sea-

sonally adjusted annual rates of 92.1 and 62.1 percent, respectively. Large price increases were also registered in September for tires and tubes, disposable plastic dinnerware, soaps and synthetic detergents, textile housefurnishings, nonalcoholic beverages, and pharmaceutical preparations. On the other hand, rubber footwear prices dropped for the first time this year, and leather footwear prices rose much less than in recent months.

The index for consumer durables rose 0.7 percent in September, compared with a 0.5 percent rise in August. During the third quarter this index moved up a 9.2 percent seasonally adjusted annual rate, about the same as in the first half of the year. Passenger car prices declined for the second consecutive month; however, these decreases were more than offset by increases for precious metal jewelry, household flatware, sporting and athletic goods, and mobile homes.

Capital equipment. The index for capital equipment increased 0.3 in September, slightly more than in August (0.1 percent). Prices for capital equipment rose at a 4.9 percent annual rate in the third quarter, the smallest quarterly increase in 6 years. In September, prices for photographic equipment, machine tools, generators and generator sets, agricultural machinery, and industrial process furnaces and ovens advanced rapidly; however, lower prices for light trucks caused the motor trucks index to decline for the third consecutive month, and light utility aircraft prices turned down for the first time this year.

Intermediate materials

The Producer Price Index for intermediate materials, supplies, and components advanced 1.5 percent seasonally adjusted in September, following increases of 1.2 percent in August and 1.9 percent in July. Durable manufacturing materials and construction materials rose much more than in August, while the rapid energy price increases of recent months moderated somewhat.

The durable manufacturing materials category advanced 1.6 percent, more than twice as much as in August. The September acceleration was primarily caused by steep increases for precious metals and jeweler's materials and findings (up 23.5 and 12.4 percent, respectively). Advances were also registered for copper, tin, aluminum, foundry and forge shop products, and laminated plastic sheets.

The construction materials and components index also rose more than twice as much as in August (1.1 vs. 0.5 percent). Prices for plywood, asphalt roofing, and bituminous paving materials turned up sharply after falling in August. Prices also rose for softwood lumber, nonferrous wire and cable, heating equipment, wiring devices, building paper and board, concrete products, and gypsum products. Refractories prices were lower, however.

The processed fuels and lubricants index increased 4.4 percent, following a 5.2 percent rise in August. This slowdown was due to smaller advances for residual fuel, commercial jet fuel, and electric power. However, prices continued to climb rapidly for diesel fuel, liquefied petroleum gas, and lubricating oil materials.

The nondurable manufacturing materials index rose 1.2 percent, the same as in the previous month. Accelerating price increases were registered for synthetic fibers, processed yarns and threads, paint materials, nitrogenates, and phosphates. On the other hand, synthetic rubber prices moved up slightly following 5 months of much larger increases. Prices for industrial chemicals and paperboard also advanced less than in August. Leather prices declined 10 percent, and inedible fats and oils turned down after an August advance.

Prices for a number of other intermediate nonfood nonenergy items increased, including rubber products,

internal combustion engines, electronic components and accessories, refrigerant compressors, and mixed fertilizers. In contrast, parts for metal forming machining tools turned down.

The intermediate foods and feeds index moved up 0.8 percent, following a drop in August and a sharp increase in July. Prices for crude vegetable oils advanced, but flour and confectionery materials prices declined.

Crude materials

The Producer Price Index for crude materials for further processing rose 2.1 percent on a seasonally adjusted basis, following a 0.1 percent upward movement in the preceding month. The acceleration was largely due to sharper increases for crude energy materials and an upturn in prices of crude foodstuffs. The index for crude energy materials advanced 4.7 percent over the month, following increases of 2.6 and 2.7 percent in July and August, respectively. A steep rise in the crude petroleum index (up 9.4 percent) caused most of the acceleration in September. Natural gas prices rose somewhat more than in most recent months.

The index for crude foodstuffs and feedstuffs increased 1.5 percent, in contrast to a 0.2 percent decline in August. Hog prices climbed nearly 10 percent, following several months of decreases. Cattle prices turned up sharply after falling in each of the 4 previous months. Fluid milk prices also rose after declining in August. Soybean prices rose but less than in the preceding month. Live poultry prices turned down after rising in August. Wheat, green coffee, and cocoa bean prices also fell but much less than in the previous month.

Among other crude materials, prices for copper base scrap advanced sharply following 2 months of smaller increases. Higher prices were also registered for potash, cotton, and sand, gravel, and crushed stone. On the other hand, prices for hides and skins and aluminum base scrap fell steeply. Natural rubber prices turned down after a small August increase, and leaf tobacco and wastepaper prices dropped for the second consecutive month.

Price Movements

October 1979

The Producer Price Index for Finished Goods moved up 1.0 percent from September to October on a seasonally adjusted basis. The October advance was somewhat smaller than in either August or September. Prices for intermediate (semifinished) goods increased 1.8 percent, the largest rise so far this year. Crude material prices advanced 1.5 percent, far more than in August but not so much as in September (table A).

Among finished goods, the index for finished energy goods continued to climb rapidly (4.7 percent), although at a somewhat slower pace than in the past several months. (A number of energy-related indexes are now shown in table 1.) Consumer food prices edged down 0.1 percent, following 2 months of substantial increases. The index for finished consumer goods less food and energy moved up 0.8 percent, about the same as in August and September. Capital equipment prices, however, increased 1.2 percent, considerably more than in any of the 5 preceding months (table B).

Before seasonal adjustment, the Producer Price Index for Finished Goods moved up 1.5 percent to 223.7 (1967=100). Over the year, the Finished Goods Price

Index increased 12.1 percent. The finished energy goods index was up 60.5 percent from October 1978 to October 1979, the finished consumer foods index rose 6.9 percent, the index for finished consumer goods other than food and energy was 9.2 percent higher than a year ago, and capital equipment prices were up 8.9 percent. The Producer Price Index for intermediate goods increased 15.3 percent over the year, and prices for crude materials advanced 16.1 percent.

Finished goods

Finished consumer goods. The Producer Price Index for finished consumer goods advanced 1.0 percent, compared with an increase of 1.8 percent in September. Much of the October slowdown was caused by food prices, which edged down following a 1.8 percent advance in the preceding month. In October, price increases accelerated for consumer durable goods. Prices for consumer nondurables other than food continued to rise rapidly but not as sharply as in other recent months.

Table A. Percent changes from preceding month in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods			Intermediate goods			Crude goods		
	Total	Con- sumer foods	Other	Total	Foods and feeds ²	Other	Total	Food- stuffs and feed- stuffs	Other
1978:									
October.....	0.8	1.6	0.5	1.2	2.8	1.1	2.8	3.7	1.7
November.....	.7	.8	.7	.8	-.9	.9	1.1	.9	1.7
December.....	1.0	1.2	1.0	.7	1.6	.7	.7	.3	1.2
1979:									
January.....	1.3	1.8	1.1	1.1	.2	1.2	2.3	2.8	1.6
February.....	1.1	1.8	.9	1.1	3.0	1.0	3.3	3.8	2.7
March.....	1.0	1.2	.9	1.1	-.1	1.1	1.0	.3	2.2
April.....	.9	-.4	1.3	1.5	-.5	1.6	-.4	-.4	-.5
May.....	.4	-1.5	1.1	1.0	.7	1.0	.8	-.2	2.4
June.....	r.5	r.-1.2	r.1.1	r.9	r-.5	r.1.0	.6	-1.2	3.2
July.....	r.9	0	r.1.2	r.1.7	6.7	r.1.4	1.8	2.1	1.4
August.....	1.2	1.2	1.2	1.2	-2.6	1.4	.1	-.2	.5
September.....	1.4	1.8	1.3	1.5	.8	1.5	2.1	1.5	2.9
October.....	1.0	-.1	1.4	1.8	.5	1.9	1.5	.5	2.8

¹Data for June 1979 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some of the figures shown above and elsewhere in this report may differ from those previously reported.

²Intermediate materials for food manufacturing and manufactured animal feeds.
r = revised.

The finished consumer foods index declined 0.1 percent in October, following large advances in the preceding 2 months. Prices for beef and veal and pork turned down after rising sharply a month earlier. Prices also turned down for eggs, processed fruits and vegetables, and dairy products following September advances. Fresh fruit prices fell but not as much as in September. These declines offset increases for fresh and dried vegetables, processed poultry, fish, vegetable oil end products, refined sugar in consumer-size packages, and roasted coffee.

The index for consumer durables rose 1.1 percent more than in any month since January. Much of the October advance was due to an upturn in prices for passenger cars and a 39.1 percent price increase for household flatware. (Prices for 1980 model year automobiles were reflected for the first time in October. See release titled "Report on Quality Changes for 1980 Model Passenger Cars.") Large advances were also posted for precious metal jewelry, mobile homes, cutlery, lawnmowers, dinnerware, and floor coverings. floor coverings.

The index for consumer nondurables other than foods increased 1.8 percent, less than in any of the past 4 months. The slower rise in October was due to energy goods: Gasoline and home heating oil prices moved up 5.1 and 4.7 percent, respectively, compared with advances of 6.2 and 7.9 percent in September. Price increases also slowed significantly for tires and tubes, textile housefurnishings, soaps and synthetic detergents, and disposable plastic dinnerware. Price increases accelerated, however, for pharmaceutical preparations and alcoholic beverages.

Capital equipment. The index for capital equipment advanced sharply (1.2 percent), following 5 months of much more moderate increases. Much of the October advance was due to prices for motor trucks, which rose 4.0 percent after falling about 3 percent during the third quarter. Other large increases included machine tools, plastic and rubber industry machinery, construction machinery, industrial material handling equipment, oilfield machinery, transformers and power regulators, unitary air conditioners, and agricultural machinery.

Intermediate materials

The Producer Price Index for intermediate materials, supplies, and components rose 1.8 percent in October on a seasonally adjusted basis, even more than the 1.5 percent increase in September. This acceleration resulted from large price hikes for a number of manufacturing and construction materials. Energy prices continued to move up rapidly, but not as much as in recent months.

The index for intermediate materials less food and energy advanced 1.7 percent, more than in any month since August 1974. The durable manufacturing materials category recorded an even larger increase (2.3 percent) than in the previous month (1.6 percent). Price increases accelerated for finished steel products, copper, aluminum, foundry and forge shop products, and hardwood lumber. Prices for precious metals and jewelers' materials and findings rose almost as steeply as in September.

Table B. Percent changes in finished goods price indexes, selected periods¹

Month	Changes from preceding month, seasonally adjusted						Change in finished goods from 12 months ago (unadjusted.)
	Finished goods	Capital equipment	Finished consumer goods	Finished consumer goods excluding foods			
				Total	Durables	Nondurables	
1978:							
October.....	0.8	0.6	0.8	0.4	-0.8	1.1	8.5
November.....	.7	.8	.6	.6	.1	.9	8.5
December.....	1.0	.6	1.2	1.2	1.4	1.0	9.2
1979:							
January.....	1.3	1.0	1.4	1.2	1.1	1.2	9.8
February.....	1.1	.9	1.2	.9	.9	.9	10.2
March.....	1.0	.6	1.1	1.1	.5	1.4	10.6
April.....	.9	1.2	.7	1.3	.9	1.6	10.4
May.....	.4	.6	.4	1.5	1.0	1.8	10.2
June.....	r.5	r.6	r.5	r.4	r.5	r.1.9	r.9.9
July.....	r.9	r.6	r.1.0	r.1.6	r.6	r.2.1	r.10.1
August.....	1.2	.1	1.6	1.8	.5	2.6	11.1
September.....	1.4	.3	1.8	1.9	.7	c2.5	11.8
October.....	1.0	1.2	1.0	1.6	1.1	1.8	12.1

¹Data for June 1979 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some figures shown above and elsewhere in this report may differ from those previously reported.

r = revised.
c = corrected.

The nondurable manufacturing materials index also advanced more than in the previous month (1.9 vs. 1.2 percent). Price increases accelerated sharply for wood-pulp, paper, phosphates, and industrial chemicals. Prices for leather and inedible fats and oils turned up after falling in September. Large advances were also recorded for plastic resins and materials, synthetic fibers, processed yarns and threads, paperboard, nitrogenates, and paint materials.

The index for construction materials and components rose 1.6 percent, the biggest increase so far this year. Price increases accelerated sharply for nonferrous wire and cable, millwork, fabricated structural metal products, valves and fittings, and insulating materials. In contrast, prices for softwood lumber, plywood, plastic construction products, asphalt roofing, and gypsum products declined somewhat after rising in September.

Among other intermediate nonfood nonenergy goods, some of the largest price advances occurred for photographic supplies, metal containers, mixed fertilizers, unsupported plastic film and sheeting, fluid power equipment, metal cutting machine tool parts, nonfarm tractor parts, farm machinery parts, abrasive products, and motor vehicle parts.

The processed fuels and lubricants index moved up 3.1 percent, the smallest increase since April. Price increases moderated for commercial jet fuel, diesel fuel, residual fuel, and liquefied petroleum gas. On the other hand, the electric power index rose considerably more than in any month during the third quarter.

The intermediate foods and feeds index rose 0.5 percent, slightly less than in September. The October increase was almost entirely due to a sharp advance in manufactured animal feeds prices. Prices declined, however, for animal fats and oils, crude vegetable oils, refined vegetable oils, and confectionery materials.

Crude materials

The Producer Price Index for crude materials for further processing rose 1.5 percent on a seasonally ad-

justed basis, following a 2.1 percent increase in the previous month. The deceleration was due to slower price increases for foodstuffs and energy materials.

The index for crude foodstuffs and feedstuffs moved up 0.5 percent, following a 1.5 percent rise in the preceding month. The slowdown was primarily due to lower prices for hogs and cattle, which had turned up sharply in September after falling for several months. Prices for wheat and cocoa beans also fell. In contrast, corn and sugar prices rose considerably. Higher prices were also registered for soybeans, live poultry, and green coffee.

Prices for crude energy materials increased 2.5 percent over the month, compared with a 4.7 percent advance in September. The 3.5 percent increase for crude petroleum was considerably less than the 9.4 percent climb last month. Natural gas prices also rose less than in September, and coal prices were virtually unchanged for the seventh consecutive month.

Among other crude materials, the index for hides and skins turned up sharply after falling substantially for 4 consecutive months. Iron and steel scrap and aluminum base scrap prices also rose sharply after several months of decreases; copper base scrap prices rose substantially for the second consecutive month, although the rise was not as steep as in September. Natural rubber and wastepaper prices also turned up after falling in the previous month. Higher prices were registered for iron ore, sand, gravel, and crushed stone, and raw cotton.

Escalation and Producer Price Indexes

Escalation and Producer Price Indexes: A Guide for Contracting Parties, BLS Report 570, is now available on request. This report has been prepared in response to numerous inquiries about the proper procedures for drawing up escalation clauses which refer to Producer Price Indexes. Contact the nearest BLS regional office, or write: Division of Industrial Prices and Price Indexes, Office of Prices and Living Conditions, Bureau of Labor Statistics, 441 G Street, N.W., Washington, D.C. 20212.

Price Movements

November 1979

The Producer Price Index for Finished Goods rose 1.3 percent from October to November on a seasonally adjusted basis. The November advance followed increases of 1.0 percent in October and 1.4 percent in September. Prices for intermediate (semifinished) goods moved up 0.9 percent, considerably less than in most recent months. Crude material prices rose 2.0 percent over the month, more than in October and about the same as in September (table A).

Among finished goods, prices for finished consumer foods climbed 2.6 percent after edging down 0.1 percent in October. Prices for finished energy goods increased 2.5 percent, the smallest monthly advance since February. The index for finished consumer goods other than food and energy rose 0.6 percent, about the same as in most other months so far this year. Capital equipment prices moved up 0.5 percent, much less than the 1.2 percent rise in October (table B).

Before seasonal adjustment, the Producer Price Index for Finished Goods rose 1.0 percent to 225.9 (1967=100). Over the year, the Finished Goods Price Index was up 12.8 percent. The index for finished energy goods climbed 62.7 percent from November 1978 to November 1979, prices for finished consumer

foods rose 8.9 percent, the index for finished consumer goods other than food and energy was up 9.3 percent, and capital equipment prices were 8.6 percent higher than a year ago. The Producer Price Index for intermediate goods rose 15.4 percent over the year, and crude material prices advanced 17.1 percent.

Finished goods

Finished consumer goods. The Producer Price Index for finished consumer goods advanced 1.6 percent, more than the 1.0 percent increase in October because of a sharp upturn in prices for foods. On the other hand, prices for nonfood finished goods, particularly home heating oil and gasoline, rose much less than a month earlier.

The finished consumer foods index rose 2.6 percent after edging down 0.1 percent in October. The November advance was the largest monthly increase since the fall of 1974. Processed poultry prices rose 21.5 percent, and prices for beef and veal, pork, and eggs turned up sharply after declining in the previous month. Prices were also sharply higher in November for roasted coffee, fresh vegetables, sugar in consumer

Table A. Percent changes from preceding month in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods			Intermediate goods			Crude goods		
	Total	Consumer foods	Other	Total	Foods and feeds ²	Other	Total	Food-stuffs and feed-stuffs	Other
1978:									
November.....	0.7	0.8	0.7	0.8	-0.9	0.9	1.1	0.9	1.7
December.....	1.0	1.2	1.0	.7	1.6	.7	.7	.3	1.2
1979:									
January.....	1.3	1.8	1.1	1.1	.2	1.2	2.3	2.8	1.6
February.....	1.1	1.8	.9	1.1	3.0	1.0	3.3	3.8	2.7
March.....	1.0	1.2	.9	1.1	-.1	1.1	1.0	.3	2.2
April.....	.9	-.4	1.3	1.5	-.5	1.6	-.4	-.4	-.5
May.....	.4	-1.5	1.1	1.0	.7	1.0	.8	-.2	2.4
June.....	.5	-1.2	1.1	.9	-.5	1.0	.6	-1.2	3.2
July.....	^r 1.1	^r 2	^r 1.4	^r 1.8	^r 6.7	^r 1.6	^r 1.7	^r 2.1	^r 1.2
August.....	^r 1.0	^r 1.1	^r 1.0	^r 1.0	^r -2.7	^r 1.2	^r 2	^r -.2	^r .7
September.....	1.4	1.8	1.3	1.5	.8	1.5	2.1	1.5	2.9
October.....	1.0	-.1	1.4	1.8	.5	1.9	1.5	.5	2.8
November.....	1.3	2.6	.8	.9	-.7	.9	2.0	2.0	2.0

¹Data for July 1979 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some of the figures shown above and elsewhere in this report may differ from those previously reported.

²Intermediate materials for food manufacturing and manufactured animal feeds.
r=revised.

Table B. Percent changes in finished goods price indexes, selected periods¹

Month	Changes from preceding month, seasonally adjusted						Change in finished goods from 12 months ago (unadjusted)
	Finished goods	Capital equipment	Finished consumer goods	Finished consumer goods excluding foods			
				Total	Durables	Nondurables	
1978:							
November	0.7	0.8	0.6	0.6	0.1	0.9	8.5
December	1.0	.6	1.2	1.2	1.4	1.0	9.2
1979:							
January	1.3	1.0	1.4	1.2	1.1	1.2	9.8
February	1.1	.9	1.2	.9	.9	.9	10.2
March	1.0	.6	1.1	1.1	.5	1.4	10.6
April .....	.9	1.2	.7	1.3	.9	1.6	10.4
May .....	.4	.6	.4	1.5	1.0	1.8	10.2
June .....	.5	.6	.5	1.4	.5	1.9	9.9
July	^r 1.1	^r .8	^r 1.2	^r 1.8	^r .9	^r 2.2	^r 10.3
August	^r 1.0	^r 0	^r 1.4	^r 1.6	^r .1	^r 2.5	11.1
September	1.4	.3	1.8	1.9	.7	2.5	11.8
October	1.0	1.2	1.0	1.6	1.1	1.8	12.1
November	1.3	.5	1.6	1.0	.8	1.1	12.8

¹Data for July 1979 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some of the

figures shown above and elsewhere in this report may differ from those previously reported.

r=revised.

size packages, and macaroni. On the other hand, prices declined for fresh fruits, milled rice, and fish.

The index for consumer nondurables other than foods increased 1.1 percent, much less than in any month since February. The slowdown resulted mainly from smaller advances for home heating oil (up 0.1 percent in November vs. 4.7 percent in October) and gasoline (3.4 vs. 5.1 percent). Prices for prescription drugs turned down, and price increases slowed somewhat for over-the-counter drugs. On the other hand, price increases accelerated for finished lubricants, tires and tubes, and cosmetics.

The index for consumer durables moved up 0.8 percent in November, after rising 1.1 percent in October and 0.7 percent in September. Price increases slowed markedly for passenger cars, mobile homes, jewelry, and floor coverings. Prices for household flatware declined 1.7 percent after a 39.1-percent advance in the preceding month, and prices for cutlery and lawnmowers were unchanged after rising sharply in October. On the other hand, prices for household furniture rose at a faster pace, and dinnerware prices moved up about the same as in October.

Capital equipment. The index for capital equipment rose 0.5 percent in November, compared with an increase of 1.2 percent in October. Much of the slowdown was due to smaller advances for many machinery items and a slight decline (0.1 percent) for motor trucks, which had risen 4.0 percent a month earlier. In November, the largest increases occurred for metal forming machine tools, hand tools, scales and balances, aircraft, railroad equipment, mining machinery, and generators and generator sets.

Intermediate materials

The Producer Price Index for intermediate materials, supplies, and components moved up 0.9 percent in November on a seasonally adjusted basis, only half as much as in October. Price increases slowed for manufacturing and construction materials, prices for intermediate energy goods rose less than in any month since March, and foods and feeds prices turned down slightly.

The index for intermediate materials other than food and energy rose 0.7 percent, following 2 months of sharper increases. The durable manufacturing materials index moved up 0.4 percent, considerably less than in either of the 2 previous months. Precious metal prices declined after sharp increases in September and October. Lead and zinc prices also declined. Prices moved up, but less than in the previous month, for finished steel mill products, foundry and forge shop products, copper, aluminum, tin, and jewelers' materials.

The nondurable manufacturing materials group also rose less than in most recent months. Prices for leather and inedible fats and oils turned down sharply after rising in October. Woodpulp and synthetic fibers prices edged down slightly after steep advances in the previous month. The rate of increase for industrial chemicals, plastic resins and materials, and paper slowed. Accelerating price increases were recorded, however, for nitrogenates, pharmaceutical materials, essential oils, animal hide glue, and processed yarns and threads.

The construction materials and components index also slowed considerably, edging up 0.2 percent after a 1.6-percent climb in October. Prices for softwood lum-

ber, millwork, plywood, and plastic construction products decreased. Nonferrous wire and cable prices rose, but much less than in October. On the other hand, price increases accelerated for asphalt roofing, elevators and escalators, and plumbing fixtures and brass fittings.

Among manufacturing components, some of the largest advances occurred for motor vehicle parts, fluid power equipment, and ball and roller bearings. Other intermediate nonfood nonenergy goods which registered large price increases included photographic supplies, mixed fertilizers, metal forming machine tool parts, metal containers, plastic packaging and shipping products, and wooden pallets. In contrast, prices fell for electric lamps and bulbs.

The index for intermediate energy goods rose 2.6 percent, after a 3.0-percent advance in October. Price increases slowed considerably for diesel fuel, commercial jet fuel, and electric power. On the other hand, prices rose more than in October for lubricating oil materials, liquefied petroleum gas, and residual fuel.

The intermediate foods and feeds index turned down somewhat, following a small increase in October. Lower prices were registered for manufactured animal feeds, refined vegetable oils, crude vegetable oils, and corn syrup. However, prices advanced for flour and refined sugar for use in food manufacturing.

Crude materials

The Producer Price Index for crude materials for further processing rose 2.0 percent on a seasonally adjusted basis, following a 1.5-percent increase in the pre-

vious month. The acceleration was due to a larger advance in prices for foodstuffs. Crude nonfood material prices continued to climb rapidly, although not as much as in October.

The index for crude foodstuffs and feedstuffs rose 2.0 percent, following a 0.5-percent rise in the preceding month. The faster pace in November was partly due to an unusually sharp rise in prices for live poultry (up 24.1 percent). Hog and wheat prices turned up substantially after falling in the previous month; cattle prices also turned up but not as dramatically. Fluid milk prices also rose. In contrast, prices for corn, soybeans, green coffee, and raw cane sugar dropped after rising in October, and cocoa bean prices fell much more than in October.

Prices for crude energy materials increased 1.7 percent over the month, compared with a 2.5 percent advance in October. The 3.1-percent increase for crude petroleum was the smallest since May. Natural gas prices also rose less than in any other month since last spring, and coal prices moved up only slightly.

Prices for other crude materials generally continued to rise rapidly. Prices for both ferrous and nonferrous scrap metals continued to rise sharply, but not as much as in October. Wastepaper prices moved up more than in any month since March 1976. Higher prices were also recorded for sand, gravel, and crushed stone, raw cotton, and potash. On the other hand, hides and skins prices fell steeply for the sixth time in the last 8 months, and natural rubber prices dropped after rising considerably in the preceding month.

Price Movements

December 1979

The Producer Price Index for Finished Goods advanced 0.8 percent from November to December on a seasonally adjusted basis. The December rise was much less than the 1.3 percent increase in November and was the smallest since June. Prices for intermediate (semifinished) goods rose 1.2 percent, somewhat more than the 0.9 percent advance in November and the same as the average monthly increase in 1979. Crude material prices rose 1.1 percent following larger increases in each of the previous 3 months (table A).

The slowdown in the rate of increase for finished goods occurred because prices for consumer foods edged down after rising unusually rapidly in November. However, the index for finished consumer goods other than food rose 1.3 percent, somewhat more than in November. Capital equipment prices rose 0.9 percent, much more than in November (table B).

Before seasonal adjustment, the Producer Price Index for Finished Goods moved up 0.8 percent to 227.8 (1967=100). Over the year, the Finished Goods Price Index rose

12.5 percent. The finished energy goods index climbed 62.7 percent from December 1978 to December 1979, consumer food prices rose 7.5 percent, the index for finished consumer goods other than food and energy increased 9.3 percent, and capital equipment prices were up 8.7 percent. The Producer Price Index for intermediate goods rose 15.9 percent over the year, and crude material prices advanced 17.5 percent.

Finished goods

Finished consumer goods. The Producer Price Index for finished consumer goods rose 0.8 percent in December following an increase of 1.6 percent in November and 1.0 percent in October. The December slowdown was due to a downturn for consumer foods, particularly beef and poultry. However, the index for finished consumer goods other than foods advanced 1.3 percent, somewhat more than the 1.0 percent rise in November.

The finished consumer foods index edged down 0.1 percent, following a 2.6 percent increase in November.

Table A. Percent changes from preceding month in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods			Intermediate goods			Crude goods		
	Total	Con- sumer foods	Other	Total	Foods and feeds ²	Other	Total	Food- stuffs and feed- stuffs	Other
1978:									
December	1.0	1.2	1.0	0.7	1.6	0.7	0.7	0.3	1.2
1979:									
January	1.3	1.8	1.1	1.1	.2	1.2	2.3	2.8	1.6
February	1.1	1.8	.9	1.1	3.0	1.0	3.3	3.8	2.7
March	1.0	1.2	.9	1.1	-.1	1.1	1.0	.3	2.2
April .....	.9	-.4	1.3	1.5	-.5	1.6	-.4	-.4	-.5
May .....	.4	-1.5	1.1	1.0	.7	1.0	.8	-.2	2.4
June .....	.5	-1.2	1.1	.9	-.5	1.0	.8	-1.2	3.2
July	1.1	.2	1.4	1.8	6.7	1.6	1.7	2.1	1.2
August	1.0	r1.2	r.9	r1.2	-2.7	r1.4	.2	-.2	.7
September	1.4	r1.7	1.3	r1.3	r.9	r1.3	2.1	r1.4	2.9
October	1.0	-.1	1.4	1.8	.5	1.9	1.5	.5	2.8
November	1.3	2.6	.8	.9	-.7	.9	2.0	2.0	2.0
December .....	.8	-.1	1.2	1.2	.8	1.2	1.1	-.1	2.7

¹ Data for August 1979 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some figures shown above and elsewhere in this report may differ from those previously reported.

² Intermediate materials for food manufacturing and manufactured animal feeds.
r=revised.

Prices for processed poultry, which had risen 21.5 percent in November, moved down 0.1 percent; prices for beef and veal, which had risen 6.0 percent in November, fell 4.3 percent. Prices also turned down sharply for fresh and dried vegetables following a large increase in November, milled rice prices fell much more than in the previous month, and roasted coffee prices dropped slightly after rising rapidly in November. Also contributing to the slowdown in food prices were smaller increases for pork and eggs. On the other hand, prices for fresh fruits turned up sharply after declining in November, and prices for refined sugar in consumer size packages rose much more than in the preceding month.

The index for consumer durables rose 1.5 percent, after advancing 0.8 percent in November. Most of the acceleration was due to a 17.7 percent advance for precious metal jewelry. Prices also rose for dinnerware, household scissors, household glassware, and household furniture. Passenger car prices rose only slightly for the second consecutive month.

The index for consumer nondurables other than foods rose 1.3 percent, compared with increases of 1.1 percent in November and 1.8 percent in October. Prices for energy goods rose 2.4 percent, about the same as in November but much less than in most other months in 1979. Gasoline prices rose 3.4 percent, the same as a month earlier; prices for finished lubricants moved up 0.5 percent after a 5.0-percent advance; and home heating oil prices were virtually unchanged for the second consecutive month. Prices for tobacco products, sanitary papers, and textile housefurnish-

ings moved up after little or no change in November. Prices for disposable plastic dinnerware and prescription drugs turned up after declining in the previous month. On the other hand, tires and tubes rose much less than in any of the 7 preceding months.

Capital equipment. The index for capital equipment advanced 0.9 percent in December, following increases of 0.5 and 1.2 percent in November and October, respectively. Motor truck prices, which had edged down in November, rose 0.7 percent. Prices rose faster than in November for construction machinery, metal cutting machine tools, pumps and compressors, unitary air conditioners, oilfield machinery, and commercial furniture.

Intermediate materials

The Producer Price Index for intermediate materials, supplies, and components advanced 1.2 percent in December, seasonally adjusted, more than in November but the same as the average monthly increase in 1979. Accelerating price increases were widespread, with the largest increases registered for precious metals. Energy prices continued to rise substantially, although less than in most other months in 1979. However, the index for construction materials was virtually unchanged for the second consecutive month.

The index for intermediate materials less food and energy rose 0.9 percent, somewhat more than in November. The sharpest acceleration was within the durable manufacturing materials group, which moved up 1.5 percent following a 0.4 percent rise. Silver prices increased 23 percent, and gold was up 15 percent; the index for jewelers'

Table B. Percent changes in finished goods price indexes, selected periods¹

Month	Changes from preceding month, seasonally adjusted						Changes in finished goods from 12 months ago (unadjusted)
	Finished goods	Capital equipment	Finished consumer goods	Finished consumer goods excluding foods			
				Total	Durables	Nondurables	
1978:							
December	1.0	0.6	1.2	1.2	1.4	1.0	9.2
1979:							
January	1.3	1.0	1.4	1.2	1.1	1.2	9.8
February	1.1	.9	1.2	.9	.9	.9	10.2
March	1.0	.6	1.1	1.1	.5	1.4	10.6
April .....	.9	1.2	.7	1.3	.9	1.6	10.4
May .....	.4	.6	.4	1.5	1.0	1.8	10.2
June .....	.5	.6	.5	1.4	.5	1.9	9.9
July	1.1	.8	1.2	1.8	.9	2.2	10.3
August	1.0	r-.3	r1.5	r1.7	.1	r2.7	11.1
September	1.4	r.6	r1.7	r1.8	r.8	r2.4	11.8
October	1.0	1.2	1.0	1.6	1.1	1.8	12.1
November	1.3	.5	1.6	1.0	.8	1.1	12.8
December .....	.8	.9	.8	1.3	1.5	1.3	12.5

¹ Data for August 1979 have been revised to reflect the availability of late reports and corrections by respondents. For this reason, some figures shown above and elsewhere in this

report may differ from those previously reported.

r=revised.

materials and findings advanced 16.5 percent. Prices for copper, aluminum, tin, nickel, and zinc also rose substantially. On the other hand, prices for steel mill products moved up much less than in November.

Among nondurable manufacturing materials, prices rose substantially for paperboard, woodpulp, phosphates, nitrates, industrial chemicals, synthetic rubber, leather, animal hide glue, and gray fabrics. However, inedible fats and oils prices declined for the second consecutive month.

The construction materials and components index edged up 0.1 percent, following a 0.2 percent rise in November. Softwood lumber and plywood prices both fell more sharply than in the previous month. These declines were offset by advances in prices for clay tile, concrete products, Portland cement, heating equipment, valves and fittings, wiring devices, nonferrous wire and cable, and prepared paint.

Large price increases were registered for several manufacturing components, including switchgear and switchboards, ball and roller bearings, fluid power equipment, motor vehicle parts, and electronic components. Other intermediate nonfood nonenergy goods which rose sharply included photographic supplies, glass containers, nonfarm tractor parts, machine tool parts, cutting tools, abrasive products, and unsupported plastic film and sheeting.

The rate of increase in the intermediate energy index continued to slow in December. Prices rose less than in the previous month for residual fuel, commercial jet fuel, liquefied petroleum gas, and lubricating oil materials. Diesel fuel prices increased slightly for the second consecutive month following 8 months of much larger advances. On the other hand, electric power prices advanced more than in any other month during 1979.

The intermediate foods and feeds index turned up after declining in November. Prices rose very sharply for refined sugar for use in food manufacturing. Increases were also

recorded for flour and animal fats and oils. However, prices for manufactured animal feeds and crude and refined vegetable oils continued to fall.

Crude materials

The Producer Price Index for crude materials for further processing rose 1.1 percent on a seasonally adjusted basis, following a 2.0 percent increase in the previous month. Price indexes for crude foodstuffs and for crude materials other than agricultural products and energy fell slightly following large November increases, but crude energy materials rose more than in the preceding month.

The index for crude foodstuffs and feedstuffs edged down 0.1 percent, following a 2.0 percent rise in November. Much of the deceleration was due to a fall in cattle prices, which had risen in the previous month. Wheat and soybean prices also decreased. Live poultry and hog prices moved up, but much more slowly than in November. On the other hand, cocoa bean and raw cane sugar prices, which had dropped in November, rose 14.7 and 11.2 percent, respectively. Prices for corn and green coffee also advanced following November declines.

The index for crude materials less agricultural products and energy moved down 0.3 percent after climbing 3.9 percent in November. The downturn was caused by prices for ferrous and nonferrous scrap, which moved down after rising substantially in the previous month. On the other hand, prices for natural rubber and hides and skins turned up after falling in November. Prices for cotton, wastepaper, and sand, gravel, and crushed stone also rose.

Prices for crude energy materials moved up 4.1 percent over the month, following 2 months of much smaller increases. Natural gas prices rose 5.2 percent, the largest advance since May, and crude petroleum prices increased 4.5 percent, somewhat more than in either of the previous 2 months.