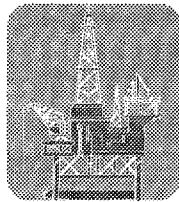
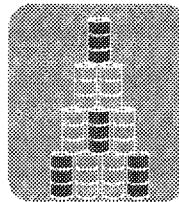
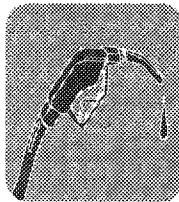


Price Movements

January 2000



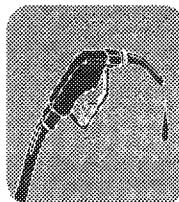
The Producer Price Index for Finished Goods showed no change in January, seasonally adjusted. This followed a 0.1-percent increase in December and a 0.2-percent advance in November. The index for finished goods other than foods and energy fell 0.2 percent in January, after edging up 0.1 percent in the previous month. At the earlier stages of process, prices received by producers of intermediate goods rose 0.4 percent, following a 0.2-percent increase in the prior month, and the crude goods index advanced 2.7 percent, after a 3.9-percent decline a month earlier. (See table A.)

The January decline in prices of finished goods other than foods and energy was primarily due to a 4.9-percent decrease in cigarette prices. Excluding cigarettes, the index for finished goods other than foods and energy would have risen 0.1 percent in January. (Similarly, excluding cigarettes, the overall finished goods index would have risen 0.2 percent.) The indexes for finished energy goods advanced 0.7 percent, after registering a 0.4-percent rise in the prior month.

Before seasonal adjustment, the Producer Price Index for Finished Goods decreased 0.2 percent to stand at 134.7 (1982=100). From January 1999 to January 2000, the finished goods price index increased 2.5 percent. Over the same period, prices for finished energy goods advanced 17.5

percent, finished consumer foods declined 0.4 percent, and finished goods other than foods and energy rose 0.8 percent. Prices received by domestic producers of intermediate goods moved up 4.1 percent for the 12 months ended in January 2000, and the index for crude goods registered an 18.0-percent gain in the same period.

Finished goods



Prices for finished consumer goods other than foods and energy fell 0.4 percent in January, following a 0.1-percent gain in December. The index for cigarettes decreased 4.9 percent, after showing no change last month. Prices for women's apparel, light motor trucks, and periodical circulation also declined, after increasing in the prior month. Passenger car prices rose less than a month ago. By contrast, the index for alcoholic beverages registered a 0.3-percent advance, following a 1.1-percent drop in December. Prices for prescription drugs, sanitary papers and health products, and mobile homes also turned up, after decreasing a month ago.

Prices for finished energy goods advanced 0.7 percent in January, after posting a 0.4-percent rise in December.

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
1999							
January	0.4	1.5	1.1	-0.1	0.8	-0.1	1.0
February	-.4	-1.2	-1.0	.1	.5	-.2	-2.4
March .....	.4	.4	1.9	-.1	.8	.2	.8
April .....	.5	-.8	5.1	.1	1.2	.7	2.1
May .....	.1	.1	.3	.1	1.4	.3	5.7
June .....	.1	.6	-.1	0	1.5	.3	.2
July .....	.2	-.4	2.7	-.1	1.5	.7	.2
August .....	.6	.5	3.3	.1	2.3	.5	5.1
September .....	.8	.7	2.1	.6	3.1	.5	4.6
October	0	-.4	-.2	.1	2.7	.3	-1.6
November .....	.2	0	1.6	0	3.1	.3	3.6
December .....	.1	0	.4	.1	3.0	.2	-3.9
2000							
January	0	.1	.7	-.2	2.5	.4	2.7

¹ Some of the percent changes shown here and elsewhere in "Price Movements January 2000" may differ from those previously reported, because seasonal adjustment factors have been recalculated to reflect developments during 1999.

In addition, indexes for September 1999 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
1999								
January	0.4	1.0	-0.2	-2.7	5.6	-5.0	0.4	-11.4
February	-1.8	-1.0	-.1	-2.7	-3.3	-3.6	1.2	-11.9
March	-1.3	2.4	.1	-2.1	.3	2.9	-1.0	-10.5
April	-1.9	5.1	.2	-1.4	-3.7	12.6	-5	-9.2
May .....	.2	.4	.2	-1.1	1.8	13.2	1.7	-3.1
June .....	.5	.4	.3	-.4	0	0	.5	-.2
July	-1.0	2.8	.5	.3	-3.9	4.3	1.4	-.2
August	1.3	2.5	.2	1.1	3.6	8.6	1.9	9.3
September	1.0	1.9	.1	2.0	1.3	9.3	1.8	16.5
October .....	.9	.2	.2	2.4	.9	-6.1	3.0	11.6
November	-.4	1.9	.1	3.0	.2	8.8	.6	16.0
December	-1.9	1.5	.2	3.9	-2.1	-8.7	2.0	15.7
2000								
January	0	.8	.3	4.1	.7	4.4	3.2	18.0

¹Some of the percent changes shown here and elsewhere in "Price Movements January 2000" may differ from those previously reported, because seasonal adjustment factors have been recalculated to reflect developments during 1999.

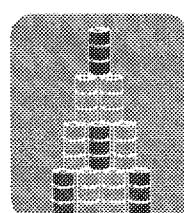
In addition, indexes for September 1999 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Increases in the indexes for gasoline and home heating oil outweighed price decreases for liquefied petroleum gas, finished lubricants, residential electric power, and residential natural gas.

The capital equipment index gained 0.1 percent in January, the same rate of increase as in December. Price increases for civilian aircraft, truck trailers, commercial furniture, and for pumps and compressors slightly outweighed price decreases for light motor trucks, communication and related equipment, electronic computers, and for construction machinery and equipment.

The index for finished consumer foods edged up 0.1 in January, after showing no change in December. Rising prices for pork, dairy products, eggs for fresh use, beef and veal, and roasted coffee more than offset falling prices for fresh and dry vegetables, soft drinks, fresh fruits and melons, and processed fruits and vegetables.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components rose 0.4 percent in January, seasonally adjusted, after registering a 0.2-percent increase in December. The January increase was supported by advancing prices for intermediate energy goods, materials for durable manufacturing, nondurable manufacturing materials, and for materials and components for construction. The intermediate foods and feeds index showed no change in January. Excluding foods and energy, the index for intermediate materials increased 0.3 percent, following a 0.2-percent rise in the prior month. (See table B.)

The index for intermediate energy goods rose 0.8 percent in January, after posting a 1.5-percent rise in December. Residual fuel prices increased 0.3 percent, following a 14.5-percent gain in the previous month. The indexes for jet fuels, diesel fuel, and gasoline also rose less than in the prior month. Liquefied petroleum gas prices fell more than a month ago. On the other hand, the commercial electric power index fell 0.6 percent, after a 1.6-percent decrease a month ago. The commercial natural gas index rose, after falling a month earlier.

The index for durable manufacturing materials advanced 0.8 percent in January, after registering a 0.5-percent increase in December. Copper cathode and refined copper prices turned up 5.6 percent, following a 1.0-percent drop in the prior month. The indexes for flat glass and prepared paint also rose, after falling in the previous month. Prices for hot rolled bars, plates, and structural shapes; building paper and board; and copper and brass mill shapes increased more than a month ago. By contrast, the cold rolled sheet and strip index rose 0.6 percent, following a 1.3-percent gain a month earlier. Prices for aluminum mill shapes and hardwood lumber increased less than in the prior month. The hot rolled sheet and strip index fell more than in the previous month.

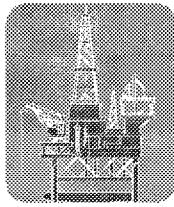
The index for nondurable manufacturing materials gained 0.5 percent in January, after posting a similar increase in December. Advancing prices for nitrogenates, basic organic chemicals, plastic resins and materials, fertilizer materials, woodpulp, paper, and basic inorganic chemicals more than offset falling prices for finished fabrics, inedible fats and oils, medicinal and botanical chemicals, synthetic fibers, and paint materials.

In January, prices for materials and components construction increased 0.4 percent, after rising 0.3 percent in December.

Rising prices for plastic construction products, fabricated structural metal products, softwood lumber, nonferrous wire and cable, millwork, and plywood outweighed price declines for air conditioning and refrigeration equipment, asphalt felts and coatings, heating equipment, switchgear, and cement.

Prices for intermediate foods and feeds showed no change, after posting a 1.9-percent decline in December. The fluid milk products index turned up 0.8 percent, following a 8.9-percent drop in the prior month. Flour prices also increased, after falling in the previous month. The indexes for pork and for beef and veal rose more than a month ago. Natural, processed, and imitation cheese prices fell less than a month earlier. By contrast, the index for prepared animal feeds decreased 0.3 percent, after showing no change in the prior month. Crude vegetable oil prices declined more than in the prior month. The index for potato chips showed no change, following a 1.8-percent increase in the previous month.

Crude goods



The Producer Price Index for Crude Materials for Further Processing increased 2.7 percent in January, following a 3.9-percent decrease in December. Prices for crude energy materials and crude foodstuffs and feedstuffs rose, after falling in the previous month. The index for basic industrial materials advanced more than a month ago. (See table B.)

Prices for crude energy materials gained 4.4 percent in January, after posting an 8.7-percent drop in December. Leading the upturn, the natural gas index increased 9.0 percent, following a 22.4-percent decrease a month earlier. Coal prices also rose, after falling in the prior month. By contrast, crude petroleum prices were unchanged in January, following an 8.6-percent gain last month.

The index for crude foodstuffs and feedstuffs increased 0.7 percent in January, after registering a 2.1-percent decrease in December. Fluid milk prices advanced 1.7 percent, following an 11.3-percent decline a month ago. The indexes for corn, wheat, soybeans, and alfalfa hay also rose, after falling in the previous month. Slaughter hog prices increased more than a month earlier. Conversely, the index for slaughter broilers and fryers declined 4.9 percent in January, following a 2.8-percent advance in December. Prices for fresh vegetables (except potatoes) and slaughter cattle also fell, after rising in the prior month.

The index for crude nonfood materials less energy increased 3.2 percent in January, following a 2.0-percent rise in December. Wastepaper prices advanced 18.4 percent, after posting a 2.4-percent gain a month ago. The indexes for raw cotton, aluminum base scrap, copper ores, and copper base scrap also increased more than in the previous month. Prices for gold ores and for pulpwood advanced, following declines a month earlier. By contrast, the iron and steel scrap index rose 1.3 percent, after a 6.6-percent increase in the prior month. Prices for cattle hides and leaf tobacco fell, following December advances.

Net output price indexes for mining, manufacturing, and other industries

Mining. The Producer Price Index for the Net Output of Total Domestic Mining Industries advanced 2.9 percent in January, after registering a 6.8-percent decline in December. (Net output price indexes are not seasonally adjusted.) Leading the upturn, prices received by the crude petroleum, natural gas, and natural gas liquids industry increased 4.0 percent, following a 9.2-percent decrease a month earlier. The indexes for the bituminous coal and lignite, gold ores, and for the crushed and broken granite industries also rose, after falling in the prior month. Prices received by the copper ores and the crushed and broken limestone industries advanced more than last month. By contrast, the index for the drilling oil and gas wells industry turned down 4.3 percent, following a 0.7-percent gain in December. Prices received by the metal mining services industry fell, after showing no change in the previous month. The indexes for the oil and gas exploration industry and the potash, soda, and borate minerals industry decreased more than a month earlier. In January, the Producer Price Index for the Net Output of Total Mining Industries stood at 90.0 (December 1984 = 100), 40.4 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of the Total Domestic Manufacturing Industries gained 0.2 percent in January, the same rate of increase observed in December. Prices received by the petroleum refining and related products industry group; the printing, publishing, and allied products industry group; the chemicals and allied products industry group; the lumber and wood products (except furniture) industry group; and the transportation equipment industry group rose in January. These advances more than offset declining prices received by the tobacco manufactures industry group; the electrical and electronic machinery and equipment industry group; the food and kindred products industry group; and the apparel and other finished fabric products industry group. In January, the Producer Price Index for the Net Output of Total Manufacturing Industries stood at 130.8 (December 1984 = 100), 3.6 percent above its year-ago level.

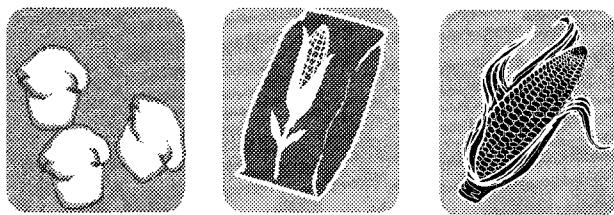
Other. Among other industries in January, the index for the passenger car rental industry advanced 3.7 percent, after posting a 2.1-percent decline in December. Prices received by offices and clinics of doctors of medicine increased 1.2 percent, following a 0.3-percent increase a month earlier. The indexes for travel agencies, the hotel and motel industry, real estate agents and managers, and the telephone communications (except radiotelephone) industry rose, after falling in the previous month. Prices received by the scheduled air transportation industry and by skilled and intermediate care facilities gained more than last month. The indexes for general medical and surgical hospitals and for the property and casualty insurance industry rose, after showing

no change in December. By contrast, prices received by the prepackaged software industry increased less than in the prior month. The index for the radio broadcasting industry,

operators and lessors of nonresidential buildings, the deep sea foreign transportation of freight industry, and advertising agencies declined, following advances a month earlier.

Price Movements

February 2000



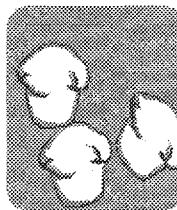
The Producer Price Index for Finished Goods rose 1.0 percent in February seasonally adjusted. This followed no change in January and a 0.1-percent increase in December. Prices for finished goods other than foods and energy advanced 0.3 percent, following a 0.2-percent decrease in January. The index for intermediate goods increased 0.8 percent, after rising 0.4 percent in the prior month. The crude goods index gained 4.2 percent, following a 2.7-percent rise a month earlier. (See table A.)

The majority of February's increase in prices for finished goods can be traced to a 5.2-percent rise for finished energy goods, the largest 1-month gain since a 7.5-percent jump in October 1990. The 0.3-percent February increase in prices for finished goods other than foods and energy was primarily due to a 6.3-percent rise in cigarette prices. (Excluding cigarettes, the index for finished goods other than foods and energy would have shown no change in February. The overall finished goods index would have risen 0.9 percent excluding cigarettes.) Prices for finished consumer foods rose more than in the prior month.

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 1.0 percent to stand at 136.0 (1982=100). From February 1999 to February 2000, the

finished goods price index increased 4.0 percent. Over the same period, prices for finished energy goods advanced 24.7 percent, finished consumer foods rose 1.3 percent, and finished goods other than foods and energy rose 1.0 percent. Prices received by domestic producers of intermediate goods moved up 5.3 percent for the 12 months ended in February 2000, and the index for crude goods registered a 26.1-percent gain in the same period.

Finished goods



Prices for finished energy goods advanced 5.2 percent in February, after posting a 0.7-percent rise in January. The gasoline index increased 12.9 percent, following a 3.0-percent rise in the prior month. Home heating oil prices advanced 30.6 percent, after showing a 6.2-percent increase a month earlier. Prices for liquefied petroleum gas, residential natural gas, and finished lubricants turned up, after falling in January.

The index for finished consumer goods other than foods and energy rose 0.5 percent in February, following a 0.4-

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
1999							
February	-0.4	-1.2	-1.0	0.1	0.5	-0.2	-2.4
March .....	.4	.4	1.9	-.1	.8	.2	.8
April .....	.5	-.8	5.1	.1	1.2	.7	2.1
May .....	.1	.1	.3	-.1	1.4	.3	5.7
June .....	.1	.6	-.1	0	1.5	.3	.2
July .....	.2	-.4	2.7	-.1	1.5	.7	.2
August .....	.6	.5	3.3	.1	2.3	.5	5.1
September .....	.8	.7	2.1	.6	3.1	.5	4.6
October	0	-.3	-.4	.2	2.8	.2	-2.4
November .....	.2	-.1	1.7	-.1	3.1	.5	4.5
December .....	.1	0	.4	.1	3.0	.2	-3.9
2000							
January	0	.1	.7	-.2	2.5	.4	2.7
February	1.0	.4	5.2	.3	4.0	.8	4.2

¹ Some percent changes shown here and elsewhere in "Price Movements February 2000" may differ from those previously reported, because indexes for

October 1999 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
1999								
February	-1.8	-1.0	-0.1	-2.7	-3.3	-3.6	1.2	-11.9
March	-1.3	2.4	.1	-2.1	.3	2.9	-1.0	-10.5
April	-1.9	5.1	.2	-1.4	-3.7	12.6	-.5	-9.2
May .....	.2	.4	.2	-1.1	1.8	13.2	1.7	-3.1
June .....	.5	.4	.3	-.4	0	0	.5	-.2
July	-1.0	2.8	.5	.3	-3.9	4.3	1.4	-.2
August	1.3	2.5	.2	1.1	3.6	8.6	1.9	9.3
September	1.0	1.9	.1	2.0	1.3	9.3	1.8	16.5
October .....	.8	-.8	.2	2.2	.1	-7.0	2.4	10.6
November	-.4	2.9	.1	3.0	1.0	9.9	1.1	16.0
December	-1.9	1.5	.2	3.9	-2.1	-8.7	2.0	15.7
2000								
January	0	.8	.3	4.1	.7	4.4	3.2	18.0
February .....	.6	4.2	.2	5.3	.7	10.0	-.2	26.1

¹ Some percent changes shown here and elsewhere in "Price Movements February 2000" may differ from those previously reported, because indexes for

October 1999 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

percent decline in January. Prices for tobacco products turned up 5.6 percent, after decreasing 4.2 percent last month. The indexes for periodical circulation, women's apparel, and for and for men's and boys' apparel also rose, following declines in the prior month. Price decreases for light motor trucks slowed from 0.8 percent in January to 0.1 percent in February. By contrast, the index for passenger cars fell 1.2 percent, after edging up 0.1 percent a month earlier. Prices for passenger car tires declined 2.9 percent, following no change a month earlier.

The index for finished consumer foods increased 0.4 percent in February, after edging up 0.1 in January. Soft drink prices rose 2.1 percent, following a 0.6-percent decrease last month. The indexes for fresh fruits and melons and for processed fruits and vegetables also turned up, after falling a month earlier. Price increases accelerated for finfish and shellfish, eggs for fresh use, and bakery products. The index for fresh and dry vegetables fell less than in January. By contrast, prices for dairy products fell 1.4 percent in February, after rising 1.6 percent in January. Beef and veal prices fell, following an increase in the prior month. The index for processed young chickens fell more than in January. Prices for roasted coffee edged down, after increasing a month earlier. Price increases for pork slowed to 4.5 percent in February from 6.2 percent in January.

The capital equipment index was unchanged in February, after edging up 0.1 percent in January. Price increases for civilian aircraft, industrial material handling equipment, and commercial furniture offset price declines for electronic computers, communication and related equipment, pumps and compressors, light motor trucks, and construction machinery and equipment.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components advanced 0.8 percent in February, after posting a 0.4-percent gain a month ago. February's increase is the largest 1-month rise since a 1.1-percent jump in January 1995. The intermediate energy goods index increased more than last month. Prices for intermediate foods and feeds increased, after showing no change in the prior month. By contrast, the index for materials and components for construction rose less than a month ago. Prices for durable and nondurable manufacturing materials advanced at rates similar to January's. Excluding foods and energy, the index for intermediate materials gained 0.2 percent, following a 0.3-percent rise in January. (See table B.)

Prices for intermediate energy goods jumped 4.2 percent in February, after registering a 0.8-percent increase in January. The gasoline index advanced 12.9 percent, following a 3.0-percent rise in the previous month. Diesel fuel prices also rose more than a month earlier. The indexes for industrial electric power, commercial electric power, and liquefied petroleum gas moved up, after falling in the prior month. On the other hand, prices for natural gas to electric utilities gained 3.5 percent, following a 10.1-percent increase in January. The indexes for jet fuels and commercial natural gas also rose less than a month ago.

Prices for intermediate foods and feeds advanced 0.6 percent in February, after posting no change in January. The index for prepared animal feeds turned up 2.4 percent, following a 0.3-percent drop last month. Prices for bulk condensed

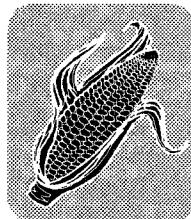
and evaporated milk products also rose, after declining a month earlier. The indexes for crude vegetable oils and butter fell less than a month ago. By contrast, the beef and veal index decreased 1.4 percent in February, following a 2.5-percent gain in January. Prices for fluid milk products and confectionery materials fell, after rising in the prior month.

The index for materials and components for construction advanced 0.3 percent in February, following a 0.4-percent increase a month earlier. Rising prices for nonferrous wire and cable, fabricated structural metal products, hot rolled sheet and strip, steel wire, gypsum products, air conditioning and refrigeration equipment, and softwood lumber outweighed falling prices for millwork, wiring devices, and for plumbing fixtures and brass fittings.

The index for durable manufacturing materials gained 0.8 percent in February, the same rate of increase as in January. Prices for steel mill products, aluminum mill shapes, primary aluminum, gold, prepared paint, and flat glass increased in February. These advances more than offset declining prices for copper cathode and refined copper, cement, and zinc.

In February, the index for nondurable manufacturing materials increased at a 0.5-percent rate for the third consecutive month. Rising prices for primary basic organic chemicals, paperboard, paper, basic inorganic chemicals, and synthetic fibers outweighed falling prices for plastic resins and materials, inedible fats and oils, and other basic organic chemicals.

Crude goods



The Producer Price Index for Crude Materials for Further Processing increased 4.2 percent in February, following a 2.7-percent rise in January. Prices for crude energy materials advanced more than in the prior month. On the other hand, basic industrial material prices turned down, after rising a month ago. The crude foodstuffs and feedstuffs index rose, following a similar increase in the previous month. (See table B.)

Prices for crude energy materials gained 10.0 percent in February, after posting a 4.4-percent increase in January. Leading the advance, the crude petroleum index jumped 16.6 percent, after showing no change a month earlier. By contrast, the coal index turned down 2.6 percent, following a 2.3-percent increase in the previous month. Natural gas prices rose at the same rate as in January.

The index for crude nonfood materials less energy fell 0.2 percent in February, after rising 3.2 percent in January. Waste-paper prices declined 0.9 percent, following an 18.4-percent advance in the prior month. The iron and steel scrap index also fell, after increasing in the previous month. The indexes for raw cotton, aluminum base scrap, copper base scrap, and for softwood logs, bolts, and timber rose less than a month ago. By contrast, gold ore prices posted a 5.4-percent gain, following a 0.6-percent rise in the prior month. Prices for construction sand, gravel, and crushed stone and for leaf

tobacco rose, after falling in the previous month.

The index for crude foodstuffs and feedstuffs increased 0.7 percent in both January and February. Rising prices for corn, soybeans, wheat, unprocessed finfish, alfalfa hay, and for fresh fruits and melons more than offset falling prices for slaughter broilers and fryers, slaughter cattle, fresh vegetables (except potatoes), slaughter hogs, and slaughter turkeys.

Net output price indexes for mining, manufacturing, and other industries

Mining. The Producer Index for the Net Output of Total Domestic Mining Industries advanced 8.1 percent in February, after posting a 2.9-percent gain in January. (Net output price indexes are not seasonally adjusted.) Prices received by the crude petroleum, natural gas, and natural gas liquids industry advanced 11.5 percent, following a 4.0-percent rise in the previous month. Prices received by the gold ores industry and the construction sand and gravel industry also rose more than in the prior month. The indexes for the drilling oil and gas wells industry and for the potash, soda, and borate minerals industry turned up, after falling a month ago. By contrast, the index for the bituminous coal and lignite industry declined 1.6 percent in February, following a 1.0-percent increase in January. Prices received by the copper ores industry and the crushed and broken limestone industry rose less than a month ago. In February, the Producer Price Index for the Net Output of Total Mining Industries stood at 97.3 (December 1984 = 100), 55.7 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Domestic Manufacturing Industries posted a 0.9-percent gain in February, after edging up 0.2 percent in January. Prices received by the petroleum refining and related products industry group advanced 10.1 percent, following a 1.5-percent rise in the prior month. The indexes for the tobacco manufactures industry group and the food and kindred products industry group turned up from the previous month. Prices received by the chemicals and allied products industry group increased more than in January. The index for the electrical and electronic machinery, equipment, and supplies industry group fell less than a month ago. By contrast, prices received by the transportation equipment industry group edged down 0.1 percent in February, following a 0.1-percent gain in January. The indexes for the printing and publishing industry group; the lumber and wood products, except furniture industry group; and the stone, clay, glass, and concrete products industry group rose less than a month ago. In February, the Producer Price Index for the Net Output of Total Manufacturing Industries stood at 132.0 (December 1984 = 100), 4.8 percent above its year-ago level.

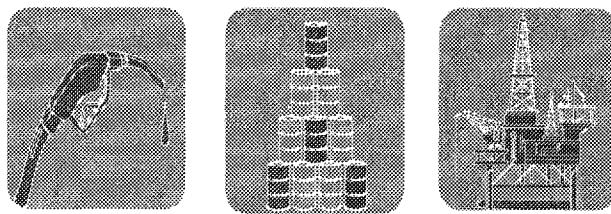
Other. Among other industries, prices received by operators and lessors of nonresidential buildings, real estate agents and managers, home health care services, scheduled air

transportation, truck rental and leasing, travel agencies, and for engineering design, analysis, and consulting services rose in February. These advances more than offset declining prices for telephone communications (except radiotele-

phone), offices of physicians, radio broadcasting, prepackaged software, line-haul operating railroads, cable and other pay television services, and wireless telecommunications.

Price Movements

March 2000



The Producer Price Index for Finished Goods increased 1.0 percent in March, seasonally adjusted. This rise followed a 1.0-percent rise in February and no change in January. Prices received by producers of intermediate goods rose 0.9 percent, following a 0.8-percent gain in the prior month. The crude goods index increased 1.8 percent, after a 4.2-percent advance February. (See table A.)

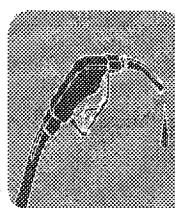
Most of the March increase for finished goods can be attributed to a 5.8-percent jump in finished energy goods. The indexes for finished consumer goods other than foods and energy, capital equipment, and finished consumer foods inched up slightly in March. The index for finished goods other than foods and energy edged up 0.1 percent in March, following a 0.3-percent gain in the prior month.

During the first quarter of 2000, the Finished Goods Price Index moved up at a seasonally adjusted annual rate of 8.2 percent, following a 1.2-percent rate of increase during the fourth quarter of 1999. The index for finished energy goods rose at a 57.5-percent annual rate from December to March, after increasing at a 6.9-percent annual rate over the last 3 months of 1999 and accounted for more than three-fourths of the faster rate of increase in the finished goods index in the first quarter of 2000. Finished consumer food prices turned up at an annual rate of 3.0 percent from December 1999 to March 2000, following a 1.8-percent annual rate of decline during the

fourth quarter of 1999. Prices for finished goods other than foods and energy increased at a 1.1-percent seasonally adjusted annual rate, after rising at a 0.8-percent rate during the prior quarter.

Before seasonal adjustment, the Producer Price Index for Finished Goods rose 0.7 percent in March to stand at 137.0 (1982=100). From March 1999 to March 2000, the Finished Goods Index increased 4.5 percent. Over the past 12 months, the index for finished goods other than foods and energy gained 1.2 percent, prices for finished consumer foods increased 0.9 percent, and the index for finished energy goods advanced 29.2 percent. Prices received by domestic producers of intermediate goods rose 6.0 percent for the 12 months ended in March, and the index for crude goods jumped 27.3 percent during the same period.

Finished goods



Prices for finished energy goods advanced 5.8 percent in March, following a 5.2-percent gain in February. After registering a 6.2-percent rise last month, the index for liquefied petroleum gas jumped 28.5 percent, the largest 1-month rate of increase since a 30.8-percent advance in October 1990. Gasoline price increases accelerated from 12.9

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
1999							
March	0.4	0.4	1.9	-0.1	0.8	0.2	0.8
April .....	.5	-.8	5.1	.1	1.2	.7	2.1
May .....	.1	.1	.3	.1	1.4	.3	5.7
June .....	.1	.6	-.1	0	1.5	.3	.2
July .....	.2	-.4	2.7	-.1	1.5	.7	.2
August .....	.6	.5	3.3	.1	2.3	.5	5.1
September .....	.8	.7	2.1	.6	3.1	.5	4.6
October	0	-.3	-.4	.2	2.8	.2	-2.4
November .....	.1	-.2	1.1	-.1	3.1	.2	5.2
December .....	.2	.1	1.0	.1	3.0	.5	-4.6
2000							
January	0	.1	.7	-.2	2.5	.4	2.7
February	1.0	.4	5.2	.3	4.0	.8	4.2
March	1.0	.1	5.8	.1	4.5	.9	1.8

¹ Some percent changes shown here and elsewhere in "Price Movements March 2000" may differ from those previously reported, because indexes for

November 1999 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
1999								
March	-1.3	2.4	0.1	-2.1	0.3	2.9	-1.0	-10.5
April	-1.9	5.1	.2	-1.4	-3.7	12.6	-5	-9.2
May .....	.2	.4	.2	-1.1	1.8	13.2	1.7	-3.1
June .....	.5	.4	.3	-4	0	0	.5	-2
July	-1.0	2.8	.5	.3	-3.9	4.3	1.4	-2
August	1.3	2.5	.2	1.1	3.6	8.6	1.9	9.3
September	1.0	1.9	.1	2.0	1.3	9.3	1.8	16.5
October .....	.8	-8	.2	2.2	.1	-7.0	2.4	10.6
November	-.6	1.8	.1	2.8	1.0	11.5	1.0	16.7
December	-1.6	2.7	.2	3.9	-2.1	-10.0	2.2	15.7
2000								
January	0	.8	.3	4.1	.7	4.4	3.2	18.0
February6	4.2	.2	5.3	.7	10.0	-2	26.1
March5	4.2	.4	6.0	3.5	1.2	-2	27.3

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November 1999 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

percent in February to 14.9 percent in March. The indexes for residential electric power and finished lubricants also rose more than in the previous month. By contrast, home heating oil prices fell 0.4 percent in March, following a 30.6-percent advance in February. Prices for residential natural gas rose less than last month. The index for kerosene turned down, after a large increase in the prior month.

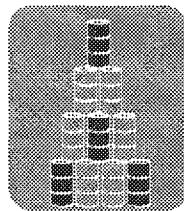
The index for finished consumer goods other than foods and energy edged up 0.1 percent in March, after advancing 0.5 percent in February. Prices for tobacco products fell 0.2 percent, following a 5.6-percent gain last month. The indexes for alcoholic beverages, household appliances, and periodical circulation also turned down from last month. Prices for sanitary papers and health products rose less than a month ago. The home electronic equipment index fell, after showing no change in the previous month. Conversely, passenger car prices rose 0.5 percent in March, following a 1.2-percent decline in February. Prices for prescription drugs, light motor trucks, household furniture, and for tires, tubes, and tread also rebounded, after falling in February.

The index for capital equipment rose 0.1 percent in March, after showing no change in February. Rising prices for civilian aircraft, light motor trucks, heavy motor trucks, and commercial furniture slightly outweighed falling prices for x-ray and electromedical equipment, communication and related equipment, electronic computers, and truck trailers.

Prices for finished consumer foods edged up 0.1 percent in March, following a 0.4-percent advance in February. The eggs for fresh use index dropped 30.6 percent, after advancing 24.6 percent in the prior month. Prices for finfish and shellfish, fresh fruits and melons, and processed fruits and vegetables also turned down, following an increase last month. The indexes for soft drinks and pork rose less than a month ago. On the other

hand, the index for fresh and dry vegetables posted a 13.8-percent gain in March, after declining 6.7 percent in February. Prices for dairy products, processed young chickens, beef and veal, and roasted coffee also turned up, following a decline in the previous month.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components rose 0.9 percent, seasonally adjusted, after registering a 0.8-percent increase in February. More than half of the increase in this index can be traced to higher prices for intermediate energy goods. The indexes for nondurable manufacturing materials, materials and components for construction, and intermediate foods and feeds also advanced in March. The index for durable manufacturing materials showed no change, after increasing 0.8-percent in the prior month. Excluding foods and energy, the index for intermediate materials rose 0.4 percent, following a 0.2-percent increase in the prior month. During the first quarter of 2000, the Producer Price Index for Intermediate Materials, Supplies, and Components advanced at an 8.9-percent seasonally adjusted annual rate, following a 3.6-percent rate of increase during the prior quarter. (See table B.)

The intermediate energy goods index increased 4.2 percent, after posting a similar increase in February. Rising prices for gasoline, liquefied petroleum gas, jet fuels, diesel fuel, residual fuels, and commercial electric power more than offset falling prices for industrial electric power and coke oven products. The intermediate energy goods index advanced at a seasonally adjusted annual rate of 43.4 percent during the first quarter of 2000, following a 15.7-

percent rate of increase for the previous 3 months.

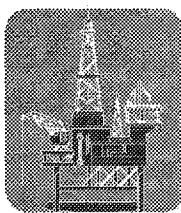
Prices for nondurable manufacturing materials registered a 1.2-percent increase, following a 0.5-percent rise in February. The plastic resins and materials index turned up 2.4 percent, after falling 1.8 percent in the previous month. Prices for paperboard, basic organic chemicals, and paper rose more than in the prior month. The inedible fats and oils index fell less than a month ago. By contrast, gray fabric prices turned down 3.0 percent, after a 0.9-percent advance in the previous month. The indexes for basic inorganic chemicals and fertilizer materials also turned down, after rising in February. Prices for nondurable manufacturing materials rose at a seasonally adjusted annual rate of 9.3 percent during the first quarter of 2000, after rising at a 6.1-percent rate for the previous quarter.

The index for materials and components for construction increased 0.3 percent in March, the same rate of increase as in the prior month. Price increases for plastic construction products, millwork, fabricated structural metal products, nonferrous wire and cable, and plywood outweighed price declines for gypsum products, softwood lumber, switchgear, wiring devices, and cement. From December 1999 to March 2000, construction material prices increased at a seasonally adjusted annual rate of 4.1 percent, after rising at a 1.1-percent rate during the final quarter of 1999.

Intermediate foods and feeds prices gained 0.5 percent, following a 0.6-percent increase February. Advancing prices for prepared animal feeds, beef and veal, pork, fluid milk products, and crude vegetable oils outweighed falling prices for natural, processed, and imitation cheese, refined sugar, and butter. During the first quarter of 2000, the intermediate foods and feeds index rose at a 4.8-percent seasonally adjusted annual rate, after decreasing at a 5.6-percent rate during the prior quarter.

The durable manufacturing materials index showed no change in March, after posting a 0.8-percent rise in February. Aluminum mill shape prices showed no change, after rising 2.3 percent in the prior month. Prices for primary aluminum, semi-finished steel mill products, prepared paint, copper and brass mill shapes, gold, and flat glass fell, after rising a month ago. The copper cathode and refined copper index fell more than in the previous month. On the other hand, prices for hot rolled bars, plates, and structural shapes turned up 1.5 percent, after falling 0.2 percent in the prior month. The indexes for plywood, cold rolled sheet and strip, building paper and board, and hardwood lumber rose more than in the previous month. From December 1999 to March 2000, the durable manufacturing materials index increased at a seasonally adjusted annual rate of 6.4 percent, following a 3.9-percent rate of increase for the previous quarter.

Crude goods



The Producer Price Index for Crude Materials for Further Processing increased 1.8 percent in March, seasonally adjusted, following a 4.2-percent rise in February. Price increases for crude energy materials slowed markedly from the prior month. By contrast, the crude foodstuffs and feedstuffs index rose

more rapidly in March than in February. Prices for basic industrial materials edged down at the same rate as a month ago. During the first quarter of 2000, the Producer Price Index for Crude Materials for Further Processing advanced at a seasonally adjusted annual rate of 40.6 percent, following an 8.0-percent rate of decline in the final quarter of 1999. (See table B.)

Prices for crude energy materials gained 1.2 percent in March, after posting a 10.0-percent increase in February. The index for natural gas turned down 2.7 percent, following a 9.0-percent advance in February. Crude petroleum price increases slowed from 16.6 percent in February to 5.1 percent in March. By contrast, the coal index turned up 2.1 percent, after falling 2.6 percent in the previous month. Prices for crude energy materials rose at an 82.2-percent seasonally adjusted annual rate from December 1999 to March 2000, following a 24.3 percent rate of decline from September 1999 to December 1999.

Prices for crude foodstuffs and feedstuffs rose 3.5 percent in March, after rising 0.7 percent in February. The slaughter cattle index rose 6.1 percent, after falling 1.0 percent in the prior month. Prices for slaughter broilers and fryers, fresh and dry vegetables, raw cane sugar, and slaughter turkeys also increased, following a decline a month earlier. Fluid milk prices rose in March, after showing no change in February. By contrast, prices for unprocessed finfish fell 24.9 percent, following a 28.5-percent advance in the prior month. The indexes for fresh fruits and melons and for wheat also turned down, after increasing in the prior month. Price increases slowed from February to March for corn, alfalfa hay, soybeans, and unprocessed shellfish. From December 1999 to March 2000, the index for crude foodstuffs and feedstuffs increased at a 21.5-percent seasonally adjusted annual rate, following a 4.0-percent rate of decline in the final quarter of 1999.

The index for basic industrial materials fell 0.2 percent in March, the same as in February. Prices declined for nonferrous metal ores, iron and steel scrap, pulpwood logs, leaf tobacco, softwood logs, nonferrous scrap, phosphates, cattle hides, and hardwood logs. Price increases were registered for wastepaper (10.5 percent) and raw cotton (6.1 percent). The basic industrial materials index rose at an 11.7-percent seasonally adjusted annual rate from December 1999 through March 2000, following a 24.5-percent rate of advance in the final quarter of 1999.

Net output price indexes for mining, manufacturing, and other industries

Mining. The Producer Price Index for the Net Output of Total Domestic Mining Industries advanced 2.9 percent in March, after registering an 8.1-percent gain in February. (Net output price indexes are not seasonally adjusted.) Prices received by the crude petroleum, natural gas, and natural gas liquids industry gained 4.1 percent, following an 11.5-percent advance in the previous month. The indexes for the drilling oil and gas wells, gold ores, copper ores, and construction sand and gravel industries turned down, after rising a month ago. Prices received by the oil and gas exploration services industry

declined more than in the prior month. By contrast, the index for the bituminous coal and lignite industry increased 1.5 percent, following a 1.6-percent decrease in February. Prices received by the potash, soda, and borate minerals industry and the crushed and broken limestone industry rose more than a month earlier. During the first quarter of 2000, the Producer Price Index for the Net Output of Total Mining Industries increased at an annual rate of 71.3 percent, after decreasing at a 16.4-percent rate during the final quarter of 1999. In March, this index stood at 100.1 (December 1984 = 100), 57.9 percent above its year-ago level.

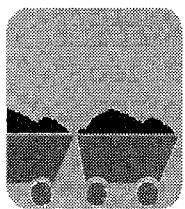
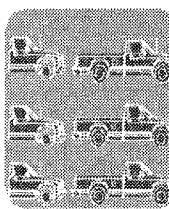
Manufacturing. The Producer Price Index for the Net Output of Total Domestic Manufacturing Industries advanced 0.8 percent in March, after registering an 0.9-percent gain in February. Rising prices were observed for the petroleum refining and related products industry group; the chemicals and allied products industry group; the paper and allied products industry group; the food and kindred products industry group; the printing, publishing, and allied products industry group; and the transportation equipment industry

group. These advances more than offset declining prices received by the electrical and electronic machinery, equipment, and supplies industry group; the tobacco manufactures industry group; and the measuring and controlling instruments industry group. From December 1999 to March 2000, the Producer Price Index for the Net Output of Total Manufacturing Industries increased at a 7.6-percent annual rate, following a 2.8-percent rate of increase during the previous calendar quarter. In March, this index stood at 133.0 (December 1984 = 100), 5.3 percent above its year-ago level.

Other. Among other industries in March, price increases were observed for the telephone communications (except radiotelephone) industry, real estate agents and managers, passenger car rental, radio broadcasting, the trucking (except local) industry, courier services (except by air), air courier services, and the scheduled air transportation industry. Price decreases were observed for operators and lessors of nonresidential buildings, engineering services, travel agencies, deep-sea foreign transportation of freight, and truck rental and leasing.

Price Movements

April 2000



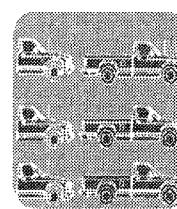
The Producer Price Index for Finished Goods declined 0.3 percent in April, seasonally adjusted. This decrease followed increases of 1.0 percent in February and March. The index for finished goods other than foods and energy rose 0.1 percent, the same as a month ago. Prices received by producers of intermediate goods fell 0.1 percent, after posting a 0.9-percent gain in the prior month. The crude goods index turned down 2.5 percent, following a 1.8-percent advance a month earlier. (See table A.)

Among finished goods in April, prices for finished energy goods fell 4.1 percent, after registering a 5.8-percent increase in March. This downturn marks the largest decrease in finished energy goods since a 5.0-percent drop in February 1991. By contrast, the index for finished consumer foods rose 1.0 percent, following a 0.1-percent gain a month ago. Capital equipment prices advanced 0.2 percent, after rising 0.1 percent in March. The index for finished consumer goods other than foods and energy rose 0.1 percent for the second consecutive month.

Before seasonal adjustment, the Producer Price Index for Finished Goods showed no change to remain at 137.0 (1982=100). From April 1999 to April 2000, finished goods prices gained 3.9 percent. Over the preceding 12 months, the index for finished energy goods increased 18.7 percent, finished goods other than foods and energy advanced 1.3

percent, and finished consumer foods rose 2.8 percent. Prices received by producers of intermediate goods increased 5.3 percent for the 12 months ended April, and the index for crude goods advanced 21.4 percent during the same period.

Finished goods



Prices for finished energy goods declined 4.1 percent in April, after registering a 5.8-percent gain in March. The gasoline index fell 11.7 percent in April, following a 14.9-percent advance in the prior month. April's drop in gasoline prices was the largest decline since a 13.2-percent decrease in August 1989. The indexes for liquefied petroleum gas and diesel fuel also declined, after rising a month ago. Home heating oil prices fell more than a month earlier. Conversely, the index for residential natural gas increased 1.6 percent, following a 0.7-percent gain in March. Prices for lubricating and similar oils also rose more than in the previous month.

The finished consumer foods index advanced 1.0 percent in April, after posting a 0.1-percent gain in March. This rise marks the largest jump in finished consumer foods prices since a 1.5-percent increase in January 1999. Leading the advance, the index for eggs for fresh use gained 41.6 percent, following a 30.6-percent decline in the prior month. Prices for

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
1999							
April	0.5	-0.8	5.1	0.1	1.2	0.7	2.1
May .....	.1	.1	.3	.1	1.4	.3	5.7
June .....	.1	.6	-1	0	1.5	.3	.2
July .....	.2	-4	2.7	-1	1.5	.7	.2
August .....	.6	.5	3.3	.1	2.3	.5	5.1
September .....	.8	.7	2.1	.6	3.1	.5	4.6
October	0	-3	-4	.2	2.8	.2	-2.4
November .....	.1	-2	1.1	-1	3.1	.2	5.2
December .....	.1	0	.7	.1	2.9	.3	-4.9
2000							
January1	.2	.9	-2	2.5	.6	3.1
February	1.0	.4	5.2	.3	4.0	.8	4.2
March	1.0	.1	5.8	.1	4.5	.9	1.8
April	-3	1.0	-4.1	.1	3.9	-1	-2.5

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December 1999 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
1999								
April	-1.9	5.1	0.2	-1.4	-3.7	12.6	-0.5	-9.2
May .....	.2	.4	.2	-1.1	1.8	13.2	1.7	-3.1
June .....	.5	.4	.3	-4.4	0	0	.5	-2
July	-1.0	2.8	.5	.3	-3.9	4.3	1.4	-2
August	1.3	2.5	.2	1.1	3.6	8.6	1.9	9.3
September	1.0	1.9	.1	2.0	1.3	9.3	1.8	16.5
October .....	.8	-8	.2	2.2	.1	-7.0	2.4	10.6
November	-6	1.8	.1	2.8	1.0	11.5	1.0	16.7
December	-1.9	1.4	.1	3.7	-2.0	-11.1	2.5	15.3
2000								
January .....	.3	2.0	.4	4.1	.6	5.7	2.9	18.0
February6	4.2	.2	5.3	.7	10.0	-2	26.1
March5	4.2	.4	6.0	3.5	1.2	-2	27.3
April8	-2.9	.4	5.3	1.7	-6.9	-1.2	21.4

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December 1999 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

finfish and shellfish and for shortening and cooking oils also turned up, after falling a month earlier. The indexes for dairy products, beef and veal, and processed young chickens rose more than in the previous month. By contrast, prices for fresh and dry vegetables gained 2.5 percent in April, following a 13.8-percent advance in March. The pork index also rose less than a month ago. Roasted coffee prices fell, after increasing a month ago, and prices for processed fruits and vegetables fell more in April than in the previous month.

The capital equipment index advanced 0.2 percent, after registering a 0.1-percent gain in March. Prices for civilian aircraft, communication and related equipment, x-ray and electromedical equipment, truck trailers, and heavy motor trucks rose in April. These increases outweighed falling prices for electronic computers, light motor trucks, calculating and accounting machines, and metal cutting machine tools.

In April, the index for finished consumer goods other than foods and energy edged up 0.1 percent, the same rate of increase as in March. Price increases for passenger cars, prescription drugs, alcoholic beverages, household furniture, newspaper circulation, and tires slightly outweighed declining prices for book publishing, women's apparel, light motor trucks, floor coverings, and household appliances.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components turned down 0.1 percent in April, after posting a 0.9-percent gain in March. This marks the first one-month decline for the intermediate goods index since a 0.2-percent decrease in February 1999. A downturn in prices for intermediate energy goods was the main cause of April's deceleration for intermediate goods. The indexes for

nondurable manufacturing materials and construction materials rose less than in the previous month. By contrast, prices for durable manufacturing materials advanced 0.3 percent, after showing no change a month ago. The intermediate foods and feeds index rose more than in the prior month. Excluding foods and energy, the index for intermediate materials gained 0.4 percent, following a 0.4-percent rise in March. (See table B.)

Prices for intermediate energy goods fell 2.9 percent in April, after registering a 4.2-percent advance in March. The gasoline index dropped 11.7 percent, following a 14.9-percent jump in the previous month. Prices for liquefied petroleum gas, diesel fuel, and jet fuels also turned down, after rising a month earlier. The residual fuel index rose less than a month ago. By contrast, prices for industrial electric power turned up 0.6 percent, following a 0.3-percent decline in the prior month. The indexes for commercial natural gas and industrial natural gas increased more than in the previous month.

In April, the index for nondurable manufacturing materials registered a 0.6-percent increase, after gaining 1.2-percent in March. Rising prices for plastic resins and materials, paperboard, paper, basic inorganic chemicals, gray fabrics, medicinal and botanical chemicals, and woodpulp outweighed falling prices for primary basic organic chemicals, phosphates, inedible fats and oils, and nitrogenates.

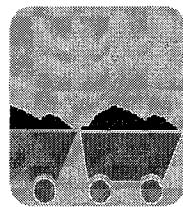
Prices for materials and components for construction rose 0.1 percent in April, following a 0.3-percent increase a month earlier. Advancing prices for asphalt felts and coatings, millwork, plywood, switchgear, steel wire, and wiring devices outweighed declining prices for softwood lumber, plastic construction products, gypsum products, nonferrous wire and cable, cement, and fabricated ferrous wire products.

Prices for durable manufacturing materials gained 0.3 percent in April, after showing no change in March. The hot rolled sheet and strip index rose 2.2 percent, following a

0.4-percent rise a month ago. Prices for semi-finished steel mill products, flat glass, silver, and prepared paint turned up, after falling a month earlier. By contrast, the aluminum extrusion billet index declined 2.7 percent, following a 0.9-percent decrease in the prior month. Aluminum mill shape prices fell, after showing no change in the previous month. The cement index decreased more than in March. Prices for cold rolled sheet and strip, plywood, building paper and board, and hardwood lumber rose less than a month ago.

The intermediate foods and feeds index advanced 0.8 percent in April, after posting a 0.5-percent rise in March. Prices for fluid milk products rose 5.0 percent, following a 0.7-percent increase in the prior month. The indexes for other beverage materials, crude vegetable oils, and beef and veal also increased more than in the previous month. By contrast, prices for prepared animal feeds turned down 0.4 percent, after rising 1.0 percent a month ago. The confectionery materials index also fell, following an advance a month earlier. Refined sugar prices fell more than in the prior month. The pork index rose less than in the previous month.

Crude goods



The Producer Price Index for Crude Materials for Further Processing fell 2.5 percent in April, seasonally adjusted, after increasing 1.8 percent in March. Prices for crude energy materials turned down, after rising in the prior month. The crude food-stuffs and feedstuffs index rose less than in the previous month. Prices for basic industrial materials fell more than a month ago. (See table B.)

Prices for crude energy materials fell 6.9 percent in April, after posting a 1.2-percent increase in March. The index for crude petroleum turned down 23.7 percent, after increasing 5.1 percent in the previous month. The coal index moved down 1.9 percent in April, following a 2.1-percent rise in March. By contrast, the natural gas index turned up 8.7 percent, after falling 2.7 percent last month.

Prices for crude foodstuffs and feedstuffs increased 1.7 percent in April, after rising 3.5 percent in March. The slaughter cattle index rose 1.5 percent, following a 6.1-percent advance a month earlier. Price increases also slowed from March to April for slaughter hogs, soybeans, and raw cane sugar. The indexes for corn, slaughter turkeys, and unprocessed shellfish fell, after rising in March. Wheat prices fell more in April than in the prior month. By contrast, the index for unprocessed finfish increased 42.0 percent, after falling 24.9 percent last month. Price increases accelerated for slaughter broilers and fryers, alfalfa hay, and fluid milk. The index for fresh fruits and melons fell less than in March.

Basic industrial material prices fell 1.2 percent in April, following a 0.2-percent decline in March. The raw cotton index fell 11.6 percent, following a 6.1-percent increase a

month earlier. Leaf tobacco prices fell 17.3 percent, after decreasing 2.1 percent in the prior month. The indexes for gold ores and aluminum base scrap fell more than in March. Price increases for wastepaper slowed from 10.5 percent in March to 6.1 percent in April. By contrast, the index for copper ores rose 3.3 percent in April, after declining 2.7 percent in March. Prices for pulpwood, cattle hides, copper base scrap, and for construction sand, gravel, and crushed stone also turned up, after decreasing in the previous month.

Net output price indexes for mining, manufacturing, and other industries

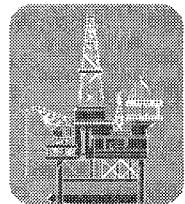
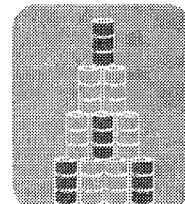
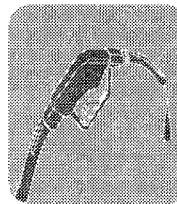
Mining. The Producer Price Index for the Net Output of Total Domestic Mining Industries dropped 5.2 percent in April, after registering a 2.9-percent gain in March. (Net output price indexes are not seasonally adjusted.) Most of this deceleration was due to falling prices received by the crude petroleum, natural gas, and natural gas liquids industry, which declined 7.0 percent, following a 4.1-percent increase in the previous month. The index for the bituminous coal and lignite industry also turned down, after rising a month ago. By contrast, prices received by the drilling oil and gas wells industry advanced 2.5 percent in April, after declining by the same rate in March. The index for the copper ores industry also turned up from the prior month. In April, the Producer Price Index for the Net Output of Total Domestic Mining Industries stood at 94.9 (December 1984=100), 37.7 percent above its year ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Domestic Manufacturing Industries fell 0.2 percent in April, after posting a 0.8-percent gain in March. The index for the petroleum refining and related products industry group declined 3.9 percent, after gaining 8.2 percent in the prior month. Prices received by the printing, publishing, and allied industries group rose less than last month. Conversely, prices received by the industry group for food and kindred products rose 0.5 percent in April, after edging up 0.2 percent in March. The indexes for the electrical and electronic machinery and the measuring and controlling instruments industry groups rose, after falling a month ago. In April, the Producer Price Index for the Net Output of Total Domestic Manufacturing Industries stood at 132.8 (December 1984=100), 4.2 percent higher than its year-ago level.

Other. Among other industries in April, rising prices were observed for the operators and lessors of nonresidential buildings, scheduled air transportation, real estate agents and managers, hotels and motels, property and casualty insurance, and air courier services industries. By contrast, declining prices were registered for the telephone communications (except radiotelephone), life insurance carriers, passenger car rental, wireless communications, and travel agencies industries.

Price Movements

May 2000



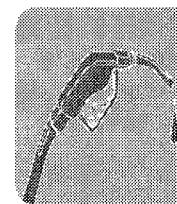
The Producer Price Index for Finished Goods showed no change in May, seasonally adjusted. This followed a 0.3-percent decrease in April and a 1.0-percent gain in March. The index for finished goods other than foods and energy rose 0.2 percent, after increasing 0.1 percent for 2 consecutive months. Prices received by producers of intermediate goods fell 0.1 percent, the same rate as last month. The crude goods index turned up 3.2 percent, following a 2.5-percent decline a month earlier. (See table A.)

Among finished goods, the rate of decline in prices for finished energy goods slowed from 4.1 percent in April to 0.5 percent in May. The index for finished consumer goods excluding foods and energy rose 0.2 percent in May, after edging up 0.1 percent in the previous month. By contrast, the index for finished consumer foods turned down 0.2 percent, following a 1.0-percent gain a month ago. Capital equipment prices increased 0.1 percent, after rising 0.2 percent in April.

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 0.4 percent to stand at 137.5 (1982=100). From May 1999 to May 2000, prices for finished goods gained 3.9 percent. Over the preceding 12 months, the index for finished energy goods increased 18.1 percent, finished goods other than foods and energy advanced 1.5 percent, and finished consumer foods rose 2.6 percent. Prices received by producers of intermediate goods increased 5.0

percent for the 12 months ended in May, and the index for crude goods advanced 18.5 percent during the same period.

Finished goods



Prices for finished energy goods fell 0.5 percent in May, after dropping 4.1-percent in April. The most significant contribution to May's decline was a 12.1-percent drop in liquefied petroleum gas prices. Additional downward pressure on energy prices can be traced to a 0.5-percent decrease in the heavily weighted residential electric power index. By contrast, price increases were registered for gasoline, residential natural gas, home heating oil, and finished lubricants.

In May, the index for finished consumer goods other than foods and energy moved up 0.2 percent, after rising 0.1 percent for 2 consecutive months. Price increases for passenger cars, sanitary papers and health products, book publishing, light motor trucks, cosmetics, and women's apparel outweighed declining prices for prescription drugs, alcoholic beverages, household appliances, passenger car radial tires, and for girls', children's, and infants' apparel.

Prices received by producers of finished consumer foods turned down 0.2 percent in May, after posting a 1.0-percent gain in April. The index for eggs for fresh use fell 17.9

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
1999							
May	0.1	0.1	0.3	0.1	1.4	0.3	5.7
June .....	.1	.6	-.1	0	1.5	.3	.2
July .....	.2	-.4	2.7	-.1	1.5	.7	.2
August .....	.6	.5	3.3	.1	2.3	.5	5.1
September .....	.8	.7	2.1	.6	3.1	.5	4.6
October	0	-.3	-.4	.2	2.8	.2	-2.4
November .....	.1	-.2	1.1	-.1	3.1	.2	5.2
December .....	.1	0	.7	.1	2.9	.3	-4.9
2000							
January .....	.1	.2	.9	-.2	2.5	.5	2.6
February	1.0	.4	5.2	.3	4.0	.9	4.7
March	1.0	.1	5.8	.1	4.5	.9	1.8
April	-.3	1.0	-.4	.1	3.9	-.1	-2.5
May	0	-.2	-.5	.2	3.9	-.1	3.2

¹ Some percent changes shown here and elsewhere in "Price Movements May 2000" may differ from those previously reported, because indexes for

January 2000 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
1999								
May	0.2	0.4	0.2	-1.1	1.8	13.2	1.7	-3.1
June .....	.5	.4	.3	-.4	0	0	.5	-.2
July	-1.0	2.8	.5	.3	-3.9	4.3	1.4	-.2
August	1.3	2.5	.2	1.1	3.6	8.6	1.9	9.3
September	1.0	1.9	.1	2.0	1.3	9.3	1.8	16.5
October .....	.8	-.8	.2	2.2	.1	-7.0	2.4	10.6
November	-.6	1.8	.1	2.8	1.0	11.5	1.0	16.7
December	-1.9	1.4	.1	3.7	-2.0	-11.1	2.5	15.3
2000								
January .....	.1	1.8	.4	4.1	.7	4.7	2.3	17.4
February8	4.4	.2	5.3	.6	11.1	.3	26.1
March5	4.2	.4	6.0	3.5	1.2	-.2	27.3
April8	-2.9	.4	5.3	1.7	-6.9	-1.2	21.4
May7	-1.4	.1	5.0	-1.8	9.9	-.3	18.5

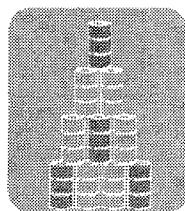
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January 2000 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

percent, following a 41.6-percent advance in the prior month. Prices for finfish and shellfish, pork, processed young chickens, and processed turkeys also turned down, after rising a month earlier. The indexes for dairy products and for beef and veal rose less than in the previous month. By contrast, prices for fresh and dry vegetables advanced 12.1 percent in May, following a 2.5-percent gain in April. The indexes for roasted coffee and for fresh fruits and melons turned up, after falling in the prior month. Soft drink prices exhibited a greater rate of increase than in April.

The capital equipment index moved up 0.1 percent in May, after registering a 0.2 percent increase in April. Advancing prices for light motor trucks, communication equipment, commercial furniture, civilian aircraft, agricultural machinery, and for pumps and compressors slightly outweighed falling prices for electronic computers, x-ray and electromedical equipment, heavy motor trucks, and construction machinery.

Intermediate goods



A 1.4-percent decline in prices for intermediate energy goods was the main factor behind a 0.1-percent decrease in the Producer Price Index for Intermediate Materials, Supplies, and Components. Prices for materials and components for construction and durable manufacturing materials also fell in May. By contrast, both the index for nondurable manufacturing materials and the index for intermediate foods and feeds posted increases of 0.7 percent in May. Excluding foods and energy, the index for intermediate materials advanced 0.1 percent, following a 0.4-percent gain a month earlier. (See table B.)

The intermediate energy goods index decreased 1.4 percent in May, after registering a 2.9-percent decline in April.

In May, falling prices for industrial electric power, commercial electric power, jet fuels, liquefied petroleum gas, and diesel fuel outweighed rising prices for gasoline, commercial natural gas, industrial natural gas, and residual fuel.

The index for materials and components for construction decreased 0.3 percent in May, after posting a 0.1-percent gain in April. Plywood prices declined 6.4 percent, following a 0.8-percent advance in the prior month. The index for softwood lumber fell more than a month earlier. Prices for steel wire, plumbing fixtures and brass fittings, and wiring devices turned down, after increasing a month ago. Conversely, the index for nonferrous wire and cable rose 0.6 percent in May, following a 0.7-percent drop in April. Prices for fabricated ferrous wire products also turned up, after decreasing in the previous month. The index for plastic construction products showed no change, following a decline in April. Cement prices fell less than a month earlier.

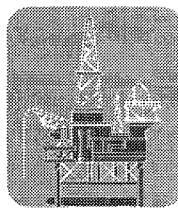
The index for durable manufacturing materials dropped 0.2 percent in May, after registering a 0.3-percent gain in April. Prices for hot rolled sheet and strip decreased 0.2 percent, following a 2.2-percent advance in the prior month. The indexes for plywood and for building paper and board also declined, after increasing a month ago. Prices for semi-finished steel mill products, cold finished bars, and flat glass rose less than a month earlier. The aluminum index fell more than in the previous month. By contrast, prices for cold rolled sheet and strip gained 1.9 percent, following a 1.1-percent advance in April. The indexes for cement and aluminum mill shapes decreased less than in the prior month.

A 4.2-percent rise in prices for plastic resins and materials was the key contributor to a 0.7-percent increase in prices for nondurable manufacturing materials. The indexes for primary basic organic chemicals, paper, nitrogenates, paint materials, synthetic fibers, and processed yarns and threads also

advanced in May. On the other hand, prices for intermediate organic chemicals, basic inorganic chemicals, medicinal and botanical chemicals, paperboard, and woodpulp declined.

The intermediate foods and feeds index increased 0.7 percent in May, after registering a 0.8-percent gain in April. A 2.2-percent rise in the prepared animal feeds index led this month's advance in prices for intermediate foods and feeds. Other price increases were posted for beef and veal, fluid milk products, sausages and breakfast links, refined sugar, and for natural, processed, and imitation cheese. By contrast, prices for pork, liquid beverage bases, crude vegetable oils, confectionery materials, and flour declined in May.

Crude goods



The Producer Price Index for Crude Materials for Further Processing turned up 3.2 percent in May, seasonally adjusted, after declining 2.5 percent in April. Prices for crude energy materials also rose, after falling in the prior month. The index for basic industrial materials fell less than a month ago.

By contrast, prices for crude foodstuffs and feedstuffs fell, after rising in the previous month. (See table B.)

Prices for crude energy materials turned up 9.9 percent in May, after posting a 6.9-percent drop in April. Leading the way, the index for crude petroleum gained 21.6 percent, following a 23.7-percent drop in the previous month. Coal prices rose, after falling in April. On the other hand, the natural gas index increased 3.1 percent, following an 8.7-percent advance last month.

Basic industrial material prices declined 0.3 percent in May, following a 1.2-percent decrease in April. Falling prices for iron and steel scrap, aluminum base scrap, copper ores, and for softwood logs, bolts, and timber outweighed rising prices for wastepaper, raw cotton, cattle hides, and for construction sand, gravel, and crushed stone.

Prices for crude foodstuffs and feedstuffs fell 1.8 percent in May, after rising 1.7 percent in April. The slaughter hogs index dropped 15.5 percent, following a 6.5-percent advance a month earlier. Prices for slaughter broilers and fryers, slaughter cattle, fluid milk, and unprocessed finfish also fell, after rising in April. By contrast, corn prices turned up 4.9 percent, following a 4.8-percent decline in the prior month. Prices for wheat and fresh fruits and melons also rose, after falling last month. The indexes for soybeans and for fresh and dry vegetables rose more than in the previous month.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Domestic Mining Industries advanced 5.4 percent in May,

after registering a 5.2-percent decline in April. (Net output price indexes are not seasonally adjusted.) Leading the upturn, prices received by the crude petroleum, natural gas, and natural gas liquids industry increased 7.1 percent, following a 7.0-percent decrease a month earlier. The index for the bituminous coal and lignite industry and for the oil and the gas exploration services industry also rose, after falling in the prior month. Prices received by the gold ores industry declined less than a month ago. By contrast, the index for the copper ores industry dropped 7.0 percent in May, following a 3.1-percent gain in April. Iron ores industry prices also decreased, after rising in the previous month. The index for the oil and gas well drilling industry and the construction sand and gravel industry advanced less than a month earlier. In May, the Producer Price Index for the Net Output of Total Mining Industries stood at 100.0 (December 1984=100), 30.7 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Domestic Manufacturing Industries increased 0.5 percent in May, after posting a 0.2-percent drop in April. Leading this turnaround, prices received by the petroleum refining and related products industry group gained 3.3 percent, following a 3.9-percent decline in the prior month. The indexes for the chemicals and allied products; the food and kindred products; and the printing, publishing and allied products industry groups rose more than a month ago. Prices received by the machinery (except electrical) industry group and the stone, clay, and concrete products industry group advanced, after showing no change in the previous month. Conversely, the index for the lumber and wood products (except furniture) industry group decreased 1.7 percent in May, following a 0.1-percent decline in April. Prices received by the transportation equipment, the electrical and electronic machinery and equipment, and the rubber and plastic products industry groups declined, after increasing a month earlier. The index for the paper and allied products industry group rose less than in the prior month. In May, the Producer Price Index for the Net Output of Total Manufacturing Industries stood at 133.4 (December 1984=100), 4.5 percent above its year-ago level.

Services. Among service industries in May, prices received by the scheduled air transportation industry rose 6.7 percent. The industry indexes for radio broadcasting, property and casualty insurance, legal services, real estate agents and managers, local trucking without storage, trucking (except local), and deep sea foreign transportation of freight also advanced in May. By contrast, prices received by the home health care industry, operators and lessors of nonresidential buildings, the telephone communications (except radiotelephone) industry, hotels and motels, the passenger car rental, and the freight transportation arrangement industries fell in May.

Price Movements

June 2000

The Producer Price Index for Finished Goods advanced 0.6 percent in June, seasonally adjusted. This index showed no change in May and declined 0.3 percent in April. The index for finished goods other than foods and energy fell 0.1 percent in June, after registering a 0.2-percent gain in the prior month. Prices received by producers of intermediate goods increased 0.9 percent, following a 0.1-percent decrease a month earlier. The crude goods index rose 5.8 percent, after posting a 3.2-percent advance in the previous month. (See table A.)

Prices for finished energy goods jumped 5.1 percent, following a 0.5-percent decline in May, and caused June's acceleration in the finished goods index. By contrast, the index for finished consumer goods other than foods and energy edged down 0.1 percent, after increasing 0.2 percent a month ago. Capital equipment prices showed no change in June, following a 0.1-percent gain in the prior month. June's 0.3-percent decline in the index for finished consumer foods was slightly larger than the 0.2-percent rate of decrease posted in May.

During the first 6 months of 2000, the finished goods price index advanced at a 4.8-percent seasonally adjusted annual rate (SAAR), after rising at a 3.8-percent rate during the latter half of 1999. Leading this acceleration, prices for finished

energy goods rose at a 26.6-percent annual rate in the first half of this year, following a 20.7-percent annual rate of increase during the final 6 months of last year. The index for finished consumer foods advanced at a 2.7-percent SAAR from December 1999 to June 2000, after rising at a 0.6-percent rate in the previous 6-month period. Conversely, prices for finished goods other than foods and energy rose at a 1.0-percent annual rate during the first half of 2000, following a 1.7-percent rate of increase for the last 6 months of 1999. The intermediate goods price index advanced at a 6.1-percent SAAR for the first half of this year, after rising at a 4.8-percent rate during the final 6 months of last year. The crude goods price index rose at an annual rate of 35.3 percent from December 1999 to June 2000, following a 15.6-percent rate of increase in the second half of 1999. (See summary that follows.)

Before seasonal adjustment, the Produce Price Index for Finished Goods advanced 0.7 percent in June to stand at 138.4 (1982=100). From June 1999 to June 2000, prices for finished goods gained 4.3 percent. During the same period, the index for finished energy goods increased 23.4 percent, finished goods other than foods and energy rose 1.4 percent, and finished consumer foods advanced 1.6 percent. Prices

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
1999							
June	0.1	0.6	-0.1	0	1.5	0.3	0.2
July .....	.2	-.4	2.7	-.1	1.5	.7	.2
August .....	.6	.5	3.3	.1	2.3	.5	5.1
September .....	.8	.7	2.1	.6	3.1	.5	4.6
October	0	-.3	-.4	.2	2.8	.2	-2.4
November .....	.1	-.2	1.1	-.1	3.1	.2	5.2
December .....	.1	0	.7	.1	2.9	.3	-4.9
2000							
January .....	.1	.2	.9	-.2	2.5	.5	2.6
February	1.1	.5	5.3	.3	4.0	.9	3.9
March .....	.9	.1	5.7	.1	4.5	.9	2.5
April	-3	1.0	-4.1	.1	3.9	-.1	-2.5
May	0	-.2	-.5	.2	3.9	-.1	3.2
June .....	.6	-.3	5.1	-.1	4.3	.9	5.8

¹ Some percent changes shown here and elsewhere in "Price Movements June 2000" may differ from those previously reported, because indexes for

February 2000 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Summary of December-to-December, 6-month, and 3-month seasonally adjusted annual rates for selected stages of process

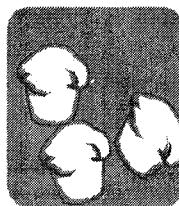
Grouping	Percentage change 12 months ended in December			Seasonally adjusted annual rate for:			
				6 months ended in June 2000	3 months ended in December 1999	3 months ended in March 2000	3 months ended in June 2000
	1997	1998	1999				
Finished goods	-1.2	0	2.9	4.8	0.9	8.6	1.2
Finished consumer foods	-.8	.1	.8	2.7	-2.0	3.3	2.1
Finished energy goods	-6.4	-11.7	18.1	26.6	5.9	59.0	.8
Finished goods less foods and energy	0	2.5	.9	1.0	.8	1.1	.8
Finished consumer goods, excluding foods and energy .....	.3	4.2	1.2	.8	1.1	.8	.8
Capital equipment	-.6	0	.3	1.2	1.2	.9	1.5
Intermediate materials, supplies, and components	-.8	-3.3	3.7	6.1	2.9	9.6	2.8
Intermediate foods and feeds	-1.7	-7.3	-4.2	6.9	-6.6	6.0	7.8
Intermediate energy goods	-7.0	-12.1	19.6	23.1	10.3	50.4	.8
Intermediate materials less foods and energy .....	.3	-1.6	1.9	3.4	2.1	3.9	3.0
Materials for nondurable manufacturing .....	.3	-5.3	4.0	8.9	5.5	10.0	7.8
Materials for durable manufacturing	0	-5.5	2.4	3.2	3.2	7.1	-.6
Materials and components for construction	1.2	.1	2.2	1.1	1.3	3.8	-1.6
Crude materials for further processing	-11.3	-16.7	15.3	35.3	-9.4	42.8	28.2
Foodstuffs and feedstuffs	-4.0	-11.0	-.1	3.9	-3.6	21.0	-10.8
Crude energy materials	-23.1	-23.8	36.9	95.5	-27.9	91.5	99.6
Crude nonfood materials less energy	0	-16.0	14.0	-.8	26.2	10.2	-10.7

NOTE: Late reports and corrections by respondents may cause some indexes to change 4 months after original publication. In addition, seasonally

adjusted indexes may be revised for 5 years, due to the recalculation of seasonal factors each January.

received by producers of intermediate goods gained 5.4 percent for the 12 months ended in June, and the index for crude goods increased 25.2 percent during the same period.

Finished goods



Finished energy goods prices rose 5.1 percent in June, after posting a 0.5-percent decrease in May. The gasoline index advanced 11.8 percent, following a 1.3-percent increase a month earlier. The indexes for residential natural gas and home heating oil also rose more than a month ago. Prices for liquefied petroleum gas turned up, after falling in the prior month. By contrast, prices for residential electric power declined 0.7 percent in June, following a 0.5-percent decrease in the previous month. The finished lubricants index fell, after rising a month earlier.

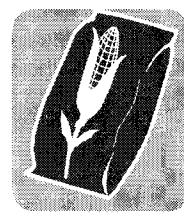
Prices for finished consumer goods other than foods and energy edged down 0.1 percent in June, following a 0.2-percent advance in May. Passenger car prices declined 0.5 percent, following a 0.9-percent gain in the prior month. The indexes for sanitary papers and health products, book publishing, men's and boys' apparel, and women's apparel also turned down, after advancing a month ago. Cigarette prices fell 1.8 percent, after showing no change in the previous month. The index for cosmetics and toilet preparations rose less, while prices for alcoholic beverages decreased more than in May. On the other hand, the index for prescription drugs edged up 0.1 percent in June, following a 0.3-percent drop a month earlier. Prices for girls', children's, and infants' apparel and for tires increased, after declining in the prior month. During the first 6 months of 2000, the index for finished consumer goods

other than foods and energy rose at a 0.8-percent SAAR, after increasing at a 2.4-percent rate during the latter half of 1999.

The capital equipment index showed no change in June, following a 0.1-percent gain in May. Falling prices for passenger cars; electronic computers; office and store machines and equipment; tools, dies, jigs, fixtures, and industrial molds; and agricultural machinery and equipment offset advancing prices for light motor trucks, x-ray and electromedical equipment, communication and related equipment, and pumps and compressors. From December 1999 to June 2000, the capital equipment index rose at a seasonally adjusted annual rate of 1.2 percent, after posting a 0.7-percent rate of increase for the second half of 1999.

The index for finished consumer foods declined 0.3 percent in June, after registering a 0.2-percent decrease a month earlier. This month's decline was led by a 14.7-percent drop in prices for fresh and dry vegetables and an 11.8-percent fall in prices for fresh fruits and melons. The indexes for finfish and shellfish, roasted coffee, and shortening and cooking oils also decreased in June. By contrast, prices for eggs for fresh use, beef and veal, pork, and soft drinks rose in June.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components turned up 0.9 percent in June, after edging down 0.1 percent in May. Most of this acceleration can be attributed to prices for intermediate energy goods, which turned up following two consecutive monthly declines. The index for materials and components for construc-

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
1999								
June	0.5	0.4	0.3	-0.4	0	0	0.5	-0.2
July	-1.0	2.8	.5	.3	-3.9	4.3	1.4	-.2
August	1.3	2.5	.2	1.1	3.6	8.6	1.9	9.3
September	1.0	1.9	.1	2.0	1.3	9.3	1.8	16.5
October .....	.8	-.8	.2	2.2	.1	-7.0	2.4	10.6
November	-.6	1.8	.1	2.8	1.0	11.5	1.0	16.7
December	-1.9	1.4	.1	3.7	-2.0	-11.1	2.5	15.3
2000								
January .....	.1	1.8	.4	4.1	.7	4.7	2.3	17.4
February .....	.5	4.3	.3	5.4	.6	8.9	.6	25.1
March .....	.8	4.3	.3	6.0	3.5	3.2	-.5	27.3
April .....	.8	-2.9	.4	5.3	1.7	-6.9	-1.2	21.4
May .....	.7	-1.4	.1	5.0	-1.8	9.9	-.3	18.5
June .....	.4	4.7	.2	5.4	-2.6	16.2	-1.3	25.2

¹ Some percent changes shown here and elsewhere in "Price Movements June 2000" may differ from those previously reported, because indexes for

February 2000 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

tion fell less than a month ago. By contrast, the indexes for nondurable manufacturing materials and intermediate foods and feeds rose less than in the prior month. Prices for durable manufacturing materials decreased at the same rate as in May. Excluding foods and energy, the index for intermediate materials advanced 0.2 percent, following a 0.1-percent gain a month earlier, the sixteenth consecutive increase for this index. (See table B.)

Prices for intermediate energy goods advanced 4.7 percent in June, after registering a 1.4-percent decline in May. The gasoline index jumped 11.8 percent, following a 1.3-percent gain a month ago. Prices for liquefied petroleum gas, jet fuels, commercial electric power, industrial electric power, and diesel fuel turned up, after falling in the previous month. The index for intermediate energy goods advanced at a 23.1-percent seasonally adjusted annual rate during the first half of 2000, after rising at a 21.0-percent rate during the second half of 1999.

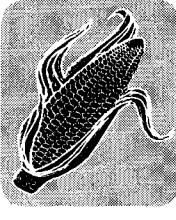
The index for materials and components for construction decreased 0.1 percent in June, following a 0.3-percent decline in May. Softwood lumber prices fell 0.8 percent, after dropping 5.0 percent in the prior month. The plywood index also fell less than a month earlier. Prices for steel wire and for plumbing fixtures and brass fittings turned up, after declining a month ago. The index for plastic construction products rose, after showing no change in May. By contrast, the index for fabricated structural metal products decreased 0.5 percent in June, following a 0.1-percent decline in May. Prices for non-ferrous wire and cable and for millwork turned down, after rising in the previous month. The index for materials and components for construction increased at a 1.1-percent seasonally adjusted annual rate during the first 6 months of 2000, after rising at a 0.8-percent rate during the last 6 months of 1999.

Prices for materials for nondurable manufacturing increased 0.6 percent in June, after posting a 0.7-percent rise in May.

Price increases for basic organic chemicals, paperboard, plastic resins and materials, woodpulp, and paper more than offset declining prices for basic inorganic chemicals, gray fabrics, phosphates, and processed yarns and threads. From December 1999 through June 2000, the nondurable manufacturing materials index increased at an 8.9-percent seasonally adjusted annual rate, following a 7.4-percent rate of increase during the latter half of 1999.

The intermediate foods and feeds index increased 0.4 percent in June, after registering a 0.7-percent gain in May. The index for prepared animal feeds rose 0.7 percent, following a 2.2-percent increase a month earlier. Prices for fluid milk products, beef and veal, and for natural, processed, and imitation cheese also rose less than in the prior month. Crude vegetable oil prices fell more than a month ago. By contrast, the pork index advanced 0.7 percent in June, following a 5.4-percent drop in May. Prices for flour also turned up, after falling in the previous month. The index for confectionery materials showed no change in June, following a decrease last month. Prices for intermediate foods and feeds advanced at a 6.9-percent seasonally adjusted annual rate during the first 6 months of 2000, after posting a 0.9-percent rate of decline during the last 6 months of 1999.

Crude goods



The Producer Price Index for Crude Materials for Further Processing rose 5.8 percent in June, seasonally adjusted, after increasing 3.2 percent in May. This acceleration was caused by a faster rate of increase for crude energy material prices. On the other hand, faster rates of price decline were reported for crude foodstuffs and feedstuffs and basic industrial materials. (See table B.)

Prices for crude energy materials advanced 16.2 percent in June, after posting a 9.9-percent increase in May. The index for natural gas gained 23.9 percent, following a 3.1-percent rise in the prior month. June's increase for natural gas is the largest 1-month advance since a 39.9-percent rise in December 1996. On the other hand, crude petroleum prices rose 13.8 percent, after a 21.6-percent advance a month ago. The coal index fell, after rising last month. The index for crude energy materials increased at a 95.5-percent seasonally adjusted annual rate from December 1999 to June 2000, after increasing at a 30.0-percent rate in the previous 6-month period.

The index for crude foodstuffs and feedstuffs fell 2.6 percent in June, following a 1.8-percent decline in May. Corn prices turned down 13.2 percent, following a 4.9-percent rise. The indexes for fresh vegetables (except potatoes), soybeans, alfalfa hay, and fresh fruits and melons also fell, after rising in the prior month. Slaughter cattle prices fell more than a month ago. By contrast, the slaughter hogs index turned up 2.8 percent, following a 15.5-percent drop in the previous month. Fluid milk prices also rose, after falling a month ago. The index for slaughter broilers and fryers fell less than in May. During the first half of 2000, the crude foodstuffs and feedstuffs index rose at a seasonally adjusted annual rate of 3.9 percent, after showing no change in the last half of 1999.

Basic industrial material prices declined 1.3 percent in June, following a 0.3-percent decrease in May. The June decrease for this index was the fourth consecutive monthly decline. Wastepaper prices fell 1.4 percent, after a 7.3-percent gain in the prior month. The indexes for raw cotton, cattle hides, and for construction sand, gravel, and crushed stone also turned down, after rising last month. Conversely, prices for copper ores turned up 3.3 percent, following a 7.3-percent decline in May. The indexes for gold ores and copper base scrap also rose, after falling a month ago. Prices for aluminum base scrap showed no change, following a decrease in the previous month. The iron and steel scrap index fell less than in the prior month. The index for basic industrial materials turned down at a 0.8-percent seasonally adjusted annual rate from December 1999 to June 2000, after increasing at a 24.4-percent rate in the previous 6-month period.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Domestic Mining Industries advanced 13.8 percent in June,

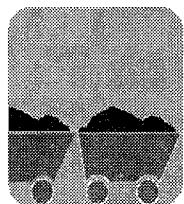
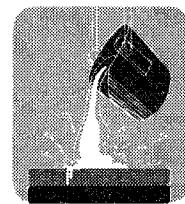
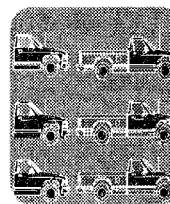
after registering a 5.4-percent increase in May. (Net output price indexes are not seasonally adjusted.) Leading the upturn in June, prices received by the crude petroleum, natural gas, and natural gas liquids industry advanced 19.0 percent, following a 7.1-percent rise in the prior month. The index for the gold ores industry and for the copper ores industry rose, after falling in the previous month. Prices received by the drilling oil and gas wells industry rose more than a month ago. By contrast, the index for the bituminous coal and lignite industry turned down 1.2 percent, following a 1.9-percent increase in May. Prices received by the oil and gas exploration services industry; the potash, soda, and borate minerals industry; and for the construction sand and gravel industry also fell, after rising in the prior month. During the first half of 2000, the index for the net output of total domestic mining industries rose at an annual rate of 72.3 percent, after rising at a 29.1 percent rate for the latter half of 1999. In June, this index stood at 113.8 (December 1984=100), 49.1 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Domestic Manufacturing Industries increased 0.4 percent in June, after posting a 0.5-percent rise in May. In June, rising prices were observed for the petroleum refining and related products industry group; the printing, publishing, and allied products industry group; the rubber and miscellaneous plastic products industry group; and the measuring and controlling instruments industry group. These advances more than offset declining prices received by the tobacco manufactures industry group; the transportation equipment industry group; the lumber and wood products (except furniture) industry group; and the primary metal products industry group. During the first half of 2000, the index for the net output of total manufacturing industries rose at an annual rate of 5.4 percent, following a 4.3-percent annual rate of increase for the second half of 1999. In June, this index stood at 134.0 (December 1984=100), 0.4 percent above its year-ago level.

Services. Among service industries in June, price increases were observed for real estate agents and managers, the telephone communications (except radiotelephone) industry, travel agencies, and the deep-sea foreign transportation of freight industry. Price decreases were observed for the scheduled air transportation industry, operators and lessors of non-residential buildings, hotels and motels, and the freight transportation arrangement industry.

Price Movements

July 2000



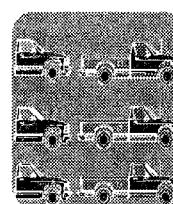
The Producer Price Index for Finished Goods showed no change in July, seasonally adjusted. This index posted a 0.6-percent advance in June and showed no change in May. The index for finished goods other than foods and energy edged up 0.1 percent in July, after falling 0.1 percent a month ago. Prices received by manufacturers of intermediate goods registered a 0.2-percent gain, following a 0.9-percent advance a month earlier. The crude goods index decreased 1.1 percent, after rising 5.8 percent in June. (See table A.)

Prices for finished energy goods turned down 0.7 percent, after rising 5.1 percent in the previous month, and caused July's deceleration in the finished goods index. By contrast, the index for consumer goods other than foods and energy edged up, following a small decline in June. Finished consumer food prices showed no change in July, after falling 0.3 percent in the prior month. The capital equipment index rose, following no change a month ago.

Before seasonal adjustment, the Producer Price Index for Finished Goods fell 0.1 percent in July to stand at 138.3 (1982=100). From July 1999 to July 2000, a 19.2-percent advance in prices for finished energy goods led the 4.1-percent increase for the finished goods index. During the same period, prices for finished goods other than foods and energy

rose 1.5 percent, and prices for finished consumer foods increased 2.1 percent. Prices received by manufacturers of intermediate goods rose 5.0 percent for the 12 months ended in July, and the index for crude goods advanced 23.4 percent for the same period.

Finished goods



The finished energy goods index fell 0.7 percent in July, after posting a 5.1-percent gain in June. Most of the deceleration in prices for finished energy goods can be attributed to a downturn in the gasoline index, which decreased 9.1 percent following an 11.8-percent advance last month.

Prices for liquefied petroleum gas rose less than in June. The index for home heating oil turned down, after rising in the prior month. By contrast, prices for residential electric power turned up 2.0 percent in July, following a 0.7-percent decline in June. The index for residential natural gas rose at a faster rate than a month ago.

The index for finished consumer goods other than foods and energy posted a 0.1-percent gain in July, after declining at the same rate in June. Prices for cigarettes showed no change, following a 1.8-percent decrease in the prior month. The rate

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
1999							
July	0.2	-0.4	2.7	-0.1	1.5	0.7	0.2
August .....	.6	.5	3.3	.1	2.3	.5	5.1
September .....	.8	.7	2.1	.6	3.1	.5	4.6
October	0	-.3	-4	.2	2.8	.2	-2.4
November .....	.1	-.2	1.1	-.1	3.1	.2	5.2
December .....	.1	0	.7	.1	2.9	.3	-4.9
2000							
January .....	.1	.2	.9	-.2	2.5	.5	2.6
February	1.1	.5	5.3	.3	4.0	.9	3.9
March .....	.7	-.1	4.4	-.1	4.3	.9	2.2
April	-.1	1.0	-3.0	.2	3.9	-.1	-2.1
May	0	-.2	-.5	.2	3.9	-.1	3.2
June .....	.6	-.3	5.1	-.1	4.3	.9	5.8
July	0	0	-.7	.1	4.1	.2	-1.1

¹ Some percent changes shown here and elsewhere in "Price Movements July 2000" may differ from those previously reported, because indexes for

March 2000 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
1999								
July	-1.0	2.8	0.5	0.3	-3.9	4.3	1.4	-0.2
August	1.3	2.5	.2	1.1	3.6	8.6	1.9	9.3
September	1.0	1.9	.1	2.0	1.3	9.3	1.8	16.5
October .....	.8	-.8	.2	2.2	.1	-7.0	2.4	10.6
November	-.6	1.8	.1	2.8	1.0	11.5	1.0	16.7
December	-1.9	1.4	.1	3.7	-2.0	-11.1	2.5	15.3
2000								
January .....	.1	1.8	.4	4.1	.7	4.7	2.3	17.4
February .....	.5	4.3	.3	5.4	.6	8.9	.6	25.1
March	1.0	3.6	.4	5.9	3.6	2.3	-.5	26.9
April .....	.6	-2.2	.3	5.3	1.6	-6.0	-1.1	21.4
May .....	.7	-1.4	.1	5.0	-1.8	9.9	-.3	18.5
June .....	.4	4.7	.2	5.4	-2.6	16.2	-1.3	25.2
July	-.7	.5	.2	5.0	-2.7	.4	-1.8	23.4

¹ Some percent changes shown here and elsewhere in "Price Movements July 2000" may differ from those previously reported, because indexes for

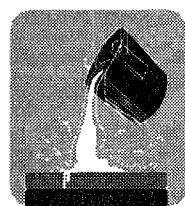
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of decline in prices for sanitary papers and health products slowed from June to July. The indexes for alcoholic beverages, book publishing, men's and boys' apparel, and household appliances increased, after falling in the previous month. The prescription drugs index rose more than it did a month earlier. On the other hand, prices for light motor trucks edged down 0.1 percent in July, following a 0.3-percent gain in June. The indexes for home electronic equipment, mobile homes, and cosmetics and other toilet preparations also turned down, after rising a month ago. Prices for girls', children's, and infants' apparel showed no change, following a 1.2-percent advance in June.

The index for finished consumer foods was unchanged in July, after posting a 0.3-percent decrease in June. In July, price increases for dairy products, pork, bakery products, and finfish and shellfish offset falling prices for eggs for fresh use, beef and veal, processed young chickens, and soft drinks.

The capital equipment index edged up 0.1 percent in July, after showing no change in the prior month. Rising prices for civilian aircraft, office and store machines and equipment, truck trailers, and industrial material handling equipment slightly outweighed falling prices for passenger cars, communication and related equipment, heavy motor trucks, and light motor trucks.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components rose 0.2 percent, after advancing 0.9 percent in June. Most of this deceleration can be attributed to prices for intermediate energy goods, which increased 0.5 percent in July and 4.7 percent in June. Prices for intermediate foods and feeds turned down, after rising in the

previous month. The index for materials and components for construction fell more than it did a month ago. By contrast, prices for nondurable manufacturing materials advanced 0.9 percent, following a 0.6-percent increase a month earlier. The index for durable manufacturing materials rose, after falling in June. Marking the 17th consecutive increase, the index for intermediate materials other than foods and energy advanced 0.2 percent in July. (See table B.)

Prices for intermediate energy goods rose 0.5 percent in July, after advancing 4.7 percent in June. Rising prices for industrial electric power, commercial natural gas, jet fuels, industrial natural gas, commercial electric power, diesel fuel, and residual fuel outweighed falling prices for gasoline.

The intermediate foods and feeds index turned down 0.7 percent in July, after registering a 0.4-percent gain in June. The index for prepared animal feeds fell 1.7 percent, following a 0.7-percent increase in the prior month. Prices for flour and for beef and veal also turned down, after rising in the previous month. The crude vegetable oils index fell more than it did a month earlier. Conversely, prices for fluid milk products advanced 1.6 percent, after edging up 0.1 percent a month ago. The indexes for pork and for natural, processed, and imitation cheese also rose more than in the prior month.

The index for materials and components for construction decreased 0.3 percent in July, after a 0.1-percent decline in June. Softwood lumber prices fell 3.3 percent, following a 0.8-percent drop in the prior month. The indexes for plastic construction products, heating equipment, and air conditioning and refrigeration equipment turned down, after rising in the previous month. Prices for asphalt felts and coatings rose less than they did a month ago. By contrast, the index for wiring devices rose 0.2 percent, after falling 0.3 percent a month earlier. Prices for fabricated structural metal products, nonferrous wire and cable, and plywood fell less than in the prior month.

Prices for nondurable manufacturing materials increased 0.9 percent in July, after posting a 0.6-percent rise in June. The industrial chemicals index advanced 2.5 percent, following a 0.9-percent gain in the prior month. Prices for gray fabrics, phosphates, and processed yarns and threads turned up, after falling in the previous month. On the other hand, the plastic resins and materials index turned down 0.3 percent, following a 0.8-percent gain a month ago. Prices for medicinal and botanical chemicals and inedible fats and oils also fell, after rising a month earlier. Paperboard prices rose less than in the prior month.

The durable manufacturing materials index increased 0.1 percent in July, after falling 0.2 percent in June. Prices for aluminum, except extrusion billet, gained 2.9 percent, following a 1.1-percent rise in the previous month. The indexes for aluminum mill shapes, copper and brass mill shapes, and cold rolled sheet and strip rose, after falling a month ago. Flat glass prices rose more than in the prior month. By contrast, the hot rolled sheet and strip index dropped 0.8 percent, following a 0.3-percent decline a month earlier. Prices for gold and platinum turned down, after rising in June. The silver index fell, after showing no change in the previous month.

Crude goods



The Producer Price Index for Crude Materials for Further Processing declined 1.1 percent in July, after posting a 5.8-percent advance in June. A slower rate of increase for crude energy materials accounted for nearly all of the downturn in the crude goods index. Prices for basic industrial materials and for crude foodstuffs and feedstuffs fell slightly more than in the prior month. (See table B.)

The index for crude energy materials edged up 0.4 percent in July, after registering a 16.2-percent increase in June. Crude petroleum prices fell 7.2 percent, following a 13.8-percent jump in the previous month. The natural gas index rose 6.4 percent, after gaining 23.9 percent a month ago. By contrast, coal prices advanced 0.6 percent, following a 1.6-percent decline a month earlier.

The index for basic industrial materials decreased 1.8 percent in July, after posting a 1.3-percent drop in the prior month. Following a June decline of 1.4 percent, wastepaper prices fell 12.3 percent in July, the largest decline since a 13.3-percent drop in April 1996. The index for softwood logs, bolts, and timber also decreased more than in the previous month. Prices for gold and copper ores turned down, after rising in the previous month. On the other hand, prices for aluminum base scrap advanced 4.1 percent in July, after showing no change in June. The indexes for raw cotton and for iron and steel scrap fell less than they did a month earlier. Prices for cattle hides, hardwood logs, pulpwood logs, and phosphates turned up, after decreasing a month ago.

The index for crude foodstuffs and feedstuffs declined 2.7 percent in July, following a 2.6-percent decrease a month earlier. Falling July prices for corn, soybeans, slaughter cattle,

slaughter broilers and fryers, and Irish potatoes for processing outweighed rising prices for fluid milk, slaughter hogs, and unprocessed finfish.

Net output price indexes for mining, manufacturing, and services industries

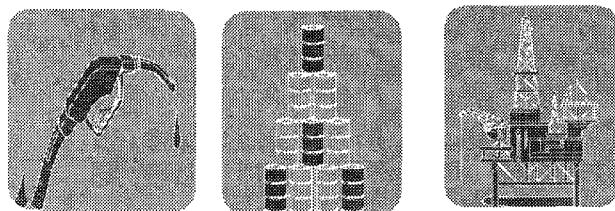
Mining. The Producer Price Index for the Net Output of Total Domestic Mining Industries advanced 0.9 percent in July, after registering a 13.8-percent gain in June. (Net output price indexes are not seasonally adjusted.) Leading the deceleration among mining industries, the index for the crude petroleum, natural gas, and natural gas liquids industry increased 1.0 percent, following a 19.0-percent rise a month earlier. Prices received by the gold ores and copper ores industries declined, after advancing in the prior month. The index for the crushed and broken limestone industry increased less than it did a month ago. By contrast, prices received by the bituminous coal and lignite industry rose 0.5 percent, following a 1.2-percent drop in June. The indexes for the potash, soda, and borate minerals industry and for the oil and gas field exploration services industry also turned up, after falling in the previous month. Prices received by the oil and gas well drilling industry gained more than they did a month earlier. In July, the Producer Price Index for the Net Output of Total Domestic Mining Industries stood at 114.8 (December 1984=100), 45.9 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Domestic Manufacturing Industries decreased 0.3 percent in July, after posting a 0.4-percent advance in the prior month. Prices received by the petroleum refining industry declined 5.0 percent, following a 6.4-percent increase a month ago. The index for the printing, publishing, and allied industries group rose less than in the previous month. Prices received by the measuring and controlling instrument industry group showed no change, after gaining in June. The index for the lumber and wood products (except furniture) industry group fell more than it did a month earlier. Conversely, prices received by the chemicals and allied products industry group advanced 0.6 percent in July, following a 0.1-percent increase in June. The index for the food and kindred products industry group rose 0.2 percent, after showing no change in the prior month. Prices received by the tobacco manufactures industry group and the transportation equipment industry group were unchanged for July, following decreases a month earlier. In July, the Producer Price Index for the Net Output of Total Domestic Manufacturing Industries stood at 133.6 (December 1984=100), 4.1 percent above its year-ago level.

Services. Prices received by general medical and surgical hospitals, offices of physicians, skilled and intermediate care facilities, hotels and motels, and operators and lessors of nonresidential buildings increased in July. By contrast, the indexes for the trucking (except local) industry, life insurance carriers, travel agencies, and the nonscheduled air transportation industry decreased this month.

Price Movements

August 2000



The Producer Price Index for Finished Goods decreased 0.2 percent in August, seasonally adjusted. This index showed no change in July and increased 0.6 percent in June. The index for finished goods other than foods and energy edged up 0.1 percent in August, the same rate as in July. Prices received by manufacturers of intermediate goods fell 0.2 percent, following a 0.2-percent advance a month earlier. The crude goods index decreased 1.5 percent, after falling 1.1 percent in July. (See table A.)

Among finished goods, prices for finished consumer foods declined 0.7 percent in August, and the finished energy goods index decreased 0.2 percent. Prices for finished consumer goods other than foods and energy edged up 0.1 percent, and the index for capital equipment showed no change in August.

Before seasonal adjustment, the Producer Price Index for Finished Goods fell 0.1 percent in August to stand at 138.1 (1982=100). From August 1999 to August 2000, prices for finished goods rose 3.3 percent. The main cause of this increase can be traced to a 15.3-percent advance in prices for finished energy goods. During the same period, prices for finished goods other than foods and energy rose 1.5 percent, and prices for finished consumer foods increased 0.7 percent. Prices received by manufacturers of intermediate goods rose

4.3 percent for the 12 months ended in August, and the index for crude goods advanced 15.6 percent during the same period.

Finished goods



The index for finished consumer foods dropped 0.7 percent in August, after showing no change in July. Prices for dairy products turned down 3.5 percent, following a 0.7-percent increase in the prior month. The indexes for pork, bakery products, and roasted coffee also fell, after rising in July.

Prices for fresh fruits and melons and for beef and veal fell at a faster pace in August than in July. By contrast, the August index for eggs for fresh use turned up 19.4 percent, following a 17.4-percent decrease a month ago. Prices for fresh and dry vegetables and processed young chickens also rose, after falling in July.

The finished energy goods index fell 0.2 percent in August, after decreasing 0.7 percent in July. This slower rate of decline was primarily due to the gasoline index, which fell 2.8 percent in August following a 9.1-percent drop in the previous month. Prices for finished lubricants and home heating

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
1999							
August	0.6	0.5	3.3	0.1	2.3	0.5	5.1
September .....	.8	.7	2.1	.6	3.1	.5	4.6
October	0	-.3	-.4	.2	2.8	.2	-2.4
November .....	.1	-.2	1.1	-.1	3.1	.2	5.2
December .....	.1	0	.7	.1	2.9	.3	-4.9
2000							
January .....	.1	.2	.9	-.2	2.5	.5	2.6
February	1.1	.5	5.3	.3	4.0	.9	3.9
March .....	.7	.1	4.4	.1	4.3	.9	2.2
April	-.4	1.1	-3.9	.1	3.6	-.1	-1.5
May .....	.2	-.4	.4	.3	3.9	-.1	2.5
June .....	.6	-.3	5.1	-.1	4.3	.9	5.8
July	0	0	-.7	.1	4.1	.2	-1.1
August	-.2	-.7	-.2	.1	3.3	-.2	-1.5

¹ Some percent changes shown here and elsewhere in "Price Movements August 2000" may differ from those previously reported, because indexes for

April 2000 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
1999								
August	1.3	2.5	0.2	1.1	3.6	8.6	1.9	9.3
September	1.0	1.9	.1	2.0	1.3	9.3	1.8	16.5
October .....	.8	−.8	.2	2.2	.1	−7.0	2.4	10.6
November	−.6	1.8	.1	2.8	1.0	11.5	1.0	16.7
December	−1.9	1.4	.1	3.7	−2.0	−11.1	2.5	15.3
2000								
January .....	.1	1.8	.4	4.1	.7	4.7	2.3	17.4
February .....	.5	4.3	.3	5.4	.6	8.9	.6	25.1
March	1.0	3.6	.4	5.9	3.6	2.3	−.5	26.9
April .....	.8	−2.8	.4	5.3	1.5	−4.5	−1.0	22.2
May .....	.5	−.8	0	5.0	−1.7	8.1	−.4	18.5
June .....	.4	4.7	.2	5.4	−2.6	16.2	−1.3	25.2
July	−7	.5	.2	5.0	−2.7	.4	−1.8	23.4
August	−2.5	.3	−1	4.3	−4.5	.6	−1.3	15.6

¹ Some percent changes shown here and elsewhere in "Price Movements August 2000" may differ from those previously reported, because indexes for

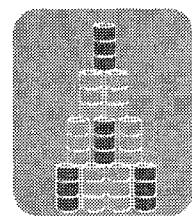
April 2000 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

oil turned up, after decreasing in July. Conversely, the residential natural gas index turned down 0.3 percent, following a 6.2-percent advance in the prior month. Prices for liquefied petroleum gas also fell, after rising last month. The index for residential electric power rose less in August than in July.

The index for finished consumer goods other than foods and energy edged up 0.1 percent in August, the same rate as in July. Price increases for cigarettes, prescription drugs, mobile homes, and book publishing slightly outweighed price decreases for passenger cars, household appliances, alcoholic beverages, and sanitary paper products.

The capital equipment index showed no change in August, following a 0.1-percent increase in July. Rising prices for civilian aircraft, heavy motor trucks, pumps and compressors, truck trailers, and construction machinery and equipment offset falling prices for passenger cars, electronic computers, x-ray and electromedical equipment, light motor trucks, and office and store machines.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components declined 0.2 percent in August, after posting a 0.2-percent gain in the prior month. This downturn was led by prices for nondurable manufacturing materials, which also decreased in August following an increase in July.

The index for intermediate foods and feeds fell more than in the previous month. Prices for durable manufacturing materials declined, after rising a month ago. The index for intermediate energy goods advanced less than in the prior month. By contrast, prices for materials and components for construction declined less than in July. Following a 0.2-percent gain in July, the index for intermediate materials other

than foods and energy fell 0.1 percent in August, the first decline in this index since February 1999. (See table B.)

Prices for nondurable manufacturing materials fell 0.5 percent in August, after registering a 0.9-percent gain in July. The industrial chemicals index declined 1.6 percent, following a 2.5-percent increase in the previous month. Prices for gray fabrics showed no change, after rising a month ago. The index for nitrogenates increased at a slower pace than in July. Prices for plastic resins and materials fell more than a month ago. On the other hand, the index for medicinal and botanical chemicals increased 0.6 percent, following a 1.2-percent drop in July. Prices for synthetic fibers and leather also rose, after falling in the previous month. The synthetic rubber index registered a higher rate of increase in August than in July.

Prices for intermediate foods and feeds fell 2.5 percent in August, following a 0.7-percent decline in July. The index for prepared animal feeds decreased 4.1 percent, after posting a 1.7-percent drop a month ago. The indexes for crude vegetable oils and for beef and veal also fell more than a month earlier. Prices for pork; natural, processed, and imitation cheese; fluid milk products; and refined sugar turned down, following gains in the prior month. By contrast, flour prices increased 0.7 percent in August, after declining 1.5 percent in July. The index for dry, condensed, and evaporated milk products rose more than in the previous month. Butter prices decreased less than last month.

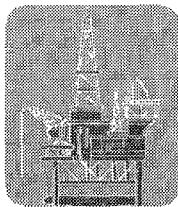
The index for durable manufacturing materials fell 0.2 percent in August, following a 0.1-percent gain in July. Prices for primary aluminum (except extrusion billet) declined 1.8 percent, after posting a 2.9-percent increase a month ago. The indexes for flat glass, cold rolled sheet and strip, cold finished bars, and semi-finished steel mill products also turned down, after rising in the prior month. Prices for hot rolled sheet and strip and for building paper and board decreased more than a

month earlier. Conversely, the index for aluminum mill shapes advanced 0.7 percent in August, following a 0.3-percent increase in July. Prices for copper and brass mill shapes also rose more than in the previous month. The index for hot rolled bars, plates, and structural shapes fell less than last month.

Prices for intermediate energy goods increased 0.3 percent in August, after registering a 0.5-percent rise in July. The index for commercial natural gas fell 0.9 percent, following a 6.8-percent advance in the prior month. Prices for industrial electric power, industrial natural gas, diesel fuel, and jet fuels rose less than a month ago. The indexes for residual fuel, liquefied petroleum gas, and natural gas to electric utilities turned down, after increasing a month earlier. By contrast, price declines for gasoline slowed from 9.1 percent in July to 2.8 percent in August. The commercial electric power index rose slightly more in August than in the prior month.

The index for materials and components for construction decreased 0.1 percent in August, following a 0.3-percent drop in July. Softwood lumber prices declined 1.7 percent, after falling 3.3 percent in the prior month. The indexes for nonferrous wire and cable, fabricated structural metal products, fabricated ferrous wire products, plastic construction products, and switchgear advanced, following declines a month ago. Heating equipment prices showed no change in August, after falling a month earlier. On the other hand, the gypsum products index fell 4.7 percent in August, following a 2.6-percent drop in July. Millwork prices decreased, after showing no change a month ago. The index for wiring devices declined, after rising in the previous month, while plywood prices fell more than in July.

Crude goods



The Producer Price Index for Crude Materials for Further Processing declined 1.5 percent in August, after falling 1.1 percent in July. This faster rate of decline was caused by larger price decreases for crude foodstuffs and feedstuffs. By contrast, prices for basic industrial materials fell less than in the prior month. The index for crude energy materials rose more than a month earlier. (See table B.)

The index for crude foodstuffs and feedstuffs fell 4.5 percent in August, following a 2.7-percent decrease in July. Slaughter hog prices dropped 17.1 percent, after rising 4.8 percent a month ago. The index for fluid milk also turned down, after increasing in the prior month. Prices for wheat, fresh fruits and melons, slaughter broilers and fryers, and unprocessed shellfish fell more than a month earlier. Conversely, corn prices posted a 5.5-percent decline in August, after falling 14.2 percent in July. The index for soybeans also fell less than in the previous month. Prices for fresh and dry vegetables and slaughter turkeys turned up, after falling a month ago.

The index for basic industrial materials decreased 1.3 percent in August, after posting a 1.8-percent drop in July. The main cause of the August decline was a 15.7-percent

decrease in wastepaper prices. The indexes for softwood logs and gold ores also fell in August. By contrast, the indexes for raw cotton, copper base scrap, copper ores, and for construction sand, gravel, and crushed stone increased in August.

The index for crude energy materials increased 0.6 percent in August, after registering a 0.4-percent advance in July. Crude petroleum prices turned up 2.2 percent, following a 7.2-percent drop in the previous month. By contrast, the natural gas index increased 0.6 percent, after rising 6.4 percent a month ago. Coal prices declined 3.5 percent, following a 0.6-percent increase in July.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Domestic Mining Industries rose 0.5 percent in August, after registering a 0.9-percent gain in July. (Net output price indexes are not seasonally adjusted.) Leading the deceleration among mining industries, the index for the bituminous coal and lignite industry fell 2.3 percent, following a 0.5-percent rise a month earlier. Prices received by the crude petroleum, natural gas and natural gas liquids industry and the drilling oil and gas wells industry rose less than in the prior month. The indexes for the potash, soda, and borate minerals industry; oil and gas exploration service industry; and coal mining service industry turned down, after rising a month ago. By contrast, prices received by the copper ores industry advanced 3.7 percent in August, following a 1.0-percent decline in July. The index for the crushed and broken granite industry also turned up, after falling in the previous month. Prices received by the clay and related minerals, miscellaneous nonmetallic minerals, and dimension stone industries rose more than a month ago. In August, the Producer Price Index for the Net Output of Total Domestic Mining Industries stood at 115.4 (December 1984=100), 36.2 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Domestic Manufacturing Industries decreased 0.1 percent in August, after posting a 0.3-percent decrease in the prior month. Leading the acceleration, prices received by the petroleum refining and related products industry group turned up 0.2 percent, following a 4.6-percent decline a month ago. The indexes for the tobacco manufactures and the measuring and controlling instruments industry groups rose, after showing no change a month earlier. Prices received by miscellaneous manufacturing industries and primary metal industries turned up, after falling in the prior month. By contrast, the index for the food and kindred products industry group decreased 0.9 percent in August, compared to the 0.2-percent increase shown in July. Prices received by the chemicals and allied products industry group and the machinery (except electrical) industry group also turned down, after rising a month ago. The indexes for the electrical and electronic machinery industry group and the transportation industry group fell, following no change in July. In August,

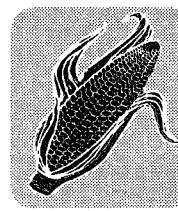
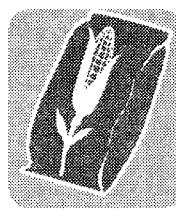
the Producer Price Index for the Net Output of Total Domestic Manufacturing Industries stood at 133.4 (December 1984=100), 3.4 percent above its year-ago level.

Services. Among service industries in August, price increases were registered by general medical and surgical

hospitals, trucking (except local), deep sea foreign transportation of freight, skilled and intermediate care facilities, and hotels and motels. By contrast, the indexes for offices of physicians, telephone communications (except radiotelephone), life insurance carriers, and for cable and other pay television services declined this month.

Price Movements

September 2000



The Producer Price Index for Finished Goods rose 0.9 percent in September, seasonally adjusted. This index declined 0.2 percent in August and showed no change in July. The index for finished goods other than foods and energy advanced 0.3 percent in September, after edging up 0.1 percent in the prior month. Prices received by manufacturers of intermediate goods increased 0.7 percent, following a 0.2-percent decrease a month earlier. The crude goods index rose 5.3 percent, after falling 1.5 percent in August. (See table A.)

Among finished goods, a 3.7-percent jump in September's finished energy goods index followed a 0.2-percent decline in August. The index for finished consumer foods rose 0.4 percent, after falling 0.7 percent in the prior month. Price increases for finished consumer goods other than foods and energy increased 0.4 percent in September, following a 0.1-percent rise in August. The index for capital equipment edged up in September, after showing no change a month ago.

During the third quarter of 2000, the finished goods price index advanced at a 2.6-percent seasonally adjusted annual rate (SAAR), after rising at a 1.8-percent rate during the second quarter of 2000. Leading this acceleration, prices for finished energy goods rose at an 11.4-percent SAAR in the third quarter of this year, following a 5.7-percent annual rate

of increase during the previous 3 months. The index for finished goods other than foods and energy rose at a 2.2-percent SAAR from June 2000 to September 2000, following a 1.1-percent rate of increase in the previous quarter. On the other hand, the index for finished consumer foods turned down at a 1.4-percent SAAR, after rising at a 1.8-percent rate during the second quarter. The intermediate goods price index advanced at a 2.8-percent SAAR during both the second and the third calendar quarters of 2000. The seasonally adjusted annual rate of increase for the crude goods price index slowed to 11.0 percent in the third quarter, compared to a 30.0-percent rate of increase in the prior quarter. (See summary below.)

Before seasonal adjustment, the Producer Price Index for Finished Goods rose 0.8 percent in September to stand at 139.2 (1982=100). From September 1999 to September 2000, prices for finished goods rose 3.3 percent. Over two-thirds of this increase can be traced to a 17.2-percent advance in prices for finished energy goods. During the same period, prices for finished goods other than foods and energy rose 1.2 percent, and prices for finished consumer foods increased 0.3 percent. Prices received by manufacturers of intermediate goods rose 4.5 percent for the 12 months ended in September, and the index for crude goods advanced 16.3 percent during the same period.

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
1999							
September	0.8	0.7	2.1	0.6	3.1	0.5	4.6
October	0	-.3	-.4	.2	2.8	.2	-2.4
November .....	.1	-.2	1.1	-.1	3.1	.2	5.2
December .....	.1	0	.7	.1	2.9	.3	-4.9
2000							
January .....	.1	.2	.9	-.2	2.5	.5	2.6
February	1.1	.5	5.3	.3	4.0	.9	3.9
March .....	.7	.1	4.4	.1	4.3	.9	2.2
April	-.4	1.1	-3.9	.1	3.6	-.1	-1.5
May .....	.1	-.2	-.2	.3	3.7	-.1	3.0
June .....	.7	-.4	5.8	-.1	4.3	.9	5.3
July	0	0	-.7	.1	4.1	.2	-1.1
August	-.2	-.7	-.2	.1	3.3	-.2	-1.5
September .....	.9	.4	3.7	.3	3.3	.7	5.3

¹ Some percent changes shown here and elsewhere in "Price Movements September 2000" may differ from those previously reported, because indexes for

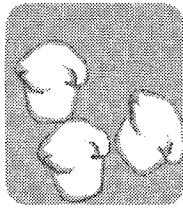
May 2000 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Summary of December-to-December, 9-month, and 3-month seasonally adjusted annual rates for selected stages of process

Grouping	Percentage change 12 months ended in December			Seasonally adjusted annual rate for:			
	1997	1998	1999	9 months ended in September 2000	3 months ended in March 2000	3 months ended in June 2000	3 months ended in September 2000
Finished goods	-1.2	0.0	2.9	4.1	7.9	1.8	2.6
Finished consumer foods	-8	.1	.8	1.3	3.6	1.8	-1.4
Finished energy goods	-6.4	-11.7	18.1	21.3	51.8	5.7	11.4
Finished goods less foods and energy	0	2.5	.9	1.4	.8	1.1	2.2
Finished consumer goods, excluding foods and energy .....	.3	4.2	1.2	1.3	.8	.8	2.4
Capital equipment	-6	0	.3	1.3	.9	1.5	1.4
Intermediate materials, supplies, and components	-.8	-3.3	3.7	5.0	9.6	2.8	2.8
Intermediate foods and feeds	-1.7	-7.3	-4.2	1.6	6.7	7.0	-8.2
Intermediate energy goods	-7.0	-12.1	19.6	22.5	46.3	3.6	21.3
Intermediate materials less foods and energy .....	.3	-1.6	1.9	2.4	4.2	2.7	.3
Materials for nondurable manufacturing .....	.3	-5.3	4.0	5.7	10.0	7.8	-.6
Materials for durable manufacturing	0	-5.5	2.4	2.4	8.1	-1.5	.9
Materials and components for construction	1.2	.1	2.2	.3	3.8	-1.6	-1.3
Crude materials for further processing	-11.3	-16.7	15.3	26.6	40.8	30.0	11.0
Foodstuffs and feedstuffs	-4.0	-11.0	-.1	-2.2	21.5	-11.1	-13.3
Crude energy materials	-23.1	-23.8	36.9	76.0	84.9	106.7	42.6
Crude nonfood materials less energy	0	-16.0	14.0	-4.2	9.9	-10.5	-10.7

NOTE: Late reports and corrections by respondents may cause some indexes to change 4 months after original publication. In addition, seasonally

adjusted indexes may be revised for 5 years, due to the recalculation of seasonal factors each January.

Finished goods

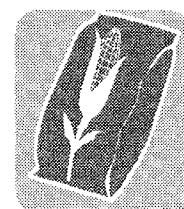
The finished energy goods index rose 3.7 percent in September, after decreasing 0.2 percent in August. Gasoline prices turned up 9.3 percent in September, following a 2.8-percent decline in the previous month. The index for residential natural gas also rose, after falling in August. Price increases for diesel fuel and home heating oil accelerated in September compared to the prior month. By contrast, the index for residential electric power declined 0.3 percent, following a 1.0-percent advance a month ago. Finished lubricant prices rose at a slower rate in September than in August.

The index for finished consumer foods rose 0.4 percent, after falling 0.7 percent in the prior month. Fresh fruit and melon prices turned up 27.4 percent, following a 14.1-percent decline in the prior month. Prices for bakery products and roasted coffee also rose, after falling in August. The indexes for pork, dairy products, and for beef and veal fell less than a month ago. The processed young chickens index rose more than last month. By contrast, prices for eggs for fresh use, dropped 16.9 percent in September, following a 19.4-percent advance in the prior month. The indexes for confectionery end products, milled rice, and for finfish and shellfish also fell, after rising in August. September's soft drink prices fell at a slightly faster pace than in August.

The index for finished consumer goods other than foods and energy increased 0.4 percent, following a 0.1-percent rise in August. Passenger car prices rose 1.4 percent in September, after falling 0.3 percent a month ago. The indexes for light motor trucks, alcoholic beverages, sanitary paper products, and men's and boys' apparel also turned up, after declining in the prior month. Prices for soaps and synthetic detergents

rose more than in August. The index for household appliances showed no change, following a decrease last month. On the other hand, cigarette prices showed no change in September, after advancing 2.6 percent in the previous month. Prices for prescription drugs, book publishing, and textile housefurnishings turned down in September, following increases in August. During the third quarter of 2000, the index for finished consumer goods other than foods and energy rose at a 2.4-percent SAAR, after increasing at a 0.8-percent rate during the second quarter of 2000.

The capital equipment index rose 0.2 percent, after showing no change in August. The majority of September's increase can be traced to a 1.4-percent advance in prices for passenger cars and a 1.5-percent increase in prices for light motor trucks. The indexes for civilian aircraft, office and store machines, construction machinery, and commercial furniture also rose in September. By contrast, prices for heavy motor trucks, communication and related equipment, electronic computers, and transformers and power regulators declined in September. From June 2000 to September 2000, the index for capital equipment rose at a 1.4-percent SAAR, following a 1.5-percent rate of increase in the previous quarter.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components turned up 0.7 percent in September, after posting a 0.2-percent decline in the prior month. Most of this acceleration was led by prices for intermediate energy goods, which rose at a faster rate than in August. The indexes for intermediate foods and feeds, durable manufacturing materials, and materials and components for

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
1999								
September	1.0	1.9	.1	2.0	1.3	9.3	1.8	16.5
October .....	.8	-.8	.2	2.2	.1	-7.0	2.4	10.6
November	-.6	1.8	.1	2.8	1.0	11.5	1.0	16.7
December	-1.9	1.4	.1	3.7	-2.0	-11.1	2.5	15.3
2000								
January .....	.1	1.8	.4	4.1	.7	4.7	2.3	17.4
February .....	.5	4.3	.3	5.4	.6	8.9	.6	25.1
March	1.0	3.6	.4	5.9	3.6	2.3	-.5	26.9
April .....	.8	-2.8	.4	5.3	1.5	-4.5	-1.0	22.2
May .....	.7	-1.0	.1	5.0	-1.4	8.8	-.2	19.0
June .....	.2	4.9	.1	5.4	-2.9	15.4	-1.5	25.2
July	-.7	.5	.2	5.0	-2.7	.4	-1.8	23.4
August	-2.5	.3	-.1	4.3	-4.5	.6	-1.3	15.6
September	1.1	4.1	0	4.5	3.9	8.1	.3	16.3

¹ Some percent changes shown here and elsewhere in "Price Movements September 2000" may differ from those previously reported, because indexes for

May 2000 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

construction turned up, after falling in the previous month. Prices for nondurable manufacturing materials declined at the same rate as in August. The index for intermediate materials other than foods and energy showed no change in September, following a 0.1-percent decline in August. (See table B.)

Prices for intermediate energy goods increased 4.1 in September, after registering a 0.3-percent rise in August. The gasoline index advanced 9.3 percent, following a 2.8-percent decline in the prior month. Prices for jet fuels and diesel fuel rose more than a month ago. The indexes for commercial natural gas and residual fuels turned up, after falling the month before. By contrast, commercial electric power prices declined 0.3 percent in September, following a 0.8-percent rise in August. The industrial electric power index also turned down, after increasing in the previous month. Prices for intermediate energy materials advanced at a 21.3-percent SAAR from June 2000 to September 2000, after rising at a 3.6-percent rate in the previous quarter.

The index for intermediate foods and feeds rose 1.1 percent in September, following a 2.5-percent decline in August. Prepared animal feed prices rose 3.2 percent, after declining 4.1 percent a month earlier. The index for crude vegetable oils also turned up, following a decline in August. Prices for pork, confectionery materials, and for beef and veal fell less than in the prior month. By contrast, the index for fluid milk products declined 2.8 percent in September, after posting a 0.7-percent decrease in August. Prices for refined sugar also fell more than a month ago. The intermediate foods and feeds index declined at an 8.2-percent SAAR during the third quarter of 2000, following a 7.0-percent rate of increase in the previous quarter.

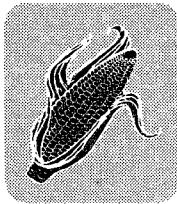
Prices for durable manufacturing materials increased 0.3 percent in September, after falling 0.2 percent in August. The index for primary aluminum advanced 2.7 percent,

following a 1.8-percent drop in the previous month. Prices for plywood also turned up, after decreasing a month ago. The indexes for hot rolled sheet and strip and for building paper and board declined at a slower rate than in August, while prices for copper and brass mill shapes rose more than in the prior month. On the other hand, prices for cold rolled sheet and strip decreased 0.8 percent in September, following a 0.6-percent decline in August. Durable manufacturing material prices rose at a 0.9-percent SAAR from June 2000 to September 2000, after declining at a 1.5-percent rate during the second quarter.

The index for materials and components for construction edged up 0.1 percent in September, following a 0.1-percent drop in August. Plywood prices increased 2.4 percent, after posting a 1.1-percent decline a month ago. The indexes for softwood lumber and gypsum products fell less than in the prior month. After falling 0.2 percent in August, millwork prices showed no change in September. By contrast, the index for plastic construction products dropped 1.2 percent, following a 0.7-percent increase in August. Prices for asphalt felts and coatings and for plumbing fixtures and brass fittings also turned down, after rising in the previous month. The index for materials and components for construction fell at a 1.3-percent SAAR for the third quarter of 2000, following a 1.6-percent rate of decrease during the second quarter.

Prices for nondurable manufacturing materials fell 0.5 percent in September, the same rate of decline as in August. Falling prices for plastic resins and materials, primary basic organic chemicals, phosphates, and aluminum compounds outweighed price increases for nitrogenates, synthetic rubber, paint materials, and woodpulp. Nondurable manufacturing material prices decreased at a 0.6-percent SAAR during the third quarter of 2000, after increasing at a 7.8-percent rate during the second quarter.

Crude goods



The Producer Price Index for Crude Materials for Further Processing advanced 5.3 percent in September, after registering a 1.5-percent decline in August. Prices for crude foodstuffs and feedstuffs also turned up, following a decrease in the prior month. The index for crude energy materials rose more than a month earlier. Prices for basic industrial materials increased, after falling in the previous month. (See table B.)

The index for crude foodstuffs and feedstuffs gained 3.9 percent in September, following a 4.5-percent drop in August. Prices for slaughter broilers and fryers jumped 16.9 percent, after posting an 8.7-percent decline a month ago. The indexes for slaughter hogs, fluid milk, corn, wheat, soybeans, fresh fruits and melons, and alfalfa hay also rose, after falling in the prior month. Slaughter cattle prices decreased less than a month earlier. By contrast, the index for unprocessed finfish dropped 23.4 percent in September, following a 23.9-percent advance in August. The unprocessed shellfish index declined more than in the previous month. From June 2000 to September 2000, prices for crude foodstuffs and feedstuffs decreased at a 13.3-percent SAAR, following an 11.1-percent rate of decline in the second quarter.

The index for crude energy materials advanced 8.1 percent in September, after registering a 0.6-percent gain in August. Natural gas prices increased 9.0 percent, following a 0.6-percent rise in the prior month. The crude petroleum index jumped 9.1 percent, after posting a 2.2-percent advance a month earlier. Coal prices rose 0.9 percent, following a 3.5-percent drop in the previous month. Prices for crude energy materials increased at a 42.6-percent SAAR in the third quarter of 2000, following a 106.7-percent rate of advance in the second quarter of 2000.

Recording its first increase since February 2000, the index for basic industrial materials rose 0.3 percent in September, after a 1.3-percent decline in August. September price increases were registered for leaf tobacco, copper ores, iron and steel scrap, aluminum base scrap, raw cotton, and for construction sand, gravel, and crushed stone. By contrast, the indexes for wastepaper, softwood logs, phosphates, and iron ores decreased this month. Following a 10.5-percent SAAR of decline during the second quarter of 2000, the index for basic industrial materials fell at a 10.7-percent rate during the third quarter of 2000.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Domestic Mining Industries advanced 6.2 percent in September, after registering a 0.5-percent gain in August.

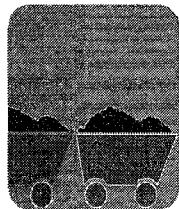
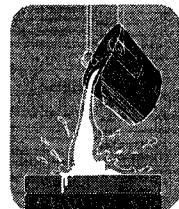
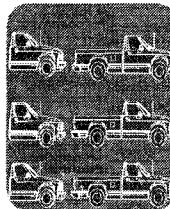
(Net output price indexes are not seasonally adjusted.) Leading this acceleration, the index for the crude petroleum, natural gas, and natural gas liquids industry increased 8.1 percent, following a 0.9-percent rise in the prior month. Prices received by the bituminous coal and lignite industry and the potash, soda, and borate minerals industry turned up, after falling a month earlier. The index for the gold ores industry decreased less than in the previous month. Prices received by the copper ores industry and the oil and gas well drilling industry advanced more than a month ago. On the other hand, the index for the iron ores industry declined 2.2 percent in September, after showing no change in August. For the 3 months ended September 2000, the index for the net output of total domestic mining industries rose at a 34.7-percent annual rate, following a 75.3-percent annual rate of increase during the second quarter of this year. In September, this index stood at 122.6 (December 1984=100), 34.0 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Domestic Manufacturing Industries jumped 0.9 percent in September, after edging down 0.1 percent in August. Accounting for over two-thirds of this acceleration, prices received by the petroleum refining and related products industry group gained 10.6 percent, following a 0.2-percent rise in the previous month. Indexes for the food and kindred products, chemicals and allied products, and the machinery (except electrical) industry groups increased, after falling a month earlier. Prices received by the transportation equipment, electrical and electronic machinery and equipment, and the lumber and wood products (except furniture) industry groups declined less than in the prior month. By contrast, the index for the tobacco manufactures industry group showed no change in September, following a 2.4-percent advance in August. Prices received by the measuring and controlling instruments and the rubber and plastic products industry groups fell, after rising a month ago. After increasing at a 3.4-percent annual rate from March 2000 to June 2000, the index for the net output of total domestic manufacturing industries advanced at a 1.8-percent rate from June 2000 to September 2000. In September, this index stood at 134.6 (December 1984=100), 3.8 percent above its year-ago level.

Services. Among services industries in September, price increases were observed for the scheduled air transportation industry, operators and lessors of nonresidential buildings, hotels and motels, skilled and intermediate care facilities, trucking (except local), truck rental and leasing, and the property and casualty insurance industry. Conversely, price declines were observed for real estate agents and managers, deep sea foreign transportation of freight, offices of physicians, and the passenger car rental industry.

Price Movements

October 2000



The Producer Price Index for Finished Goods rose 0.4 percent in October, seasonally adjusted. This index increased 0.9 percent in September and declined 0.2 percent in August. The index for finished goods other than foods and energy edged down 0.1 percent in October, after rising 0.3 percent in the prior month. Prices received by manufacturers of intermediate goods increased 0.2 percent, following a 0.7-percent advance a month earlier. The crude goods index rose 3.4 percent, after jumping 5.3 percent in September. (See table A.)

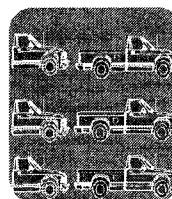
October's slower rate of increase in the index for finished goods was primarily due to smaller price increases for finished energy goods, which rose 1.4 percent in October, after advancing 3.7 percent in September. Prices for finished consumer goods other than foods and energy and for capital equipment showed no change in October, following increases in the prior month. On the other hand, the index for finished consumer foods increased 0.8 percent, after moving up 0.4 percent in September.

For the first 10 months of 2000, the Producer Price Index for Finished Goods increased at a 4.1-percent seasonally adjusted annual rate (SAAR), after rising 2.9 percent for the 1999 calendar year. Prices for finished goods other than foods and energy rose at a 1.1-percent SAAR for the first 10 months of 2000, after posting a 0.9-percent gain in the previous calendar year. The index for intermediate goods increased at a 4.8-

percent SAAR from December 1999 to October 2000, following a 3.7-percent rise during the 1999 calendar year. Prices for crude goods advanced at a 28.7-percent SAAR during the first 10 months of 2000, after a 15.3-percent increase during all of 1999.

Before seasonal adjustment, the Producer Price Index for Finished Goods rose 0.6 percent in October to stand at 140.0 (1982=100). From October 1999 to October 2000, prices for finished goods rose 3.6 percent. During the same period, the finished energy goods index advanced 19.4 percent, prices for finished goods other than foods and energy rose 1.0 percent, and prices for finished consumer foods increased 1.5 percent. Prices received by manufacturers of intermediate goods rose 4.6 percent for the 12 months ended in October, and the index for crude goods advanced 23.4 percent during the same period.

Finished goods



The finished energy goods index rose 1.4 percent in October, after advancing 3.7 percent last month. October price increases for liquefied petroleum gas, residential natural gas, and residential electric power outweighed falling prices for gasoline, home heating oil, and diesel fuel.

The index for finished consumer goods other than foods

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
1999							
October	0.0	-0.3	-0.4	0.2	2.8	0.2	-2.4
November .....	.1	-2	1.1	-1	3.1	.2	5.2
December .....	.1	0	.7	.1	2.9	.3	-4.9
2000							
January .....	.1	.2	.9	-.2	2.5	.5	2.6
February	1.1	.5	5.3	.3	4.0	.9	3.9
March .....	.7	.1	4.4	.1	4.3	.9	2.2
April	-4	1.1	-3.9	.1	3.6	-.1	-1.5
May .....	.1	-.2	-.2	.3	3.7	-.1	3.0
June .....	.9	-.2	6.4	0	4.4	.9	8.4
July	-.1	-.2	-1.4	.1	4.1	.2	-3.9
August	-2	-.7	-.2	.1	3.3	-2	-1.5
September .....	.9	.4	3.7	.3	3.3	.7	5.3
October .....	.4	.8	1.4	-.1	3.6	.2	3.4

¹ Some percent changes shown here and elsewhere in "Price Movements October 2000" may differ from those previously reported, because indexes for

June 2000 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
1999								
October	0.8	-0.8	0.2	2.2	0.1	-7.0	2.4	10.6
November	-.6	1.8	.1	2.8	1.0	11.5	1.0	16.7
December	-1.9	1.4	.1	3.7	-2.0	-11.1	2.5	15.3
2000								
January .....	.1	1.8	.4	4.1	.7	4.7	2.3	17.4
February .....	.5	4.3	.3	5.4	.6	8.9	.6	25.1
March	1.0	3.6	.4	5.9	3.6	2.3	-.5	26.9
April .....	.8	-2.8	.4	5.3	1.5	-4.5	-1.0	22.2
May .....	.7	-1.0	.1	5.0	-1.4	8.8	-.2	19.0
June .....	.2	5.1	.1	5.5	-2.7	22.6	-1.6	29.0
July	-.7	.3	.2	5.0	-2.9	-5.5	-1.7	23.4
August	-2.5	.3	-.1	4.3	-4.5	.6	-1.3	15.6
September	1.1	4.1	0	4.5	3.9	8.1	.3	16.3
October .....	.6	1.1	0	4.6	3.5	4.6	-.6	23.4

¹ Some percent changes shown here and elsewhere in "Price Movements October 2000" may differ from those previously reported, because indexes for

June 2000 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

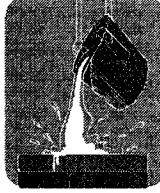
and energy showed no change in October, after rising 0.4 percent in September. Passenger car prices declined 1.8 percent in October, following a 1.4-percent increase a month ago. The indexes for light motor trucks and men's and boys' apparel also fell, after rising in September. In accordance with usual practice, most new model year passenger cars and light trucks were introduced into the PPI in October. (See *Report on Quality Changes for 2001 Model Vehicles*.) Price increases for soaps and synthetic detergents, alcoholic beverages, and for toys, games, and children's vehicles slowed from September to October. The periodical circulation index decreased, after showing no change in September. By contrast, prices for prescription drugs turned up 1.6 percent, following a 0.1-percent decrease last month. The index for women's apparel also rose, after falling in September. Prices for tobacco products and household appliances increased, following no change in the prior month.

The capital equipment index showed no change in October, after edging up 0.2 percent a month ago. Rising prices for civilian aircraft, heavy motor trucks, transformers, x-ray and electromedical equipment, and for pumps and compressors offset falling prices for passenger cars, light motor trucks, commercial furniture, electronic computers, and communication and related equipment.

The index for finished consumer foods rose 0.8 percent in October, after rising 0.4 percent in the previous month. Prices for eggs for fresh use turned up 21.1 percent, following a 16.9-percent drop in September. The indexes for finfish and shellfish, soft drinks, pork, and for beef and veal also rose, after falling in the prior month. Dairy product prices fell less than a month ago. By contrast, the index for fresh fruits and melons rose only 3.5 percent, after surging 27.4 percent in September. Prices for processed young chickens, fresh and dry vegetables, and processed turkeys also rose less than in the prior month.

The index for shortening and cooking oils turned down, following an increase last month.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components advanced 0.2 percent in October, after registering a 0.7-percent gain in September. A slowing rate of increase for intermediate energy goods accounted for most of this deceleration. Prices for materials for durable manufacturing and materials and components for construction turned down, following increases a month ago. The index for intermediate foods and feeds rose less than in the prior month. By contrast, prices for materials for nondurable manufacturing turned up, after declining a month earlier. Excluding foods and energy, the intermediate materials index showed no change for the second consecutive month. (See table B.)

Intermediate energy goods prices advanced 1.1 percent in October, after posting a 4.1-percent gain in September. Rising prices for liquefied petroleum gas, residual fuels, commercial electric power, industrial electric power, commercial natural gas, and industrial natural gas outweighed falling prices for gasoline, diesel fuel, and jet fuels.

Prices for materials for durable manufacturing decreased 0.2 percent in October, following a 0.3-percent gain in September. The index for copper cathode and refined copper fell 2.8 percent, after registering a 6.6-percent increase in the prior month. Prices for primary aluminum (except extrusion billet) showed no change, following a 2.7-percent rise a month ago. The indexes for aluminum mill shapes, copper and brass mill shapes, and plywood advanced less than in the previous month. Prices for flat glass and zinc turned down, after gaining a month earlier. On the other hand, the index for hot rolled

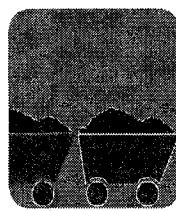
sheet and strip turned up 0.6 percent in October, following a 0.4-percent drop in September. Prices for cold finished bars also rose, after falling in the prior month. The index for cold rolled sheet and strip declined less than a month ago, while prices for cement advanced, after showing no change in the previous month.

Prices for materials and components for construction edged down 0.1 percent in October, following a 0.1-percent rise in September. The gypsum products index fell 6.2 percent, after posting a 3.5-percent decline a month earlier. Prices for nonferrous wire and cable, plywood, fabricated structural metal products, and switchgear and switchboard equipment increased less than in the prior month. The index for millwork turned down, after showing no change a month ago. By contrast, prices for asphalt felts and coatings advanced 1.2 percent in October, following a 2.2-percent decrease in September. The indexes for softwood lumber and plastic construction products fell less than in the previous month.

Prices for intermediate foods and feeds advanced 0.6 percent in October, after registering a 1.1-percent gain in September. The index for prepared animal feeds rose 0.7 percent, following a 3.2-percent jump a month earlier. Prices for crude vegetable oils; natural, processed, and imitation cheese; and dry, condensed, and evaporated milk products turned down, after increasing in the prior month. The snack chips index gained less than a month ago. On the other hand, beef and veal prices advanced 1.6 percent on October, following a 1.3-percent drop in September. The indexes for refined sugar and pork also rose, after falling in the previous month. Flour prices increased more than a month earlier.

The index for materials for nondurable manufacturing advanced 0.1 percent in October, following a 0.5-percent decline in September. Prices for primary basic organic chemicals increased 0.2 percent, after posting a 5.6-percent decrease in the prior month. The plastic resins and materials index showed no change, following a 2.8-percent drop a month ago. Prices for phosphates and processed yarns and threads turned up, after falling in the previous month. The index for paper gained 0.5 percent, after showing no change a month earlier. Prices for basic inorganic chemicals declined less than in the prior month. By contrast, the paint materials index turned down 1.3 percent in October, following a 0.8-percent rise in September. Prices for synthetic rubber and leather also fell, after advancing a month ago.

Crude goods



The Producer Price Index for Crude Materials for Further Processing increased 3.4 percent in October, following a 5.3-percent advance in September. Prices for crude energy materials and for crude foodstuffs and seedstuffs feedstuffs also rose at a slower rate than in the prior month. The index for basic industrial materials turned down, after rising in the previous month. (See table B.)

The index for crude energy materials posted a 4.6-percent

rise in October, following an 8.1-percent advance in September. A 12.3-percent increase in natural gas prices outweighed a 5.0-percent decline in the crude petroleum index and a 0.2-percent decrease in coal prices.

The index for basic industrial materials decreased 0.6 percent in October, after posting a 0.3-percent increase in September. Prices for iron and steel scrap dropped 6.6 percent, following a 0.7-percent gain in the prior month. The indexes for leaf tobacco and aluminum base scrap also turned down, after rising a month ago. Prices for copper ores and for construction sand, gravel, and crushed stone rose less than in the previous month. Conversely, the wastepaper index declined 5.0 percent in October, following an 8.7-percent drop in September. Prices for cattle hides rose more than a month earlier. The indexes for softwood logs and iron ores advanced, after falling last month.

The index for crude foodstuffs and feedstuffs increased 3.5 percent in October, compared to a 3.9-percent rise in September. Leading this deceleration were fluid milk prices, which dropped 5.4 percent in October, after edging up 0.3 percent a month ago. Prices for slaughter broilers and fryers; slaughter hogs; and fresh fruits and melons rose less than in the previous month. On the other hand, the index for slaughter cattle increased 3.0 percent in October, after registering a 2.0-percent decline in September. Corn and wheat prices advanced at a faster rate than in September.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Domestic Mining Industries advanced 5.0 percent in October, after posting a 6.2-percent gain in September. (Net output price indexes are not seasonally adjusted.) Prices received by the crude petroleum, natural gas, and natural gas liquids industry increased 6.2 percent, following an 8.1-percent rise in the prior month. The index for the oil and gas well drilling industry turned down, after advancing a month earlier. Prices received by the bituminous coal and lignite industry showed no change, after increasing in the previous month, while the index for the copper ores industry rose less than a month ago. By contrast, prices received by the iron ores industry turned up 2.3 percent, following a 2.2-percent decline in September. The index for the construction sand and gravel industry advanced more than in the prior month. In October, the Producer Price Index for the Net Output of Total Domestic Mining Industries stood at 128.7 (December 1984 = 100), 46.8 percent above its year-ago level.

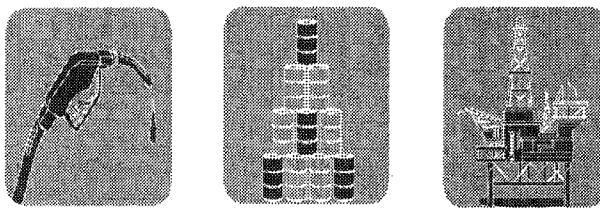
Manufacturing. The Producer Price Index for the Net Output of Total Domestic Manufacturing Industries edged up 0.1 percent in October, after registering a 0.9-percent gain in September. In October, the industry groupings for transportation equipment; chemicals and allied products; food and kindred products; printing, publishing, and allied industries;

electrical and electronic machinery and equipment; and tobacco manufactures experienced rising prices. Conversely, prices received by the petroleum refining and related products; the stone, clay, glass, and concrete products; and the measuring and controlling instruments industry groups displayed falling prices. In October, the Producer Price Index for the Net Output of Total Domestic Manufacturing Industries stood at 134.8 (December 1984 = 100), 3.5 percent above its year-ago level.

Services. Among services industries in October, advancing prices were observed for real estate agents and managers, general medical and surgical hospitals, skilled and intermediate care facilities, the non-local trucking industry, the cable and pay television services industry, and life insurance carriers. By contrast, operators and lessors of nonresidential buildings, the telecommunications (except radiotelephone) industry, the scheduled air transportation industry, and offices of physicians experienced declining prices in October.

Price Movements

November 2000



The Producer Price Index for Finished Goods advanced 0.1 percent in November, seasonally adjusted. This index rose 0.4 percent in October and 0.9 percent in September. The index for finished goods other than foods and energy showed no change in November, following a 0.1-percent decline in the prior month. Prices received by manufacturers of intermediate goods decreased 0.2 percent, after a 0.2-percent gain a month earlier. The crude goods index fell 2.0 percent, following a 3.4-percent increase in the previous month. (See table A.)

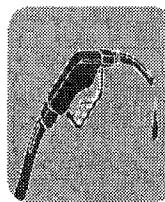
Among finished goods, the finished energy goods index rose 0.4 percent in November, after increasing 1.4 percent a month ago. Prices for finished consumer foods slowed to a 0.2-percent rate of increase, following an 0.8-percent advance a month earlier. The index for finished consumer goods other than foods and energy edged down, after showing no change a month ago. Capital equipment prices were unchanged for the second consecutive month.

For the first 11 months of 2000, the Producer Price Index for Finished Goods increased at a 3.9-percent seasonally adjusted annual rate (SAAR), after rising 2.9 percent in 1999. Prices for finished goods other than foods and energy rose at a 1.0-percent SAAR for the first 11 months of 2000, after posting a 0.9-percent gain for the previous calendar year. The index for intermediate goods advanced at a 4.2-percent SAAR from December 1999 to November 2000, following a 3.7-percent rise during 1999. Prices for crude goods increased at a 23.0

percent SAAR during the first 11 months of 2000, after a 15.3-percent gain for the prior calendar year.

Before seasonal adjustment, the Producer Price Index for Finished Goods declined 0.1 percent to stand at 139.9 (1982 = 100). From November 1999 through November 2000, prices for finished goods advanced 3.7 percent. During the same period, the finished energy goods index jumped 18.8 percent, prices for finished goods other than foods and energy rose 1.0 percent, and the index for finished consumer foods increased 2.0 percent. Prices received by manufacturers of intermediate goods gained 4.2 percent for the 12 months ended in November, and the crude goods index advanced 14.9 percent during the same period.

Finished goods



The finished energy goods index increased 0.4 percent in November, after registering a 1.4-percent gain in October. Residential natural gas prices rose 1.2 percent, following a 5.2-percent advance in the prior month. The index for liquefied petroleum gas also increased less than it did a month earlier. Prices for residential electric power turned down, after rising in the previous month. By contrast, the gasoline index advanced 1.4 percent in November, following a 1.8-percent decline in October. Prices for diesel fuel and finished lubricants also moved up, after decreasing a month ago. The home heating

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
1999							
November	0.1	-0.2	1.1	-0.1	3.1	0.2	5.2
December .....	.1	0	.7	.1	2.9	-.3	-4.9
2000							
January .....	.1	.2	.9	-.2	2.5	.5	2.6
February	1.1	.5	5.3	.3	4.0	.9	3.9
March .....	.7	.1	4.4	.1	4.3	.9	2.2
April	-4	1.1	-3.9	.1	3.6	-.1	-1.5
May .....	.1	-.2	-.2	-.3	3.7	-.1	3.0
June .....	.9	-.2	6.4	0	4.4	.9	8.4
July .....	.1	-.1	-.2	.1	4.3	.4	-2.4
August	-4	-.8	-1.4	.1	3.3	-.4	-3.0
September .....	.9	.4	3.7	.3	3.3	.7	5.3
October .....	.4	.8	1.4	-.1	3.6	.2	3.4
November .....	.1	.2	.4	0	3.7	-.2	-2.0

¹ Some percent changes shown here and elsewhere in "Price Movements November 2000" may differ from those previously reported, because indexes for

July 2000 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
1999								
November	-0.6	1.8	0.1	2.8	1.0	11.5	1.0	16.7
December	-1.9	1.4	.1	3.7	-2.0	-11.1	2.5	15.3
2000								
January .....	.1	1.8	.4	4.1	.7	4.7	2.3	17.4
February .....	.5	4.3	.3	5.4	.6	8.9	.6	25.1
March	1.0	3.6	.4	5.9	3.6	2.3	-.5	26.9
April .....	.8	-2.8	.4	5.3	1.5	-4.5	-1.0	22.2
May .....	.7	-1.0	.1	5.0	-1.4	8.8	-.2	19.0
June .....	.2	5.1	.1	5.5	-2.7	22.6	-1.6	29.0
July	-.7	1.4	.2	5.2	-2.9	-2.3	-1.6	25.3
August	-2.5	-.8	-.1	4.3	-4.5	-2.7	-1.4	15.6
September	1.1	4.1	0	4.5	3.9	8.1	.3	16.3
October6	1.1	0	4.6	3.5	4.6	-.6	23.4
November	0	0	-.1	4.2	1.3	-4.1	-2.3	14.9

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July 2000 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

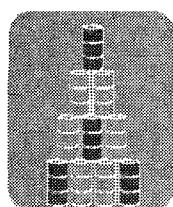
oil index fell less than in the previous month.

The finished consumer foods index edged up 0.2 percent, following a 0.8-percent gain in October. In November, rising prices were observed for dairy products, fresh and dry vegetables, pork, soft drinks, bakery products, and for beef and veal. On the other hand, the indexes for eggs for fresh use, finfish and shellfish, fresh fruits and melons, roasted coffee, and processed fruits and vegetables exhibited falling prices in November.

The index for finished consumer goods other than foods and energy edged down 0.1 percent in November, after posting no change in October. In November, declining prices for prescription drugs, sanitary papers and health products, alcoholic beverages, and women's apparel slightly outweighed rising prices for newspaper circulation; cosmetics and other toilet preparations; book publishing; men's and boys' apparel; and girls', children's, and infants' apparel.

The capital equipment index showed no change for the second consecutive month. November price increases for civilian aircraft, passenger cars, commercial furniture, construction machinery and equipment, agricultural machinery and equipment were offset by price declines for x-ray and electromedical equipment, communication and related equipment, transformers and power regulators, light motor trucks, heavy motor trucks, electronic computers, and office and store machines and equipment.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components declined 0.2 percent in November, after posting a 0.2-percent gain in October. Prices for intermediate energy goods showed no change, after increasing in the previous

month. The indexes for durable manufacturing materials fell more than they did a month ago. Prices for nondurable manufacturing materials turned down, following an increase in October. The intermediate foods and feeds index showed no change, after advancing in the prior month. Construction material prices fell at a slightly faster pace in November than in October. Excluding foods and energy, the intermediate materials index declined, after showing no change in September and October. (See table B.)

Prices for intermediate energy goods showed no change in November, after registering a 1.1-percent increase in October. The index for commercial electric power declined 0.5 percent, following a 1.2-percent advance in the prior month. Prices for residual fuels, commercial natural gas, and industrial natural gas also turned down in November, after rising last month. In November, the indexes for liquefied petroleum gas and industrial electric power rose at a slower pace than in October. By contrast, the gasoline index increased 1.4 percent, following a 1.8-percent drop in October. Diesel fuel prices also turned up, after falling a month ago. The index for jet fuels fell less than in the previous month.

The durable manufacturing materials index dropped 1.1 percent in November, following a 0.2-percent decrease in October. Prices for steel mill products decreased 1.6 percent, after showing no change last month. The index for primary aluminum (except extrusion billet) also fell, following no change in October. Prices for aluminum mill shapes, copper and brass mill shapes, and plywood turned down, after rising a month earlier. By contrast, the index for building paper and board edged down 0.2 percent in November, following a 0.8-percent decline in October. Similarly, prices for flat glass and zinc fell less than in the prior month.

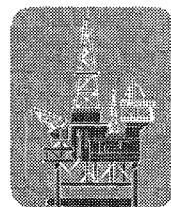
Prices for materials for nondurable manufacturing edged down 0.1 percent in November, following a 0.1-percent

increase in October. Prices for primary basic organic chemicals dropped 4.2 percent, after registering a 0.2-percent gain in the previous month. The indexes for fertilizer materials and paper rose less than in the prior month. On the other hand, prices for caustic soda advanced 18.2 percent in November, after rising 1.8 percent in October. The indexes for sulfuric acid, paint materials, and paperboard turned up, following a decline in the prior month. Gray fabric prices increased, after showing no change a month earlier.

The index for intermediate foods and feeds showed no change in November, after posting a 0.6-percent gain in October. Flour prices decreased 1.3 percent, following a 4.8-percent advance in the prior month. The indexes for beef and veal, prepared animal feeds, and pork rose less than in October, while crude vegetable oil prices fell more than a month ago. The index for confectionery materials turned down, after advancing in the previous month. By contrast, prices for fluid milk products declined 1.2 percent in November, following a 2.6-percent rate of decrease in October. The index for butter advanced, after falling last month. Prices for refined sugar moved up at a faster rate in November than in October.

The index for materials and components for construction edged down 0.2 percent in November, following a 0.1-percent decline in October. Falling prices for plywood, softwood lumber, gypsum products, and asphalt felts and coatings outweighed price increases for wiring devices, nonferrous wire and cable, heating equipment, and steel wire.

Crude goods



The Producer Price Index for Crude Materials for Further Processing turned down 2.0 percent in November, following a 3.4-percent advance in October. Prices for crude energy materials also fell, after rising in the prior month. The crude foodstuffs and feedstuffs index increased at a slower rate than last month. Prices for basic industrial materials fell more than they did in October. (See table B.)

The index for crude energy materials posted a 4.1-percent decrease in November, following a 4.6-percent advance a month ago. The natural gas index dropped 11.1 percent, after rising 12.3 percent in October. Coal prices fell at a faster pace in November than in the previous month. By contrast, crude petroleum prices turned up 7.1 percent, following a 5.0-percent decrease in the prior month.

The crude foodstuffs and feedstuffs index increased 1.3 percent, after rising 3.5 percent in October. November's deceleration was led by slaughter hog prices, which dropped 9.6 percent after rising 5.4 percent in October. Prices for slaughter broilers and fryers, unprocessed finfish, and fresh fruits and melons also turned down, after rising in October. The wheat index rose less than in the prior month. On the other hand, slaughter cattle price increases accelerated to 5.6 percent in November from 3.0 percent in the prior month. The indexes for soybeans and fluid milk fell less in November than in October, and prices for slaughter turkeys turned up, after falling last month.

The index for basic industrial materials declined 2.3 percent in November, following a 0.6-percent decrease in the prior month. Prices for nonferrous metal ores decreased 3.9 percent, following a 1.6-percent increase in October. The cattle hides index also fell, after rising a month ago. Prices for aluminum base scrap, iron and steel scrap, wastepaper, and leaf tobacco fell more than in the previous month. By contrast, the pulpwood index turned up 1.3 percent, after edging down 0.1 percent in October. The construction sand and gravel index rose more than in the prior month.

Net output price indexes for mining, manufacturing, and services industries

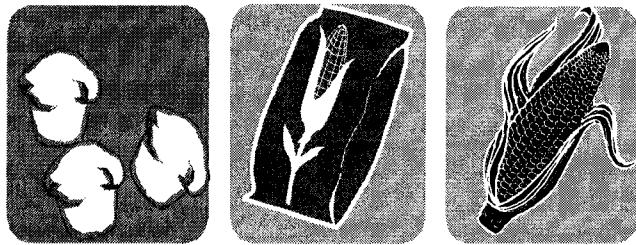
Mining. The Producer Price Index for the Net Output of Total Domestic Mining Industries fell 3.2 percent in November, after posting a 5.0-percent gain in October. (Net output price indexes are not seasonally adjusted.) This downturn was led by the index for the crude petroleum, natural gas, and natural gas liquids industry which decreased 3.9 percent, following a 6.2-percent increase last month. Prices received by the copper ores industry also declined, after rising in the prior month. Faster price decreases were reported for the gold ores industry index in November than in October. The iron ores industry index showed no change in November, after rising 2.3 percent in the prior month. By contrast, prices received by the oil and gas well drilling industry turned up 5.7 percent, following a 0.4-percent decline in October. The indexes for coal mining services, the crushed and broken limestone industry, and the kaolin and ball clay industry also advanced, after falling a month ago. In November, the Producer Price Index for the Net Output of Total Domestic Mining Industries stood at 124.6 (December 1984 = 100), 31.0 percent above its year-ago level.

Manufacturing. For the second consecutive month, the Producer Price Index for the Net Output of Total Domestic Manufacturing Industries edged up 0.1 percent. November price increases received by the petroleum refining, food and kindred products, printing and publishing, and rubber and miscellaneous plastic products industries were offset by price decreases for the chemicals and allied products, electrical and electronic machinery, lumber and wood products, and transportation equipment industries. In November, the Producer Price Index for the Net Output of Total Domestic Manufacturing Industries stood at 134.9 (December 1984 = 100), 3.5 percent above its year-ago level.

Services. Among service industries in November, falling prices were observed for real estate agents and managers, telephone communications, life insurance carriers, and operators and lessors of nonresidential buildings. By contrast, the health services, scheduled air transportation, cable television, and passenger car rental services industries experienced increasing prices in November.

Price Movements

December 2000



The Producer Price Index for Finished Goods showed no change in December, seasonally adjusted. This followed a 0.1-percent increase in November and a 0.4-percent advance in October. The index for finished goods other than foods and energy rose 0.3 percent in December, after showing no change in the previous month. Prices received by producers of intermediate goods gained 0.2 percent, following a similar decline in the prior month. The crude goods index jumped 8.7 percent, after posting a 2.0-percent decrease in November. (See table A.)

Among finished goods in December, the index for consumer goods other than foods and energy rose 0.3 percent, and prices for capital equipment increased 0.2 percent. On the other hand, the finished energy goods index fell 0.7 percent, and prices for finished consumer foods declined 0.4 percent in December.

Before seasonal adjustment, the Producer Price Index for Finished Goods edged down 0.1 percent to stand at 139.7 (1982=100). From December 1999 to December 2000, finished goods prices advanced 3.6 percent (the largest calendar-year increase since a 5.7-percent gain in 1990), after rising 2.9 percent during 1999. Prices for finished consumer foods increased 1.7 percent during 2000, after rising 0.8 percent during the 12 months ended December 1999. The index for finished goods other than foods and energy rose 1.2 percent

in 2000, following a 0.9-percent gain in 1999. By contrast, the price increases for finished energy goods slowed slightly, advancing 17.1 percent in 2000 after posting an 18.1 percent rise in the previous calendar year. At the earlier stages of processing, the intermediate goods index increased 4.1 percent from December 1999 to December 2000, after registering a 3.7-percent rise during 1999. Prices for crude materials for further processing jumped 31.6 percent in 2000, following a 15.3-percent increase in the prior calendar year.

Finished goods



The index for finished consumer goods other than foods and energy turned up 0.3 percent in December, after edging down 0.1 percent in November. Prescription drug prices rose 0.6 percent, following a 1.6-percent decline in the prior month. Indexes for alcoholic beverages, light motor trucks, and women's apparel also rose, after falling in the prior month. Passenger car prices rose at a faster pace than they did in November. By contrast, December prices for newspaper circulation edged up 0.1 percent, following a 2.9-percent increase in the previous month. Indexes for men's and boys' apparel and mobile homes edged down, after rising last month. Prices for

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
1999							
December	0.1	0.0	0.7	0.1	2.9	0.3	-4.9
2000							
January .....	.1	.2	.9	-2	2.5	.5	2.6
February	1.1	.5	5.3	.3	4.0	.9	3.9
March .....	.7	.1	4.4	.1	4.3	.9	2.2
April	-4	1.1	-3.9	.1	3.6	-1	-1.5
May .....	.1	-2	-2	.3	3.7	-1	3.0
June .....	.9	-2	6.4	0	4.4	.9	8.4
July .....	.1	-1	-2	.1	4.3	.4	-2.4
August	-4	-7	-1.8	.2	3.4	-4	-3.7
September .....	.8	.2	4.2	.2	3.3	.7	6.1
October .....	.4	.8	1.4	-1	3.6	.2	3.4
November .....	.1	.2	.4	0	3.7	-2	-2.0
December	0	-4	-7	.3	3.6	.2	8.7

¹ Some percent changes shown here and elsewhere in "Price Movements December 2000" may differ from those previously reported, because indexes for

August 2000 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Summary of December-to-December and 3-month seasonally adjusted annual rates for selected stages of process

Grouping	Percentage change 12 months ended in December			Seasonally adjusted annual rate for 3 months ended in			
	1998	1999	2000	March 2000	June 2000	September 2000	December 2000
Finished goods	0.0	2.9	3.6	7.9	2.3	2.0	2.0
Finished consumer foods .....	.1	.8	1.7	3.6	2.7	-2.3	2.7
Finished energy goods	-11.7	18.1	17.1	51.8	8.3	8.6	4.6
Finished goods less foods and energy	2.5	.9	1.2	.8	1.4	1.9	.8
Finished consumer goods, excluding foods and energy	4.2	1.2	1.2	.8	1.0	2.1	1.0
Capital equipment	0	.3	1.2	.9	1.2	1.7	.9
Intermediate materials, supplies, and components	-3.3	3.7	4.1	9.6	2.8	2.8	1.2
Intermediate foods and feeds	-7.3	-4.2	3.5	6.7	7.0	-8.2	9.7
Intermediate energy goods	-12.1	19.6	19.5	46.3	4.5	20.3	8.9
Intermediate materials less foods and energy	-1.6	1.9	1.6	4.2	2.7	.3	-.6
Materials for nondurable manufacturing	-5.3	4.0	4.1	10.0	7.2	0	-.3
Materials for durable manufacturing	-5.5	2.4	.6	8.1	-1.2	.6	-4.6
Materials and components for construction .....	.1	2.2	.1	3.8	-.8	-2.1	-.5
Crude materials for further processing	-16.7	15.3	31.6	40.8	46.2	-1.3	46.7
Foodstuffs and feedstuffs	-11.0	-1	7.2	21.5	-10.4	-14.0	41.2
Crude energy materials	-23.8	36.9	76.0	84.9	163.6	11.8	76.1
Crude nonfood materials less energy	-16.0	14.0	-5.8	9.9	-10.7	-10.5	-10.8

NOTE: Late reports and corrections by respondents may cause some indexes to change 4 months after original publication. In addition, seasonally

adjusted indexes may be revised for 5 years, due to the recalculation of seasonal factors each January.

cosmetics and other toilet preparations and girls, children's and infants' apparel showed no change, following an increase in November. From December 1999 to December 2000, the index for finished consumer goods other than foods and energy increased 1.2 percent, the same rate of increase posted for calendar year 1999.

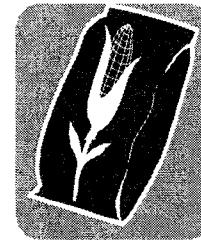
The capital equipment index gained 0.2 percent in December, after showing no change in the preceding 2 months. More than half of December's increase can be traced to a 1.4-percent advance in prices for light motor trucks and a 0.5-percent increase in passenger car prices. Indexes for civilian aircraft, agricultural machinery and equipment, and commercial furniture also rose in December. On the other hand, prices for x-ray and electromedical equipment, electronic computers, truck trailers, and heavy motor trucks declined in December. For the 12 months ended December 2000, capital equipment prices increased 1.2 percent, following a 0.3-percent rise during the previous calendar year.

The index for finished energy goods fell 0.7 percent in December, after posting a 0.4-percent gain in November. Gasoline prices dropped 8.4 percent, following a 1.4-percent increase a month ago. The index for finished lubricants also declined, after rising in November. Liquefied petroleum gas price increases slowed in December from November's pace. By contrast, prices for residential electric power turned up 1.2 percent in December, following a 0.7-percent decrease a month earlier. The index for residential natural gas rose more than it did in the prior month. Prices for home heating oil fell less than in November.

The finished consumer foods index fell 0.4 percent in December, after registering a 0.2-percent gain in November. Prices for fresh and dry vegetables dropped 26.0 percent, following a 4.0-percent increase a month earlier. The indexes for

pork, processed young chickens, bakery products, soft drinks, and for shortening and cooking oils also turned down, after rising in November. Conversely, prices for dairy products increased 2.9 percent in December, following a 1.0-percent gain in the prior month. The index for beef and veal also rose more than it did in the previous month. Prices for eggs for fresh use, fresh fruits and melons, and finfish and shellfish turned up, after falling in November.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components moved up 0.2 percent in December, seasonally adjusted, following a 0.2-percent decrease in November. Prices for intermediate energy goods rose, after showing no change a month ago. The index for materials for durable manufacturing turned up, following a decline in the previous month. Prices for intermediate foods and feeds rose in December, after showing no change in the prior month. The construction materials index edged up, following a decline in November. Nondurable manufacturing material prices fell 0.1 percent for the second consecutive month. Excluding foods and energy, the index for intermediate materials showed no change in December, after registering a 0.1-percent decrease a month earlier. (See table B.)

Prices for intermediate energy materials increased 1.0 percent, after posting no change in November. The industrial natural gas index surged 33.9 percent in December (the largest monthly increase since publication of this index began in January 1992), following a 2.6-percent decline in the prior

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
1999								
December	-1.9	1.4	0.1	3.7	-2.0	-11.1	2.5	15.3
2000								
January .....	.1	1.8	.4	4.1	.7	4.7	2.3	17.4
February .....	.5	4.3	.3	5.4	.6	8.9	.6	25.1
March	1.0	3.6	.4	5.9	3.6	2.3	-.5	26.9
April .....	.8	-2.8	.4	5.3	1.5	-4.5	-1.0	22.2
May .....	.7	-1.0	.1	5.0	-1.4	8.8	-.2	19.0
June .....	.2	5.1	.1	5.5	-2.7	22.6	-1.6	29.0
July	-.7	1.4	.2	5.2	-2.9	-2.3	-1.6	25.3
August	-2.2	-9	-.1	4.3	-4.3	-4.1	-1.7	14.7
September .....	.8	4.2	0	4.5	3.6	9.7	.6	16.3
October .....	.6	1.1	0	4.6	3.5	4.6	-.6	23.4
November	0	0	-.1	4.2	1.3	-4.1	-2.3	14.9
December	1.7	1.0	0	4.1	3.9	14.8	0	31.6

¹ Some percent changes shown here and elsewhere in "Price Movements December 2000" may differ from those previously reported, because indexes for

August 2000 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

month. The indexes for commercial natural gas, natural gas to electric utilities, commercial electric power, and jet fuels also turned up, following decreases in the previous month. Prices for industrial electric power rose more than they did a month earlier. By contrast, the gasoline index dropped 8.4 percent, after registering a 1.4-percent increase in November. Diesel fuel prices also turned down, after rising in the prior month. The December residual fuels index fell more than in November, and liquefied petroleum gas prices rose less in December than in the previous month. From December 1999 to December 2000, the intermediate energy goods index advanced 19.5 percent, following a 19.6-percent gain in 1999.

Durable manufacturing material prices moved up 0.2 percent, after posting a 1.1-percent decline in November. The steel mill products index showed no change for December, following a 1.6-percent drop in the previous month. Prices for primary aluminum (except extrusion billet), aluminum mill shapes, copper cathode and refined copper, and for copper and brass mill shapes turned up, after falling a month earlier. The plywood index decreased less than in the prior month. On the other hand, prepared paint prices turned down 0.5 percent, following a 0.3-percent gain in November. The indexes for hardwood lumber and for building paper and board declined more than they did a month ago. Prices for materials for durable manufacturing increased 0.6-percent during 2000, after posting a 2.4-percent rise in the previous year.

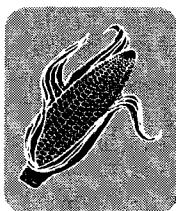
December's 1.7-percent advance for intermediate foods and feeds prices represents the largest monthly increase since a 1.9-percent rise in March 1997. This index showed no change in November. Prepared animal feed prices jumped 3.5 percent in December, following a 0.5-percent rise a month ago. The indexes for fluid milk products; natural, processed, and imitation cheese; and confectionery materials turned up, after falling in the previous month. Prices for snack chips and for

beef and veal increased more than they did a month earlier. The crude vegetable oils index declined less than in the prior month. By contrast, pork prices decreased 0.6 percent, following a 1.8-percent advance in November. Butter prices also turned down, after rising in the previous month. The refined sugar index was unchanged, after rising a month ago. For the 12 months ended in December 2000, the intermediate foods and feeds index increased 3.5 percent, following a 4.2-percent drop in the prior year.

Prices for materials and components for construction edged up 0.1 percent in December, after posting a 0.2-percent decline in November. The softwood lumber index rose 0.1 percent, following a 1.4-percent decrease a month earlier. The indexes for asphalt felts and coatings, switchgear, and plumbing fixtures and brass fittings also turned up, after declining in the prior month. Prices for plywood and gypsum products fell less than they did a month ago. Prices for fabricated structural metal products rose, following no change in November. By contrast, the index for nonferrous wire and cable moved down 0.3 percent, after registering a 0.2-percent increase in the previous month. Prices for wiring devices and heating equipment advanced less than a month ago. The index for materials and components for construction edged up 0.1 percent during 2000, after a 2.2-percent rise during 1999.

The index for materials for nondurable manufacturing inched down 0.1 percent, for the second consecutive month. In December, falling prices for plastic resins and materials, paper, paperboard, woodpulp, intermediate basic organic chemicals, and processed yarns and threads slightly outweighed rising prices for primary basic organic chemicals, fertilizer materials, inedible fats and oils, and alkalies and chlorine. During 2000, prices for materials for nondurable manufacturing jumped 4.1 percent, after increasing 4.0 percent in 1999.

Crude goods



The Producer Price Index for Crude Materials for Further Processing increased 8.7 percent in December, seasonally adjusted, following a 2.0-percent decline in November. Prices turned up for crude energy materials, after falling in the prior month. The index for crude foodstuffs and feedstuffs rose more than it did a month earlier. Prices for basic industrial materials remained unchanged in December, after declining a month ago. (See table B.)

The index for crude energy materials advanced 14.8 percent in December, after posting a 4.1-percent decrease in November. Prices for natural gas jumped 35.3 percent, following an 11.1-percent decline in the previous month. The index for coal turned up 3.0 percent, after falling 1.2 percent a month ago. Conversely, crude petroleum prices fell 11.1 percent in December, after increasing 7.1 percent in November. The crude energy materials index advanced 76.0 percent during 2000 (the largest 12-month increase since publication of this index began in January 1974), following a 36.9-percent rise in 1999.

Prices for crude foodstuffs and feedstuffs increased 3.9 percent in December, after posting a 1.3-percent gain in November. The index for slaughter hogs advanced 12.0 percent, following a 9.6-percent rate of decline in the previous month. Prices for fluid milk, slaughter broilers and fryers, soybeans, and fresh fruits and melons also turned up, after decreasing a month ago. On the other hand, the index for fresh and dry vegetables dropped 26.0 percent in December, following a 4.0-percent rise in November. Prices for wheat, slaughter turkeys, and raw cane sugar also turned down, after advancing in the prior month. The corn index rose less than it did in November. During 2000, prices for crude foodstuffs and feedstuffs rose 7.2 percent, after edging down 0.1 percent in 1999.

The index for crude nonfood materials less energy showed no change in December, after declining 2.3 percent in November. Iron and steel scrap prices edged up 0.2 percent, following an 8.2-percent decrease a month ago. Indexes for leaf tobacco, copper ores, gold ores, and cattle hides also turned up, after falling in the previous month. By contrast, wastepaper prices declined 8.4 percent in December, following a 5.2-percent decrease in November. The index for construction sand, gravel, and crushed stone turned down, after rising a month earlier. Pulpwood prices increased at a slower rate than in November. The basic industrial materials index fell 5.8 percent during the 2000 calendar year, following a 14.0-percent advance in 1999.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of

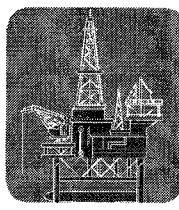
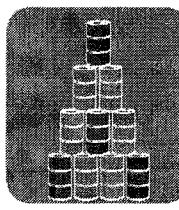
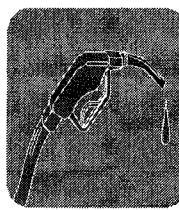
Total Domestic Mining Industries rose 12.0 percent in December, following a 3.2-percent decline in November. (Net output price indexes are not seasonally adjusted.) In December, prices for the crude petroleum, natural gas, and natural gas liquids industry advanced 14.9 percent, after showing a 3.9-percent decrease in the prior month. Prices turned up for the bituminous coal and lignite, copper ores, and gold ores industries, after falling in November. The index for the kaolin and ball clay industry increased more than it did in the previous month. By contrast, price increases for the oil and gas well drilling industry slowed to 2.1 percent in December from 5.7 percent a month earlier. Prices for the construction sand and gravel; crushed and broken granite; potash, soda, and borate minerals; and coal mining service industries turned down, following increases last month. In December, the Producer Price Index for the Net Output of Total Domestic Mining Industries stood at 139.6 (December 1984=100). From December 1999 through December 2000, this index increased 61.0 percent, following a 29.8-percent advance in the prior year.

Manufacturing. The Producer Price Index for the Net Output of Total Domestic Manufacturing Industries decreased 0.4 percent in December, after edging up 0.1 percent in November. Prices received by the petroleum refining industry group fell 6.6 percent, following a 1.0-percent gain in the previous month. The index for the printing, publishing, and allied industries group rose less than they did a month ago. After increasing in the prior month, prices remained unchanged for the non-electrical machinery, rubber and miscellaneous plastic products, and furniture and fixtures industry groups. By contrast, the index for the chemicals and allied products industry group turned up 0.3 percent in December, following a 0.5-percent decline in November. Prices for the food and kindred products industry group rose more than in the prior month. The index for the transportation equipment industry group turned up, after falling a month earlier. Price declines were smaller in December than in November for the lumber and wood products (except furniture) industry group and for the electrical and electronic machinery, equipment, and supplies industry group. In December, the Producer Price Index for the Net Output of Total Domestic Manufacturing Industries stood at 134.4 (December 1984=100). From December 1999 through December 2000, this index rose 3.0 percent, following a 3.7-percent increase in 1999.

Services. Among service industries in December, price increases were registered for general medical and surgical hospitals, operators and lessors of nonresidential buildings, and scheduled air transportation. On the other hand, prices for deep-sea foreign transportation of freight, travel agencies, real estate agents and managers, passenger car rental, non-local trucking, and legal services decreased in December.

Price Movements

January 2001



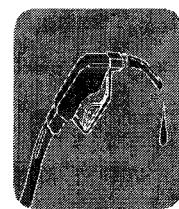
The Producer Price Index for Finished Goods advanced 1.1 percent in January, seasonally adjusted. January's rise followed a 0.2-percent increase in December 2000 and a 0.1-percent gain in November 2000. At the earlier stages of process, prices received by producers of intermediate goods increased 0.7 percent, following a 0.4-percent rise in the prior month, and the crude goods index advanced 13.9 percent, after posting an 8.5-percent increase a month earlier. (See table A.)

Among finished goods in January, prices for finished energy goods rose 3.8 percent, following a 0.8-percent gain in December. The index for finished consumer foods turned up 0.8 percent, after falling 0.4 percent a month ago. Prices for finished goods other than foods and energy rose 0.7 percent, after edging up 0.1 percent in December. Price increases for cigarettes and passenger cars accounted for a large part of this acceleration. Excluding cigarettes and passenger cars, the index for finished goods other than foods and energy would have risen 0.3 percent.

Before seasonal adjustment, the Producer Price Index for Finished Goods advanced 1.1 percent to stand at 141.2 (1982=100). From January 2000 to January 2001, prices for finished goods increased 4.8 percent. Over the same period, the finished energy goods index rose 21.6 percent, prices for finished goods other than foods and energy gained 2.0

percent, and the finished consumer foods index advanced 2.5 percent. Prices received by domestic producers of intermediate goods moved up 4.4 percent for the 12 months ended January 2001, and the index for crude goods registered a 46.5-percent gain for the same period.

Finished goods



The index for finished energy goods advanced 3.8 percent in January, after posting a 0.8-percent rise in December. Liquefied petroleum gas prices jumped 15.3 percent, after inching up 0.1 percent in the prior month. The gasoline index turned up, following a decline a month earlier. Prices for residential natural gas and residential electric power rose more than they did in the previous month. Conversely, the index for home heating oil declined 3.6 percent in January, after falling 0.3 percent a month ago. Diesel fuel prices turned down, after rising last month.

The index for finished consumer foods rose 0.8 percent in January, after falling 0.4 percent in December. Much of this acceleration can be traced to the index for fresh and dry vegetables, which advanced 16.2 percent, following a 26.0-percent decline a month ago. Prices for soft drinks increased,

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2000							
January	-0.1	0.0	0.2	-0.2	2.5	0.4	2.5
February .....	.9	.4	4.2	.4	4.0	.8	3.7
March .....	.9	.1	5.3	.1	4.3	1.0	1.8
April	-3	1.1	-3.5	0	3.6	-1	-1.5
May	0	.1	-8	.2	3.7	0	3.1
June .....	.9	-4	6.1	.1	4.4	.9	8.5
July	-1	-1	-6	.1	4.3	.2	-2.0
August	-1	-4	-1.2	.2	3.4	-3	-3.6
September .....	.7	.2	3.4	.3	3.5	.8	7.1
October .....	.4	.7	1.6	-1	3.6	.2	2.3
November .....	.1	.3	.8	0	3.7	-2	-2.0
December .....	.2	-4	.8	.1	3.6	.4	8.5
2001							
January	1.1	.8	3.8	.7	4.8	.7	13.9

¹ Some percent changes shown here and elsewhere in "Price Movements January 2001" may differ from those previously reported, because seasonal adjustment factors have been recalculated to reflect developments during 2000.

In addition, indexes for September 2000 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2000								
January	-0.1	1.3	0.4	4.1	0.4	4.7	2.2	17.4
February .....	.5	3.8	.3	5.4	.3	8.9	.4	25.1
March	1.0	4.0	.4	5.9	2.6	2.3	-.5	26.9
April .....	.8	-2.5	.4	5.3	1.4	-4.5	-.7	22.2
May .....	.9	-1.1	.1	5.0	-.9	8.8	-.7	19.0
June	0	4.9	.1	5.5	-2.3	22.6	-1.8	29.0
July	-.6	1.0	.2	5.2	-1.9	-2.3	-1.5	25.3
August	-2.0	-.5	-.1	4.3	-3.9	-4.1	-1.6	14.7
September .....	.6	4.3	0	4.6	3.8	11.7	.8	17.4
October .....	.6	.8	0	4.6	3.1	2.8	-.6	23.4
November .....	.1	.3	-.1	4.2	1.3	-4.1	-2.3	14.9
December	1.7	1.5	0	4.1	3.4	14.8	.3	31.6
2001								
January	1.7	3.1	.2	4.4	2.2	25.0	.5	46.5

¹ Some percent changes shown here and elsewhere in "Price Movements January 2001" may differ from those previously reported, because seasonal adjustment factors have been recalculated to reflect developments during 2000.

In addition, indexes for September 2000 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

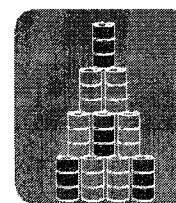
after showing no change last month. The index for fresh fruits and melons rose more than it did a month earlier. Prices for bakery products, processed fruits and vegetables, and confectionery end products turned up, after decreasing in the previous month. By contrast, pork prices fell 2.6 percent in January, following a 0.4-percent gain in December. The index for eggs for fresh use also turned down, after increasing in the prior month. Prices for dairy products and for finfish and shellfish rose less than a month ago, and the index for processed young chickens fell more than in December.

Prices for finished consumer goods other than foods and energy advanced 0.8 percent in January, following a 0.2-percent gain in December. The cigarette index increased 6.3 percent, after showing no change last month. Passenger car prices advanced more than they did a month earlier. The index for sanitary papers and health products turned up, following a decline in the previous month. Prices for pet food and cosmetics and other toilet preparations increased, after showing no change in the prior month. By contrast, the index for alcoholic beverages edged down 0.1 percent, following a 1.1-percent rise in December. Prices for floor coverings also turned down, after advancing a month ago. In January, price increases slowed for light motor trucks and book publishing.

The capital equipment index increased 0.3 percent in January, following a 0.1-percent gain in December. Passenger car prices rose 1.2 percent, after advancing 0.2 percent in the previous month. The indexes for x-ray and electromedical equipment; heavy motor trucks; and tools, dies, jigs, fixtures, and industrial molds turned up, following declines in December. Prices for commercial furniture and civilian aircraft increased more than they did in the prior month. Conversely, the electronic computer index fell 5.4 percent in January, following a 2.0-percent decrease in December. Light motor truck prices

rose less than a month ago. Indexes for communication and related equipment and construction machinery and equipment declined, after showing no change in December.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components advanced 0.7 percent, seasonally adjusted, after registering a 0.4-percent gain in December. In January, prices for intermediate energy goods increased more than they did a month earlier, and the index for non-durable manufacturing materials turned up, following a decline in the previous month. By contrast, prices for durable manufacturing materials and materials and components for construction moved down, after rising in the prior month. The index for intermediate foods and feeds advanced 1.7-percent for the second consecutive month. Excluding foods and energy, prices for intermediate materials increased 0.2 percent, after showing no change a month ago. (See table B.)

The index for intermediate energy goods jumped 3.1 percent in January, following a 1.5-percent gain in December. Posting its largest increase since a 4.3-percent rise in February 1980, prices for commercial electric power moved up 3.9 percent, after advancing 0.5 percent in the previous month. Record increases for the commercial natural gas index (21.1 percent) and the natural gas to electric utilities index (64.4 percent) were recorded in January, following smaller gains in December. Indexes for liquefied petroleum gas and industrial electric power also rose more than they did a month ago. Gasoline prices turned up, after falling in the prior month. On the other hand, the jet fuel index dropped 12.9 percent in January, following a 3.0-percent rise in December. Diesel fuel

prices also declined, after advancing a month ago. The industrial natural gas index increased less than last month.

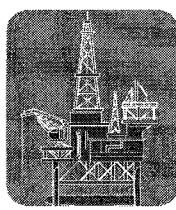
Prices for nondurable manufacturing materials rose 1.1 percent in January, after edging down 0.1 percent in December. The plastic resins and materials index advanced 2.3 percent, following a 2.8-percent drop in the previous month. Prices for basic organic chemicals (other than primary and intermediate basic organics), paper, and processed yarns and threads also turned up, after falling a month earlier. Indexes for nitrogenates and inedible fats and oils increased more than they did in the prior month. By contrast, prices for primary basic organic chemicals rose 1.3 percent, following a 3.2-percent gain in December. Indexes for finished fabrics and phosphates turned down, after advancing a month ago. Synthetic fiber prices declined, after showing no change a month earlier.

The durable manufacturing materials index decreased 0.7 percent in January, following a 0.2-percent gain in December. Prices for steel mill products dropped 1.7 percent (the largest decline since a 4.6-percent decline in January 1986), after showing no change in the previous month. Indexes for aluminum mill shapes, copper cathode and refined copper, and copper and brass mill shapes fell, following increases a month earlier. Prices for softwood plywood decreased more than they did in the prior month. On the other hand, the hardwood lumber index turned up 0.4 percent, after declining 0.6 percent in December. Prepared paint prices also rose, following a decrease a month ago. The index for primary aluminum (except extrusion billet) advanced more than in the previous month.

Prices for materials and components for construction turned down 0.3 percent in January, after edging up 0.1 percent in December. The softwood lumber index fell 2.9 percent, following a 0.1-percent gain a month earlier. Prices for fabricated structural metal products, asphalt felts and coatings, steel wire, and switchgear also decreased, after increasing in the prior month. Indexes for softwood plywood and gypsum products declined more than they did a month ago. By contrast, millwork prices advanced 0.3 percent, following no change in December. The heating equipment index rose more than in the previous month, while prices for fabricated ferrous wire products turned up, after falling a month earlier.

For the second consecutive month, the intermediate foods and feeds index increased 1.7 percent. In January, rising prices were observed for prepared animal feeds, fluid milk products, beef and veal, frozen ground meat patties, confectionery materials, refined sugar, and flour. Partly offsetting these advances were falling prices for pork; crude vegetable oils; natural, processed, and imitation cheese; and butter.

Crude goods



Registering the largest 1-month increase in crude goods prices since a 22.1-percent advance registered in August 1973, the Producer Price Index for Crude Materials for Further Processing increased 13.9 percent in January, seasonally adjusted, following an 8.5-percent gain in December. Indexes

for crude energy materials and basic industrial materials rose more in January than they did in the previous month. By contrast, prices for crude foodstuffs and feedstuffs advanced at a slower rate than in December. (See table B.)

The index for crude energy materials advanced 25.0 percent in January, following a 14.8-percent increase in December. Natural gas prices jumped 46.0 percent (the largest increase on record), after rising 35.3 percent in the previous month. The crude petroleum index fell 10.6 percent, following an 11.1-percent decrease a month ago. On the other hand, coal prices declined 3.0 percent, after a 3.0-percent gain in the prior month.

The index for crude nonfood material less energy increased 0.5 percent in January, after registering a 0.3-percent gain in December. Prices for iron and steel scrap advanced 8.3 percent, after rising 0.2 percent a month earlier. Indexes for aluminum base scrap and construction sand, gravel, and crushed stone turned up, after falling last month. Prices for wastepaper decreased less than they did in the prior month. Indexes for hardwood logs and pulpwood rose more than a month ago. By contrast, raw cotton prices declined 8.8 percent in January, after increasing 2.5 percent in December. The leaf tobacco index advanced at a slower rate than in the previous month. Prices for gold ores and phosphates turned down, after showing gains a month earlier.

The index for crude foodstuffs and feedstuffs increased 2.2 percent in January, after registering a 3.4-percent gain in December. Slaughter cattle prices moved up 2.5 percent, following a 5.5-percent rise in the previous month. Indexes for slaughter hogs, soybeans, and unprocessed shellfish turned down, after advancing a month ago. Prices for slaughter broilers and fryers increased less than they did a month earlier. By contrast, corn prices rose 7.0 percent, after falling 0.1 percent in December. The indexes for fresh and dry vegetables and wheat also advanced, after decreasing in the prior month. Fluid milk prices increased at a faster rate than a month earlier.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Domestic Mining Industries rose 22.3 percent in January, following a 12.0-percent increase in December. (Net output price indexes are not seasonally adjusted.) Most of this acceleration can be traced to prices received by the crude petroleum, natural gas, and natural gas liquids industry, which jumped 27.9 percent, after posting a 14.9-percent gain in the prior month. In January, the index for the oil and gas field services industry group also rose at a faster pace than it did a month earlier. Prices received by the construction sand and gravel industry and the coal mining services industry increased, following declines in the previous month. The index for the crushed and broken limestone industry advanced, after showing no change last month. By contrast, prices received by the bituminous coal and lignite industry turned down 1.6 percent, following a 2.1-percent rise in December. The index for the gold ores industry also fell, after increasing a month ago.

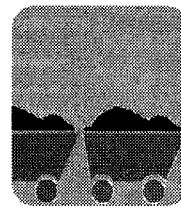
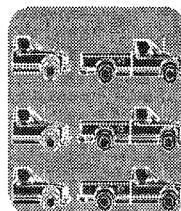
Prices paid to kaolin and ball clay producers rose less than a month earlier. In January, the Producer Price Index for the Net Output of Total Domestic Mining Industries stood at 170.8 (December 1984=100), 90.8 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Domestic Manufacturing Industries increased 0.2 percent in January, after declining 0.4 percent in December. Rising prices paid to the tobacco manufactures, chemical and allied products, food and kindred products, and printing and publishing industry groups outweighed falling prices paid to the petroleum refining, lumber and wood products,

primary rmetals, and apparel industry groups. In January, the Producer Price Index for the Net Output of Total Domestic Manufacturing Industries stood at 134.7 (December 1984=100), 3.0 percent above its year-ago level.

Services. Among service industries in January, price increases were registered for offices of physicians, real estate agents and managers, legal services, hotels and motels, and the Unites States Postal Service. On the other hand, falling prices were observed for operators and lessors of nonresidential buildings; telephone communications, except radiotelephone; wireless telecommunications; and truck rental and leasing.

Price Movements February 2001



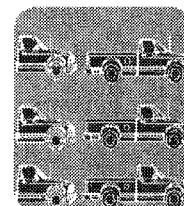
The Producer Price Index for Finished Goods edged up 0.1 percent in February, seasonally adjusted. This rise followed a 1.1-percent increase in January and a 0.2-percent gain in December. At the earlier stages of processing, prices received by producers of intermediate goods edged down 0.1 percent, following a 0.7-percent rise in the prior month, while the crude goods index decreased 14.2 percent, after jumping 13.9 percent a month ago. (See table A.)

Led by price declines for passenger cars and light motor trucks, the index for finished goods other than foods and energy fell 0.3 percent, following a 0.7-percent advance in January. Excluding passenger cars and light motor trucks, this index would have increased 0.1 percent in February. Prices for finished energy goods rose 1.4 percent, after posting a 3.8-percent advance in the prior month. The rate of increase in prices for finished consumer foods slowed to 0.6 percent in February from 0.8 percent in January.

Before seasonal adjustment, the Producer Price Index for Finished Goods rose 0.2 percent to stand at 141.5 (1982=100). From February 2000 to February 2001, finished goods prices advanced 4.0 percent. Over the same period, the finished energy goods index jumped 18.4 percent, prices for finished goods other than foods and energy gained 1.3 percent, and the index for finished consumer foods increased 2.6 percent.

Prices received by producers of intermediate goods moved up 3.5 percent for the 12 months ended in February, and the crude goods index registered a 20.8-percent gain during the same period.

Finished goods



Prices for finished consumer goods other than foods and energy dipped 0.4 percent in February, following a 0.8-percent rise in January. The passenger car index declined 1.5 percent in February, after having increased 1.2 percent in the prior month. February's decrease in passenger cars is the largest decline since a 1.6-percent drop in July 1997. Light motor truck prices fell 3.6 percent, following a 0.3-percent gain in January. The cigarette index showed no change in February, after posting a 6.3-percent advance in the previous month. Prices for sanitary papers and health products and for cosmetics and other toilet preparations turned down in February. The prescription drugs index showed little change, compared to a 0.5-percent rise in January. By contrast, prices for tufted broadloom carpets turned up 1.9 percent, after falling 1.1 percent in January. The indexes for newspaper circulation, footwear, and women's apparel also

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2000							
February	0.9	0.4	4.2	0.4	4.0	0.8	3.7
March .....	.9	.1	5.3	.1	4.3	1.0	1.8
April	-3	1.1	-3.5	0	3.6	-1	-1.5
May	0	.1	-8	.2	3.7	0	3.1
June .....	.9	-4	6.1	.1	4.4	.9	8.5
July	-1	-1	-6	.1	4.3	.2	-2.0
August	-1	-4	-1.2	.2	3.4	-3	-3.6
September .....	.7	.2	3.4	.3	3.5	.8	7.1
October .....	.4	.7	1.5	0	3.7	.2	3.8
November .....	.1	.2	.9	-1	3.7	-2	-3.4
December .....	.2	-4	.8	.1	3.6	.4	8.5
2001							
January	1.1	.8	3.8	.7	4.8	.7	13.9
February .....	.1	.6	1.4	-3	4.0	-1	-14.2

¹ Some percent changes shown here and elsewhere in "Price Movements February 2001" may differ from those previously reported, because indexes for

October 2000 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2000								
February	0.5	3.8	0.3	5.4	0.3	8.9	0.4	25.1
March	1.0	4.0	.4	5.9	2.6	2.3	-.5	26.9
April .....	.8	-2.5	.4	5.3	1.4	-4.5	-.7	22.2
May .....	.9	-1.1	.1	5.0	-.9	8.8	-.7	19.0
June	0	4.9	1	5.5	-2.3	22.6	-1.8	29.0
July	-.6	1.0	.2	5.2	-1.9	-2.3	-1.5	25.3
August	-2.0	-.5	-.1	4.3	-3.9	-4.1	-1.6	14.7
September .....	.6	4.3	0	4.6	3.8	11.7	.8	17.4
October .....	.6	1.1	0	4.6	3.1	5.9	-.8	25.3
November .....	.1	0	-.1	4.2	1.3	-6.9	-2.2	14.9
December	1.7	1.5	0	4.1	3.4	14.8	.3	31.6
2001								
January	1.7	3.1	.2	4.4	2.2	25.0	.5	46.5
February	-1.5	-1.1	.1	3.5	-1.6	-23.3	-2.5	20.8

¹ Some percent changes shown here and elsewhere in "Price Movements February 2001" may differ from those previously reported, because indexes for

October 2000 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

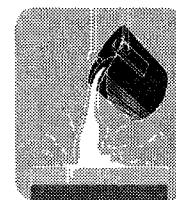
turned up in February. Prices for girls', children's, and infants' apparel showed no change, following a decrease in the prior month.

The capital equipment index fell 0.3 percent, after posting a 0.3-percent gain in January. February's 3.6-percent decline in light motor truck prices was the largest since a 3.7-percent decrease in October 1982 and followed a 0.3-percent rise in the previous month. The indexes for passenger cars and heavy motor trucks also fell, after advancing a month ago. Prices for civilian aircraft and commercial furniture increased less than they did in the prior month. Conversely, the index for electronic computers declined 1.1 percent, following a 5.4-percent drop in the previous month. Prices for communication and related equipment showed little change for the eighth consecutive month. The index for construction machinery and equipment decreased less than it did a month earlier.

The index for finished energy goods advanced 1.4 percent, after increasing 3.8 percent in January. Leading this deceleration, the rate of increase in residential natural gas prices slowed to 3.5 percent from an 11.3-percent rate in the prior month. The indexes for liquefied petroleum gas and residential electric power also increased at a slower pace than they did in January. Gasoline prices turned down in February. On the other hand, the home heating oil index decreased 1.6 percent in February, following a 3.6-percent decline in January. Diesel fuel prices also fell less than they did a month earlier. The index for finished lubricants rose more than it did in January.

Finished consumer food prices rose 0.6 percent in February, following a 0.8-percent gain in the prior month. In February, advancing prices for finfish and shellfish, fresh and dry vegetables, processed young chickens, pork, and bakery products outweighed declining prices for fresh fruits and melons, dairy products, and soft drinks.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components edged down 0.1 percent in February, after posting a 0.7-percent gain in January. Prices for intermediate energy goods and intermediate foods and feeds turned down, after rising in the prior month. The index for nondurable manufacturing materials advanced at a slower rate than it did in the previous month. By contrast, prices for materials and components for construction rose, after decreasing in January. The index for durable manufacturing materials fell less than it did in the prior month. Excluding foods and energy, prices for intermediate materials, supplies, and components inched up 0.1 percent, following a 0.2-percent rise in January. (See table B.)

The intermediate energy goods index dropped 1.1 percent in February, compared to a 3.1-percent increase in January. Commercial electric power prices fell 2.6 percent, following a 3.9-percent advance a month earlier. The indexes for natural gas to electric utilities, industrial electric power, industrial natural gas, and gasoline also turned down, after rising in the prior month. February prices for commercial natural gas and liquefied petroleum gas increased at a slower pace than they did in January. Conversely, the jet fuels index declined 0.6 percent in February, following a 12.9-percent drop in January. Diesel fuel prices also fell less than they did in the previous month.

The index for intermediate foods and feeds fell 1.5 percent in February, after posting a 1.7-percent rise in January. Prices for prepared animal feeds declined 3.5 percent, following a 3.0-percent advance a month ago. The fluid milk products index also turned down, after moving up in the previous month. In February, beef and veal prices showed no change, following

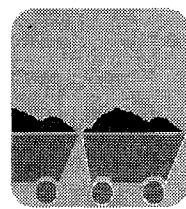
an increase in the prior month. The index for confectionery materials rose at a slower rate than it did in January. By contrast, pork prices moved up 1.3-percent in February, after falling 2.6 percent in the prior month. The indexes for butter and for natural, processed, and imitation cheese also rose in February, following declines in the previous month. Refined sugar prices increased at a faster pace than they did in January.

In February, rising prices for nondurable manufacturing materials slowed to 0.7 percent, following a 1.1-percent rate of increase in January. The index for nitrogenates moved up 4.1 percent in February, after jumping 24.1 percent a month earlier. Prices for paperboard decreased more than they did in the prior month. The index for inedible fats and oils turned down in February. Paper prices showed no change, after rising in the previous month. On the other hand, the index for basic inorganic chemicals increased 7.3 percent, following a 0.2-percent decline in January. Prices for synthetic fibers and phosphates also advanced, after falling a month ago. The index for primary basic organic chemicals rose more than it did in January.

The index for materials and components for construction advanced 0.3 percent in February, following a 0.3-percent decline a month earlier. Softwood lumber prices increased 2.2 percent, after falling 2.9 percent in January. The indexes for fabricated structural metal products, air conditioning and refrigeration equipment, and steel wire also turned up, following declines in the previous month. The rate of decline in prices for plywood and gypsum products slowed from January to February. By contrast, the nonferrous wire and cable index decreased 1.1 percent in February, after declining 0.6 percent in January. Prices for millwork, heating equipment, and wiring devices rose less than they did in the prior month. The index for fabricated ferrous wire products turned down, after advancing in January.

Price decreases for durable manufacturing materials slowed from a 0.7-percent rate of decline in January to a 0.2-percent rate in February. The index for steel mill products fell 1.0 percent, after falling 1.7 percent in January. In February, prices for aluminum mill shapes and cement turned up, following declines a month earlier. The indexes for copper cathode and refined copper; plywood; and for copper and brass mill shapes fell less than they did in the prior month. By contrast, a 1.0-percent drop in flat glass prices was registered in February, following a 0.4-percent gain a month ago. The indexes for hardwood lumber, metal powders, and platinum also decreased, after rising in the previous month.

Crude goods



Registering the largest 1-month decrease in prices since the index's inception, the Producer Price Index for Crude Materials for Further Processing decreased 14.2 percent in February, seasonally adjusted, following a 13.9-percent gain in January. The indexes for crude energy materials, crude foodstuffs and feedstuffs, and basic industrial

materials turned down, after advancing a month ago. (See table B.)

Prices for crude energy materials fell 23.3 percent in February, after registering a 25.0-percent gain in January. The index for natural gas declined 34.7 percent (the largest decrease on record), after rising 46.0 percent in the previous month. On the other hand, prices for coal moved up 12.8 percent, following a 3.0-percent decrease in January. The index for crude petroleum advanced 2.7 percent in February, after falling 10.6 percent in the prior month.

The index for crude foodstuffs and feedstuffs decreased 1.6 percent in February, following a 2.2-percent increase in January. Corn prices dropped 12.5 percent, after posting a 7.0-percent gain in the previous month. The indexes for fluid milk, wheat, and for fresh fruits and melons turned down in February, after advancing in the prior month. Prices for slaughter cattle rose at a slower rate in February than they did in January. The index for soybeans fell more than it did in the prior month. By contrast, prices for slaughter broilers and fryers moved up 4.3 percent, following a 0.3-percent rise in January. The indexes for unprocessed finfish, alfalfa hay, and raw cane sugar rose more in February than they did in the previous month. Prices for unprocessed shellfish turned up, after falling in January. The index for slaughter hogs decreased at a slower rate than it did in January.

Prices for crude nonfood materials less energy declined 2.5 percent in February, after registering a 0.5-percent increase in January. The index for iron and steel scrap fell 6.9 percent, following an 8.3-percent gain in the prior month. Prices for copper ores and aluminum base scrap turned down, after rising last month. The indexes for wastepaper and for softwood logs, bolts, and timber fell more than they did in January. On the other hand, raw cotton prices dropped 4.1 percent, after falling 8.8 percent in the previous month. The index for phosphates turned up, after decreasing a month ago. Prices for construction sand, gravel, and crushed stone rose at a higher rate than they did in January.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries dropped 19.1 percent in February, following a 22.3-percent increase in January. (Net output price indexes are not seasonally adjusted.) Most of February's downturn in prices can be traced to a 23.5-percent decrease in prices received by the crude petroleum, natural gas, and natural gas liquids industry, which followed a 27.9-percent rise in January. The index for the copper ores industry also turned down in February, after an increase in the prior month. Prices received by the oil and gas well drilling, coal mining services, and for construction sand and gravel industries rose less than they did in January. By contrast, the index for the bituminous coal and lignite industry turned up 8.9 percent in February, following a 1.6-percent decline in the previous month. Prices paid to the potash, soda, and borate minerals industry rose

more than they did in January. In February, the Producer Price Index for the Net Output of Total Mining Industries stood at 138.2 (December 1984=100), 44.3 percent above its year-ago level.

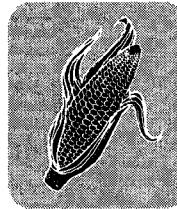
Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries showed no change in February, after increasing 0.2 percent in January. Rising prices paid to the chemical and allied products, printing and publishing, food and kindred products, and lumber and wood products industry groups offset falling prices paid to the transportation equipment, petroleum refining, paper and allied

products, and electrical and electronic machinery industry groups. In February, the Producer Price Index for the Net Output of Total Manufacturing Industries stood at 134.7 (December 1984=100), 1.9 percent above its year-ago level.

Services. Among service industries in January, price increases were registered for the security brokers, operators and lessors of nonresidential buildings, offices of physicians, legal services, and hotels and motels industries. On the other hand, falling prices were observed for the telephone communications, except radiotelephone, help supply services, prepackaged software, and scheduled air transportation industries.

Price Movements

March 2001



The Producer Price Index for Finished Goods edged down 0.1 percent in March, seasonally adjusted. This decline followed a 0.1-percent rise in February and a 1.1-percent advance in January. The index for finished goods other than foods and energy edged up 0.1 percent in March, following a 0.3-percent decrease in the prior month. Prices received by producers of intermediate goods fell 0.2 percent in March, following a 0.1-percent decrease in the prior month. The crude goods index declined 1.7 percent, after dropping 14.2 percent in February. (See table A.)

Among finished goods, prices for energy goods turned down 2.6 percent in March, compared with a 1.4-percent increase in the previous month. Conversely, the index for finished consumer goods other than foods and energy rose 0.3 percent, after falling 0.4 percent in February. Prices for finished consumer foods rose more than they did a month earlier. The capital equipment index showed no change in March, after falling 0.3 percent in the prior month.

During the first quarter of 2001, the Finished Goods Price Index moved up at a seasonally adjusted annual rate (SAAR) of 4.9 percent, following a 2.9-percent rate of increase during the fourth quarter of 2000. Finished consumer food prices moved up at a 10.6-percent SAAR during the first quarter of 2001, following a 2.4-percent annual rate of increase from

September 2000 to December 2000. Prices for finished goods other than foods and energy advanced at a 1.9-percent SAAR for the first 3 months of 2001, after showing no change during the prior quarter. By contrast, the index for finished energy goods rose at a 10.8-percent SAAR from December 2000 to March 2001, after increasing at a 13.8-percent annual rate over the last 3 months of 2000. Prices for Intermediate Materials, Supplies, and Components advanced at a 1.5-percent SAAR, for the second consecutive calendar quarter. During the first quarter of 2001, the Producer Price Index for Crude Materials for Further Processing decreased at a SAAR of 14.9 percent, following a 39.8-percent rate of increase in the final quarter of 2000. (See summary below.)

Before seasonal adjustment, the Producer Price Index for Finished Goods fell 0.4 percent in March to stand at 141.0 (1982=100). From March 2000 to March 2001, the Finished Goods Index increased 3.1 percent. Over the same period, the index for finished energy goods advanced 9.7 percent, prices for finished consumer foods increased 3.6 percent, and the index for finished goods other than foods and energy gained 1.4 percent. Prices received by domestic producers of intermediate goods rose 2.3 percent for the 12 months ended in March 2001, and the index for crude goods jumped 16.5 percent during the same period.

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2000							
March	0.9	0.1	5.3	0.1	4.3	1.0	1.8
April	-3	1.1	-3.5	0	3.6	-1	-1.5
May	0	.1	-8	.2	3.7	0	3.1
June .....	.9	-4	6.1	.1	4.4	.9	8.5
July	-1	-1	-6	.1	4.3	.2	-2.0
August	-1	-4	-1.2	.2	3.4	-3	-3.6
September .....	.7	.2	3.4	.3	3.5	.8	7.1
October .....	.4	.7	1.5	0	3.7	.2	3.8
November .....	.1	.2	.5	.1	3.8	-2	-1.3
December .....	.1	-4	1.2	-1	3.6	.4	6.1
2001							
January	1.1	.8	3.8	.7	4.8	.7	13.9
February .....	.1	.6	1.4	-3	4.0	-1	-14.2
March	-1	1.1	-2.6	.1	3.1	-2	-1.7

¹ Some percent changes shown here and elsewhere in "Price Movements March 2001" may differ from those previously reported, because indexes for

November 2000 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

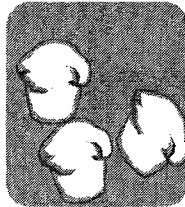
Summary of December-to-December and 3-month seasonally adjusted annual rates for selected stages of process

Grouping	Percentage change 12 months ended in December			Seasonally adjusted annual rate for:			
	1998	1999	2000	3 months ended in June 2000	3 months ended in September 2000	3 months ended in December 2000	3 months ended in March 2001
Finished goods	0.0	2.9	3.6	2.3	2.0	2.9	4.9
Finished consumer foods .....	.1	.8	1.7	3.3	-1.2	2.4	10.6
Finished energy goods	-11.7	18.1	17.1	6.5	6.4	13.8	10.8
Finished goods less food and energy	2.5	.9	1.2	1.1	2.5	0	1.9
Finished consumer goods, excluding foods and energy	4.2	1.2	1.2	1.3	2.4	.3	2.9
Capital equipment	0	.3	1.2	1.5	1.7	.3	0
Intermediate materials, supplies, and components	-3.3	3.7	4.1	3.1	2.8	1.5	1.5
Intermediate foods and feeds	-7.3	-4.2	3.5	7.0	-7.9	10.1	2.8
Intermediate energy goods	-12.1	19.6	19.5	4.5	20.8	11.0	2.2
Intermediate materials less foods and energy	-1.6	1.9	1.6	2.7	.3	-.6	1.8
Materials for nondurable manufacturing	-5.3	4.0	4.1	7.2	.3	-.3	6.4
Materials for durable manufacturing	-5.5	2.4	.6	-1.2	0	-3.7	-4.3
Materials and components for construction .....	.1	2.2	.1	-.8	-2.1	-.5	.3
Crude materials for further processing	-16.7	15.3	31.6	47.9	4.9	39.8	-14.9
Foodstuffs and feedstuffs	-11.0	-.1	7.2	-7.3	-8.2	36.0	15.2
Crude energy materials	-23.8	36.9	76.0	163.6	20.0	64.0	-31.0
Crude nonfood materials less energy	-16.0	14.0	-5.8	-11.9	-8.8	-10.2	-12.4

NOTE: Late reports and corrections by respondents may cause some indexes to change 4 months after original publication. In addition, seasonally

adjusted indexes may be revised for 5 years, due to the recalculation of seasonal factors each January.

Finished goods



Prices for finished energy goods fell 2.6 percent in March, following a 1.4-percent gain in February. After registering a 9.2-percent increase in February, the index for liquefied petroleum gas declined 16.4 percent. Prices for residential natural gas and finished lubricants also turned down in March, after rising in the previous month. March's index for residential electric power increased at a slower rate than it did in February. Prices for home heating oil fell more in March than they did in the prior month. By contrast, gasoline prices moved up 0.5 percent in March, following a 0.8-percent decline in February.

The index for finished consumer goods other than foods and energy rose 0.3 percent in March, after decreasing 0.4 percent in February. Prices for light motor trucks increased 0.5 percent, following a 3.6-percent drop in the previous month. The indexes for passenger cars, alcoholic beverages, and for sanitary papers and health products also turned up in March. Prescription drug prices rose more in March than they did in February. On the other hand, the index for floor coverings moved down 2.8 percent in March, after increasing 1.4 percent in the prior month. March prices for women's apparel and pet food also turned down, after rising a month earlier. The index for household appliances fell more than it did in February. During the first quarter of 2001, the index for finished consumer goods other than foods and energy increased at a SAAR of 2.9 percent, following a 0.3-percent rate of increase in the final quarter of 2000.

Prices for finished consumer foods advanced 1.1 percent in March, following a 0.6-percent gain in February. The dairy products index rose 2.2 percent, after registering a 0.7-percent decrease a month ago. Price increases for pork and bakery

products accelerated from February to March. The indexes for fresh fruits and melons and for soft drinks turned up, following declines in the prior month. Beef and veal prices moved up in March, after showing no change in the previous month. On the other hand, the finfish and shellfish index posted a 5.3-percent drop in March, following a 9.3-percent advance in February. Prices for processed young chickens and for fresh and dry vegetables rose less in March than they did a month earlier. The indexes for eggs for fresh use, processed fruits and vegetables, and processed turkeys turned down, after increasing in the previous month.

The capital equipment index showed no change in March, after decreasing 0.3 percent in February. Price increases for passenger cars, light motor trucks, civilian aircraft, heavy motor trucks, and commercial furniture were offset by falling prices for electronic computers; tools, dies, jigs, fixtures, and industrial molds; office and store machines and equipment; pumps, compressors, and equipment; and x-ray and electromedical equipment. The capital equipment index showed no change on a seasonally adjusted annual rate basis during the first quarter of 2001, following a 0.3-percent rate of increase in the final quarter of 2000.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components declined 0.2 percent in March, seasonally adjusted, after edging down 0.1 percent in February. Decreasing prices for intermediate energy goods, nondurable manufacturing materials, and durable manufacturing materials outweighed increasing prices for

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2000								
March	1.0	4.0	0.4	5.9	2.6	2.3	-0.5	26.9
April .....	.8	-2.5	.4	5.3	1.4	-4.5	-.7	22.2
May .....	.9	-1.1	.1	5.0	-.9	8.8	-.7	19.0
June	0	4.9	.1	5.5	-2.3	22.6	-1.8	29.0
July	-.6	1.0	.2	5.2	-1.9	-2.3	-1.5	25.3
August	-2.0	-5	-.1	4.3	-3.9	-4.1	-1.6	14.7
September .....	.6	4.3	0	4.6	3.8	11.7	.8	17.4
October .....	.6	1.1	0	4.6	3.1	5.9	-.8	25.3
November .....	.2	-2	-.1	4.2	1.2	-2.7	-2.1	17.6
December	1.6	1.7	-.1	4.1	3.5	9.8	.1	31.6
2001								
January	1.7	3.1	.2	4.4	2.2	25.0	.5	46.5
February	-1.5	-1.1	.1	3.5	-1.6	-23.3	-2.5	20.8
March .....	.5	-1.4	.1	2.3	3.0	-4.9	-1.3	16.5

¹ Some percent changes shown here and elsewhere in "Price Movements March 2001" may differ from those previously reported, because indexes for

November 2000 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

intermediate foods and feeds and materials and components for construction. Excluding foods and energy, the index for intermediate materials, supplies, and components inched up 0.1 percent for the second consecutive month. (See table B.)

Prices for intermediate energy goods fell 1.4 percent in March, after dipping 1.1 percent in February. The commercial natural gas index dropped 8.7 percent, following a 13.5-percent rise a month earlier. Liquefied petroleum gas prices also turned down in March. The indexes for industrial natural gas and diesel fuel decreased more in March than they did in the previous month. By contrast, commercial electric power prices increased 2.6 percent in March, after declining 2.6 percent in the prior month. The indexes for industrial electric power, gasoline, and jet fuels also turned up, following February decreases. Price declines slowed from February to March for natural gas to electric utilities and residual fuels. The intermediate energy goods index advanced at a 2.2-percent SAAR from December 2000 to March 2001, after registering an 11.0-percent rate of increase during the previous 3 months.

Prices for nondurable manufacturing materials fell 0.3 percent in March, following a 0.7-percent gain in the prior month. Leading this deceleration, the index for primary basic organic chemicals declined 9.2 percent, after rising 2.8 percent in February. Prices for basic inorganic chemicals and synthetic fibers also moved down, following increases a month earlier. The fertilizer materials index advanced less in March than it did in the previous month. The rate of decrease in prices for woodpulp and intermediate basic organic chemicals quickened in March. Conversely, the paperboard index dipped 0.3 percent, after posting a 1.6-percent drop in February. Paper prices increased, after showing no change in the prior month. The indexes for paint materials and medicinal and botanical chemicals turned up,

following February declines. Prices for nondurable manufacturing materials rose at a seasonally adjusted annual rate of 6.4 percent during the first quarter of 2001, after falling at a 0.3-percent annual rate for the previous quarter.

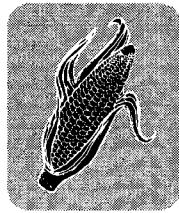
The index for durable manufacturing materials decreased at a 0.2-percent rate in March, the same rate of decline observed in February. Falling prices for steel mill products, copper and brass mill shapes, primary aluminum (except extrusion billet), copper cathode and refined copper, and silver outweighed rising prices for plywood, prepared paint, aluminum mill shapes, gold, and flat glass. From December 2000 to March 2001, the index for materials for durable manufacturing decreased at a 4.3-percent SAAR, following a 3.7-percent annual rate of decline during the final quarter of 2000.

Intermediate foods and feeds prices turned up 0.5 percent in March, after falling 1.5 percent in February. The index for fluid milk products gained 1.8 percent, following a 3.5-percent decrease in the previous month. Prices for crude vegetable oils also rose, after declining in February. The index for prepared animal feeds fell less in March than it did a month earlier. Beef and veal prices advanced, after showing no change in February, while the pork index increased at a faster rate than in the prior month. By contrast, a 2.1-percent drop in refined sugar prices was registered in March, following a 2.5-percent rise in the previous month. During the first quarter of 2001, the intermediate foods and feeds index advanced at a 2.8-percent SAAR, after increasing at a 10.1-percent annual rate during the prior quarter.

In March, the index for materials and components for construction edged up 0.1 percent, following a 0.3-percent gain a month earlier. Advancing prices for gypsum products, plywood, softwood lumber, millwork, and metal valves (except fluid power) more than offset declining prices for plastic construction products, fabricated structural metal products,

heating equipment, nonferrous wire and cable, and steel wire. From December 2000 to March 2001, the index for materials and components for construction increased at a 0.3-percent SAAR, after decreasing at a 0.5-percent annual rate for the previous quarter.

Crude goods



The Producer Price index for Crude Materials for Further Processing fell 1.7 percent in March, seasonally adjusted, following a 14.2-percent decline in February. Prices for crude energy materials decreased less in March than they did in the previous month.

The crude foodstuffs and feedstuffs index turned up, after falling in the prior month. Basic industrial materials prices declined at a slower rate in March than they did in February. (See table B.)

Prices for crude energy materials posted a 4.9-percent decrease in March, following a 23.3-percent decline in February. The natural gas index fell 4.7 percent, after dropping 34.7 percent in the prior month. On the other hand, crude petroleum prices decreased 7.1 percent, after gaining 2.7 percent a month ago. The coal index declined 0.4 percent, after rising 12.8 percent in February. Prices for crude energy materials fell at a 31.0-percent SAAR from December 2000 to March 2001, following a 64.0-percent annual rate of increase from September 2000 to December 2000.

The crude foodstuffs and feedstuffs index advanced 3.0 percent in March, following a 1.6-percent decline in the prior month. Prices for slaughter hogs posted a 13.8-percent increase, after falling 3.9 percent in the previous month. The indexes for corn, fluid milk, soybeans, and wheat turned up, after decreasing in February. Slaughter cattle prices rose more in March than they did in February. By contrast, the index for unprocessed finfish dropped 28.2 percent, after gaining 49.8 percent in February. Prices for raw cane sugar, alfalfa hay, and slaughter turkeys turned down, after advancing in the prior month. The indexes for slaughter broilers and fryers and fresh vegetables, except potatoes increased at a slower rate in March than they did in February. From December 2000 to March 2001, prices for crude foodstuffs and feedstuffs rose at a 15.2-percent SAAR, following a 36.0-percent annual rate of increase in the final quarter of 2000.

The index for basic industrial materials fell 1.3 percent, following a 2.5-percent decline in February. Wastepaper prices decreased 4.0 percent, after falling 8.3 percent in the previous month. The indexes for iron and steel scrap, gold ores, and aluminum base scrap turned up, after declining in February. Prices for softwood logs, bolts, and timber decreased at a slower rate in March than they did in February. On the other hand, the index for raw cotton posted a 16.4-percent decline, after falling 4.1 percent a month ago. Prices for leaf tobacco turned down, after rising in February. The index for copper base scrap fell more than it did in the previous month. Prices for construction sand, gravel, and crushed stone and pulp-

wood rose at a slower rate in March than they did in February. The basic industrial materials index fell at a 12.4-percent SAAR from December 2000 to March 2001, following a 10.2-percent rate of decrease in the final quarter of 2000.

Net output price indexes for mining, manufacturing, and services industries

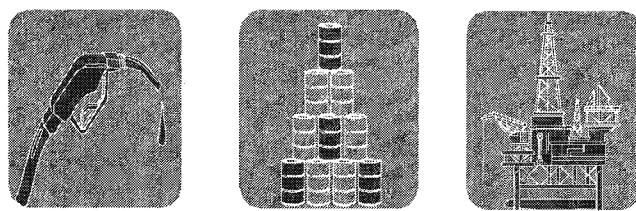
Mining. The Producer Price Index for the Net Output of Total Mining Industries declined 5.4 percent in March, after falling 19.1 percent in the previous month. (Net output price indexes are not seasonally adjusted.) Dominating this slowdown in the rate of decrease in mining industry prices, the index for the crude petroleum, natural gas, and natural gas liquids industry fell 6.9 percent, following a 23.5-percent drop in February. Also contributing, prices received by the gold ores industry turned up 2.9 percent, after declining 1.7 percent in the prior month. The index for the copper ores industry decreased less than it did a month earlier. By contrast, prices received by the bituminous coal and lignite industry edged down 0.4 percent, following an 8.9-percent jump in February. The index for the oil and gas well drilling industry gained less in March than it did in the previous month. From December 2000 to March 2001, the Producer Price Index for the Net output of Total Domestic Mining Industries declined at a 23.2-percent annual rate, after rising at a 57.1-percent rate in the prior calendar quarter. In March 2001, this index stood at 130.7 (December 1984=100), 32.2 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries edged down 0.1 percent in March, after showing no change in February. Declining prices paid to the industry groups for petroleum refining and related products; measuring and controlling instruments; textile mill products; electrical and electronic machinery, equipment, and supplies; and primary metal industries slightly outweighed advancing prices paid to the industry groups for food and kindred products; chemicals and allied products; rubber and miscellaneous plastic products; printing, publishing, and allied industries; and lumber and wood products (except furniture). During the first quarter of 2001, the Producer Price Index for the Net Output of Total Domestic Manufacturing Industries advanced at a 0.6-percent annual rate, following a 0.9-percent annual rate of decline from September 2000 to December 2000. In March 2001, this index stood at 134.6 (December 1984=100), 1.3 percent above its year-ago level.

Services. Among service industries in March, rising prices were registered by the industries for operators and lessors of nonresidential buildings, offices of physicians, property and casualty insurance, scheduled air transportation, general medical and surgical hospitals, and hotels and motels. By contrast, prices received by the industries for deep sea foreign transportation of freight, wireless telecommunications, real estate agents and managers, trucking (except local), specialty hospitals (except psychiatric), and home health care services fell in March.

Price Movements

April 2001



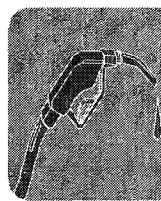
The Producer Price Index for Finished Goods rose 0.3 percent in April. This increase followed a 0.1-percent decline in March and a 0.1-percent gain in February. The index for finished goods other than foods and energy moved up 0.2 percent, compared with a 0.1-percent increase in March. Prices received by producers of intermediate goods fell 0.2 percent in April, the same rate of decrease as in the prior month. The crude goods index turned up 0.9 percent, following a 1.7-percent drop in March. (See table A.)

Prices for finished energy goods led the acceleration in the finished goods index by edging up 0.1 percent in April, after dropping 2.6 percent in March. Capital equipment prices also contributed to this acceleration, although to a lesser extent, by advancing 0.3 percent in April, after showing no change in the previous month. By contrast, price increases for finished consumer foods slowed from a 1.1-percent rate of increase in March to a 0.6-percent rate in April. The index for finished consumer goods other than foods and energy increased 0.2 percent in April, after moving up 0.3 percent in the prior month.

Before seasonal adjustment, the Producer Price Index for Finished Goods advanced 0.5 percent to stand at 141.7 (1982=100). From April 2000 to April 2001, finished goods prices gained 3.7 percent. Over the same period, the index for finished energy goods increased 13.5 percent, finished goods other than foods and energy advanced 1.6 percent, and finished consumer foods rose 3.1 percent. Prices received by

producers of intermediate goods increased 2.0 percent for the 12 months ended April 2001, and the index for crude goods advanced 19.4 percent during the same period.

Finished goods



Prices for finished energy goods turned up 0.1 percent in April, after registering a 2.6-percent decline in March. The gasoline index advanced 7.0 percent, following a 0.5-percent rise in the prior month. Home heating oil prices turned up, after declining in March. The indexes for liquefied petroleum gas and diesel fuel fell less than they did a month ago. Conversely, the index for residential natural gas decreased 4.3 percent in April, following a 4.0-percent drop a month earlier.

Capital equipment prices advanced 0.3 percent in April, after showing no change in March. The index for electronic computers turned up 1.5 percent, following a 5.9-percent drop in the previous month. Civilian aircraft prices rose more than they did a month ago. The indexes for tools, dies, jigs, fixtures, and industrial molds and for office and store machines and equipment showed no change in April, after falling in the prior month. Prices for pumps and compressors and for truck trailers turned up, following March declines. By contrast, the index for passenger cars increased 0.2 percent in April, after

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2000							
April	-0.3	1.1	-3.5	0.0	3.6	-0.1	-1.5
May	0	.1	-.8	.2	3.7	0	3.1
June .....	.9	-.4	6.1	.1	4.4	.9	8.5
July	-.1	-.1	-.6	.1	4.3	.2	-2.0
August	-.1	-.4	-1.2	.2	3.4	-.3	-3.6
September .....	.7	.2	3.4	.3	3.5	.8	7.1
October .....	.4	.7	1.5	0	3.7	.2	3.8
November .....	.1	.2	.5	.1	3.8	-.2	-1.3
December .....	.1	-.3	.8	.1	3.6	.4	9.3
2001							
January	1.1	.7	4.2	.5	4.8	.7	10.6
February .....	.1	.6	1.4	-.3	4.0	-.1	-14.2
March	-.1	1.1	-2.6	.1	3.1	-.2	-1.7
April .....	.3	.6	.1	.2	3.7	-.2	.9

¹ Some percent changes shown here and elsewhere in "Price Movements April 2001" may differ from those previously reported, because indexes for

December 2000 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2000								
April	0.8	-2.5	0.4	5.3	1.4	-4.5	-0.7	22.2
May .....	.9	-1.1	.1	5.0	-.9	8.8	-.7	19.0
June	0	4.9	.1	5.5	-2.3	22.6	-1.8	29.0
July	-.6	1.0	.2	5.2	-1.9	-2.3	-1.5	25.3
August	-2.0	-.5	-.1	4.3	-3.9	-4.1	-1.6	14.7
September .....	.6	4.3	0	4.6	3.8	11.7	.8	17.4
October .....	.6	1.1	0	4.6	3.1	5.9	-.8	25.3
November .....	.2	-.2	-.1	4.2	1.2	-2.7	-2.1	17.6
December	1.8	1.4	0	4.1	3.6	15.8	.4	35.5
2001								
January	1.5	3.4	.1	4.4	2.1	18.6	.2	46.5
February	-1.5	-1.1	.1	3.5	-1.6	-23.3	-2.5	20.8
March .....	.5	-1.4	.1	2.3	3.0	-4.9	-1.3	16.5
April	-.1	-1.5	-.1	2.0	-.5	3.0	-2.6	19.4

¹ Some percent changes shown here and elsewhere in "Price Movements April 2001" may differ from those previously reported, because indexes for

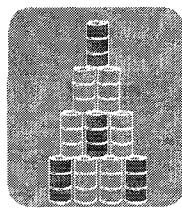
December 2000 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

advancing 0.6 percent in March. Prices for light motor trucks, commercial furniture, and heavy motor trucks also rose less in April than they did in the prior month. The index for x-ray and electromedical equipment declined at a faster rate than it did in the prior month.

The finished consumer foods index advanced 0.6 percent in April, after posting a 1.1-percent gain in March. Pork prices rose 2.0 percent, following a 7.8-percent increase in the prior month. The index for beef and veal also rose less in April. Prices for fresh and dry vegetables, bakery products, and for shortening and cooking oils turned down in April, after rising in the prior month. By contrast, prices for eggs for fresh use jumped 37.0 percent in April, following a 9.1-percent decline in the previous month. The indexes for finfish and shellfish, processed turkeys, and for processed fruits and vegetables also rose, after falling in March.

In April, the index for finished consumer goods other than foods and energy edged up 0.2 percent, following a 0.3-percent gain in March. Prices for prescription drugs, alcoholic beverages, newspaper circulation, passenger cars, sanitary papers and health products, and pet food rose in April. These increases outweighed falling prices for men's and boys' apparel, book publishing, household appliances, household furniture, and for lawn and garden equipment.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components declined 0.2 percent in April, seasonally adjusted, the same rate of decline as in March. Decreasing prices for intermediate energy goods, nondurable manufacturing materials, durable manufacturing materials, and intermediate foods and feeds outweighed increasing

prices for manufacturing components and construction materials. Excluding foods and energy, the index for intermediate materials, supplies, and components decreased 0.1 percent, after increasing 0.1 percent in the previous month. (See table B.)

Prices for intermediate energy goods fell 1.5 percent in April, following a 1.4-percent decline in March. Falling prices for jet fuels, liquefied petroleum gas, commercial natural gas, commercial electric power, diesel fuel, industrial electric power, and industrial natural gas more than offset increasing prices for gasoline.

By dropping 2.3 percent, basic organic chemical prices led April's 0.4-percent decline in the index for nondurable manufacturing materials. Prices for nitrogenates, medicinal and botanical chemicals, and woodpulp also moved down. Conversely, the basic inorganic chemicals index rose 2.4 percent in April. The indexes for plastic resins and materials, finished fabrics, and leather also increased.

Prices for durable manufacturing materials declined 0.6 percent in April, following a 0.2-percent decrease in March. The aluminum mill shapes index dropped 0.9 percent, after increasing 0.1 percent in the previous month. Prices for primary aluminum (except extrusion billet) and for copper cathode and refined copper fell more than they did in March. The indexes for cement, plywood, prepared paint, and gold turned down, after showing gains in the prior month. On the other hand, prices for steel mill products fell 0.6 percent in April, compared with a 0.9-percent decrease in March. The index for copper and brass mill shapes also fell at a slower pace in April than it did in March. Prices for metal foil and leaf turned up, after falling last month. Flat glass price increases accelerated in April.

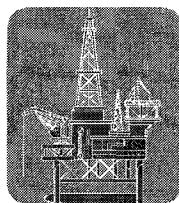
The index for intermediate foods and feeds edged down 0.1 percent, after posting a 0.5-percent gain in March. Price decreases for prepared animal feeds, flour, and snack chips were

offset by increasing prices for fluid milk products; pork; frozen ground meat patties; and for natural, processed, and imitation cheese.

For the second straight month, prices for components for manufacturing increased 0.2 percent. Rising prices for aircraft engines and engine parts, nonautomotive metal stampings, plastic transportation parts, and industrial rubber products outweighed falling prices for motor vehicle parts, machine shop products, and closed die steel forgings.

As in March, the April index for materials and components for construction increased 0.1 percent. Advancing prices for plastic construction products, softwood lumber, millwork, wiring devices, asphalt felts and coatings, and switchgear were offset by declining prices for gypsum products, nonferrous wire and cable, plumbing fixtures and brass fittings, plywood, and cement.

Crude goods



The Producer Price Index for Crude Materials for Further Processing advanced 0.9 percent, seasonally adjusted, after registering a 1.7-percent decline in March. Accounting for this upturn, prices for crude energy materials increased in April, following a March decrease. By contrast, the index for crude foodstuffs and feedstuffs fell, after rising in the prior month, and basic industrial material prices fell more than they did in March. (See table B.)

The index for crude energy materials rose 3.0 percent in April, following a 4.9-percent drop in March. Natural gas prices led the way with a 3.8-percent advance, after posting a 4.7-percent decline in the prior month. Also contributing to this month's acceleration, the crude petroleum index increased 2.4 percent, compared with a 7.1-percent decrease a month earlier. Coal prices gained 0.3 percent, after falling 0.4 percent in the previous month.

The index for crude foodstuffs and feedstuffs declined 0.5 percent in April, following a 3.0-percent jump in March. Slaughter hog prices dropped 4.8 percent, after a 13.8-percent rise in the prior month. The indexes for slaughter cattle, slaughter broilers and fryers, wheat, soybeans, corn, and for fresh and dry vegetables also fell, following March gains. On the other hand, fluid milk prices advanced 8.1 percent in April, after increasing 5.7 percent a month earlier. The indexes for alfalfa hay, unprocessed finfish, and raw cane sugar turned up, following declines in the previous month.

Prices for basic industrial materials decreased 2.6 percent in April, after falling 1.3 percent in March. The leaf tobacco index dropped 24.2 percent, following an 11.9-percent fall in the prior month. Prices for gold ores, iron and steel scrap, and pulpwood turned down in April. The wastepaper index declined more than it did a month earlier. Prices for phosphates and for hardwood logs, bolts, and timber rose less in April than they did in the previous month. By contrast, the

raw cotton index decreased 7.7 percent, after dropping 16.4 percent in March. Prices for copper base scrap also fell less than they did in the prior month. The indexes for aluminum base scrap and cattle hides rose more than they did in March.

Net output price indexes for mining, manufacturing, and services industries

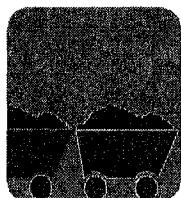
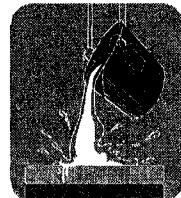
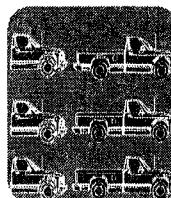
Mining. The Producer Price Index for the Net Output of Total Mining Industries advanced 1.1 percent in April, following a 5.4-percent drop in March. (Net output price indexes are not seasonally adjusted.) Most of April's upturn can be traced to a 1.6-percent rise in prices received by the crude petroleum, natural gas, and natural gas liquids industry, which followed a 6.9-percent decline in the prior month. The index for the bituminous coal and lignite industry also turned up in April. By contrast, prices received by the gold ores industry moved down 4.6 percent, after increasing 2.9 percent in March. Prices received by the oil and gas exploration services industry and the potash, soda, and borate minerals industry also fell, following gains a month earlier. In April, the Producer Price Index for the Net Output of Total Mining Industries stood at 132.2 (December 1984 = 100), 38.1 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries rose 0.6 percent in April, after edging down 0.1 percent in March. Leading this reversal, prices received by the petroleum refining and related products industry group jumped 6.3 percent, following a 4.2-percent dip in the previous month. The index for the measuring and controlling instruments industry group also turned up in April. Prices received by the machinery (except electrical) industry group advanced, after showing no change a month earlier, while the index for the printing and publishing industry group increased more than it did in the prior month. On the other hand, prices received by the food and kindred products industry group rose 0.6 percent, following a 1.0-percent gain in March. The indexes for the chemicals and allied products and the furniture and fixtures industry groups turned down in April. Prices received by the transportation equipment and the lumber and wood products (except furniture) industry groups advanced less in April than they did in the previous month. In April, the Producer Price Index for the Net Output of Total Manufacturing Industries stood at 135.4 (December 1984 = 100), 2.1 percent above its year-ago level.

Services. Among service industries in April, prices increased for property and casualty insurance, skilled and intermediate care facilities, offices of physicians, general medical and surgical hospitals, life insurance carriers, and prepackaged software. By contrast, prices received by the operators and lessors of nonresidential buildings, the passenger car rental, the telephone communications (except radiotelephone), and the scheduled air transportation industries fell in April.

Price Movements

May 2001



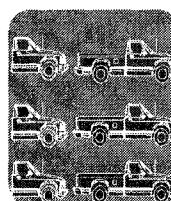
The Producer Price Index for Finished Goods rose 0.1 percent in May, seasonally adjusted. This increase followed a 0.3-percent gain in April and a 0.1-percent decline in March. Prices for finished goods other than foods and energy increased 0.2 percent for the second consecutive month. The intermediate goods index rose 0.1 percent, after a 0.2-percent decline in the prior month. Prices for crude goods turned down 2.3 percent, following a 0.9-percent rise in April. (See table A.)

The May increase in the finished goods index was led by a 5.6-percent jump in cigarette prices. (Excluding cigarettes, the index for overall finished goods and the index for finished goods other than foods and energy both would have decreased 0.1 percent in May.) Higher finished energy goods prices also contributed to May's increase, although to a lesser extent. By contrast, the index for finished consumer foods fell 0.4 percent, and capital equipment prices declined 0.1 percent in May.

Before seasonal adjustment, the Producer Price Index for Finished Goods advanced 0.6 percent to stand at 142.5 (1982=100). From May 2000 to May 2001, prices for finished goods gained 3.8 percent. Over the same period, the index for finished energy goods increased 14.5 percent, prices

for finished goods other than foods and energy advanced 1.6 percent, and the finished consumer foods index rose 2.6 percent. Prices received by producers of intermediate goods increased 2.3 percent for the 12 months ended May 2001, and the index for crude goods advanced 12.9 percent during the same period.

Finished goods



Led by a 5.6-percent price increase for cigarettes, the index for finished consumer goods other than foods and energy advanced 0.4 percent in May, after posting a 0.2-percent gain in April. Prices for book publishing; men's and boys' apparel; household furniture; jewelry, platinum, and karat gold; and lawn and garden equipment (except tractors) increased, after falling in April. Conversely, prices for light motor trucks turned down 1.6 percent, following a 0.1-percent gain in the prior month. The indexes for passenger cars, textile housefurnishings, and for sanitary papers and health products also fell in May, after rising in April. Prices for prescription drugs showed no change in May, following an increase in the previous month.

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2000							
May	0.0	0.1	-0.8	0.2	3.7	0.0	3.1
June .....	.9	-.4	6.1	.1	4.4	.9	8.5
July	-.1	-.1	-.6	.1	4.3	.2	-2.0
August	-.1	-.4	-1.2	.2	3.4	-.3	-3.6
September .....	.7	.2	3.4	.3	3.5	.8	7.1
October .....	.4	.7	1.5	0	3.7	.2	3.8
November .....	.1	.2	.5	.1	3.8	-.2	-1.3
December .....	.1	-.3	.8	.1	3.6	.4	9.3
2001							
January	1.1	.9	4.4	.5	4.8	.8	17.5
February .....	.1	.5	1.2	-.3	4.0	-.2	-19.2
March	-.1	1.1	-2.6	.1	3.1	-.2	-1.7
April .....	.3	.6	.1	.2	3.7	-.2	.9
May .....	.1	-.4	.2	.2	3.8	.1	-2.3

¹ Some percent changes shown here and elsewhere in "Price Movements May 2001" may differ from those previously reported, because indexes for

January 2001 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2000								
May	0.9	-1.1	0.1	5.0	-0.9	8.8	-0.7	19.0
June	0	4.9	.1	5.5	-2.3	22.6	-1.8	29.0
July	-.6	1.0	.2	5.2	-1.9	-2.3	-1.5	25.3
August	-2.0	-.5	-.1	4.3	-3.9	-4.1	-1.6	14.7
September .....	.6	4.3	0	4.6	3.8	11.7	.8	17.4
October .....	.6	1.1	0	4.6	3.1	5.9	-.8	25.3
November .....	.2	-.2	-.1	4.2	1.2	-2.7	-2.1	17.6
December	1.8	1.4	0	4.1	3.6	15.8	.4	35.5
2001								
January	1.4	4.1	.1	4.6	1.6	31.7	0	55.7
February	-1.4	-1.8	.1	3.5	-1.1	-31.0	-2.3	20.8
March .....	.5	-1.4	.1	2.3	3.0	-4.9	-1.3	16.5
April	-.1	-1.5	-.1	2.0	-.5	3.0	-2.6	19.4
May .....	.3	.1	.1	2.3	-1.1	-3.7	-.2	12.9

¹ Some percent changes shown here and elsewhere in "Price Movements May 2001" may differ from those previously reported, because indexes for

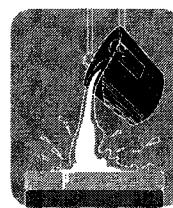
January 2001 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

The index for finished energy goods advanced 0.2 percent in May, after posting a 0.1-percent gain in April. Prices for home heating oil, residential electric power, gasoline, and diesel fuel rose in May, but were slightly offset by a 7.4-percent decline in the liquefied petroleum gas index.

The finished consumer foods index decreased 0.4 percent in May, after showing a 0.6-percent increase in April. Prices of eggs for fresh use dropped 21.4 percent, following a 37.0-percent increase in the prior month. The indexes for finfish and shellfish, pork, beef and veal, and processed young chickens also turned down, after posting gains in April. Processed turkey prices rose less than they did in the previous month. By contrast, the index for fresh and dry vegetables advanced 0.7 percent, after dropping 17.3 percent in April. Prices for dairy products and for fresh fruits and melons increased more than they did the month before. The roasted coffee index fell less than it did in April. Prices for bakery products turned up in May, after falling in the previous month.

Capital equipment prices declined 0.1 percent in May, after gaining 0.3 percent in April. The light motor truck index dropped 1.6 percent, after increasing 0.1 percent in the previous month. Prices for integrating and measuring instruments, heavy motor trucks, and passenger cars also turned down in May, after showing increases in April. The civilian aircraft index rose less than it did in the prior month. On the other hand, prices for oil field and gas field machinery increased 1.6 percent in May, after posting a 0.5-percent gain in April. The index for mining machinery and equipment also rose more than it did in the previous month. Prices for X-ray and electromedical equipment fell less in May than they did in April.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components inched up 0.1 percent in May, seasonally adjusted, after decreasing 0.2 percent in the previous 3 months. Prices for intermediate energy goods, durable manufacturing materials, and intermediate foods and feeds also turned up, following declines in April. The index for construction materials rose more than it did a month ago. Conversely, May prices for nondurable manufacturing materials fell a faster rate than they exhibited in April. Excluding foods and energy, the index for intermediate materials advanced 0.1 percent, following a 0.1-percent dip a month earlier. (See table B.)

Prices for intermediate energy goods edged up 0.1 percent in May, after registering a 1.5-percent decline in April. The jet fuels index rose 5.7 percent, following a 6.5-percent decrease in the previous month. Prices for diesel fuel, commercial natural gas, and industrial natural gas also turned up in May, after falling a month ago. The indexes for liquefied petroleum gas and commercial electric power declined at a slower rate in May than they did in April. By contrast, gasoline price increases slowed to 0.4 percent in May, following a 7.0-percent advance in April. The indexes for industrial electric power and natural gas to electric utilities fell more than they did in the previous month.

The index for durable manufacturing materials rose 0.8 percent in May, after declining 0.6 percent in April. Prices for primary aluminum (except extrusion billet) advanced 3.9 percent, following a 4.4-percent drop a month earlier. The indexes for plywood and aluminum mill shapes also turned up, after falling in April. Prices for building paper and board

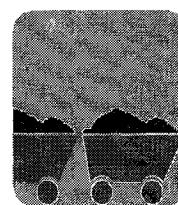
rose more in May than they did in the previous month. On the other hand, the index for semifinished steel mill products decreased 0.5 percent in May, following a 1.4-percent gain in April. Zinc prices fell at a faster pace than they did in the prior month.

The index for materials and components for construction advanced 0.8 percent in May, after posting a 0.1-percent gain in both March and April. Softwood lumber prices jumped 11.2 percent in May, following a 0.8-percent advance in the prior month. The indexes for plywood, plumbing fixtures and brass fittings, and cement turned up, after falling in April. Millwork prices increased at a faster rate than they did in the previous month. By contrast, the index for plastic construction products declined 0.5 percent in May, following a 0.7-percent rise in April. Prices for gypsum products fell more than they did a month ago. The index for fabricated structural metal products edged down, after showing no change in the prior month. Prices for asphalt felts and coatings decreased, following increases in April.

The intermediate foods and feeds index increased 0.3 percent in May, after edging down 0.1 percent in April. Prices for prepared animal feeds showed no change, following a 1.9-percent decline a month ago. The indexes for fluid milk products; natural, processed, and imitation cheese; and confectionery materials rose more than they did in April. Flour prices turned up, after decreasing in the prior month. Conversely, the beef and veal index fell 2.7 percent in May, following a 0.3-percent gain in April. Prices for pork and liquid beverage bases for soft drinks also turned down, after rising a month earlier. The butter index increased at a slower rate in May than it did in the previous month.

Prices for nondurable manufacturing materials decreased 0.7 percent in May, following a 0.4-percent decline in April. After posting a 12.9-percent increase in the previous month, the index for sulfuric acid dropped 22.6 percent. In May, prices for plastic resins and materials, paper, synthetic fibers, finished fabrics, and phosphates also turned down, following increases a month earlier. By contrast, the index for primary basic organic chemicals inched up 0.1 percent, after falling 4.1 percent in April. Prices for medicinal and botanical chemicals also turned up, following decreases a month ago. The indexes for nitrogenates and woodpulp fell less in May than they did in the prior month.

Crude goods



The May Producer Price Index for Crude Materials for Further Processing decreased 2.3 percent, seasonally adjusted, after rising 0.9 percent in April. Accounting for much of this downturn, prices for crude energy materials fell in May, following an April increase. The index for crude foodstuffs and feedstuffs decreased at a faster pace in May than it did in the prior month. Conversely, basic industrial material prices fell less rapidly than they did in April. (See table B.)

The index for crude energy materials declined 3.7 percent in May, following a 3.0-percent advance in April. In similar fashion, a 7.2-percent decrease in May prices for natural gas followed a 3.8-percent increase in the previous month. The May crude petroleum index rose only 1.8 percent, compared with a 2.4 percent increase last month. By contrast, price increases for coal accelerated to 2.1 percent in May from 0.3 percent in April.

The index for crude foodstuffs and feedstuffs declined 1.1 percent in May, following a 0.5-percent decrease in April. The largest contributor to this faster rate of decline was the slaughter cattle index, which dropped 4.5 percent in May and 0.3 percent in April. The indexes for corn, slaughter broilers and fryers, and slaughter hogs also fell more in May than they did in April. Prices for unprocessed finfish turned down, after rising in April. By contrast, the wheat index turned up 9.4 percent in May, following a 6.6-percent decrease in the prior month. Prices for soybeans and for fresh and dry vegetables rose, after falling in April. The fluid milk index rose at a faster pace in May than it did in the previous month.

Prices for basic industrial materials declined 0.2 percent, following a 2.6-percent decrease in April. In May, falling prices for wastepaper, raw cotton, copper base scrap, and phosphates slightly outweighed rising prices for cattle hides, gold ores, softwood logs, and aluminum base scrap.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries declined 3.6 percent in May, following a 1.1-percent advance in April. (Net output price indexes are not seasonally adjusted.) Most of this downturn can be traced to a 4.9-percent drop in prices received by the crude petroleum, natural gas, and natural gas liquids industry, which followed a 1.6-percent rise in the prior month. The index for the construction sand and gravel industry also turned down in May. By contrast, prices received by the gold ores industry moved up 5.4 percent, after decreasing 4.6 percent in April. The indexes for the bituminous coal and lignite industry and the oil and gas well drilling industry gained more in May than they did a month earlier. Prices received by the oil and gas exploration services industry rose, after falling in the previous month. In May, the Producer Price Index for the Net Output of Total Mining Industries stood at 127.5 (December 1984 = 100), 26.7 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries rose 0.7 percent, following a 0.6-percent increase in April. In May, the industry groups for petroleum refining and related products, tobacco manufactures, lumber and wood products (except furniture), food and kindred products, and for printing, publishing, and allied industries registered advancing prices. Partly offsetting these gains, the industry groups for transportation equip-

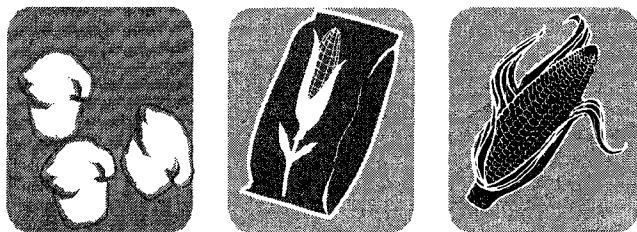
ment, chemicals and allied products, and for rubber and miscellaneous plastic products posted declining prices. In May, the Producer Price Index for the Net Output of Total Manufacturing Industries stood at 136.3 (December 1984 = 100), 2.4 percent above its year-ago level.

Services. Among service industries in May, price increases

were registered by the industries for real estate agents and managers, property and casualty insurance, operators and lessors of nonresidential buildings, general medical and surgical hospitals, and scheduled air transportation. On the other hand, falling prices were observed for offices of physicians, the passenger car rental industry, the deep sea foreign transportation of freight industry, hotels and motels, and the prepackaged software industry.

Price Movements

June 2001



The Producer Price Index for Finished Goods declined 0.4 percent in June, seasonally adjusted. This decrease followed increases of 0.1 percent in May and 0.3 percent in April. Prices for finished goods, excluding energy, increased 0.1 percent in June. Prices for finished goods, excluding foods and energy, also increased 0.1 percent in June, after registering a 0.2-percent gain in May. At the earlier stages of processing, prices received by producers of intermediate goods inched down 0.1 percent, following a 0.1-percent rise in May. The crude goods index dropped 6.0 percent in June, after posting a 2.3-percent decrease in the previous month. (See table A.)

Among finished goods, a 2.5-percent decrease in June's finished energy goods index followed a 0.2-percent increase in May. Prices for finished consumer goods other than foods and energy showed no change in June, after increasing in the previous month. By contrast, prices for finished consumer foods posted a 0.1-percent gain, compared with a 0.4-percent decrease in May. The capital equipment index also turned up in June.

During the first 6 months of 2001, the finished goods price index advanced at a 2.4-percent seasonally adjusted annual rate (SAAR), after rising at a 2.5-percent rate during the latter half of 2000. In the first half of this year, the rate of increase in finished energy goods prices slowed to a 1.4-percent SAAR from a 9.2-percent rate of increase during the final 6 months of

last year. Offsetting this deceleration, the index for finished consumer foods advanced at a 5.6-percent SAAR from December 2000 to June 2001, compared with a 0.7-percent rate of increase during the previous 6 months. Prices for finished goods other than foods and energy rose at a 1.6-percent annual rate during the first half of 2001, following a 1.5-percent rate of increase for the last 6 months of 2000. At the earlier stages of processing, the rate of increase in the intermediate goods index slowed to a 0.3-percent SAAR for the first half of this year from a 2.2-percent rate of increase during the final 6 months of last year. The crude goods price index fell at an annual rate of 25.4 percent from December 2000 to June 2001, following a 28.4-percent rate of increase in the second half of 2000. (See summary that follows.)

Before seasonal adjustment, the Producer Price Index for Finished Goods decreased 0.3 percent in June to stand at 142.1 (1982=100). From June 2000 to June 2001, prices for finished goods gained 2.5 percent. During the same period, the index for finished energy goods increased 5.1 percent, finished consumer foods advanced 3.1 percent, and finished goods other than foods and energy rose 1.6 percent. Prices received by producers of intermediate goods gained 1.2 percent for the 12 months ended in June, and the index for crude goods decreased 2.2 percent during the same period.

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2000							
June	0.9	-0.4	6.1	0.1	4.4	0.9	8.5
July	-.1	-.1	-.6	.1	4.3	.2	-2.0
August	-.1	-.4	-1.2	.2	3.4	-.3	-3.6
September .....	.7	.2	3.4	.3	3.5	.8	7.1
October .....	.4	.7	1.5	0	3.7	.2	3.8
November .....	.1	.2	.5	.1	3.8	-.2	-1.3
December .....	.1	-3	.8	.1	3.6	.4	9.3
2001							
January	1.1	.9	4.4	.5	4.8	.8	17.5
February .....	.1	.8	.4	-.3	4.0	-.2	-14.5
March	0	.8	-1.7	.1	3.1	-.2	-7.2
April .....	.3	.6	.1	.2	3.7	-.2	.9
May .....	.1	-.4	.2	.2	3.8	.1	-2.3
June	-.4	.1	-2.5	.1	2.5	-.1	-6.0

¹ Some percent changes shown here and elsewhere in "Price Movements June 2001" may differ from those previously reported, because indexes for

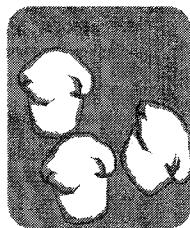
February 2001 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Summary of December-to-December, 6-month, and 3-month seasonally adjusted annual rates for selected stages of process

Grouping	Percentage change 12 months ended in December			Seasonally adjusted annual rate for:			
	1998	1999	2000	6 months ended in June 2001	3 months ended in December 2000	3 months ended in March 2001	3 months ended in June 2001
Finished goods	0.0	2.9	3.6	2.4	2.9	4.9	0.0
Finished consumer foods .....	.1	.8	1.7	5.6	2.7	10.2	1.1
Finished energy goods	-11.7	18.1	16.6	1.4	12.0	12.6	-8.6
Finished goods less food and energy	2.5	.9	1.3	1.6	.5	1.3	1.9
Finished consumer goods, excluding foods and energy	4.2	1.2	1.4	2.3	1.0	2.1	2.6
Capital equipment	0	.3	1.2	.6	.3	0	1.2
Intermediate materials, supplies, and components	-3.3	3.7	4.1	.3	1.5	1.5	-9
Intermediate foods and feeds	-7.3	-4.2	3.6	4.1	10.9	2.1	6.1
Intermediate energy goods	-12.1	19.6	19.0	-1.3	9.7	3.4	-5.7
Intermediate materials less foods & energy	-1.6	1.9	1.6	.3	-3	1.5	-9
Materials for nondurable manufacturing	-5.3	4.0	4.1	-.3	-.6	6.8	-6.9
Materials for durable manufacturing	-5.5	2.4	.2	-1.9	-5.2	-2.8	-9
Materials and components for construction .....	.1	2.2	.1	2.0	-.5	.3	3.8
Crude materials for further processing	-16.7	15.3	35.5	-25.4	53.7	-24.3	-26.4
Foodstuffs and feedstuffs	-11.0	-.1	7.4	3.6	36.5	14.8	-6.4
Crude energy materials	-23.8	36.9	85.6	-43.0	102.6	-44.1	-41.9
Crude nonfood materials less energy	-16.0	14.0	-5.5	-12.3	-9.2	-13.4	-11.1

NOTE: Late reports and corrections by respondents may cause some indexes to change 4 months after original publication. In addition, seasonally

adjusted indexes may be revised for 5 years, due to the recalculation of seasonal factors each January.

Finished goods

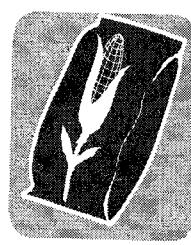
Finished energy goods prices declined 2.5 percent in June, after posting a 0.2-percent increase in May. The index for residential natural gas fell 5.8 percent, following a 0.2-percent advance in the previous month. Prices for residential electric power, gasoline, and home heating oil also turned down in June. By contrast, the rate of decline in prices for liquefied petroleum gas slowed from 7.4 percent in May to 1.3 percent in June. Prices for diesel fuel and finished lubricants rose more than they did in the prior month.

Prices for finished consumer goods other than foods and energy showed no change in June, following a 0.4-percent advance in May. The index for cigarettes was essentially unchanged in June, after jumping 5.6 percent in the prior month. Following increases in May, prices for book publishing and for men's and boys' apparel turned down in June. The indexes for prescription drugs and home electronic equipment fell, after showing no change in the previous month. On the other hand, prices for light motor trucks increased 0.5 percent in June, following a 1.6-percent drop in May. The indexes for passenger cars, footwear, and for sanitary papers and health products also turned up, after declining a month ago. During the first 6 months of 2001, the index for finished consumer goods other than foods and energy rose at a 2.3-percent SAAR, after increasing at a 1.7-percent rate during the latter half of 2000.

The index for finished consumer foods turned up 0.1 percent in June, after decreasing 0.4 percent a month earlier. Beef and veal prices increased 0.9 percent, following a 2.7-percent decline in May. The indexes for eggs for fresh use

and pork fell less than they did a month ago. Prices for processed young chickens and for processed fruits and vegetables turned up in June. By contrast, the rate of increase in the dairy products index slowed from 4.6 percent in May to 1.6 percent in June. Prices for fresh and dry vegetables and processed turkeys turned down, following increases in the previous month.

The capital equipment index gained 0.1 percent in June, after edging down 0.1 percent in May. Light motor truck prices moved up 0.5 percent, following a 1.6-percent decline a month ago. The civilian aircraft index rose more than it did in May. Prices for integrating and measuring instruments; tools, dies, jigs, fixtures, and industrial molds; passenger cars; and industrial material handling equipment turned up in June, after declining in the previous month. By contrast, the index for heavy motor trucks decreased 2.0 percent in June, following a 0.3-percent decline in May. Prices for electronic computers also fell more than they did a month earlier. The indexes for pumps and compressors and for agricultural machinery turned down, after increasing in the prior month. From December 2000 to June 2001, the capital equipment index rose at a SAAR of 0.6 percent, after posting a 1.0-percent rate of increase for the second half of 2000.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components edged down 0.1 percent in June, seasonally adjusted, after registering a 0.1-percent gain in May. Prices for materials for durable manufacturing and intermediate energy goods also turned down in June, following advances in May. The

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2000								
June	0.0	4.9	0.1	5.5	-2.3	22.6	-1.8	29.0
July	-6	1.0	.2	5.2	-1.9	-2.3	-1.5	25.3
August	-2.0	-5	-1	4.3	-3.9	-4.1	-1.6	14.7
September .....	.6	4.3	0	4.6	3.8	11.7	.8	17.4
October .....	.6	1.1	0	4.6	3.1	5.9	-.8	25.3
November .....	.2	-2	-1	4.2	1.2	-2.7	-2.1	17.6
December	1.8	1.4	0	4.1	3.6	15.8	.4	35.5
2001								
January	1.4	4.1	.1	4.6	1.6	31.7	0	55.7
February	-1.1	-1.7	.1	3.5	-1.3	-23.0	-1.8	28.0
March .....	.3	-1.5	.1	2.3	3.2	-14.7	-1.8	16.5
April	-.1	-1.5	-1	2.0	-.5	3.0	-2.6	19.4
May .....	.3	.1	.1	2.3	-1.1	-3.7	-.2	12.9
June	1.3	-.1	-.3	1.2	-.1	-11.9	-.2	-2.2

¹ Some percent changes shown here and elsewhere in "Price Movements June 2001" may differ from those previously reported, because indexes for

February 2001 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

index for materials and components for construction increased less than it did a month earlier. Conversely, June prices for intermediate foods and feeds rose more than they did in the previous month. The index for nondurable manufacturing materials fell slightly less in June than it did in May. The June index for intermediate materials less foods and energy decreased 0.3 percent, after edging up 0.1 percent in the prior month. (See table B.)

Prices for durable manufacturing materials fell 0.4 percent in June, following a 0.8-percent rise in May. Prices for primary aluminum (except extrusion billet) declined 3.8 percent, after posting a 3.9-percent gain in the previous month. The indexes for building paper and board; aluminum mill shapes; hot rolled bars, plates, and structural shapes; and flat glass also turned down in June. Plywood prices increased less than they did a month earlier, while the indexes for hot rolled sheet and strip, cold finished bars, and for copper cathode and refined copper decreased more in June than they did in May. On the other hand, prices for semifinished steel mill products advanced 0.7 percent, following a 0.5-percent decline in the prior month. The index for copper and brass mill shapes also turned up in June. Prepared paint prices rose more in June than they did a month earlier. The index for durable manufacturing materials fell at a 1.9-percent SAAR during the first half of 2001, after dropping at a 2.6-percent SAAR during the second half of 2000.

The index for materials and components for construction rose 0.1 percent in June, following a larger 0.8-percent rise in May. Leading this deceleration, price increases for softwood lumber slowed to 0.6 percent, after posting an 11.2-percent jump in the previous month. The indexes for softwood plywood, switchgear, and for air conditioning and refrigeration equipment also advanced less than they did a month earlier.

Prices for fabricated ferrous wire products declined in June, after showing no change in the prior month, while the cement index fell, following a May rise. By contrast, prices for gypsum products increased 0.5 percent in June, after decreasing 6.0 percent a month earlier. The indexes for plastic construction products, nonferrous wire and cable, and for asphalt felts and coatings also turned up in June. Prices for fabricated structural metal products showed no change, after edging down in the previous month, while the millwork index rose slightly more in June than it did in the prior month. From December 2000 to June 2001, prices for materials and components for construction advanced at a 2.0-percent SAAR, following a 1.3-percent rate of decrease during the June 2000 to December 2000 period.

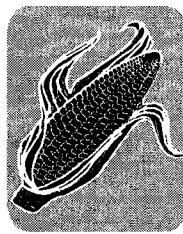
The June index for intermediate energy goods edged down 0.1 percent, after registering a 0.1-percent gain in May. Commercial natural gas prices dropped 8.8 percent, following a 1.0-percent increase a month earlier. The indexes for industrial natural gas and gasoline also turned down in June. Jet fuel prices rose less than they did in the previous month, while the indexes for residual fuels and natural gas to electric utilities declined at a faster rate in June than they did in May. By contrast, the commercial electric power index jumped 3.1 percent, after falling 0.8 percent in May. Industrial electric power prices also turned up in June. The liquefied petroleum gas index decreased less than it did a month earlier, while diesel fuel prices advanced slightly more than they did in the prior month. After rising at a 15.1-percent SAAR during the latter half of 2000, the index for intermediate energy goods declined at a 1.3-percent rate during the first half of 2001.

The index for intermediate foods and feeds increased 1.3 percent in June, following a 0.3-percent gain in May. In June, rising prices for prepared animal feeds; fluid milk products;

natural, processed, and imitation cheese; beef and veal; crude vegetable oils; and flour outweighed falling prices for confectionery materials and pork. The index for intermediate foods and feeds advanced at a 4.1-percent SAAR from December 2000 to June 2001, after posting a 1.1-percent rate of increase from June 2000 to December 2000.

The nondurable manufacturing materials index declined 0.6 percent in June, following a 0.7-percent decrease in May. In June, falling prices were observed for primary basic organic chemicals, nitrogenates, plastic resins and materials, woodpulp, paperboard, and processed yarns and threads. By contrast, the indexes for gray fabrics, finished fabrics, phosphates, inedible fats and oils, and paint materials rose in June. Prices for materials for nondurable manufacturing declined at a 0.3-percent SAAR during the December 2000 to June 2001 period, following a 0.1-percent rate of decrease over the prior 6-month period.

Crude goods



The Producer Price Index for Crude Materials for Further Processing fell 6.0 percent, seasonally adjusted, after declining 2.3 percent in May. Prices for crude energy materials decreased at a faster rate in June than they did in the previous month. By contrast, the index for crude foodstuffs and feedstuffs fell at a slower pace than it did in May. Basic industrial material prices declined 0.2 percent for the second consecutive month. (See table B.)

The index for crude energy materials decreased 11.9 percent in June, following a 3.7-percent fall in May. The largest contributor to this faster rate of decline was the natural gas index, which dropped 19.1 percent in June and 7.2 percent in May. Prices for coal fell 6.6 percent in June, after posting a 2.1-percent gain in the previous month. The crude petroleum index increased 1.2 percent, after rising 1.8 percent in May. Prices for crude energy materials decreased at a 43.0-percent SAAR from December 2000 to June 2001, after rising at a 56.0-percent rate in the previous 6-month period.

Prices for crude foodstuffs and feedstuffs declined 0.1 percent, after posting a 1.1-percent decrease in May. The slaughter cattle index fell 1.1 percent in June, after dropping 4.5 percent in the prior month. Prices for slaughter hogs and corn turned up, after falling in May. The Irish potatoes for processing index showed no change in June, after falling in the previous month. Prices for slaughter broilers and fryers decreased less than they did in May. The soybeans index rose more in June than it did in the prior month. On the other hand, fluid milk prices rose 3.4 percent in June, after increasing 10.4 percent in May. The indexes for alfalfa hay and wheat turned down, after showing gains in the previous month. Prices for fresh vegetables (except potatoes) fell more than they did in May. During the first half of 2001, the crude foodstuffs and feedstuffs index rose at a SAAR of 3.6 percent, after increasing at a rate of 12.0 percent in the last half of 2000.

Prices for basic industrial materials declined 0.2 percent for

the second consecutive month. In June, falling prices for raw cotton, wastepaper, cattle hides, gold ores, aluminum base scrap, and for iron and steel scrap outweighed rising prices for softwood logs, bolts, and timber; construction sand, gravel, and crushed stone; pulpwood; and phosphates. The index for basic industrial materials decreased at a SAAR of 12.3 percent from December 2000 to June 2001, after falling at a 9.0-percent rate in the previous 6-month period.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Domestic Mining Industries decreased 9.4 percent in June, after registering a 3.6-percent decline in May. (Net output price indexes are not seasonally adjusted.) Prices received by the crude petroleum, natural gas, and natural gas liquids industry dropped 11.7 percent, following a 4.9-percent decrease in the prior month. The indexes for the bituminous coal and lignite, gold ores, and crushed and broken granite industries turned down in June, after rising in the previous month. June prices received by the oil and gas well drilling industry rose more slowly than in May. By contrast, the index for rock salt mining increased 8.8 percent in June, following a 0.2-percent rise a month ago. Prices for metal mining services advanced, after showing no change in May. The construction sand and gravel industry index rose, after falling in the prior month. During the first half of 2001, the index for the net output of total domestic mining industries fell at an annual rate of 37.8 percent, after rising at a 53.1-percent rate for the latter half of 2000. In June, this index stood at 115.5 (December 1984=100), 2.4 percent below its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Domestic Manufacturing Industries decreased 0.2 percent in June, after posting a 0.7-percent rise in May. Leading this reversal, prices received by the petroleum refining and related products industry group dropped 3.3 percent, following a 6.0-percent gain in the previous month. The indexes for the tobacco manufactures industry group and the lumber and wood products (except furniture) industry group rose less than they did in May. Prices received by the printing and publishing and the stone, clay, glass, and concrete products industry groups turned down in June, after increasing in the prior month. On the other hand, the index for the transportation equipment industry group decreased 0.2 percent in June, after falling 0.5 percent a month earlier. Prices received by the chemicals and allied products and the rubber and miscellaneous plastic products industry groups also declined less than they did in May. The indexes for the machinery (except electrical) and the measuring and controlling instruments industry groups turned up in June, after showing no change in the previous month. During the first half of 2001, the index for the net output of total manufacturing industries rose at an annual rate of 2.5 percent, following a 0.1-percent annual rate of increase for the second half of 2000. In June, this index stood at 136.0

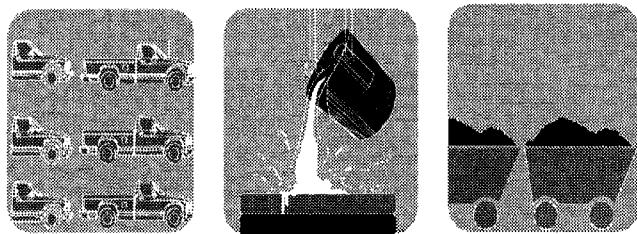
(December 1984=100), 1.3 percent above its year-ago level.

Services. Among service industries in June, price increases were observed for real estate agents and managers; offices of physicians; security brokers, dealers, and investment

banking companies; and operators and lessors of non-residential buildings. By contrast, price decreases were observed for the telephone communications (except radio-telephone) industry; hotels and motels; airport terminal services; and travel agencies.

Price Movements

July 2001



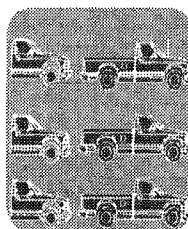
The Producer Price Index for Finished Goods declined 0.9 percent in July, seasonally adjusted. This index posted a 0.4-percent drop in June and increased 0.1 percent in May. The index for finished goods other than foods and energy rose 0.2 percent in July, after inching up 0.1 percent a month ago. Prices received by manufacturers of intermediate goods fell 1.0 percent, following a 0.1-percent decrease a month earlier. The crude goods index posted a 5.3-percent decline, after moving down 6.0 percent in June. (See table A.)

July's faster rate of decline in the finished goods index was primarily due to finished energy goods prices, which fell 5.8 percent in July and 2.5 percent in June. In addition, the index for finished consumer foods turned down 0.6 percent, following a slight increase in June. By contrast, the index for consumer goods other than foods and energy edged up 0.1 percent in July, after showing no change a month earlier. The capital equipment index rose 0.2 percent, slightly more than June's increase of 0.1 percent.

Before seasonal adjustment, the Producer Price Index for Finished Goods fell 1.0 percent in July to stand at 140.7 (1982=100). From July 2000 to July 2001, prices for finished

goods advanced 1.5 percent. During the same period, the index for finished goods other than foods and energy rose 1.6 percent, prices for finished consumer foods increased 2.7 percent, and the finished energy goods index decreased 0.3 percent. At the earlier stages of processing, prices received by manufacturers of intermediate goods showed no change for the 12 months ended in July, and the index for crude goods declined 5.4 percent.

Finished goods



The finished energy goods index fell 5.8 percent in July, after posting a 2.5-percent decrease in June. A 17.7-percent drop in July prices for gasoline was the biggest 1-month rate of decrease in 15 years and followed a 3.7-percent decline in June. Prices for liquefied petroleum gas and home heating oil also fell more in July than they did in the previous month. (See "One-Month Lag in Producer Price Indexes for Liquefied Petroleum Gas Removed.") The index for diesel fuel turned down, after rising a month earlier. By contrast, prices for residential

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2000							
July	-0.1	-0.1	-0.6	0.1	4.3	0.2	-2.0
August	-1	-4	-1.2	.2	3.4	-3	-3.6
September .....	.7	.2	3.4	.3	3.5	.8	7.1
October .....	.4	.7	1.5	0	3.7	.2	3.8
November .....	.1	.2	.5	.1	3.8	-2	-1.3
December .....	.1	-3	.8	.1	3.6	.4	9.3
2001							
January	1.1	.9	4.4	.5	4.8	.8	17.5
February .....	.1	.8	.4	-3	4.0	-2	-14.5
March	-1	.9	-2.4	.1	3.0	-3	-6.7
April .....	.4	.5	.8	.2	3.7	-2	.4
May .....	.1	-4	.2	.2	3.8	.1	-2.3
June	-4	.1	-2.5	.1	2.5	-1	-6.0
July	-9	-6	-5.8	.2	1.5	-1.0	-5.3

¹ Some percent changes shown here and elsewhere in "Price Movements July 2001" may differ from those previously reported, because indexes for

March 2001 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2000								
July	-0.6	1.0	0.2	5.2	-1.9	-2.3	-1.5	25.3
August	-2.0	-5	-1	4.3	-3.9	-4.1	-1.6	14.7
September .....	.6	4.3	0	4.6	3.8	11.7	.8	17.4
October .....	.6	1.1	0	4.6	3.1	5.9	-.8	25.3
November .....	.2	-2	-1	4.2	1.2	-2.7	-2.1	17.6
December	1.8	1.4	0	4.1	3.6	15.8	.4	35.5
2001								
January	1.4	4.1	.1	4.6	1.6	31.7	0	55.7
February	-1.1	-1.7	.1	3.5	-1.3	-23.0	-1.8	28.0
March .....	.4	-2.4	.1	2.3	3.4	-14.0	-1.0	17.1
April	-2	-6	-1	2.0	-6	2.2	-3.3	19.4
May .....	.3	.1	-.1	2.3	-1.1	-3.7	-.2	12.9
June	1.3	-1	-.3	1.2	-.1	-11.9	-.2	-2.2
July .....	.6	-3.8	-.4	0	.6	-11.5	-.9	-5.4

¹ Some percent changes shown here and elsewhere in "Price Movements July 2001" may differ from those previously reported, because indexes for

March 2001 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

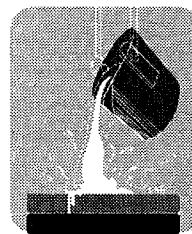
electric power turned up 2.2 percent in July, following a 1.5-percent decline in June. The index for residential natural gas fell at a slower rate than it did a month ago.

Prices for finished consumer foods posted a 0.6-percent decline, after edging up 0.1 percent in June. Prices for fresh fruits and melons decreased 13.6 percent, following a 1.7-percent drop a month ago. The indexes for beef and veal, dairy products, processed young chickens, and soft drinks turned down in July, after rising in the prior month. Fresh and dry vegetable prices fell more than they did a month earlier. On the other hand, the pork index advanced 5.4 percent in July, following a 1.0-percent decline in June. Prices for finfish and shellfish, eggs for fresh use, and roasted coffee also turned up, after falling in the previous month. The index for processed fruits and vegetables increased more than it did in June.

The index for finished consumer goods other than foods and energy inched up 0.1 percent in July, following no change in June. Rising prices for light motor trucks, book publishing, passenger car radial tires, women's apparel, and pharmaceutical preparations slightly outweighed falling prices for passenger cars, sanitary papers and health products, household appliances, cosmetics, and cigarettes.

The capital equipment index increased 0.2 percent in July, after edging up 0.1 percent in June. A 2.3-percent rise in light motor truck prices led the advance in the capital equipment index. Prices for civilian aircraft, heavy motor trucks, commercial furniture, ships, and construction machinery also rose in July. By contrast, the indexes for metal cutting machine tools, communication and related equipment, passenger cars, x-ray and electromedical equipment, industrial material handling equipment, and electronic computers fell in July.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components dropped 1.0 percent in July, after registering a 0.1-percent decline in June. Prices for intermediate energy goods, nondurable manufacturing materials, and durable manufacturing materials fell more than they did a month prior. The index for materials and components for construction turned down, after rising in June. Prices for intermediate foods and feeds rose less than they did in the previous month. The July index for intermediate materials less foods and energy decreased 0.4 percent, slightly more than the 0.3-percent decrease posted in June. (See table B.)

The index for intermediate energy goods fell 3.8 percent in July, following a 0.1-percent decrease in June. Prices for gasoline dropped 17.7 percent, after declining 3.7 percent a month earlier. The indexes for diesel fuel, commercial electric power, and jet fuels turned down in July, after posting gains in June. Prices for coke oven products showed no change in July, compared with a 0.7-percent increase in the prior month. On the other hand, the index for industrial electric power rose 3.9 percent in July, following a 1.7-percent increase in June. Residual fuel prices turned up in July. The indexes for industrial natural gas, commercial natural gas, and natural gas to electric utilities fell less than they did in June.

Prices for materials and components for construction decreased 0.5 percent in July, after posting a 0.1-percent gain in the previous month. The index for softwood lumber fell 5.7 percent, following a 0.6-percent rise

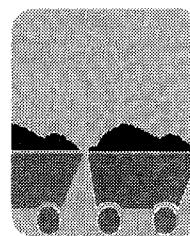
in June. Prices for plywood, millwork, plastic construction products, plumbing fixtures and brass fittings, and gypsum products also turned down in July. By contrast, the index for fabricated structural metal products increased 0.1 percent in July, after showing no change a month earlier. Prices for asphalt felts and coatings rose more than they did in the prior month. The index for fabricated ferrous wire products fell less in July than it did in June. Prices for cement turned up, following a decline in the previous month.

The index for nondurable manufacturing materials decreased 1.1 percent in July, following a 0.6-percent decline in the previous month. Prices for basic organic chemicals dropped 3.2 percent, after falling 1.0 percent in June. The indexes for gray fabrics, phosphates, finished fabrics, and paint materials turned down, after rising a month ago. Prices for plastic resins and materials fell more than they did in June. On the other hand, the index for paperboard posted a 0.1-percent gain, following a 0.7-percent decrease in the prior month. Prices for nitrogenates and woodpulp fell less in July than they did in June. The indexes for basic inorganic chemicals, medicinal and botanical chemicals, and synthetic fibers turned up in July.

Prices for durable manufacturing materials decreased 0.9 percent, after falling 0.4 percent a month ago. The plywood index dropped 5.9 percent in July, following a 0.5-percent rise in June. Prices for aluminum extrusion billet, hot rolled sheet and strip, and building paper and board fell more than they did in the previous month. The indexes for copper and brass mill shapes, semifinished steel mill products, prepared paint, silver, and gold turned down, after showing gains in June. By contrast, prices for hot rolled bars, plates, and structural shapes posted a 1.5-percent rise in July, following a 0.5-percent decline in the prior month. The indexes for aluminum mill shapes and cement turned up, after falling in June. Prices for cold rolled sheet and strip, primary aluminum (except extrusion billet), and cold finished bars fell less than they did a month ago.

The index for intermediate foods and feeds increased 0.6 percent in July, following a 1.3-percent rise in June. Prices for prepared animal feeds posted a 0.7-percent gain, following a 1.7-percent increase in the previous month. The indexes for beef and veal, flour, refined sugar, and dry milk products turned down, after rising in June. After increasing in June, prices for fluid milk products showed no change in July. The index for natural, processed, and imitation cheese rose less than it did a month ago. On the other hand, pork prices posted a 5.4-percent increase in July, following a 1.0-percent decline in June. The index for confectionery materials fell less than it did in the prior month. Prices for liquid beverage bases (used for soft-drinks) showed no change, after declining in June. The index for snack chips rose more in July than it did a month ago. Prices for liquid milk products increased, after showing no change in June.

Crude goods



The Producer Price Index for Crude Materials for Further Processing declined 5.3 percent in July, following a 6.0-percent drop in June. Prices for crude energy materials fell less than they did in the previous month, while the index for crude foodstuffs and feedstuffs turned up, after edging down in June. On the other hand, basic industrial material prices declined at a faster rate in July than in June. (See table B.)

The crude energy materials index fell 11.5 percent in July, a slightly slower rate of decrease than the 11.9-percent rate registered in June. A 19.0-percent drop in natural gas prices led the July decline in crude energy material prices. Crude petroleum prices decreased 5.1 percent, following a June rise. By contrast, the coal index advanced 4.7 percent in July, after declining 6.6 percent in the prior month.

Prices for crude foodstuffs and feedstuffs increased 0.6 percent in July, after edging down 0.1 percent in June. Accounting for most of this acceleration, corn prices jumped 16.2 percent, after posting a 2.0-percent gain in the previous month. The indexes for slaughter hogs and soybeans also rose more than they did a month earlier. Prices for alfalfa hay, unprocessed finfish, unprocessed shellfish, and raw cane sugar turned up in July. Conversely, the fluid milk index fell 3.4 percent, following a 3.4-percent increase in June. Prices for slaughter cattle, slaughter broilers and fryers, fresh fruits and melons, fresh and dry vegetables, and wheat declined more in July than they did in the prior month.

The index for crude nonfood materials less energy fell 0.9 percent in July, after edging down 0.2 percent in June. A majority of July's faster rate of decline can be traced to a 6.1-percent decrease in aluminum base scrap prices, which followed a 0.6-percent fall in the previous month. Also contributing to this deceleration, the indexes for softwood logs, bolts, and timber; pulpwood; and phosphates turned down in July. Prices for copper base scrap declined more in July than they did a month earlier. By contrast, the index for iron and steel scrap advanced 3.9 percent in July, after falling 0.4 percent in June. Prices for raw cotton and wastepaper turned up in July. The gold ores index fell at a slower rate than it did in June.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries fell 10.5 percent in July, following a 9.4-percent decrease in June. (Net output price indexes are not seasonally adjusted.) Most of July's faster rate of decline can be traced to a 14.4-percent drop in prices received by the crude petroleum, natural gas, and natural gas liquids industry, compared with an 11.7-percent decline in the prior month. Also contributing to the deceleration in mining industry prices, the

industry group index for mining and quarrying of nonmetallic minerals turned down, after rising in June. Prices received by the metal mining industry group fell more in July than they did a month earlier. By contrast, the index for the bituminous coal and lignite industry advanced 3.7 percent in July, following a 5.0-percent decrease in the previous month. In July, the Producer Price Index for the Net Output of Total Mining Industries stood at 103.4 (December 1984 = 100), 12.4 percent below its year-ago level.

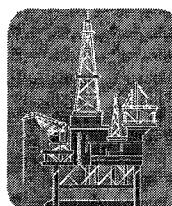
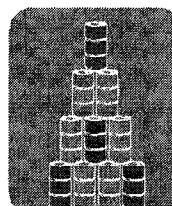
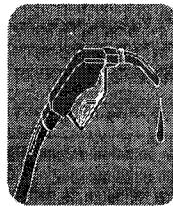
Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries dropped 1.0 percent in July, after declining 0.2 percent in June. Leading the way, prices received by the petroleum refining and related products industry group fell 11.2 percent, following a 3.3-percent decrease in the prior month. The indexes for the chemicals and allied products, electrical and electronic machinery and equipment, and paper and allied products industry groups also declined more in July than they did a month earlier. Prices received by the food and kindred products industry group increased less in July than they did in June. The indexes for lumber and wood products (except furniture), measuring and controlling instruments, and tobacco manufactures industry groups turned down in

July. Prices received by the machinery (except electrical) industry group showed no change, after rising slightly in June. On the other hand, the index for the transportation equipment industry group edged up 0.1 percent in July, following a 0.2-percent decrease in the previous month. July prices received by the industry groups for printing and publishing, apparel, rubber and miscellaneous plastic products, and nonmetallic mineral products also turned up. In July, the Producer Price Index for the Net Output of Total Manufacturing Industries stood at 134.6 (December 1984 = 100), 0.5 percent above its year-ago level.

Services. Among service industries in July, advancing prices were registered by offices of physicians, the property and casualty insurance industry, the legal services industry, the United States Postal Service, general medical and surgical hospitals, skilled and intermediate care facilities, the scheduled air transportation industry, hotels and motels, the deep sea foreign transportation of freight industry, truck rental and leasing, and life insurance carriers. Conversely, the industries for telephone communications (except radiotelephone), travel agencies, airports and flying fields, help supply services, and wireless telecommunications experienced falling prices in July.

Price Movements

August 2001



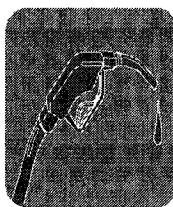
The Producer Price Index for Finished Goods increased 0.4 percent in August, seasonally adjusted. This index posted a 0.9-percent decline in July and fell 0.4 percent in June. The index for finished goods other than foods and energy decreased 0.1 percent in August, after rising 0.2 percent a month ago. At the earlier stages of processing, prices received by intermediate goods producers declined 0.4 percent, following a 1.0-percent drop in July. August's crude goods index fell 2.3 percent, compared with a 5.3-percent decrease in July. (See table A.)

In August, a 1.1-percent increase in finished energy goods prices followed a 5.8-percent decline in July and was the principal cause of the upturn in the overall finished goods index. Prices for finished consumer foods also contributed to the acceleration in the finished goods index, rising 0.9 percent in August after declining 0.6 percent in the previous month. Partly offsetting price movements in foods and energy, a 0.1-percent August decrease in the index for finished consumer goods other than foods and energy came after a 0.1-percent gain in July. In addition, the capital equipment index decreased 0.1 percent, compared with a 0.2-percent advance in July.

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 0.3 percent in August, to stand at 141.1 (1982 = 100). From August 2000 to August 2001, prices for finished goods advanced 2.1 percent. During the same period, the index for finished goods other than foods and

energy rose 1.4 percent, prices for finished consumer foods moved up 3.9 percent, and the finished energy goods index rose 2.0 percent. At the earlier stages of processing, prices received by manufacturers of intermediate goods fell 0.1 percent for the 12 months ended in August, and the index for crude goods declined 4.1 percent.

Finished goods



The finished energy goods index increased 1.1 percent in August, after posting a 5.8-percent decline in July. Gasoline prices advanced 8.7 percent, following a 17.7-percent drop a month earlier. The indexes for liquefied petroleum gas and home heating oil turned up in August, after showing gains a month ago. Diesel fuel prices fell less in August than they did in July. On the other hand, the residential electric power index decreased 0.3 percent in August, after rising 2.2 percent in the prior month. Prices for residential natural gas and kerosene fell more in August than they did in July.

The index for finished consumer foods posted a 0.9-percent gain in August, after falling 0.6 percent in the previous month. Prices for fresh and dry vegetables increased 15.9 percent, following a 12.5-percent drop in July. The indexes for fresh fruits and melons, processed young chickens, and soft drinks turned up, after falling in the prior month.

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2000							
August	-0.1	-0.4	-1.2	0.2	3.4	-0.3	-3.6
September .....	.7	.2	3.4	.3	3.5	.8	7.1
October .....	.4	.7	1.5	0	3.7	.2	3.8
November .....	.1	.2	.5	.1	3.8	-2	-1.3
December .....	.1	-.3	.8	.1	3.6	.4	9.3
2001							
January	1.1	.9	4.4	.5	4.8	.8	17.5
February .....	.1	.8	.4	-3	4.0	-.2	-14.5
March	-.1	.9	-2.4	.1	3.0	-.3	-6.7
April .....	.5	.6	1.1	.3	3.7	-.1	.5
May	-.1	-.6	-.1	.1	3.8	0	-2.5
June	-.4	.1	-2.5	.1	2.5	-.1	-6.0
July	-.9	-.6	-5.8	.2	1.5	-1.0	-5.3
August .....	.4	.9	1.1	-.1	2.1	-.4	-2.3

¹ Some percent changes shown here and elsewhere in "Price Movements August 2001" may differ from those previously reported, because indexes for

April 2001 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2000								
August	-2.0	-0.5	-0.1	4.3	-3.9	-4.1	-1.6	14.7
September .....	.6	4.3	0	4.6	3.8	11.7	.8	17.4
October .....	.6	1.1	0	4.6	3.1	5.9	-.8	25.3
November .....	.2	-.2	-.1	4.2	1.2	-2.7	-2.1	17.6
December	1.8	1.4	0	4.1	3.6	15.8	.4	35.5
2001								
January	1.4	4.1	.1	4.6	1.6	31.7	0	55.7
February	-1.1	-1.7	.1	3.5	-1.3	-23.0	-1.8	28.0
March .....	.4	-2.4	.1	2.3	3.4	-14.0	-1.0	17.1
April	-.1	-.1	-.1	2.1	-.5	2.1	-2.4	19.6
May .....	.2	-.4	.1	2.3	-1.3	-3.7	-1.1	12.9
June	1.3	-.1	-.3	1.2	-.1	-11.9	-.2	-2.2
July .....	.6	-3.8	-.4	0	.6	-11.5	-.9	-5.4
August	1.8	-1.0	-.4	-.1	-.6	-4.4	-.8	-4.1

¹ Some percent changes shown here and elsewhere in "Price Movements August 2001" may differ from those previously reported, because indexes for

April 2001 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

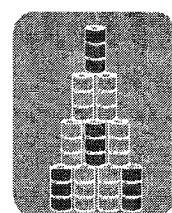
Beef and veal prices declined at a slower pace in August than in July. By contrast, the pork index decreased 0.1 percent in August, following a 5.4-percent increase in July. Prices for dairy products fell more than they did in the prior month. The indexes for eggs for fresh use and for finfish and shellfish turned down, after rising in July. Prices for bakery products showed no change in August, after moving up in the previous month.

The index for finished consumer goods other than foods and energy edged down 0.1 percent in August, following a 0.1-percent rise a month ago. Prices for light motor trucks declined 0.2 percent, after posting a 2.3-percent gain in July. The indexes for pharmaceutical preparations, floor coverings, and passenger car radial tires also turned down in August, after increasing in July. Prices for sporting and athletic goods fell more than they did a month ago. On the other hand, the passenger cars index rose 0.7 percent in August, following a 0.3-percent decrease in July. Prices for periodical circulation, household appliances, and cosmetics also turned up, after falling in the previous month. The index for women's apparel advanced more than it did in July.

Prices for capital equipment edged down 0.1 percent in August, following a 0.2-percent increase in the previous month. The light motor trucks index declined 0.2 percent, after showing a 2.3-percent gain in July. Prices for electronic computers and for communication and related equipment fell more than they did a month ago. The heavy motor truck index remained unchanged, after increasing in July. Civilian aircraft prices rose less in August than they did in the prior month. The index for commercial furniture turned down, after moving up in July. By contrast, prices for passenger cars advanced 0.7 percent in August, following a 0.3-percent decline in the prior month. The indexes for metal cutting

machine tools, X-ray and electromedical equipment, agricultural machinery and equipment, and industrial material handling equipment also turned up, after decreasing a month ago. Prices for pumps and compressors increased more than they did in July.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components fell 0.4 percent in August, after posting a 1.0-percent decrease in July. August prices for intermediate energy goods declined at a slower rate than in July. The index for materials and components for construction showed no change in August, after falling in the previous month. Prices for intermediate foods and feeds rose more than they did in the prior month, while the August index for durable manufacturing materials decreased less than it did in July. On the other hand, prices for nondurable manufacturing materials fell at a slightly faster pace in August than in the previous month. For the second consecutive month, the index for intermediate materials excluding foods and energy fell 0.4 percent. (See table B.)

The intermediate energy goods index decreased 1.0 percent in August, following a 3.8-percent decline in July. Declining August prices for diesel fuel, residual fuel, jet fuels, industrial natural gas, commercial natural gas, natural gas to electric utilities, commercial electric power, and industrial electric power more than offset increasing prices for gasoline and liquefied petroleum gas.

The construction materials index showed no change in August, after posting a 0.5-percent decrease in July. Softwood plywood prices increased 7.3 percent, following

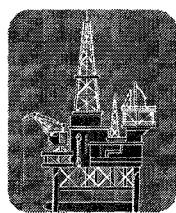
a 9.9-percent drop a month earlier. The softwood lumber index fell less than it did in the prior month. The indexes for millwork, gypsum products, nonferrous wire and cable, plumbing fixtures and brass fittings, and fabricated ferrous wire products turned up, after declining in July. Conversely, prices for asphalt felts and coatings decreased 0.3 percent in August, following a 1.0-percent gain in the previous month. The wiring devices index also turned down in August. Prices for fabricated structural metal products showed no change in August, after edging up a month earlier.

The intermediate foods and feeds index advanced 1.8 percent in August, following a 0.6-percent gain in July. Prices for prepared animal feeds rose 2.4 percent, after increasing 0.7 percent in the prior month. The August indexes for crude vegetable oils and for natural, processed, and imitation cheese also advanced at a faster rate than in July. Beef and veal prices fell less than they did in the previous month. The indexes for refined sugar and for confectionery materials turned up, following July declines. By contrast, pork prices edged down 0.1 percent in August, after registering a 5.4-percent gain a month earlier. The indexes for flour and for dry, condensed, and evaporated milk products decreased more in August than they did in July.

The index for durable manufacturing materials fell 0.6 percent in August, following a 0.9-percent decline in July. In August, price decreases for primary aluminum (except extrusion billet); copper and brass mill shapes; aluminum mill shapes; building paper and board; hot rolled steel bars, plates, and structural shapes; and cold rolled steel sheet and strip outweighed price increases for softwood plywood, hot rolled steel sheet and strip, prepared paint, and semi-finished steel mill products.

The index for nondurable manufacturing materials fell 1.3 percent in August, following a 1.1-percent decline in July. Paper prices dropped 1.5 percent in August, after edging down 0.1 percent a month earlier. The indexes for plastic resins and materials, intermediate basic organic chemicals, and finished fabrics also decreased more in August than they did in the prior month. Prices for paperboard, medicinal and botanical chemicals, and synthetic fibers turned down in August. On the other hand, the index for primary basic organic chemicals fell 3.3 percent in August, following an 8.0-percent decline a month earlier. Gray fabric prices turned up, after decreasing in the previous month. The indexes for sulfuric acid and for inedible fats and oils increased more than they did in July.

Crude goods



Subsequent to a 5.3-percent fall in July, the Producer Price Index for Crude Materials for Further Processing declined 2.3 percent in August. Contributing significantly to this slower rate of decline, the index for crude energy materials fell less rapidly in August than in the preceding month. In addition, prices for crude nonfood materials less energy also decreased

at a slower pace in August than in July. By contrast, foodstuffs and feedstuffs prices fell this month, after an increase in July. (See table B.)

The crude energy materials index dropped 4.4 percent in August, following an 11.5-percent decline in July. Contributing most appreciably to this slower rate of decline, natural gas prices fell 7.7 percent, after a 19.0-percent drop in the preceding month. The index for crude petroleum also fell at a slower rate than it did in July. On the other hand, the coal index fell 1.9 percent in August, after a 4.7-percent increase in the prior month.

The index for crude nonfood materials less energy fell 0.8 percent in August, following a 0.9-percent decline in the prior month. The 18.9-percent decline in hides and skins prices constituted most of the overall drop in August. The indexes for aluminum base scrap, raw cotton, and copper base scrap also added to the August decline for crude nonfood materials less energy. On the other hand, iron and steel scrap prices increased 1.2 percent in August. The indexes for gold ores; construction sand, gravel, and crushed stone; and wastepaper also increased this month.

The index for crude foodstuffs and feedstuffs declined 0.6 percent in August, after increasing at the same rate last month. Leading this deceleration, slaughter hog prices fell 3.9 percent in August, following a 7.5-percent rise in July. The index for unprocessed shellfish declined, after rising in July, while corn and soybean prices increased less rapidly in August than they did in the prior month. Partially counteracting these price movements, indexes for fresh and dry vegetables and for fresh fruits and melons increased, following a decline in July. The slaughter cattle and slaughter broilers and fryers indexes both fell less rapidly in August than they did in the preceding month.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries fell 2.9 percent in August, following a 10.5-percent drop in July. (Net output price indexes are not seasonally adjusted.) Most of August's slower rate of decline can be traced to a 3.7-percent decrease in prices received by the crude petroleum, natural gas, and natural gas liquids industry, compared with a 14.4-percent drop in the prior month. Prices received by the gold ores; potash, soda, and borate minerals; and coal mining services industries turned up, after falling a month earlier. By contrast, the index for the bituminous coal and lignite industry declined 1.2 percent in August, following a 3.7-percent advance in the previous month. Prices received by the oil and gas well-drilling industry also turned down, after rising a month ago. In August, the Producer Price Index for the Net Output of Total Mining Industries stood at 100.4 (December 1984 = 100), 11.8 percent below its year-ago level.

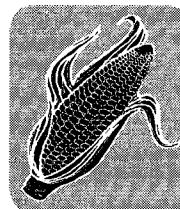
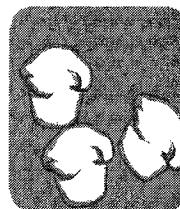
Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries inched up 0.1 percent in August, after declining 1.0 percent in July. Leading the way, prices received by the petroleum refining and related products industry group rose 2.9 percent, following an 11.2-percent drop in the prior month. The industry group indexes for food and kindred products and for printing, publishing, and allied industries rose more than they did in July. Prices received by the lumber and wood products (except furniture) industry group decreased less in August than they did a month ago. The industry group index for measuring and controlling instruments turned up in August. Conversely, prices received by the chemicals and allied products industry group fell 1.6 percent in August, following a 0.8-percent decrease in the previous month. August prices received by the industry groups for transportation equipment and for rubber and

miscellaneous plastic products turned down, after rising a month earlier. In August, the Producer Price Index for the Net Output of Total Manufacturing Industries stood at 134.8 (December 1984 = 100), 1.0 percent above its year-ago level.

Services. Among service industries in August, advancing prices were registered by the industries for operators and lessors of nonresidential buildings; skilled and intermediate care facilities; scheduled air transportation; telephone communications (except radiotelephone); property and casualty insurance; local trucking without storage; travel agencies; and airports, flying fields, and airport services. On the other hand, the industries for offices of physicians, cable and other pay television services, hotels and motels, wireless telecommunications, and specialty hospitals experienced falling prices in August.

Price Movements

September 2001



The Producer Price Index for Finished Goods increased 0.4 percent in September, seasonally adjusted. This advance followed a 0.4-percent rise in August and a 0.9-percent decline in July. The index for finished goods other than foods and energy turned up 0.3 percent in September, compared with a 0.1-percent decrease in the preceding month. At the earlier stages of processing, prices received by intermediate goods producers increased 0.1 percent, following a 0.4-percent drop in August. The crude goods index fell 4.1 percent in September, after posting a 2.3-percent decrease a month earlier. (See table A.) The reference date for the Producer Price Index is the Tuesday of the week containing the 13th day of the month. September's reference date was Tuesday, September 11; price changes that occurred subsequent to the reference date are not reflected in these data. Survey respondents provided data to the Bureau at approximately the same rate in September as they did in prior months.

Within the finished goods category in September, the index for finished consumer goods other than foods and energy rose 0.4 percent, following a 0.1-percent decline a month ago. Capital equipment prices edged up 0.1-percent in September, after decreasing 0.1 percent in the prior month. By contrast, the finished consumer foods index gained 0.2 percent, compared with a 0.9-percent increase in the previous month.

Prices for finished energy goods advanced 0.9 percent in September, after rising 1.1 percent in August.

During the third quarter of 2001, the finished goods price index declined at an 0.8-percent seasonally adjusted annual rate (SAAR), after rising at a 0.3-percent rate during the second quarter of 2001. Leading this downturn, prices for finished energy goods fell at a 14.6-percent SAAR from June 2001 to September 2001, following a 6.1-percent rate of decrease from March 2001 to June 2001. On a SAAR basis, prices for finished goods other than foods and energy rose less during the third quarter than during the second quarter of 2001—1.6 percent and 1.9 percent, respectively. Conversely, prices for finished consumer foods rose at a 2.0-percent SAAR from June to September, following a 0.9-percent rate of advance from March to June. The intermediate goods price index declined at a 5.1-percent SAAR during the third calendar quarter of 2001, after edging down at a 0.6-percent rate over the preceding calendar quarter. Third-quarter crude goods prices fell at a 38.2-percent SAAR, compared with a 27.9-percent rate of decline from March to June. (See summary below.)

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 0.4 percent, to stand at 141.7 (1982 = 100). From September 2000 to September 2001, prices

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2000							
September	0.7	0.2	3.4	0.3	3.5	0.8	7.1
October .....	.4	.7	1.5	0	3.7	.2	3.8
November .....	.1	.2	.5	.1	3.8	-2	-1.3
December .....	.1	-3	.8	.1	3.6	.4	9.3
2001							
January	1.1	.9	4.4	.5	4.8	.8	17.5
February .....	.1	.8	.4	-3	4.0	-2	-14.5
March	-1	.9	-2.4	.1	3.0	-3	-6.7
April .....	.5	.6	1.1	.3	3.7	-1	.5
May .....	.1	-2	.4	.2	3.9	.1	-2.2
June	-5	-2	-3.0	0	2.5	-2	-6.3
July	-9	-6	-5.8	.2	1.5	-1.0	-5.3
August .....	.4	.9	1.1	-1	2.1	-4	2.3
September .....	.4	.2	.9	.3	1.6	.1	-4.1

¹ Some percent changes shown here and elsewhere in "Price Movements September 2001" may differ from those previously reported, because indexes for

May 2001 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Summary of December-to-December, 9-month, and 3-month seasonally adjusted annual rates for selected stages of process

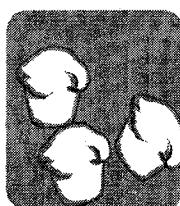
Grouping	Percentage change 12 months ended in December			Seasonally adjusted annual rate for:			
	1998	1999	2000	9 months ended in September 2001	3 months ended in March 2001	3 months ended in June 2001	3 months ended in September 2001
Finished goods	0.0	2.9	3.6	1.3	4.7	0.3	-0.8
Finished consumer foods .....	.1	.8	1.7	4.4	10.5	.9	2.0
Finished energy goods	-11.7	18.1	16.6	-4.2	9.5	-6.1	-14.6
Finished goods less foods and energy	2.5	.9	1.3	1.6	1.3	1.9	1.6
Finished consumer goods, excluding foods and energy	4.2	1.2	1.4	2.2	2.3	2.3	1.8
Capital equipment	0	.3	1.2	.8	0	1.2	1.1
Intermediate materials, supplies, and components	-3.3	3.7	4.1	-1.5	1.2	-.6	-5.1
Intermediate foods and feeds	-7.3	-4.2	3.6	5.4	2.5	5.7	8.2
Intermediate energy goods	-12.1	19.6	19.0	-5.8	-4	-2.2	-14.3
Intermediate materials less foods and energy	-1.6	1.9	1.6	-1.1	1.5	-.9	-3.7
Materials for nondurable manufacturing	-5.3	4.0	4.1	-3.5	7.1	-7.2	-9.5
Materials for durable manufacturing	-5.5	2.4	.2	-3.4	-3.4	-3	-6.5
Materials and components for construction...	.1	2.2	.1	.6	.5	3.5	-2.1
Crude materials for further processing	-16.7	15.3	35.5	-29.9	-22.7	-27.9	-38.2
Foodstuffs and feedstuffs	-11.0	-.1	7.4	3.9	15.6	-7.1	4.5
Crude energy materials	-23.8	36.9	85.6	-52.6	-42.4	-43.7	-67.3
Crude nonfood materials less energy	-16.0	14.0	-5.5	-10.2	-10.8	-13.7	-6.0

NOTE: Late reports and corrections by respondents may cause some indexes to change 4 months after original publication. In addition, seasonally

adjusted indexes may be revised for 5 years, due to the recalculation of seasonal factors each January.

for finished goods advanced 1.6 percent. During the same period, the index for finished consumer foods rose 4.0 percent and prices for finished goods other than foods and energy gained 1.4 percent. On the other hand, the finished energy goods index declined 0.5 percent for the 12 months ended September 2001. Prices for both intermediate goods and crude goods fell during the past 12 months—down 0.8 percent and 14.3 percent, respectively.

Finished goods



Prices for finished consumer goods other than foods and energy increased 0.4 percent in September, compared with a 0.1-percent decline in August. The index for sanitary papers and health products advanced 3.0 percent, following a 0.9-percent decrease in the previous month. Prices for pharmaceutical preparations, light motor trucks, and sporting and athletic goods also turned up in September. The indexes for passenger cars and alcoholic beverages rose more than they did in the preceding month. By contrast, women's apparel prices fell 0.2 percent, after posting a 0.7-percent gain in August. Price increases slowed from August to September for periodical circulation and book publishing. The men's and boys' apparel index declined more quickly than it did in the prior month. During the third quarter of 2001, the index for finished consumer goods other than foods and energy increased at a 1.8-percent SAAR, after advancing at a 2.3-percent rate for the second quarter of 2001.

Price increases for finished energy goods slowed to 0.9 percent in September, following a 1.1-percent gain in August.

The gasoline index rose at a less-rapid pace in September than it did in August—up 6.3 percent, after advancing 8.7 percent. Prices for liquefied petroleum gas also increased less than they did a month earlier. The September index for residential electric power decreased slightly more in September than it did in August. On the other hand, prices for diesel fuel turned up 6.7 percent, following a 7.2-percent decline in the previous month. The home heating oil index rose more in September than it did a month earlier, while prices for residential natural gas fell less than they did in the previous month.

The index for finished consumer foods edged up 0.2 percent in September, after registering a 0.9-percent gain in August. Contributing to this slower rate of advance, prices for fresh and dry vegetables rose 2.4 percent, following a 15.9-percent increase in the prior month. The indexes for soft drinks, melons, shortening and cooking oils, and processed turkeys turned down in September. Prices for processed young chickens and confectionery end products advanced less than they did in the preceding month. The September indexes for beef and veal and for pork fell more than they did a month earlier. By contrast, prices for finfish and shellfish rose 3.4 percent, after declining 0.2 percent in August. The indexes for eggs for fresh use and for milled rice also turned up in September. Dairy product prices decreased less in September than they did in the previous month.

The capital equipment index edged up 0.1 percent in September, following a 0.1-percent decline in August. Prices for communication and related equipment increased 0.2 percent, after falling 1.1 percent in the prior month. The index for light motor trucks also turned up in September. Passenger car prices rose more than they did in August, while the

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2000								
September	0.6	4.3	0.0	4.6	3.8	11.7	0.8	17.4
October .....	.6	1.1	0	4.6	3.1	5.9	-.8	25.3
November .....	.2	-.2	-.1	4.2	1.2	-2.7	-2.1	17.6
December	1.8	1.4	0	4.1	3.6	15.8	.4	35.5
2001								
January	1.4	4.1	.1	4.6	1.6	31.7	0	55.7
February	-1.1	-1.7	.1	3.5	-1.3	-23.0	-1.8	28.0
March .....	.4	-2.4	.1	2.3	3.4	-14.0	-1.0	17.1
April	-.1	-.1	-.1	2.1	-.5	2.1	-2.4	19.6
May .....	.4	.6	0	2.3	-1.3	-3.2	-.6	13.3
June	1.0	-1.0	-.1	1.2	-.1	-12.4	-.7	-2.2
July .....	.6	-3.8	-.4	0	.6	-11.5	-.9	-5.4
August	1.8	-1.0	-.4	-.1	-.6	-4.4	-.8	-4.1
September	-.4	1.0	-.1	-.8	1.1	-10.7	.2	-14.3

¹ Some percent changes shown here and elsewhere in "Price Movements September 2001" may differ from those previously reported, because indexes for

May 2001 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

electronic computers index decreased less than it did a month earlier. Heavy motor truck prices advanced, after showing no change in the preceding month. On the other hand, the civilian aircraft index declined 0.3 percent in September, following a 0.5-percent gain in August. Prices for x-ray and electromedical equipment and for agricultural machinery and equipment also turned down in September. The indexes for pumps and compressors and for welding machines and related equipment increased less than they did in the previous month. From June 2001 to September 2001, capital equipment prices rose at a 1.1-percent SAAR, after a 1.2-percent annual rate of advance from March 2001 to June 2001.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components rose 0.1 percent in September, after declining 0.4 percent in August. Prices for intermediate energy goods turned up in September, following a decrease a month ago. The indexes for nondurable manufacturing materials and durable manufacturing materials declined at slower rates than they did in the previous month. On the other hand, prices for intermediate foods and feeds turned down, compared with increases in the prior month, while the construction materials index fell slightly, after showing no change in August. Prices for intermediate materials other than foods and energy decreased 0.1 percent, after posting a 0.4-percent decline in August. (See table B.)

The intermediate energy goods index increased 1.0 percent in September, following a 1.0-percent decrease in August. Prices for diesel fuel rose 6.7 percent, after dropping 7.2 percent a month ago. The indexes for residual fuel and



commercial electric power turned up in September, after falling in August. Prices for industrial natural gas, jet fuels, and commercial natural gas decreased at a slower rate than they did in the prior month. By contrast, the gasoline index rose 6.3 percent in September, following an 8.7-percent gain in August. Prices for liquefied petroleum gas also increased at a slower rate than they did a month ago. The index for coke oven products decreased, after showing no change in the previous month. Prices for intermediate energy materials declined at a 14.3-percent SAAR during the third quarter of 2001, following a 2.2-percent rate of decrease in the previous quarter.

The nondurable manufacturing materials index fell 0.1 percent in September, after dropping 1.3 percent in August. Falling prices for plastic resins and materials, nitrogenates, paperboard, and inedible fats and oils slightly outweighed rising prices for industrial chemicals, phosphates, synthetic fibers, and paint materials. Nondurable manufacturing material prices fell at a 9.5-percent SAAR from June 2001 to September 2001, following a 7.2-percent rate of decrease during the second quarter of 2001.

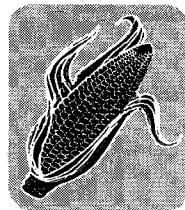
The index for durable manufacturing materials declined 0.2 percent in September, following a 0.6-percent fall in August. In September, price decreases for aluminum mill shapes, plywood, building paper and board, hardwood lumber, and prepared paint outweighed price increases for primary aluminum (except extrusion billet); copper and brass mill shapes; hot rolled bars, plates, and structural shapes; semifinished steel mill products, and cement. The durable manufacturing materials index decreased at a 6.5-percent SAAR during the third quarter of 2001, after declining at a 0.3-percent rate during the second quarter.

Prices for intermediate foods and feeds decreased 0.4 percent in September, after posting a 1.8-percent gain in August. The

prepared animal feeds index fell 0.7 percent in September, following a 2.4-percent rise a month ago. Prices for crude vegetable oils and confectionery materials also turned down, after increasing in the previous month. The index for fluid milk products declined, after showing no change in August. Beef and veal prices fell more than they did in the prior month. The natural, processed, and imitation cheese index rose less than it did in August. By contrast, prices for flour increased 0.6 percent in September, following a 1.3-percent drop a month ago. The index for dry, condensed, and evaporated milk products turned up in September. Prices for refined sugar and butter rose at a faster pace than they did in the previous month. The intermediate foods and feeds index increased at an 8.2-percent SAAR from June 2001 to September 2001, after rising at a 5.7-percent rate in the previous quarter.

The index for construction materials fell 0.1 percent in September, after showing no change in August. In September, price decreases for plastic construction products, plywood, nonferrous wire and cable, fabricated structural metal products, hardwood lumber, and softwood lumber outweighed price increases for gypsum products, asphalt felts and coatings, millwork, switchgear, and steel wire. The index for materials and components for construction declined at a 2.1-percent SAAR during the third quarter of 2001, following a 3.5-percent rate of increase during the second quarter.

Crude goods



The Producer Price Index for Crude Materials for Further Processing declined 4.1 percent in September, following a 2.3-percent decline in the previous month. The crude energy materials index dropped at a faster rate in September than it did in August. By contrast, the indexes for crude nonfood materials less energy and for crude foodstuffs and feedstuffs increased in September, after decreasing in August. (See table B.)

The crude energy materials index declined 10.7 percent in September, subsequent to a 4.4-percent fall in the preceding month. The sole contributor to this deceleration was the index for natural gas, which dropped 22.8 percent, following a 7.7-percent decline in August. On the other hand, the indexes for crude petroleum and coal turned up slightly in September, after declining in the prior month. From June 2001 to September 2001, prices for crude energy materials decreased at a 67.3-percent SAAR, following a 43.7-percent rate of decline in the second quarter.

Exhibiting an upturn after 7 months of declining prices, the index for crude nonfood materials less energy rose 0.2 percent in September, following a 0.8-percent decline last month. The 4.7-percent increase in the hides and skins index, which comes after an 18.9-percent drop in August, explains a considerable portion of the reversal in basic industrial materials prices. Also adding to the overall acceleration, the index for nonferrous metal ores increased in September, following a decline in the

previous month, while the index for aluminum base scrap fell less rapidly than it did in August. Partly offsetting this acceleration, iron and steel scrap prices dropped 0.6 percent in September following a 1.2-percent increase in the preceding month. Other offsetters included the indexes for construction sand, gravel, and crushed stone and for hardwood logs, bolts, and timber. Prices for crude nonfood materials less energy decreased at a 6.0-percent SAAR in the third quarter of 2001, following a 13.7-percent rate of decline in the second quarter of 2001.

Following a 0.6-percent decline in August, the index for crude foodstuffs and feedstuffs increased 1.1 percent in September. The slaughter cattle index rose 0.5 percent in September, after falling 2.8 percent the prior month. The indexes for slaughter broilers and fryers and for unprocessed shellfish also rose, following declines in August. Prices for slaughter hogs fell less than in the previous month. By contrast, corn prices rose 0.1 percent in September, preceded by an 8.5-percent increase in August. The indexes for fresh and dry vegetables also increased at a slower pace than in the prior month. Prices for soybeans turned down in September. After posting a 7.1-percent SAAR of decline during the second quarter of 2001, the index for crude foodstuffs and feedstuffs rose at a 4.5-percent rate during the third quarter.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries fell 7.8 percent in September, following a 2.9-percent decrease in August. (Net output prices are not seasonally adjusted.) Most of September's faster rate of decline can be traced to an 11.5-percent drop in prices received by the crude petroleum, natural gas, and natural gas liquids industry, compared with a 3.7-percent fall a month ago. The index for the crushed and broken limestone industry turned down, after rising in the prior month. Prices received by the oil and gas exploration services industry rose less than they did in August. The index for the potash, soda, and borate minerals fell, after rising in August. By contrast, prices received by the bituminous coal and lignite industry increased 2.9 percent in September, following a 1.2-percent decline in August. The indexes for the oil and gas well drilling, metal mining services, and kaolin and ball clay industries turned up in September, after falling a month earlier. Prices received by the coal mining services industry increased at a faster rate than they did in the prior month. For the 3 months ended September 2001, the index for the net output of total domestic mining industries decreased at a 58.7-percent annual rate, following a 39.9-percent annual rate of decline during the second quarter of this year. In September, this index stood at 92.6 (December 1984 = 100), 25.7 percent below its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries rose 0.6 percent in September, following a 0.1-percent increase in August.

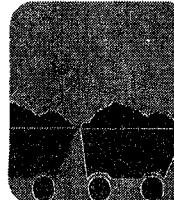
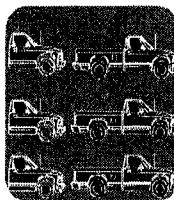
Leading this acceleration, prices received by the petroleum refining and related products industry group jumped 8.1 percent, after increasing 2.9 percent in the previous month. The industry group indexes for chemicals and allied products and for paper and allied products turned up, after falling a month ago. Prices received by the electrical and electronic machinery industry group and the transportation equipment industry group were unchanged, after declining in the prior month. On the other hand, the industry group index for food and kindred products showed no change in September, following a 0.6-percent increase in August. Prices received by the industry groups for printing, publishing, and allied industries, and for apparel and other related products turned down, after showing gains a month ago. The industry group index for machinery (except electrical) declined at a faster rate than it did in the previous month. Prices received by the industry group for measuring and controlling instruments rose less than they did in August. After decreasing at a 4.5-percent annual

rate from March 2001 to June 2001, the index for the net output of total domestic manufacturing industries declined at a 1.2-percent rate from June 2001 to September 2001. In September, the Producer Price Index for the Net Output of Total Manufacturing Industries stood at 135.6 (December 1984=100), 0.7 percent above its year-ago level.

Services. Among services industries in September, advancing prices were registered by the industries for deep sea foreign transportation of freight, property and casualty insurance, skilled and intermediate care facilities, telephone communications (except radiotelephone), general medical and surgical hospitals, and medical laboratories. On the other hand, the industries for operators and lessors of nonresidential buildings; real estate agents and managers; hotels and motels; travel agencies; airports, flying fields, and airport services; and courier services (except by air) experienced falling prices.

Price Movements

October 2001



The Producer Price Index (PPI) for Finished Goods decreased 1.6 percent in October, seasonally adjusted.

This decline followed two consecutive monthly increases of 0.4 percent. Price decreases for energy goods, passenger cars, light trucks, and consumer foods led the decline in the finished goods index in October. At the earlier stages of processing, prices received by intermediate goods producers fell 1.5 percent, compared with a 0.1-percent increase in September. The crude goods index dropped 9.1 percent in October, after declining 4.1 percent a month earlier. (See table A.)

Because of the recent disruptions to mail service in the Washington D.C. metropolitan area, the response rate for the October PPI was reduced to approximately 80 percent of its normal level. A review was undertaken to evaluate the impact of lower response rates on survey estimates. No unusual effects were found. In particular, response rates for passenger cars, light trucks, and gasoline were about normal in October.

Among finished goods, prices for finished energy goods decreased 7.7 percent, following a 0.9-percent gain in September. The index for finished consumer foods fell 0.4 percent, after rising 0.2 percent in September. The index for finished goods other than foods and energy turned down 0.5 percent, after posting a 0.3-percent gain in September. Excluding passenger cars and light trucks, prices for finished

goods other than foods and energy would have shown no change in October.

For the first 10 months of 2001, the Producer Price Index for Finished Goods decreased at a 0.8-percent seasonally adjusted annual rate (SAAR), after rising 3.6 percent for the 2000 calendar year. Prices for finished goods other than foods and energy rose at a 0.8-percent SAAR for the first 10 months of 2001, after posting a 1.3-percent gain in 2000. The index for intermediate goods fell at a 3.2-percent SAAR from December 2000 to October 2001, following a 4.1-percent increase for the 12 months ended December 2000. Prices for crude goods dropped at a 35.2-percent SAAR during the first 10 months of 2001, after a 35.5-percent rise during all of 2000.

Before seasonal adjustment, the Producer Price Index for Finished Goods decreased 1.5 percent, to stand at 139.6 (1982=100). From October 2000 to October 2001, prices for finished goods fell 0.4 percent. During the same period, the index for finished energy goods declined 9.5 percent. On the other hand, prices for finished consumer foods rose 2.8 percent for the 12 months ended October 2001 and the index for finished goods other than foods and energy gained 0.8 percent over the same period. At the earlier stages of processing, prices for both intermediate goods and crude goods declined during the past 12 months—down 2.4 percent and 25.0 percent, respectively.

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2000							
October	0.4	0.7	1.5	0.0	3.7	0.2	3.8
November .....	.1	.2	.5	.1	3.8	-.2	-1.3
December .....	.1	-.3	.8	.1	3.6	.4	9.3
2001							
January	1.1	.9	4.4	.5	4.8	.8	17.5
February .....	.1	.8	.4	-.3	4.0	-.2	-14.5
March	-.1	.9	-2.4	.1	3.0	-.3	-6.7
April .....	.5	.6	1.1	.3	3.7	-.1	.5
May .....	.1	-2	.4	.2	3.9	.1	-2.2
June	-.4	-.2	-2.5	.1	2.6	-.2	-8.1
July	-1.1	-.6	-6.2	.1	1.5	-1.0	-3.5
August .....	.4	.9	1.1	-.1	2.1	-.4	2.3
September .....	.4	.2	.9	.3	1.6	.1	-4.1
October	-1.6	-.4	-7.7	-.5	-.4	-1.5	-9.1

¹ Some percent changes shown here and elsewhere in "Price Movements October 2001" may differ from those previously reported, because indexes for

June 2001 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

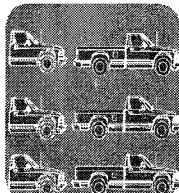
Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2000								
October	0.6	1.1	0.0	4.6	3.1	5.9	-0.8	25.3
November .....	.2	-2	-1	4.2	1.2	-2.7	-2.1	17.6
December	1.8	1.4	0	4.1	3.6	15.8	.4	35.5
2001								
January	1.4	4.1	.1	4.6	1.6	31.7	0	55.7
February	-1.1	-1.7	.1	3.5	-1.3	-23.0	-1.8	28.0
March .....	.4	-2.4	.1	2.3	3.4	-14.0	-1.0	17.1
April	-.1	-1	-1	2.1	-.5	2.1	-2.4	19.6
May .....	.4	.6	0	2.3	-1.3	-3.2	-.6	13.3
June	1.0	-.6	-1	1.2	0	-15.8	-1.1	-4.0
July .....	.6	-4.1	-4	0	.5	-7.9	-.5	-5.4
August	1.8	-1.0	-4	-.1	-.6	-4.4	-.8	-4.1
September	-.4	1.0	-1	-.8	1.1	-10.7	.2	-14.3
October	-.8	-7.6	-4	-2.4	-2.6	-19.2	-1.7	-25.0

¹ Some percent changes shown here and elsewhere in "Price Movements October 2001" may differ from those previously reported, because indexes for

June 2001 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Finished goods



The index for finished energy goods turned down 7.7 percent in October, after increasing 0.9 percent in September. October's 21.2-percent decrease in gasoline prices (the largest monthly decline since a 22.1-percent decrease in March 1986) followed a 6.3-percent increase in

September. The indexes for home heating oil, liquefied petroleum gas, and diesel fuel also turned down in October. Prices for residential natural gas decreased at a faster rate than they did in September. By contrast, the residential electric power index turned up 0.5 percent in October, following a 0.4-percent fall in the prior month.

The index for finished consumer goods other than foods and energy decreased 0.4 percent, following a 0.4-percent gain in September. Passenger car prices declined 4.7 percent in October, after increasing 1.3 percent in the previous month. In accordance with usual practice, most new model year passenger cars and light trucks were introduced into the PPI in October. (See *Report on Quality Changes for 2002 Model Vehicles*.) October's falling prices for passenger cars were largely due to increased incentives, such as low- or no-cost financing. The indexes for light motor trucks and book publishing also turned down, after advancing a month ago. Prices for sanitary paper and health products, alcoholic beverages, and for sporting and athletic goods rose less than they did in September. The pharmaceutical preparations index showed no change, after increasing last month. Prices for men's and boys' apparel showed no change in October, following a 0.5-percent decline in September. The indexes for cosmetics and other toilet preparations, footwear, textile housefurnishings,

and floor coverings turned up, after falling last month. Prices for newspaper circulation and mobile homes advanced at a faster rate than they did in September.

Prices for capital equipment declined 0.7 percent in October, after edging up 0.1 percent in September. The index for passenger cars dropped 4.7 percent, following a 1.3-percent gain in the previous month. Prices for light motor trucks, communication and related equipment, pumps and compressors, and industrial material handling equipment also turned down in October. The heavy motor truck index showed no change, after rising in the prior month. On the other hand, the index for electronic computers rose 0.2 percent in October, following a 6.2-percent decrease in September. Prices for civilian aircraft fell less than they did in the prior month. The index for commercial furniture advanced, after registering no change in September. Prices for agricultural machinery and equipment, printing trades machinery, and truck trailers turned up in October, compared with decreases in the previous month.

The finished consumer foods index fell 0.4 percent in October, after posting a 0.2-percent gain in the prior month. Prices for fresh and dry vegetables turned down 11.4 percent, after rising 2.4 percent in September. The index for finfish and shellfish also decreased, after rising a month ago. Prices for dairy products, pork, and soft drinks fell more than they did in the previous month. The fresh fruits and melons index advanced less than it did in September. On the other hand, prices for eggs for fresh use rose 4.4 percent in October, following a 0.4-percent increase last month. The indexes for processed young chickens and confectionery end products rose at a faster rate in October than they did in September. Prices for beef and veal and for shortening and cooking oils declined less than they did in the prior month. The bakery products index increased, after showing no change a month ago.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components fell 1.5 percent in October, after inching up 0.1 percent in September. Prices for intermediate energy goods also turned down in October. The indexes for nondurable manufacturing materials, durable manufacturing materials, materials and components for construction, and intermediate foods and feeds decreased at a faster pace in October than they did in the prior month. Excluding foods and energy, the intermediate materials index decreased 0.4 percent, following a 0.1-percent dip in September. (See table B.)

Intermediate energy goods prices dropped 7.6 percent in October, after posting a 1.0-percent gain in September. The gasoline index plummeted 21.2 percent, following a 6.3-percent increase in the prior month. Prices for diesel fuel, commercial electric power, residual fuel, and liquefied petroleum gas also turned down, after rising a month ago. The indexes for jet fuels and industrial natural gas fell more than they did in the preceding month. By contrast, industrial electric power prices turned up 0.7 percent in October, following a 0.6-percent decline in September. The indexes for natural gas to electric utilities and commercial natural gas fell less than they did in the previous month.

Prices for materials for nondurable manufacturing decreased 0.9 percent in October, following a 0.1-percent decline in September. The index for industrial chemicals turned down 2.7 percent, after registering a 1.8-percent advance a month earlier. Price increases slowed from September to October for paint materials and phosphates. The indexes for inedible fats and oils and paperboard fell more in October than they did in the previous month. On the other hand, prices for plastic resins and materials turned up 1.3 percent, following a 2.7-percent drop a month ago. The indexes for nitrogenates, fertilizer materials, and leather declined at a slower rate than they did in the prior month.

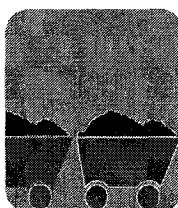
Prices for materials for durable manufacturing decreased 0.6 percent in October, following a 0.2-percent decline in September. The index for primary aluminum (except extrusion billet) fell 4.0 percent, after rising 0.7 percent in the preceding month. Similarly, prices for hot rolled bars, plates, and structural shapes and for copper and brass mill shapes also turned down, following gains in the prior month. The plywood index declined more rapidly in October than it did in September. Prices for hot rolled sheet and strip fell, after showing no change a month ago. Partially counteracting these price movements, the index for aluminum mill shapes turned up 0.3 percent, following a 2.9-percent decline in the previous month. The rate of increase in prices for semifinished steel mill products and cement accelerated from September to October. The prepared paint index edged up, after falling a month ago. In October, hardwood lumber prices decreased less rapidly than they did in the prior month.

The construction materials index declined 0.3 percent in October, after edging down 0.1 percent in September.

Softwood lumber prices dropped 4.4 percent, following a 0.3-percent decrease a month earlier. The indexes for plywood and fabricated structural metal products also fell at a faster rate than they did in the previous month. Prices for asphalt felts and coatings, gypsum products, and millwork rose less in October than in September. The index for switchgear turned down, after rising a month ago. Conversely, prices for plastic construction products advanced 2.7 percent in October, following a 2.0-percent decline in September. The index for plumbing fixtures and brass fittings also turned up, after a decrease in the prior month. Prices for nonferrous wire and cable and for hardwood lumber fell less than they did in the preceding month.

The index for intermediate foods and feeds declined 0.8 percent in October, after falling 0.4 percent in September. Prices for dairy products decreased 1.9 percent, following a 0.7-percent drop in the prior month. The indexes for natural, processed, and imitation cheese and for refined sugar turned down, after posting gains a month ago. Prices for prepared animal feeds, crude vegetable oils, pork, and fluid milk products fell more rapidly than they did in September. By contrast, the beef and veal index decreased 0.6 percent in October, following a 1.1-percent decline in the previous month. Prices for confectionery materials and for mayonnaise, salad dressings, and sandwich spreads turned up, after falling a month earlier. In October, the flour index rose more than it did in September.

Crude goods



The Producer Price Index for Crude Materials for Further Processing dropped 9.1 percent in October, after registering a 4.1-percent decline in September. Accounting for a majority of this accelerating rate of decrease, October prices for crude energy materials fell more than they did a month earlier. Also contributing to this faster rate of decline, the indexes for crude foods and feedstuffs and for basic industrial materials turned down, after rising in September. (See table B.)

Prices for crude energy materials dropped 19.2 percent in October, following a 10.7-percent decrease in September. The crude petroleum index turned down 19.6 percent, after a 0.1-percent gain in the prior month. Posting its sixth consecutive monthly decline, natural gas prices fell 27.5 percent, following a 22.8-percent decline in September. The coal index exhibited a slowing rate of increase, edging up 0.5 percent in October, after rising 2.5 percent in the previous month.

After a 1.1-percent advance in September, prices for crude foodstuffs and feedstuffs turned down 2.6 percent in October. The index for slaughter cattle fell 3.2 percent, following a 0.5-percent gain in the prior month. Prices for corn, unprocessed shellfish, unprocessed finfish, and fresh vegetables (except potatoes) also decreased in October, after increasing in September. The indexes for fluid milk and slaughter hogs declined more than they did in the

previous month, while prices for slaughter broilers and fryers rose less in October than they did a month earlier. By contrast, the index for soybeans fell at a 6.0-percent rate in October, compared with a 9.4-percent rate of decrease in September. Alfalfa hay prices advanced more than they did in the prior month. The index for raw cane sugar was unchanged in October, following a 0.3-percent decline a month earlier.

Prices for crude nonfood materials less energy turned down 1.7 percent in October, after inching up 0.2 percent in September. The raw cotton index dropped at a 15.2-percent rate, following a 4.8-percent rate of decrease in the previous month. Prices for iron and steel scrap and for pulpwood also fell more in October than they did a month earlier. The indexes for hides and skins, nonferrous metal ores, wastepaper, and softwood logs, bolts, and timber turned down in October. Leaf tobacco prices increased at a slower rate than they did in the prior month. On the other hand, the index for aluminum base scrap advanced 0.5 percent, following a 1.7-percent decline in September. October prices for construction sand, gravel, and crushed stone rose slightly more than they did a month earlier.

Net output price indexes for mining, manufacturing, and service industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries fell 14.9 percent in October, following a 7.8-percent decline in September. (Net output price indexes are not seasonally adjusted.) The majority of October's faster rate of decrease was due to a 21.6-percent drop in prices received by the crude petroleum, natural gas, and natural gas liquids industry, compared with an 11.5-percent fall in the previous month. The indexes for the bituminous coal and lignite and gold ores industries rose less than they did a month ago. Prices received by the oil and gas well drilling industry and the oil and gas field exploration services industry turned down, after increasing in the prior month. On the other hand, the index for the potash, soda, and borate minerals industry advanced 0.8 percent in October, following a 0.7-percent decline in September. Prices received by the industrial sand industry turned up, after falling in the prior month. The index for the coal mining services industry increased at a faster rate than it did in September. Prices received by the nonmetallic minerals services (except fuels)

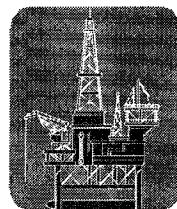
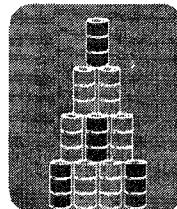
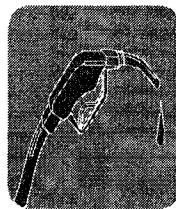
industry showed no change, after decreasing last month. In October, the Producer Price Index for the Net Output of Total Domestic Mining Industries stood at 78.8 (December 1984 = 100), 40.2 percent below its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries dropped 1.5 percent in October, following a 0.6-percent increase in September. Accounting for most of this deceleration, prices received by the petroleum refining and related products industry group fell 18.7 percent, after jumping 8.1 percent a month ago. The industry group index for food and kindred products decreased, after showing no change last month. Prices received by the chemicals and allied products, measuring and controlling instruments, and paper and allied products industry groups turned down, after showing increases in September. The industry group index for lumber and wood products (except furniture) fell more than it did in the prior month. By contrast, prices received by the transportation equipment industry group rose 0.9 percent in October, after showing no change in September. The industry group indexes for rubber and miscellaneous plastic products and printing, publishing, and allied industries turned up, after declining last month. Prices received by the machinery (except electrical) industry group decreased at a slower rate than they did a month ago. The industry group index for electrical and electronic machinery, equipment, and supplies advanced, after showing no change in the previous month. In October, the Producer Price Index for the Net Output of Total Domestic Manufacturing Industries stood at 133.6 (December 1984 = 100), 1.0 percent below its year-ago level.

Services. Among service industries in October, advancing prices were registered by the industries for general medical and surgical hospitals, scheduled air transportation, railroads (line-haul operating), property and casualty insurance, specialty hospitals (except psychiatric), local trucking without storage, cable and other pay television services, hotels and motels, and home health care services. On the other hand, the industries for telephone communications (except radiotelephone), deep sea foreign transportation of freight, operators and lessors of nonresidential buildings, passenger car rental, real estate agents and managers, trucking (except local), and freight transportation arrangement experienced falling prices in October.

Price Movements

November 2001



The Producer Price Index for Finished Goods decreased 0.6 percent in November, seasonally adjusted. This decline followed a 1.6-percent drop in October and a 0.4-percent gain in September. November prices for finished goods other than foods and energy rose 0.2 percent, after posting a 0.5-percent decrease in October. At the earlier stages of processing, prices received by intermediate goods manufacturers fell 0.5 percent, following a 1.5-percent decline in the previous month. The crude goods index advanced 7.3 percent in November, after dropping 9.1 percent a month earlier. (See table A.)

Among finished goods in November, the index for finished energy goods fell 3.8 percent, following a 7.7-percent decrease in October. Also contributing to the slower rate of decline in finished goods prices, the index for finished consumer goods other than foods and energy increased 0.3 percent in November, following a 0.4-percent decrease in the prior month, and capital equipment prices edged up 0.1 percent, after registering a 0.7-percent drop a month earlier. On the other hand, the index for finished consumer foods fell at a 0.8-percent pace in November, following a 0.4-percent rate of decline in October.

For the first 11 months of 2001, the Producer Price Index

for Finished Goods decreased at a 1.3-percent seasonally adjusted annual rate (SAAR), after rising 3.6 percent in 2000. Prices for finished goods other than foods and energy advanced at a 1.0-percent SAAR for the first 11 months of 2001, after posting a 1.3-percent gain for the previous calendar year. The index for intermediate goods fell at a 3.4-percent SAAR from December 2000 to November 2001, following a 4.1-percent increase during 2000. Prices for crude goods declined at a 27.2-percent SAAR during the first 11 months of 2001, after posting a 35.5-percent gain for the prior calendar year.

Before seasonal adjustment, the Producer Price Index for Finished Goods dropped 0.9 percent, to stand at 138.4 (1982=100). From November 2000 to November 2001, finished goods prices decreased 1.1 percent. During the same period, the index for finished energy goods fell 13.5 percent. By contrast, prices for finished goods other than foods and energy rose 0.9 percent for the 12 months ended November 2001, and the index for finished consumer foods gained 1.7 percent. At the earlier stages of processing, prices received by producers of intermediate goods declined at a 2.9-percent rate over the previous 12 months, and the crude goods index dropped 18.4 percent for the same period.

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2000							
November	0.1	0.2	0.5	0.1	3.8	-0.2	-1.3
December .....	.1	-.3	.8	.1	3.6	.4	9.3
2001							
January	1.1	.9	4.4	.5	4.8	.8	17.5
February .....	.1	.8	.4	-.3	4.0	-.2	-14.5
March	-.1	.9	-2.4	.1	3.0	-.3	-6.7
April .....	.5	.6	1.1	.3	3.7	-.1	.5
May .....	.1	-.2	.4	.2	3.9	.1	-2.2
June	-.4	-.2	-2.5	.1	2.6	-.2	-8.1
July	-1.2	-.4	-7.6	.1	1.4	-1.2	-5.4
August .....	.5	.7	2.6	-.1	2.1	-.2	-4
September .....	.4	.2	.9	.3	1.6	.1	-4.1
October	-1.6	-.4	-7.7	-.5	-.4	-1.5	-9.1
November	-.6	-.8	-3.8	.2	-1.1	-.5	7.3

¹ Some percent changes shown here and elsewhere in "Price Movements November 2001" may differ from those previously reported, because indexes for

July 2001 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

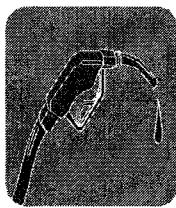
Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2000								
November	0.2	-0.2	-0.1	4.2	1.2	-2.7	-2.1	17.6
December	1.8	1.4	0	4.1	3.6	15.8	.4	35.5
2001								
January	1.4	4.1	.1	4.6	1.6	31.7	0	55.7
February	-1.1	-1.7	.1	3.5	-1.3	-23.0	-1.8	28.0
March .....	.4	-2.4	.1	2.3	3.4	-14.0	-1.0	17.1
April	-.1	-.1	-.1	2.1	-.5	2.1	-2.4	19.6
May .....	.4	.6	0	2.3	-1.3	-3.2	-6	13.3
June	1.0	-.6	-.1	1.2	0	-15.8	-1.1	-4.0
July .....	.7	-5.3	-.5	-.2	.4	-12.4	.8	-7.3
August	1.7	.2	-.3	-.1	-.5	.6	-2.1	-4.1
September	-.4	1.0	-.1	-.8	1.1	-10.7	.2	-14.3
October	-.8	-7.6	-.4	-2.4	-2.6	-19.2	-1.7	-25.0
November	-1.5	-1.6	-.2	-2.9	-5.9	28.3	-.8	-18.4

¹ Some percent changes shown here and elsewhere in "Price Movements November 2001" may differ from those previously reported, because indexes for

July 2001 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Finished goods



Price declines for finished energy goods slowed to 3.8 percent in November, after falling at a 7.7-percent pace a month earlier. The index for gasoline decreased 10.3 percent, following a 21.2-percent drop in October. Prices for residential natural gas, home heating oil, diesel fuel, and liquefied petroleum gas also declined less than they did in the prior month. By contrast, the index for residential electric power moved down 0.3 percent in November, following a 0.5-percent gain in October. Finished lubricant prices turned down, after showing no change in the previous month.

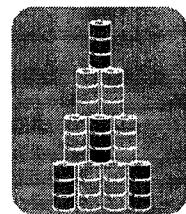
The index for finished consumer goods other than foods and energy advanced 0.3 percent in November, following a 0.4-percent decrease in October. Passenger car prices increased 0.9 percent, after registering a 4.7-percent drop a month earlier. The November index for cigarettes rose 1.9 percent, after showing no change in the previous month. Prices for light motor trucks fell less than they did in October, while the textile housefurnishings index increased more than it did in the prior month. Prices for women's apparel turned up in November. By contrast, the index for newspaper circulation declined 0.2 percent, following a 1.2-percent rise in October. Prices for sporting and athletic goods and for cosmetics and other toilet preparations also turned down in November. The book publishing index decreased more than it did in the previous month.

The capital equipment index edged up 0.1 percent in November, after posting a 0.7-percent decline in October. Passenger car prices rose 0.9 percent, following a 4.7-percent decrease a month earlier. The indexes for communication

and related equipment, plastic working machinery, and pumps and compressors also turned up, after falling in the prior month. November prices for light motor trucks declined less than they did in October. The index for x-ray and electromedical equipment showed no change, after decreasing in the previous month. By contrast, November prices for electronic computers moved down 2.2 percent, following a 0.2-percent gain a month earlier. The commercial furniture index also fell, after increasing in October. Civilian aircraft prices edged down slightly more than they did in the prior month.

The index for finished consumer foods declined 0.8 percent in November, following a 0.4-percent decrease in October. Beef and veal prices fell 6.3 percent, after moving down at a 0.6-percent pace in the previous month. The indexes for processed young chickens and eggs for fresh use turned down in November. Dairy product prices fell more than they did in the prior month, while the index for fresh fruits and melons rose less than it did in October. By contrast, prices for fresh and dry vegetables declined 3.2 percent in November, following an 11.4-percent drop a month earlier. The indexes for finfish and shellfish, pork, and soft drinks turned up, after falling in the previous month.

Intermediate goods



The Producer Price Index for Intermediate, Materials, Supplies, and Components decreased 0.5 percent in November, after falling 1.5 percent in October. Prices for intermediate energy goods also declined less than they did in the previous month. The index for materials and components for

construction showed no change, following an October decrease. By contrast, prices for intermediate foods and feeds and nondurable manufacturing materials fell at a faster rate in November than they did in October. The index for durable manufacturing materials declined at a 0.6-percent pace for the second consecutive month. Excluding foods and energy, the intermediate materials index decreased 0.2 percent, following a 0.4-percent decline in October. (See table B.)

Prices for intermediate energy goods fell 1.6 percent in November, following a 7.6-percent drop in October. The index for jet fuels decreased 5.0 percent, after falling 21.8 percent in the prior month. Prices for gasoline, diesel fuel, commercial natural gas, liquefied petroleum gas, and natural gas to electric utilities declined at a slower pace in November than they did in October. The indexes for commercial electric power and industrial natural gas turned up, after decreasing in the previous month. On the other hand, prices for industrial electric power advanced 0.5 percent in November, following a 0.7-percent increase in October.

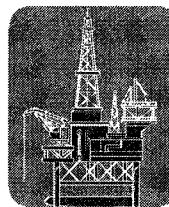
The construction materials index showed no change in November, following a 0.3-percent decrease in October. In November, rising prices for gypsum products, asphalt felts and coatings, plumbing fixtures and brass fittings, heating equipment, and cement were offset by decreasing prices for millwork, plastic construction products, wiring devices, softwood lumber, and nonferrous wire and cable.

The intermediate foods and feeds index decreased 1.5 percent in November, after falling 0.8 percent in October. Prices for beef and veal declined 6.3 percent, following a 0.6-percent decrease in the previous month. The indexes for natural, processed, and imitation cheese and refined sugar also fell more in November than they did a month earlier. Prices for flour increased at a slower rate than they did in October. The index for dry milk products turned down, after rising in the prior month. By contrast, prices for crude vegetable oils rose 4.2 percent in November, following a 9.7-percent drop in October. The indexes for fluid milk products and prepared animal feeds fell less than they did in the previous month. Prices for confectionery materials advanced at a faster rate than they did in October. The index for pork turned up, after falling a month earlier.

The nondurable manufacturing materials index declined 1.0 percent in November, following a 0.9-percent decrease in October. In November, falling prices for primary basic organic chemicals, plastic resins and materials, paper, nitrogenates, paint materials, basic inorganic chemicals, and gray fabrics outweighed rising prices for phosphates and finished fabrics.

For the second consecutive month, the index for durable manufacturing materials fell 0.6 percent. In November, decreasing prices for steel mill products, primary aluminum (except extrusion billet), building paper and board, and aluminum mill shapes outweighed rising prices for copper and brass mill shapes, flat glass, and cement.

Crude goods



The November Producer Price Index for Crude Materials for Further Processing turned up 7.3 percent, following a 9.1-percent decline in October. Prices for crude energy materials also rose in November, after falling in the prior month. The basic industrial materials index decreased at a slower rate than it did a month earlier. Conversely, prices for crude foodstuffs and feedstuffs fell more rapidly than they did in October. (See table B.)

The index for crude energy materials advanced 28.3 percent in November, following a 19.2-percent drop in the prior month. The natural gas index surged a record 80.0 percent, after falling 27.5 percent in October. Crude petroleum prices declined at a 7.4-percent pace, following a 19.6-percent decrease in the preceding month. The coal index rose 4.7 percent in November, after posting a 0.5-percent gain in October.

Falling prices for basic industrial materials slowed in November, declining 0.8 percent after a 1.7-percent decrease in the prior month. In November, the indexes for iron and steel scrap, nonferrous metal ores, aluminum base scrap, copper base scrap, and softwood logs, bolts, and timber exhibited declines. These decreases more than offset rising prices for raw cotton, leaf tobacco, hides and skins, wastepaper, and phosphates.

Prices for crude foodstuffs and feedstuffs decreased 5.9 percent in November, after falling 2.6 percent in October. The slaughter cattle index dropped 7.1 percent, after declining 3.2 percent a month earlier. Prices for fluid milk and slaughter hogs also fell more in November than they did in October. The indexes for slaughter broilers and fryers and for alfalfa hay turned down, following increases in the preceding month. By contrast, corn prices declined 3.7 percent in November, after registering a 7.8-percent decrease in October. The indexes for soybeans and for fresh and dry vegetables also fell less than they did in the prior month. Prices for unprocessed shellfish turned up, after declining in October. The wheat index increased at a quicker pace in November than it did in the previous month.

Net output for price indexes for mining, manufacturing, and services industries

Mining. For the month of November, the Producer Price Index for the Net Output of Total Mining Industries rose 18.3 percent, after declining 14.9 percent in October. (Net output price indexes are not seasonally adjusted.) The main contributor to this acceleration was the industry index for crude petroleum, natural gas, and natural gas liquids, which bounced back 29.0 percent, following a 21.6-percent drop in the prior month. Prices received by the bituminous coal and lignite industry advanced more in November than they did in the previous month, while the industry indexes for oil and gas

field exploration services and crushed and broken limestone rose, after falling in October. Also adding to the overall acceleration, prices received by the construction sand and gravel industry turned up in November, after showing no change in the preceding month. On the other hand, the index for the gold ores industry fell 3.2 percent in November, following a 1.5-percent advance in October. Prices received by the industries for coal mining services; potash, soda, and borate minerals; and crushed and broken granite also declined in November, after increasing in the prior month. The index for the oil and gas well drilling industry fell faster in November than it did in October. In November, the Producer Price Index for the Net Output of Total Domestic Mining Industries stood at 93.2 (December 1984=100), 27.7 percent below its year-ago level.

Manufacturing. Subsequent to a 1.5-percent drop in October, the Producer Price Index for the Net Output of Total Manufacturing Industries fell 0.6 percent in November. Comprising most of this acceleration, the index for the petroleum refining and related products industry group decreased 7.0 percent in November, following an 18.7-percent decline in the previous month. Also contributing to the overall acceleration in manufacturing goods prices, the industry index for tobacco manufactures increased in November, after showing no change in the previous month, and prices received by the lumber and wood products (except furniture) industry group

fell less in November than they did in October. Prices received by the measuring and controlling instruments and the machinery (except electrical) industry groups advanced in November, after decreasing in the prior month. By contrast, the transportation equipment industry group index showed no change in November, after rising 0.9 percent in October. Prices received by the food and kindred products and the chemicals and allied products industry groups fell faster in November than they did in the previous month. The industry group index for rubber and miscellaneous plastic products turned down in November, following an increase in October. In November, the Producer Price Index for the Net Output of Total Domestic Manufacturing Industries stood at 132.8 (December 1984=100), 1.6 percent below its year-ago level.

Services. Among service industries in November, advancing prices were registered by the industries for operators and lessors of nonresidential buildings, general medical and surgical hospitals, property and casualty insurance, passenger car rental, home health care services, telephone communications (except radiotelephone), trucking (except local), and freight transportation arrangement. By contrast, falling prices were experienced by the industries for offices of physicians, real estate agents and managers, scheduled air transportation, deep sea foreign transportation of freight, hotels and motels, railroads (line-haul operating), prepackaged software, and cable and other pay television services.

Price Movements

December 2001



The Producer Price Index for Finished Goods declined 0.7 percent in December, seasonally adjusted. The December decline follows decreases of 0.6 percent in November and 1.6 percent in October. Prices received by producers of intermediate goods decreased 0.9 percent, following a 0.5-percent decline in the prior month. The crude goods index dropped 9.5 percent, after posting a 7.3-percent rise in November. (See table A.)

Over three-fourths of the decrease in December's finished goods index can be traced to falling energy prices—which declined 4.0 percent, following a 3.8-percent decrease in November. The index for finished goods other than foods and energy declined 0.1 percent in December, following a 0.2-percent gain in November. Finished consumer foods prices decreased 0.1 percent in December, following a 0.8-percent decline a month earlier.

Before seasonal adjustment, the Producer Price Index for Finished Goods decreased 0.9 percent to stand at 137.2 (1982=100). From December 2000 to December 2001, finished goods prices fell 1.8 percent—the largest 12-month rate of decline since a 2.3-percent drop for the 12 months ended in December 1986. This index rose 3.6 percent during 2000. Prices for finished energy goods turned down 17.2 percent in 2001, following a 16.6-percent advance in the previous calendar

year. For the 12 months ended in December 2001, the index for finished goods other than foods and energy rose 0.7 percent, after posting a 1.3-percent gain in 2000. Prices for finished consumer foods advanced at about the same rate in 2001 as in the prior calendar year—1.8 and 1.7 percent, respectively. At the earlier stages of processing, the intermediate goods index decreased 4.0 percent from December 2000 to December 2001, after registering a 4.1-percent rise during 2000. Prices received by producers of crude materials for further processing dropped 32.4 percent in 2001, following a 35.5-percent increase in the prior calendar year. (See summary below.)

Finished goods



Prices for finished energy goods fell 4.0 percent in December, after decreasing 3.8-percent in November. The gasoline and liquefied petroleum gas indexes led December's decline—tumbling 8.2 and 19.3 percent, respectively. Falling prices for home heating oil, residential natural gas, diesel fuel, and residential electric power also contributed to the decrease for the finished energy goods index.

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2000							
December	0.1	-0.3	0.8	0.1	3.6	0.4	9.3
2001							
January	1.1	.9	4.4	.5	4.8	.8	17.5
February .....	.1	.8	.4	-3	4.0	-.2	-14.5
March	-1	.9	-2.4	.1	3.0	-.3	-6.7
April .....	.5	.6	1.1	.3	3.7	-.1	.5
May .....	.1	-2	.4	.2	3.9	.1	-2.2
June	-4	-2	-2.5	.1	2.6	-2	-8.1
July	-1.2	-4	-7.6	.1	1.4	-1.2	-5.4
August .....	.4	.7	1.3	.1	2.0	-.3	-.7
September5	.2	2.2	.1	1.6	.2	-3.7
October	-1.6	-4	-7.7	-.5	-.4	-1.5	-9.1
November	-.6	-.8	-3.8	.2	-1.1	-.5	7.3
December	-.7	-.1	-4.0	-.1	-1.8	-.9	-9.5

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August 2001 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Summary of December-to-December and 3-month seasonally adjusted annual rates for selected stages of process

Grouping	Percentage change 12 months ended in December			Seasonally adjusted annual rate for 3 months ended in:			
	1999	2000	2001	March 2001	June 2001	September 2001	December 2001
Finished goods	2.9	3.6	-1.8	4.7	0.9	-1.4	-10.8
Finished consumer foods .....	.8	1.7	1.8	10.5	.9	2.0	-5.2
Finished energy goods	18.1	16.6	-17.2	9.5	-4.2	-16.3	-47.0
Finished goods less food and energy .....	.9	1.3	.7	1.3	2.2	1.3	-1.8
Finished consumer goods, excluding food and energy	1.2	1.4	1.3	2.3	2.8	1.3	-1.3
Capital equipment .....	.3	1.2	-1	0	.6	1.7	-2.8
Intermediate materials, supplies, and components	3.7	4.1	-4.0	1.2	-.6	-5.1	-11.0
Intermediate foods and feeds	-4.2	3.6	.5	2.5	5.7	8.2	-12.8
Intermediate energy goods	19.6	19.0	-17.2	-.4	-.7	-15.6	-43.2
Intermediate materials less foods and energy ...	1.9	1.6	-1.6	1.5	-.9	-3.7	-3.2
Materials for nondurable manufacturing	4.0	4.1	-5.4	7.1	-8.3	-8.4	-10.9
Materials for durable manufacturing	2.4	.2	-3.9	-3.4	-.6	-6.2	-5.4
Materials and components for construction	2.2	.1	0	.5	3.5	-2.1	-1.8
Crude materials for further processing	15.3	35.5	-32.4	-22.7	-33.2	-33.3	-39.1
Foodstuffs and feedstuffs	-1	7.4	-7.4	15.6	-.8	4.2	-34.5
Crude energy materials	36.9	85.6	-53.0	-42.4	-52.0	-61.6	-53.9
Crude nonfood materials less energy	14.0	-5.5	-9.9	-10.8	-15.0	-4.5	-9.3

NOTE: Late reports and corrections by respondents may cause some indexes to change 4 months after original publication. In addition, seasonally

adjusted indexes may be revised for 5 years, due to the recalculation of seasonal factors each January.

The index for finished consumer goods other than foods and energy turned down 0.1 percent in December, after rising 0.3 percent in November. Passenger car prices fell 0.7 percent, following a 0.9-percent advance in the prior month. The index for cigarettes showed no change, after increasing in November. December light motor truck prices declined at a faster pace than they did a month earlier. The indexes for men's and boys' apparel, textile housefurnishings, women's apparel, and floor coverings turned down in December. Conversely, book publishing prices increased 1.1 percent in December, compared with a 1.0-percent decline in the previous month. The indexes for sanitary papers and health products, pharmaceutical preparations, and newspaper circulation also turned up, after falling in November. During the 2001 calendar year, prices for finished consumer goods other than foods and energy increased 1.3 percent, following a 1.4-percent hike in 2000.

Capital equipment prices inched down 0.1 percent in December, after rising 0.1 percent a month earlier. The index for passenger cars declined 0.7 percent, following a 0.9-percent gain in November. Prices for light motor trucks and electronic computers fell more quickly in December than they did in the prior month. The index for communication and related equipment rose less than it did in November. Prices for agricultural machinery and equipment and for construction machinery and equipment turned down from last month's increases. By contrast, the index for civilian aircraft advanced 0.2 percent in December, following a 0.2-percent decline in November. Prices for heavy motor trucks, office and store machines and equipment, and industrial material handling equipment also turned up, after falling in the previous month. The index for x-ray and electromedical equipment rose, following no change in November. For the 12 months ended

December 2001, capital equipment prices decreased 0.1 percent, after increasing 1.2 percent during the previous calendar year.

Prices for finished consumer foods edged down 0.1 percent in December, after registering a 0.8-percent decline in November. Falling prices for dairy products, eggs for fresh use, pork, finfish and shellfish, and processed young chickens slightly outweighed price increases for fresh fruits and melons, fresh and dry vegetables, beef and veal, processed fruits and vegetables, and confectionery end products.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components moved down 0.9 percent in December, seasonally adjusted, following a 0.5-percent drop in November. Prices for intermediate energy goods fell more in December than they did in the previous month. The index for materials and components for construction declined this month, after showing no movement in November. On the other hand, prices for materials for durable manufacturing, intermediate foods and feeds, and materials for nondurable manufacturing all decreased less in December than they did in the preceding month. For the second straight month, the index for intermediate materials other than foods and energy fell at a 0.2-percent rate. (See table B.)

The index for intermediate energy materials decreased 4.5 percent in December, after registering a 1.6-percent decline in November. This faster rate of decline was led by diesel fuel prices, which fell 19.5 percent in December and 1.8 percent in the previous month. Prices for liquefied petroleum gas, jet fuels, and commercial natural gas also decreased more rapidly

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2000								
December	1.8	1.4	0.0	4.1	3.6	15.8	0.4	35.5
2001								
January	1.4	4.1	.1	4.6	1.6	31.7	0	55.7
February	-1.1	-1.7	.1	3.5	-1.3	-23.0	-1.8	28.0
March .....	.4	-2.4	.1	2.3	3.4	-14.0	-1.0	17.1
April	-1	-1	-1	2.1	-5	2.1	-2.4	19.6
May .....	.4	.6	0	2.3	-1.3	-3.2	-.6	13.3
June	1.0	-.6	-.1	1.2	0	-15.8	-1.1	-4.0
July .....	.7	-5.3	-5	-.2	.4	-12.4	.8	-7.3
August	1.7	-.6	-.4	-.2	-.4	-.5	-1.8	-4.5
September	-.4	1.8	-.1	-.8	1.0	-9.7	-.1	-14.3
October	-.8	-7.6	-.4	-2.4	-2.6	-19.2	-1.7	-25.0
November	-1.5	-1.6	-2	-2.9	-5.9	28.3	-.8	-18.4
December	-1.0	-4.5	-.2	-4.0	-1.9	-20.5	.1	-32.4

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August 2001 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

than they did in November. The indexes for commercial electric power, industrial electric power, and industrial natural gas fell in December, after increasing a month earlier. Residual fuel prices fell, after showing no change in November. On the other hand, the index for gasoline declined 8.2 percent in December, after dropping 10.3 percent in November. Prices for natural gas to electric utilities also decreased at a slower pace. From December 2000 to December 2001, the intermediate energy goods index fell 17.2 percent, following a 19.0-percent gain in 2000.

Prices for materials and components for construction declined 0.2 percent in December, after posting no change in the preceding month. The gypsum products index fell 3.3 percent, following a 9.1-percent increase in November. Prices for softwood lumber and plywood decreased faster in December than they did in the prior month. The index for asphalt felts and coatings increased at a slower rate than it did in November, while prices for plumbing fixtures and brass fittings fell, after rising a month earlier. By contrast, the index for plastic construction products turned up 0.2 percent in December, compared with a 0.7-percent decrease in the previous month. The indexes for fabricated ferrous wire products and for nonferrous wire and cable also increased, after decreasing in the preceding month. Millwork prices declined less rapidly in December than they did in November. Prices for fabricated structural metal products rose in December, after registering no change a month earlier. The index for materials and components for construction showed no change for the 12 months ended in December 2001, following a 0.1-percent increase in the prior year.

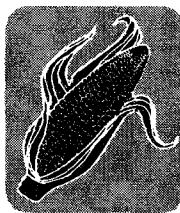
The index for materials for durable manufacturing fell 0.2 percent, after registering a 0.6-percent drop in November. In

December, price declines for steel mill products, plywood, flat glass, and hardwood lumber outweighed price gains for primary aluminum, building paper and board, and prepared paint. The index for durable manufacturing materials declined 3.9 percent for the 12 months ended December 2001, following a 0.2-percent increase during 2000.

Subsequent to a 1.5-percent drop in November, the index for intermediate foods and feeds fell 1.0 percent in December. Prices for natural, processed, and imitation cheese decreased 0.6 percent, after declining 8.2 percent in the prior month. The index for beef and veal advanced 1.7 percent, following a 6.3-percent decline in November. Prices for refined sugar and for dry milk products also increased in December, after falling a month earlier. The butter index decreased at a slower pace in December than it did in the preceding month. Conversely, fluid milk prices fell 7.0 percent, after edging down 0.1 percent a month earlier. The indexes for pork and flour turned down in December. Confectionery materials prices advanced less than they did in the previous month, while the index for crude vegetable oils showed no change, after increasing in November. Prices for intermediate foods and feeds rose 0.5 percent during calendar-year 2001, after posting a 3.6-percent advance in the previous calendar year.

The index for materials for nondurable manufacturing declined 0.9 percent in December, following a 1.0-percent drop in November. In December, price declines for primary basic organic chemicals, plastic resins and materials, fertilizer materials, and basic inorganic chemicals outweighed price increases for paperboard, inedible fats and oils, gray fabrics, and woodpulp. During 2001, prices for materials for nondurable manufacturing fell 5.4 percent, after increasing 4.1 percent in 2000.

Crude goods



The Producer Price Index for Crude Materials for Further Processing turned down 9.5 percent, following a 7.3-percent increase in November. Prices for crude energy materials also fell in December, after rising in the previous month. On the other hand, the crude foodstuffs and feedstuffs index decreased less than it did in November. Prices for basic industrial materials edged up, after declining in the prior month. (See table B.)

The index for crude energy materials declined 20.5 percent in December, following a 28.3-percent gain in November. Prices for natural gas dropped 24.7 percent, after jumping 80.0 percent in the prior month. The crude petroleum index fell 21.6 percent, following a 7.4-percent decrease in November. Coal prices turned down 5.5 percent, after increasing 4.7 percent in the previous month. The crude energy materials index declined 53.0 percent during 2001, following an 85.6-percent advance in 2000.

Prices for crude foodstuffs and feedstuffs decreased 1.9 percent in December, after falling 5.9 percent in November. The fluid milk index declined 2.9 percent, after dropping 11.8 percent in the prior month. December prices for slaughter hogs also fell less than they did a month earlier. Prices for slaughter cattle, corn, and for fresh and dry vegetables turned up, after decreasing in November. The index for fresh fruits and melons rose more than it did in the previous month. By contrast, the wheat index moved down 0.3 percent, after posting a 3.9-percent gain in November. Slaughter turkey prices also turned down in December. The indexes for unprocessed finfish, alfalfa hay, and soybeans decreased at a faster rate than they did in November. Prices for unprocessed shellfish advanced less than they did in the prior month. During 2001, the crude foodstuffs and feedstuffs index declined 7.4 percent, after rising at the same rate in 2000.

The index for crude nonfood materials less energy edged up 0.1 percent in December, after posting a 0.8-percent decline in November. In December, rising prices for raw cotton; aluminum base scrap; pulpwood; construction sand, gravel, and crushed stone; and softwood logs, bolts, and timber outweighed falling prices for iron and steel scrap, hides and skins, phosphates, gold ores, and leaf tobacco. The basic industrial materials index decreased 9.9 percent during the 2001 calendar year, compared with a 5.5-percent decline in 2000.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Domestic Mining Industries dropped 16.3 percent in December, after posting an 18.3-percent jump in November. (Net output price indexes are not seasonally adjusted.) A 22.9-percent December decrease in prices received by the

crude petroleum, natural gas, and natural gas liquids industry, which followed a 29.0-percent increase in November, accounted for most of the downturn in mining-industry prices. The industry indexes for bituminous coal and lignite, oil and gas field exploration services, and crushed and broken limestone also turned down in December. Prices received by the construction sand and gravel industry rose less than they did in the prior month. On the other hand, the industry index for oil and gas well drilling exhibited a slower rate of decline, falling 0.6 percent in December, after dropping 5.4 percent in November. Prices received by the gold ores; potash, soda, and borate minerals; and coal mining services industries also decreased less than they did in November. In December, the Producer Price Index for the Net Output of Total Mining Industries stood at 78.0 (December 1984=100). From December 2000 to December 2001, this index declined 46.8 percent, following a 69.0-percent advance in 2000.

Manufacturing. After registering a 0.6-percent decline in November, the Producer Price Index for the Net Output of Total Domestic Manufacturing Industries dropped 1.1 percent in December. A larger decrease in the index for the petroleum refining and related products industry group—13.6 percent in December and 7.0 percent in November—accounted for most of the faster rate of decline in total manufacturing industry prices. Prices received by the industry groups for transportation equipment and for apparel turned down, after showing no change in the previous month. The industry group index for chemicals and allied products fell more than it did in November. Prices received by the tobacco manufactures industry group showed no change in December, after posting a 1.8-percent rise in November. The industry group indexes for printing, publishing, and allied industries and for nonmetallic mineral products moved down, following November gains. Prices received by the measuring and controlling instruments industry group increased less than they did in the prior month. By contrast, the industry group index for food and kindred products decreased 0.5 percent, after a 1.1-percent drop in November. Prices received by the paper and allied products industry group turned up in December. In December, the Producer Price Index for the Net Output of Total Manufacturing Industries stood at 131.4 (December 1984=100). This index declined 2.2 percent for the 12 months ended December 2001, following a 2.9-percent advance in the previous calendar year.

Services. Among service industries in December, advancing prices were registered by the industries for general medical and surgical hospitals, property and casualty insurance, legal services, travel agencies, passenger car rental, cable and other pay television services, and engineering services. Conversely, falling prices were experienced by the industries for scheduled air transportation, telephone communications (except radiotelephone), operators and lessors of nonresidential buildings, life insurance carriers, trucking (except local), hotels and motels, and deep sea foreign transportation of freight.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2001								
January	1.4	3.7	0.1	4.6	1.1	31.7	-0.9	55.7
February	-1.0	-2.0	.1	3.5	-.9	-23.0	-1.4	28.0
March .....	.1	-2.1	.1	2.3	2.8	-14.0	-1.0	17.1
April	-.1	-.6	-.1	2.1	-.2	2.1	-2.6	19.6
May .....	.6	.4	0	2.3	-.8	-3.2	-.5	13.3
June	1.0	-.6	-.1	1.2	0	-15.8	-1.0	-4.0
July .....	.6	-5.0	-.5	-.2	.6	-12.4	1.0	-7.3
August	1.8	-.3	-.3	-.2	-.6	-.5	-1.8	-4.5
September	-.8	1.1	-.1	-.8	.8	-11.0	.2	-14.6
October	-.7	-6.6	-.4	-2.4	-2.9	-18.1	-1.5	-25.0
November	-1.3	-2.0	-.2	-2.9	-5.6	28.3	-.6	-18.4
December	-1.0	-4.0	-.2	-4.0	-1.9	-20.5	-.3	-32.4
2002								
January	-.1	-.6	0	-4.6	4.0	5.6	-.5	-40.4

¹ Some percent changes shown here and elsewhere in "Price Movements January 2002" may differ from those previously reported, because seasonal adjustment factors have been recalculated to reflect developments during 2001.

In addition, indexes for September 2001 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

vegetables rose more than it did a month ago. Prices for pork decreased at a slower rate than they did in December. Partially counteracting these price movements, the fresh fruits and melons index dropped 7.2 percent in January, following a 13.4-percent gain in the previous month. The indexes for beef and veal, soft drinks, and roasted coffee also turned down, after increasing in December. Prices for processed fruits and vegetables and for shortening and cooking oils rose at a slower rate in January than they did in the prior month.

The index for finished consumer goods other than foods and energy declined 0.1 percent in January, after showing no change in December. Falling prices for cigarettes, light motor trucks, sanitary papers and health products, tires, alcoholic beverages, men's and boys' apparel, and textile housefurnishings more than offset increasing prices for passenger cars, pharmaceutical preparations, book publishing, periodical circulation, floor coverings, household furniture, and sporting and athletic goods.

After showing no change in December, the index for capital equipment edged down 0.1 percent in January. Decreasing prices for light motor trucks, civilian aircraft, and railroad equipment outweighed rising prices for passenger cars, electronic computers, and for pumps and compressors.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components inched down 0.1 percent in January, seasonally adjusted, after falling 0.8 percent in December. In January, prices for intermediate energy goods and for intermediate foods and feeds decreased less than

a month earlier. The indexes for construction materials and durable manufacturing materials turned up, following declines in the previous month. By contrast, prices for nondurable manufacturing materials fell at a faster rate in January than they did in December. Excluding foods and energy, the intermediate goods index was unchanged in January, after a slight decline in December. (See table B.)

The index for intermediate energy goods decreased 0.6 percent in January, following a 4.0-percent drop in December. January's falling prices for residual fuels, commercial electric power, industrial electric power, and natural gas to electric utilities outweighed price increases for jet fuels, diesel fuel, gasoline, and liquefied petroleum gas.

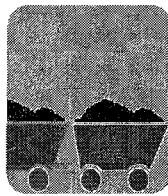
The index for materials and components for construction rose 0.2 percent in January, after declining 0.2 percent in December. Softwood lumber prices advanced 6.9 percent, following a 2.2-percent drop a month earlier. The indexes for plywood, hardwood lumber, and wiring devices also turned up, after decreasing in the prior month. Prices for gypsum products fell less in January than they did in December. On the other hand, the index for fabricated structural metal products declined 0.3 percent, following a 0.1-percent gain in December. In January, prices for nonferrous wire and cable, fabricated ferrous wire products, and heating equipment also turned down, after rising in the previous month.

The rate of decline in prices for intermediate foods and feeds slowed to 0.1 percent in January from a 1.0-percent rate of decline in December. January's price decreases for prepared animal feeds; beef and veal; pork; natural, processed, and imitation cheese; and dry, condensed, and evaporated milk products were offset by rising prices for flour, refined sugar, confectionery materials, and crude vegetable oils.

Subsequent to a 0.2-percent decline in December, the durable manufacturing materials index inched up 0.1 percent in January. Prices for hot rolled sheet and strip increased 0.6 percent, after falling 1.6 percent in the previous month. The indexes for hardwood lumber, plywood, and aluminum mill shapes also turned up, following declines a month earlier. Prepared paint prices rose more quickly in January than they did in December. By contrast, the index for building paper and board decreased 0.8 percent, after advancing 2.6 percent in the prior month. Prices for cold rolled sheet and strip and for hot rolled bars, plates, and structural shapes fell at a faster rate in January than they did in December. The cement index turned down, after rising a month ago.

Prices for nondurable manufacturing materials declined 1.2 percent in January, after moving down 0.9 percent in December. The index for medicinal and botanical chemicals posted a 6.1-percent drop, following a 0.2-percent decrease in the prior month. Prices for plastic resins and materials and for intermediate basic organic chemicals also fell more in January than they did in December. The index for paperboard turned down in January, while paper prices declined, after showing no change in December. By contrast, the index for primary basic organic chemicals decreased 0.6 percent in January, following an 8.0-percent drop in December. Prices for fertilizer materials, paint materials, and leather turned up, after moving down in the previous month. The woodpulp index rose more rapidly in January than it did in December.

Crude goods



The index for Crude Materials for Further Processing turned up 3.7 percent in January, compared with a 9.6-percent decrease in December. Both the crude energy materials and foodstuffs and feedstuffs indexes rose this month, following December declines. Slightly counteracting these rising prices, the index for basic industrial materials fell more in January than in the prior month. (See table B.)

The index for crude energy materials rose 5.6 percent in January, subsequent to a 20.5-percent drop in December. Natural gas prices exhibited a similar pattern—turning up 4.9 percent in January, after falling 24.7 percent in the prior month. The indexes for crude petroleum and coal posted increases in January of 8.1 and 3.2 percent, respectively, following declines in December of 21.6 and 5.5 percent.

Prices for crude foodstuffs and feedstuffs increased 4.0 percent in January, following a 1.9-percent decline in December. Leading the acceleration, the index for slaughter hogs rose 26.4 percent, after falling 11.1 percent in December. The indexes for slaughter broilers and fryers and slaughter turkeys also increased in January, following a decrease in the prior month. Slaughter cattle prices rose faster in January than in the previous month. On the other hand, corn prices fell 4.5 percent in January, after posting a 1.9-percent gain in the previous month. The indexes for raw cane sugar and for fresh

fruits and melons also fell this month, following an increase in December.

The index for crude nonfood materials less energy dropped 0.5 percent in January, after declining 0.3 percent in the prior month. A downturn in January pulpwood prices—which fell 10.7 percent, following a 2.1-percent rise in December—was the leading cause of the faster rate of decline for basic industrial materials. Construction sand, gravel, and crushed stone prices also turned down in January, compared with an increase in December. The indexes for raw cotton and aluminum base scrap increased at a slower rate in January than they did in December, while the index for softwood logs, bolts, and timber fell faster in January than they did in the previous month. By contrast, the index for iron and steel scrap increased 0.7 percent in January, after posting a 4.6-percent decline in the prior month. The indexes for nonferrous metal ores and phosphates also rose in January, following a decline in December. Prices for hides and skins fell at a slower rate in January than they did in the previous month.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Domestic Mining Industries advanced 4.6 percent in January, after posting a 16.3-percent drop in December. (Net output price indexes are not seasonally adjusted.) A 7.0-percent rise in prices received by the crude petroleum, natural gas, and natural gas liquids industry—which followed a 22.9-percent decline in December—accounted for most of the upturn in mining industry prices. The industry indexes for coal mining; gold ores; potash, soda, and borate minerals; crushed and broken limestone; and oil and gas field exploration services also turned up in January. On the other hand, prices received by the oil and gas well drilling industry decreased at a 3.0-percent rate, compared with a 0.6-percent dip a month earlier. The index for the iron ores industry fell 1.4 percent, after showing no change in the previous month. In January, the Producer Price Index for the Net Output of Total Mining Industries stood at 81.6 (December 1984 = 100), 56.1 percent below its year-ago level.

Manufacturing. After registering a 1.1-percent decline in December, the Producer Price Index for the Net Output of Total Manufacturing Industries edged up 0.2 percent in January. Much of this upturn can be traced to prices received by the industry group for petroleum refining and related products, which increased 3.5 percent in January, following a 13.6-percent drop a month earlier. The indexes for the printing and publishing industry and the lumber and wood products (except furniture) industry also turned up in January. Prices received by the industry groups for chemicals and allied products, transportation equipment, and food and kindred products fell less than they did in the previous month. The industry group index for electrical and electronic machinery and equipment jumped 0.6 percent in January, after showing

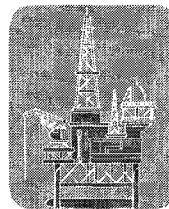
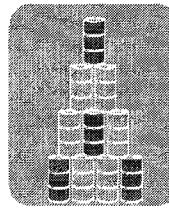
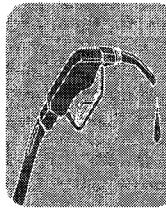
no change in December. Conversely, prices received by the tobacco manufactures industry decreased 1.7 percent, following no change in the prior month. The industry group index for paper and allied products moved down, following a December gain. In January, the Producer Price Index for the Net Output of Total Manufacturing Industries stood at 131.7 (December 1984 = 100), 2.3 percent lower than a year ago.

Services. Among service industries in January, advancing

prices were registered by the industries for engineering services, scheduled air transportation, skilled and intermediate care facilities, data processing services, advertising agencies, general medical and surgical hospitals, passenger car rental, cable and other pay television services, and legal services. Conversely, falling prices were experienced by the industries for help supply services, prepackaged software, radio broadcasting, wireless telecommunications, telephone communications (except radiotelephone), and airports, flying fields, and airport services.

Price Movements

February 2002



The Producer Price Index for Finished Goods increased 0.2 percent in February, seasonally adjusted. This rise followed a 0.1-percent advance in January and a 0.6-percent decrease in December. At the earlier stages of processing, prices for intermediate goods edged down 0.1 percent in February, after a similar decline in the prior month, and the crude goods index turned down 0.8 percent, following a 3.7-percent increase in January. (See table A.)

Among finished goods, the rate of increase in prices for finished consumer foods accelerated from 0.8 percent in January to 1.0 percent in February. Prices for finished energy goods also rose faster in February than in the prior month—0.4 percent, compared with 0.1 percent. The index for finished goods other than foods and energy showed no change, compared with a 0.1-percent decline in the previous month.

Before seasonal adjustment, the Producer Price Index for Finished Goods rose 0.1 percent to stand at 137.7 (1982 = 100). From February 2001 to February 2002, prices for finished goods decreased 2.6 percent. Over the same period, the finished energy goods index dropped 20.4 percent, prices for finished goods other than foods and energy gained 0.5 percent, and the index for finished consumer foods increased 1.9 percent. Prices received by producers of intermediate goods declined 4.4 percent for the 12 months ended in February, and the crude goods index dropped 30.9 percent during the same period.

Finished goods



Finished consumer food prices rose 1.0 percent in February, following a 0.8-percent gain in the prior month. The beef and veal index increased 7.4 percent, after falling 1.4 percent in January. The index for soft drinks also turned up, compared with a decline in the previous month. Prices for finfish and shellfish, fresh and dry vegetables, and bakery products advanced at a faster rate in February than they did a month ago. Partly offsetting these increases, prices for eggs for fresh use decreased 10.8 percent in February, following a 21.8-percent jump in January. The indexes for dairy products and for shortening and cooking oils also turned down in February, after increasing a month earlier. Prices for processed young chickens showed no change, following a 3.6-percent increase in January.

The index for finished energy goods advanced 0.4 percent, after inching up 0.1 percent in January. February's increase in finished energy goods prices was led by the gasoline index, which rose 4.5 percent. Price increases for home heating oil and liquefied petroleum gas also contributed to the advance. On the other hand, prices for residential natural gas, residential electric power, and diesel fuel fell in February.

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2001							
February	0.2	0.9	0.5	-0.2	4.0	-0.2	-14.3
March	-2	.6	-2.7	.1	3.0	-.3	-6.9
April .....	.3	.5	.4	.2	3.7	-.2	.6
May .....	.2	0	.5	.2	3.9	.1	-2.0
June	-.5	-4	-2.6	.1	2.6	-.2	-8.1
July	-1.2	-4	-7.3	.1	1.4	-1.1	-5.3
August .....	.4	.7	1.4	0	2.0	-.2	-.7
September .....	.4	.1	1.5	.1	1.6	.1	-4.4
October	-1.3	-.1	-6.7	-.4	-.3	-1.3	-8.8
November	-.6	-1.0	-3.2	.1	-1.1	-.6	7.6
December	-.6	0	-3.9	0	-1.8	-.8	-9.6
2002							
January .....	.1	.8	.1	-.1	-2.6	-.1	3.7
February .....	.2	1.0	.4	0	-2.6	-.1	-.8

¹ Some percent changes shown here and elsewhere in "Price Movements February 2002" may differ from those previously reported, because indexes for

October 2001 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2001								
February	-1.0	-2.0	0.1	3.5	-0.9	-23.0	-1.4	28.0
March .....	.1	-2.1	.1	2.3	2.8	-14.0	-1.0	17.1
April	-1.	-.6	-.1	2.1	-.2	2.1	-2.6	19.6
May .....	.6	.4	0	2.3	-.8	-3.2	-.5	13.3
June	1.0	-.6	-.1	1.2	0	-15.8	-1.0	-4.0
July .....	.6	-5.0	-.5	-.2	.6	-12.4	1.0	-7.3
August	1.8	-.3	-.3	-.2	-.6	-.5	-1.8	-4.5
September	-.8	1.1	-.1	-.8	.8	-11.0	.2	-14.6
October	-.4	-6.2	-.4	-2.4	-3.5	-17.9	-1.5	-25.1
November	-1.5	-2.4	-.2	-2.9	-5.0	28.0	-.6	-18.4
December	-1.0	-4.0	-.2	-4.0	-1.9	-20.5	-.3	-32.4
2002								
January	-.1	-.6	0	-4.6	4.0	5.6	-.5	-40.4
February	0	-.7	0	-4.4	2.3	-6.5	1.5	-30.9

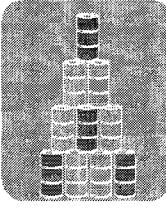
¹ Some percent changes shown here and elsewhere in "Price Movements February 2002" may differ from those previously reported, because indexes for

October 2001 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

The capital equipment index increased 0.1 percent, after edging down 0.1 percent in January. Light motor truck prices rose 0.6 percent in February, following a 0.6-percent decline a month earlier. Prices for integrating and measuring instruments also turned up in February. The indexes for communication and related equipment, heavy motor trucks, and ships advanced, after showing no change in the previous month. The index for civilian aircraft posted no change, following a decline in January. By contrast, electronic computer prices decreased 4.1 percent, after rising 1.5 percent a month ago. The indexes for passenger cars, commercial furniture, and welding machines and equipment also turned down in February. Prices for x-ray and electromedical equipment and for industrial molds fell more quickly than they did in the prior month.

For the second consecutive month, the index for finished consumer goods other than foods and energy decreased 0.1 percent. Declining prices for book publishing, sanitary papers and health products, floor coverings, passenger cars, and household appliances slightly outweighed rising prices for light motor trucks, pharmaceutical preparations, periodical circulation, tires, and sporting and athletic goods.

Intermediate goods

 For the second straight month, the seasonally adjusted Producer Price Index for Intermediate Materials, Supplies, and Components inched down at a 0.1-percent rate and the index for intermediate goods less foods and energy showed no change. In February, falling prices for intermediate energy goods, components for manufacturing, and construction materials slightly outweighed rising prices for nondurable

manufacturing materials. The indexes for durable manufacturing materials and intermediate foods and foods were unchanged in February. (See table B.)

Prices for intermediate energy goods declined at a slightly quicker pace in February than in the prior month—down 0.7 percent, after falling 0.6 percent. Among the utility natural gas indexes, those for industrial natural gas, commercial natural gas, and natural gas to electric utilities fell in February. Prices for commercial electric power, industrial electric power, jet fuels, and diesel fuel also decreased. Partly offsetting these declines, the indexes for gasoline and liquefied petroleum gas advanced in February.

The Producer Price Index for Components for Manufacturing inched down 0.1 percent in February, after registering a 0.3-percent increase in January. Leading this downturn, prices for printed circuit assemblies fell 3.9 percent, following an 11.0-percent jump in the previous month. The indexes for plastic parts for transportation equipment; unsupported plastic film, sheet, and shapes; electronic filters, crystals, and transducers; and pressed and blown glassware also fell, after rising in the prior month. Prices for aircraft parts and auxiliary equipment showed no change, following a January advance. On the other hand, the index for aircraft engines and engine parts rose 0.8 percent in February, after declining 1.2 percent a month earlier. Prices for tires also turned up in February.

Prices for construction materials edged down 0.1 percent, after rising 0.2 percent in January. The index for plastic construction products fell 1.0 percent in February, following a 0.2-percent gain in the prior month. Prices for hardwood lumber also turned down in February. The indexes for softwood lumber and for metal valves (except fluid power) increased less than they did in the previous month, while February prices

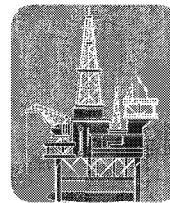
for nonferrous wire and cable declined at a faster pace than they did in January. The index for asphalt felts and coatings showed no change, after advancing in the prior month. Conversely, prices for fabricated structural metal products showed no change, following a 0.3-percent decrease in January. The plywood index rose at a faster pace in February than it did a month earlier. Prices for gypsum products and for millwork increased, after falling in the previous month.

The index for materials for nondurable manufacturing moved up 0.6 percent in February, following a 1.2-percent drop a month earlier. Prices for plastic resins and materials rose 2.8 percent, after posting a 4.1-percent decline in January. The indexes for basic organic chemicals and for inedible fats and oils also turned up in February. Prices for medicinal and botanical chemicals and finished fabrics fell less, while paint materials prices increased more than they did in the prior month. By contrast, the index for gray fabrics decreased at a faster pace in February, 2.0 percent, compared with a 0.2-percent rate of decline in the previous month. Paper prices also fell more in February than they did a month earlier. The index for fertilizer materials turned down in February.

Subsequent to a 0.1-percent gain in January, prices for materials for durable manufacturing were unchanged in February. The indexes for cold rolled steel sheet and strip, plywood, building paper and board, gold, aluminum mill shapes, semifinished steel mill products, flat glass, and cement exhibited rising prices in February. On the other hand, prices for hot rolled steel sheet and strip, primary aluminum (except extrusion billet), prepared paint, hardwood lumber, and silver fell in February.

The index for intermediate foods and feeds showed no change in February, after edging down 0.1 percent in the prior month. February's rising prices for beef and veal; natural, processed, and imitation cheese; and sausages and deli meats were offset by falling prices for prepared animal feeds; crude vegetable oils; fluid milk products; confectionery materials; dry, condensed, and evaporated milk products; and butter.

Crude goods



The Producer Price Index for Crude Materials for Further Processing turned down 0.8 percent in February, following a 3.7-percent increase in January. Prices for crude energy materials also fell in February, after advancing in the prior month. The crude foodstuffs and feedstuffs index rose at a slower rate than it did in January. By contrast, prices for basic industrial materials turned up, after falling in the previous month. (See table B.)

The index for crude energy materials declined 6.5 percent in February, after increasing 5.6 percent in January. Natural gas prices dropped 20.7 percent, following a 4.9-percent rise in the prior month. The coal index turned down 1.6 percent, after advancing 3.2 percent a month earlier. By contrast, prices for crude petroleum jumped 13.3 percent, following an 8.1-percent gain in January.

The crude foodstuffs and feedstuffs index increased 2.3 percent in February, after registering a 4.0-percent gain in January. Rising February prices for slaughter cattle, fresh vegetables (except potatoes), unprocessed finfish, fluid milk, and unprocessed shellfish outweighed decreasing prices for slaughter hogs, fresh fruits and melons, wheat, slaughter turkeys, alfalfa hay, and soybeans.

The index for crude nonfood materials less energy turned up 1.5 percent in February, after posting a 0.5-percent decline in January. Prices for iron and steel scrap rose 5.2 percent, following a 0.7-percent advance in the previous month. The indexes for raw cotton and gold ores also increased at a faster pace than they did in January. Prices for pulpwood and iron ore showed no change, after falling in January. The indexes for softwood logs, bolts, and timber and for construction sand, gravel, and crushed stone turned up, after declining in the prior month. On the other hand, aluminum base scrap prices decreased 0.7 percent in February, following a 0.7-percent gain in the previous month. The indexes for wastepaper and hardwood logs, bolts, and timber also turned down in February. Prices for phosphates rose less than they did in January. The leaf tobacco index declined at a faster rate than it did in the prior month.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Domestic Mining Industries declined 4.5 percent in February, following a 4.6-percent advance in January. (Net output price indexes are not seasonally adjusted.) Accounting for most of the downturn in mining prices, the crude petroleum, natural gas, and natural gas liquids industry index fell 7.6 percent in February, after posting a 7.0-percent gain in the previous month. The industry indexes for bituminous coal and lignite surface mining; bituminous coal underground mining; construction sand and gravel; and coal mining services also turned down in February. Industry prices for potash, soda, and borate minerals increased at a slower pace in February than they did in January. By contrast, the industry index for oil and gas well drilling fell 1.1 percent in February, following a 3.0-percent decline in the prior month. Prices for the iron ores industry also declined at a slower rate in February than they did in January. The gold ores industry index increased more in February than it did in the previous month. In February, the Producer Price Index for the Net Output of Total Mining Industries stood at 77.9 (December 1984 = 100), 47.9 percent below its year-ago level.

Manufacturing. A 0.2-percent increase in the Producer Price Index for the Net Output of Total Manufacturing Industries followed a similar rise in January. Rising prices for the petroleum refining and related products, food and kindred products, chemicals and allied products, and transportation equipment industry groups outweighed falling prices for the machinery, except electrical; rubber and miscellaneous plastics

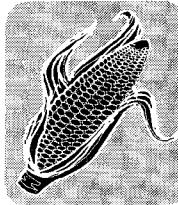
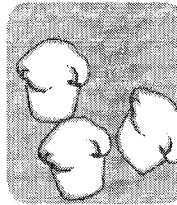
products; textile mill products; and paper and allied products industry groups. In February, the Producer Price Index for the Net Output of Total Manufacturing Industries stood at 132.0 (December 1984 = 100), 2.1 percent lower than a year ago.

Services. Among service industries in February, engineering design, analysis, and consulting services; passenger car

rental; operators and lessors of nonresidential buildings; help supply services; and courier services, except by air, posted rising prices. Alternatively, falling prices were registered by the industries for data processing services; prepackaged software; telephone communications, except radiotelephone; travel agencies; railroads, line-haul operating; advertising agencies; and truck rental and leasing.

Price Movements

March 2002



The Producer Price Index for Finished Goods advanced 1.0 percent in March, seasonally adjusted. This increase followed a 0.2-percent increase in February and a 0.1-percent rise in January. The intermediate goods index advanced 1.0 percent in March, after dropping 0.1 percent in the prior month. Prices received by producers of crude goods rose 4.0 percent, following a 0.8-percent decline in February. (See table A.)

March's acceleration in the finished goods index was due primarily to prices for finished energy goods, which advanced 5.5 percent compared with a 0.4-percent gain in February. Excluding energy goods, the index for finished goods rose 0.2 percent in March. Prices for finished goods other than foods and energy edged up 0.1 percent, after being unchanged in the prior month. In contrast, the index for finished consumer foods increased less in March than in February.

During the first quarter of 2002, the Finished Goods Price Index advanced at a seasonally adjusted annual rate of 5.6 percent, after posting a 9.6-percent decline during the fourth quarter of 2001. The index for finished energy goods rose at a 26.3-percent annual rate during the first quarter of 2002, after dropping 43.4 percent in the last 3 months of 2001. Finished consumer food prices moved up 10.0 percent from

December 2001 to March 2002, following a 4.2-percent annual rate of decline in the previous quarter. Prices for finished goods other than foods and energy rose at a 0.3-percent rate over the first quarter of 2002, after declining at a 1.3-percent seasonally adjusted annual rate in the previous quarter. Prices for intermediate materials, supplies, and components rose 3.5 percent in the first quarter of 2002, following a 10.4-percent rate of decline in the final quarter of 2001. During the first 3 months of 2002, the Producer Price Index for Crude Materials for Further Processing advanced at a seasonally adjusted annual rate of 30.6 percent, after dropping at a 37.9-percent rate in the prior quarter.

Before seasonal adjustment, the Producer Price Index for Finished Goods rose 0.9 percent in March to stand at 138.9 (1982 = 100). From March 2001 to March 2002, the finished goods index fell 1.4 percent. During the same period, the index for finished goods other than foods and energy rose 0.4 percent, and prices for finished consumer foods advanced 1.8 percent. By contrast, the index for finished energy goods fell 13.5 percent. At the earlier stages of processing, prices received by producers of intermediate goods decreased 3.2 percent, and the crude goods index dropped 22.6 percent.

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2001							
March	-0.2	0.6	-2.7	0.1	3.0	-0.3	-6.9
April .....	.3	.5	.4	.2	3.7	-.2	.6
May .....	.2	0	.5	.2	3.9	.1	-2.0
June	-.5	-.4	-2.6	.1	2.6	-.2	-8.1
July	-1.2	-.4	-7.3	.1	1.4	-1.1	-5.3
August .....	.4	.7	1.4	0	2.0	-.2	-.7
September .....	.4	.1	1.5	.1	1.6	.1	-4.4
October	-1.3	-.1	-6.7	-.4	-.3	-1.3	-8.8
November	-.6	-.8	-3.9	.1	-1.2	-.7	4.9
December	-.5	-.1	-3.3	0	-1.8	-.7	-7.2
2002							
January .....	.1	.8	.1	-.1	-2.6	-.1	3.7
February .....	.2	1.0	.4	0	-2.6	-.1	-.8
March	1.0	.6	5.5	.1	-1.4	1.0	4.0

¹ Some percent changes shown here and elsewhere in "Price Movements March 2002" may differ from those previously reported, because indexes for

November 2001 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

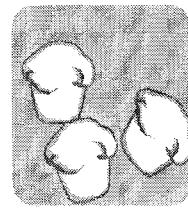
Summary of December-to-December and 3-month seasonally adjusted annual rates for selected stages of process

Grouping	Percentage change 12 months ended in December			Seasonally adjusted annual rate for:			
	1999	2000	2001	3 months ended in June 2001	3 months ended in September 2001	3 months ended in December 2001	3 months ended in March 2002
Finished goods	2.9	3.6	-1.8	0.0	-1.7	-9.6	5.6
Finished consumer foods .....	.8	1.7	1.8	.6	1.7	-4.2	10.0
Finished energy goods	18.1	16.6	-17.2	-6.9	-17.1	-43.4	26.3
Finished goods less foods and energy .....	.9	1.3	.7	1.9	1.1	-1.3	.3
Finished consumer goods, excluding foods and energy	1.2	1.4	1.3	2.6	1.0	-.8	0
Capital equipment .....	.3	1.2	-.1	.3	1.2	-2.0	.3
Intermediate materials, supplies, and components	3.7	4.1	-4.0	-.9	-5.1	-10.4	3.5
Intermediate foods and feeds	-4.2	3.6	.5	6.1	6.7	-11.3	.3
Intermediate energy goods	19.6	19.0	-17.2	-3.3	-16.0	-40.3	16.8
Intermediate materials less foods and energy	1.9	1.6	-1.6	-.9	-3.5	-3.5	1.2
Materials for nondurable manufacturing	4.0	4.1	-5.4	-7.5	-9.6	-9.8	.6
Materials for durable manufacturing	2.4	.2	-3.9	-.6	-5.9	-5.7	3.3
Materials and components for construction	2.2	.1	0	3.8	-1.8	-2.1	.8
Crude materials for further processing	15.3	35.5	-32.4	-32.6	-34.5	-37.9	30.6
Foodstuffs and feedstuffs	-.1	7.4	-7.4	-4.0	3.8	-34.7	21.6
Crude energy materials	36.9	85.6	-53.0	-52.0	-63.7	-51.3	67.1
Crude nonfood materials less energy	14.0	-5.5	-9.9	-15.3	-2.4	-9.0	1.3

NOTE: Late reports and corrections by respondents may cause some indexes to change 4 months after original publication. In addition, seasonally

adjusted indexes may be revised for 5 years, due to the recalculation of seasonal factors each January.

Finished goods



The index for finished energy goods advanced 5.5 percent in March, after posting a 0.4-percent gain in February. Gasoline prices rose 21.3 percent in March (the second largest increase on record), following a 4.5-percent increase a month earlier. The indexes for liquefied petroleum gas and home heating oil increased at faster rates in March than they did in the previous month. March prices for residential natural gas and diesel fuel advanced, after declining in February.

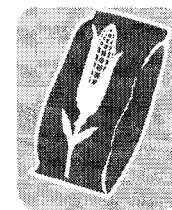
Prices for finished consumer goods other than foods and energy increased 0.2 percent in March, following a 0.1-percent decline in February. The indexes for book publishing, floor coverings, lawn and garden equipment, and household appliances also turned up in March, following declines a month earlier. Prices for cosmetics and other toilet preparations rose this month, after showing no change in February, while the index for sanitary papers and health products posted no change in March, after falling in the prior month. Prices for light motor trucks and alcoholic beverages rose at a faster pace in March than they did in February. By contrast, the index for periodical circulation posted a 0.8-percent decline, following a 1.2-percent gain in February. Prices for women's apparel and passenger cars fell at faster rates in March than they did in the prior month. The index for soaps and synthetic detergents fell this month, after showing no change in the previous month. During the first quarter of 2002, prices for finished consumer goods other than foods and energy showed no change, after registering a 0.8-percent rate of decline in the final quarter of 2001.

The index for finished consumer foods rose at a slower pace

in March than in February, 0.6 percent compared with 1.0 percent. Similarly, the 0.8-percent price increase for beef and veal was less than the 7.4-percent jump in February. The index for finfish and shellfish fell in March, following an increase a month earlier, while prices for processed young chickens fell this month, after posting no change in February. Dairy product prices fell at a faster rate in March than they did in the prior month. Alternatively, prices for fresh fruits and melons fell 3.3 percent in March, after dropping 13.3 percent in February. The indexes for eggs for fresh use and for shortening and cooking oils advanced in March, following declines in the previous month. The index for fresh and dry vegetables rose faster in March than it did a month earlier.

The capital equipment index rose 0.1 percent in both March and February. Price increases for light motor trucks, heavy motor trucks, and x-ray and electromedical equipment were offset by falling prices for communication and related equipment, passenger cars, and electronic computers. The index for capital equipment posted a 0.3-percent seasonally adjusted annual rate of increase in the first 3 months of 2002, following a 2.0-percent rate of decline a quarter earlier.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components increased 1.0 percent in March, after edging down 0.1 percent in February. An upturn in prices for intermediate energy goods in March contributed significantly to the movement of the overall intermediate goods index.

The indexes for durable manufacturing materials and for intermediate foods and feeds rose, after showing no change

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2001								
March	0.1	-2.1	0.1	2.3	2.8	-14.0	-1.0	17.1
April	-.1	-.6	-.1	2.1	-.2	2.1	-2.6	19.6
May .....	.6	.4	0	2.3	-.8	-3.2	-.5	13.3
June	1.0	-.6	-.1	1.2	0	-15.8	-1.0	-4.0
July .....	.6	-5.0	-.5	-.2	.6	-12.4	1.0	-7.3
August	1.8	-.3	-.3	-.2	-.6	-.5	-1.8	-4.5
September	-.8	1.1	-.1	-.8	.8	-11.0	.2	-14.6
October	-.4	-6.2	-.4	-2.4	-3.5	-17.9	-1.5	-25.1
November	-1.6	-3.2	-.2	-3.0	-4.9	19.9	-.3	-20.5
December	-1.0	-3.2	-.2	-4.0	-2.1	-15.2	-.6	-32.4
2002								
January	-.1	-.6	0	-4.6	4.0	5.6	-.5	-40.4
February	0	-.7	0	-4.4	2.3	-6.5	1.5	-30.9
March .....	.2	5.2	.3	-3.2	-1.3	15.2	-.7	-22.6

¹ Some percent changes shown here and elsewhere in "Price Movements March 2002" may differ from those previously reported, because indexes for

November 2001 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

in the prior month. Prices for nondurable manufacturing materials advanced at a faster pace than they did in February. The index for materials and components for construction inched up, following a decline in the previous month. Prices for intermediate goods other than foods and energy rose in March, after showing no change a month ago. (See table B.)

The index for intermediate energy goods jumped 5.2 percent in March (the largest increase since a 7.5-percent advance in October 1990), after falling 0.7 percent in February. March prices for gasoline and liquefied petroleum gas rose more than they did in February. The indexes for natural gas to electric utilities, diesel fuel, jet fuels, industrial natural gas, commercial natural gas, and commercial electric power turned up, after declining in the previous month. By contrast, the index for industrial electric power decreased 2.8 percent, following a 0.2-percent drop in the prior month. Prices for intermediate energy goods advanced at a 16.8-percent seasonally adjusted annual rate from December 2001 to March 2002, after registering a 40.3-percent rate of decline during the previous 3 months.

The durable manufacturing materials index increased 0.7 percent in March, after showing no change in February. Hot rolled sheet and strip prices rose 3.6 percent, following a 1.1-percent decline in the previous month. The indexes for primary aluminum (except extrusion billet) and prepared paint also turned up, after falling in the prior month. Prices for hot rolled bars, plates, and structural shapes increased, after showing no change in February. The indexes for building paper and board, copper and brass mill shapes, and plywood advanced at faster rates than they did a month ago. On the other hand, flat glass prices decreased 0.4 percent in March, following a 0.2-percent gain in the previous month. The cold rolled sheet

and strip index rose less than it did in February. Prices for semifinished steel mill products, gold, and cement turned down in March. The index for materials for durable manufacturing increased at a seasonally adjusted annual rate of 3.3 percent during the first quarter of 2002, after falling at a 5.7-percent annual rate in the previous quarter.

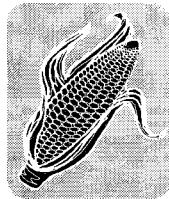
Prices for nondurable manufacturing materials rose 0.8 percent in March, after posting a 0.6-percent gain in the prior month. The primary basic organic chemicals index moved up 12.7 percent, following a 1.1-percent increase in February. The index for potassium and sodium compounds also rose at a faster pace in March than in February. The index for paper decreased less than it did a month ago. Prices for gray fabrics, fertilizer materials, and medicinal and botanical chemicals turned up, after falling in the previous month. Conversely, prices for plastic resins and materials turned down 3.6 percent, following a 2.8-percent increase in February. The indexes for woodpulp and leather also declined, after advancing in the prior month. Prices for paint materials and intermediate basic organic materials rose at a slower pace than they did in the previous month. From December 2001 to March 2002, the index for materials for nondurable manufacturing advanced at a 0.6-percent seasonally adjusted annual rate, following a 9.8-percent rate of decline during the final quarter of 2001.

Prices for materials and components for construction edged up 0.1 percent in March, after posting a 0.1-percent decline in February. The index for softwood lumber rose 2.7 percent, following a 1.2-percent increase in the prior month. The index for plywood also advanced at a faster rate than it did in February. Prices for nonferrous wire and cable, plastic construction products, and hardwood lumber fell less than

they did a month ago. On the other hand, gypsum product prices decreased 3.5 percent in March, following a 1.8-percent gain in the previous month. The indexes for air-conditioning and refrigeration equipment also turned down in March. Prices for fabricated structural metal products and for asphalt felts and coatings moved down, after showing no change in the prior month. The wiring devices index increased less than it did in February. During the first quarter of 2002, prices for materials and components for construction advanced at a 0.8-percent seasonally adjusted annual rate, following a 2.1-percent rate of decline during the prior quarter.

The intermediate foods and feeds index advanced 0.2 percent in March, after showing no change in February. Prepared animal feed prices turned up 1.4 percent, following a 1.2-percent decline in the previous month. The crude vegetable oils index also increased, after falling in February. Prices for confectionery materials decreased at a slower pace than they did a month ago. The indexes for refined sugar, flour, and dry mix preparations moved up in March, after showing no change in the prior month. By contrast, beef and veal prices advanced 0.8 percent in March, following a 7.4-percent increase in February. The index for natural, processed, and imitation cheese turned down in March. Prices for pork fell, after showing no change in the prior month. The index for dry, condensed, and evaporated milk products declined more than it did in February. From December 2001 to March 2002, prices for intermediate foods and feeds rose at a 0.3-percent seasonally adjusted annual rate, after decreasing at an 11.3-percent rate for the previous quarter.

Crude goods



The Producer Price Index for Crude Materials for Further Processing advanced 4.0 percent in March, seasonally adjusted, following a 0.8-percent decline in February. Prices for crude energy materials increased in March, after falling in the previous month. By contrast, the indexes for crude foodstuffs and feedstuffs and for basic industrial materials turned down, after rising a month earlier. (See table B.)

Prices for crude energy materials jumped 15.2 percent in March, following a 6.5-percent decline in February. The natural gas index rebounded 19.7 percent, after dropping 20.7 percent in the prior month. Coal prices increased 4.7 percent, following a 1.6-percent decline in February. The index for crude petroleum advanced 16.1 percent, after rising 13.3 percent a month ago. Prices for crude energy materials rose at a 67.1-percent seasonally adjusted annual rate from December 2001 to March 2002, following a 51.3-percent rate of decline from September 2001 to December 2001.

Subsequent to a 2.3-percent rise in February, the crude foodstuffs and feedstuffs index declined 1.3 percent in March. The rate of increase in slaughter cattle prices slowed from 9.6 percent in February to 3.0 percent in March. The fluid milk index turned down, after increasing in the previous month. Prices for slaughter broilers and fryers, slaughter hogs, and

corn fell more in March than they did in February. Partially offsetting the downturn in prices for crude foodstuffs and feedstuffs, the index for soybeans increased 4.1 percent, after declining 0.9 percent a month earlier. In March, prices for fresh fruits and melons, wheat, and alfalfa hay fell less than they did in the prior month. The index for fresh and dry vegetables advanced at a slightly faster rate in March than it did in February. From December 2001 to March 2002, prices for crude foodstuffs and feedstuffs rose at a 21.6-percent seasonally adjusted annual rate, following a 34.7-percent rate of decline in the final quarter of 2001.

The index for basic industrial materials fell 0.7 percent, following a 1.5-percent gain in February. Leaf tobacco prices moved down 26.5 percent, after falling 2.4 percent in the previous month. The index for iron and steel scrap rose less in March than it did a month earlier. Prices for gold ores and raw cotton turned down, following increases in February. The index for construction sand, gravel, and crushed stone showed no change, after increasing a month ago. March prices for wastepaper declined more rapidly than they did in February. By contrast, the index for pulpwood posted a 12.7-percent rise in March, after showing no change a month earlier. Prices for aluminum base scrap and for hides and skins turned up, after falling in February. The index for softwood logs, bolts, and timber rose more than it did in the previous month, while prices for hardwood logs, bolts, and timber fell at a slower rate in March than they did in February. The basic industrial materials index advanced at a 1.3-percent seasonally adjusted annual rate from December 2001 to March 2002, following a 9.0-percent rate of decline in the final quarter of 2001.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Domestic Mining Industries jumped 10.4 percent in March, following a 4.5-percent decline in February. (Net output price indexes are not seasonally adjusted.) Most of this upturn can be traced to the index for crude petroleum, natural gas, and natural gas liquids, which surged 17.7 percent, after dropping 7.6 percent in the prior month. Prices received by the industries for bituminous coal and lignite surface mining, coal mining services, construction sand and gravel, and iron ores also turned up in March. The March index for the bituminous coal underground mining industry fell at a slower rate than it did in February. By contrast, prices received by the gold ores industry decreased 1.9 percent in March, following a 4.7-percent rise a month earlier. The index for the oil and gas well drilling industry declined at a faster pace in March than it did in the previous month. Prices received by the industries for potash, soda, and borate minerals; crushed and broken granite; oil and gas field exploration services; and kaolin and ball clay turned down, after increasing in February. From December 2001 to March 2002, the Producer Price Index for the Net Output of Total Mining Industries advanced at a 47.8-percent annual rate, following a 45.5-percent rate of decrease

over the previous calendar quarter. In March 2002, this index stood at 86.0, 34.5 percent below its year-ago level.

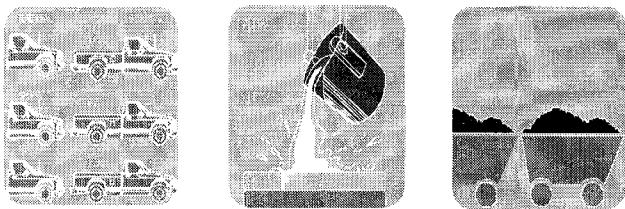
Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries rose 0.7 percent in March, after moving up 0.2 percent in February. An 11.8-percent increase in prices received by the petroleum refining and related products industry group—which followed a 2.2-percent gain in February—accounted for most of the acceleration in manufacturing industry prices. The industry group indexes for machinery (except electrical), rubber and miscellaneous plastics products, textile mill products, and primary metals turned up in March. Prices received by the lumber and wood products (except furniture) industry group advanced more than they did in February. On the other hand, the industry group index for food and kindred products edged up 0.1 percent in March, after gaining 0.5 percent a month earlier. Prices received by the chemicals and allied products industry group also exhibited a slower rate of increase. The industry group index for electrical and electronic machinery and

equipment fell at a faster rate than it did in the previous month. Prices received by the industry groups for printing and publishing and for measuring and controlling instruments showed no change, following 0.2-percent gains in February. During the first quarter of 2002, the Producer Price Index for the Net Output of Total Manufacturing Industries rose at a 4.6-percent annual rate, after falling at an 11.8-percent rate during the prior calendar quarter. In March 2002, this index stood at 132.9, 1.2 percent below its year-ago level.

Services. Among service industries in March, rising prices were posted by the industries for scheduled air transportation, engineering services, accounting services, hotels and motels, travel agencies, data processing services, radio broadcasting, and freight transportation arrangement. Alternatively, the industries for truck rental and leasing, wireless telecommunications, local trucking without storage, help supply services, and general medical and surgical hospitals exhibited declining prices in March.

Price Movements

April 2002



The Producer Price Index for Finished Goods declined 0.2 percent in April, seasonally adjusted. This decrease, which was led by a drop in consumer food prices, followed a 1.0-percent increase in March and a 0.2-percent gain in February. The index for finished goods other than foods and energy rose 0.1 percent, the same rate of increase as in March. Prices for intermediate goods moved up 0.9 percent in April, following a 1.0-percent advance in March. The crude goods index rose 5.5 percent in April, after increasing 4.0 percent in the previous month. (See table A.)

Prices for finished consumer foods fell 3.2 percent in April, after rising 0.6 percent in March. Prices for finished energy goods increased 2.5 percent, following a 5.5-percent jump in March. After rising 0.1 percent in March, April's capital equipment index edged down 0.1 percent. By contrast, prices for finished consumer goods other than foods and energy rose 0.3 percent, following a 0.2-percent gain in March.

Before seasonal adjustment, the Producer Price Index for Finished Goods rose 0.1 percent in April to stand at 139.0 (1982 = 100). From April 2001 to April 2002, the finished goods index decreased 2.0 percent. During the same period, prices for finished energy goods fell 12.1 percent, and the index for finished consumer foods declined 1.8 percent. On the other hand, prices for finished goods other than foods and energy

increased 0.4 percent. At the earlier stages of processing, prices received by producers of intermediate goods decreased 2.4 percent, and the crude goods index dropped 18.9 percent.

Finished goods

The index for finished consumer foods turned down 3.2 percent in April, after registering a 0.6-percent increase in the prior month. Prices for fresh and dry vegetables posted a record decline of 46.5 percent in April, compared with a 22.7-percent jump in March. The indexes for eggs for fresh use, beef and veal, and roasted coffee also decreased, after rising in the previous month. Prices for pork, fresh fruits and melons, processed young chickens, and processed turkeys fell more than they did in March. By contrast, the finfish and shellfish index turned up 1.7 percent, following a 9.1-percent decrease in the prior month. Prices for dairy products and processed fruits and vegetables declined at a slower pace than they did in March. The bakery products index rose, after falling in the previous month. Shortening and cooking oil prices advanced more than they did in March.

The finished energy goods index rose 2.5 percent in April, following a 5.5-percent gain in the prior month. This

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2001							
April	0.3	0.5	0.4	0.2	3.7	-0.2	0.6
May .....	.2	0	.5	.2	3.9	.1	-2.0
June	-.5	-.4	-2.6	.1	2.6	-.2	-8.1
July	-1.2	-.4	-7.3	.1	1.4	-1.1	-5.3
August .....	.4	.7	1.4	0	2.0	-2	-7
September .....	.4	.1	1.5	.1	1.6	.1	-4.4
October	-1.3	-.1	-6.7	-.4	-3	-1.3	-8.8
November	-.6	-.8	-3.9	.1	-1.2	-.7	4.9
December	-.4	-.1	-3.0	.2	-1.6	-.6	-7.2
2002							
January	0	.8	-.1	-.3	-2.6	-.2	3.7
February .....	.2	1.0	.4	0	-2.6	-.1	-.8
March	1.0	.6	5.5	.1	-1.4	1.0	4.0
April	-.2	-3.2	2.5	.1	-2.0	.9	5.5

¹ Some percent changes shown here and elsewhere in "Price Movements April 2002" may differ from those previously reported, because indexes for

December 2001 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2001								
April	-0.1	-0.6	-0.1	2.1	-0.2	2.1	-2.6	19.6
May .....	.6	.4	0	2.3	-.8	-3.2	-.5	13.3
June	1.0	-.6	-.1	1.2	0	-15.8	-1.0	-4.0
July .....	.6	-5.0	-.5	-.2	.6	-12.4	1.0	-7.3
August	1.8	-.3	-.3	-.2	-.6	-.5	-1.8	-4.5
September	-.8	1.1	-.1	-.8	.8	-11.0	.2	-14.6
October	-.4	-6.2	-.4	-2.4	-3.5	-17.9	-1.5	-25.1
November	-1.6	-3.2	-.2	-3.0	-4.9	19.9	-.3	-20.5
December	-1.1	-2.9	-.2	-4.0	-2.3	-15.0	-.5	-32.5
2002								
January .....	.1	-.9	0	-4.6	4.2	5.5	-.6	-40.4
February	0	-.7	0	-4.4	2.3	-6.5	1.5	-30.9
March .....	.2	5.2	.3	-3.2	-1.3	15.2	-.7	-22.6
April	-.7	4.4	.2	-2.4	-6.4	22.4	3.6	-18.9

¹ Some percent changes shown here and elsewhere in "Price Movements April 2002" may differ from those previously reported, because indexes for

December 2001 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

deceleration was primarily due to gasoline prices, which advanced 4.2 percent compared with a 21.3-percent increase in March. The indexes for liquefied petroleum gas, home heating oil, and diesel fuel also increased at a slower rate than in the previous month. On the other hand, prices for residential natural gas moved up 3.0 percent in April, following a 0.8-percent increase a month earlier. The index for lubricating and similar oils rose more than it did in March.

Prices for capital equipment declined 0.1 percent in April, after inching up 0.1 percent in the previous month. The light motor trucks index turned down 1.4 percent, following a 0.8-percent gain in March. The indexes for integrating and measuring instruments and agricultural machinery also turned down in April. Heavy motor truck prices rose less in April than they did in the prior month. X-ray and electromedical equipment prices showed no change, after increasing in March. By contrast, the index for communication and related equipment turned up 0.3 percent in April, following a 1.1-percent decline in the previous month. The index for truck trailers also advanced, after decreasing in the previous month. Prices for passenger cars showed no change, after falling in March.

The index for finished consumer goods other than foods and energy moved up 0.3 percent in April, following a 0.2-percent rise in the previous month. April's increase was primarily due to a 4.4-percent rise in cigarette prices. The indexes for sanitary papers and health products, pharmaceutical preparations, periodical circulation, mobile homes, alcoholic beverages, and lawn and garden equipment (except tractors) also increased in April. On the other hand, falling prices were reported for light motor trucks, apparel, and book publishing.

Intermediate goods



Prices for Intermediate Materials, Supplies, and Components rose 0.9 percent in April, after advancing 1.0 percent in the previous month. A majority of April's price increase can be traced to the index for intermediate energy goods, while the indexes for nondurable manufacturing materials and materials for construction also advanced. On the other hand, prices for intermediate foods and feeds decreased in April, and the index for durable manufacturing materials showed no change in April. Prices for intermediate goods other than foods and energy rose 0.2 percent, after posting a 0.3-percent rise in March. (See table B.)

The index for intermediate energy goods advanced 4.4 percent in April, after posting a 5.2-percent gain in March. Key to this deceleration, gasoline prices rose 4.2 percent in April, following a 21.3-percent increase in the prior month. The indexes for diesel fuel, liquefied petroleum gas, jet fuels, natural gas to electric utilities, and commercial electric power also advanced at a slower rate in April than in March. Alternatively, industrial electric power prices rose 0.3 percent in April, after dropping 2.8 percent in the preceding month. Prices for industrial natural gas, commercial natural gas, and residual fuel increased at a faster pace in April than they did in March.

After rising 0.8 percent in March, prices for nondurable manufacturing materials climbed 1.3 percent in April. Much of this acceleration can be traced to the plastic resins and materials index—which rose 3.4 percent in April, after falling 3.6 percent in the previous month. The indexes for intermediate basic organic chemicals, paint materials, and gray fabrics advanced at a faster pace in April than they did in March. By

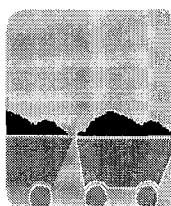
contrast, the index for primary basic organic chemicals moved up 8.8 percent in April, after registering a 12.7-percent gain in the prior month. The index for medicinal and botanical chemicals also rose at a slower pace than it did in March. Prices for phosphates turned down in April, while paper prices fell at a faster rate than in the preceding month.

The Producer Price Index for Materials and Components for Construction moved up 0.3 percent, following a 0.1-percent increase in March. Prices for plastic construction products rose 2.3 percent in April, after falling 0.6 percent a month ago. The indexes for fabricated structural metal products, hardwood lumber, and gypsum products also turned up in April. Prices for wiring devices rose faster in April than they did in March. On the other hand, the index for plywood turned down 0.6 percent, after posting a 4.3-percent increase in March. Prices for heating equipment and metal valves (except fluid power) also turned down, after rising in the prior month. The softwood lumber index rose at a slower pace in April than it did in March.

The index for intermediate foods and feeds decreased 0.7 percent in April, after increasing 0.2 percent in March. Beef and veal prices fell 2.6 percent, following a 0.8-percent rise in March. The index for flour also turned down in April, after rising in the prior month. Prepared animal feed prices rose at a slower rate in April than in March. The indexes for pork and fluid milk products fell faster than they did in the prior month. By contrast, the index for natural, processed, and imitation cheese rose 1.0 percent in April, following a 3.0-percent decline in the previous month. Prices for confectionery materials also increased, after falling in March. The indexes for refined sugar and crude vegetable oils climbed at a faster rate in April than they did in the preceding month.

Prices for durable manufacturing materials showed no change in April, following a 0.7-percent increase in the previous month. The index for aluminum mill shapes dropped 2.3 percent, after posting a 0.3-percent gain in March. Prices for hot rolled bars, plates and structural shapes; primary aluminum, except extrusion billet; and building paper and board also turned down in April. Hot rolled sheet and strip prices rose at a slower rate in April than they did in March. By contrast, the index for cold finished bars advanced 2.8 percent in April, following a 0.4-percent decline a month ago. Prices for semifinished steel mill products, flat glass, and hardwood lumber also turned up, after falling in the prior month. Cold rolled sheet and strip prices rose at a faster pace in April than they did in March.

Crude goods



The Producer Price Index for Crude Materials for Further Processing advanced 5.5 percent in April, seasonally adjusted, following a 4.0-percent increase in March. Prices for crude energy materials rose more than they did in the prior month. Basic industrial material prices increased, after declining in March. By contrast, the index for crude foodstuffs and

feedstuffs fell at a faster rate in April than it did in the previous month. (See table B.)

The index for crude energy materials climbed 22.4 percent in April, following a 15.2-percent increase in March. Natural gas prices rose 39.5 percent, after increasing 19.7 percent in the prior month. On the other hand, the coal index fell 1.0 percent, after advancing 4.7 percent in the previous month. Price increases for crude petroleum slowed to 15.2 percent in April, compared with a 16.1-percent rise in March.

The index for basic industrial materials moved up 3.6 percent in April, after falling 0.7 percent in March. Iron and steel scrap prices advanced 10.8 percent, following a 2.5-percent increase in the previous month. Prices for nonferrous scrap also rose more quickly in April than they did a month earlier. The indexes for wastepaper and gold ores turned up, after decreasing in March. Conversely, the pulpwood index decreased 1.3 percent in April, after advancing 12.7 percent in March. The index for phosphates also turned down, following an increase a month ago. Prices for hides and skins and for softwood logs, bolts, and timber rose at a slower pace in April than they did in March.

The index for crude foodstuffs and feedstuffs declined 6.4 percent in April, following a 1.3-percent decrease in March. Slaughter cattle prices dropped 6.5 percent, after a 3.0-percent rise in the prior month. The index for fresh vegetables (except potatoes) also fell, following a gain in March. Prices for slaughter hogs, slaughter broilers and fryers, unprocessed shellfish, and fresh fruits and melons declined at a greater rate in April than they did a month earlier. On the other hand, the fluid milk index decreased 1.6 percent, after dropping 5.3 percent in March. Prices for corn, alfalfa hay, and unprocessed finfish turned up in April, following declines in the previous month.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Domestic Mining Industries advanced 16.2 percent in April, after registering a 10.4-percent gain in March. (Net output price indexes are not seasonally adjusted.) Most of the faster rate of increase in mining industry prices can be traced to the index for the oil and gas extraction industry group, which surged 24.3 percent in April, following a 15.6-percent rise in the previous month. Prices received by the metal mining industry group increased 0.8 percent, after falling 2.7 percent in March. By contrast, the index for the coal mining industry group declined 1.0 percent in April, compared with a 3.8-percent rise a month earlier. Prices received by the industry group for mining and quarrying of nonmetallic minerals (except fuels) edged down 0.1 percent in April, following a 0.1-percent gain in the prior month. In April, the Producer Price Index for Total Mining Industries stood at 99.9 (December 1984 = 100), 24.4 percent below its year-ago level.

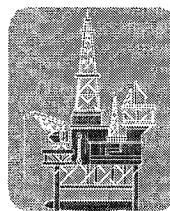
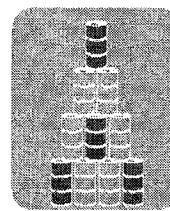
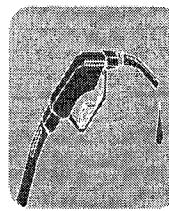
Manufacturing. For the second consecutive month, the Producer Price Index for the Net Output of Total Domestic Manufacturing Industries advanced at a 0.7-percent rate. April's jump in manufacturing industry prices was led by a 12.6-percent rise in the industry group index for petroleum refining and related products. The industry group indexes for tobacco manufactures, chemicals and allied products, and paper and allied products also increased in April. Conversely, April prices received by the industry groups for food and kindred products, electrical and electronic machinery and equipment, transportation equipment, measuring and controlling instruments, and machinery (except electrical) declined. In April, the Producer Price Index for Total Manufacturing

Industries stood at 133.8 (December 1984 = 100), 1.3 percent lower than a year ago.

Services. Among service industries in April, price increases were registered by the industries for engineering services, data processing services, wireless telecommunications, skilled and intermediate care facilities, general medical and surgical hospitals, and advertising agencies. Alternatively, falling prices were experienced by the industries for scheduled air transportation, telephone communications (except radiotelephone), prepackaged software, travel agencies, deep sea foreign transportation of freight, air courier services, and help supply services.

Price Movements

May 2002



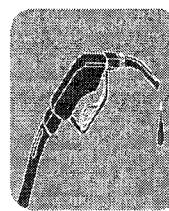
The Producer Price Index for Finished Goods fell 0.4 percent in May, seasonally adjusted. This decrease followed a 0.2-percent decline in April and a 1.0-percent gain in March. Prices for finished goods other than foods and energy showed no change in May, after edging up 0.1 percent in each of the 2 prior months. At the earlier stages of processing, the intermediate goods index fell 0.5 percent, following a 0.9-percent rise in the prior month. Price increases for crude goods slowed to a 1.7-percent rate in May from a 5.5-percent rate in April. (See table A.)

May's faster rate of decline in the index for finished goods was led by a 2.3-percent drop in prices for finished energy goods. This decrease followed a 2.5-percent rise in April. The index for finished consumer goods other than foods and energy posted no change, after rising 0.3 percent in the previous month. By contrast, the index for finished consumer foods edged down 0.2 percent in May, following a 3.2-percent decrease in April. Capital equipment prices fell 0.1 percent for the second consecutive month.

Before seasonal adjustment, the Producer Price Index for Finished Goods inched down 0.1 percent to stand at 138.8 (1982 = 100). From May 2001 to May 2002, prices for finished goods declined 2.7 percent. Over the same period, the index for finished energy goods moved down 15.0 percent, the

finished consumer foods index fell 2.0 percent, and prices for finished goods other than foods and energy edged up 0.1 percent. Prices received by producers of intermediate goods declined 3.1 percent for the 12 months ended May 2002, and the index for crude goods decreased 15.8 percent during the same period.

Finished goods



The index for finished energy goods fell 2.3 percent in May, after posting a 2.5-percent gain in April. Prices for gasoline dropped 9.6 percent, compared with a 4.2-percent gain in the prior month. Prices for residential natural gas, liquefied petroleum gas, home heating oil, and diesel fuel also turned down, after rising in the previous month. The index for finished consumer goods other than foods and energy showed no change in May, after posting a 0.3-percent gain in April. Prices were unchanged for cigarettes, following a 4.4-percent advance in the prior month. The May indexes for sanitary papers and health products, mobile homes, and lawn and garden equipment (except tractors) turned down, after increasing a month earlier. Prices for cosmetics and other toilet preparations moved down, following no change in April. By

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2001							
May	0.2	0.0	0.5	0.2	3.9	0.1	-2.0
June	-5	-4	-2.6	.1	2.6	-2	-8.1
July	-1.2	-4	-7.3	.1	1.4	-1.1	-5.3
August ..	.4	.7	1.4	0	2.0	-2	-7
September .....	.4	.1	1.5	.1	1.6	.1	-4.4
October	-1.3	-1	-6.7	-4	-3	-1.3	-8.8
November	-6	-8	-3.9	.1	-1.2	-7	4.9
December	-4	-1	-3.0	.2	-1.6	-6	-7.2
2002							
January	0	.8	-.5	-.2	-2.7	-2	4.6
February .....	.2	1.0	.7	-.1	-2.6	0	-1.7
March	1.0	.6	5.5	.1	-1.4	1.0	4.0
April	-2	-3.2	2.5	.1	-2.0	.9	5.5
May	-4	-2	-2.3	0	-2.7	-5	1.7

¹ Some percent changes shown here and elsewhere in "Price Movements May 2002" may differ from those previously reported, because indexes for

January 2002 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2001								
May	0.6	0.4	0.0	2.3	-0.8	-3.2	-0.5	13.3
June	1.0	-6	-1	1.2	0	-15.8	-1.0	-4.0
July .....	.6	-5.0	-5	-2	.6	-12.4	1.0	-7.3
August	1.8	-3	-3	-2	-6	-5	-1.8	-4.5
September	-8	1.1	-1	-8	.8	-11.0	.2	-14.6
October	-4	-6.2	-4	-2.4	-3.5	-17.9	-1.5	-25.1
November	-1.6	-3.2	-2	-3.0	-4.9	19.9	-3	-20.5
December	-1.1	-2.9	-2	-4.0	-2.3	-15.0	-5	-32.5
2002								
January	-2	-1.3	-1	-4.7	4.3	7.8	0	-40.4
February .....	.3	-2	.1	-4.4	2.2	-8.6	1.0	-30.9
March .....	.2	5.2	.3	-3.2	-1.3	15.2	-7	-22.6
April	-7	4.4	.2	-2.4	-6.4	22.4	3.6	-18.9
May	-8	-3.2	0	-3.1	.4	2.2	3.4	-15.8

¹ Some percent changes shown here and elsewhere in "Price Movements May 2002" may differ from those previously reported, because indexes for

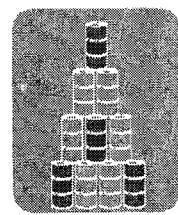
January 2002 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

contrast, the index for men's and boys' apparel rose 0.3 percent in May, subsequent to a 1.4-percent decline in the preceding month. Prices for light motor trucks and women's apparel fell less in May than they did in April. The passenger car index increased, after showing no change in April.

The finished consumer foods index decreased 0.2 percent in May, after a 3.2-percent decline in April. Declining prices for pork, beef and veal, dairy products, bakery products, and milled rice outweighed price increases for fresh fruits and melons, processed young chickens, finfish and shellfish, eggs for fresh use, and fresh and dry vegetables.

Capital equipment prices declined 0.1 percent in May, the same rate of decrease as in April. Falling prices for light motor trucks, industrial material handling equipment, civilian aircraft, metal-cutting machine tools, and integrating and measuring instruments slightly outweighed price increases for passenger cars, commercial furniture, x-ray and electromedical equipment, construction machinery and equipment, and printing trades machinery.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components declined 0.5 percent in May, seasonally adjusted, compared with a 0.9-percent jump in April. Most of this downturn can be linked to prices for intermediate energy goods, which fell in May following an increase in the preceding month. The index for materials for nondurable manufacturing also turned down in May. Prices for construction materials and components rose less than they did in the prior month. The index for intermediate foods and feeds fell more in May than it did in April. On the other

hand, prices for durable manufacturing materials advanced, after showing no change in the prior month. The index for intermediate materials less foods and energy was unchanged in May, following a 0.2-percent increase a month earlier. (See table B.)

Subsequent to a 4.4-percent advance in April, the May index for intermediate energy goods declined 3.2 percent. Prices for natural gas to electric utilities fell 8.1 percent, after surging 30.9 percent in April. The indexes for gasoline, diesel fuel, commercial electric power, industrial electric power, and liquefied petroleum gas also turned down in May. Prices for industrial natural gas, commercial natural gas, jet fuels, and residual fuels rose less in May than they did in the preceding month.

The index for materials for nondurable manufacturing decreased 0.2 percent in May, compared with a 1.3-percent April increase. Prices for basic organic chemicals fell 2.2 percent, following a 3.6-percent rise in the prior month. The indexes for paint materials and for inedible fats and oils also turned down in May. Gray fabric prices advanced less in May, while the indexes for paper, paperboard, and for alkalies and chlorine declined more than they did in April. By contrast, fertilizer material prices increased 2.7 percent, after a 0.8-percent decrease in the previous month. The woodpulp index also turned up in May. Prices for basic inorganic chemicals fell less in May than they did in April, and the plastic resins and materials index rose more in May than it did a month earlier.

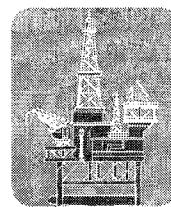
The index for materials and components for construction edged up 0.1 percent in May, following a 0.3-percent advance in the preceding month. In May, rising prices for plastic construction products, gypsum products, fabricated structural metal products, fabricated ferrous wire products, plumbing

fixtures and brass fittings, and hardwood lumber slightly outweighed declining prices for plywood, softwood lumber, nonferrous wire and cable, asphalt felts and coatings, and millwork.

The index for intermediate foods and feeds decreased by 0.8 percent in May, after posting a 0.7-percent decline in April. Prices for pork; beef and veal; prepared animal feeds; natural, processed, and imitation cheese; sausage and deli meats; refined sugar; and fluid milk products fell in May. Partly offsetting these falling prices, the indexes for flour and crude vegetable oils increased in May.

Prices for durable manufacturing materials advanced 0.5 percent in May, after showing no change in April. The May index for aluminum mill shapes increased 0.2 percent, following a 2.3-percent decline, and prices for hot rolled steel sheet and strip jumped 4.1 percent, after a 0.8-percent rise in the prior month. The index for cold rolled steel sheet and strip also advanced at a quicker pace in May than it did in April. Prices for primary aluminum (except extrusion billet) turned up in May, while the index for hot rolled steel bars, plates, and structural shapes decreased at a slower rate than it did a month earlier. By contrast, prices for prepared paint fell 1.1 percent in May, following a 0.7-percent increase in April. The indexes for semifinished steel mill products and cold finished steel bars also turned down in May. Prices for plywood and for building paper and board declined at a faster rate in May than they did in April.

Crude goods



The Producer Price Index for Crude Materials for Further Processing advanced 1.7 percent in May, seasonally adjusted, following a 5.5-percent increase in April. Prices for crude energy materials and basic industrial materials also rose at slower rates than they did in the previous month. By contrast, the index for crude foodstuffs and feedstuffs turned up, after falling in April. (See table B.)

Prices for crude energy materials rose 2.2 percent in May, following a 22.4-percent jump in the prior month. Natural gas prices declined 2.5 percent, following a 39.5-percent increase in the previous month. The index for crude petroleum moved up 10.9 percent, after posting a 15.2-percent gain in April. On the other hand, the coal index decreased 0.8 percent in May, after falling 1.0 percent in the prior month.

Following a 3.6-percent increase in April, the index for crude nonfood materials less energy moved up 3.4 percent in May. Aluminum base scrap prices rose 0.9 percent, compared with a 4.9-percent gain in the previous month. The indexes for iron and steel scrap; copper base scrap; and softwood logs, bolts, and timber also advanced at slower rates than they did in April. Raw cotton prices fell more in May than they did in the preceding month. The indexes for iron ore and for hardwood logs, bolts, and timber turned down, after rising in April. Alternatively, the rate of increase in wastepaper prices rose from 5.8 percent in April to 12.0 percent in May. The indexes

for hides and skins; construction sand, gravel, and crushed stone; and gold ores also increased at faster rates than they did in the previous month. Copper ores prices turned up, after declining in the prior month.

The index for crude foodstuffs and feedstuffs advanced 0.4 percent in May, following a 6.4-percent decline in the previous month. Leading this acceleration, slaughter hog prices turned up 2.5 percent, after dropping 23.1 percent in April. The index for slaughter cattle fell less than it did in April. Prices for fresh vegetables (except potatoes), slaughter broilers and fryers, fresh fruits and melons, and slaughter turkeys rose, following decreases in April. The corn index moved up more rapidly in May than it did in the prior month. Partially counteracting the acceleration in crude foodstuffs and feedstuffs prices, the index for alfalfa hay increased 1.9 percent in May, after moving up 7.2 percent a month earlier. Unprocessed finfish prices rose less than they did in April. Prices of Irish potatoes for processing fell at a faster rate than they did in the previous month.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Domestic Mining Industries advanced 1.8 percent in May, after moving up 16.2 percent in April. (Net output price indexes are not seasonally adjusted.) Fundamental to this deceleration, the industry index for crude petroleum, natural gas, and natural gas liquids advanced 2.7 percent in May, after registering a 26.5-percent gain in the previous month. The industry index for oil and gas well drilling fell faster in May than a month earlier, while coal mining service prices turned down in May. By contrast, the industry index for bituminous coal and lignite surface mining dropped 0.8 percent in May, after falling 2.2 percent in April. Prices for the bituminous coal underground mining industry and the copper ores industry turned up, following decreases in the prior month. In May, the Producer Price Index for Total Mining Industries stood at 101.7 (December 1984 = 100), 20.6 percent below its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Domestic Manufacturing Industries fell 0.1 percent in May, after registering a 0.7-percent advance in the preceding month. The industry group index for petroleum refining and related products dropped 0.8 percent, following a 12.6-percent gain in April. Prices for the tobacco manufactures industry group remained unchanged, after moving up in April, while the industry group indexes for paper and allied products and for lumber and wood products (except furniture) turned down in May. Prices for the chemicals and allied products industry group rose at a slower rate in May than they did a month earlier. On the other hand, the industry group index for printing, publishing, and allied industries advanced 0.2 percent in May, after posting a 0.1-percent decline in the previous month. Prices for the measuring and controlling instruments industry group turned up in May. Industry group

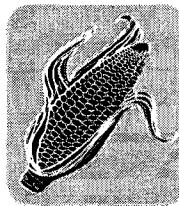
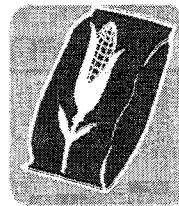
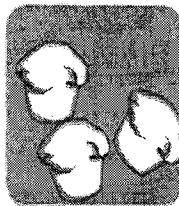
prices for rubber and miscellaneous plastic products rose in May, after posting no change a month earlier. In May, the Producer Price Index for Total Manufacturing Industries stood at 133.6 (December 1984 = 100), 2.1 percent lower than a year ago.

Services. Among service industries in May, advancing prices

were registered by the industries for deep sea foreign transportation of freight, wireless telecommunications, prepackaged software, cable and other pay television services, radio broadcasting, and telephone communications (except radio-telephone). Alternatively, falling prices were posted by the industries for help supply services, scheduled air transportation, data processing services, and engineering design, analysis, and consulting services.

Price Movements

June 2002



The Producer Price Index for Finished Goods edged up 0.1 percent in June, seasonally adjusted. This slight increase followed decreases of 0.4 percent in May and 0.2 percent in April. At the earlier stages of processing, the intermediate goods index moved up 0.2 percent, following a 0.5-percent decline in May. Prices for crude goods turned down 3.6 percent in June, after increasing 1.7 percent in the previous month. (See table A.)

Among finished goods, prices for finished goods other than foods and energy rose 0.2 percent in June, after showing no change in the prior month. The finished consumer foods index increased 0.1 percent, following a 0.2-percent decline in May. The index for finished energy goods showed no change, compared with a 2.3-percent decline in the previous month.

During the first 6 months of 2002, the finished goods price index advanced at a 1.5-percent seasonally adjusted annual rate (SAAR), after falling at a 5.4-percent rate in the latter half of 2001. In the first half of this year, finished energy goods prices increased at a 12.1-percent SAAR, compared with a 31.2-percent rate of decline for the last 6 months of 2001. By contrast, the finished consumer foods index decreased at a 1.8-percent SAAR from December 2001 to June 2002,

following a 1.3-percent rate of decrease during the previous 6 months. Prices for finished goods other than foods and energy rose at a 0.3-percent SAAR for the first 6 months of this year, the same rate of increase as in the second half of 2001. At the earlier stages of processing, the intermediate goods index increased at a 2.7-percent SAAR from December 2001 to June 2002, after falling at a 7.6-percent rate during the prior 6 months. Crude goods prices advanced at a 22.3-percent SAAR during the first half of 2002, following a 36.2-percent rate of decrease in the final 6 months of 2001. (See summary below.)

Before seasonal adjustment, the Producer Price Index for Finished Goods rose 0.3 percent in June to stand at 139.2 (1982 = 100). From June 2001 to June 2002, prices for finished goods decreased 2.1 percent. During the same period, the index for finished energy goods dropped 12.4 percent and prices for finished consumer foods fell 1.7 percent. On the other hand, the index for finished goods other than foods and energy increased 0.3 percent. Prices received by producers of intermediate goods moved down 2.7 percent for the 12 months ended in June 2002, and the index for crude goods declined 11.8 percent during the same period.

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2001							
June	-0.5	-0.4	-2.6	0.1	2.6	-0.2	-8.1
July	-1.2	-4	-7.3	.1	1.4	-1.1	-5.3
August .....	.4	.7	1.4	0	2.0	-.2	-.7
September .....	.4	.1	1.5	.1	1.6	.1	-4.4
October	-1.3	-1	-6.7	-4	-3	-1.3	-8.8
November	-6	-8	-3.9	.1	-1.2	-7	4.9
December	-4	-1	-3.0	.2	-1.6	-6	-7.2
2002							
January	0	.8	-.5	-.2	-2.7	-.2	4.6
February .....	.2	.8	0	.1	-2.6	-.2	-1.2
March	1.0	.8	6.3	-.1	-1.4	1.3	3.4
April	-2	-3.2	2.5	.1	-2.0	.9	5.5
May	-4	-2	-2.3	0	-2.7	-.5	1.7
June .....	.1	.1	0	.2	-2.1	.2	-3.6

¹ Some percent changes shown here and elsewhere in "Price Movements June 2002" may differ from those previously reported, because indexes for

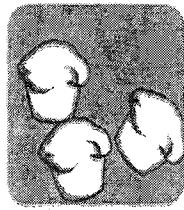
February 2002 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Summary of December-to-December, 6-month, and 3-month seasonally adjusted annual rates for selected stages of process

Grouping	Percentage change 12 months ended in December			Seasonally adjusted annual rate for:			
				6 months ended in June 2002	3 months ended in December 2001	3 months ended in March 2002	3 months ended in June 2002
	1999	2000	2001				
Finished goods	2.9	3.6	-1.6	1.5	-9.0	5.0	-2.0
Finished consumer foods .....	.8	1.7	1.8	-1.8	-4.2	10.0	-12.4
Finished energy goods	18.1	16.6	-17.1	12.1	-42.8	25.1	.5
Finished goods less foods and energy .....	.9	1.3	.9	.3	-.5	-.5	1.1
Finished consumer goods, excluding foods and energy	1.2	1.4	1.5	.6	.3	-1.0	2.3
Capital equipment .....	.3	1.2	0	-.3	-1.4	-.3	-.3
Intermediate materials, supplies, and components	3.7	4.1	-4.0	2.7	-10.1	3.2	2.2
Intermediate foods and feeds	-4.2	3.6	.3	-1.0	-12.0	1.1	-3.1
Intermediate energy goods	19.6	19.0	-16.9	10.8	-39.5	15.3	6.5
Intermediate materials less foods and energy	1.9	1.6	-1.6	1.5	-3.5	1.2	1.8
Materials for nondurable manufacturing	4.0	4.1	-5.5	3.7	-10.1	1.0	6.5
Materials for durable manufacturing	2.4	.2	-4.0	4.0	-6.0	3.6	4.3
Materials and components for construction	2.2	.1	0	1.5	-2.1	.8	2.1
Crude materials for further processing	15.3	35.5	-32.5	22.3	-37.9	30.6	14.4
Foodstuffs and feedstuffs	-.1	7.4	-7.6	-4.1	-35.2	22.6	-24.9
Crude energy materials	36.9	85.6	-52.9	67.5	-51.0	66.2	68.8
Crude nonfood materials less energy	14.0	-5.5	-9.9	19.1	-8.7	1.0	40.5

NOTE: Late reports and corrections by respondents may cause some indexes to change 4 months after original publication. In addition, seasonally

adjusted indexes may be revised for 5 years, due to the recalculation of seasonal factors each January.

Finished goods

Prices for finished consumer goods other than foods and energy advanced 0.3 percent in June, after showing no change in the prior month. Leading this acceleration, the index for light motor trucks turned up 0.5 percent, following a 0.9-percent decline in May. Prices for cosmetics and other toilet preparations, sanitary papers and health products, household appliances, soaps and synthetic detergents, and floor coverings also rose, after falling in the previous month. The girls', children's, and infants' apparel index increased at a faster pace than it did a month earlier. On the other hand, sporting and athletic goods prices turned down 1.3 percent in June, compared with a 1.6-percent rise in May. The indexes for newspaper circulation and periodical circulation showed no change, after moving up in the previous month. Prices for alcoholic beverages, book publishing, and pharmaceutical preparations rose less than they did a month ago. During the first half of 2002, the index for finished consumer goods other than foods and energy advanced at a 0.6-percent SAAR, the same rate of increase as in the previous 6-month period.

A 0.1-percent increase in the capital equipment index in June 2002 followed a decline of the same magnitude in the prior month. Price increases for light motor trucks, construction machinery, passenger cars, and civilian aircraft slightly outweighed price decreases for electronic computers, metal cutting machine tools, welding machines, and tools and dies. The capital equipment index fell at a SAAR of 0.3 percent from December 2001 to June 2002, after declining at a rate of 0.1 percent in the second half of 2001.

Finished consumer foods prices inched up 0.1 percent in

June, after declining 0.2 percent in the prior month. The pork index turned up 1.1 percent, following a 7.5-percent drop in May. Prices for beef and veal also increased, after falling in the previous month. The indexes for fresh and dry vegetables, eggs for fresh use, soft drinks, and confectionery end products advanced at a faster rate than they did a month earlier. By contrast, fresh fruit and melon prices decreased 12.0 percent in June, compared with a 21.2-percent jump in the prior month. The indexes for finfish and shellfish, processed young chickens, processed fruits and vegetables, and processed turkeys also turned down, after increasing in May. Dairy product prices fell at a faster pace than they did in the previous month.

Finished energy goods prices showed no change in June, after falling 2.3 percent in the previous month. The gasoline index rose 1.0 percent, following a 9.6-percent drop in May. Prices for residential electric power, residential natural gas, and diesel fuel also turned up in June. By contrast, the index for liquefied petroleum gas dropped 10.2 percent in June, following a 0.4-percent decline in the prior month. Home heating oil prices also fell at a faster rate than they did in May. The index for lubricating and similar oils increased less than it did in the previous month.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components moved up 0.2 percent in June, after posting a 0.5-percent decline in May. The largest contributor to this acceleration was the index for intermediate energy goods, which rose after falling in May. Prices for nondurable manufacturing materials and intermediate foods and

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2001								
June	1.0	-0.6	-0.1	1.2	0.0	-15.8	-1.0	-4.0
July .....	.6	-5.0	-.5	-.2	.6	-12.4	1.0	-7.3
August	1.8	-3.3	-.3	-.2	-.6	-.5	-1.8	-4.5
September	-.8	1.1	-.1	-.8	-.8	-11.0	.2	-14.6
October	-.4	-6.2	-.4	-2.4	-3.5	-17.9	-1.5	-25.1
November	-1.6	-3.2	-.2	-3.0	-4.9	19.9	-3	-20.5
December	-1.1	-2.9	-.2	-4.0	-2.3	-15.0	-.5	-32.5
2002								
January	-.2	-1.3	-.1	-4.7	4.3	7.8	0	-40.0
February	-.1	-1.2	0	-4.6	1.8	-7.1	1.5	-30.6
March .....	.5	6.3	.4	-3.2	-.9	13.4	-1.3	-22.6
April	-.7	4.4	.2	-2.4	-6.4	22.4	3.6	-18.9
May	-.8	-3.2	0	-3.1	.4	2.2	3.4	-15.8
June .....	.7	.5	.2	-2.7	-.9	-8.9	1.6	-11.8

¹ Some percent changes shown here and elsewhere in "Price Movements June 2002" may differ from those previously reported, because indexes for

February 2002 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

feeds also turned up this month. The durable manufacturing materials index advanced at a faster rate in June than in the previous month, while the index for materials and components for construction increased at the same rate in June as in May. Excluding foods and energy, the index for intermediate goods rose 0.2 percent in June, after showing no change in May. (See table B.)

The index for intermediate energy goods rose 0.5 percent in June, following a 3.2-percent drop in the preceding month. Prices for gasoline turned up 1.0 percent in June, after posting a 9.6-percent decline in May. The indexes for commercial electric power, natural gas to electric utilities, and diesel fuel also turned up in June. On the other hand, prices for liquefied petroleum gas dropped 10.2 percent in June, compared with a 0.4-percent decrease in the prior month. The indexes for jet fuels and for industrial natural gas fell, after rising in the previous month. The index for intermediate energy goods rose at a 10.8-percent SAAR during the first half of 2002, compared with a 28.7-percent rate of decline during the second half of 2001.

The nondurable manufacturing materials index moved up 0.4 percent in June, following a 0.2-percent drop in May. Prices for paint materials rose 4.6 percent, after declining 3.2 percent in the prior month. The index for inedible fats and oils also increased in June, following a decline in May. June prices for industrial chemicals and paper declined at a slower pace than they did in the previous month. The indexes for processed yarns and threads and for woodpulp rose more in June than in May. By contrast, the index for plastic resins and materials increased 1.5 percent in June, after rising 3.6 percent in May. Prices for synthetic fibers, medicinal and botanical chemicals, and gray fabrics turned down in June. The index for materials for nondurable manufacturing

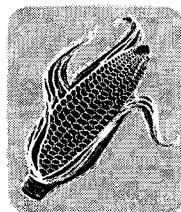
advanced at a 3.7-percent SAAR from December 2001 to June 2002, after posting a 9.8-percent rate of decline from June 2001 to December 2001.

Following a 0.8-percent decline in May, prices for intermediate foods and feeds moved up 0.7 percent in June. Leading the upturn, the index for beef and veal rose 1.5 percent in June, after dropping 3.0 percent in the preceding month. The indexes for pork, prepared animal feeds, refined sugar, and confectionery materials all turned up in June. Crude vegetable oil prices advanced at a faster rate in June than they did in May. On the other hand, flour prices moved up 1.2 percent in June, after posting a 2.0-percent increase a month earlier. The liquid milk products index turned down in June, while prices for soft-drink beverage bases and for natural, processed, and imitation cheese fell at faster rates in June than they did in the prior month. Prices for intermediate foods and feeds declined at a 1.0-percent SAAR during the December 2001 to June 2002 period, following a 3.1-percent rate of decline over the prior 6-month period.

Prices for durable manufacturing materials rose 0.6 percent in June, compared with a 0.5-percent advance in the previous month. Leading the advance in June, the index for steel mill products moved up 2.6 percent (the largest monthly increase since a 2.9-percent rise in October 1987). Advancing prices also were registered by the indexes for copper and brass mill shapes, copper cathode and refined copper, primary aluminum (except extrusion billet), prepared paint, and aluminum mill shapes. Alternatively, prices for building paper and board, hardwood lumber, and zinc posted declining prices in June. From December 2001 to June 2002, prices for materials for durable manufacturing advanced at a 4.0-percent SAAR, following a 5.9-percent rate of decrease during the June 2001 to December 2001 period.

The index for materials and components for construction rose 0.1 percent in June, the same rate of change as in the previous month. The indexes for plastic construction products, asphalt felts and coatings, fabricated structural metal products, wiring devices, and nonferrous wire and cable posted advances in June. Declines were posted by the indexes for softwood lumber, plumbing fixtures and brass fittings, and hardwood lumber. After a 2.0-percent SAAR of decline during the latter half of 2001, the index for materials and components for construction increased at a 1.5-percent rate during the first half of 2002.

Crude goods



The Producer Price Index for Crude Materials for Further Processing fell 3.6 percent, seasonally adjusted, following a 1.7-percent rise in May. Prices for crude energy materials and for crude foodstuffs and feedstuffs turned down in June, after increasing in the previous month. The index for basic industrial materials advanced at a slower rate in June than it did a month earlier. (See table B.)

Prices for crude energy materials decreased 8.9 percent in June, following a 2.2-percent gain in May. The largest contributor to this downturn was the crude petroleum index, which dropped 19.5 percent, after rising 10.9 percent in May. Natural gas prices declined 3.5 percent, following a 2.5-percent decrease in the prior month. By contrast, the coal index showed no change in June, after falling 0.8 percent a month ago. Prices for crude energy materials rose at a 67.5-percent SAAR from December 2001 to June 2002, after declining at a 57.9-percent rate in the previous 6-month period.

The index for crude foodstuffs and feedstuffs fell 0.9 percent, after posting a 0.4-percent increase in May. Prices for fresh fruits and melons decreased 12.0 percent, following a 21.2-percent advance in the previous month. The indexes for corn, alfalfa hay, and slaughter turkeys also turned down, after rising in May. Prices for slaughter cattle and fluid milk fell at a faster rate in June than they had a month earlier. On the other hand, the index for slaughter broilers and fryers rose 5.8 percent, subsequent to a 0.8-percent gain in the prior month. Prices for fresh vegetables, except potatoes, also rose more in June than they did in May. The indexes for wheat and Irish potatoes for processing turned up, following declines in the previous month. During the first half of 2002, the crude foodstuffs and feedstuffs index fell at a SAAR of 4.1 percent, after dropping at an 18.0-percent rate in the last half of 2001.

Prices for basic industrial materials increased 1.6 percent in June, following a 3.4-percent rise in May. In June, the iron and steel scrap index moved up 1.8 percent, after advancing 9.2 percent a month ago. Rising prices for nonferrous metal ores and for hides and skins also decelerated in June. The index for construction sand, gravel, and crushed stone registered no change, after advancing in the previous month.

By contrast, raw cotton prices jumped 11.9 percent, following a 4.3-percent decline in May. The indexes for wastepaper, aluminum base scrap, and copper base scrap rose more in June than they did a month earlier. Iron ore prices edged up, after falling in May. The index for basic industrial materials advanced at a 19.1-percent SAAR from December 2001 to June 2002, after falling at a 5.6-percent rate in the previous 6-month period.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Domestic Mining Industries fell 7.0 percent in June, after posting a 1.8-percent increase in May. (Net output price indexes are not seasonally adjusted.) Leading this downturn, June prices received by the oil and gas extraction industry group dropped 9.8 percent, following a 2.4-percent rise a month earlier. The index for the metal mining industry group rose 0.7 percent in June—a slower rate of advance than the 2.1-percent gain observed in May. Prices received by the industry group for mining and quarrying of nonmetallic minerals (except fuels) edged up 0.1 percent in June, compared with a 0.4-percent advance in the previous month. The index for the coal mining industry group inched down 0.1 percent, after showing no change in May. During the first half of 2002, prices received by the mining industry sector jumped at an annual rate of 48.6 percent, compared with a 52.2-percent annual rate of decline for the second half of 2001. In June 2002, the Producer Price Index for Total Mining Industries stood at 94.6 (December 1984 = 100), 15.7 percent below its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Domestic Manufacturing Industries was unchanged in June, after edging down 0.1 percent in May. In June, higher prices received by the industry groups for food and kindred products, chemicals and allied products, printing and publishing, primary metals, rubber and plastic products, and measuring and controlling instruments were offset by lower prices received by the industry groups for electrical and electronic machinery and equipment, petroleum refining and related products, lumber and wood products (except furniture), transportation equipment, and machinery (except electrical). From December 2001 to June 2002, the index for the overall manufacturing sector increased at a 3.1-percent annual rate, following a 6.1-percent annual rate of decline from June 2001 to December 2001. In June, the Producer Price Index for Total Manufacturing Industries stood at 133.6 (December 1984 = 100), 1.6 percent lower than a year ago.

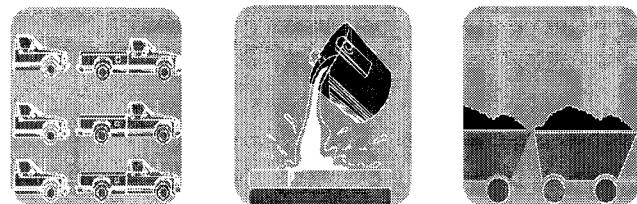
Services. Among service industries in June, advancing prices were registered by the industries for help supply services, wireless telecommunications, deep sea foreign transportation of freight, operators and lessors of nonresidential buildings,

passenger car rental, truck rental and leasing, data processing services, and specialty hospitals (except psychiatric). On the other hand, falling prices were posted by the

industries for radio broadcasting, cable and other pay television services, air courier services, medical laboratories, and telephone communications (except radiotelephone).

Price Movements

July 2002



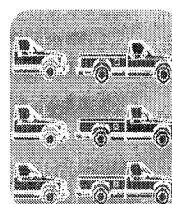
The Producer Price Index for Finished Goods declined 0.2 percent in July, seasonally adjusted. This decrease followed a 0.1-percent rise in June and a 0.4-percent decline in May. At the earlier stages of processing, the intermediate goods index advanced at a 0.2-percent rate for the second consecutive month, and prices received by crude goods producers moved up 0.6 percent, following a 3.6-percent drop in June. (See table A.)

The index for finished goods other than foods and energy fell 0.3 percent in July, after posting a 0.2-percent increase in the prior month. Excluding passenger cars and light trucks, the index for finished goods would have shown no change and the index for finished goods other than foods and energy would have decreased 0.1 percent in July. Finished consumer food prices edged down 0.1 percent in July, following a 0.1-percent rise a month earlier. By contrast, prices for finished energy goods advanced 0.1 percent in July, after showing no change a month earlier.

Before seasonal adjustment, the Producer Price Index for Finished Goods decreased 0.2 percent to 138.9 (1982 = 100) in July. From July 2001 to July 2002, prices for finished goods fell 1.1 percent. During the same period, the index for finished energy goods dipped 5.2 percent, prices for finished consumer foods declined 1.3 percent, and the index for finished

goods other than foods and energy edged down 0.2 percent. At the earlier stages of processing, prices received by producers of intermediate goods decreased 1.5 percent for the 12 months ended July 2002, and the crude goods index fell 6.2 percent during the same period.

Finished goods



Prices for finished consumer goods other than foods and energy declined 0.4 percent in July, compared with a 0.3-percent advance in June. The light motor trucks index fell 1.6 percent in July, after rising 0.5 percent in June, and passenger car prices decreased 1.5 percent, following a 0.4-percent increase. The July price declines for passenger cars and light motor trucks reflect an increase in incentives. Prices also turned down for cosmetics and other toilet preparations, men's and boys' apparel, household appliances, alcoholic beverages, and girls', children's, and infants' apparel. On the other hand, the index for women's apparel advanced 0.2 percent, after falling at a 0.2-percent rate in June. Prices for floor coverings and household furniture rose at a faster pace in July than they did a month earlier.

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2001							
July	-1.2	-0.4	-7.3	0.1	1.4	-1.1	-5.3
August .....	.4	.7	1.4	0	2.0	-.2	-.7
September .....	.4	.1	1.5	.1	1.6	.1	-4.4
October	-1.3	-.1	-6.7	-.4	-.3	-1.3	-8.8
November	-.6	-.8	-3.9	.1	-1.2	-.7	4.9
December	-.4	-.1	-3.0	.2	-1.6	-.6	-7.2
2002							
January	0	.8	-.5	-.2	-2.7	-.2	4.6
February .....	.2	.8	0	.1	-2.6	-.2	-1.2
March .....	.9	.6	5.7	-.1	-1.6	1.0	5.0
April	-.1	-3.0	3.1	.1	-2.0	1.2	4.0
May	-.4	-.2	-2.3	0	-2.7	-.5	1.7
June .....	.1	.1	0	.2	-2.1	.2	-3.6
July	-.2	-.1	.1	-.3	-1.1	.2	.6

¹ Some percent changes shown here and elsewhere in "Price Movements July 2002" may differ from those previously reported, because indexes for

March 2002 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2001								
July	0.6	-5.0	-0.5	-0.2	0.6	-12.4	1.0	-7.3
August	1.8	-3	-3	-2	-6	-5	-1.8	-4.5
September	-8	1.1	-1	-8	.8	-11.0	.2	-14.6
October	-4	-6.2	-4	-2.4	-3.5	-17.9	-1.5	-25.1
November	-1.6	-3.2	-2	-3.0	-4.9	19.9	-3	-20.5
December	-1.1	-2.9	-2	-4.0	-2.3	-15.0	-5	-32.5
2002								
January	-2	-1.3	-1	-4.7	4.3	7.8	0	-40.0
February	-1	-1.2	0	-4.6	1.8	-7.1	1.5	-30.6
March .....	.4	4.5	.3	-3.5	-9	16.9	.5	-21.6
April	-6	6.2	.3	-2.4	-6.4	18.7	1.8	-18.9
May	-8	-3.2	0	-3.1	.4	2.2	3.4	-15.8
June .....	.7	.5	.2	-2.7	-9	-8.9	1.6	-11.8
July	1.5	-1.0	.2	-1.5	1.5	-9	1.7	-6.2

¹ Some percent changes shown here and elsewhere in "Price Movements July 2002" may differ from those previously reported, because indexes for

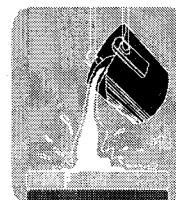
March 2002 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

The capital equipment index decreased 0.4 percent in July, compared with a 0.1-percent increase in June. Prices for light motor trucks, passenger cars, construction machinery, and commercial furniture decreased, following increases in June. The index for communication and related equipment fell 1.0 percent in July, after showing no change in the preceding month. The index for electronic computers fell at a faster pace in July than it did in June. Conversely, prices for heavy motor trucks rose 0.9 percent in July, after edging up 0.1 percent in the prior month. The indexes for tools, dies, jigs, and industrial molds and for metal cutting machine tools turned up in July.

The index for finished consumer foods edged down 0.1 percent, following a 0.1-percent increase in June. Beef and veal prices fell 1.4 percent in July, after rising 1.5 percent in the preceding month. The indexes for eggs for fresh use and soft drinks also turned down in July. The rate of price increase slowed for both fresh and dry vegetables and confectionery end products, while larger price declines were registered for processed young chickens. On the other hand, the index for fresh fruits and melons decreased 5.6 percent in July, compared with a 12.0-percent drop in June. Dairy product prices also declined at a slower rate in July than in the prior month. The indexes for finfish and shellfish and processed fruits and vegetables rose, after falling in the previous month. Prices for pork increased more in July than they did in June.

The index for finished energy goods increased 0.1 percent in July, after showing no change in the prior month. In July, advancing prices for gasoline, home heating oil, diesel fuel, and finished lubricants slightly outweighed declining prices for residential electric power, residential natural gas, and liquefied petroleum gas.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components rose 0.2 percent in July, the same rate of increase as in June. Rising prices for nondurable manufacturing materials, intermediate foods and feeds, materials and components for construction, and durable manufacturing materials slightly outweighed price declines for intermediate energy goods. The index for intermediate materials other than foods and energy advanced 0.2 percent for the second consecutive month. (See table B.)

Prices for nondurable manufacturing materials moved up 0.7 percent in July, following a 0.4-percent gain in the previous month. Advancing prices were observed for industrial chemicals, plastic resins and materials, paperboard, medicinal and botanical chemicals, and paper. These increases more than offset falling prices for finished fabrics, phosphates, processed yarns and threads, gray fabrics, and fertilizer materials.

The index for intermediate foods and feeds rose 1.5 percent in July, following a 0.7-percent advance in June. Prices for prepared animal feeds posted a 3.5-percent gain, following a 0.7-percent increase in the previous month. The July index for sausage and deli meats turned up, after falling a month earlier. Prices for confectionery materials, pork, and flour rose more in July than they did in June. The index for fluid milk products fell at a slower rate than in the prior month. By contrast, beef and veal prices turned down 1.4 percent in July, following a 1.5-percent rise in June. The indexes for crude vegetable oils and for mayonnaise, salad dressings, and sandwich spreads both increased at a slower pace than they did a month ago.

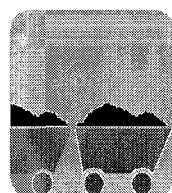
Prices for natural, processed, and imitation cheese decreased more in July than they did in June. The refined sugar index turned down, after rising in the previous month.

Prices for materials and components for construction increased 0.2 percent in July, after inching up 0.1 percent in June. The rising indexes for fabricated structural metal products, softwood lumber, hardwood lumber, nonferrous wire and cable, air-conditioning and refrigeration equipment, and plastic construction products more than offset price declines for gypsum products, plywood, millwork, fabricated ferrous wire products, asphalt felts and coatings, and switchgear.

The index for durable manufacturing materials edged up 0.2 percent in July, after advancing 0.6 percent a month earlier. Prices for steel mill products increased 0.9 percent, following a 2.6-percent rise in June. The indexes for primary nonferrous metals, aluminum mill shapes, copper and brass mill shapes, prepared paint, and plywood turned down in July, after increasing in the prior month. Conversely, prices for building paper and board turned up 3.0 percent, compared with a 2.0-percent decline in the previous month. The index for hardwood lumber also rose, after falling in June. Prices for flat glass increased in July, after showing no change in the prior month.

Subsequent to a 0.5-percent gain in June, the intermediate energy goods index fell 1.0 percent in July. Leading this downturn, prices for commercial electric power decreased 2.1 percent, after rising 0.8 percent in the prior month. The indexes for natural gas to electric utilities, commercial natural gas, and residual fuel also turned down, following advances in June. The rate of decline for the industrial natural gas index quickened from June to July. On the other hand, the index for industrial electric power advanced 1.6 percent, after showing no change in the previous month. Jet fuel prices turned up in July, following declines a month earlier. The index for liquefied petroleum gas fell at a slower rate in July, while prices for gasoline and diesel fuel rose more than they did in June.

Crude goods



Prices for crude materials for further processing advanced 0.6 percent in July, after posting a 3.6-percent decline in June. The index for crude foodstuffs and feedstuffs turned up in July, while prices for crude energy materials fell at a slower rate than they did in June. The basic industrial materials index moved up at a slightly faster rate in July than it did a month earlier. (See table B.)

Following a 0.9-percent drop in June, the index for crude foodstuffs and feedstuffs rose 1.5 percent in July. Leading this upturn, corn prices advanced 17.8 percent in July, after falling 0.4 percent in the previous month. Prices for slaughter hogs, wheat, and soybeans climbed faster in July than they did in the prior month. The index for slaughter cattle fell at a slower pace than it did in June. By contrast, prices for slaughter broilers and fryers declined 7.9 percent in July, following a 5.8-percent rise in June. The fluid milk index fell at a faster rate

in July than it did a month ago. The index for fresh and dry vegetables moved up at a slower rate in July than it did in the preceding month.

The Producer Price Index for Crude Energy Materials declined 0.9 percent in July, after registering an 8.9-percent drop in June. Crude petroleum prices advanced 9.5 percent, turning up from a 19.5-percent fall in the previous month. Alternatively, the index for natural gas dropped 7.7 percent in July, following a 3.5-percent decrease a month earlier. Prices for coal fell 1.2 percent in July, after remaining unchanged in the prior month.

Prices for basic industrial materials rose 1.7 percent, after advancing 1.6 percent in June. Rising prices for wastepaper, raw cotton, iron and steel scrap, and nonferrous metal ores were partially offset by falling prices for aluminum base scrap, copper base scrap, pulpwood, and gold ores.

Net output price indexes for mining, manufacturing, and services industries

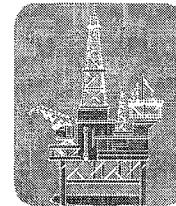
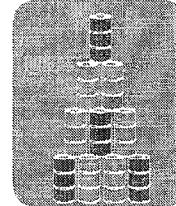
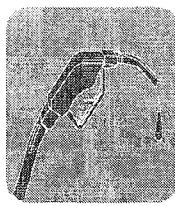
Mining. The Producer Price Index for the Net Output of Total Domestic Mining Industries fell 2.1 percent in July, after posting a 7.0-percent decrease in the previous month. (Net output price indexes are not seasonally adjusted.) Prices received by the oil and gas extraction industry group moved down 3.1 percent, following a 9.8-percent drop in June. The index for the metal mining industry group advanced 0.9 percent, after rising 0.7 percent in the prior month. On the other hand, prices received by the industry group for coal mining decreased 0.2 percent, compared with a 0.1-percent decline a month earlier. In July 2002, the Producer Price Index for Total Mining Industries stood at 92.6 (December 1984 = 100), 6.2 percent below its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Domestic Manufacturing Industries showed no change for the second consecutive month. In July, higher prices received by the industry groups for petroleum refining and related products, chemicals and allied products, food and kindred products, fabricated metal products (except machinery and transportation equipment), and lumber and wood products (except furniture) offset price decreases received by the industry groups for transportation equipment, machinery (except electrical), electrical and electronic machinery and equipment, and rubber and miscellaneous plastic products. In July, the Producer Price Index for Total Manufacturing Industries stood at 133.6 (December 1984 = 100), 0.6 percent lower than a year ago.

Services. Among service industries in July, advancing prices were registered by the United States Postal Service, general medical and surgical hospitals, specialty hospitals (except psychiatric), help supply services, advertising agencies, and wireless telecommunications. By contrast, falling prices were posted by the industries for telephone communications (except radiotelephone); accounting, auditing, and bookkeeping services; engineering, design, analysis, and consulting services; truck rental and leasing; and trucking (except local).

Price Movements

August 2002



The Producer Price Index for Finished Goods showed no change in August, seasonally adjusted. This index posted a 0.2-percent decline in July and a 0.1-percent gain in June. At the earlier stages of processing, prices received by intermediate goods producers rose 0.4 percent, following a 0.2-percent increase in July. August's crude goods index advanced 1.6 percent, after moving up 0.6 percent in July. (See table A.)

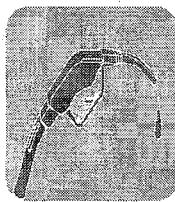
Among finished goods in August, a 1.0-percent rise in finished energy goods prices followed a 0.1-percent increase in July. On the other hand, the index for finished consumer foods fell 0.4 percent, compared with a 0.1-percent decline in July. The index for finished goods other than foods and energy turned down 0.1 percent in August, after falling 0.3 percent in the prior month.

Before seasonal adjustment, August's Producer Price Index for Finished Goods decreased 0.1 percent to 138.7 (1982=100). From August 2001 to August 2002, prices for finished goods dropped 1.6 percent. During the same period, the finished energy goods index fell 5.8 percent, prices for finished consumer foods declined 2.4 percent, and the index for finished goods other than foods and energy inched down 0.3 percent. At the earlier stages of processing, prices received by manufacturers of intermediate goods decreased 0.9

percent and the index for crude goods declined 4.2 percent.

Before seasonal adjustment, August's Producer Price Index for Finished Goods decreased 0.1 percent to 138.7 (1982=100). From August 2001 to August 2002, prices for finished goods dropped 1.6 percent. During the same period, the finished energy goods index fell 5.8 percent, prices for finished consumer foods declined 2.4 percent, and the index for finished goods other than foods and energy inched down 0.3 percent. At the earlier stages of processing, prices received by manufacturers of intermediate goods decreased 0.9 percent and the index for crude goods declined 4.2 percent.

Finished goods



The finished energy goods index increased 1.0 percent in August, after posting a 0.1-percent gain in July. Prices for residential electric power rose 0.3 percent, compared with a 0.7-percent decrease in the previous month. The index for liquefied petroleum gas also turned up, after declining in July.

Gasoline prices rose more in August than they did in July. Residential natural gas prices showed no change, after decreasing in the previous month. By contrast, home heating

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2001							
August	0.4	0.7	1.4	0.0	2.0	-0.2	-0.7
September .....	.4	.1	1.5	.1	1.6	.1	-4.4
October	-1.3	-1	-6.7	-4	-3	-1.3	-8.8
November	-.6	-.8	-3.9	.1	-1.2	-.7	4.9
December	-.4	-1	-3.0	.2	-1.6	-.6	-7.2
2002							
January	0	.8	-.5	-.2	-2.7	-.2	4.6
February .....	.2	.8	0	.1	-2.6	-.2	-1.2
March .....	.9	.6	5.7	-.1	-1.6	1.0	5.0
April	-.1	-3.0	2.5	.1	-2.1	.8	4.2
May	-.4	-.2	-1.8	0	-2.7	-.2	1.4
June .....	.1	.1	0	.2	-2.1	.2	-3.6
July	-.2	-1	.1	-.3	-1.1	.2	.6
August	0	-.4	1.0	-.1	-1.6	.4	1.6

¹ Some percent changes shown here and elsewhere in "Price Movements August 2002" may differ from those previously reported, because indexes for

April 2002 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2001								
August	1.8	-0.3	-0.3	-0.2	-0.6	-0.5	-1.8	-4.5
September	-8	1.1	-1	-8	.8	-11.0	.2	-14.6
October	-4	-6.2	-4	-2.4	-3.5	-17.9	-1.5	-25.1
November	-1.6	-3.2	-2	-3.0	-4.9	19.9	-3	-20.5
December	-1.1	-2.9	-2	-4.0	-2.3	-15.0	-5	-32.5
2002								
January	-2	-1.3	-1	-4.7	4.3	7.8	0	-40.0
February	-1	-1.2	0	-4.6	1.8	-7.1	1.5	-30.6
March .....	.4	4.5	.3	-3.5	-.9	16.9	.5	-21.6
April	-7	4.3	.2	-2.7	-6.3	19.4	2.1	-18.6
May	-7	-1.4	.1	-3.1	.3	1.7	3.1	-15.8
June .....	.7	.5	.2	-2.7	-.9	-8.9	1.6	-11.8
July	1.5	-1.0	.2	-1.5	1.5	-.9	1.7	-6.2
August .....	.6	.6	.4	-9	2.0	1.6	.4	-4.2

¹ Some percent changes shown here and elsewhere in "Price Movements August 2002" may differ from those previously reported, because indexes for

April 2002 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

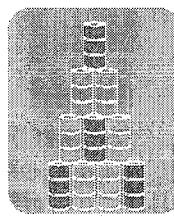
oil prices decreased 1.4 percent, compared with a 6.0-percent rise in the prior month. The index for finished lubricants also turned down in August. Diesel fuel prices increased at a slower pace in August than they did in July.

Prices for finished consumer foods posted a 0.4-percent decline in August, after dipping 0.1 percent in the previous month. The index for fresh and dry vegetables decreased 8.2 percent, following a 4.9-percent rise in July. Prices for pork, finfish and shellfish, and processed fruits and vegetables also turned down in August, after increasing in the prior month. The indexes for beef and veal and processed young chickens fell more than they did in July. However, prices for fresh fruits and melons rose 7.4 percent in August, following a 5.6-percent decline in July. The indexes for dairy products, eggs for fresh use, and soft drinks fell at a slower rate in August than they did in the previous month.

Following a 0.4-percent decrease in July, the index for finished consumer goods other than foods and energy edged down 0.1 percent. Passenger car prices declined 0.1 percent, after falling 1.5 percent in July. Prices for light motor trucks also fell less than they did in the previous month—down 1.3 percent following a 1.6-percent decline in July. The indexes for men's and boys' apparel, alcoholic beverages, and sanitary papers and health products turned up in August, after decreasing in July. Prices for pharmaceutical preparations rose at a faster pace in August than they did in July. On the other hand, prices for prerecorded compact discs fell 9.3 percent, following a 0.1-percent decline in the prior month. In August, the indexes for floor coverings, newspaper circulation, textile housefurnishings, and soaps and synthetic detergents turned down, after advancing in the previous month. Cigarette prices showed no change, after rising a month earlier. The index for household furniture rose less than it did in July.

The capital equipment index fell 0.1 percent in August, after declining 0.4 percent a month ago. Subsequent to a 1.0-percent drop in July, prices for communication and related equipment decreased 0.2 percent in August. The indexes for passenger cars, light motor trucks, and pumps and compressors also fell less in August than they did in the previous month. Civilian aircraft prices rose at a slightly faster pace than in July. By contrast, prices for heavy motor trucks decreased 0.2 percent in August, following a 0.9-percent advance in the prior month. The indexes for integrating and measuring instruments, plastic working machinery, and power hand tools (electric/battery powered) also turned down, after rising a month earlier. The rate of increase in prices for tools, dies, jigs, fixtures, and industrial molds slowed from July to August.

Intermediate goods



Prices for intermediate goods advanced 0.4 percent in August, after rising 0.2 percent in July. This acceleration was mostly due to the index for intermediate energy goods, which turned up in August after falling in the prior month. The indexes for non-durable manufacturing materials, materials and components for construction, and durable manufacturing materials moved up at a faster pace than they did in July. Alternatively, prices for intermediate foods and feeds rose at a slower rate in August than they did in the prior month. Excluding food and energy prices, the index for intermediate goods advanced 0.4 percent in August, compared with a 0.2-percent increase in July. (See table B.)

The index for intermediate energy goods turned up 0.6 percent in August, after posting a 1.0-percent decline in the

previous month. Prices for natural gas to electric utilities advanced 4.8 percent, following an 11.0-percent drop in July. The industrial natural gas and commercial natural gas indexes also turned up in August. Prices for commercial electric power remained unchanged, after falling in July, while the index for gasoline rose at a faster rate in August than it did a month earlier. Partially offsetting these accelerating prices, the index for industrial electric power moved down 0.4 percent in August, following a 1.6-percent rise in July. Prices for jet fuels also turned down in August. Diesel fuel prices increased at a slower pace in August than they did in the preceding month.

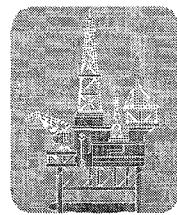
Following a 0.7-percent increase, the index for nondurable manufacturing materials rose 1.0 percent in August. Plastic resin and material prices advanced 3.1 percent in August, after moving up 1.3 percent a month earlier. Prices for primary basic organic chemicals, paperboard, and alkalies and chlorine rose at a faster rate than they did in July. The fertilizer material index turned up in August. Conversely, ethanol prices fell 2.3 percent this month, following a 2.8-percent gain in the prior month. Processed yarn and thread prices fell faster in August than they did in the previous month, while the index for medicinal and botanical chemicals posted no change, following an increase in July.

The index for construction materials and components climbed 0.4 percent in August, after rising 0.2 percent in the preceding month. The August index for plastic construction products advanced 1.4 percent, following a 0.1-percent gain in July. Prices for gypsum products, plywood, millwork, and asphalt felts and coatings turned up in August, compared with decreases in the prior month. By contrast, the index for fabricated structural metal products rose 0.1 percent in August, after registering a 0.8-percent increase a month earlier. The indexes for softwood lumber, nonferrous wire and cable, and metal valves (except fluid power) turned down in August. Air-conditioning and refrigeration equipment prices rose at a slower rate in August than they did in July.

The index for durable manufacturing materials increased 0.3 percent in August, following a 0.2-percent gain in the prior month. Rising prices for steel mill products, aluminum mill shapes, cement, and prepared paint more than offset declining prices for primary nonferrous metals and copper and brass mill shapes.

Prices for intermediate foods and feeds moved up 0.6 percent in August, after rising 1.5 percent in the prior month. Prepared animal feed prices advanced 1.5 percent, following a 3.5-percent gain in July. The indexes for pork; confectionery materials; and dry, condensed, and evaporated milk products turned down in August. The beef and veal index fell at faster rate in August than it did in July. On the other hand, prices for natural, processed, and imitation cheese jumped 0.7 percent in August, after posting a 5.1-percent decline in the preceding month. The indexes for crude vegetable oils and flour rose more in August than they did a month earlier. Refined sugar prices fell at a slower pace in August than they did in July.

Crude goods



The Producer Price Index for Crude Materials for Further Processing advanced 1.6 percent in August, compared with a 0.6-percent increase in July. The index for crude energy materials moved up in August, after falling a month earlier. Prices for crude foodstuffs and feedstuffs rose at a faster pace in August than they did in July. On the other hand, the index for crude nonfood materials less energy advanced less than it did in the previous month. (See table B.)

The index for crude energy materials turned up 1.6 percent in August, following a 0.9-percent decline in the prior month. After dropping 7.7 percent in July, natural gas prices rose 0.4 percent in August. The coal index fell 0.8 percent, following a 1.2-percent decrease in July. By contrast, crude petroleum prices advanced 4.3 percent, compared with a 9.5-percent gain in the preceding month.

The index for crude foodstuffs and feedstuffs increased 2.0 percent in August, after rising 1.5 percent in July. Slaughter cattle prices advanced 1.2 percent, following a 2.6-percent decline in the previous month. The indexes for fluid milk and fresh fruits and melons also turned up in August. Price decreases for slaughter broilers and fryers slowed from July to August. On the other hand, the slaughter hog index dropped 15.0 percent in August, compared with a 17.6-percent jump in July. Prices for fresh and dry vegetables, slaughter turkeys, and unprocessed finfish also moved down, after increasing in the prior month. Soybean prices rose at a slower pace in August than they did in July.

Prices for basic industrial materials rose at a 0.4-percent rate in August, following a 1.7-percent increase in July. The wastepaper index also advanced at a slower pace, 0.8 percent, after rising 10.4 percent in the previous month. Raw cotton prices fell 0.3 percent, following a 15.7-percent gain in July. The August index for iron and steel scrap advanced less than it did a month earlier, while prices for aluminum base scrap, copper base scrap, and gold ores decreased at a quicker rate than they did in July. By contrast, the index for hides and skins increased 3.0 percent, after showing no change in the preceding month. Prices for phosphates and iron ore turned up in August, following declines in July.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Domestic Mining Industries rose 1.1 percent in August, after declining 2.1 percent in the prior month. (Net output price indexes are not seasonally adjusted.) Leading this acceleration, prices received by the natural gas liquids and natural gas residue industry moved up 8.8 percent, following a 9.2-percent decrease in July. The industry indexes for oil and gas well drilling, bituminous coal and lignite surface mining, and iron ores also turned up in August. By contrast, prices

received by the crude petroleum and natural gas industry fell 1.2 percent, following a 2.6-percent increase in the previous month. The industry index for bituminous coal underground mining also moved down, after advancing in July. In August 2002, the Producer Price Index for the Net Output of Total Mining Industries was 93.6 (December 1984=100), 5.4 percent below its year-ago level.

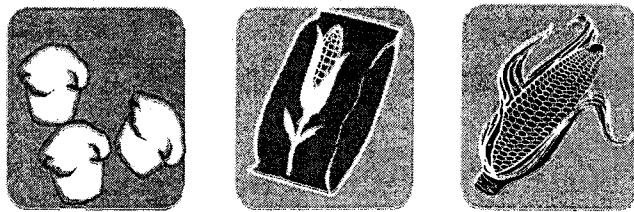
Manufacturing. The Producer Price Index for the Net Output of Total Domestic Manufacturing Industries edged up 0.1 percent in August, after showing no change in the prior month. Higher prices received by the industry groups for petroleum refining and related products, chemicals and allied products, rubber and miscellaneous plastic products, paper and allied products, and fabricated metal products (except machinery and transportation equipment) outweighed price

decreases for the transportation equipment; machinery (except electrical); food and kindred products; and printing, publishing, and allied products industry groups. In August 2002, the Producer Price Index for the Net Output of Total Manufacturing Industries was 133.7 (December 1984=100), 0.7 percent lower than a year ago.

Services. Among service industries in August, advancing prices were registered by the industries for operators and lessors of nonresidential buildings, help supply services, pre-packaged software, general medical and surgical hospitals, scheduled air transportation, truck rental and leasing, and skilled and intermediate care facilities. On the other hand, falling prices were posted by the industries for data processing services, employment agencies, railroads (line-haul operating), and passenger car rental.

Price Movements

September 2002



The Producer Price Index for Finished Goods rose 0.1 percent in September, seasonally adjusted. This index showed no change in August, after falling 0.2 percent in July. At the earlier stages of processing, prices received by intermediate goods producers increased 0.5 percent, following a 0.4-percent rise in August. The crude goods index advanced 0.6 percent in September, compared with a 1.6-percent increase a month earlier. (See table A.)

Among finished goods, the index for finished energy goods climbed 0.9 percent in September, following a 1.0-percent jump in August. Prices for finished goods other than foods and energy turned up 0.1 percent, after a decline of 0.1 percent. On the other hand, the index for finished consumer foods fell 0.6 percent in September, following a 0.4-percent decrease in the previous month.

During the third quarter of 2002, the finished goods index declined at a 0.6-percent seasonally adjusted annual rate, after falling at a 1.4-percent rate during the second quarter of 2002. Excluding prices for foods and energy, the finished goods index fell at a 1.6-percent seasonally adjusted annual rate for the 3 months ended September 2002, following a 1.1-percent rate of advance in the second quarter of 2002. Among prices for raw and partially processed goods, the intermediate goods index increased at a 4.1-percent seasonally adjusted annual rate during the third quarter of 2002,

after advancing at a 3.5-percent rate in the preceding quarter. The seasonally adjusted annual rate of increase for crude goods prices accelerated from 7.9 percent to 11.9 percent from the second to the third quarter of 2002. (See summary below.)

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 0.1 percent to 138.9 (1982 = 100). From September 2001 to September 2002, prices for finished goods dropped 1.9 percent. During the same period, the index for finished consumer foods fell 3.1 percent and prices for finished goods other than foods and energy dropped 0.4 percent. The finished energy goods index declined 6.5 percent for the 12 months ended September 2002. Earlier in the pipeline, prices for intermediate goods fell 0.5 percent and the crude goods index increased 0.8 percent.

Finished goods



Prices for finished energy goods, which increased 1.0 percent in August, advanced 0.9 percent in September. Rising prices for liquefied petroleum gas, residential natural gas, home heating oil, and residential electric power were partly offset by declining prices for gasoline in September.

The index for finished energy goods advanced at an 8.4-

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2001							
September	0.4	0.1	1.5	0.1	1.6	0.1	-4.4
October	-1.3	-.1	-6.7	-.4	-.3	-1.3	-8.8
November	-.6	-.8	-3.9	.1	-1.2	-.7	4.9
December	-.4	-.1	-3.0	.2	-1.6	-.6	-7.2
2002							
January	0	.8	-.5	-.2	-2.7	-.2	4.6
February .....	.2	.8	0	.1	-2.6	-.2	-1.2
March .....	.9	.6	5.7	-.1	-1.6	1.0	5.0
April	-.1	-3.0	2.5	.1	-2.1	.8	4.2
May	-.4	-.2	-2.3	0	-2.9	-.2	.8
June .....	.2	.1	.6	.2	-2.1	.3	-3.0
July	-.2	-.1	.1	-.3	-1.1	.2	.6
August	0	-.4	1.0	-.1	-1.6	.4	1.6
September .....	.1	.6	.9	.1	-1.9	.5	.6

¹ Some percent changes shown here and elsewhere in "Price Movements September 2002" may differ from those previously reported, because indexes for

May 2002 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Summary of December-to-December, 9-month, and 3-month seasonally adjusted annual rates for selected stages of process

Grouping	Percentage change, 12 months ended in December			Seasonally adjusted annual rate for:			
				9 months ended in September 2002	3 months ended in March 2002	3 months ended in June 2002	3 months ended in September 2002
	1999	2000	2001				
Finished goods	2.9	3.6	-1.6	0.8	4.4	-1.4	-0.6
Finished consumer foods .....	.8	1.7	1.8	-2.6	9.1	-11.7	-4.2
Finished energy goods	18.1	16.6	-17.1	10.9	22.3	2.8	8.4
Finished goods less foods and energy .....	.9	1.3	.9	-4	-5	1.1	-1.6
Finished consumer goods, excluding foods and energy	1.2	1.4	1.5	-1	-1.0	2.3	-1.5
Capital equipment.....	.3	1.2	0	-9	-3	-3	-2.0
Intermediate materials, supplies, and components	3.7	4.1	-4.0	3.2	1.9	3.5	4.1
Intermediate foods and feeds	-4.2	3.6	.3	3.8	.7	-2.8	14.1
Intermediate energy goods	19.6	19.0	-16.9	10.1	7.7	14.0	8.6
Intermediate materials less foods and energy	1.9	1.6	-1.6	1.9	.9	2.1	2.7
Materials for nondurable manufacturing	4.0	4.1	-5.5	5.8	.3	7.1	10.3
Materials for durable manufacturing	2.4	.2	-4.0	3.6	3.3	4.6	2.9
Materials and components for construction.....	2.2	.1	0	2.0	1.6	1.3	2.9
Crude materials for further processing	15.3	35.5	-32.5	18.7	38.5	7.9	11.9
Foodstuffs and feedstuffs	-1	7.4	-7.6	4.5	22.6	-24.9	24.1
Crude energy materials.....	36.9	85.6	-52.9	42.2	87.8	49.5	2.4
Crude nonfood materials less energy	14.0	-5.5	-9.9	14.6	8.5	30.7	6.0

NOTE: Late reports and corrections by respondents may cause some indexes to change 4 months after original publication. In addition, seasonally

adjusted indexes may be revised for 5 years, due to the recalculation of seasonal factors each January.

percent seasonally adjusted annual rate in the third quarter of 2002, compared with a 2.8-percent rate of increase during the previous quarter of 2002.

The index for finished consumer goods other than foods and energy turned up 0.1 percent in September, after registering a 0.1-percent decline a month earlier. Prices for compact discs jumped 12.5 percent, following a 9.3-percent drop in August. The indexes for passenger cars and for soaps and synthetic detergents also turned up in September. Prices for alcoholic beverages advanced at a faster rate in September than they did in August, while prices for cosmetics and other toilet preparations posted no change in September, after falling in the prior month. Light motor truck prices fell at a slower pace in September than they did in the preceding month. By contrast, prices for pharmaceutical preparations advanced 0.1 percent in September, following a 0.4-percent gain in August. The indexes for women's apparel and periodical circulation also rose at a slower rate than they did in the previous month. Prices for sanitary papers and health products and for book publishing turned down in September. The indexes for men's and boys' apparel and household furniture showed no change in September, after advancing in the previous month. During the third quarter of 2002, the index for finished consumer goods other than foods and energy decreased at a 1.5-percent seasonally adjusted annual rate, after advancing at a 2.3-percent rate for the second quarter of 2002.

The 0.6-percent decline in prices for finished consumer foods in September followed a 0.4-percent decrease in August. The index for finished consumer foods has fallen in 5 of the past 6 months. September prices for fresh fruits and melons turned down 0.7 percent, after rising 7.4 percent in August. The indexes for dairy products, pork, confectionery

end products, and eggs for fresh use fell at a faster rate in September than they did a month earlier. On the other hand, beef and veal prices rose 1.0 percent in September, after dropping 3.0 percent in the prior month. Prices for processed fruits and vegetables, soft drinks, and finfish and shellfish also turned up in September. The index for processed young chickens moved down at a slower rate in September than it did in August. Prices for finished consumer foods fell at a 4.2-percent seasonally adjusted annual rate from June 2002 to September 2002, following an 11.7-percent annual rate of decrease from March 2002 to June 2002.

Capital equipment prices, which declined 0.1 percent in August, remained unchanged in September. Rising prices for civilian aircraft, heavy motor trucks, passenger cars, agricultural machinery and equipment, and commercial furniture were offset by declining prices for communication and related equipment, light motor trucks, integrating and measuring instruments, electronic computers, and welding machines and equipment. From June 2002 to September 2002, capital equipment prices fell at a 2.0-percent seasonally adjusted annual rate, after a 0.3-percent annual rate of decline from March 2002 to June 2002.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components rose slightly more in September than it did in August, up 0.5 percent compared with 0.4 percent in August. Although the indexes for nondurable manufacturing materials, intermediate foods and feeds, durable

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2001								
September	-0.8	1.1	-0.1	-0.8	0.8	-11.0	0.2	-14.6
October	-4	-6.2	-4	-2.4	-3.5	-17.9	-1.5	-25.1
November	-1.6	-3.2	-2	-3.0	-4.9	19.9	-3	-20.5
December	-1.1	-2.9	-2	-4.0	-2.3	-15.0	-5	-32.5
2002								
January	-2	-1.3	-1	-4.7	4.3	7.8	0	-40.0
February	-1	-1.2	0	-4.6	1.8	-7.1	1.5	-30.6
March .....	.4	4.5	.3	-3.5	-.9	16.9	.5	-21.6
April	-7	4.3	.2	-2.7	-6.3	19.4	2.1	-18.6
May	-9	-1.9	.1	-3.2	0	.9	2.3	-16.3
June .....	.9	.9	.2	-2.7	-.6	-8.2	2.4	-11.8
July	1.5	-1.0	.2	-1.5	1.5	-.9	1.7	-6.2
August .....	.6	.6	.4	-9	2.0	1.6	.4	-4.2
September	1.2	2.5	.1	-.5	2.0	-.1	-.6	.8

¹ Some percent changes shown here and elsewhere in "Price Movements September 2002" may differ from those previously reported, because indexes for

May 2002 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

manufacturing materials, and construction materials moved up in September, the majority of September's increase can be attributed to higher prices for intermediate energy goods. By contrast, prices for components for manufacturing declined in September. The index for intermediate materials other than foods and energy advanced 0.1 percent, following a 0.4-percent increase in August. (See table B.)

The intermediate energy goods index rose more in September than it did in August—up 2.5 percent and 0.6 percent, respectively. Among energy goods, prices for industrial natural gas moved up 3.0 percent, subsequent to a 0.3-percent increase in August. Prices for liquefied petroleum gas, residual fuel, and natural gas to electric utilities also increased at a faster rate than they did a month earlier. The indexes for jet fuels and industrial electric power turned up in September, following decreases in the previous month. On the other hand, the gasoline index turned down 1.5 percent in September, compared with a 3.7-percent gain in August. Diesel fuel prices advanced less than they did in the prior month. The intermediate energy goods index rose at an 8.6-percent seasonally adjusted annual rate during the third quarter of 2002, after a 14.0-percent rate of increase in the previous quarter.

Prices for nondurable manufacturing materials advanced 0.8 percent in September, following a 1.0-percent increase in August. The plastic resins and materials index rose 1.1 percent, after moving up 3.1 percent in the prior month. Prices for primary basic organic chemicals also rose at a slower pace than they did in the previous month. The indexes for paperboard and fertilizer materials turned down, following increases in August. Medicinal and botanical chemical prices fell, after showing no change a month earlier. By contrast, the ethanol index turned up 1.5 percent in September, following a 2.3-percent decline in August. Prices for processed yarns and

threads showed no change, after decreasing in the prior month. The index for gray fabrics fell less than it did in the prior month. Synthetic rubber prices moved up at a faster rate than they did in August. The index for nondurable manufacturing materials advanced at a 10.3-percent seasonally adjusted annual rate from June 2002 to September 2002, following a 7.1-percent rate of increase in the second quarter of 2002.

Intermediate food and feed prices rose 1.2 percent in September, after moving up 0.6 percent in the prior month. Leading this acceleration, the beef and veal index advanced 1.0 percent, following a 3.0-percent decline in August. Prices for confectionery materials and refined sugar also turned up, after falling a month earlier. The indexes for prepared animal feeds and flour rose more than they did in the previous month. Partially offsetting the acceleration in the intermediate foods and feeds index, prices for natural, processed, and imitation cheese and for sausage and deli meats turned down, following increases in the prior month. Crude vegetable oil prices rose less than they did in the previous month, and the index for pork decreased at a faster pace than it did in August. Prices for intermediate foods and feeds advanced at a 14.1-percent seasonally adjusted annual rate during the third quarter of 2002, after declining at a 2.8-percent rate during the second quarter.

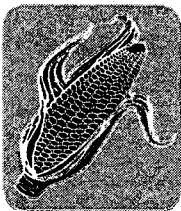
The durable manufacturing materials index moved up 0.2 percent in September, following a 0.3-percent increase in the previous month. Within durable manufacturing materials in September, rising prices for steel mill products, prepared paint, copper and brass mill shapes, and refined gold outweighed falling prices for plywood, aluminum mill shapes, building paper and board, and for copper cathode and refined copper. The index for durable manufacturing materials increased at

a 2.9-percent seasonally adjusted annual rate from June 2002 to September 2002, after rising at a 4.6-percent seasonally adjusted annual rate in the previous quarter.

Prices for construction materials edged up 0.1 percent in September, following a 0.4-percent gain in the previous month. September's increasing prices for plastic construction products, plumbing fixtures and brass fittings, wiring devices, metal valves (except fluid power), hardwood lumber, and fabricated ferrous wire products offset price decreases for softwood lumber, asphalt felts and coatings, plywood, nonferrous wire and cable, millwork, and steel wire. The index for materials and components for construction rose at a 2.9-percent seasonally adjusted annual rate during the third quarter of 2002, following a 1.3-percent rate of increase during the second quarter.

The index for components for manufacturing decreased 0.2 percent in September, after showing no change in the prior month. Falling prices in September for motor vehicle parts, digital MOS integrated circuits, and complex electronic component assemblies outweighed rising prices for plastic transportation equipment parts and internal combustion engine parts and accessories. The index for components for manufacturing declined at a 1.6-percent seasonally adjusted annual rate from June to September 2002, after showing no change in the previous quarter.

Crude goods



The Producer Price Index for Crude Materials for Further Processing, which advanced 1.6 percent in August, rose 0.6 percent in September. Within crude goods, rising prices for crude foodstuffs and feedstuffs were partially counteracted by declining prices for crude nonfood materials less energy and crude energy materials. (See table B.)

The September index for crude foodstuffs and feedstuffs posted a 2.0-percent gain, the same rate of increase as in August. Although the indexes for slaughter cattle, fluid milk, and raw cane sugar moved up in September, a 9.7-percent rise in corn prices and a 19.0-percent jump in wheat prices accounted for a majority of September's advance. On the other hand, prices for slaughter hogs, slaughter broilers and fryers, slaughter turkeys, fresh fruits and melons, and fresh and dry vegetables decreased in September. After declining at a 24.9-percent seasonally adjusted annual rate from March 2002 to June 2002, the index for crude foodstuffs and feedstuffs increased at a 24.1-percent seasonally adjusted annual rate during the 3 months ended in September 2002.

Prices for basic industrial materials declined 0.6 percent in September, following a 0.4-percent advance in August. The wastepaper index decreased 8.1 percent, compared with a 0.8-percent rise in the prior month. Prices for softwood logs, bolts, and timber also turned down in September. Raw cotton prices fell more in September than they did a month earlier, while the phosphates index increased less than it did in August. Conversely, the indexes for nonferrous metal ores and pulpwood turned up, after decreasing in August. The indexes

for aluminum base scrap and copper base scrap declined at a slower rate in September than they did in the previous month, while prices for iron and steel scrap rose more rapidly than they did a month earlier. The seasonally adjusted annual rate of increase in the index for crude nonfood materials less energy slowed to 6.0 percent in the third quarter of 2002 from a 30.7-percent rate of increase during the preceding 3 months.

A 4.8-percent decrease in natural gas prices in September followed a 0.4-percent increase in August and triggered a downturn in the crude energy materials index—which declined 0.1 percent in September after posting a 1.6-percent rise in August. By contrast, crude petroleum prices increased 5.8 percent in September, compared with a 4.3-percent advance in the preceding month. The coal index fell less than it did in the previous month. For the calendar quarter ended September 2002, the index for crude energy materials rose at a 2.4-percent seasonally adjusted annual rate, after surging at a 49.5-percent rate during the calendar quarter ended June 2002.

Net output price indexes for mining, manufacturing, and service industries

Mining. The Producer Price Index for the Net Output of Total Domestic Mining Industries rose 1.6 percent in September, after climbing 1.1 percent in the previous month. (Net output price indexes are not seasonally adjusted.) With prices jumping 6.7 percent in September, the crude petroleum and natural gas industry was the most significant contributor to this acceleration. The industry index for gold ores also turned up in September. Prices for the oil and gas well drilling industry increased at a faster pace in September than they did in the prior month. Conversely, prices received by the natural gas liquids and natural gas residue industry fell 6.5 percent, following an 8.8-percent increase in the previous month. The industry indexes for bituminous coal and lignite surface mining and for potash, soda, and borate minerals also moved down, after advancing in August. For the 3 months ended September 2002, the index for the net output of total domestic mining industries moved up at a 2.1-percent annual rate, following a 36.6-percent annual rate of increase during the second quarter of this year. In September 2002, this index was 95.1 (December 1984 = 100), 4.7 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Domestic Manufacturing Industries moved up 0.4 percent in September, after increasing 0.1 percent in the prior month. Prices for the petroleum refining and related products industry group rose 5.4 percent in September, following a 2.4-percent jump in the preceding month. The machinery (except electrical) industry group index remained unchanged in September, after falling in August. The industry group indexes for food and kindred products; printing, publishing, and allied industries; and textile mill products turned up in September. On the other hand, prices for the rubber and miscellaneous plastic products industry group turned down

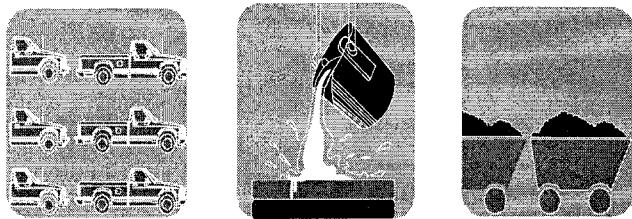
0.1 percent in September, following a 0.6-percent gain in August. The industry group index for chemicals and allied products rose at a slower rate in September than it did a month earlier, while the industry group prices for lumber and wood products (except furniture) turned down in September. After increasing at a 2.4-percent annual rate from March 2002 to June 2002, the index for the net output of total domestic manufacturing industries advanced at a 1.8-percent annual rate from June 2002 to September 2002. In September 2002, the Producer Price Index for Total Manufacturing Industries was

134.2 (December 1984 = 100), 1.0 percent lower than a year ago.

Services. Among service industries in September, advancing prices were registered by the industries for engineering design, analysis, and consulting services; help supply services; and psychiatric hospitals. On the other hand, falling prices were posted by the industries for passenger car rental, truck rental and leasing, and specialty hospitals other than psychiatric.

Price Movements

October 2002



The Producer Price Index for Finished Goods jumped 1.1 percent in October, seasonally adjusted. This index edged up 0.1 percent in September and showed no change in August. Rising prices for gasoline, light trucks, and passenger cars led the increase in the finished goods index in October. At the earlier stages of processing, prices received by producers of intermediate goods advanced 0.7 percent, following a 0.5-percent rise in September. The crude goods index jumped 3.4 percent in October, compared with a 0.6-percent increase in the preceding month. (See table A.)

Among finished goods, the index for finished energy goods advanced 4.2 percent in October, following a 0.9-percent gain in September. (Excluding gasoline, prices for finished goods would have risen 0.6 percent in October.) The index for finished consumer foods turned up 0.7 percent in October, after falling 0.6 percent in September. Prices for finished goods other than foods and energy rose 0.5 percent in October, compared with a slight increase of 0.1 percent in the prior month. (Excluding passenger cars and light trucks, prices for finished goods other than foods and energy would have inched 0.1 percent higher in October.)

For the first 10 months of 2002, the Producer Price Index for Finished Goods increased at a 2.0-percent seasonally

adjusted annual rate, following a 1.6-percent rate of decline in calendar-year 2001. Prices for finished goods other than foods and energy edged up at a 0.2-percent seasonally adjusted annual rate during the first 10 months of 2002, after posting a 0.9-percent gain in 2001. Among prices for raw and partially processed goods, the intermediate goods index advanced at a 3.7-percent seasonally adjusted annual rate from December 2001 through October 2002, compared with a 4.0-percent decrease in 2001. Prices for crude goods jumped at a 21.5-percent seasonally adjusted annual rate during the first 10 months of 2002, after dropping 32.5 percent in 2001.

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 1.2 percent to 140.6 (1982 = 100). From October 2001 to October 2002, finished goods prices rose 0.6 percent. During the same period, the index for finished energy goods advanced 4.9 percent and prices for finished goods other than foods and energy increased 0.5 percent. By contrast, the index for finished consumer foods declined 2.2 percent for the 12 months ended in October. Earlier in the pipeline, prices received by intermediate goods producers moved up 1.6 percent, and the crude goods index jumped 14.3 percent from October 2001 to October 2002.

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2001							
October	-1.3	-0.1	-6.7	-0.4	-0.3	-1.3	-8.8
November	-6	-8	-3.9	.1	-1.2	-.7	4.9
December	-4	-1	-3.0	.2	-1.6	-.6	-7.2
2002							
January	0	.8	-.5	-.2	-2.7	-.2	4.6
February .....	.2	.8	0	.1	-2.6	-.2	-1.2
March .....	.9	.6	5.7	-.1	-1.6	1.0	5.0
April	-.1	-3.0	2.5	.1	-2.1	.8	4.2
May	-.4	-.2	-2.3	0	-2.9	-.2	.8
June .....	.1	.2	-.1	.1	-2.3	.2	-3.7
July	-.1	-.1	.8	-.3	-1.1	.3	1.2
August	0	-.4	1.0	-.1	-1.6	.4	1.6
September .....	.1	-.6	.9	.1	-1.9	.5	.6
October	1.1	.7	4.2	.5	.6	.7	3.4

¹ Some percent changes shown here and elsewhere in "Price Movements October 2002" may differ from those previously reported, because indexes for

June 2002 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

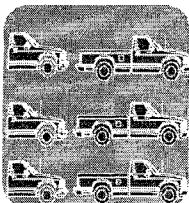
Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2001								
October	-0.4	-6.2	-0.4	-2.4	-3.5	-17.9	-1.5	-25.1
November	-1.6	-3.2	-.2	-3.0	-4.9	19.9	-.3	-20.5
December	-1.1	-2.9	-.2	-4.0	-2.3	-15.0	-.5	-32.5
2002								
January	-.2	-1.3	-.1	-4.7	4.3	7.8	0	-40.0
February	-.1	-1.2	0	-4.6	1.8	-7.1	1.5	-30.6
March .....	.4	4.5	.3	-3.5	-.9	16.9	.5	-21.6
April	-.7	4.3	.2	-2.7	-6.3	19.4	2.1	-18.6
May	-.9	-1.9	.1	-3.2	0	.9	2.3	-16.3
June	1.2	0	.1	-2.8	-.9	-9.7	2.8	-12.4
July	1.2	-.1	.3	-1.5	1.8	.7	1.3	-6.2
August6	.6	.4	-.9	2.0	1.6	.4	-4.2
September	1.2	2.5	.1	-5	2.0	-.1	-.6	.8
October	-.2	4.1	.1	1.6	-.1	8.9	.9	14.3

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June 2002 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Finished goods



The October index for finished energy goods advanced 4.2 percent, after posting a 0.9-percent gain a month earlier. Leading the rise in energy goods prices, the gasoline index surged 17.9 percent. Prices for residential natural gas, home heating oil, diesel fuel, and liquefied petroleum gas also increased in October. On the other hand, the index for residential electric power fell 0.3 percent in October.

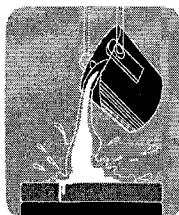
Prices for finished consumer foods rose 0.7 percent in October, compared with a 0.6-percent decline in the prior month. The index for pork jumped 11.5 percent, following a 5.4-percent decrease in September. Prices for dairy products, fresh and dry vegetables, and fresh fruits and melons also turned up in October. The index for finfish and shellfish increased at a quicker pace in October than it did in the preceding month. By contrast, prices for beef and veal fell 2.6 percent, after rising 1.0 percent in September. The indexes for processed fruits and vegetables and soft drinks also turned down in October.

Prices for finished consumer goods other than foods and energy advanced 0.6 percent in October, after edging up 0.1 percent in September. The index for passenger cars jumped 2.2 percent, following a 0.2-percent rise in the prior month. For the 12 months ended in October 2002, passenger car prices increased 2.1 percent. Light motor truck prices advanced 1.9 percent, following a 0.2-percent decline in the prior month. From October 2001 to October 2002, prices for light motor trucks declined 3.0 percent.

In accordance with usual practice, most new model year passenger cars and light trucks were introduced into the PPI in October. (See *Report on Quality Changes for 2003 Model Vehicles*, USDL 02-634.) The indexes for pharmaceutical preparations, alcoholic beverages, and women's apparel advanced at faster rates in October than they did in the preceding month. Prices for men's and boys' apparel, for girls', children's, and infants' apparel, and for household furniture rose, after showing no change in September. On the other hand, the index for soaps and synthetic detergents decreased 0.5 percent, following a 1.0-percent gain in the previous month. Prices for prerecorded compact discs, mobile homes, and periodical circulation also turned down in October.

The capital equipment index increased 0.4 percent in October, after posting no change in September. Most of this acceleration was due to higher prices for light motor trucks and passenger cars. Light motor truck prices advanced 1.9 percent, following a 0.2-percent decline in the prior month. The indexes for passenger cars and civilian aircraft rose more in October than they did in September. Prices for integrating and measuring instruments and for welding machines and equipment turned up in October, after decreasing a month earlier. The October index for communication and related equipment fell less than it did in September. Conversely, prices for electronic computers declined 1.7 percent in October, compared with a 0.5-percent decrease in the preceding month. The index for x-ray and electromedical equipment also fell more than it did in September. Prices for heavy motor trucks were unchanged in October, after rising 0.5 percent in the prior month.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components increased 0.7 percent in October, after rising 0.5 percent in September. Most of this increase was due to higher prices for intermediate energy goods, although the index for nondurable manufacturing materials also rose in October.

By contrast, prices for materials and components for construction and for intermediate foods and feeds fell in October, and the index for durable manufacturing materials showed no change. Excluding foods and energy, the intermediate goods index edged up 0.1 percent for the second consecutive month. (See table B.)

Prices for intermediate energy goods advanced 4.1 percent in October, after posting a 2.5-percent gain in September. The gasoline index led this acceleration, jumping 17.9 percent in October following a 1.5-percent decline in the prior month. Prices for diesel fuel, commercial natural gas, and commercial electric power rose more than they did in September. On the other hand, the index for industrial electric power decreased 0.9 percent, after advancing at the same rate in September. Prices for liquefied petroleum gas, residual fuel, industrial natural gas, and jet fuels increased less in October than they did a month earlier.

The index for nondurable manufacturing materials rose 0.8 percent in October, the same rate of increase as in September. Price increases for ethanol, paper, rock salt, finished fabrics, medicinal and botanical chemicals, and fertilizer materials outweighed falling prices for plastic resins and materials, inedible fats and oils, liquid refinery gases, and paperboard.

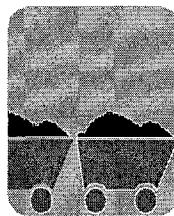
Prices for construction materials declined 0.3 percent in October, after inching up 0.1 percent in September. Leading this deceleration, the index for plastic construction products fell 3.5 percent, following a 3.4-percent increase a month earlier. Prices for wiring devices and fabricated ferrous wire products also turned down, after rising in September. The indexes for fabricated structural metal products and for air-conditioning and refrigeration equipment declined, after showing no change in the previous month. By contrast, softwood lumber prices edged up 0.2 percent in October, following a 1.6-percent drop in September. The indexes for asphalt felts and coatings, gypsum products, and nonferrous wire and cable also turned up in October. Plywood prices decreased less in October than they did in the prior month.

The index for intermediate foods and feeds inched down 0.2 percent in October, after posting a 1.2-percent gain in September. Prices for prepared animal feeds fell 1.8 percent in October, following a 1.9-percent increase a month earlier. Likewise, the indexes for beef and veal, flour, and crude vegetable oils turned down in October. The rate of increase in prices for confectionery materials slowed from September to October. On the other hand, the pork index advanced 11.5 percent in October, following a 5.4-percent decline in the prior month. Prices for natural, processed, and imitation cheese

and butter also posted increases, after falling in September.

The durable manufacturing materials index showed no change in October, following a 0.2-percent gain in September. The rate of increase in prices for steel mill products slowed to 0.3 percent from a 1.1-percent rate in the prior month. Following increases in September, prices turned down for prepared paint, copper and brass mill shapes, and gold. Conversely, the index for aluminum mill shapes advanced 0.5 percent in October, after declining 0.2 percent in September. Prices for plywood, building paper and board, and flat glass fell more slowly in October than they did in the prior month.

Crude goods



The Producer Price Index for Crude Materials for Further Processing advanced 3.4 percent in October, compared with a 0.6-percent increase in the previous month. Prices for crude energy materials and crude non-food materials less energy moved up, after decreasing in September. On the other hand, the crude foodstuffs and feedstuffs index declined, following an increase in the prior month. (See table B.)

Prices for crude energy materials rose 8.9 percent in October, after edging down 0.1 percent a month earlier. The natural gas index jumped 18.5 percent, following a 4.8-percent decline in September. Coal prices increased 0.9 percent, after falling 0.4 percent in the previous month. Alternatively, the index for crude petroleum moved up 1.7 percent, compared with a 5.8-percent gain in the prior month.

Basic industrial materials prices turned up 0.9 percent in October, following a 0.6-percent decline in September. The aluminum base scrap index advanced 2.3 percent, after moving down 1.3 percent in the previous month. Prices for leaf tobacco, raw cotton, and copper base scrap also increased, after falling a month earlier. Prices for wastepaper decreased at a slower rate than they did in September. The iron and steel scrap index rose more than it did in the prior month. Partially offsetting these accelerating prices, the index for gold ores declined 0.7 percent, compared with a 2.6-percent gain in September. Hides and skins prices also turned down in October, after rising in the previous month. The indexes for pulpwood and construction sand, gravel, and crushed stone increased at a slower pace than they did in the prior month.

The index for crude foodstuffs and feedstuffs inched down 0.1 percent in October, following a 2.0-percent increase in the prior month. Leading this deceleration, corn prices dropped 10.7 percent, compared with a 9.7-percent gain in September. The indexes for wheat and alfalfa hay also turned down in October, after moving up in the previous month. Prices for slaughter broilers and fryers and for soybeans fell more than they did in September. The slaughter cattle index advanced at a slower rate than it did a month earlier. By contrast, slaughter hog prices jumped 24.4 percent in October, following an 8.9-percent decline in the prior month. The indexes for fresh and dry vegetables, fresh fruits and melons, and unprocessed

shellfish also turned up, after moving down in September. Prices for unprocessed finfish increased at a faster rate in October than they did a month earlier.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Domestic Mining Industries rose 8.0 percent in October, after advancing 1.6 percent in the previous month. (Net output price indexes are not seasonally adjusted.) Contributing most heavily to this acceleration, prices received by the natural gas liquids and natural gas residue industry turned up 14.9 percent, following a 6.5-percent decrease in September. The industry indexes for bituminous coal and lignite surface mining and coal mining services also turned up in October. Prices for the crude petroleum and natural gas industry increased at a faster pace in October than they did in the prior month. Partially offsetting the overall acceleration, prices received by the oil and gas well drilling industry rose 0.3 percent in October, following a 1.3-percent increase in the previous month. The industry indexes for gold ores and for metal mining services turned down in October. Industry prices for kaolin and ball clay fell 0.3 percent, after posting no change in September. In October 2002, the Producer Price Index for Total Mining Industries was 102.7 (December 1984 = 100), 31.2 percent above its year-ago level.

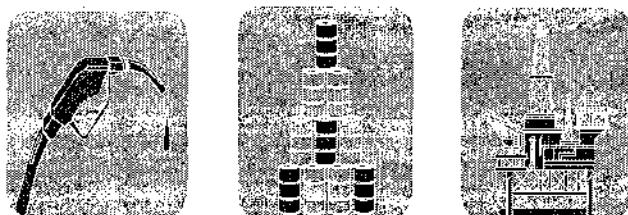
Manufacturing. The Producer Price Index for the Net Output of Total Domestic Manufacturing Industries moved up 1.0

percent in October, after climbing 0.4 percent in the previous month. Prices for the transportation equipment industry group rose 3.2 percent in October, turning up from a 0.4-percent decline in the preceding month. Industry group prices for petroleum refining and related products, chemicals and allied products, and food and kindred products increased at a faster rate than they did in September. By contrast, the electrical and electronic machinery, equipment, and supplies industry group index moved down 0.4 percent, after falling 0.2 percent in September. Industry group prices for paper and allied products remained unchanged in October, following an increase in the preceding month. The industry group index for fabricated metal products (except machinery and transportation equipment) turned down in October, while industry group prices for printing, publishing, and allied industries rose at a slower rate in October than they did in September. In October 2002, the Producer Price Index for Total Manufacturing Industries was 135.6 (December 1984 = 100), 1.4 percent higher than a year ago.

Services. Among service industries in October, advancing prices were posted by the industries for engineering design, analysis, and consulting services; general medical and surgical hospitals; and deep sea foreign transportation of freight. On the other hand, the industries for telephone communications (except radiotelephone), operators and lessors of non-residential buildings, and security brokers, dealers, and investment banking companies registered falling prices in October.

Price Movements

November 2002



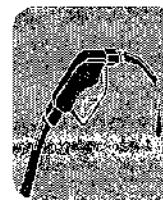
The Producer Price Index for Finished Goods decreased 0.4 percent in November, seasonally adjusted. This decline followed a 1.1-percent increase in October and a 0.1-percent gain in September. Falling prices for gasoline and passenger cars led the decline in the finished goods index in November. At the earlier stages of processing, prices received by intermediate goods manufacturers fell 0.1 percent, after moving up 0.7 percent in October. The crude goods index advanced 5.1 percent in November, following a 3.4-percent increase in the previous month. (See table A.)

Among finished goods in November, the index for finished energy goods declined 1.8 percent, after moving up 4.2 percent in October. Excluding gasoline, the index for finished goods would have fallen 0.1 percent in November. The index for finished goods other than foods and energy fell 0.3 percent, following a 0.5-percent increase in the prior month. Excluding passenger cars, the index for finished goods other than foods and energy would have shown no change in November. The finished consumer foods index rose 0.3 percent, after posting a 0.7-percent gain in October.

Before seasonal adjustment, the Producer Price Index for Finished Goods decreased 0.7 percent to 139.6 (1982 = 100). From November 2001 to November 2002, finished goods prices rose 0.9 percent. During the same period, the finished energy goods index moved up 7.4 percent and prices for finished

goods other than foods and energy advanced 0.1 percent. On the other hand, the finished consumer foods index fell 1.1 percent for the 12 months ended in November. Among raw and partially processed goods, prices received by producers of intermediate goods increased 2.5 percent from November 2001 to November 2002, while the crude goods index jumped 14.7 percent.

Finished goods



Prices for finished energy goods fell 1.8 percent in November, following a 4.2-percent gain in the previous month. The gasoline index led this downturn—dropping 9.0 percent, after rising 17.9 percent in October. Prices for home heating oil, diesel fuel, and liquefied petroleum gas also fell in November, following increases in the prior month. The downturn in the finished energy goods index was partially offset by residential electric power prices—which edged up 0.1 percent, following a 0.3-percent decline in October. Residential natural gas prices advanced at a slightly faster pace in November than they did a month earlier.

The index for finished consumer goods other than foods and energy decreased 0.3 percent in November, following a 0.6-percent increase in the prior month. Approximately half of

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2001							
November	-0.6	-0.8	-3.9	0.1	-1.2	-0.7	4.9
December	-4	-1	-3.0	.2	-1.6	-.6	-7.2
2002							
January	0	.8	-.5	-.2	-2.7	-.2	4.6
February .....	.2	.8	0	.1	-2.6	-.2	-1.2
March .....	.9	.6	5.7	-.1	-1.6	1.0	5.0
April	-.1	-3.0	2.5	.1	-2.1	.8	4.2
May	-.4	-.2	-2.3	0	-2.9	-.2	.8
June .....	.1	.2	-.1	.1	-2.3	.2	-3.7
July	-.2	-.1	.8	-.4	-1.2	.3	1.3
August .....	.1	-.4	1.0	0	-1.6	.4	1.5
September .....	.1	-.6	.9	.1	-1.9	.5	.6
October	1.1	.7	4.2	.5	.6	.7	3.4
November	-4	.3	-1.8	-.3	.9	-.1	5.1

¹ Some percent changes shown here and elsewhere in "Price Movements November 2002" may differ from those previously reported, because indexes for

July 2002 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2001								
November	-1.6	-3.2	-0.2	-3.0	-4.9	19.9	-0.3	-20.5
December	-1.1	-2.9	-2	-4.0	-2.3	-15.0	-5	-32.5
2002								
January	-2	-1.3	-1	-4.7	4.3	7.8	0	-40.0
February	-1	-1.2	0	-4.6	1.8	-7.1	1.5	-30.6
March .....	.4	4.5	.3	-3.5	-.9	16.9	.5	-21.6
April	-7	4.3	.2	-2.7	-6.3	19.4	2.1	-18.8
May	-9	-1.9	.1	-3.2	0	.9	2.3	-16.3
June	1.2	0	.1	-2.8	-.9	-9.7	2.8	-12.4
July	1.4	.1	.3	-1.5	2.0	.3	2.0	-6.2
August .....	.4	.4	.4	-9	1.7	2.0	-3	-4.2
September	1.2	2.5	.1	-5	2.0	-1	-6	.8
October	-2	4.1	.1	1.6	-1	8.9	.9	14.3
November .....	.5	-1.5	.1	2.5	-.1	13.1	.4	14.7

¹ Some percent changes shown here and elsewhere in "Price Movements November 2002" may differ from those previously reported, because indexes for

July 2002 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

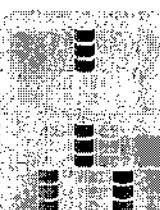
this downturn was due to passenger car prices—which fell 3.6 percent, after posting a 2.2-percent gain in October. The indexes for alcoholic beverages and men's and boys' apparel also turned down, following increases in October. Prices for light motor trucks and pharmaceutical preparations rose at a slower rate than they did in the previous month. The sporting and athletic goods index fell more than it did in October. By contrast, the sanitary papers and health products index moved up 1.2 percent in November, after falling 0.3 percent a month earlier. Prices for cigarettes, soaps and synthetic detergents, mobile homes, floor coverings, and periodical circulation also turned up, following decreases in October.

The capital equipment index turned down 0.2 percent in November, after rising 0.4 percent in the prior month. Passenger car prices dropped 3.6 percent, following a 2.2-percent increase in October. Price increases slowed from October to November for light motor trucks and civilian aircraft. The indexes for communication and related equipment, metal cutting machine tools, and electronic computers decreased more than they did a month earlier. By contrast, the indexes for heavy motor trucks and construction machinery rose in November, after showing no change in the previous month. The indexes for railroad equipment and industrial material handling equipment both advanced, following decreases in the prior month. Commercial furniture prices rose at a slightly faster pace than they did a month earlier.

The rate of increase in prices for finished consumer foods slowed to 0.3 percent in November from 0.7 percent in the previous month. The index for pork moved up 4.1 percent, following an 11.5-percent gain in October. Prices for fresh fruits and melons, finfish and shellfish, and fresh and dry vegetables turned down, after advancing in the prior month. The dairy products index showed no change, following an

increase in October. On the other hand, beef and veal prices rose 2.0 percent in November, after dropping 2.6 percent a month earlier. The indexes for eggs for fresh use, soft drinks, processed fruits and vegetables, and processed young chickens turned up in November.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components inched down 0.1 percent in November, compared with a 0.7-percent advance in October. Intermediate energy goods prices also turned down, after rising in the previous month. The nondurable manufacturing materials index advanced at a slower rate in November than in the prior month, while prices for construction materials retreated at a slightly quicker pace than in October. On the other hand, the durable manufacturing materials index—which showed no change in October—moved up 0.6 percent in November. Prices for intermediate foods and feeds turned up in November, following a decline in the prior month. Excluding foods and energy, the index for intermediate goods rose 0.1 percent, the same rate of increase as in October. (See table B.)

Subsequent to a 4.1-percent jump in October, prices for intermediate energy goods decreased 1.5 percent in November. Prices for gasoline, diesel fuel, jet fuels, natural gas to electric utilities, and liquefied petroleum gas also turned down in November. The indexes for commercial natural gas and residual fuels rose less than they did in October. By contrast, industrial electric power prices advanced 2.4 percent in November, after declining at a 0.9-percent rate a month earlier. The commercial electric power index moved up at a

quicker pace in November than it did in the preceding month.

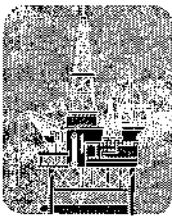
In the nondurable manufacturing materials sector, price increases slowed to a 0.5-percent rate in November from a 0.8-percent rate in October. Price increases for industrial chemicals, plastic resins and materials, nitrogenates, and finished fabrics outweighed price declines for paperboard and phosphates.

The index for materials and components for construction fell 0.4 percent in November, after decreasing 0.3 percent in the preceding month. Over half of November's decline can be traced to a 3.8-percent drop in prices for plastic construction products. The indexes for fabricated structural metal products, millwork, plywood, asphalt felts and coatings, plumbing fixtures and brass fittings, and gypsum products also fell in November. Conversely, prices for nonferrous wire and cable, steel wire, and fabricated ferrous wire products increased in November.

The index for durable manufacturing materials advanced 0.6 percent in November, after showing no change in October. Prices for hot rolled steel sheet and strip jumped 2.7 percent, compared with a 0.4-percent gain in the previous month. The indexes for primary aluminum (except extrusion billet), copper cathode and refined copper, and original equipment automobile stampings turned up in November. Prices for copper and brass mill shapes and prepared paint fell at a slower pace in November than they did a month earlier. The acceleration in the durable manufacturing materials index was partly offset by prices for cold rolled steel sheet and strip—which increased 0.4 percent, following a 1.7-percent rise in October. The rate of increase in prices for aluminum mill shapes also slowed in November compared with October. The indexes for plywood and building paper and board declined at a faster rate than they did in the prior month. Prices for cold finished steel bars turned down in November.

The intermediate foods and feeds index moved up 0.5 percent in November, compared with a 0.2-percent decline a month earlier. Beef and veal prices—which rose 2.0 percent, after falling 2.6 percent in October—were the key factor behind this upturn. The indexes for crude vegetable oils and fluid milk products also turned up in November. Prepared animal feed prices decreased at a slower rate in November than they did in the prior month. By contrast, the natural, processed, and imitation cheese index fell 2.2 percent in November, following an 8.3-percent increase in October. Confectionery material prices also turned down, while the pork index rose less in November than it did in the prior month.

Crude goods



The Producer Price Index for Crude Materials for Further Processing moved up 5.1 percent in November, after climbing 3.4 percent in the preceding month. This acceleration was due to a faster rate of increase in prices for crude energy materials. A slowdown in the rate of price increase for basic industrial materials slightly offset the impact of

energy prices. Crude foodstuff and feedstuff prices inched down in November, after declining by the same amount a month earlier. (See table B.)

The crude energy materials index rose 13.1 percent in November, after posting an 8.9-percent increase in the previous month. The natural gas index climbed 37.9 percent, following an 18.5-percent advance in October. On the other hand, the crude petroleum index dropped 13.5 percent, compared with a 1.7-percent gain in October. Coal prices moved up 0.6 percent in November, after rising 0.9 percent in the prior month.

Prices for basic industrial materials advanced 0.4 percent in November, following a 0.9-percent gain in October. Rising prices were registered by the indexes for raw cotton, leaf tobacco, aluminum base scrap, copper base scrap, and pulpwood. By contrast, the indexes for iron and steel scrap; hides and skins; softwood logs, bolts, and timber; nonferrous metal ores; and phosphates posted falling prices in November.

The index for crude foodstuffs and feedstuffs moved down 0.1 percent in November, after posting the same rate of change in the prior month. Falling prices for corn, wheat, fluid milk, and fresh fruits and melons were offset by rising prices for slaughter cattle, soybeans, slaughter turkeys, slaughter broilers and fryers, unprocessed shellfish, and slaughter hogs.

Net output price indexes for mining, manufacturing, and services industries

Mining. For the month of November, the Producer Price Index for the Net Output of Total Mining Industries rose 9.3 percent, after rising 8.0 percent in October. (Net output price indexes are not seasonally adjusted.) The main contributor to this acceleration was the industry index for natural gas liquids and natural gas residue—which jumped 42.7 percent, following a 14.9-percent gain in the prior month. Prices received by the oil and gas field exploration services industry advanced, after showing no change in October. In addition, prices received by the industries for crushed and broken granite and gold ores turned up in November, following declines in the preceding month. On the other hand, the index for the crude petroleum and natural gas industry rose 1.2 percent in November, following an 11.3-percent advance in October. Prices received by the industries for bituminous coal and lignite surface mining, oil and gas well drilling, and crushed and broken limestone turned down, after increasing in the prior month. The index for the coal mining services industry showed no change in November, following an advance in October. In November, the Producer Price Index for the Net Output of Total Domestic Mining Industries was 112.3 (December 1984 = 100), 27.2 percent above its year-ago level.

Manufacturing. Subsequent to a 1.0-percent gain in October, the Producer Price Index for the Net Output of Total Manufacturing Industries fell 0.7 percent in November. The index for the petroleum refining and related products industry group decreased 8.9 percent in November, following an 8.2-percent advance in the previous month. Prices received by the

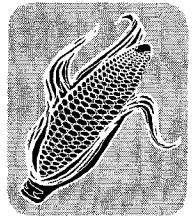
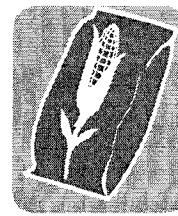
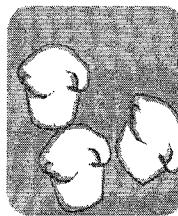
industry groups for transportation equipment; apparel and other finished fabrics; and stone, clay, glass, and concrete products turned down in November, after rising a month earlier. The index for the food and kindred products industry group increased less in November than it did in October. By contrast, prices for the chemicals and allied products industry group advanced 0.7 percent, after rising 0.5 percent in October. The industry group index for electrical and electronic machinery, equipment, and supplies fell less in November than it did in the previous month. Prices received by the paper and allied products industry group rose, after showing no change in October. The industry group index for fabricated metal products, except machinery and transportation equipment, turned up in November, following a decrease a month earlier. In November, the Producer Price Index for the Net Output

of Total Domestic Manufacturing Industries was 134.7 (December 1984 = 100), 1.5 percent above its year-ago level.

Services. Among service industries in November, advancing prices were registered by the industries for telephone communications (except radiotelephone), deep sea foreign transportation of freight, cable and other pay television services, wireless telecommunications, general medical and surgical hospitals, scheduled air transportation, and employment agencies. By contrast, falling prices were experienced by the industries for engineering design, analysis, and consulting services; data processing services; operators and lessors of nonresidential buildings; accounting, auditing, and bookkeeping services; legal services; help supply services; and truck rental and leasing.

Price Movements

December 2002



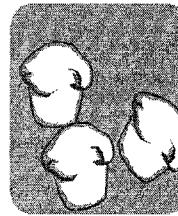
The Producer Price Index for Finished Goods showed no change in December, seasonally adjusted. This followed a 0.4-percent decline in November and a 1.1-percent advance in October. At the earlier stages of processing, prices received by producers of intermediate goods decreased 0.1 percent for the second consecutive month. The crude goods index rose 1.9 percent, after increasing 5.1 percent in November. (See table A.)

Among finished goods, the index for finished goods other than foods and energy declined 0.3 percent in December, the same as in November. The decline in December largely reflected falling prices for passenger cars and light trucks. When prices for passenger cars and light trucks are excluded, the index for finished goods other than foods and energy edged down 0.1 percent. On the other hand, prices for finished energy goods increased 0.9 percent, following a 1.8-percent decrease in November. Finished consumer food prices rose 0.4 percent in December, compared with a 0.3-percent gain a month earlier.

Before seasonal adjustment, the Producer Price Index for Finished Goods decreased 0.4 percent to 139.1 (1982 = 100). From December 2001 to December 2002, finished goods prices increased 1.2 percent, after declining 1.6 percent during 2001. Prices for finished energy goods turned up 11.9 percent in 2002, following a 17.1-percent drop in the previous calendar

year. Conversely, for the 12 months ended in December 2002, the index for finished goods other than foods and energy decreased 0.4 percent, after posting a 0.9-percent gain in 2001. Prices for finished consumer foods fell 0.6 percent in 2002, following a 1.8-percent increase a year earlier. At the earlier stages of processing, the intermediate goods index advanced 3.2 percent from December 2001 to December 2002, after registering a 4.0-percent decline during 2001. Prices received by producers of crude materials for further processing jumped 26.1 percent in 2002, following a 32.5-percent drop in the prior calendar year. (See summary below.)

Finished goods



The index for finished consumer goods other than foods and energy fell 0.3 percent in both December and November. In December, price declines for passenger cars, light motor trucks, floor coverings, men's and boys' apparel, and cigarettes prevailed over price increases for sporting and athletic goods, book publishing, sanitary papers and health products, alcoholic beverages, and footwear. During the 2002 calendar year, prices for finished consumer goods other than foods and energy edged down 0.1 percent, following a 1.5-percent hike in 2001.

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2001							
December	-0.4	-0.1	-3.0	0.2	-1.6	-0.6	-7.2
2002							
January	0	.8	-.5	-.2	-2.7	-.2	4.6
February .....	.2	.8	0	.1	-2.6	-.2	-1.2
March .....	.9	.6	5.7	-.1	-1.6	1.0	5.0
April	-.1	-3.0	2.5	.1	-2.1	.8	4.2
May	-.4	-.2	-2.3	0	-2.9	-.2	.8
June .....	.1	.2	-.1	.1	-2.3	.2	-3.7
July	-.2	-.1	.8	-.4	-1.2	.3	1.3
August .....	.1	-.4	1.4	-.1	-1.5	.3	1.9
September .....	.1	-.7	.6	.1	-1.9	.5	.3
October	1.1	.7	4.2	.5	.6	.7	3.4
November	-.4	.3	-1.8	-.3	.9	-.1	5.1
December	0	.4	.9	-.3	1.2	-.1	1.9

¹ Some percent changes shown here and elsewhere in "Price Movements December 2002" may differ from those previously reported, because indexes for

August 2002 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Summary of December-to-December and 3-month seasonally adjusted annual rates for selected stages of process

Grouping	Percentage change, ¹² months ended in December			Seasonally adjusted annual rate for 3 months ended in:			
				March 2002	June 2002	September 2002	December 2002
	2000	2001	2002				
Finished goods	3.6	-1.6	1.2	4.4	-1.7	-0.3	2.6
Finished consumer foods	1.7	1.8	-.6	9.1	-11.4	-4.5	5.6
Finished energy goods	16.6	-17.1	11.9	22.3	0	11.4	13.5
Finished goods less foods and energy	1.3	.9	-.4	-.5	.8	-1.3	-.5
Finished consumer goods, excluding foods and energy	1.4	1.5	-.1	-1.0	2.0	-1.3	-.3
Capital equipment.....	1.2	0	-.9	-.3	-.6	-1.7	-.9
Intermediate materials, supplies, and components	4.1	-4.0	3.2	1.9	2.9	4.8	2.2
Intermediate foods and feeds	3.6	.3	4.5	.7	-1.7	12.9	5.9
Intermediate energy goods	19.0	-16.9	11.4	7.7	9.8	12.8	8.9
Intermediate materials less foods and energy	1.6	-1.6	1.6	.9	1.8	3.0	.3
Materials for nondurable manufacturing	4.1	-5.5	4.3	.3	7.5	10.0	-.3
Materials for durable manufacturing .....	.2	-4.0	3.2	3.3	3.9	3.6	1.9
Materials and components for construction .....	.1	0	.8	1.6	1.9	2.4	-2.6
Crude materials for further processing	35.5	-32.5	26.1	38.5	5.1	14.9	50.6
Foodstuffs and feedstuffs	7.4	-7.6	4.4	22.6	-25.9	25.7	3.6
Crude energy materials	85.6	-52.9	66.1	87.8	40.1	9.3	165.1
Crude nonfood materials less energy	-5.5	-9.9	12.4	8.5	32.7	4.4	6.2

NOTE: Late reports and corrections by respondents may cause some indexes to change 4 months after original publication. In addition, seasonally

adjusted indexes may be revised for 5 years, due to the recalculation of seasonal factors each January.

Capital equipment prices fell 0.4 percent in December, following a 0.2-percent decrease in the previous month. Subsequent to a 0.3-percent gain in November, the index for light motor trucks declined 1.6 percent. Prices for heavy motor trucks, civilian aircraft, and construction machinery and equipment rose more slowly in December than they did in November. Commercial furniture prices turned down, after rising in the prior month. On the other hand, the rate of decline for passenger car prices slowed from 3.6 percent in November to 2.0 percent in December. The index for metal-cutting machine tools also fell less in December than it did a month earlier. Prices for transformers and power regulators turned up, after declining in November. The index for industrial material handling equipment rose more in December than it did in the preceding month. For the 12 months ended December 2002, capital equipment prices decreased 0.9 percent, after showing no change during the previous calendar year.

Prices for finished energy goods increased 0.9 percent in December, after decreasing 1.8 percent in November. The gasoline index rose 1.6 percent, following a 9.0-percent decline in the preceding month. Prices for home heating oil, liquefied petroleum gas, and diesel fuel also turned up, after falling in November. The index for residential electric power rose more in December than it did in the prior month. By contrast, residential natural gas prices decreased 0.4 percent, following a 3.1-percent advance in November.

The index for finished consumer foods increased at about the same rate in December as in the prior month — 0.4 percent and 0.3 percent, respectively. Rising prices for beef and veal, dairy products, processed young chickens, confectionery end products, and processed turkeys outweighed price declines

for fresh fruits and melons, finfish and shellfish, fresh and dry vegetables, and eggs for fresh use.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components inched down 0.1 percent for the second consecutive month. An increase in the December intermediate foods and feeds index partly offset declining prices for materials for nondurable manufacturing, intermediate energy goods, and materials for durable manufacturing. December prices for materials and components for construction remained unchanged. The index for intermediate goods other than foods and energy edged down 0.1 percent in December, after rising at a similar rate in the prior month. (See table B.)

The index for materials for nondurable manufacturing declined 1.3 percent in December, following a 0.5-percent rise in the previous month. The index for basic organic chemicals decreased 2.3 percent, after advancing 1.6 percent in November. The indexes for plastic resins and materials, paper, synthetic rubber, and gray fabrics also turned down in December. Finished fabric prices remained unchanged in December, after increasing in November. On the other hand, prices for alkalies and chlorine advanced 2.3 percent in December, after moving down 1.7 percent in the preceding month. The index for inedible fats and oils increased at a faster rate in December than it did a month earlier. The December phosphate index fell at a slower pace than in November. During 2002, prices for materials for nondurable manufacturing rose 4.3 percent, after declining 5.5 percent in 2001.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2001								
December	-1.1	-2.9	-0.2	-4.0	-2.3	-15.0	-0.5	-32.5
2002								
January	-2	-1.3	-.1	-4.7	4.3	7.8	0	-40.0
February	-1	-1.2	0	-4.6	1.8	-7.1	1.5	-30.6
March .....	.4	4.5	.3	-3.5	-.9	16.9	.5	-21.6
April	-.7	4.3	.2	-2.7	-6.3	19.4	2.1	-18.6
May	-.9	-1.9	.1	-3.2	0	.9	2.3	-16.3
June	1.2	0	.1	-2.8	-.9	-9.7	2.8	-12.4
July	1.4	.1	.3	-1.5	2.0	.3	2.0	-6.2
August .....	.7	.7	.2	-1.0	1.9	3.2	-.4	-3.8
September .....	.9	2.2	.2	-.5	1.9	-1.2	-.4	.8
October	-.2	4.1	.1	1.6	-.1	8.9	.9	14.3
November .....	.5	-1.5	.1	2.5	-.1	13.1	.4	14.7
December	1.1	-.4	-.1	3.2	1.1	3.6	.2	26.1

¹ Some percent changes shown here and elsewhere in "Price Movements December 2002" may differ from those previously reported, because indexes for

August 2002 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

The index for intermediate energy goods decreased 0.4 percent, after registering a 1.5-percent decline in November. The indexes for residual fuel, industrial natural gas, and kerosene posted decreases in December, while prices for diesel fuel, gasoline, and commercial electric power increased. From December 2001 to December 2002, the intermediate energy goods index advanced 11.4 percent, following a 16.9-percent drop in 2001.

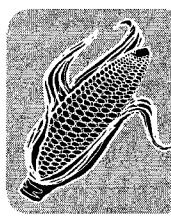
The index for materials for durable manufacturing fell 0.1 percent in December, after registering a 0.6-percent rise in the prior month. The index for hot rolled steel sheet and strip decreased 0.6 percent, following a 2.7-percent gain in November. Prices for primary aluminum (except extrusion billet) and for copper cathode and refined copper moved up at a slower rate in December than in November. Hot rolled steel bars, plates, and structural shape prices fell at a faster pace in December than they did a month earlier. By contrast, the index for flat glass rose 0.8 percent in December, after declining 0.5 percent in November. Cement, cold finished steel bars, and hardwood lumber prices turned up in December. Durable manufacturing material prices increased 3.2 percent in 2002, following a 4.0-percent decline in the previous year.

Subsequent to a 0.5-percent gain in November, the index for intermediate foods and feeds rose 1.1 percent. The index for beef and veal advanced 5.7 percent in December, following a 2.0-percent increase in November. Prices for prepared animal feeds posted no change in December, after declining in the preceding month. The indexes for natural, processed, and imitation cheese and for confectionery materials turned up in December. Partially offsetting the intermediate foods and feeds acceleration, pork prices fell 0.7 percent in December, following a 4.1-percent gain a month earlier. The fluid milk products index also turned down in December. The indexes

for crude vegetable oils and for mayonnaise, salad dressings, and sandwich spreads rose at a slower rate than they did in November. Prices for intermediate foods and feeds increased 4.5 percent during 2002, after posting a 0.3-percent rise in 2001.

The index for materials and components for construction remained unchanged in December, after posting a 0.4-percent drop in the preceding month. The index for plastic construction products rose 0.1 percent, following a 3.8-percent decrease in November. Prices for fabricated structural metal products and for plumbing fixtures and brass fittings also turned up in December. Millwork prices registered no change in December, after falling in the prior month. By contrast, the index for softwood lumber declined 0.8 percent, following a 0.1-percent gain in the previous month. Prices for nonferrous wire and cable, fabricated ferrous wire products, and steel wire also turned down in December. For the 12 months ended December 2002, the index for materials and components for construction rose 0.8 percent, after posting no change in the prior year.

Crude goods



The Producer Price Index for Crude Materials for Further Processing advanced 1.9 percent in December, following a 5.1-percent increase in the previous month. Prices for crude energy materials and basic industrial materials also rose at a slower pace than they did in November. By contrast, the crude foodstuffs and feedstuffs index turned up in December, after falling in the prior month. (See table B.)

Prices for crude energy materials rose 3.6 percent in December, compared with a 13.1-percent increase a month

earlier. The natural gas index moved up 3.3 percent, after jumping 37.9 percent in November. Coal prices declined 1.6 percent, following a 0.6-percent gain in the previous month. On the other hand, the index for crude petroleum advanced 6.6 percent in December, after dropping 13.5 percent in the prior month. Prices for crude energy materials increased 66.1 percent during 2002, following a 52.9-percent decline in 2001.

The crude nonfood materials less energy index rose 0.2 percent in December, after posting a 0.4-percent gain in the previous month. Raw cotton price increases slowed from 13.1 percent in November to 5.3 percent in December. Prices for leaf tobacco and copper base scrap also increased at a slower rate than they did a month earlier. The indexes for aluminum base scrap and pulpwood turned down, after moving up in November. The indexes for wastepaper and softwood logs, bolts, and timber fell more in December than they did in November. Partially offsetting the deceleration in prices for basic industrial materials, the nonferrous metal ores index turned up 1.9 percent in December, following a 0.4-percent decline in the previous month. Prices for iron and steel scrap and for hides and skins fell at a slower pace than they did in November. The index for construction sand, gravel, and crushed stone rose more in December than it did in the prior month. Prices for crude nonfood materials less energy advanced 12.4 percent during calendar year 2002, compared with a 9.9-percent decrease in 2001.

Prices for crude foodstuffs and feedstuffs turned up 1.1 percent in December, after inching down 0.1 percent in the prior month. The index for slaughter broilers and fryers advanced 7.7 percent, following a 0.7-percent gain in November. Prices for corn, wheat, and fresh fruits and melons fell less than they did in the previous month. The fluid milk index turned up, after moving down in November. By contrast, slaughter cattle prices moved up 3.4 percent in December, following a 4.3-percent gain a month earlier. The indexes for soybeans and fresh vegetables other than potatoes turned down, after rising in November. The index for crude foodstuffs and feedstuffs advanced 4.4 percent in 2002, compared with a 7.6-percent decline in the prior calendar year.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries rose 2.9 percent in December, following a 9.3-percent advance in November. (Net output price indexes are not seasonally adjusted.) The slower rate of increase in mining sector prices can be traced to the index for the natural gas liquids and natural gas residue industry, which moved up 9.7 percent in December after surging 42.7 percent

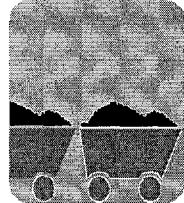
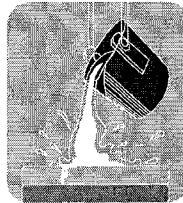
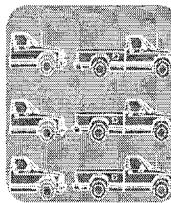
in November. Prices received by the crude petroleum and natural gas industry also rose at a slower rate in December than they did a month earlier. The industry indexes for oil and gas well drilling, bituminous coal underground mining, and bituminous coal surface mining fell at a quicker pace in December, compared with the preceding month. Prices received by the industry for oil and gas well exploration services turned down in December. Conversely, the industry index for crushed and broken limestone advanced 1.0 percent, following a 0.2-percent decline in November. Prices received by the gold ores industry increased more than they did in the previous month. In December, the Producer Price Index for the Net Output of Total Mining Industries was 115.6 (December 1984 = 100). From December 2001 to December 2002, prices received by the mining sector rose 49.0 percent, after decreasing 47.0 percent in 2001.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries fell 0.4 percent in December, following a 0.7-percent decline in November. Prices received by the petroleum refining and related products industry group decreased 4.4 percent, after an 8.9-percent drop in the prior month. The index for the food and kindred products industry group advanced more in December than it did in November. Prices received by the industry groups for sporting and athletic goods, for lumber and wood products (except furniture), and for stone, clay, glass, and concrete products increased in December, following November decreases. On the other hand, the industry group index for chemicals and allied products declined 0.6 percent in December, compared with a 0.7-percent gain a month earlier. Prices received by the paper and allied products industry group also turned down in December. The industry group indexes for transportation equipment and for electrical and electronic machinery and equipment fell more than they did in the previous month. In December, the Producer Price Index for the Net Output of Total Manufacturing Industries was 134.1 (December 1984 = 100). From December 2001 to December 2002, prices received by the manufacturing sector rose 1.9 percent, after moving down 2.0 percent in 2001.

Services. Among the service industries in December, prices received by the industries for operators and lessors of non-residential buildings; telephone communications (except radiotelephone); radio broadcasting; engineering design, analysis, and consulting services; and hotels and motels decreased in December. By contrast, the industry indexes for passenger car rental, local trucking without storage, cable and other pay television services, help supply services, and legal services increased in December.

Price Movements

January 2003



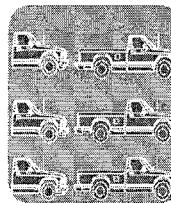
The Producer Price Index for Finished Goods rose 1.6 percent in January, seasonally adjusted. This increase followed a 0.1-percent decrease in December and a 0.3-percent decline in November. At the earlier stages of processing, prices received by intermediate goods manufacturers rose 1.3 percent in January, following a 0.2-percent decline in the prior month. The crude goods index increased 6.9 percent, compared with a 2.2-percent gain in December. (See table A.)

Among finished goods, the index for finished energy goods advanced 4.8 percent, following a 0.2-percent increase in December. Excluding prices for energy goods, the finished goods index rose 1.1 percent in January. The index for finished goods other than foods and energy advanced 0.9 percent, after posting a 0.5-percent decline in December. Excluding prices for passenger cars and light motor trucks, the index for finished goods other than foods and energy increased 0.3 percent in January. The finished consumer foods index increased 1.6 percent in January, after posting a 0.4-percent gain in the prior month.

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 1.5 percent to 141.2 (1982 = 100). From January 2002 to January 2003, prices for finished goods rose 2.8 percent. Much of this increase was due to a 17.0-percent jump in the index for finished energy goods. During

the same period, prices for finished goods other than foods and energy rose 0.5 percent, and the index for finished consumer foods moved up 0.4 percent. At the earlier stages of processing, prices received by producers of intermediate goods increased 4.5 percent, and the index for crude goods advanced 29.3 percent.

Finished goods



Prices for finished energy goods jumped 4.8 percent in January, following a 0.2-percent increase in December. Although prices for most finished energy goods added to this acceleration, the largest contributor was the gasoline index, which advanced 13.7 percent after registering a 1.2-percent decrease in December. Prices for residential natural gas also turned up in January. The indexes for home heating oil and liquefied petroleum gas rose at a faster pace in January than they did a month earlier. By contrast, the residential electric power index rose 0.1 percent in January, following a 0.3-percent gain in the prior month.

The index for finished consumer goods other than foods and energy advanced 0.9 percent in January, following a 0.4-percent decline in December. Prices charged by manufacturers for passenger cars moved up 3.5 percent, after falling 2.1

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2002							
January	0.0	0.5	-0.2	-0.1	-2.7	-0.2	4.5
February .....	.3	1.1	.6	0	-2.6	-.1	-1.0
March .....	.8	.6	4.6	-.1	-1.6	.7	5.2
April	-1	-2.9	3.1	.1	-2.1	.9	4.3
May	-4	-3	-2.3	0	-2.9	-.3	.7
June .....	.1	.2	.1	.1	-2.3	.2	-3.8
July	0	-.1	1.1	-.3	-1.2	.2	.8
August	0	-.4	1.4	-.1	-1.5	.4	1.8
September .....	.3	-.4	1.2	.3	-1.8	.5	2.2
October .....	.7	.4	3.3	.3	.6	.7	1.2
November	-3	.4	-1.8	-.1	.9	0	5.7
December	-1	.4	.2	-.5	1.2	-.2	2.2
2003							
January	1.6	1.6	4.8	.9	2.8	1.3	6.9

¹ Some percent changes shown here and elsewhere in "Price Movements January 2003" may differ from those previously reported, because seasonal adjustment factors have been recalculated to reflect developments during

2002. In addition, indexes for September 2002 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2002								
January	-0.1	-1.4	-0.1	-4.7	4.1	7.8	0.6	-40.0
February	0	-4	0	-4.6	2.4	-7.1	1.3	-30.6
March .....	.4	3.6	.2	-3.5	-.5	16.9	.5	-21.6
April	-.7	4.5	.2	-2.7	-6.1	19.4	1.9	-18.6
May	-.9	-2.0	0	-3.2	.1	.9	1.9	-16.3
June	1.1	.3	.2	-2.8	-1.2	-9.7	2.8	-12.4
July	1.3	0	.2	-1.5	.6	.3	1.7	-6.2
August .....	.7	1.5	.2	-1.0	1.7	3.2	-.4	-3.8
September	1.1	2.2	.1	-.6	1.3	4.6	-.2	3.1
October	-.3	3.4	.2	1.6	0	2.8	.4	14.3
November .....	.6	-1.2	.2	2.5	1.1	13.1	.9	14.7
December	1.2	-1.0	-.1	3.2	1.5	3.6	.5	26.1
2003								
January	1.3	6.1	.3	4.5	5.4	11.0	1.0	29.3

¹ Some percent changes shown here and elsewhere in "Price Movements January 2003" may differ from those previously reported, because seasonal adjustment factors have been recalculated to reflect developments during

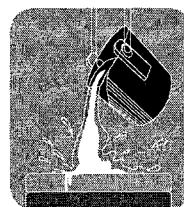
percent in the previous month. For the 12 months ended in January 2003, passenger car prices declined 1.4 percent. Prices charged by manufacturers for light motor trucks increased 4.1 percent, compared with a 2.2-percent decrease in the prior month. From January 2002 to January 2003, prices for light motor trucks rose 0.7 percent. Prices for floor coverings and household appliances turned up in January. The indexes for pharmaceutical preparations and periodical circulation rose, after showing no change in December. On the other hand, prices for sporting and athletic goods fell 0.2 percent, compared with a 3.1-percent increase in the prior month. The rate of decline in prices for cigarettes and for soaps and synthetic detergents increased from December to January.

January prices for capital equipment increased 0.7 percent, following a 0.4-percent decline in December. The indexes for light motor trucks and passenger cars rose in January, after falling in the preceding month. Prices for commercial furniture and for communication and related equipment also turned up in January. The electronic computers index fell at a slower rate in January than it did in December. Alternatively, the x-ray and electromedical equipment index posted a 0.6-percent decline, after inching up 0.1 percent in December. Prices for both heavy motor trucks and industrial material handling equipment remained unchanged in January, following an increase in the prior month.

Prices for finished consumer foods rose 1.6 percent in January, after posting a 0.4-percent gain in December. The fresh and dry vegetables index increased 18.2 percent in January, after moving down 5.0 percent in the prior month. Prices for finfish and shellfish, fresh fruits and melons, and pork also increased, after falling in December. By contrast, the dairy products index rose 0.4 percent in January, following a 1.4-percent gain in the previous month. Prices

for beef and veal also rose at a slower rate than they did in the prior month. The indexes for soft drinks and for shortening and cooking oils turned down in January.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components advanced 1.3 percent in January, following a 0.2-percent decline in December. Most of this upturn can be traced to prices for intermediate energy goods and materials for nondurable manufacturing, which also posted gains after falling in the previous month. The indexes for materials and components for construction and materials for durable manufacturing increased, after showing no change in December. Prices for intermediate foods and feeds rose at a slightly quicker pace in January than they did in December. The index for intermediate goods other than foods and energy moved up at a 0.3-percent rate in January, following a 0.1-percent decrease in the prior month. (See table B.)

Subsequent to a 1.0-percent drop in December, prices for intermediate energy goods advanced 6.1 percent in January. The gasoline index jumped 13.7 percent, after registering a 1.2-percent decline in the previous month. Prices for industrial natural gas, residual fuels, and natural gas to electric utilities also turned up in January. The indexes for diesel fuel and liquefied petroleum gas rose at a faster pace than they did in the preceding month. Prices for commercial natural gas increased in January, after showing no change a month earlier.

The index for materials for nondurable manufacturing moved up 1.4 percent in January, compared with a 1.3-percent decrease in December. A significant portion of this upturn was due to the basic organic chemicals index, which advanced 5.2

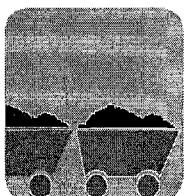
percent in January following a 2.3-percent decline in the prior month. The indexes for finished fabrics, synthetic rubber, medicinal and botanical chemicals, and phosphates also rose in January, after falling a month earlier. Nitrogenate prices increased at a faster rate than they did in the preceding month, while the index for paperboard decreased more slowly than it did in December. Conversely, paper prices declined 0.4 percent in January, after edging down 0.1 percent in December. The index for gray fabrics also fell more quickly than it did in December. Prices for basic inorganic chemicals and for processed yarns and threads turned down in January, following December increases.

The index for materials and components for construction advanced 0.3 percent in January, after showing no change in December. Prices for plastic construction products jumped 2.6 percent, following a 0.3-percent increase in the prior month. The index for heating equipment also rose more quickly in January than in December. Prices for fabricated structural metal products and for air-conditioning and refrigeration equipment moved up, after showing no change in December. The January indexes for wiring devices, mineral wool for structural insulation, and paving mixtures and blocks turned up, after falling a month earlier. On the other hand, the soft-wood lumber index declined 1.9 percent in January, compared with a 0.5-percent decrease in December. Prices for gypsum products and for nonferrous wire and cable also fell more quickly in January than they did in the preceding month. The indexes for treated wood, plumbing fixtures and brass fittings, and architectural coatings moved down, after rising in the previous month.

The index for materials for durable manufacturing, which was unchanged for December, edged up 0.1 percent in January. Price increases for cold-rolled steel sheet and strip; hot-rolled steel bars, plates, and structural shapes; precious metals; copper cathode and refined copper; copper and brass mill shapes; adhesives and sealants; and hardwood lumber slightly outweighed price decreases for hot-rolled steel sheet and strip, aluminum mill shapes, semifinished steel mill products, primary aluminum (except extrusion billet), and prepared paint.

The index for intermediate foods and feeds advanced at about the same rate in January as in the prior month—1.3 percent and 1.2 percent, respectively. In January, rising prices for beef and veal, prepared animal feeds, pork, processed young chickens, crude vegetable oils, and flour more than offset falling prices for dry milk products; shortening and cooking oils; natural, processed, and imitation cheese; and fluid milk products.

Crude goods



The Producer Price Index for Crude Materials for Further Processing advanced 6.9 percent in January, following a 2.2-percent gain in December. Prices for crude energy materials, crude foodstuffs and feedstuffs, and basic industrial materials

also increased at a faster rate in January than in the prior month. (See table B.)

The index for crude energy materials rose 11.0 percent in January, after increasing 3.6 percent in the previous month. Leading this acceleration, prices for crude petroleum jumped 20.4 percent, following a 6.6-percent gain in December. The natural gas index moved up 8.2 percent, after rising 3.3 percent in the prior month. Prices for coal turned up 1.9 percent in January, following a 1.6-percent decline a month earlier.

The index for crude foodstuffs and feedstuffs moved up 5.4 percent in January, after rising 1.5 percent in the previous month. Slaughter cattle prices advanced 9.1 percent, following a 3.4-percent increase in December. The indexes for slaughter broilers and fryers and for fluid milk also rose more in January than they did a month earlier. Prices for fresh vegetables (except potatoes), unprocessed finfish, and fresh fruits and melons turned up, after decreasing in the previous month. By contrast, the wheat index fell 8.3 percent in January, following a 4.3-percent decline in the prior month. Soybean prices also decreased at a faster pace than they did in December. The indexes for slaughter hogs and slaughter turkeys rose less than they did in the previous month. Prices for alfalfa hay and Irish potatoes for processing turned down in January, after increasing a month earlier.

The index for crude nonfood materials less energy rose 1.0 percent in January, following a 0.5-percent increase in the prior month. Iron and steel scrap prices turned up 0.9 percent, after falling 1.2 percent in December. The phosphate index also advanced, following a decline in the previous month. Prices for gold ores increased at a faster rate in January than they did a month earlier. The iron ore index moved up, after showing no change in December. Partially counteracting these accelerating prices, the wastepaper index dropped 3.4 percent in January, after declining 0.7 percent a month earlier. Prices for construction sand, gravel, and crushed stone and for leaf tobacco turned down, following gains in December. The indexes for copper base scrap and raw cotton rose less than they did in the previous month.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries rose 9.2 percent in January, following a 2.9-percent advance in December. (Net output price indexes are not seasonally adjusted.) The acceleration in mining sector prices can be traced to the index for the crude petroleum and natural gas industry, which moved up 18.8 percent in January, after advancing 0.8 percent in December. Prices received by the bituminous coal and lignite surface mining industry, the bituminous coal underground mining industry, and the oil and gas well drilling industry turned up in January. The industry index for gold ores rose at a quicker pace in January than it did a month earlier. Alternatively, the industry index for natural gas liquids and natural gas residue increased 3.2 percent, following a 9.7-percent jump in December. Prices received by the potash, soda, and borate minerals industry

turned down in January. The industry index for crushed and broken limestone rose at a slower rate in January than it did in December. In January, the Producer Price Index for the Net Output of Total Mining Industries was 126.2 (December 1984 = 100), 54.1 percent above its year-ago level.

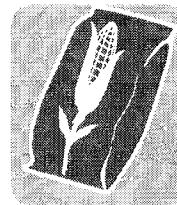
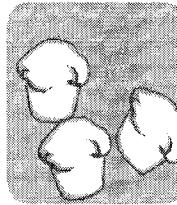
Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries advanced 1.3 percent in January, following a 0.4-percent decline in December. Prices received by the petroleum refining and related products industry group increased 13.6 percent, after a 4.4-percent drop in the prior month. The industry group indexes for transportation equipment and for chemicals and allied products turned up in January. Prices for the printing, publishing, and allied industries group and the industry index for surgical, medical, and dental instruments and supplies rose at a faster pace in January than they did a month ago. On the other hand, prices

received by the tobacco manufactures industry group edged down in January, after showing no change in December. The industry group index for leather and leather products turned down in January. In January, the Producer Price Index for the Net Output of Total Manufacturing Industries was 135.9 (December 1984 = 100), 3.2 percent above its year-ago level.

Services. Among service industries, prices received by the industries for operators and lessors of nonresidential buildings; engineering design, analysis, and consulting services; courier services (except by air); legal services; and general medical and surgical hospitals increased in January. By contrast, the industry indexes for radio broadcasting, local trucking without storage, passenger car rental, telephone communications (except radiotelephone), and wireless telecommunications decreased in January.

Price Movements

March 2002



The Producer Price Index for Finished Goods advanced 1.0 percent in March, seasonally adjusted. This increase followed a 0.2-percent increase in February and a 0.1-percent rise in January. The intermediate goods index advanced 1.0 percent in March, after dropping 0.1 percent in the prior month. Prices received by producers of crude goods rose 4.0 percent, following a 0.8-percent decline in February. (See table A.)

March's acceleration in the finished goods index was due primarily to prices for finished energy goods, which advanced 5.5 percent compared with a 0.4-percent gain in February. Excluding energy goods, the index for finished goods rose 0.2 percent in March. Prices for finished goods other than foods and energy edged up 0.1 percent, after being unchanged in the prior month. In contrast, the index for finished consumer foods increased less in March than in February.

During the first quarter of 2002, the Finished Goods Price Index advanced at a seasonally adjusted annual rate of 5.6 percent, after posting a 9.6-percent decline during the fourth quarter of 2001. The index for finished energy goods rose at a 26.3-percent annual rate during the first quarter of 2002, after dropping 43.4 percent in the last 3 months of 2001. Finished consumer food prices moved up 10.0 percent from

December 2001 to March 2002, following a 4.2-percent annual rate of decline in the previous quarter. Prices for finished goods other than foods and energy rose at a 0.3-percent rate over the first quarter of 2002, after declining at a 1.3-percent seasonally adjusted annual rate in the previous quarter. Prices for intermediate materials, supplies, and components rose 3.5 percent in the first quarter of 2002, following a 10.4-percent rate of decline in the final quarter of 2001. During the first 3 months of 2002, the Producer Price Index for Crude Materials for Further Processing advanced at a seasonally adjusted annual rate of 30.6 percent, after dropping at a 37.9-percent rate in the prior quarter.

Before seasonal adjustment, the Producer Price Index for Finished Goods rose 0.9 percent in March to stand at 138.9 (1982 = 100). From March 2001 to March 2002, the finished goods index fell 1.4 percent. During the same period, the index for finished goods other than foods and energy rose 0.4 percent, and prices for finished consumer foods advanced 1.8 percent. By contrast, the index for finished energy goods fell 13.5 percent. At the earlier stages of processing, prices received by producers of intermediate goods decreased 3.2 percent, and the crude goods index dropped 22.6 percent.

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2001							
March	-0.2	0.6	-2.7	0.1	3.0	-0.3	-6.9
April .....	.3	.5	.4	.2	3.7	-.2	.6
May .....	.2	0	.5	.2	3.9	.1	-2.0
June	-.5	-.4	-2.6	.1	2.6	-.2	-8.1
July	-1.2	-.4	-7.3	.1	1.4	-1.1	-5.3
August .....	.4	.7	1.4	0	2.0	-.2	-.7
September .....	.4	.1	1.5	.1	1.6	.1	-4.4
October	-1.3	-.1	-6.7	-.4	-.3	-1.3	-8.8
November	-.6	-.8	-3.9	.1	-1.2	-.7	4.9
December	-.5	-.1	-3.3	0	-1.8	-.7	-7.2
2002							
January .....	.1	.8	.1	-.1	-2.6	-.1	3.7
February .....	.2	1.0	.4	0	-2.6	-.1	-.8
March	1.0	.6	5.5	.1	-1.4	1.0	4.0

¹ Some percent changes shown here and elsewhere in "Price Movements March 2002" may differ from those previously reported, because indexes for

November 2001 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

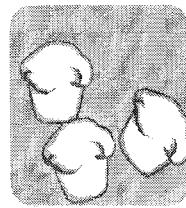
Summary of December-to-December and 3-month seasonally adjusted annual rates for selected stages of process

Grouping	Percentage change 12 months ended in December			Seasonally adjusted annual rate for:			
	1999	2000	2001	3 months ended in June 2001	3 months ended in September 2001	3 months ended in December 2001	3 months ended in March 2002
Finished goods	2.9	3.6	-1.8	0.0	-1.7	-9.6	5.6
Finished consumer foods .....	.8	1.7	1.8	.6	1.7	-4.2	10.0
Finished energy goods	18.1	16.6	-17.2	-6.9	-17.1	-43.4	26.3
Finished goods less foods and energy .....	.9	1.3	.7	1.9	1.1	-1.3	.3
Finished consumer goods, excluding foods and energy	1.2	1.4	1.3	2.6	1.0	-.8	0
Capital equipment .....	.3	1.2	-.1	.3	1.2	-2.0	.3
Intermediate materials, supplies, and components	3.7	4.1	-4.0	-.9	-5.1	-10.4	3.5
Intermediate foods and feeds	-4.2	3.6	.5	6.1	6.7	-11.3	.3
Intermediate energy goods	19.6	19.0	-17.2	-3.3	-16.0	-40.3	16.8
Intermediate materials less foods and energy	1.9	1.6	-1.6	-.9	-3.5	-3.5	1.2
Materials for nondurable manufacturing	4.0	4.1	-5.4	-7.5	-9.6	-9.8	.6
Materials for durable manufacturing	2.4	.2	-3.9	-.6	-5.9	-5.7	3.3
Materials and components for construction	2.2	.1	0	3.8	-1.8	-2.1	.8
Crude materials for further processing	15.3	35.5	-32.4	-32.6	-34.5	-37.9	30.6
Foodstuffs and feedstuffs	-.1	7.4	-7.4	-4.0	3.8	-34.7	21.6
Crude energy materials	36.9	85.6	-53.0	-52.0	-63.7	-51.3	67.1
Crude nonfood materials less energy	14.0	-5.5	-9.9	-15.3	-2.4	-9.0	1.3

NOTE: Late reports and corrections by respondents may cause some indexes to change 4 months after original publication. In addition, seasonally

adjusted indexes may be revised for 5 years, due to the recalculation of seasonal factors each January.

Finished goods



The index for finished energy goods advanced 5.5 percent in March, after posting a 0.4-percent gain in February. Gasoline prices rose 21.3 percent in March (the second largest increase on record), following a 4.5-percent increase a month earlier. The indexes for liquefied petroleum gas and home heating oil increased at faster rates in March than they did in the previous month. March prices for residential natural gas and diesel fuel advanced, after declining in February.

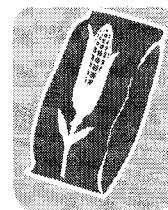
Prices for finished consumer goods other than foods and energy increased 0.2 percent in March, following a 0.1-percent decline in February. The indexes for book publishing, floor coverings, lawn and garden equipment, and household appliances also turned up in March, following declines a month earlier. Prices for cosmetics and other toilet preparations rose this month, after showing no change in February, while the index for sanitary papers and health products posted no change in March, after falling in the prior month. Prices for light motor trucks and alcoholic beverages rose at a faster pace in March than they did in February. By contrast, the index for periodical circulation posted a 0.8-percent decline, following a 1.2-percent gain in February. Prices for women's apparel and passenger cars fell at faster rates in March than they did in the prior month. The index for soaps and synthetic detergents fell this month, after showing no change in the previous month. During the first quarter of 2002, prices for finished consumer goods other than foods and energy showed no change, after registering a 0.8-percent rate of decline in the final quarter of 2001.

The index for finished consumer foods rose at a slower pace

in March than in February, 0.6 percent compared with 1.0 percent. Similarly, the 0.8-percent price increase for beef and veal was less than the 7.4-percent jump in February. The index for finfish and shellfish fell in March, following an increase a month earlier, while prices for processed young chickens fell this month, after posting no change in February. Dairy product prices fell at a faster rate in March than they did in the prior month. Alternatively, prices for fresh fruits and melons fell 3.3 percent in March, after dropping 13.3 percent in February. The indexes for eggs for fresh use and for shortening and cooking oils advanced in March, following declines in the previous month. The index for fresh and dry vegetables rose faster in March than it did a month earlier.

The capital equipment index rose 0.1 percent in both March and February. Price increases for light motor trucks, heavy motor trucks, and x-ray and electromedical equipment were offset by falling prices for communication and related equipment, passenger cars, and electronic computers. The index for capital equipment posted a 0.3-percent seasonally adjusted annual rate of increase in the first 3 months of 2002, following a 2.0-percent rate of decline a quarter earlier.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components increased 1.0 percent in March, after edging down 0.1 percent in February. An upturn in prices for intermediate energy goods in March contributed significantly to the movement of the overall intermediate goods index.

The indexes for durable manufacturing materials and for intermediate foods and feeds rose, after showing no change

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2001								
March	0.1	-2.1	0.1	2.3	2.8	-14.0	-1.0	17.1
April	-.1	-.6	-.1	2.1	-.2	2.1	-2.6	19.6
May .....	.6	.4	0	2.3	-.8	-3.2	-.5	13.3
June	1.0	-.6	-.1	1.2	0	-15.8	-1.0	-4.0
July .....	.6	-5.0	-.5	-.2	.6	-12.4	1.0	-7.3
August	1.8	-.3	-.3	-.2	-.6	-.5	-1.8	-4.5
September	-.8	1.1	-.1	-.8	.8	-11.0	.2	-14.6
October	-.4	-6.2	-.4	-2.4	-3.5	-17.9	-1.5	-25.1
November	-1.6	-3.2	-.2	-3.0	-4.9	19.9	-.3	-20.5
December	-1.0	-3.2	-.2	-4.0	-2.1	-15.2	-.6	-32.4
2002								
January	-.1	-.6	0	-4.6	4.0	5.6	-.5	-40.4
February	0	-.7	0	-4.4	2.3	-6.5	1.5	-30.9
March .....	.2	5.2	.3	-3.2	-1.3	15.2	-.7	-22.6

¹ Some percent changes shown here and elsewhere in "Price Movements March 2002" may differ from those previously reported, because indexes for

November 2001 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

in the prior month. Prices for nondurable manufacturing materials advanced at a faster pace than they did in February. The index for materials and components for construction inched up, following a decline in the previous month. Prices for intermediate goods other than foods and energy rose in March, after showing no change a month ago. (See table B.)

The index for intermediate energy goods jumped 5.2 percent in March (the largest increase since a 7.5-percent advance in October 1990), after falling 0.7 percent in February. March prices for gasoline and liquefied petroleum gas rose more than they did in February. The indexes for natural gas to electric utilities, diesel fuel, jet fuels, industrial natural gas, commercial natural gas, and commercial electric power turned up, after declining in the previous month. By contrast, the index for industrial electric power decreased 2.8 percent, following a 0.2-percent drop in the prior month. Prices for intermediate energy goods advanced at a 16.8-percent seasonally adjusted annual rate from December 2001 to March 2002, after registering a 40.3-percent rate of decline during the previous 3 months.

The durable manufacturing materials index increased 0.7 percent in March, after showing no change in February. Hot rolled sheet and strip prices rose 3.6 percent, following a 1.1-percent decline in the previous month. The indexes for primary aluminum (except extrusion billet) and prepared paint also turned up, after falling in the prior month. Prices for hot rolled bars, plates, and structural shapes increased, after showing no change in February. The indexes for building paper and board, copper and brass mill shapes, and plywood advanced at faster rates than they did a month ago. On the other hand, flat glass prices decreased 0.4 percent in March, following a 0.2-percent gain in the previous month. The cold rolled sheet

and strip index rose less than it did in February. Prices for semifinished steel mill products, gold, and cement turned down in March. The index for materials for durable manufacturing increased at a seasonally adjusted annual rate of 3.3 percent during the first quarter of 2002, after falling at a 5.7-percent annual rate in the previous quarter.

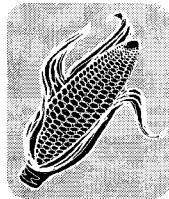
Prices for nondurable manufacturing materials rose 0.8 percent in March, after posting a 0.6-percent gain in the prior month. The primary basic organic chemicals index moved up 12.7 percent, following a 1.1-percent increase in February. The index for potassium and sodium compounds also rose at a faster pace in March than in February. The index for paper decreased less than it did a month ago. Prices for gray fabrics, fertilizer materials, and medicinal and botanical chemicals turned up, after falling in the previous month. Conversely, prices for plastic resins and materials turned down 3.6 percent, following a 2.8-percent increase in February. The indexes for woodpulp and leather also declined, after advancing in the prior month. Prices for paint materials and intermediate basic organic materials rose at a slower pace than they did in the previous month. From December 2001 to March 2002, the index for materials for nondurable manufacturing advanced at a 0.6-percent seasonally adjusted annual rate, following a 9.8-percent rate of decline during the final quarter of 2001.

Prices for materials and components for construction edged up 0.1 percent in March, after posting a 0.1-percent decline in February. The index for softwood lumber rose 2.7 percent, following a 1.2-percent increase in the prior month. The index for plywood also advanced at a faster rate than it did in February. Prices for nonferrous wire and cable, plastic construction products, and hardwood lumber fell less than

they did a month ago. On the other hand, gypsum product prices decreased 3.5 percent in March, following a 1.8-percent gain in the previous month. The indexes for air-conditioning and refrigeration equipment also turned down in March. Prices for fabricated structural metal products and for asphalt felts and coatings moved down, after showing no change in the prior month. The wiring devices index increased less than it did in February. During the first quarter of 2002, prices for materials and components for construction advanced at a 0.8-percent seasonally adjusted annual rate, following a 2.1-percent rate of decline during the prior quarter.

The intermediate foods and feeds index advanced 0.2 percent in March, after showing no change in February. Prepared animal feed prices turned up 1.4 percent, following a 1.2-percent decline in the previous month. The crude vegetable oils index also increased, after falling in February. Prices for confectionery materials decreased at a slower pace than they did a month ago. The indexes for refined sugar, flour, and dry mix preparations moved up in March, after showing no change in the prior month. By contrast, beef and veal prices advanced 0.8 percent in March, following a 7.4-percent increase in February. The index for natural, processed, and imitation cheese turned down in March. Prices for pork fell, after showing no change in the prior month. The index for dry, condensed, and evaporated milk products declined more than it did in February. From December 2001 to March 2002, prices for intermediate foods and feeds rose at a 0.3-percent seasonally adjusted annual rate, after decreasing at an 11.3-percent rate for the previous quarter.

Crude goods



The Producer Price Index for Crude Materials for Further Processing advanced 4.0 percent in March, seasonally adjusted, following a 0.8-percent decline in February. Prices for crude energy materials increased in March, after falling in the previous month. By contrast, the indexes for crude foodstuffs and feedstuffs and for basic industrial materials turned down, after rising a month earlier. (See table B.)

Prices for crude energy materials jumped 15.2 percent in March, following a 6.5-percent decline in February. The natural gas index rebounded 19.7 percent, after dropping 20.7 percent in the prior month. Coal prices increased 4.7 percent, following a 1.6-percent decline in February. The index for crude petroleum advanced 16.1 percent, after rising 13.3 percent a month ago. Prices for crude energy materials rose at a 67.1-percent seasonally adjusted annual rate from December 2001 to March 2002, following a 51.3-percent rate of decline from September 2001 to December 2001.

Subsequent to a 2.3-percent rise in February, the crude foodstuffs and feedstuffs index declined 1.3 percent in March. The rate of increase in slaughter cattle prices slowed from 9.6 percent in February to 3.0 percent in March. The fluid milk index turned down, after increasing in the previous month. Prices for slaughter broilers and fryers, slaughter hogs, and

corn fell more in March than they did in February. Partially offsetting the downturn in prices for crude foodstuffs and feedstuffs, the index for soybeans increased 4.1 percent, after declining 0.9 percent a month earlier. In March, prices for fresh fruits and melons, wheat, and alfalfa hay fell less than they did in the prior month. The index for fresh and dry vegetables advanced at a slightly faster rate in March than it did in February. From December 2001 to March 2002, prices for crude foodstuffs and feedstuffs rose at a 21.6-percent seasonally adjusted annual rate, following a 34.7-percent rate of decline in the final quarter of 2001.

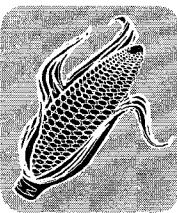
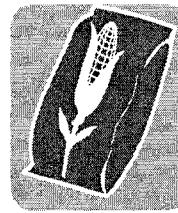
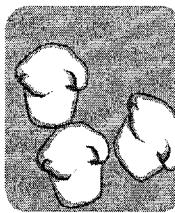
The index for basic industrial materials fell 0.7 percent, following a 1.5-percent gain in February. Leaf tobacco prices moved down 26.5 percent, after falling 2.4 percent in the previous month. The index for iron and steel scrap rose less in March than it did a month earlier. Prices for gold ores and raw cotton turned down, following increases in February. The index for construction sand, gravel, and crushed stone showed no change, after increasing a month ago. March prices for wastepaper declined more rapidly than they did in February. By contrast, the index for pulpwood posted a 12.7-percent rise in March, after showing no change a month earlier. Prices for aluminum base scrap and for hides and skins turned up, after falling in February. The index for softwood logs, bolts, and timber rose more than it did in the previous month, while prices for hardwood logs, bolts, and timber fell at a slower rate in March than they did in February. The basic industrial materials index advanced at a 1.3-percent seasonally adjusted annual rate from December 2001 to March 2002, following a 9.0-percent rate of decline in the final quarter of 2001.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Domestic Mining Industries jumped 10.4 percent in March, following a 4.5-percent decline in February. (Net output price indexes are not seasonally adjusted.) Most of this upturn can be traced to the index for crude petroleum, natural gas, and natural gas liquids, which surged 17.7 percent, after dropping 7.6 percent in the prior month. Prices received by the industries for bituminous coal and lignite surface mining, coal mining services, construction sand and gravel, and iron ores also turned up in March. The March index for the bituminous coal underground mining industry fell at a slower rate than it did in February. By contrast, prices received by the gold ores industry decreased 1.9 percent in March, following a 4.7-percent rise a month earlier. The index for the oil and gas well drilling industry declined at a faster pace in March than it did in the previous month. Prices received by the industries for potash, soda, and borate minerals; crushed and broken granite; oil and gas field exploration services; and kaolin and ball clay turned down, after increasing in February. From December 2001 to March 2002, the Producer Price Index for the Net Output of Total Mining Industries advanced at a 47.8-percent annual rate, following a 45.5-percent rate of decrease

Price Movements

March 2003



The Producer Price Index for Finished Goods advanced 1.5 percent in March, seasonally adjusted. This increase followed a 1.0-percent gain in February and a 1.6-percent rise in January. At the earlier stages of processing, prices for intermediate goods moved up 2.0 percent, after increasing 2.1 percent in the prior month. The crude goods index jumped 13.3 percent, following a 4.8-percent gain in February. (See table A.)

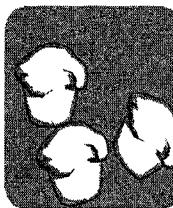
Over half of the March increase in the Producer Price Index for Finished Goods was due to prices for finished energy goods, which rose 5.7 percent after advancing 7.4 percent in February. Most of the remaining upward movement in March's finished goods index can be traced to a 0.7-percent increase in prices for finished goods other than foods and energy, reflecting higher prices for passenger cars and light motor trucks. The finished consumer foods index edged up 0.1 percent in March, after climbing 0.6 percent in February.

During the first quarter of 2003, prices for finished goods advanced at a seasonally adjusted annual rate of 17.4 percent, after rising at a 1.2-percent rate during the final 3 months of 2002. Excluding prices for foods and energy, the finished goods index increased at a 4.6-percent seasonally adjusted annual rate for the 3 months ended March 2003, following a 1.3-percent rate of decline in the last quarter of 2002. Among prices for raw and partially processed goods, the intermediate goods index moved up at a 23.8-percent seasonally

adjusted annual rate during the first quarter of 2003, after advancing at a 1.9-percent rate in the last 3 months of 2002. The seasonally adjusted annual rate of increase for crude goods prices accelerated from 43.0 percent to 159.9 percent from the final quarter of 2002 to the first quarter of 2003. (See summary below.)

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 1.4 percent to 144.5 (1982 = 100). From March 2002 to March 2003, prices for finished goods rose 4.2 percent. During the same period, the finished energy goods index jumped 26.5 percent and prices for finished goods other than foods and energy moved up 0.9 percent. By contrast, the index for finished consumer foods declined 0.6 percent for the 12 months ended March 2003. At the earlier stages of processing, intermediate goods prices climbed 8.0 percent and the crude goods index soared 47.3 percent.

Finished goods



Prices for finished energy goods moved up 5.7 percent in March, following a 7.4-percent increase in the previous month. The gasoline index rose 4.6 percent, after jumping 18.8 percent in February. Prices for liquefied petroleum gas, home heating oil, diesel fuel, and kerosene also advanced at a slower pace than they did a month earlier. By contrast,

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2002							
March	0.8	0.6	4.6	-0.1	-1.6	0.7	5.2
April	-1	-2.9	3.1	.1	-2.1	.9	4.3
May	-4	-3	-2.3	0	-2.9	-3	.7
June .....	.1	.2	.1	.1	-2.3	.2	-3.8
July	0	-1	1.1	-3	-1.2	.2	.8
August	0	-4	1.4	-1	-1.5	.4	1.8
September .....	.3	-4	1.2	.3	-1.8	.5	2.2
October .....	.8	.4	3.4	.3	.7	.7	2.2
November	-3	.4	-1.6	-1	1.0	-1	3.7
December	-2	.4	-1	-5	1.2	-2	3.2
2003							
January	1.6	1.6	4.8	.9	2.8	1.3	6.9
February	1.0	.6	7.4	-5	3.5	2.1	4.8
March	1.5	.1	5.7	.7	4.2	2.0	13.3

¹ Some percent changes shown here and elsewhere in "Price Movements March 2003" may differ from those previously reported, because indexes for

November 2002 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Summary of December-to-December and 3-month seasonally adjusted annual rates for selected stages of process

Grouping	Percentage change, 12 months ended in December			Seasonally adjusted annual rate for 3 months ended in:			
	2000	2001	2002	June 2002	September 2002	December 2002	March 2003
Finished goods	3.6	-1.6	1.2	-1.7	1.2	1.2	17.4
Finished consumer foods	1.7	1.8	-.6	-11.4	-3.7	5.0	9.2
Finished energy goods	16.6	-17.1	11.9	3.3	15.9	6.8	100.1
Finished goods less foods and energy	1.3	.9	-.4	.8	-.5	-1.3	4.6
Finished consumer goods, excluding foods and energy	1.4	1.5	-.1	1.8	-.5	-.8	4.4
Capital equipment	1.2	0	-.9	-.9	-.6	-1.7	4.7
Intermediate materials, supplies, and components	4.1	-4.0	3.2	3.2	4.8	1.9	23.8
Intermediate foods and feeds	3.6	.3	4.5	-2.1	13.2	5.9	6.9
Intermediate energy goods	19.0	-16.9	11.4	11.7	15.6	5.0	158.9
Intermediate materials less foods and energy	1.6	-1.6	1.6	1.8	2.4	1.2	5.1
Materials for nondurable manufacturing	4.1	-5.5	4.3	7.5	9.0	.6	24.4
Materials for durable manufacturing .....	.2	-4.0	3.2	3.3	3.6	2.6	1.6
Materials and components for construction .....	.1	0	.8	1.3	2.1	-1.3	2.1
Crude materials for further processing	35.5	-32.5	26.1	4.3	20.9	43.0	159.9
Foodstuffs and feedstuffs	7.4	-7.6	4.4	-26.3	15.4	10.9	15.8
Crude energy materials	85.6	-52.9	66.1	40.1	37.5	110.8	528.0
Crude nonfood materials less energy	-5.5	-9.9	12.4	30.2	4.4	7.1	20.3

NOTE: Late reports and corrections by respondents may cause some indexes to change 4 months after original publication. In addition, seasonally

adjusted indexes may be revised for 5 years, due to the recalculation of seasonal factors each January.

the rate of increase in the index for residential natural gas accelerated from 4.8 percent in February to 15.2 percent in March. Prices for residential electric power also rose more than they did in the prior month. The finished energy goods index surged at a 100.1-percent seasonally adjusted annual rate from December 2002 to March 2003, after advancing at a 6.8-percent rate in the final quarter of 2002.

Prices for finished consumer goods other than foods and energy turned up 0.7 percent in March, after falling 0.5 percent in the previous month. The light motor trucks index rose 5.2 percent, compared with a 3.9-percent decrease in February. Prices charged by passenger car manufacturers rose 3.3 percent in March, following a 0.6-percent decline in the prior month. February price declines preceded March increases for women's apparel, pharmaceutical preparations, alcoholic beverages, and men's and boys' apparel. The index for cigarettes moved up, after showing no change in February. On the other hand, prices for sanitary papers and health products dropped 5.2 percent in March, compared with a 0.1-percent decrease a month earlier. The newspaper circulation index showed no change, after going up in the previous month. Prices for soaps and synthetic detergents and for jewelry (platinum and karat gold) turned down, following February increases. Prices for finished consumer goods excluding foods and energy advanced at a 4.4-percent seasonally adjusted annual rate in the first quarter of 2003, after posting a 0.8-percent rate of decline in the last quarter of 2002.

The capital equipment index increased 0.8 percent in March, following a 0.4-percent decline in the prior month. Prices for light motor trucks, passenger cars, x-ray and electromedical equipment, and printing trades machinery also advanced, following decreases in the previous month. The electronic

computer and heavy motor truck indexes fell less in March than they did in February, while civilian aircraft prices climbed at a quicker rate than they did a month earlier. Partially offsetting these accelerating prices for capital equipment, the communication and related equipment index turned down 0.4 percent in March, compared with a 0.5-percent gain in the previous month. Prices for commercial furniture and plastic working machinery also fell, after rising in February. The March index for integrating and measuring instruments rose less than it did in the prior month. During the first 3 months of 2003, the capital equipment index rose at a 4.7-percent seasonally adjusted annual rate, compared with a 1.7-percent rate of decrease in the fourth quarter of 2002.

The finished consumer foods index inched up 0.1 percent in March, following a 0.6-percent increase in the previous month. Rising prices for fresh and dry vegetables, processed young chickens, eggs for fresh use, and finfish and shellfish outweighed falling prices for fresh fruits and melons, pork, dairy products, processed fruits and vegetables, processed turkeys, and bakery products. The index for finished consumer foods increased at a 9.2-percent seasonally adjusted annual rate in the first quarter of 2003, after moving up at a 5.0-percent rate in the last 3 months of 2002.

Intermediate goods



The index for Intermediate Materials, Supplies, and Components advanced 2.0 percent in March, after rising 2.1 percent in February. Price increases for intermediate energy goods and nondurable manufacturing materials more than offset declining prices for materials for durable manu-

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2002								
March	0.4	3.6	0.2	-3.5	-0.5	16.9	0.5	-21.6
April	-0.7	4.5	.2	-2.7	-6.1	19.4	1.9	-18.6
May	-0.9	-2.0	0	-3.2	-1	.9	1.9	-16.3
June	1.1	.3	.2	-2.8	-1.2	-9.7	2.8	-12.4
July	1.3	0	.2	-1.5	.6	.3	1.7	-6.2
August .....	.7	1.5	.2	-1.0	1.7	3.2	-4	-3.8
September	1.1	2.2	.1	-0.6	1.3	4.6	-2	3.1
October	-0.3	3.4	.2	1.6	.2	5.1	.3	15.4
November .....	.5	-1.2	.1	2.4	1.1	7.8	1.4	13.7
December	1.3	-1.0	0	3.2	1.3	6.3	.1	26.1
2003								
January	1.3	6.1	.3	4.5	5.4	11.0	1.0	29.3
February .....	.7	8.5	.7	6.7	.7	9.3	2.7	36.8
March	-0.2	10.2	.2	8.0	-2.3	30.5	1.0	47.3

¹ Some percent changes shown here and elsewhere in "Price Movements March 2003" may differ from those previously reported, because indexes for

November 2002 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

facturing, materials and components for construction, and intermediate foods and feeds in March. The index for intermediate goods other than foods and energy went up 0.2 percent in March, after rising 0.7 percent in February. (See table B.)

The index for intermediate energy goods jumped 10.2 percent in March, following an 8.5-percent advance in the prior month. Prices for utility natural gas led this acceleration. Industrial natural gas prices increased 24.8 percent, after rising 6.1 percent; the commercial natural gas index advanced 20.2 percent, compared with a 5.1-percent gain in February; and prices for natural gas to electric utilities surged 54.7 percent in March, following a 26.4-percent increase in February. Likewise, the indexes for industrial electric power and jet fuels rose at a faster pace in March than they did in the previous month. By contrast, the index for gasoline increased 4.6 percent in March, following an 18.8-percent gain in February. Prices for diesel fuel, residual fuel, liquefied petroleum gas, and home heating oil also rose at a slower rate in March than they did a month earlier. Prices for intermediate energy goods advanced at a 158.9-percent seasonally adjusted annual rate from December 2002 to March 2003, after registering a 5.0-percent rate of increase during the previous 3 months.

The index for materials for nondurable manufacturing increased 0.7 percent in March, after climbing 3.4 percent in the preceding month. Prices for primary basic organic chemicals rose 1.0 percent, compared with a 19.3-percent gain in February. The indexes for plastic resins and materials and for paperboard turned down in March. Prices for both finished fabric and gray fabric dropped at a faster pace in March than they did in the previous month. On the other hand, the fertilizer materials index rose at a faster rate in March

than it did in February. Prices for ethanol and for medicinal and botanical chemicals also moved up at a faster pace in March. The indexes for inedible fats and oils and for synthetic rubber turned up in March. From December 2002 to March 2003, the index for materials for nondurable manufacturing advanced at a 24.4-percent seasonally adjusted annual rate, following a 0.6-percent annual rate of increase during the final quarter of 2002.

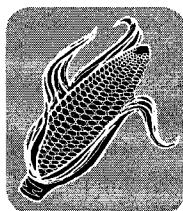
After posting a 0.6-percent gain in February, the index for materials for durable manufacturing fell 0.3 percent. Hot-rolled steel sheet and strip prices turned down 2.0 percent in March, following a 0.3-percent increase in the prior month. The index for primary nonferrous metals (except precious) advanced at a slower pace in March than it did a month earlier. Prices for building paper and board and for copper and brass mill shapes turned down in March. On the other hand, the index for hot-rolled steel bars, plates, and structural shapes advanced 0.9 percent, after posting a 0.7-percent decline in February. Prices for semifinished steel mill products and flat glass also turned up in March. The index for materials for durable manufacturing increased at a seasonally adjusted annual rate of 1.6 percent during the first quarter of 2003, after rising at a 2.6-percent annual rate in the previous quarter.

The index for materials and components for construction turned down 0.1 percent in March, after posting a 0.3-percent rise in the preceding month. Paving mixture and block prices inched down 0.1 percent, following a 4.1-percent gain in February. The index for softwood lumber fell at faster rate in March than it did in the previous month. Prices for steel mill products, gypsum products, and mineral wool for structural insulation turned down in March. Alternatively, the index for plastic construction products rose 0.7 percent, compared with a 0.1-percent increase in February. Prices for

fabricated structural metal products and for nonferrous wire and cable turned up in March. The asphalt felts and coatings index advanced at a faster pace in March than it did in February. During the first quarter of 2003, prices for materials and components for construction advanced at a 2.1-percent seasonally adjusted annual rate, following a 1.3-percent annual rate of decline during the prior quarter.

Subsequent to a 0.7-percent gain in February, the index for intermediate foods and feeds declined 0.2 percent in March. Beef and veal prices turned down 0.2 percent in March, after rising 2.2 percent in the prior month. The indexes for confectionery materials, flour, and pork also turned down in March. By contrast, dry milk product prices fell 0.2 percent, following a 6.7-percent decline in February. The indexes for fluid milk products and crude vegetable oils decreased at a slower rate in March than they did a month earlier. From December 2002 to March 2003, prices for intermediate foods and feeds rose at a 6.9-percent seasonally adjusted annual rate, after increasing at a 5.9-percent annual rate for the previous quarter.

Crude goods



The Producer Price Index for Crude Materials for Further Processing climbed 13.3 percent in March, following a 4.8-percent increase in February. This is the ninth consecutive gain in crude goods prices and their largest rise since a 17.4-percent advance in January 2001. March's acceleration for the crude goods index was due to prices for crude energy materials, which also rose at a faster pace than they did in February. By contrast, the index for crude foodstuffs and feedstuffs turned down in March, while prices for basic industrial materials advanced at a slower rate than they did a month earlier. (See table B.)

The crude energy materials index moved up 30.5 percent, after advancing 9.3 percent in the previous month. Natural gas prices rose 51.0 percent in March, the largest increase since a 56.4-percent jump in November 2001. In February, natural gas prices rose 11.5 percent. Coal prices turned up 1.0 percent, following a 2.8-percent decline in the preceding month. On the other hand, the crude petroleum index advanced 3.3 percent in March, after rising 10.0 percent a month earlier. During the first quarter of 2003, prices for crude energy materials increased at a 528.0-percent seasonally adjusted annual rate, after rising at a 110.8-percent rate for the previous calendar quarter.

The index for crude foodstuffs and feedstuffs moved down 2.3 percent in March, compared with a 0.7-percent gain in February. Corn prices dropped 5.0 percent, after rising 8.1 percent in the previous month. The indexes for slaughter hogs, wheat, and slaughter broilers and fryers also turned down. Prices for fluid milk and slaughter cattle fell more quickly in March than they did a month earlier, while the March index for soybeans increased at a slower pace over the same period. Alternatively, prices for fresh and dry vegetables climbed 15.9 percent, following an 11.7-percent decline in the

preceding month. The indexes for unprocessed shellfish and raw cane sugar rose at a faster rate in March than they did in the prior month. Subsequent to a 10.9-percent seasonally adjusted annual rate of advance during the fourth quarter of 2002, prices for crude foodstuffs and feedstuffs increased at a 15.8-percent rate during the first quarter of 2003.

The index for crude nonfood materials less energy, which rose 2.7 percent in February, increased 1.0 percent in March. Prices for iron and steel scrap advanced 5.1 percent, after jumping 11.7 percent in the previous month. Leaf tobacco prices fell at a faster rate in March than they did a month earlier. The indexes for nonferrous metal ores, hides and skins, and pulpwood turned down, following February gains. Price increases for raw cotton slowed in March. Conversely, the index for wastepaper moved up 8.1 percent, after rising 0.3 percent in the preceding month. Prices for phosphates and copper base scrap also advanced at a faster rate than they did in the prior month. For the calendar quarter ended March 2003, the index for crude nonfood materials less energy jumped at a 20.3-percent seasonally adjusted annual rate, which followed a 7.1-percent annual rate of increase in the calendar quarter ended December 2002.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries jumped 24.3 percent in March, following an 8.9-percent gain in February. (Net output price indexes are not seasonally adjusted.) The index for the natural gas liquids and natural gas residue industry climbed 36.5 percent in March, following an 8.1-percent rise in February. Prices received by the crude petroleum and natural gas industry and the bituminous coal underground mining industry also rose at a faster pace in March than they did a month earlier. The industry indexes for bituminous coal and lignite surface mining and for kaolin and ball clay turned up in March. By contrast, the industry index for oil and gas well drilling posted a 1.6-percent decline, after rising 0.7 percent in February. The industry indexes for gold ores, industrial sand, and anthracite mining turned down in March. In the first quarter of 2003, the Producer Price Index for the Net Output of Total Mining Industries rose at a 376.6-percent annual rate, compared with a 77.9-percent rate of increase in the last quarter of 2002. In March, this index was 170.8 (December 1984 = 100), 95.2 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries increased 0.8 percent in March, following a 1.4-percent advance in February. The petroleum refining and related products industry group index advanced 5.6 percent, after an 18.8-percent gain in the previous month. The industry group indexes for food and kindred products, paper and allied products, and lumber and wood products (except furniture) turned down in March. On the other hand, the industry group index for

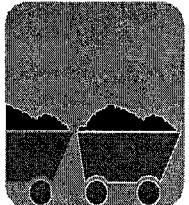
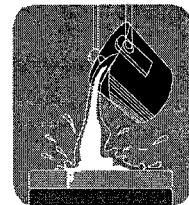
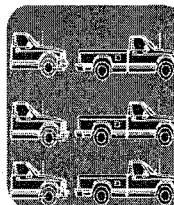
transportation equipment turned up 1.7 percent in March, following a 0.7-percent decline in the preceding month. The electrical and electronic machinery, equipment, and supplies index also turned up in March. The industry group indexes for rubber and miscellaneous plastic products and for chemicals and allied products rose at a faster rate in March than they did in February. In the first quarter of 2003, the Producer Price Index for the Net Output of Total Manufacturing Industries rose at a 15.1-percent annual rate, compared with a 2.6-percent rate of decline in the last quarter of 2002. In March, this

index was 138.9 (December 1984 = 100), 4.6 percent above its year-ago level.

Services. Among service industries, prices received by the industries for property and casualty insurance, hotels and motels, general medical and surgical hospitals, and trucking, except local, increased in March. Alternatively, the industry indexes for life insurance carriers, operators and lessors of nonresidential buildings, prepackaged software, and passenger car rental fell in February.

Price Movements

April 2003



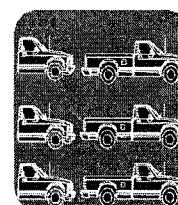
The Producer Price Index for Finished Goods declined 1.9 percent in April, seasonally adjusted. This record decrease followed three consecutive increases: 1.7 percent in January, 1.0 percent in February, and 1.5 percent in March. At the earlier stages of processing, prices for intermediate goods fell 2.2 percent in April, after rising 2.0 percent in the previous month. The crude goods index decreased 16.3 percent, following a 13.3-percent gain in March. (See table A.)

The majority of the April decline in the Producer Price Index for Finished Goods was due to prices for finished energy goods, which fell 8.6 percent after posting a 5.7-percent increase in March. (Excluding prices for energy goods, the finished goods index declined 0.5 percent in April.) The April index for finished goods other than foods and energy dropped 0.9 percent, compared with an increase of 0.7 percent in March. The April decline in this index was the largest since a 1.2-percent decrease in August 1993 and can be traced to lower prices for passenger cars, light trucks, and cigarettes. (Excluding prices for passenger cars, light trucks, and cigarettes, prices for finished goods other than foods and energy rose 0.2 percent in April.) On the other hand, the finished consumer foods index moved up 0.9 percent, after rising 0.1 percent in March.

Before seasonal adjustment, the Producer Price Index for

Finished Goods fell 1.7 percent from March to April, to 142.1 (1982 = 100). From April 2002 to April 2003, prices for finished goods rose 2.4 percent. During the same period, the finished energy goods index jumped 12.2 percent. The index for finished consumer foods rose 3.4 percent and the index for capital equipment advanced 0.1 percent from April 2002 to April 2003. By contrast, prices for finished consumer goods other than foods and energy declined 0.4 percent for the 12 months ended April 2003. At the earlier stages of processing, intermediate goods prices grew 4.7 percent and the crude goods index climbed 18.0 percent.

Finished goods



The index for finished energy goods moved down 8.6 percent in April, after posting a 5.7-percent gain in the prior month. The gasoline index plunged 22.3 percent, following a 4.6-percent increase in March. Prices for residential natural gas, home heating oil, liquefied petroleum gas, and diesel fuel also turned down in April. The finished lubricants index advanced 0.8 percent in April, following a 0.1-percent rise in the previous month, slightly offsetting the downturn in the finished energy goods index.

Prices for finished consumer goods other than foods and

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2002							
April	-0.1	-2.9	3.1	0.1	-2.1	0.9	4.3
May	-4	-3	-2.3	0	-2.9	-3	.7
June .....	.1	.2	.1	.1	-2.3	.2	-3.8
July	0	-1	1.1	-3	-1.2	.2	.8
August	0	-4	1.4	-1	-1.5	.4	1.8
September .....	.3	-4	1.2	.3	-1.8	.5	2.2
October .....	.8	.4	3.4	.3	.7	.7	2.2
November	-3	.4	-1.6	-1	1.0	-1	3.7
December	-3	.4	.2	-6	1.2	-1	2.0
2003							
January	1.7	1.6	4.4	.9	2.8	1.2	8.1
February	1.0	.6	7.4	-5	3.5	2.1	4.8
March	1.5	.1	5.7	.7	4.2	2.0	13.3
April	-1.9	.9	-8.6	-9	2.4	-2.2	-16.3

¹ Some percent changes shown here and elsewhere in "Price Movements April 2003" may differ from those previously reported, because indexes for

December 2002 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2002								
April	-0.7	4.5	0.2	-2.7	-6.1	19.4	1.9	-18.6
May	-9	-2.0	0	-3.2	-1	.9	1.9	-16.3
June	1.1	.3	.2	-2.8	-1.2	-9.7	2.8	-12.4
July	1.3	0	.2	-1.5	.6	.3	1.7	-6.2
August .....	.7	1.5	.2	-1.0	1.7	3.2	-.4	-3.8
September	1.1	2.2	.1	-6	1.3	4.6	-.2	3.1
October	-3	3.4	.2	1.6	.2	5.1	.3	15.4
November .....	.5	-1.2	.1	2.4	1.1	7.8	1.4	13.7
December	1.0	-.5	-.1	3.2	1.3	3.3	.2	24.7
2003								
January	1.5	5.6	.4	4.5	5.4	14.2	.8	29.3
February .....	.7	8.5	.7	6.7	.7	9.3	2.7	36.8
March	-2	10.2	.2	8.0	-2.3	30.5	1.0	47.3
April .....	.1	-11.2	0	4.7	.9	-31.1	-1.3	18.0

¹ Some percent changes shown here and elsewhere in "Price Movements April 2003" may differ from those previously reported, because indexes for

December 2002 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

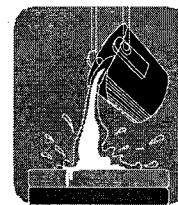
energy turned down 1.3 percent in April, compared with a 0.7-percent advance in the preceding month. The index for light motor trucks fell 4.6 percent, after rising 5.2 percent in March. Prices for passenger cars, men's and boys' apparel, compact discs, and cigarettes also turned down in April. The alcoholic beverages index remained unchanged, following an increase in March. On the other hand, prices for sanitary papers and health products rose 2.1 percent, after falling 5.2 percent a month earlier. The pharmaceutical preparations index rose at a faster rate in April than it did in March. Prices for household appliances, periodical circulation, and book publishing turned up, following decreases in March.

The capital equipment index declined 0.5 percent in April, after advancing 0.8 percent in the previous month. Leading this downturn, prices for light motor trucks declined 4.6 percent, after posting a 5.2-percent gain in March. The indexes for passenger cars and for integrating and measuring instruments also moved down, following increases in the prior month. The index for tools, dies, jigs, fixtures, and industrial molds fell in April, after remaining unchanged in March. Prices for truck trailers and ships posted no change this month, following increases in the preceding month. Conversely, the communication and related equipment index remained unchanged in April, compared with a 0.4-percent decline in the previous month. The electronic computers index moved down at a slower pace in April than it did in March. Prices for commercial furniture, for plastic working machinery, and for construction machinery and equipment turned up in April.

The finished consumer foods index increased 0.9 percent in April, following a 0.1-percent gain in the prior month. Prices for fresh fruits and melons turned up 4.7

percent, compared with a 9.3-percent decline in March. The indexes for dairy products, pork, beef and veal, and bakery products also turned up in April. Finfish and shellfish prices advanced at a faster rate in April than they did a month earlier. On the other hand, the index for fresh and dry vegetables moved up 9.0 percent, after jumping 15.9 percent in March. Prices for processed young chickens turned down in April.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components dropped 2.2 percent in April, following a 2.0-percent advance in March. Accounting for most of this reversal, prices for intermediate energy goods decreased, after rising in the previous month. The index for nondurable manufacturing materials also turned down in April. Conversely, prices for materials and components for construction increased in April, after edging down in the preceding month. The index for materials for durable manufacturing was unchanged in April, following a March decline. Prices for intermediate foods and feeds inched up, after falling a month earlier. The index for intermediate goods other than foods and energy showed no change in April, following a 0.2-percent gain in March. (See table B.)

After increasing 10.2 percent in March, the index for intermediate energy goods decreased 11.2 percent in April. The index for industrial natural gas fell 8.8 percent in April, after rising 24.8 percent in the prior month. Prices for natural gas to electric utilities, commercial natural gas, and refined petroleum products also moved down in April, following March increases. By contrast, the index for commercial electric power climbed 1.6 percent, compared with a 0.9-percent rise a month earlier.

Prices for materials for nondurable manufacturing decreased

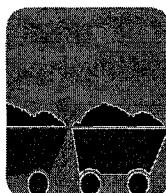
1.0 percent in April, after advancing 0.7 percent in March. The primary basic organic chemicals index dropped 20.9 percent, following a 1.0-percent increase in the preceding month. Prices for inedible fats and oils, aluminum compounds, and paint materials also fell, after moving up a month earlier. The fertilizer materials index rose at a slower pace in April than it did in March. On the other hand, prices for plastic resins and materials jumped 7.1 percent in April, following a 0.1-percent decline in the previous month. The indexes for gray fabrics, paper, and woodpulp also turned up in April.

The index for materials and components for construction advanced 0.2 percent in April, after inching down 0.1 percent in March. Prices for gypsum products went up 5.1 percent, following a 3.0-percent decline in the prior month. The indexes for mineral wool for structural insulation, treated wood, and paving mixtures and blocks also rose, after falling in March. Prices for softwood lumber, steel mill products, and plywood declined less in April than they did a month earlier. By contrast, prices for concrete products turned down 0.5 percent in April, following a 0.1-percent increase in March. The indexes for fabricated structural metal products, cement, and wiring devices also fell, after advancing in the previous month.

Prices for materials for durable manufacturing were unchanged in April, compared with a 0.3-percent decrease in March. The index for building paper and board rose 4.8 percent, after falling 3.1 percent in the prior month. Prices for copper and brass mill shapes and for unprocessed filament yarns also turned up in April. The steel mill products index fell less in April than it did in March. By contrast, the index for primary nonferrous metals decreased 4.4 percent in April, following a 0.4-percent gain in March. Prices for cement, automobile stampings, and flat glass also turned down.

Prices for intermediate foods and feeds edged up 0.1 percent in April, after a 0.2-percent dip in March. The index for dairy products advanced 0.7 percent, after declining 1.0 percent in the previous month. Prices for pork, shortening and cooking oils, beef and veal, and confectionery materials also turned up in April. The indexes for crude vegetable oils and flour fell at a slower rate than they did a month earlier. By contrast, prices for prepared animal feeds moved down 0.7 percent in April, following a 0.7-percent increase in March. The index for processed young chickens also turned down in April, after rising in the prior month.

Crude goods



The Producer Price Index for Crude Materials for Further Processing fell a record 16.3 percent in April, following a 13.3-percent gain in the previous month. Prices for crude energy materials and basic industrial materials turned down, after advancing in March.

By contrast, the crude foodstuffs and feedstuffs index moved up, following a decline in the prior month. (See table B.)

Prices for crude energy materials decreased 31.1 percent

in April, compared with a 30.5-percent increase in the previous month. The index for natural gas plummeted 39.1 percent, following a 51.0-percent jump in March. Prices for crude petroleum dropped 21.5 percent in April, after moving up 3.3 percent a month earlier. On the other hand, the coal index rose 3.7 percent in April, following a 1.0-percent advance in the prior month.

Prices for crude nonfood materials less energy declined 1.3 percent in April, compared with a 1.0-percent increase in the previous month. The iron and steel scrap index fell 1.9 percent, after posting a 5.1-percent gain in March. Copper base scrap prices also turned down in April. Prices for waste-paper and raw cotton moved up at a slower pace in April than they did in March. The indexes for leaf tobacco and gold ores decreased more than they did a month earlier. By contrast, the index for pulpwood advanced 0.7 percent in April, after falling 0.4 percent in the previous month. Hardwood logs, bolts, and timber prices also rose, following a decline in the prior month.

The crude foodstuffs and feedstuffs index turned up 0.9 percent in April, after declining 2.3 percent in the prior month. Slaughter cattle prices moved up 3.4 percent, compared with a 1.1-percent decrease a month earlier. The indexes for corn, unprocessed finfish, and fresh fruits and melons also rose, after falling in March. Prices for fluid milk and wheat declined at a slower rate in April than they did in the previous month. The soybeans index advanced more than it did in March. Alternatively, prices for slaughter broilers and fryers declined 6.0 percent, following a 0.7-percent decrease in the prior month. The indexes for alfalfa hay and unprocessed shellfish turned down, after rising in the previous month. Slaughter hog prices decreased at a faster pace than they did in March. The index for fresh and dry vegetables increased less in April than it did in the prior month.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries dropped 27.5 percent in April, after climbing 24.3 percent in the previous month. (Net output price indexes are not seasonally adjusted.) Prices received by the crude petroleum and natural gas industry declined 34.2 percent, compared with a 29.7-percent gain in March. The industry indexes for natural gas liquids and natural gas residue; bituminous coal underground mining; and kaolin and ball clay also turned down, after rising in the prior month. Prices received by the gold ores industry fell at a faster pace than they did a month earlier. By contrast, the industry index for oil and gas well drilling inched down 0.1 percent in April, following a 1.6-percent decrease in the previous month. Prices received by the bituminous coal and lignite surface mining, construction sand and gravel, and crushed and broken limestone industries rose more than they did in March. The index for the oil and gas field exploration services industry turned up, after falling in the prior month. In April, the Producer

Price Index for the Net Output of Total Mining Industries was 123.9 (December 1984 = 100), 24.1 percent above its year-ago level.

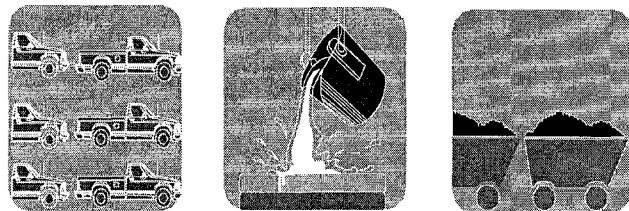
Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries moved down 1.8 percent in April, compared with a 0.8-percent increase in the previous month. Leading this deceleration, the petroleum refining and related products industry group index dropped 18.7 percent, after posting a 5.6-percent gain in March. The industry group indexes for transportation equipment, tobacco manufactures, fabricated metal products (except machinery and transportation equipment), and apparel and related products also turned down, following increases in the previous month. The April rubber and miscellaneous plastics products industry group index rose less than it did in March. On the other hand, the industry group index for chemicals and allied products advanced 2.0 percent in April, after climbing 1.0

percent in the prior month. The industry group indexes for paper and allied products, food and kindred products, lumber and wood products (except furniture), and machinery (except electrical) turned up, following declines in March. In April, the Producer Price Index for the Net Output of Total Manufacturing Industries was 136.4 (December 1984 = 100), 1.9 percent above its year-ago level.

Services. Among service industries in April, prices received by the industries for general medical and surgical hospitals, offices of physicians, property and casualty insurance, scheduled air transportation, real estate agents and managers, and railroads (line-haul operating) increased. Alternatively, the industry indexes for hotels and motels, telephone communications (except radiotelephone), operators and lessors of non-residential buildings, trucking (except local), wireless telecommunications, and deep sea foreign transportation of freight fell in April.

Price Movements

May 2003

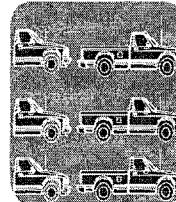


The Producer Price Index for Finished Goods declined 0.3 percent in May, seasonally adjusted. This decrease followed a record decline of 1.9 percent in April. At the earlier stages of processing, the index for intermediate goods moved down 0.8 percent, following a 2.2-percent drop in the preceding month. Prices for crude goods went up 1.7 percent in May, after falling 16.3 percent in April. (See table A.)

The index for finished energy goods fell 2.6 percent in May, after declining 8.6 percent in April. Prices for finished goods other than foods and energy inched up 0.1 percent in May, compared with a 0.9-percent decrease in April. By contrast, the index for finished consumer foods rose only 0.1 percent in May, following a 0.9-percent increase in April.

Before seasonal adjustment, the Producer Price Index for Finished Goods was unchanged from its level of 142.1 (1982 = 100) in April. From May 2002 to May 2003, prices for finished goods advanced 2.5 percent. During the same period, the index for finished energy goods jumped 11.9 percent, and prices for finished consumer foods rose 3.7 percent. Conversely, the index for finished goods other than foods and energy inched down 0.1 percent over the 12 months ended May 2003. Earlier in the pipeline, intermediate goods prices increased 4.2 percent and the crude goods index climbed 19.1 percent.

Finished goods



The index for finished energy goods fell 2.6 percent in May, after registering an 8.6-percent decline in April. Gasoline prices decreased at a slower rate in May than they did in April—down 11.1 percent and 22.3 percent, respectively. The index for home heating oil also fell less than it did in April.

Prices for liquefied petroleum gas and residential natural gas turned up in May, following declines in the preceding month. Conversely, the index for residential electric power moved down 0.4 percent, after rising 0.9 percent in April.

Subsequent to a 1.3-percent decrease in April, the index for finished consumer goods other than foods and energy went up 0.1 percent in May. Cigarette prices increased 0.2 percent, after falling 9.6 percent in the previous month. The indexes for light motor trucks, passenger cars, newspaper circulation, and compact discs also turned up in May. Prices for sanitary papers and health products rose at a faster pace than they did in April. On the other hand, the index for pharmaceutical preparations declined 0.1 percent in May, following a 0.8-percent gain in the preceding month. Prices for women's apparel, household appliances, floor coverings, and cosmetics and other toilet preparations also turned down in May.

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2002							
May	-0.4	-0.3	-2.3	0.0	-2.9	-0.3	0.7
June .....	.1	.2	.1	.1	-2.3	.2	-3.8
July	0	-.1	1.1	-.3	-1.2	.2	.8
August	0	-.4	1.4	-.1	-1.5	.4	1.8
September .....	.3	-.4	1.2	.3	-1.8	.5	2.2
October .....	.8	.4	3.4	.3	.7	.7	2.2
November	-.3	.4	-1.6	-.1	1.0	-.1	3.7
December	-.3	.4	.2	-.6	1.2	-.1	2.0
2003							
January	1.4	1.9	4.6	.3	2.5	1.2	7.6
February	1.3	.4	7.2	.1	3.5	2.1	5.3
March	1.5	.1	5.7	.7	4.2	2.0	13.3
April	-1.9	.9	-8.6	-.9	2.4	-2.2	-16.3
May	-.3	.1	-2.6	.1	2.5	-.8	1.7

¹ Some percent changes shown here and elsewhere in "Price Movements May 2003" may differ from those previously reported, because indexes for

January 2003 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2002								
May	-0.9	-2.0	0.0	-3.2	-0.1	0.9	1.9	-16.3
June	1.1	.3	.2	-2.8	-1.2	-9.7	2.8	-12.4
July	1.3	0	.2	-1.5	.6	.3	1.7	-6.2
August .....	.7	1.5	.2	-1.0	1.7	3.2	-4	-3.8
September	1.1	2.2	.1	-.6	1.3	4.6	-.2	3.1
October	-3	3.4	.2	1.6	.2	5.1	.3	15.4
November .....	.5	-1.2	.1	2.4	1.1	7.8	1.4	13.7
December	1.0	-5	-1	3.2	1.3	3.3	.2	24.7
2003								
January	1.5	5.6	.4	4.5	5.3	13.0	1.3	28.7
February .....	.7	8.5	.7	6.7	.8	10.5	2.3	36.8
March	-2	10.2	.2	8.0	-2.3	30.5	1.0	47.3
April .....	.1	-11.2	0	4.7	.9	-31.1	-1.3	18.0
May	1.0	-4.4	-1	4.2	2.4	2.5	-1.9	19.1

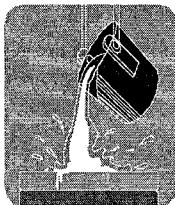
¹ Some percent changes shown here and elsewhere in "Price Movements May 2003" may differ from those previously reported, because indexes for

January 2003 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

The index for capital equipment edged up 0.1 percent, after posting a 0.5-percent decline in April. This upturn was largely due to prices for light motor trucks, which rose 0.3 percent in May following a 4.6-percent drop in April, and those for passenger cars, which increased 0.2 percent following a 2.6-percent decrease in the prior month. By contrast, prices for heavy motor trucks fell 0.8 percent, following a 0.1-percent dip in April. The index for civilian aircraft advanced less than it did in the previous month.

The index for finished consumer foods inched up 0.1 percent in May, after increasing 0.9 percent in April. In May, rising prices for fresh fruits and melons, beef and veal, confectionery end products, soft drinks, bakery products, and shortening and cooking oils slightly outweighed falling prices for finfish and shellfish, fresh and dry vegetables, dairy products, and eggs for fresh use.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components declined 0.8 percent in May, after dropping 2.2 percent in the previous month. Prices for intermediate energy goods fell less in May than they did in April. The intermediate foods and feeds

index increased at a faster rate than it did in the prior month. Prices for nondurable manufacturing materials decreased at a slightly slower pace than they did in April. By contrast, the index for materials for durable manufacturing moved down in May, after showing no change a month earlier. Prices for materials and components for construction rose less than they did in the previous month. The index for

intermediate goods other than foods and energy inched down 0.1 percent, after showing no change in April. (See table B.)

The rate of decrease for intermediate energy goods prices slowed from 11.2 percent in April to 4.4 percent in May. The index for jet fuels declined 8.3 percent, after plummeting 33.4 percent in the prior month. Prices for natural gas to electric utilities, gasoline, industrial natural gas, home heating oil, residual fuel, and diesel fuel also fell at a slower pace than they did in April. The indexes for commercial natural gas and liquefied petroleum gas turned up, after posting declines in the previous month. On the other hand, commercial electric power prices moved down 0.8 percent in May, compared with a 1.6-percent gain a month earlier. The index for industrial electric power also decreased, after rising in the prior month.

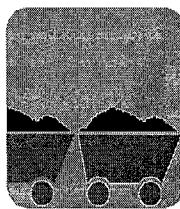
Intermediate foods and feeds prices rose 1.0 percent in May, after edging up 0.1 percent in the previous month. Accounting for the majority of this acceleration, the index for prepared animal feeds jumped 1.7 percent, after a 0.7-percent decline in April. Prices for crude vegetable oils, flour, and processed young chickens also turned up, after falling in the prior month. The index for beef and veal rose more than it did in April. By contrast, the index for dairy products moved down 0.4 percent in May, following a 0.7-percent gain a month earlier. Prices for confectionary materials and for refined sugar and sugar byproducts also declined, after moving up in the previous month.

Prices for materials for nondurable manufacturing fell 0.9 percent in May, following a 1.0-percent decline in the previous month. In May, decreasing prices for plastic resins and materials, ethanol, intermediate basic organic chemicals, medicinal and botanical chemicals, and inedible fats and oils outweighed rising prices for liquid refinery gases, alkalies and chlorine, woodpulp, and paper.

The index for materials for durable manufacturing declined 0.2 percent in May, after showing no change in the prior month. Prices for steel mill products moved down 0.9 percent, compared with a 0.1-percent decrease in the previous month. The indexes for building paper and board and hardwood lumber increased less than they did in April. Prices for aluminum mill shapes and for copper and brass mill shapes turned down, following gains in the prior month. Alternatively, primary nonferrous metal prices advanced 0.8 percent in May, after dropping 4.4 percent in the previous month. The index for cement also turned up, following a decline in April. Prepared paint prices rose in May, after showing no change a month earlier.

The index for materials and components for construction edged up 0.1 percent in May, following a 0.2-percent gain in the prior month. In May, increasing prices for asphalt felts and coatings, architectural coatings, nonferrous wire and cable, concrete products, and hardwood lumber outweighed decreasing prices for plastic construction products, treated wood, steel mill products, fabricated structural metal products, and paving mixtures and blocks.

Crude goods



The Producer Price Index for Crude Materials for Further Processing advanced 1.7 percent in May, compared with a 16.3-percent drop in the prior month. The index for crude energy materials turned up, following a decline in April. Prices for foodstuffs and feedstuffs increased at a faster pace in May than they did in April. Conversely, the basic industrial materials index fell more in May than it did in the previous month. (See table B.)

Prices for crude energy materials increased 2.5 percent in May, following a 31.1-percent drop in the preceding month. Leading this upturn, the natural gas index rose 6.6 percent, after posting a 39.1-percent decline in April. Prices for crude petroleum dropped 3.8 percent in May, after falling 21.5 percent a month earlier. By contrast, the index for coal declined 2.5 percent, following a 3.7-percent gain in April.

The index for crude foodstuffs and feedstuffs moved up 2.4 percent in May, after rising 0.9 percent in the previous month. Slaughter hog prices advanced 24.1 percent, compared with an 8.4-percent decrease in April. Prices for wheat and fluid milk also turned up in May. The slaughter broilers and fryers index declined at a slower rate in May than it did in the prior month. The index for fresh fruits and melons advanced at a faster pace in May than it did in April. Partially offsetting the acceleration in prices for crude foodstuffs and feedstuffs, prices for slaughter cattle rose 1.0 percent in May, following a 3.4-percent increase in the preceding month. The indexes for corn and soybeans also increased at a slower rate in May than they did a month earlier. Prices for unprocessed finfish and fresh vegetables (except potatoes) turned down, after increasing in April.

Prices for crude nonfood materials other than energy declined 1.9 percent in May, following a 1.3-percent drop in the preceding month. The iron and steel scrap index fell 6.6 percent, after declining 1.9 percent in April. Prices for aluminum base scrap and for hides and skins also moved down at a faster rate in May than they did a month earlier. The indexes for wastepaper, phosphates, and raw cotton turned down in May, after posting gains in April. By contrast, gold ore prices turned up 6.4 percent in May, after declining by 6.3 percent in April. The index for hardwood logs, bolts, and timber rose at a faster pace in May than it did in the prior month. The softwood logs, bolts, and timber index fell at a slower rate than it did in April.

Net output price indexes for mining, manufacturing and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries moved up 2.7 percent in May, after plummeting 27.5 percent in the prior month. (Net output price indexes are not seasonally adjusted.) Prices received by the crude petroleum and natural gas industry rose 1.4 percent, following a 34.2-percent drop in April. The industry indexes for natural gas liquids and natural gas residue, gold ores, and oil and gas well drilling also turned up, after declining in the preceding month. By contrast, the industry index for bituminous coal and lignite surface mining fell 1.7 percent in May, following a 2.1-percent gain in the previous month. Prices received by the copper ores and bituminous coal underground mining industries fell more than they did in April. In May, the Producer Price Index for the Net Output of Total Mining Industries was 127.3 (December 1984 = 100), 26.9 percent above its year-ago level.

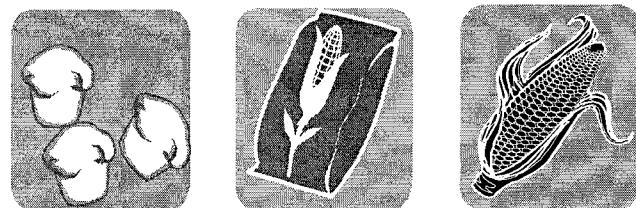
Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries declined 0.4 percent in May, following a 1.8-percent drop in the preceding month. The petroleum refining and related products industry group index fell 6.6 percent, after posting an 18.7-percent decline in April. The industry group index for transportation equipment also fell at a slower rate in May than it did a month earlier. The tobacco manufactures industry group index turned up in April. The industry group index for food and kindred products rose at a faster pace in May than it did in April. On the other hand, the industry group index for chemicals and allied products declined 0.9 percent in May, after advancing 2.0 percent in the previous month. The industry group indexes for machinery (except electrical) and textile mill products also turned down, following increases in April. The rubber and miscellaneous plastic products industry group index moved up at a slower pace in May than it did a month earlier. In May, the Producer Price Index for the Net Output of Total Manufacturing Industries was 135.8 (December 1984 = 100), 1.7 percent above its year-ago level.

Services. Among service industries in May, prices received by the industries for deep sea foreign transportation of freight; property and casualty insurance; scheduled air transportation; wireless telecommunications; and accounting, auditing, and

bookkeeping services increased. Alternatively, the industry indexes for general medical and surgical hospitals, operators and lessors of nonresidential buildings, prepackaged software, hotels and motels, and trucking (except local) fell in May.

Price Movements

June 2003



The Producer Price Index for Finished Goods advanced 0.5 percent in June, seasonally adjusted. This index decreased 0.3 percent in May and 1.9 percent in April. At the earlier stages of processing, prices received by manufacturers of intermediate goods rose 0.5 percent, compared with a 0.8-percent decline in the preceding month. The index for crude materials jumped 4.5 percent in June, after increasing at a 1.7-percent rate a month earlier. (See table A.)

The rise in the finished goods index in June can be largely attributed to price increases for finished energy goods, which climbed 3.4 percent following a 2.6-percent decrease in May. Among finished goods other than energy, prices for finished consumer foods rose at a 0.4-percent rate in June, after inching up at a 0.1-percent rate in the prior month. By contrast, the index for finished goods other than foods and energy edged down 0.1 percent, following a 0.1-percent gain in May.

During the first 6 months of 2003, the finished goods index moved up at a seasonally adjusted annual rate of 4.8 percent, compared with a 1.0-percent rate of increase during the latter half of 2002. Within the finished goods category, prices for finished consumer foods went up at a 7.6-percent seasonally adjusted annual rate from December 2002 to June 2003, after increasing at a 0.4-percent rate from June 2002 to December 2002. Following a 12.0-percent rate of advance during the second half of 2002, the index for finished energy

goods rose at a seasonally adjusted annual rate of 19.2 percent in the first half of 2003. Prices for finished goods other than foods and energy rose at a 0.5-percent seasonally adjusted annual rate over the first half of 2003, after falling at a 1.1-percent rate in the latter half of 2002. Among the indexes for crude and partially processed goods, the index for intermediate materials, supplies, and components climbed at a seasonally adjusted annual rate of 5.5 percent from December 2002 to June 2003, compared with a 3.5-percent rate of increase in the previous 6-month period. Crude material prices jumped 30.6 percent on a seasonally adjusted annual basis during the first half of 2003, after rising at a 28.4-percent rate in the second half of 2002. (See summary table on page 2.)

Before seasonal adjustment, the Producer Price Index for Finished Goods advanced 0.7 percent in June to 143.1 (1982 = 100). From June 2002 to June 2003, the finished goods index moved up 2.9 percent. During the same period, prices for finished energy goods increased 15.3 percent and the index for finished consumer foods rose 3.9 percent. On the other hand, prices for finished goods other than foods and energy declined 0.3 percent over the 12-month period ended in June. Earlier in the pipeline, the index for intermediate goods rose 4.5 percent, while prices received by crude goods producers jumped 29.4 percent during the same period.

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2002							
June	0.1	0.2	0.1	0.1	-2.3	0.2	-3.8
July	0	-1	1.1	-3	-1.2	.2	.8
August	0	-4	1.4	-1	-1.5	.4	1.8
September .....	.3	-4	1.2	.3	-1.8	.5	2.2
October .....	.8	.4	3.4	.3	.7	.7	2.2
November	-3	.4	-1.6	-1	1.0	-1	3.7
December	-3	.4	.2	-6	1.2	-1	2.0
2003							
January	1.4	1.9	4.6	.3	2.5	1.2	7.6
February	1.1	.4	7.4	-1	3.3	2.0	5.2
March	1.6	.1	5.5	1.0	4.2	2.1	13.4
April	-1.9	.9	-8.6	-9	2.4	-2.2	-16.3
May	-3	.1	-2.6	.1	2.5	-8	1.7
June .....	.5	.4	3.4	-1	2.9	.5	4.5

¹ Some percent changes shown here and elsewhere in "Price Movements June 2003" may differ from those previously reported, because indexes for

February 2003 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

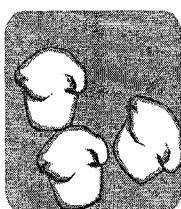
Summary of December-to-December, 6-month, and 3-month seasonally adjusted annual rates for selected stages of process

Grouping	Percentage change, 12 months ended in December—			Seasonally adjusted annual rate for:			
				6 months ended in June 2003	3 months ended in December 2002	3 months ended in March 2003	3 months ended in June 2003
	2000	2001	2002				
Finished goods	3.6	-1.6	-1.8	4.8	0.9	17.7	-6.7
Finished consumer foods	1.7	1.8	-.6	7.6	4.7	9.5	5.7
Finished energy goods	16.6	-17.1	12.3	19.2	8.2	97.5	-28.1
Finished goods less foods and energy	1.3	.9	-.5	.5	-1.6	4.9	-3.6
Finished consumer goods, excluding foods and energy	1.4	1.5	-.5	.5	-2.5	6.3	-4.9
Capital equipment	1.2	0	-.6	.6	-.6	3.5	-2.3
Intermediate materials, supplies, and components	4.1	-4.0	3.2	5.5	2.2	23.4	-9.9
Intermediate foods and feeds	3.6	.3	4.2	10.2	4.8	8.0	12.4
Intermediate energy goods	19.0	-16.9	12.0	19.4	7.1	153.8	-43.8
Intermediate materials less foods and energy	1.6	-1.6	1.5	2.5	.9	5.4	-.3
Materials for nondurable manufacturing	4.1	-5.5	4.2	8.2	.3	24.8	-6.2
Materials for durable manufacturing .....	.2	-4.0	3.1	1.1	2.6	1.6	.6
Materials and components for construction .....	.1	0	.8	1.7	-1.3	2.1	1.3
Crude materials for further processing	35.5	-32.5	24.7	30.6	36.4	172.3	-37.4
Foodstuffs and feedstuffs	7.4	-7.6	4.5	14.0	10.9	15.8	12.2
Crude energy materials	85.6	-52.9	61.5	62.1	88.0	604.2	-62.7
Crude nonfood materials less energy	-5.5	-9.9	12.6	3.8	7.7	19.6	-9.9

NOTE: Late reports and corrections by respondents may cause some indexes to change 4 months after original publication. In addition, seasonally

adjusted indexes may be revised for 5 years, due to the recalculation of seasonal factors each January.

Finished goods



The index for finished energy goods advanced 3.4 percent in June, after posting a 2.6-percent decrease a month earlier. Gasoline prices, which jumped 7.6 percent in June following an 11.1-percent drop in May, led the reversal in the finished energy goods index. Prices for home heating oil, residential electric power, and diesel fuel also turned up in June. The residential natural gas index rose more in June than it did in May. On the other hand, the index for lubricating and similar oils showed no change, following a 1.8-percent increase in the prior month.

Prices for finished consumer foods climbed at a quicker pace in June than in May — 0.4 and 0.1 percent, respectively. The index for beef and veal went up 6.7 percent, after advancing 1.8 percent a month earlier. Prices for soft drinks and processed young chickens also increased more quickly than they did in May. The indexes for pork, roasted coffee, and eggs for fresh use rose in June, after falling in May. The index for finfish and shellfish decreased more slowly in June than it did in the previous month. Conversely, the index for fresh and dry vegetables decreased 14.1 percent, following a 2.5-percent decline in the preceding month. Prices for dairy products also fell at a faster rate in June. The indexes for bakery products, confectionery end products, and processed turkeys turned down, after moving up in May.

Prices for finished consumer goods other than foods and energy inched down at a 0.1-percent rate in June, following a 0.1-percent advance in May. The index for light motor trucks dropped 1.5 percent, compared with a 0.3-percent gain in the prior month. Prices for sanitary papers and health

products, passenger cars, newspaper circulation, and cigarettes also fell in June, after rising a month earlier. The book publishing index showed no change, following an increase in May. By contrast, prices for pharmaceutical preparations climbed 0.7 percent in June, compared with a 0.1-percent decline in the preceding month. The indexes for men's and boys' apparel; girls', children's, and infants' apparel; and floor coverings also turned up, after decreasing in May. During the first 6 months of 2003, prices for finished consumer goods other than foods and energy edged up at a seasonally adjusted annual rate of 0.5 percent, compared with a 1.5-percent rate of decline during the second half of 2002.

The capital equipment index moved down 0.1 percent in June, following a 0.1-percent advance in May. Price decreases for light motor trucks, communication and related equipment, passenger cars, x-ray and electromedical equipment, office and store machines and equipment, and electronic computers slightly outweighed rising prices for civilian aircraft, printing trades machinery, and integrating and measuring instruments. From December 2002 to June 2003, the capital equipment index rose at a 0.6-percent seasonally adjusted annual rate, after declining at a similar rate from June 2002 to December 2002.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components advanced 0.5 percent in June, after posting a 0.8-percent decline in May. Most of this upturn was due to a turnaround in the index for intermediate energy goods. Prices for materials for nondurable manufacturing

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2002								
June	1.1	0.3	0.2	-2.8	-1.2	-9.7	2.8	-12.4
July	1.3	0	.2	-1.5	.6	.3	1.7	-6.2
August .....	.7	1.5	.2	-1.0	1.7	3.2	-4	-3.8
September	1.1	2.2	.1	-6	1.3	4.6	-2	3.1
October	-3	3.4	.2	1.6	.2	5.1	.3	15.4
November .....	.5	-1.2	.1	2.4	1.1	7.8	1.4	13.7
December	1.0	-5	-1	3.2	1.3	3.3	.2	24.7
2003								
January	1.5	5.6	.4	4.5	5.3	13.0	1.3	28.7
February .....	.7	7.9	.7	6.6	.7	9.9	3.4	36.7
March	-3	10.8	.2	8.0	-2.2	31.3	-1	47.3
April1	-11.2	0	4.7	.9	-31.1	-1.3	18.0
May	1.0	-4.4	-1	4.2	2.4	2.5	-1.9	19.1
June	1.9	2.0	0	4.5	-5	10.7	.6	29.4

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February 2003 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

and materials for durable manufacturing also rose in June, after falling in the previous month. The intermediate foods and feeds index moved up at a faster rate in June than in the prior month. Prices for materials and components for construction increased at the same pace in June as they did in May. The index for intermediate goods other than foods and energy showed no change in June, compared with a 0.1-percent decrease in May. (See table B.)

The index for intermediate energy goods rose 2.0 percent in June, following a 4.4-percent drop in the preceding month. The index for industrial natural gas turned up 6.5 percent, compared with a 4.5-percent decline in May. Prices for gasoline, diesel fuel, natural gas to electric utilities, and jet fuels also turned up in June, after decreasing in the prior month. The commercial natural gas index rose more in June than it did in the previous month. On the other hand, the index for commercial electric power fell 3.2 percent in June, following a 0.8-percent decrease in the prior month. The index for industrial electric power also declined at a faster rate than it did in May. The index for intermediate energy goods rose at a 19.4-percent seasonally adjusted annual rate during the first half of 2003, after rising at an 11.2-percent rate during the second half of 2002.

The index for materials for nondurable manufacturing moved up 0.4 percent in June, following a 0.9-percent decline in May. Primary basic organic chemical prices advanced 5.4 percent in June, after advancing 1.5 percent in the preceding month. The indexes for ethanol and for medicinal and botanical chemicals turned up in June. Prices for plastic resins and materials fell at a slower rate in June than they did in May. By contrast, the index for woodpulp declined 1.3 percent, after climbing 4.1 percent in May. The paperboard index also turned down in June. The index for intermediate

basic organic chemicals dropped at a faster pace in June than it did in the previous month. Paper prices rose at a slower rate in June than they did in May. The index for materials for nondurable manufacturing advanced at an 8.2-percent seasonally adjusted annual rate from December 2002 to June 2003, after posting a 4.6-percent rate of increase from June 2002 to December 2002.

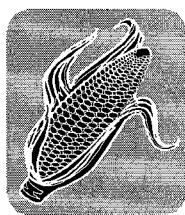
Prices for materials for durable manufacturing rose 0.3 percent in June, compared with a 0.2-percent decline in the previous month. The index for cold-rolled steel sheet and strip moved up 0.8 percent, following a 2.9-percent decrease in May. Prices for aluminum mill shapes, copper and brass mill shapes, and plywood also turned up in June. The copper cathode and refined copper index rose at a faster rate in June than it did in May. Alternatively, prices for primary aluminum, except extrusion billet, fell 1.4 percent, after posting a 3.8-percent gain in May. The indexes for prepared paint, semifinished steel mill products, and precious metals also turned down in June. Hot-rolled steel sheet and strip prices dropped at a faster pace in June than they did a month earlier. From December 2002 to June 2003, prices for materials for durable manufacturing advanced at a 1.1-percent seasonally adjusted annual rate, following a 3.1-percent rate of increase during the June 2002 to December 2002 period.

Following a 1.0-percent increase in May, prices for intermediate foods and feeds moved up 1.9 percent in June. Leading this acceleration, the index for crude vegetable oils jumped 23.7 percent, after rising 2.6 percent in May. The beef and veal index also rose at a faster rate in June than it did in the prior month. Prices for pork and for refined sugar and byproducts turned up in June. The confectionery materials index declined at a slower pace in June than it did in May. On the other hand, prepared animal feed prices edged up 0.1

percent in June, after posting a 1.7-percent increase a month earlier. The index for shortening and cooking oils also advanced at a slower rate than it did in the preceding month. Prices for flour and for natural, processed, and imitation cheese turned down in June. The index for intermediate foods and feeds increased at a 10.2-percent seasonally adjusted annual rate during the December 2002 to June 2003 period, following a 9.0-percent rate of increase over the prior 6-month period.

The materials and components for construction index rose 0.1 percent in June, the same rate of change as in the previous month. The indexes for nonferrous wire and cable, plywood, hardwood lumber, fabricated structural metal products, and softwood lumber posted advancing prices in June. Declining prices were posted by the indexes for plastic construction products, gypsum products, concrete products, steel mill products, and mineral wool for structural insulation. The index for materials and components for construction increased at a 1.7-percent seasonally adjusted annual rate during the first half of 2003, after advancing at a 0.4-percent rate during the latter half of 2002.

Crude goods



The Producer Price Index for Crude Materials for Further Processing rose more in June than it did in the prior month — 4.5 percent, compared with 1.7 percent in May. June prices for crude energy materials increased at a quicker pace than they did in May. The index for basic industrial materials turned up, following three consecutive decreases. Conversely, prices for crude foodstuffs and feedstuffs fell, after rising in the prior month. (See table B.)

Prices for crude energy materials jumped 10.7 percent, following a 2.5-percent increase in May. Crude petroleum prices rose 12.3 percent in June, after falling 3.8 percent a month earlier. The natural gas index gained 11.8 percent, following a 6.6-percent increase in May. The coal index turned up 1.5 percent in June, compared with a 2.5-percent decrease in the prior month. Prices for crude energy materials rose at a 62.1-percent seasonally adjusted annual rate from December 2002 to June 2003, after increasing at a 60.8-percent rate in the previous 6-month period.

Prices for crude nonfood materials other than energy rose 0.6 percent in June, following a 1.9-percent decline in the prior month. The raw cotton index increased 1.3 percent, after falling 8.1 percent in May. The indexes for copper base scrap and aluminum base scrap also turned up in June. Waste-paper prices showed no change in June, after declining in May. On the other hand, the index for gold ores rose 4.7 percent, compared with a 6.4-percent advance in May. The phosphates index fell more in June than it did in the prior month. Pulpwood prices turned down in June. The index for basic industrial materials advanced at a 3.8-percent seasonally adjusted annual rate from December 2002 to June 2003, after rising at a 6.0-percent rate in the latter half of 2002.

The index for crude foodstuffs and feedstuffs declined 0.5 percent, following a 2.4-percent increase in the prior month. Slaughter cattle prices turned down 2.7 percent, compared with a 1.0-percent increase in May. The indexes for wheat, soybeans, fresh fruits and melons, and fluid milk also turned down in June. Prices for slaughter hogs and corn rose less in June than they did in May. By contrast, the index for slaughter broilers and fryers turned up 2.9 percent, after decreasing 2.8 percent in the prior month. Unprocessed finfish prices fell less in June than they did in the previous month. During the first half of 2003, the crude foodstuffs and feedstuffs index rose at a seasonally adjusted annual rate of 14.0 percent, after increasing at a 13.1-percent rate in the last half of 2002.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries rose 8.6 percent in June, following a 2.7-percent increase in the previous month. (Net output price indexes are not seasonally adjusted.) Prices received by the crude petroleum and natural gas industry advanced 11.8 percent, after moving up 1.4 percent in May. The industry indexes for natural gas liquids and natural gas residue and for crushed and broken limestone also climbed at a faster pace than they did in the preceding month. Prices received by the industries for copper ores and for bituminous coal and lignite surface mining turned up, following declines in the prior month. Alternatively, the industry index for gold ores rose 4.8 percent in June, compared with a 6.2-percent gain a month earlier. Prices received by the potash, soda, and borate minerals industry decreased, after moving up in May. During the first half of 2003, the Producer Price Index for the Net Output of Total Mining Industries advanced at an annual rate of 47.7 percent, compared with a 48.1-percent rate of increase in the second half of 2002. In June, this index was 138.3 (December 1984 = 100), 47.9 percent above its year-ago level.

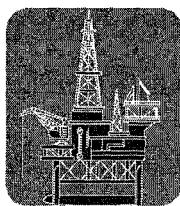
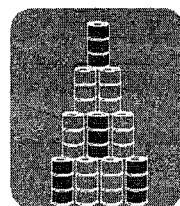
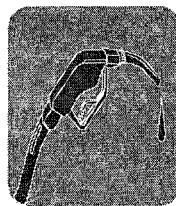
Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries moved up 0.3 percent in June, following a 0.4-percent drop in the prior month. The petroleum refining and related products industry group index turned up 4.1 percent, compared with a 6.6-percent decline in the previous month. The industry group index for food and kindred products rose at a faster pace in June than it did in May. The chemicals and allied products industry group index fell less than it did a month earlier. The industry group indexes for textile mill products and for measuring and controlling instruments increased, after falling in the prior month. The industry group index for machinery (except electrical) showed no change, following a decline in May. On the other hand, the electrical and electronic machinery and equipment industry group index fell 0.7 percent in June, after posting a 0.2-percent gain a month earlier. The transportation equipment industry group index decreased at a quicker rate than it did in May. The industry group indexes for paper and

allied products, printing and publishing, and rubber and miscellaneous plastics products turned down, after advancing in the previous month. From December 2002 to June 2003, the Producer Price Index for the Net Output of Total Manufacturing Industries rose at an annual rate of 3.3 percent, following a 0.6-percent annual rate of increase from June 2002 to December 2002. In June, this index was 136.2 (December 1984 = 100), 1.9 percent above its year-ago level.

Services. Among service industries in June, prices received by the industries for general medical and surgical hospitals, property and casualty insurance, scheduled air transportation, life insurance carriers, and real estate agents and managers rose. By contrast, the industry indexes for operators and lessors of nonresidential buildings; airports, flying fields, and airport services; wireless telecommunications; and offices of physicians fell in June.

Price Movements

July 2003



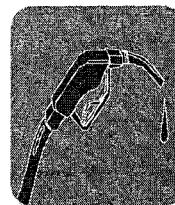
The Producer Price Index for Finished Goods inched up 0.1 percent in July, seasonally adjusted. This increase followed a 0.5-percent rise in June and a 0.3-percent decrease in May. At the earlier stages of processing, prices received by manufacturers of intermediate goods went up 0.2 percent in July, compared with a 0.5-percent gain in June. The index for crude materials declined 2.9 percent, after climbing 4.5 percent in the prior month. (See table A.)

The index for finished energy goods advanced 0.3 percent in July, following a 3.4-percent rise in June, and accounted for most of the slower rate of increase in finished goods prices. Prices for finished consumer foods moved down 0.2 percent, after rising 0.4 percent in the preceding month. By contrast, the index for finished goods other than foods and energy turned up 0.2 percent in July, following a 0.1-percent decrease a month earlier.

Before seasonal adjustment, the Producer Price Index for Finished Goods declined 0.1 percent in July to 143.0 (1982 = 100). From July 2002 to July 2003, the finished goods index moved up 3.0 percent. Over the same period, prices for finished energy goods increased 14.4 percent, the index for finished consumer foods rose 3.7 percent, and prices for finished goods other than foods and energy edged up 0.2 percent. Earlier in the pipeline, the index for intermediate goods climbed 4.4 percent, and prices received by crude goods

producers jumped 24.5 percent for the 12-month period ended in July.

Finished goods



The rate of increase in prices for finished energy goods slowed to 0.3 percent in July from a 3.4-percent rate in June. The gasoline index went up 3.6 percent, compared with a 7.6-percent gain in the previous month. Prices for home heating oil also rose less in July than they did a month earlier. The index for residential natural gas was unchanged, following a June increase. Prices for residential electric power and liquefied petroleum gas turned down in July.

The finished consumer foods index declined 0.2 percent in July, its first decrease in 10 months. The beef and veal index declined 5.6 percent in July, after rising 6.7 percent in the previous month. Prices for pork, roasted coffee, and for shortening and cooking oils also fell, following increases in June. The soft drinks index was unchanged in July, following an increase a month earlier. Finfish and shellfish prices fell more rapidly in July than they did in the preceding month. On the other hand, the dairy products index jumped 3.4 percent in July, compared with a 1.1-percent decrease in June. Prices for fresh fruits and melons and for bakery products also turned up in July. The index for fresh and dry vegetables fell less in

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2002							
July	0.0	-0.1	1.1	-0.3	-1.2	0.2	0.8
August	0	-4	1.4	-1	-1.5	.4	1.8
September	.3	-4	1.2	.3	-1.8	.5	2.2
October	.8	.4	3.4	.3	.7	.7	2.2
November	-3	.4	-1.6	-1	1.0	-1	3.7
December	-3	.4	.2	-6	1.2	-1	2.0
2003							
January	1.4	1.9	4.6	.3	2.5	1.2	7.6
February	1.1	.4	7.4	-1	3.3	2.0	5.2
March	1.4	.2	5.4	.7	4.0	2.1	13.0
April	-1.7	.8	-8.5	-6	2.4	-2.2	-16.0
May	-3	.1	-2.6	.1	2.5	-8	1.7
June	.5	.4	3.4	-1	2.9	.5	4.5
July	.1	-2	.3	.2	3.0	.2	-2.9

¹ Some percent changes shown here and elsewhere in "Price Movements July 2003" may differ from those previously reported, because indexes for

March 2003 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2002								
July	1.3	0.0	0.2	-1.5	0.6	0.3	1.7	-6.2
August .....	.7	1.5	.2	-1.0	1.7	3.2	-4	-3.8
September	1.1	2.2	.1	-6	1.3	4.6	-2	3.1
October	-3	3.4	.2	1.6	.2	5.1	.3	15.4
November .....	.5	-1.2	.1	2.4	1.1	7.8	1.4	13.7
December	1.0	-5	-1	3.2	1.3	3.3	.2	24.7
2003								
January	1.5	5.6	.4	4.5	5.3	13.0	1.3	28.7
February .....	.7	7.9	.7	6.6	.7	9.9	3.4	36.7
March	-3	10.2	.4	8.0	-1.8	30.1	-3	46.8
April .....	.1	-10.8	-1	4.7	.5	-30.5	-1.1	18.0
May	1.0	-4.4	-1	4.2	2.4	2.5	-1.9	19.1
June	1.9	2.0	0	4.5	-5	10.7	.6	29.4
July	-4	1.3	-1	4.4	-3.0	-4.4	.8	24.5

¹ Some percent changes shown here and elsewhere in "Price Movements July 2003" may differ from those previously reported, because indexes for

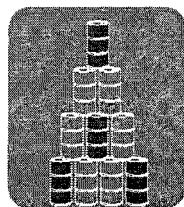
March 2003 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

July than it did in the prior month. Prices for eggs for fresh use rose at a faster rate than they did in June.

The capital equipment index climbed 0.4 percent in July, after inching down 0.1 percent in June. Light motor truck prices moved up 0.5 percent, following a 1.5-percent decline in the previous month. Indexes for communication and related equipment; passenger cars; office and store machines and equipment; and tools and dies also rose, after falling in June. Prices for civilian aircraft and railroad equipment increased at a quicker pace in July than they did the prior month. By contrast, the index for printing trades machinery decreased 0.7 percent, compared with a 1.7-percent rise in June. Prices for commercial furniture also turned down in July. Indexes for x-ray and electromedical equipment, electronic computers, and computer storage devices fell more than they did a month earlier.

Prices for finished consumer goods other than foods and energy inched up 0.1 percent in July, after falling at the same rate in June. In July, rising prices for pharmaceutical preparations, light motor trucks, passenger cars, book publishing, and soaps and synthetic detergents slightly outweighed falling prices for home electronic equipment, textile house-furnishings, compact discs, sporting and athletic goods, and men's and boys' apparel.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components moved up 0.2 percent in July, following a 0.5-percent rise in the previous month. Prices for intermediate energy goods advanced at a slower pace than they did the prior month. Indexes for materials for

nondurable manufacturing, intermediate foods and feeds, and materials for durable manufacturing turned down, after increasing in June. Alternatively, prices for materials and components for construction rose more in July than they did a month earlier. The index for intermediate goods other than foods and energy inched down 0.1 percent, after showing no change in the previous month. (See table B.)

Prices for intermediate energy goods rose 1.3 percent in July, following a 2.0-percent increase in the prior month. Increasing prices for residual fuel, gasoline, industrial electric power, and diesel fuel more than offset declining prices for natural gas to electric utilities, industrial natural gas, liquefied petroleum gas, and jet fuels.

The index for materials for nondurable manufacturing turned down 0.3 percent in July, compared with a 0.4-percent increase in the previous month. Prices for primary basic organic chemicals, which fell 4.4 percent following a 5.4-percent gain in June, led the reversal in the nondurable manufacturing materials index. The plastic resins and materials index decreased at a faster rate in July than it did in the prior month. Prices for finished fabrics, gray fabrics, medicinal and botanical chemicals, and inedible fats and oils declined, after moving up a month earlier. By contrast, the intermediate basic organic chemicals index fell 1.0 percent in July, following a 5.9-percent drop in the previous month. The indexes for fertilizer materials and woodpulp also decreased less than they did a month earlier. Prices for leather and sulfuric acid rose, after moving down in June.

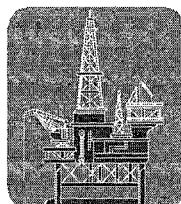
Intermediate foods and feeds prices decreased 0.4 percent in July, following a 1.9-percent increase in the prior month. The beef and veal index declined 5.6 percent, compared with a 6.7-percent gain in the previous month. Prices for crude vegetable oils, pork, shortening and cooking oils, and refined

sugar and byproducts also turned down, after rising in June. The flour index decreased at a quicker pace than it did a month earlier. Partially counteracting these decelerating prices, the natural, processed, and imitation cheese index jumped 8.8 percent in July, following a 1.3-percent drop in the preceding month. Prices for prepared animal feeds, processed young chickens, and fluid milk products advanced more than they did in June. The indexes for confectionery materials and butter turned up, following declines in the prior month.

Prices for durable manufacturing materials moved down 0.2 percent in July, compared with a 0.3-percent increase in the previous month. The index for aluminum mill shapes fell 1.2 percent, following a 1.3-percent gain in the preceding month. The indexes for industrial and other fabricated textile products and for unprocessed filament yarns also turned down, after moving up a month earlier. Prices for steel mill products decreased more than they did in June. Indexes for copper and brass mill shapes, copper cathode and refined copper, and hardwood lumber advanced at a slower rate than they did in the prior month. On the other hand, the building paper and board index jumped 12.5 percent in July, following a 3.1-percent increase in the preceding month. Plywood prices also rose more than they did in June. The indexes for prepared paint, silver, and flat glass turned up, following declines a month earlier. Prices for primary aluminum (except extrusion billet) fell at a slower pace than they did in the previous month.

The index for construction materials and components climbed 0.3 percent in July, after edging up 0.1 percent a month earlier. Softwood lumber prices moved up 4.6 percent, following a 0.6-percent increase in the prior month. Indexes for gypsum products, concrete products, and architectural coatings turned up, after falling in June. Prices for plywood, treated wood, and millwork advanced more than they did in the previous month. By contrast, the nonferrous wire and cable index fell 0.7 percent in July, compared with a 1.3-percent rise in the preceding month. Prices for fabricated structural metal products also turned down in July. Indexes for plastic construction products, steel mill products, paving mixtures and blocks, and asphalt felts and coatings decreased at a quicker pace than they did a month earlier.

Crude goods



The Producer Price Index for Crude Materials for Further Processing fell 2.9 percent in July, after rising 4.5 percent in June. Prices for crude energy materials posted a decline in July, following an increase in the prior month. The crude foodstuffs and feedstuffs index fell more in July than it did in June. Conversely, prices for basic industrial materials rose more than they did in June. (See table B.)

Prices for crude energy materials turned down 4.4 percent in July, following an increase of 10.7 percent in the prior month. Prices for natural gas contributed heavily to this change of direction, declining 6.2 percent after advancing

11.8 percent in June. The index for crude petroleum slipped 0.7 percent, compared with a 12.3-percent increase in the previous month. Prices for coal followed suit, dropping 3.0 percent in July after rising 1.5 percent in June.

The index for foodstuffs and feedstuffs declined 3.0 percent in July, after falling 0.5 percent in June. Corn prices dropped 13.4 percent, compared with a 1.0-percent increase in June. The indexes for wheat, slaughter cattle, and soybeans fell more in July than they did in June. Prices for slaughter hogs and Irish potatoes for processing turned down, after rising in the previous month. By contrast, the fluid milk index advanced 4.1 percent, following a 2.3-percent decrease in June. Prices for fresh fruits and melons also turned up, after falling in June. The index for fresh vegetables (except potatoes) fell less than it did in the previous month. Prices for slaughter broilers and fryers rose more quickly in July than they did in June.

Prices for crude nonfood materials other than energy rose 0.8 percent in July, following a June rise of 0.6 percent. The iron and steel scrap index increased 3.1 percent, after falling 2.5 percent in June. Prices for raw cotton advanced at a faster pace in July than they did in June. July prices for hides and skins exhibited no change, after falling in the previous month. The index for phosphates declined at a slower rate than in June. On the other hand, nonferrous metal ore prices fell 1.2 percent, following an increase of 7.2 percent in the previous month. The indexes for gold ores and copper base scrap also turned down. Wastepaper prices dropped in July, after showing no movement in June.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries fell 3.7 percent in July, after registering an 8.6-percent gain in June. (Net output price indexes are not seasonally adjusted.) Prices received by the crude petroleum and natural gas industry declined 4.5 percent, following an 11.8-percent increase in the preceding month. The industry indexes for natural gas liquids and natural gas residue, bituminous coal and lignite surface mining, gold ores, crushed and broken limestone, and oil and gas field exploration services also turned down in July. Prices received by the oil and gas well drilling industry rose less in July than they did a month earlier. On the other hand, the industry index for coal mining services advanced 8.3 percent, after decreasing 0.9 percent in July. Prices received by the industry for bituminous coal underground mining showed no change in July, compared with a 0.5-percent decline in the previous month. In July, the Producer Price Index for the Net Output of Total Mining Industries was 133.2 (December 1984 = 100), 42.5 percent above its year-ago level.

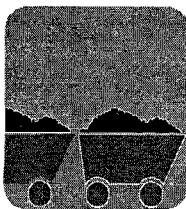
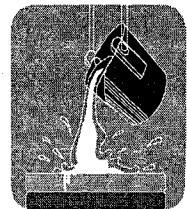
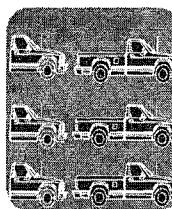
Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries went up 0.2 percent in July, slightly less than the 0.3-percent increase observed in June. Prices received by the industries for petroleum refining

and related products, lumber and wood products (except furniture), fabricated metal products, nonmetallic mineral products, and electrical and electronic machinery and equipment rose in July. Conversely, the industry indexes for primary metals, transportation equipment, and for chemicals and allied products fell in July. In July, the Producer Price Index for the Net Output of Total Manufacturing Industries was 136.5 (December 1984 = 100), 2.2 percent above its year-ago level.

Services. Among service industries, prices received by the industries for offices of physicians, operators and lessors of nonresidential buildings, property and casualty insurance, deep sea foreign transportation of freight, general medical and surgical hospitals, hotels and motels, and scheduled air transportation increased in July. Alternatively, the industry indexes for building cleaning and maintenance services, cable and other pay television services, and air courier services fell in July.

Price Movements

August 2003

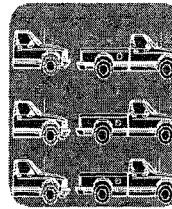


The seasonally adjusted Producer Price Index for Finished Goods advanced 0.4 percent in August. This increase followed a 0.1-percent gain in July and a 0.5-percent rise in June. At the earlier stages of processing, prices received by manufacturers of intermediate goods increased 0.5 percent, following a 0.2-percent gain in July. The index for crude materials fell 1.4 percent in August, compared with a 2.9-percent decline in the prior month. (See table A.)

Among finished goods, prices for finished consumer foods climbed 0.7 percent in August, following a 0.2-percent decline in the previous month. The finished energy goods index moved up 1.2 percent, after rising 0.3 percent in July. By contrast, the index for finished goods other than foods and energy edged up 0.1 percent, after increasing 0.2 percent in the previous month.

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 0.3 percent in August to 143.5 (1982=100). From August 2002 to August 2003, prices for finished goods moved up 3.4 percent. Over the same period, the finished energy goods index rose 14.2 percent, prices for finished consumer foods advanced 5.0 percent, and the index for finished goods other than foods and energy went up 0.4 percent. Earlier in the pipeline, prices for intermediate goods climbed 4.4 percent, and the crude goods index jumped 20.9 percent.

Finished goods



Prices for finished consumer foods increased 0.7 percent in August, after posting a 0.2-percent decline in the prior month. Leading this turnaround, the index for beef and veal moved up 3.8 percent, following a 5.6-percent drop in July. Prices for fresh and dry vegetables and for finfish and shellfish also turned up in August, after falling a month earlier. The fresh fruits and melons index advanced at a faster rate than it did in the previous month, and pork prices fell less in August than they did in the prior month. Alternatively, the rate of increase for the dairy products index slowed from 3.4 percent in July to 2.4 percent in August. The index for eggs for fresh use also rose less than it did in July. Prices for processed young chickens and processed fruits and vegetables turned down, following increases in the preceding month. The soft drinks index fell, after showing no change a month earlier.

Prices for finished energy goods rose 1.2 percent in August, compared with a 0.3-percent gain in the previous month. The majority of this acceleration was due to prices for gasoline, which increased 6.3 percent in August, after rising 3.6 percent in July. Prices for residential electric power

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2002							
August	0.0	-0.4	1.4	-0.1	-1.5	0.4	1.8
September .....	.3	-4	1.2	.3	-1.8	.5	2.2
October .....	.8	.4	3.4	.3	.7	.7	2.2
November	-3	.4	-1.6	-1	1.0	-1	3.7
December	-3	.4	.2	-6	1.2	-1	2.0
2003							
January	1.4	1.9	4.6	.3	2.5	1.2	7.6
February	1.1	.4	7.4	-1	3.3	2.0	5.2
March	1.4	.2	5.4	.7	4.0	2.1	13.0
April	-1.7	.8	-8.1	-7	2.4	-2.3	-15.8
May	-4	0	-3.0	.2	2.5	-7	1.5
June .....	.5	.4	3.4	-1	2.9	.5	4.5
July .....	.1	-2	.3	.2	3.0	.2	-2.9
August .....	.4	.7	1.2	.1	3.4	.5	-1.4

¹ Some percent changes shown here and elsewhere in "Price Movements August 2003" may differ from those previously reported, because indexes for

April 2003 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2002								
August	0.7	1.5	0.2	-1.0	1.7	3.2	-0.4	-3.8
September	1.1	2.2	.1	-6	1.3	4.6	-2	3.1
October	-3	3.4	.2	1.6	.2	5.1	.3	15.4
November .....	.5	-1.2	.1	2.4	1.1	7.8	1.4	13.7
December	1.0	-5	-1	3.2	1.3	3.3	.2	24.7
2003								
January	1.5	5.6	.4	4.5	5.3	13.0	1.3	28.7
February .....	.7	7.9	.7	6.6	.7	9.9	3.4	36.7
March	-3	10.2	.4	8.0	-1.8	30.1	-3	46.8
April .....	.1	-11.0	-2	4.6	1.2	-30.7	-1.1	18.2
May	1.0	-4.3	0	4.2	1.7	2.7	-1.9	19.1
June	1.9	2.0	0	4.5	-5	10.7	.6	29.4
July	-4	1.3	-1	4.4	-3.0	-4.4	.8	24.5
August .....	.2	2.4	.1	4.4	3.7	-7.4	3.7	20.9

¹Some percent changes shown here and elsewhere in "Price Movements August 2003" may differ from those previously reported, because indexes for

April 2003 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

and kerosene turned up, following decreases in the prior month. The liquefied petroleum gas index fell less than it did a month earlier. On the other hand, residential natural gas prices declined 1.5 percent in August, after showing no change in the preceding month. The indexes for home heating oil and diesel fuel rose at a slower pace than they did in July.

The index for capital equipment inched up 0.1 percent, following a 0.4-percent gain a month earlier. In August, rising prices for civilian aircraft, light motor trucks, passenger cars, pumps and compressors, and commercial furniture slightly outweighed falling prices for communications and related equipment, electronic computers, railroad equipment, agricultural machinery and equipment, x-ray and electromedical equipment, and heavy motor trucks.

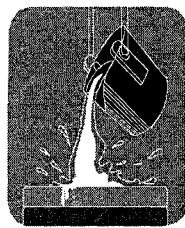
The index for finished consumer goods other than foods and energy moved up 0.1 percent in August, after rising at the same rate in the previous month. In August, increasing prices for light motor trucks, passenger cars, pharmaceutical preparations, men's and boys' apparel, textile housefurnishings, and mobile homes prevailed over decreasing prices for lawn and garden equipment (except tractors), alcoholic beverages, household appliances, pet food, and periodical circulation.

a quicker pace in August than it did a month earlier. On the other hand, the index for materials and components for construction increased less in August than it did in the previous month. Excluding foods and energy, prices for intermediate goods edged up 0.1 percent in August, following a 0.1-percent dip in July. (See table B.)

The index for materials for nondurable manufacturing jumped 1.1 percent in August, compared with a 0.3-percent decrease in the prior month. Much of this upturn can be traced to prices for primary basic organic chemicals, which climbed 7.9 percent after falling 4.4 percent in July. The indexes for fertilizer materials, finished fabrics, processed yarns and threads, synthetic fibers, intermediate basic organic chemicals, and medicinal and botanical chemicals also turned up in August. Prices for plastic resins and materials fell less than they did a month earlier. The paperboard index was unchanged, after declining in July. By contrast, prices for basic inorganic chemicals decreased 0.3 percent in August, following a 1.1-percent gain a month earlier. The index for paper turned down, after showing no change in July, while leather prices remained unchanged in August following a July increase.

Prices for intermediate energy goods rose at a faster pace in August than they did in the previous month—up 2.4 percent after a 1.3-percent gain in July. The index for natural gas to electric utilities jumped 7.8 percent, compared with a 4.3-percent drop in the preceding month. Prices for industrial natural gas, jet fuels, and finished lubricants also turned up in August. The index for commercial electric power moved up, after showing no change in July. Gasoline prices climbed at a quicker pace in August than they did a month earlier, while the index for liquefied petroleum gas fell at a slower rate than it did in July. On the other hand, prices for residual fuels

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components climbed 0.5 percent in August, after registering a 0.2-percent gain in July. Prices for materials for nondurable manufacturing, materials for durable manufacturing, and intermediate foods and feeds advanced in August, following declines in the preceding month. The index for intermediate energy goods rose at

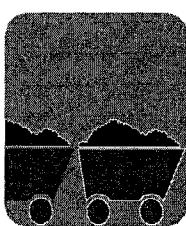
advanced 5.3 percent in August, following a 44.6-percent surge in the previous month. The index for industrial electric power also rose less than it did in the prior month. Subsequent to a 0.8-percent gain in July, prices for commercial natural gas were unchanged in August.

The index for materials for durable manufacturing increased 0.6 percent in August, after declining 0.2 percent in July. Prices for steel mill products climbed 0.6 percent, following a 1.3-percent drop a month earlier. The indexes for primary aluminum (except extrusion billet), refined gold, and unprocessed filament yarns also turned up in August. Prices for aluminum mill shapes fell less than they did in July. By contrast, the index for building paper and board rose at a slower rate in August than it did in the previous month—3.0 percent and 12.5 percent, respectively. Prices for plywood, prepared paint, hardwood lumber, and copper and brass mill shapes also went up less than they did in the prior month. The index for copper cathode and refined copper turned down in August.

Prices for intermediate foods and feeds moved up 0.2 percent in August, after decreasing 0.4 percent in July. The index for beef and veal jumped 3.8 percent, following a 5.6-percent drop in the preceding month. Prices for crude vegetable oils, shortening and cooking oils, flour, and portion-controlled meat products also advanced in August, after declining a month earlier. On the other hand, prices for prepared animal feeds went down 2.3 percent in August, compared with a 0.5-percent gain in the prior month. The index for processed young chickens also fell, after rising in July. Prices natural, processed, and imitation cheese climbed less in August than they did in the previous month.

Prices for materials and components for construction moved up at a 0.1-percent rate in August, following a 0.3-percent gain in July. The softwood lumber index advanced 0.4 percent, after rising 4.6 percent in the prior month. Price increases for plywood, millwork, treated wood, and hardwood lumber also slowed in August. The indexes for gypsum products and for prefabricated wood buildings and components turned down, after advancing in July. On the other hand, prices for plastic construction products fell 0.2 percent in August, compared with a 1.5-percent drop a month earlier. The indexes for steel mill products, paving mixtures and blocks, fabricated structural metal products, and nonferrous wire and cable turned up, following declines in the previous month.

Crude goods



The Producer Price Index for Crude Materials for Further Processing fell 1.4 percent in August, after dropping 2.9 percent in July. Prices for crude foodstuffs and feedstuffs increased, after posting a decline 1 month earlier. The index for basic industrial materials rose more in August than it did in July. Conversely, prices for crude energy materials declined more rapidly in August than in the prior month. (See table B.)

The index for crude foodstuffs and feedstuffs advanced 3.7

percent in August, after falling 3.0 percent in July. Slaughter cattle prices led the reversal with a 6.1-percent increase, following a 3.0-percent decrease the prior month. The indexes for wheat and slaughter hogs also rebounded, after dropping in July, and corn prices fell at a slower rate in August than they did in the preceding month. Conversely, prices for slaughter broilers and fryers climbed only 2.4 percent, after advancing 5.0 percent in July. The slaughter turkey index fell more in August than it did in the prior month.

Prices for crude nonfood materials other than energy rose 3.7 percent in August, after increasing 0.8 percent in the prior month. The index for iron and steel scrap grew 8.8 percent, following a 3.1-percent jump in July. Prices for nonferrous metal ores and wastepaper turned up, compared with decreases in the previous month. By contrast, prices for raw cotton fell 7.7 percent, after rising 10.2 percent a month earlier. The index for iron ore increased at a slower rate in August than it did in July.

The August index for crude energy materials continued to fall, dropping 7.4 percent after a 4.4-percent decline in July. This faster rate of decrease was due to natural gas prices, which dropped 13.1 percent after sliding 6.2 percent in the preceding month. By contrast, the index for crude petroleum advanced by 1.5 percent, compared with a 0.7-percent decline in July. Coal also turned up, climbing 1.3 percent following a 3.0-percent fall the prior month.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries fell 6.0 percent in August, after declining 3.7 percent in July. (Net output price indexes are not seasonally adjusted.) Prices received by the natural gas liquids and natural gas residue industry moved down 10.7 percent, following a 5.1-percent drop in the preceding month. The index for the crude petroleum and natural gas industry also fell more in August than it did in July. Prices received by the industries for coal mining services and for chemical and fertilizer mineral mining turned down, after rising a month earlier. On the other hand, the industry index for oil and gas field services advanced 2.2 percent, after edging down 0.1 percent in July. Prices received by the industries for bituminous coal and lignite surface mining and for gold ores also turned up in August, following declines in the previous month. In August, the Producer Price Index for the Net Output of Total Mining Industries was 125.2 (December 1984 = 100), 30.6 percent above its year-ago level.

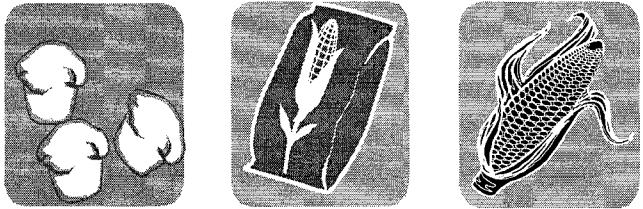
Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries rose 0.4 percent in August, slightly more than the 0.2-percent increase observed in July. Leading this acceleration, the index for the petroleum refining and related products industry group advanced 5.0 percent, following a 2.3-percent gain in the prior month. Prices received by the industry groups for food and kindred products, transportation equipment, and primary metals turned

up in August, after falling a month earlier. Conversely, the industry group index for electrical and electronic machinery, equipment, and supplies turned down 1.2 percent, following a 0.1-percent increase in July. Prices for the lumber and wood products (except furniture) industry group rose less than they did in the previous month. In August, the Producer Price Index for the Net Output of Total Manufacturing Industries was 137.0 (December 1984 = 100), 2.5 percent above its year-ago level.

Services. Among service industries, prices received by the industries for property and casualty insurance, telephone communications (except radiotelephone), nonlocal trucking, offices of physicians, general medical and surgical hospitals, prepackaged software, and help supply services increased in August. Alternatively, the industry indexes for operators and lessors of nonresidential buildings, scheduled air transportation, real estate agents and managers, travel agencies, and wireless communications fell in August.

Price Movements

September 2003



The Producer Price Index for Finished Goods advanced 0.3 percent in September, seasonally adjusted. This increase followed a 0.4-percent advance in August and a 0.1-percent rise in July. The index for finished goods other than foods and energy showed no change in September, compared with a 0.1-percent increase in the preceding month. At the earlier stages of processing, prices received by manufacturers of intermediate goods fell 0.1 percent, after a 0.5-percent gain in August. The index for crude materials turned up 3.4 percent in September, following a 1.4-percent decrease in the prior month. (See table A.)

Most of the September increase in the index for finished goods was due to prices for finished consumer foods, which rose 1.2 percent, compared with a 0.7-percent increase in August. Prices for finished consumer goods other than foods and energy advanced at a 0.1-percent rate for the third consecutive month. The finished energy goods index inched up 0.1 percent in September, following a 1.2-percent climb in the prior month. Alternatively, prices for capital equipment decreased 0.1 percent, after rising 0.1 percent in August.

During the third quarter of 2003, the finished goods index increased at a 3.4-percent seasonally adjusted annual rate, after falling at a 5.9-percent rate during the second quarter

of 2003. The index for finished goods other than foods and energy climbed at a 1.3-percent seasonally adjusted annual rate during the third quarter of 2003, compared with a 2.4-percent rate of decline during the second quarter of 2003. Among prices for raw and partially processed goods, the intermediate goods index advanced at a 2.1-percent seasonally adjusted annual rate during the third quarter of 2003, following a 9.9-percent rate of decline from March to June. Crude goods prices decreased at a 4.1-percent seasonally adjusted annual rate from June to September, compared with a 36.4-percent rate of decrease in the preceding quarter.

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 0.3 percent in September to 143.9 (1982=100). From September 2002 to September 2003, prices for finished goods increased 3.5 percent. During the same period, the index for finished energy goods advanced 12.9 percent, the index for finished consumer foods gained 6.6 percent, and prices for finished goods other than foods and energy edged up 0.1 percent. At the earlier stages of processing, prices received by manufacturers of intermediate goods increased 3.7 percent for the 12 months ended in September 2003, while the crude goods index ascended 22.3 percent.

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2002							
September	0.3	-0.4	1.2	0.3	-1.8	0.5	2.2
October .....	.8	.4	3.4	.3	.7	.7	2.2
November	-3	.4	-1.6	-1	1.0	-.1	3.7
December	-3	.4	.2	-.6	1.2	-.1	2.0
2003							
January	1.4	1.9	4.6	.3	2.5	1.2	7.6
February	1.1	.4	7.4	-.1	3.3	2.0	5.2
March	1.4	.2	5.4	.7	4.0	2.1	13.0
April	-1.7	.8	-8.1	-.7	2.4	-.2.3	-15.8
May	-.4	.1	-2.9	.1	2.5	-.7	1.4
June .....	.6	.3	3.3	-.1	2.9	.5	4.6
July .....	.1	-.2	.3	.2	3.0	.2	-2.9
August .....	.4	.7	1.2	.1	3.4	.5	-1.4
September .....	.3	1.2	.1	0	3.5	-.1	3.4

¹ Some percent changes shown here and elsewhere in "Price Movements September 2003" may differ from those previously reported, because indexes for

May 2003 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

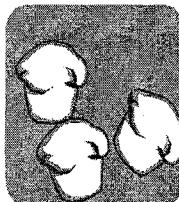
Summary of December-to-December, 9-month, and 3-month seasonally adjusted annual rates for selected stages of process

Grouping	Percentage change, 12 months ended in December—			Seasonally adjusted annual rate for:			
	2000	2001	2002	9 months ended in September 2003	3 months ended in March 2003	3 months ended in June 2003	3 months ended in September 2003
Finished goods	3.6	-1.6	1.2	4.3	16.8	-5.9	3.4
Finished consumer foods	1.7	1.8	-.6	7.3	10.1	5.1	6.8
Finished energy goods	16.6	-17.1	12.3	14.8	96.8	-27.8	6.5
Finished goods less foods and energy	1.3	.9	-.5	.8	3.5	-2.4	1.3
Finished consumer goods, excluding foods and energy	1.4	1.5	-.5	.8	4.1	-3.0	1.3
Capital equipment	1.2	0	-.6	.9	2.9	-1.7	1.4
Intermediate materials, supplies, and components	4.1	-4.0	3.2	4.3	23.4	-9.9	2.1
Intermediate foods and feeds	3.6	.3	4.2	9.6	8.0	12.4	8.6
Intermediate energy goods	19.0	-16.9	12.0	14.6	149.0	-42.8	5.6
Intermediate materials less foods and energy	1.6	-1.6	1.5	2.0	6.0	-.9	.9
Materials for nondurable manufacturing	4.1	-5.5	4.2	4.9	28.1	-8.6	-1.5
Materials for durable manufacturing .....	.2	-4.0	3.1	2.4	1.6	.6	5.1
Materials and components for construction .....	.1	0	.8	3.0	2.4	1.1	5.6
Crude materials for further processing	35.5	-32.5	24.7	17.8	168.1	-36.4	-4.1
Foodstuffs and feedstuffs	7.4	-7.6	4.5	20.3	18.0	10.1	34.2
Crude energy materials	85.6	-52.9	61.5	18.3	579.4	-61.3	-37.0
Crude nonfood materials less energy	-5.5	-9.9	12.6	12.1	19.0	-9.4	30.7

NOTE: Late reports and corrections by respondents may cause some indexes to change 4 months after original publication. In addition, seasonally

adjusted indexes may be revised for 5 years, due to the recalculation of seasonal factors each January.

Finished goods



Prices for finished consumer foods rose at a faster rate in September than in August, rising 1.2 percent after increasing 0.7 percent in the preceding month. The index for fresh and dry vegetables jumped 20.7 percent in September, compared with a 4.3-percent advance in the prior month. Prices for beef and veal and eggs for fresh use also rose at a faster rate in September than they did in August. The indexes for pork, soft drinks, bakery products, and processed turkeys turned up in September. Alternatively, the index for fresh fruits and melons dropped 1.9 percent in September, after posting an increase of 7.1 percent in the previous month. Prices for shortening and cooking oils also turned down, after rising in August. September prices for processed young chickens fell more quickly than they did a month earlier, while prices for dairy products rose less in September than in August. During the third quarter of 2003, the index for finished consumer foods increased at a 6.8-percent seasonally adjusted annual rate, after advancing at a 5.1-percent rate in the second quarter of 2003.

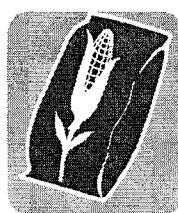
Prices for finished consumer goods other than foods and energy moved up 0.1 percent in September, the same rate of increase as in August. Rising prices for pharmaceutical preparations, mobile homes, soaps and synthetic detergents, light motor trucks, and cigarettes slightly outweighed falling prices for passenger cars, book publishing, sporting and athletic goods, floor coverings, and alcoholic beverages. From June 2003 to September 2003, the index for finished consumer goods other than foods and energy rose at a 1.3-percent seasonally adjusted annual rate, after falling at a

3.0-percent annual rate from March 2003 to June 2003.

The index for finished energy goods edged up 0.1 percent in September, after posting a 1.2-percent advance in August. Price increases for gasoline slowed from August to September—up 6.3 and 2.2 percent, respectively. The residential electric power index also rose less in September than it did in the prior month. Prices for home heating oil and diesel fuel turned down in September. Conversely, residential natural gas prices turned up 1.6 percent, compared with a decline of 1.5 percent in August. During the third quarter of 2003, the index for finished energy goods increased at a 6.5-percent seasonally adjusted annual rate, after decreasing at a 27.8-percent rate for the second quarter of 2003.

Capital equipment prices turned down 0.1 percent in September, following a 0.1-percent increase in August. In September, price decreases for communication and related equipment, passenger cars, x-ray and electromedical equipment, and printing trades machinery slightly outweighed rising prices for civilian aircraft, light motor trucks, commercial furniture, tools and dies, and welding machines and equipment. From June 2003 to September 2003, capital equipment prices rose at a 1.4-percent seasonally adjusted annual rate, after a 1.7-percent rate of decline from March 2003 to June 2003.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components inched down 0.1 percent in September, after posting a 0.5-percent gain in the previous month. Prices for both intermediate energy goods and materials for nondurable manufacturing turned down, following in-

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2002								
September	1.1	2.2	0.1	-0.6	1.3	4.6	-0.2	3.1
October	-3	3.4	.2	1.6	.2	5.1	.3	15.4
November .....	.5	-1.2	.1	2.4	1.1	7.8	1.4	13.7
December	1.0	-5	-1	3.2	1.3	3.3	.2	24.7
2003								
January	1.5	5.6	.4	4.5	5.3	13.0	1.3	28.7
February .....	.7	7.9	.7	6.6	.7	9.9	3.4	36.7
March	-3	10.2	.4	8.0	-1.8	30.1	-3	46.8
April .....	.1	-11.0	-2	4.6	1.2	-30.7	-1.1	18.2
May	1.1	-4.4	0	4.2	2.0	1.9	-7	19.1
June	1.8	2.1	0	4.5	-7	11.7	-6	29.4
July	-4	1.3	-1	4.4	-3.0	-4.4	.8	24.5
August .....	.2	2.4	.1	4.4	3.7	-7.4	3.7	20.9
September	2.3	-2.3	.1	3.7	7.0	.6	2.3	22.3

¹Some percent changes shown here and elsewhere in "Price Movements September 2003" may differ from those previously reported, because indexes for

May 2003 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

creases in August. By contrast, the indexes for materials and components for construction, intermediate foods and feeds, and materials for durable manufacturing rose at a faster pace in September than they did a month earlier. Excluding foods and energy, prices for intermediate goods edged up 0.1 percent, the same rate of increase as in August. (See table B.)

The index for intermediate energy goods fell 2.3 percent in September, following a 2.4-percent increase in the prior month. Diesel fuel prices dropped 17.0 percent, compared with a 2.7-percent gain in the previous month. The indexes for jet fuels, industrial natural gas, natural gas to electric utilities, residual fuel, and home heating oil also turned down, after rising in August. Gasoline prices advanced at a slower rate in September than they did a month earlier. Alternatively, the commercial electric power index moved up 2.2 percent in September, compared with a 1.0-percent increase in the preceding month. Prices for commercial natural gas rose, after showing no change in August. The intermediate energy goods index increased at a 5.6-percent seasonally adjusted annual rate during the third quarter of 2003, after declining at a 42.8-percent rate in the previous quarter.

Prices for materials for nondurable manufacturing decreased 1.2 percent in September, following a 1.1-percent rise a month earlier. The primary basic organic chemicals index declined 0.8 percent, compared with a 7.9-percent advance in the prior month. Prices for finished fabrics and for processed yarns and threads also turned down, following gains in the preceding month. Paperboard prices moved down, after showing no change in the previous month. The index for fertilizer materials increased less than it did in August. On the other hand, the index for plastic resins and materials increased 0.6 percent in September, following a 1.2-percent drop in the prior month. Prices for sulfuric acid and synthetic rubber turned up,

after declining in August. The intermediate basic organic chemicals index rose more than it did in the previous month. Paper prices fell at a slower pace in September than they did a month earlier. The index for nondurable manufacturing materials declined at a 1.5-percent seasonally adjusted annual rate from June 2003 to September 2003, following an 8.6-percent rate of decrease in the second quarter of 2003.

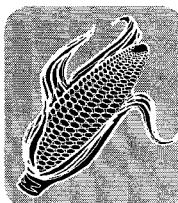
Prices for materials and components for construction advanced 0.9 percent in September, compared with a 0.1-percent increase in the prior month. The index for softwood lumber jumped 10.2 percent, following a 0.4-percent gain in August. Prices for plywood, treated wood, and millwork also moved up at a faster rate in September than they did in the prior month. The indexes for gypsum products and plastic construction products turned up, after falling a month earlier. On the other hand, prices for concrete products declined 0.4 percent in September, following a 0.2-percent rise in the preceding month. The indexes for paving mixtures and blocks and for wiring devices also fell, after advancing in August. Prices for fabricated ferrous wire products showed no change, following an increase in the previous month. The steel mill products index rose less than it did a month earlier. Prices for materials and components for construction grew at a 5.6-percent seasonally adjusted annual rate during the third quarter of 2003, after increasing at a 1.1-percent rate during the preceding quarter.

The index for intermediate foods and feeds moved up 2.3 percent in September, following a 0.2-percent increase in the previous month. Accounting for much of this acceleration, prices for prepared animal feeds climbed 4.4 percent, compared with a 2.3-percent decrease in the prior month. The indexes for pork and confectionery materials also turned up, following declines in the previous month. Prices for fluid milk

products and for beef and veal advanced at a faster pace than they did in August. By contrast, prices for crude vegetable oils dropped 2.7 percent in September, following a 3.6-percent gain in the preceding month. The indexes for natural, processed, and imitation cheese; shortening and cooking oils; flour; and refined sugar and sugar byproducts also turned down, after rising in the prior month. Prices for processed young chickens fell more than they did in August. The index for intermediate foods and feeds advanced at an 8.6-percent seasonally adjusted annual rate from June 2003 to September 2003, compared with a 12.4-percent rate of increase during the second quarter.

Prices for materials for durable manufacturing climbed 0.9 percent in September, following a 0.6-percent increase in the preceding month. The index for plywood jumped 17.1 percent, after moving up 1.9 percent a month earlier. Prices for building paper and board also rose more in September than they did in August. The indexes for copper cathode and refined copper, hot rolled steel sheet and strip, soft fiber cordage and twine (except cotton), and cement increased, following declines in the prior month. On the other hand, price increases for cold rolled steel sheet and strip slowed from 2.4 percent in August to 0.7 percent in September. The indexes for primary aluminum (except extrusion billet) and semifinished steel mill products turned down, after advancing in the previous month. Prices for aluminum mill shapes fell at a faster rate in September than they did in August. The index for hot rolled bars, plates, and structural shapes rose less than it did a month earlier. Prices for durable manufacturing materials advanced at a 5.1-percent seasonally adjusted annual rate in the third quarter of 2003, following a 0.6-percent rate of increase in the previous quarter.

Crude goods



A 3.4-percent increase in the Producer Price Index for Crude Materials for Further Processing followed a 1.4-percent decline in August. Prices for crude energy materials rose, after falling in the prior month, and the index for crude foodstuffs and feedstuffs advanced at a faster rate in September than it did in August. Conversely, price increases slowed from August to September for crude nonfood materials less energy. (See table B.)

Subsequent to a 7.4-percent drop in August, the index for crude energy materials went up 0.6 percent in September. Natural gas prices increased 5.4 percent in September, following a 13.1-percent decrease in the prior month. The coal index moved up 1.4 percent—just outpacing the 1.3-percent gain observed in the preceding month. By contrast, crude petroleum prices fell 8.4 percent in September, after rising 1.5 percent in August. During the third quarter of 2003, the index for crude energy materials declined at a 37.0-percent seasonally adjusted annual rate, after dropping at a 61.3-percent rate during the previous calendar quarter.

Price increases for crude foodstuffs and feedstuffs accelerated in September; a 7.0-percent gain followed a 3.7-percent advance in August. The index for slaughter cattle climbed 11.0 percent, compared with a 6.1-percent increase in the prior month. Prices for fresh and dry vegetables and unprocessed finfish also rose at a quicker pace in September. The indexes for corn, soybeans, and slaughter turkeys turned up, after falling in August. Conversely, wheat prices moved down 2.6 percent in September, following an 11.6-percent jump in the preceding month. The indexes for slaughter broilers and fryers and for fresh fruits and melons also went down, after advancing in August. Prices for fluid milk and slaughter hogs rose less than they did in the previous month. After moving up at a 10.1-percent seasonally adjusted annual rate during the second quarter of 2003, prices for crude foodstuffs and feedstuffs increased at a 34.2-percent rate during the June to September period.

Prices for basic industrial materials went up 2.3 percent, following a 3.7-percent rise in August. The index for iron and steel scrap climbed 4.8 percent in September, after posting an 8.8-percent gain a month earlier. Prices for hides and skins, copper base scrap, and for softwood logs, bolts, and timber also increased at a slower rate in September. The indexes for aluminum base scrap and phosphates moved down, following August advances. On the other hand, raw cotton prices increased 5.6 percent in September, compared with a 7.7-percent decline in the previous month. The indexes for gold ores; construction sand, gravel, and crushed stone; pulpwood; and wastepaper rose more than they did in August. For the calendar quarter ended September 2003, the index for crude nonfood materials less energy increased at a 30.7-percent seasonally adjusted annual rate, which followed a 9.4-percent rate of decrease in the calendar quarter ended June 2003.

Net output price indexes for mining, manufacturing, and service industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries rose 0.8 percent in September, after declining 6.0 percent in August. (Net output price indexes are not seasonally adjusted.) Prices received by the natural gas liquids and natural gas residue industry turned up 3.3 percent, following a 10.7-percent drop in the preceding month. The indexes for the crude petroleum and natural gas industry and for rock salt fell less in September than they did in August. Prices received by the industries for gold ores and for crushed and broken limestone rose at a faster rate than they did a month earlier. Alternatively, the industry index for oil and gas well drilling declined 1.2 percent in September, after increasing 1.8 percent in the previous month. The indexes for the bituminous coal underground mining and potash, soda, and borate minerals industries increased more slowly in September than they did in August. For the 3 months ended in September 2003, the index for the net output of total mining industries fell at a 30.7-percent

seasonally adjusted annual rate, after decreasing at a 55.3-percent rate in the prior quarter. In September, this index was 126.2 (December 1984 = 100), 26.1 percent above its year-ago level.

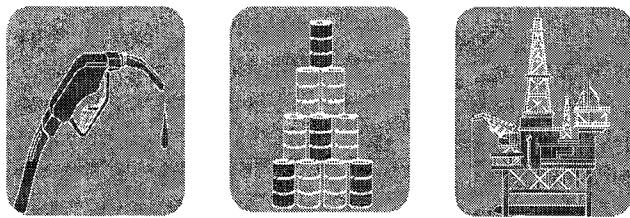
Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries edged up 0.1 percent in September, after climbing 0.4 percent in August. Prices rose in September for the following industry groups: food and kindred products, lumber and wood products (except furniture), fabricated metal products (except machinery and transportation equipment), primary metals, and printing and publishing. These increases slightly outweighed price declines for petroleum refining and related products; transportation equipment; electrical and electronic machinery, equipment, and supplies; non-electrical machinery; and rubber and

miscellaneous plastic products. From June 2003 to September 2003, the index for the net output of total manufacturing industries rose at a 2.7-percent seasonally adjusted annual rate, after decreasing at a 7.0-percent rate in the second quarter of 2003. In September, this index was 137.1 (December 1984 = 100), 1.6 percent above its year-ago level.

Services. Among service industries, prices received by the industries for property and casualty insurance, legal services, life insurance carriers, television broadcasting, and offices of physicians increased in September. On the other hand, the industry indexes for hotels and motels; telephone communications (except radiotelephone); security brokers, dealers, and investment banking companies; and cable and other pay television services declined in September.

Price Movements

October 2003



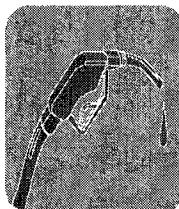
The Producer Price Index for Finished Goods advanced 0.8 percent in October, seasonally adjusted. This gain followed a 0.3-percent rise in September and a 0.4-percent increase in August. Rising prices for beef and veal, light motor trucks, and passenger cars led the increase in the finished goods index in October. At the earlier stages of processing, prices received by the manufacturers of intermediate goods went up 0.4 percent, after edging down 0.1 percent in the prior month. The rate of increase in the index for crude materials slowed from 3.4 percent in September to 2.6 percent in October. (See table A.)

Among finished goods, prices for finished consumer foods moved up 2.2 percent in October, compared with a 1.2-percent increase in the previous month. (Excluding beef and veal, the finished goods index would have risen 0.5 percent in October.) The index for finished goods other than foods and energy rose 0.5 percent, after showing no change in September. (Excluding passenger cars and light trucks, prices for finished goods other than foods and energy would have risen 0.2 percent in October.) By contrast, prices for finished energy goods inched down 0.1 percent in October, following a 0.1-percent gain a month earlier.

Before seasonal adjustment, the Producer Price Index for

Finished Goods increased 1.1 percent in October to 145.5 (1982=100). From October 2002 to October 2003, prices for finished goods advanced 3.4 percent. Over the same period, the index for finished consumer foods rose 8.5 percent, finished energy goods prices went up 9.2 percent, and the index for finished goods other than foods and energy climbed 0.5 percent. Prices for intermediate goods moved up 3.4 percent, and the crude goods index jumped 22.8 percent.

Finished goods



Prices for finished consumer foods rose 2.2 percent in October, compared with a 1.2-percent gain in the preceding month. An 18.3-percent upsurge in October's beef and veal index followed a 4.2-percent increase in September and led the acceleration in the finished consumer foods index. Prices for fresh fruits and melons, processed young chickens, shortening and cooking oils, processed fruits and vegetables, and confectionery end products turned up, following decreases in September. On the other hand, the fresh and dry vegetables index dropped 9.1 percent in October, after advancing 20.7 percent in the previous month. The finfish

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2002							
October	0.8	0.4	3.4	0.3	0.7	0.7	2.2
November	-0.3	.4	-1.6	-0.1	1.0	-0.1	3.7
December	-0.3	.4	.2	-0.6	1.2	-0.1	2.0
2003							
January	1.4	1.9	4.6	.3	2.5	1.2	7.6
February	1.1	.4	7.4	-0.1	3.3	2.0	5.2
March	1.4	.2	5.4	.7	4.0	2.1	13.0
April	-1.7	.8	-8.1	-0.7	2.4	-2.3	-15.8
May	-0.4	.1	-2.9	.1	2.5	-0.7	1.4
June .....	.5	.3	2.9	-0.1	2.9	.5	4.4
July .....	.2	-0.2	.7	.2	3.0	.1	-2.7
August .....	.4	.7	1.2	.1	3.4	.5	-1.4
September .....	.3	1.2	.1	0	3.5	-0.1	3.4
October .....	.8	2.2	-0.1	.5	3.4	.4	2.6

¹ Some percent changes shown here and elsewhere in "Price Movements October 2003" may differ from those previously reported, because indexes for

June 2003 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2002								
October.....	-0.3	3.4	0.2	1.6	0.2	5.1	0.3	15.4
November.....	.5	-1.2	.1	2.4	1.1	7.8	1.4	13.7
December.....	1.0	-5	-1	3.2	1.3	3.3	.2	24.7
2003								
January.....	1.5	5.6	.4	4.5	5.3	13.0	1.3	28.7
February.....	.7	7.9	.7	6.6	.7	9.9	3.4	36.7
March.....	-3	10.2	.4	8.0	-1.8	30.1	-3	46.8
April.....	.1	-11.0	-2	4.6	1.2	-30.7	-1.1	18.2
May.....	1.1	-4.4	0	4.2	2.0	1.9	-7	19.1
June.....	1.8	2.9	0	4.5	-4	10.5	-1	29.1
July.....	-4	.5	-1	4.4	-3.4	-3.3	.2	24.5
August.....	.2	2.4	.1	4.4	3.7	-7.4	3.7	20.9
September.....	2.3	-2.3	.1	3.7	7.0	.6	2.3	22.3
October.....	3.1	.6	.3	3.4	8.9	-3.6	3.1	22.8

¹ Some percent changes shown here and elsewhere in "Price Movements October 2003" may differ from those previously reported, because indexes for

June 2003 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

and shellfish index also turned down, following a gain in the prior month. Prices for dairy products, pork, soft drinks, and eggs for fresh use grew at slower rates than they did in September.

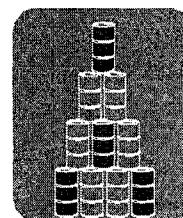
Prices for finished consumer goods other than foods and energy advanced 0.6 percent in October, after inching up 0.1 percent in the previous month. The index for light motor trucks increased 3.4 percent, compared with a 0.1-percent gain in September. For the 12 months ended in October 2003, light motor truck prices increased 1.7 percent. The passenger car index advanced 1.6 percent in October, following a 0.5-percent decline in September. From October 2002 to October 2003, prices for passenger cars fell 0.4 percent. In accordance with usual practice, most new model year passenger cars and light trucks were introduced into the PPI in October. (See *Report on Quality Changes for 2004 Model Vehicles*, USDL 03-721.) Prices for book publishing, men's and boys' apparel, and floor coverings turned up, after falling a month earlier. The indexes for cigarettes and newspaper circulation moved up at a faster pace than they did in the preceding month. Alternatively, prices for soaps and synthetic detergents fell 0.2 percent in October, following a 0.6-percent increase in the prior month. Prices for toys, games, and children's vehicles also declined, after rising a month earlier. The indexes for pharmaceutical preparations and mobile homes rose less than they did in September.

The capital equipment index climbed 0.6 percent in October, compared with a 0.1-percent decline in the previous month. Prices for light motor trucks, passenger cars, and communication and related equipment accounted for most of this upturn. The rate of increase in prices for light motor trucks rose from 0.1 percent in September to 3.4 percent in October. Indexes for passenger cars, communication and related equip-

ment, and pumps and compressors turned up, following decreases a month earlier. Agricultural machinery and equipment prices advanced at a quicker rate in October than they did in the prior month. The index for heavy motor trucks went up, after showing no change in September. Conversely, prices for integrating and measuring instruments, electronic computers, and metal cutting machine tools fell, after showing no change in the preceding month. The index for civilian aircraft rose less in October than it did in the prior month, while prices for x-ray and electromedical equipment moved down at a faster pace than they did in September.

The index for finished energy goods edged down 0.1 percent in October, after increasing by the same magnitude a month earlier. Prices for gasoline fell 3.0 percent, following a 2.2-percent rise in September. The index for residential natural gas also turned down, after moving up in the previous month. On the other hand, prices for home heating oil rebounded 9.6 percent in October, compared with a 14.3-percent drop in the prior month. Indexes for liquefied petroleum gas, diesel fuel, and kerosene also turned up, after falling in the preceding month. Residential electric power prices advanced more in October than they did a month earlier.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components increased 0.4 percent in October, compared with a 0.1-percent decrease in September. Prices for intermediate energy goods and materials for nondurable manufacturing turned up in October, following declines in the preceding month, while the index for intermediate foods and feeds went up at a faster rate than

it did in September. On the other hand, prices for materials and components for construction and for materials for durable manufacturing rose more slowly in October than they did a month earlier. Excluding foods and energy, intermediate goods prices climbed 0.3 percent, after inching up 0.1 percent in the prior month. (See table B.)

The index for intermediate energy goods advanced 0.6 percent in October, following a 2.3-percent decrease in September. Contributing heavily to this reversal, prices for diesel fuel jumped 18.4 percent, following a 17.0-percent drop in the previous month, and the index for jet fuels increased 8.6 percent, after falling 17.4 percent a month earlier. Indexes for home heating oil and liquefied petroleum gas also turned up in October. Prices for industrial electric power and commercial electric power rose more quickly than they did in September, while the index for residual fuels declined at a slower pace in October than it did in the preceding month. By contrast, gasoline prices fell 3.0 percent, compared with a 2.2-percent gain in September. The index for commercial natural gas also moved down in October, after rising in the prior month. Prices for industrial natural gas and natural gas to electric utilities decreased more than they did in September.

The index for materials for nondurable manufacturing climbed 0.7 percent in October, after posting a 1.2-percent decline a month earlier. Prices for primary basic organic chemicals advanced 2.4 percent, after falling 0.8 percent in September. Indexes for gray fabrics, inedible fats and oils, and woodpulp also moved up, following decreases in the preceding month. Paperboard prices went down at a slower rate in October than they did in September. The index for plastic resins and materials rose at a quicker pace than it did in the previous month. On the other hand, prices for intermediate basic organic chemicals moved down 0.5 percent, compared with a 2.7-percent gain in the prior month. The indexes for basic inorganic chemicals and nitrogenates increased less in October than they did in the prior month, while paper prices fell more than they did in September.

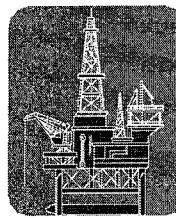
Subsequent to a 2.3-percent advance in September, the index for intermediate foods and feeds moved up 3.1 percent in October. Price increases for beef and veal led this acceleration, rising 18.3 percent in October, after posting a 4.2-percent increase a month earlier. Indexes for shortening and cooking oils; refined sugar and sugar byproducts; processed young chickens; and natural, processed, and imitation cheese turned up in October. Alternatively, prices for prepared animal feeds rose 1.1 percent, after registering a 4.4-percent gain in the preceding month. The index for fluid milk products also advanced less in October than it did in September. Prices for crude vegetable oils fell more in October than they did in the previous month, and the index for confectionery materials turned down, after rising in September.

Prices for materials and components for construction went up 0.3 percent in October, following a 0.9-percent rise a month earlier. The plywood index climbed 5.4 percent, compared with a 17.1-percent advance in the prior month. Price increases for millwork and for prefabricated wood buildings and com-

ponents also slowed in October. The indexes for softwood lumber, hardwood lumber, treated wood, and gypsum products fell, after moving up in September. Prices for paving mixtures and blocks declined at a quicker rate in October than they did in the previous month. On the other hand, the index for concrete products edged up 0.1 percent, following a 0.4-percent decrease in September. Prices for wiring devices also turned up. The indexes for steel mill products and plastic construction products rose at a quicker pace in October than they did a month earlier.

Prices for materials for durable manufacturing advanced 0.6 percent in October, after posting a 0.9-percent increase in September. Indexes for plywood, building paper and board, and cold-rolled steel sheet and strip rose less than they did in the preceding month. Prices for refined gold, refined silver, industrial and other fabricated textile products, hardwood lumber, and for adhesives and sealants moved down in October, following gains a month earlier. Conversely, the index for primary aluminum (except extrusion billet) jumped 4.5 percent, compared with a 1.4-percent decline in September. Prices for semifinished steel mill products and prepared paint also turned up in October. Indexes for hot-rolled bars, plates, and structural shapes; hot-rolled steel sheet and strip; and copper cathode and refined copper advanced more than they did in the prior month.

Crude goods



The rate of increase for the Producer Price Index for Crude Materials for Further Processing slowed from 3.4 percent in September to 2.6 percent in October. Rising prices for crude foodstuffs and feedstuffs and for crude nonfood materials less energy outweighed price declines for crude energy materials. (See table B.)

The index for crude foodstuffs and feedstuffs climbed 8.9 percent in October, after increasing 7.0 percent in September. Prices for slaughter cattle jumped 20.4 percent, compared with an 11.0-percent gain in the prior month. Fluid milk prices also rose more rapidly in October than they did in the previous month. Indexes for slaughter broilers and fryers and for fresh fruits and melons turned up in October, after falling a month earlier. On the other hand, the corn index dropped 12.2 percent, following a 12.8-percent increase in September. Prices for fresh and dry vegetables and slaughter hogs also turned down, after advancing in the prior month. The index for slaughter turkeys rose at a slower pace in October than it did in September.

Prices for basic industrial materials moved up 3.1 percent, following a 2.3-percent rise in September. The raw cotton index jumped 23.5 percent in October, after posting a 5.6-percent gain a month earlier. Indexes for copper base scrap, wastepaper, and for hides and skins increased at faster rates in October than they did in September. Prices for aluminum base scrap turned up, following declines in the previous month. By contrast, prices for gold ores turned down 0.6

percent, after advancing 6.7 percent in the prior month. Indexes for construction sand, gravel, and crushed stone and for iron and steel scrap rose less quickly from September to October. Prices for hardwood logs, bolts, and timber declined, after showing no change in September.

Subsequent to a 0.6-percent gain in September, the index for crude energy materials moved down 3.6 percent in October. Natural gas prices decreased 9.4 percent in October, following a 5.4-percent rise in the prior month. The coal index exhibited a slower rate of increase, climbing 0.8 percent in October, after advancing 1.4 percent a month earlier. Alternatively, crude petroleum prices turned up 6.8 percent, following an 8.4-percent drop in September.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries fell 2.4 percent in October, after rising 0.8 percent in September. (Net output price indexes are not seasonally adjusted.) Leading this reversal, prices received by the natural gas liquids and natural gas residue industry turned down 6.5 percent, following a 3.3-percent increase in the preceding month. The index for the crude petroleum and natural gas industry declined more rapidly in October than it did in September. Prices received by the gold ores industry moved down, after advancing a month earlier. The index for the crushed and broken limestone industry rose at a slower rate in October than it did in the prior month. Alternatively, prices for the oil and gas well drilling industry turned up 0.8 percent, after declining 1.2 percent in September. The industry index for bituminous coal underground mining increased more quickly in October than it did in September. In October, the Producer Price Index for Total Mining Industries was 123.2

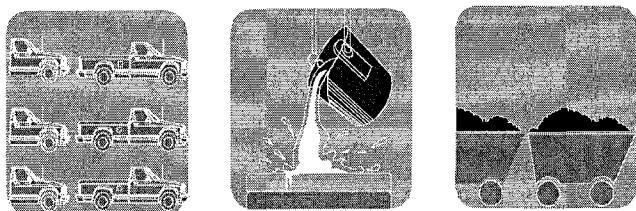
(December 1984=100), 17.9 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries climbed 0.9 percent in October, after increasing 0.1 percent in September. The industry group index for transportation equipment advanced 3.6 percent, following a 0.4-percent drop in the previous month. Prices received by the food and kindred products industry group rose more in October than they did a month earlier. The index for the petroleum refining and related products industry group fell at a slower pace in October than it did in September. Prices for the chemicals and allied products industry group edged up, after showing no change in the preceding month. On the other hand, the industry group index for lumber and wood products (except furniture) increased 0.4 percent in October, following a 3.7-percent gain in September. Prices received by the industry group for fabricated metal products (except machinery and transportation equipment) rose slightly less than they did in the prior month. The index for the stone, clay, glass, and concrete products industry group inched down in October, after increasing in September. In October, the Producer Price Index for Total Manufacturing Industries was 138.3 (December 1984=100), 2.0 percent above its year-ago level.

Services. Among services industries, prices received by the industries for general medical and surgical hospitals, hotels and motels, television broadcasting, investment advice, scheduled air transportation, property and casualty insurance, and for skilled and intermediate care facilities increased in October. By contrast, the industry indexes for security brokers, dealers, and investment banking companies; prepackaged software; telephone communications (except radiotelephone); life insurance carriers; legal services; and wireless communications declined during the same period.

Price Movements

November 2003



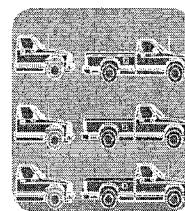
The seasonally adjusted Producer Price Index for Finished Goods declined 0.3 percent in November. This decrease followed five consecutive increases — including a 0.8-percent rise in October and a 0.3-percent increase in September. At the earlier stages of processing, prices received by manufacturers of intermediate goods edged down 0.2 percent in November, compared with a 0.4-percent gain in October. The index for crude goods increased 0.2 percent, after climbing 2.6 percent in the preceding month. (See table A.)

Among finished goods, prices for finished consumer foods fell 0.3 percent in November, following a 2.2-percent jump in October. The index for finished goods other than foods and energy also turned down — inching 0.1 percent lower in November, after rising 0.5 percent in the prior month. Prices for finished energy goods decreased 1.2 percent, compared with a 0.1-percent decline in the previous month.

Before seasonal adjustment, the Producer Price Index for Finished Goods moved down 0.7 percent to 144.5 (1982=100). From November 2002 to November 2003, finished goods prices advanced 3.4 percent. Over the same period, the index for finished consumer foods climbed 7.9 percent, prices for finished energy goods went up 9.9 percent, and the index for finished goods other than foods and energy rose 0.5 percent.

Prices received by intermediate goods producers increased 3.3 percent, while the crude goods index jumped 18.3 percent for the 12-month period ended in November 2003.

Finished goods



Subsequent to a 2.2-percent gain in October, the index for finished consumer foods declined 0.3 percent in November. The majority of this downturn can be traced to prices for beef and veal, which fell 4.7 percent in November, following an 18.3-percent surge a month earlier. The indexes for pork and eggs for fresh use also decreased, after advancing in October. Price increases for fresh fruits and melons, processed young chickens, and for shortening and cooking oils slowed from October to November. Conversely, prices for fresh and dry vegetables decreased 5.2 percent in November, compared with a 9.1-percent drop in October. The index for finfish and shellfish also fell at a slower pace in November than it did in the prior month. Prices for dairy products and processed turkeys rose more rapidly than they did in the previous month.

The index for finished consumer goods other than foods and energy showed no change in November, after registering

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2002							
November.....	-0.3	0.4	-1.6	-0.1	1.0	-0.1	3.7
December.....	-3	.4	.2	-.6	1.2	-.1	2.0
2003							
January.....	1.4	1.9	4.6	.3	2.5	1.2	7.6
February.....	1.1	.4	7.4	-.1	3.3	2.0	5.2
March.....	1.4	.2	5.4	.7	4.0	2.1	13.0
April.....	-1.7	.8	-8.1	-.7	2.4	-2.3	-15.8
May.....	-4	.1	-2.9	.1	2.5	-.7	1.4
June.....	.5	.3	2.9	-.1	2.9	.5	4.4
July.....	.1	-.3	.7	.1	3.0	.1	-3.0
August.....	.5	.8	1.2	.2	3.4	.5	-1.1
September.....	.3	1.2	.1	0	3.5	-.1	3.4
October.....	.8	2.2	-.1	.5	3.4	.4	2.6
November.....	-3	-.3	-1.2	-.1	3.4	-.2	.2

¹ Some percent changes shown here and elsewhere in "Price Movements November 2003" may differ from those previously reported, because indexes for

July 2003 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2002								
November	0.5	-1.2	0.1	2.4	1.1	7.8	1.4	13.7
December	1.0	-5	-1	3.2	1.3	3.3	.2	24.7
2003								
January	1.5	5.6	.4	4.5	5.3	13.0	1.3	28.7
February .....	.7	7.9	.7	6.6	.7	9.9	3.4	36.7
March	-.3	10.2	.4	8.0	-1.8	30.1	-.3	46.8
April .....	.1	-11.0	-.2	4.6	1.2	-30.7	-1.1	18.2
May	1.1	-4.4	0	4.2	2.0	1.9	-.7	19.1
June	1.8	2.9	0	4.5	-.4	10.5	-.1	29.1
July	-.7	1.1	-.1	4.4	-3.1	-4.8	1.7	24.2
August .....	.5	1.9	.2	4.4	3.4	-5.9	2.2	20.9
September	2.3	-2.3	.1	3.7	7.0	.6	2.3	22.3
October	3.1	.6	.3	3.4	8.9	-3.6	3.1	22.8
November	2.7	-2.9	.2	3.3	-.1	-1.5	4.3	18.3

¹ Some percent changes shown here and elsewhere in "Price Movements November 2003" may differ from those previously reported, because indexes for

July 2003 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

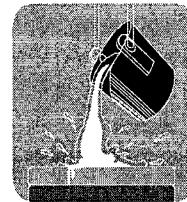
a 0.6-percent gain in October. Prices for passenger cars turned down 0.8 percent in November, following a 1.6-percent rise in October. The index for light motor trucks increased 1.0 percent, after a 3.4-percent advance in the preceding month. Cigarette prices rose at a slower rate in November than they did in the previous month. The indexes for pharmaceutical preparations, women's apparel, and household appliances turned down, following October increases. Prices for men's and boys' apparel and newspaper circulation were unchanged in November, after rising a month earlier. On the other hand, the index for soaps and synthetic detergents moved up at a 0.6-percent rate, compared with a 0.2-percent decrease in October. Prices for lawn and garden equipment (except tractors) advanced at a quicker pace in November than they did in the prior month.

The capital equipment index inched down 0.1 percent in November, following a 0.6-percent rise in October. Prices for passenger cars, heavy motor trucks, communication and related equipment, agricultural machinery and equipment, commercial furniture, and civilian aircraft turned down in November, after rising in the prior month. The index for light motor trucks rose less than it did in October. By contrast, the index for integrating and measuring instruments edged up 0.1 percent, compared with a 0.7-percent decrease in October. Prices for metal cutting machine tools also increased in November, after falling a month earlier. The indexes for x-ray and electromedical equipment and for electronic computers declined at a slower rate than they did in the previous month.

Prices for finished energy goods decreased 1.2 percent, following a 0.1-percent decline in October. Gasoline prices fell 4.8 percent in November, following a 3.0-percent decrease in the preceding month. The indexes for home heating oil,

diesel fuel, and kerosene fell, after rising a month earlier. Prices for residential electric power and liquefied petroleum gas increased at a slower pace than they did in October. By contrast, the index for residential natural gas moved down 1.1 percent in November, compared with a 1.8-percent decline in the prior month.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components decreased 0.2 percent in November, after increasing 0.4 percent in October. The index for intermediate energy goods contributed heavily to this reversal by turning down in November. Prices for nondurable manufacturing materials and intermediate foods and feeds advanced more slowly than in the preceding month. On the other hand, both the durable manufacturing materials index and the construction materials index rose at a faster rate than in the prior month. Excluding food and energy, the intermediate goods index increased 0.2 percent in November, after rising 0.3 percent in October. (See table B.)

The index for intermediate energy goods turned down 2.9 percent in November, following a 0.6-percent gain in October. The November index for commercial electric power declined 4.0 percent, after moving up 2.7 percent in the prior month. Prices for diesel fuel and industrial electric power also turned down, after moving up in the preceding month. The indexes for industrial natural gas, natural gas to electric utilities, and gasoline fell more quickly in November than they did in October. By contrast, the commercial natural gas index decreased 2.3 percent in November, following a 3.1-percent drop in October.

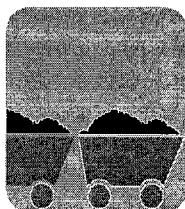
The index for materials for nondurable manufacturing rose 0.2 percent in November, after increasing 0.7 percent in October. Prices for liquid refinery gases declined 3.3 percent, following a 4.8-percent climb in the prior month. The sulfuric acid index also turned down, after October increases, as did the indexes for gray fabrics and synthetic rubber. Alternatively, the index for paper rose 0.4 percent, after a decline of 0.4 percent in October. Prices for medicinal and botanical chemicals increased more in November than they did in the preceding month, while the indexes for finished fabrics and for processed yarns and threads turned up.

The November intermediate foods and feeds index rose 2.7 percent, following a 3.1-percent gain in October. Beef and veal prices slipped 4.7 percent, after jumping 18.3 percent in the preceding month. The indexes for pork and for refined sugar and byproducts also turned down in November, while the index for shortening and cooking oils rose less quickly. On the other hand, prices for prepared animal feeds jumped 7.0 percent, after gaining 1.1 percent in October. The November indexes for crude vegetable oils, flour, and confectionery materials rose, following decreases in the prior month.

Prices for materials and components for construction increased 0.5 percent in November, after rising 0.3 percent in October. Softwood lumber prices gained 1.3 percent, following a 1.9-percent decrease in the preceding month. The indexes for gypsum products and for paving mixtures and blocks also rose, after declining in October, while prices for concrete products and for nonferrous wire and cable rose more in November than they did in October. Conversely, plywood prices decelerated — rising 1.0 percent, after gaining 5.4 percent in October. The indexes for plastic construction products and steel mill products also rose less in November, and the indexes for fabricated structural metal products and for air conditioning and refrigeration equipment turned down.

Prices for materials for durable manufacturing increased 0.8 percent in November, following a 0.6-percent gain in October. The index for copper and brass mill shapes rose 3.1 percent, after advancing 1.4 percent in the prior month. Prices for cold rolled steel sheet and strip and for copper cathode and refined copper also rose more quickly than they did in October. Hardwood lumber prices turned up, after falling in October. Alternatively, the index for hot rolled bars, plates, and structural shapes increased 1.2 percent, compared with a 3.3-percent advance in the prior month. Prices for building paper and board inched down, after rising in October.

Crude goods



The rate of increase in the Producer Price Index for Crude Materials for Further Processing slowed from 2.6 percent in October to 0.2 percent in November. In November, rising prices for crude nonfood materials less energy outweighed falling prices for crude energy materials and crude foodstuffs and feedstuffs. (See table B.)

The index for basic industrial materials advanced 4.3

percent in November, after posting a 3.1-percent gain in the previous month. Leading this acceleration, iron and steel scrap prices jumped 13.8 percent, following a 4.7-percent rise in the prior month. The indexes for copper base scrap, nonferrous metal ores, and leaf tobacco also increased at a faster pace in November than they did in October. Prices for phosphates moved up, after falling a month earlier. On the other hand, the rate of increase in the index for raw cotton decelerated from 23.5 percent in October to 6.9 percent in November. Prices for aluminum base scrap and pulpwood also rose less than they did in the preceding month. The indexes for hides and skins and for softwood logs, bolts, and timber turned down, following gains a month earlier.

Prices for crude energy materials declined 1.5 percent in November, compared with a 3.6-percent drop in the prior month. The natural gas index moved down 1.3 percent, following a 9.4-percent decrease in the previous month. By contrast, crude petroleum prices turned down 2.3 percent in November, after rising 6.8 percent a month earlier. The coal index fell 0.6 percent, following a 0.8-percent gain in October.

Prices for crude foodstuffs and feedstuffs edged down 0.1 percent in November, following an 8.9-percent increase in the preceding month. The index for slaughter cattle was the largest factor in this downturn — decreasing 6.6 percent, after rising 20.4 percent in the previous month. Prices for slaughter broilers and fryers also fell, following gains a month earlier. The indexes for soybeans, fluid milk, and fresh fruits and melons advanced at a slower rate in November than they did in the prior month. Unprocessed finfish prices decreased more than they did in October. Alternatively, the corn index rose 7.9 percent in November, compared with a 12.2-percent drop in the preceding month. Prices for slaughter hogs, wheat, and unprocessed shellfish also turned up, following declines in October. The fresh and dry vegetables index fell less in November than it did a month earlier.

Net output price indexes for mining, manufacturing, and services industries

Mining. For the month of November, the Producer Price Index for the Net Output of Total Mining Industries decreased 0.9 percent, after falling 2.4 percent in October. (Net output price indexes are not seasonally adjusted.) The rate of decline in prices for the natural gas liquids and natural gas residue industry also slowed in November — dipping 0.2 percent, compared with a 6.5-percent drop a month earlier. The industry indexes for potash, soda, and borate minerals and for gold ores turned up, after declining in the prior month. Prices received by the copper ores industry advanced at a faster rate in November than they did in October. Conversely, the industry index for crude petroleum and natural gas decreased 2.1 percent in November, following a 1.5-percent decline in the preceding month. The index for bituminous coal and lignite mining industries moved down, after rising in October. The index for the oil and gas field services industry increased at a slower pace than it did in the previous month. In November, the Producer Price Index for the Net Output of

Total Domestic Mining Industries was 122.1 (December 1984=100), 10.5 percent above its year-ago level.

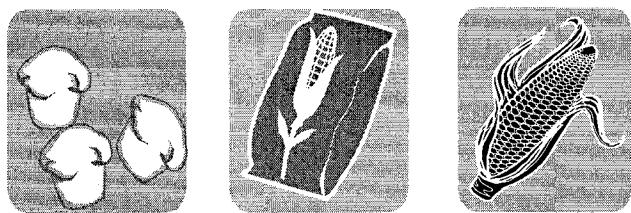
Manufacturing. Subsequent to a 0.9-percent gain in October, the Producer Price Index for the Net Output of Total Manufacturing Industries fell 0.4 percent in November. The index for the transportation equipment industry group decreased 0.4 percent, following a 3.6-percent advance in the previous month. The industry group indexes for textile mill products and machinery (except electrical) also turned down, after rising in the previous month. Prices received by the food and kindred products industry group showed no change in November, after rising in October. The index for the petroleum refining and related products industry group fell more quickly during the same period. By contrast, prices for the paper and allied products industry group increased 0.2 percent, after declining by the same rate in October. The industry group index for stone, clay, glass, and concrete products also turned

up in November, following a decline in the prior month. Rising prices for the primary metals industry group accelerated from October to November. The Producer Price Index for the Net Output of Total Domestic Manufacturing Industries was 137.7 (December 1984=100) in November, 2.3 percent above its year-ago level.

Services. Among service industries in November, advancing prices were registered by the industries for property and casualty insurance; life insurance carriers; truck rental and leasing; cable and other pay television services; engineering design, analysis, and consulting services; trucking (except local); and radio broadcasting. By contrast, falling prices were experienced by the industries for hotels and motels, deep sea foreign transportation of freight, telephone communications (except radiotelephone), general medical and surgical hospitals, television broadcasting stations, and for operators and lessors of nonresidential buildings.

Price Movements

December 2003



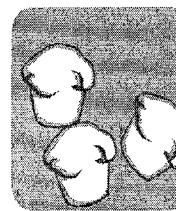
The Producer Price Index for Finished Goods rose 0.3 percent in December, seasonally adjusted. This increase followed a 0.3-percent decline in November and a 0.8-percent advance in October. At the earlier stages of processing, prices received by producers of intermediate goods turned up 0.5 percent, after falling 0.2 percent in the previous month. The crude goods index rose 2.0 percent in December, following a 0.2-percent increase in November. (See table A.)

Among finished goods, prices for finished energy goods advanced 1.8 percent in December, after decreasing 1.2 percent a month earlier. The index for finished consumer foods rose 0.2 percent, compared with a 0.3-percent decline in the prior month. On the other hand, the index for finished goods other than foods and energy inched down 0.1 percent in December, the same as in November.

Before seasonal adjustment, the Producer Price Index for Finished Goods was unchanged from its level of 144.5 (1982=100) in November. From December 2002 to December 2003, finished goods prices increased 4.0 percent, after climbing 1.2 percent during 2002. Finished consumer food prices turned up 7.7 percent in 2003, as opposed to slipping 0.6 percent in the prior year. A 1.0-percent increase in the index for finished goods other than foods and energy in 2003

followed a 0.5-percent dip in 2002. By contrast, the index for finished energy goods advanced 11.5 percent in 2003, following a 12.3-percent rise in the previous calendar year. At the earlier stages of processing, the intermediate goods index advanced 3.9 percent from December 2002 to December 2003, after registering a 3.2-percent gain during 2002. Prices received by producers of crude materials for further processing increased 18.5 percent in 2003, following a 24.7-percent jump in the prior calendar year. (See summary table on page 2.)

Finished goods



Prices for finished energy goods turned up 1.8 percent in December, after decreasing 1.2 percent in November. The gasoline index rose 5.1 percent, following a 4.8-percent decline in the preceding month. Prices for liquefied petroleum gas and residential electric power climbed more rapidly in December than they did a month earlier. The indexes for home heating oil and diesel fuel moved up, subsequent to declines in November. Residential natural gas prices decreased at a slower rate in December than they did in November.

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2002							
December	-0.3	0.4	0.2	-0.6	1.2	-0.1	2.0
2003							
January	1.4	1.9	4.6	.3	2.5	1.2	7.6
February	1.1	.4	7.4	-.1	3.3	2.0	5.2
March	1.4	.2	5.4	.7	4.0	2.1	13.0
April	-1.7	.8	-8.1	-.7	2.4	-2.3	-15.8
May	-.4	.1	-2.9	.1	2.5	-.7	1.4
June .....	.5	.3	2.9	-.1	2.9	.5	4.4
July .....	.1	-.3	.7	.1	3.0	.1	-3.0
August .....	.6	.9	1.6	.2	3.5	.6	-1.1
September .....	.2	1.0	-.3	0	3.5	-.2	3.5
October .....	.8	2.2	-.1	.5	3.4	.4	2.6
November	-.3	-.3	-1.2	-.1	3.4	-.2	.2
December .....	.3	.2	1.8	-.1	4.0	.5	2.0

¹ Some percent changes shown here and elsewhere in "Price Movements December 2003" may differ from those previously reported, because indexes for

August 2003 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Summary of December-to-December and 3-month seasonally adjusted annual rates for selected stages of process

Grouping	Percentage change, 12 months ended December			Seasonally adjusted annual rate for 3 months ended			
	2001	2002	2003	March 2003	June 2003	September 2003	December 2003
Finished goods	-1.6	1.2	4.0	16.8	-6.2	3.7	3.1
Finished consumer foods	1.8	-6	7.7	10.1	5.1	6.8	8.7
Finished energy goods	-17.1	12.3	11.5	96.8	-29.0	8.2	2.0
Finished goods less foods and energy .....	.9	-.5	1.0	3.5	-2.4	1.3	1.3
Finished consumer goods, excluding foods and energy	1.5	-.5	1.0	4.1	-2.7	1.0	1.8
Capital equipment	0	-.6	.9	2.9	-2.0	1.7	1.2
Intermediate materials, supplies, and components	-4.0	3.2	3.9	23.4	-9.6	1.8	2.7
Intermediate foods and feeds .....	.3	4.2	12.7	8.0	12.4	8.6	22.4
Intermediate energy goods	-16.9	12.0	10.9	149.0	-41.1	2.6	-.4
Intermediate materials less foods and energy	-1.6	1.5	2.1	6.0	-.9	.9	2.6
Materials for nondurable manufacturing	-5.5	4.2	5.1	28.1	-7.8	-2.3	5.7
Materials for durable manufacturing	-4.0	3.1	3.9	1.6	-1.3	7.1	8.0
Materials and components for construction.....	0	.8	3.0	2.4	.8	5.9	2.9
Crude materials for further processing	-32.5	24.7	18.5	168.1	-37.0	-3.2	21.1
Foodstuffs and feedstuffs	-7.6	4.5	24.0	18.0	11.8	32.2	36.2
Crude energy materials	-52.9	61.5	12.3	579.4	-62.9	-34.2	-3.9
Crude nonfood materials less energy	-9.9	12.6	20.8	19.0	-7.4	27.8	52.5

NOTE: Late reports and corrections by respondents may cause some indexes to change 4 months after original publication. In addition, seasonally

adjusted indexes may be revised for 5 years, due to the recalculation of seasonal factors each January.

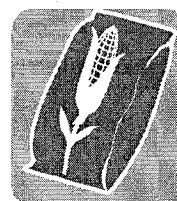
The index for finished consumer foods edged up 0.2 percent in December, after falling 0.3 percent in the prior month. Most of this reversal can be attributed to fresh and dry vegetable prices, which jumped 20.7 percent, following a 5.2-percent decrease in November. The indexes for finfish and shellfish and for eggs for fresh use also turned up, after declining in the preceding month, while the indexes for fresh fruits and melons, shortening and cooking oils, and processed turkeys rose at a faster pace than they did in November. Alternatively, prices for dairy products slipped 0.8 percent in December, following a 0.5-percent hike in November. The indexes for beef and veal and for pork fell more rapidly in December than they did in the previous month, while prices for processed young chickens rose less than they did in the prior month. The soft drinks index turned down slightly, after posting an increase in November.

Prices for finished consumer goods other than foods and energy inched down 0.1 percent in December, following no change in the prior month. In December, price declines for light motor trucks, men's and boys' apparel, floor coverings, mobile homes, periodical circulation, and sanitary papers and health products prevailed over rising prices for book publishing, passenger cars, pharmaceutical preparations, women's apparel, alcoholic beverages, and household furniture. During the 2003 calendar year, the index for finished consumer goods other than foods and energy advanced 1.0 percent, following a 0.5-percent decrease in 2002.

Capital equipment prices decreased 0.1 percent in December, the same rate of decline that was registered in November. Falling prices for light motor trucks, electronic computers, x-ray and electromedical equipment, welding machines and

equipment, metal cutting machine tools, and printing trades machinery slightly outweighed price increases for civilian aircraft, heavy motor trucks, construction machinery and equipment, and for integrating and measuring instruments. For the 12 months ended December 2003, capital equipment prices advanced 0.9 percent, after posting a 0.6-percent drop during the previous calendar year.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components advanced 0.5 percent in December, following a 0.2-percent decline in the previous month. Prices for intermediate energy goods turned up, after falling in the prior month. The index for materials for nondurable manufacturing increased at a faster rate than it did in November. By contrast, prices for intermediate foods and feeds decreased in December, following gains a month earlier. The materials and components for construction index showed no change, after moving up in the preceding month. Prices for materials for durable manufacturing rose less than they did in November. Excluding prices for foods and energy, the intermediate goods index inched up 0.1 percent in December, compared with a 0.2-percent increase in the previous month. (See table B.)

Prices for intermediate energy goods increased 2.2 percent in December, after falling 2.9 percent in the prior month. The index for commercial electric power moved up 1.4 percent, compared with a 4.0-percent drop in November. Prices for natural gas to electric utilities, gasoline, diesel fuel, and

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2002								
December.....	1.0	-0.5	-0.1	3.2	1.3	3.3	0.2	24.7
2003								
January.....	1.5	5.6	.4	4.5	5.3	13.0	1.3	28.7
February.....	.7	7.9	.7	6.6	.7	9.9	3.4	36.7
March.....	-.3	10.2	.4	8.0	-1.8	30.1	-.3	46.8
April.....	.1	-11.0	-.2	4.6	1.2	-30.7	-1.1	18.2
May.....	1.1	-4.4	0	4.2	2.0	1.9	-.7	19.1
June.....	1.8	2.9	0	4.5	-.4	10.5	-.1	29.1
July.....	-.7	1.1	-.1	4.4	-3.1	-4.8	1.7	24.2
August.....	.4	2.6	.1	4.4	3.4	-6.1	2.0	20.8
September.....	2.4	-3.0	.3	3.7	7.0	.7	2.5	22.3
October.....	3.1	.6	.3	3.4	8.9	-3.6	3.1	22.8
November.....	2.7	-2.9	.2	3.3	-.1	-1.5	4.3	18.3
December.....	-.7	2.2	.1	3.9	-.7	4.3	3.4	18.5

¹ Some percent changes shown here and elsewhere in "Price Movements December 2003" may differ from those previously reported, because indexes for

August 2003 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

commercial natural gas also turned up, following declines in the preceding month. The index for industrial natural gas fell less than it did in the previous month. Prices for jet fuels and liquefied petroleum gas advanced at a quicker rate than they did in November. On the other hand, the industrial electric power index moved down 1.1 percent in December, after edging down 0.1 percent a month earlier. From December 2002 to December 2003, prices for intermediate energy goods rose 10.9 percent, following a 12.0-percent gain in 2002.

The index for materials for nondurable manufacturing increased 0.5 percent in December, after rising 0.2 percent in the preceding month. Prices for primary basic organic chemicals went up 5.8 percent, compared with a 0.3-percent decrease in November. The indexes for intermediate basic organic chemicals, sulfuric acid, and synthetic rubber also turned up, following declines in the prior month. Prices for fertilizer materials and plastic resins and materials advanced at a faster rate in December than they did in the previous month. Alternatively, the medicinal and botanical chemicals index fell 1.6 percent in December, after moving up 2.5 percent a month earlier. Prices for inedible fats and oils, paper, finished fabrics, and woodpulp also turned down, following gains in November. Nondurable manufacturing materials prices increased 5.1 percent in 2003, following a 4.2-percent gain in 2002.

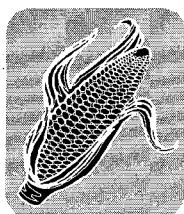
The index for intermediate foods and feeds moved down 0.7 percent in December, after posting a 2.7-percent gain in the prior month. Leading this downturn, prices for prepared animal feeds decreased 0.4 percent, after jumping 7.0 percent a month earlier. The indexes for crude vegetable oils and natural, processed, and imitation cheese also fell, following increases in November. Flour prices rose at a slower pace in December than they did in the previous month. The

indexes for beef and veal and fluid milk products declined at a quicker pace in December than they did in the preceding month. By contrast, prices for shortening and cooking oils advanced 4.6 percent in December, compared with a 0.9-percent gain a month earlier. The indexes for refined sugar and byproducts, liquid beverage bases (used for soft drinks), and butter turned up, after falling in November. During the 2003 calendar year, prices for intermediate foods and feeds jumped 12.7 percent, following a 4.2-percent increase in the previous calendar year.

Subsequent to a 0.5-percent increase in November, the index for materials and components for construction showed no change in December. Plywood prices fell 7.1 percent, following a 1.0-percent increase a month earlier. The indexes for wiring devices, asphalt felts and coatings, treated wood, and hardwood lumber also decreased in December. Offsetting these falling prices, the indexes for fabricated structural metal products, concrete products, nonferrous wire and cable, steel mill products, and plastic construction products moved up in December. From December 2002 to December 2003, prices for materials and components for construction advanced 3.0 percent, after edging up 0.8 percent in 2002.

The materials for durable manufacturing index climbed 0.5 percent in December, compared with a 0.8-percent gain in the preceding month. In December, rising prices for steel mill products, primary nonferrous metals, copper and brass mill shapes, and aluminum mill shapes outweighed falling prices for building paper and board, plywood, soft fiber cordage and twine (except cotton), hardwood lumber, and flat glass. For the 12 months ended in December 2003, the index for materials for durable manufacturing advanced 3.9 percent, following a 3.1-percent increase in the preceding year.

Crude goods



The Producer Price Index for Crude Materials for Further Processing rose at a 2.0-percent rate in December, after posting a 0.2-percent gain in November. This acceleration was due to an upturn in prices for crude energy materials. By contrast, the index for crude foodstuffs and feedstuffs fell at a quicker rate in December than it did in the prior month, and price increases for basic industrial materials slowed from November to December. (See table B.)

The index for crude energy materials climbed 4.3 percent in December, compared with a 1.5-percent decrease in November. Leading this upturn, natural gas prices advanced 6.1 percent, after moving down 1.3 percent in the previous month. The index for crude petroleum rose 2.6 percent in December, following a 2.3-percent drop a month earlier. Coal prices increased 0.4 percent, subsequent to a 0.6-percent dip in November. From December 2002 to December 2003, the index for crude energy materials moved up 12.3 percent, after surging 61.5 percent during the preceding calendar year.

Prices for crude foodstuffs and feedstuffs fell 0.7 percent in December, after inching down at a 0.1-percent rate in November. The index for fluid milk declined 8.2 percent, following a 5.4-percent gain in the prior month. Prices for slaughter hogs, unprocessed shellfish, and raw cane sugar also turned down in December. The indexes for wheat, corn, and soybeans increased at a slower rate than they did in November. Conversely, the rate of decrease in prices for slaughter cattle slowed from 6.6 percent in November to 3.5 percent in December. The indexes for slaughter broilers and fryers, fresh and dry vegetables, and unprocessed finfish advanced, after falling in the preceding month. In 2003, prices for crude foodstuffs and feedstuffs climbed 24.0 percent, compared with a 4.5-percent rise in 2002.

Registering its sixth consecutive increase, the index for crude nonfood materials less energy moved up at a 3.4-percent rate in December. This rise followed a 4.3-percent gain in November. Prices for iron and steel scrap jumped 10.3 percent, after surging 13.8 percent in the previous month. The indexes for aluminum base scrap, copper base scrap, copper ores, pulpwood, and for construction sand, gravel, and crushed stone also rose at a slower rate in December. Prices for raw cotton, leaf tobacco, and wastepaper turned down, following increases in November. On the other hand, the gold ores index advanced 7.0 percent in December, outpacing a 0.9-percent rise in November. Price increases for hardwood logs and for phosphates also accelerated in December. The indexes for hides and skins and for softwood logs turned up, after falling in November. After climbing at a 12.6-percent rate in 2002, prices for basic industrial materials advanced 20.8 percent in 2003.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries rose 4.2 percent in December, following a 0.9-percent fall in November. (Net output price indexes are not seasonally adjusted.) The industry index for natural gas liquids and natural gas residue advanced 9.9 percent, after slipping 0.2 percent in the preceding month. Prices for gold ores increased more quickly in December than they did in November. The industry indexes for crude petroleum and natural gas, bituminous coal and lignite surface mining, and bituminous coal underground mining turned up, after falling in the prior month. On the other hand, the industry index for oil and gas field services other than drilling and exploration decreased 0.4 percent in December, following a 0.4-percent increase in November. Prices for the potash, soda, and borate minerals industry turned down in December, as did the industry indexes for industrial sand and for oil and gas well drilling. Prices for copper ores advanced more slowly in December than they did in November. The December Producer Price Index for the Net Output of Total Mining Industries was 127.2 (December 1984=100). From December 2002 to December 2003, prices received by the mining sector increased 11.8 percent, after rising 46.6 percent in 2002.

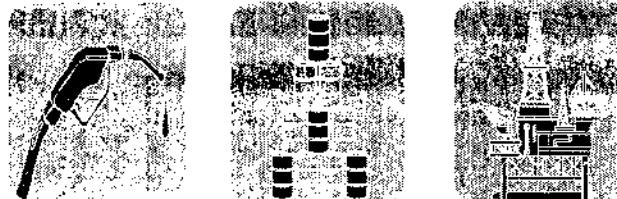
Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries posted no change in December, following a 0.4-percent decline in November. Prices received by the petroleum refining and related products industry group increased 1.4 percent, after a 4.4-percent drop in the prior month. Prices received by the industry group for fabricated metal products (except machinery and transportation equipment) and the industry group for rubber and miscellaneous plastic products also advanced in December, following November decreases. The index for the printing, publishing, and allied industries group rose, after showing no change in the prior month. Prices received by the primary metal industries group rose more quickly in December than in the preceding month, and the index for the industry group for machinery (except electrical) fell less than it did in November. Alternatively, the industry group index for food and kindred products declined 0.5 percent in December, after showing no change in November. The industry group indexes for transportation equipment and for electrical and electronic machinery, equipment, and supplies fell more in December than they did in November, while the industry group indexes for lumber and wood products (except furniture), and for paper and allied products turned down. Prices received by the industry group for stone, clay, glass, and concrete products rose less quickly in December than they did in the prior month. In December, the Producer Price Index for the Net Output of Total Manufacturing Industries was 137.7 (December 1984=100). From December 2002 to December 2003, prices received by the manufacturing sector rose 2.8 percent, after moving up 1.8 percent in 2002.

Services. Among service industries in December, prices received by the industries for operators and lessors of non-residential buildings; engineering design, analysis, and consulting services; offices of physicians; investment advice; general medical and surgical hospitals; and insurance agencies and brokerages increased. Conversely, prices

received by the industries for security brokers, dealers, and investment banking companies; telephone communications (except radiotelephone); life insurance carriers; truck rental and leasing; television broadcasting; and real estate agents and managers decreased in December.

Price Movements

January 2004



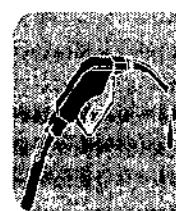
The Producer Price Index for Finished Goods advanced 0.6 percent in January, seasonally adjusted. This increase followed a 0.2-percent gain in December and a 0.2-percent decline in November. Rising prices for gasoline led the increase in the finished goods index in January. At the earlier stages of processing, prices received by manufacturers of intermediate goods moved up 0.8 percent in January, after rising 0.4 percent in the prior month. The crude goods index increased 2.8 percent, compared with a 2.2-percent rise in December. (See table A.)

Among finished goods, the index for finished energy goods jumped 4.7 percent in January, following a 1.6-percent advance in the previous month. Excluding prices for gasoline, the finished goods index rose 0.2 percent in January. Prices for finished goods other than foods and energy increased 0.3 percent, after edging down 0.1 percent in the preceding month. By contrast, the finished consumer foods index dropped 1.4 percent in January, after inching up 0.1 percent a month earlier.

Before seasonal adjustment, the Producer Price Index for Finished Goods advanced 0.6 percent to 145.4 (1982=100). From January 2003 to January 2004, finished goods prices rose 3.3 percent. During the same period, the indexes for finished energy goods, finished consumer foods, and finished

goods other than foods and energy moved up 11.4, 4.2, and 0.9 percent, respectively. At the earlier stages of processing, prices for intermediate goods increased 3.8 percent for the 12 months ended in January 2004, while the index for crude goods jumped 13.7 percent.

Finished goods



Prices for finished energy goods increased 4.7 percent in January, after registering a 1.6-percent gain in the prior month. Leading this acceleration, the gasoline index surged 14.1 percent, following a 3.4-percent rise in December. Prices for home heating oil and liquefied petroleum gas also advanced at a faster rate in January than they did a month earlier. The index for residential natural gas turned up, following a decline in the previous month. On the other hand, the rate of increase for residential electric power prices slowed from 0.5 percent in December to 0.1 percent in January.

The index for finished consumer goods other than foods and energy turned up 0.3 percent in January, compared with a 0.1-percent decrease in the preceding month. Light motor truck prices increased 1.1 percent, following a

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2003							
January	1.3	1.9	4.8	0.3	2.5	1.1	7.3
February	1.2	.4	7.4	-.1	3.3	1.9	5.2
March	1.3	.3	4.8	.6	4.0	2.1	13.2
April	-1.5	.8	-7.2	-.5	2.4	-2.3	-15.8
May	-4	.1	-3.1	.1	2.5	-7	1.5
June .....	.6	.4	2.9	0	2.9	.6	4.3
July .....	.1	-.3	.5	.1	3.0	.2	-2.8
August .....	.5	.8	1.4	.1	3.5	.6	-1.0
September .....	.2	1.2	-.1	0	3.5	-1	2.7
October .....	.7	2.1	-.3	.5	3.4	.3	3.1
November	-2	-.3	-.9	0	3.4	-1	.1
December .....	.2	.1	1.6	-.1	4.0	.4	2.2
2004							
January .....	.6	-1.4	4.7	.3	3.3	.8	2.8

¹ Some percent changes shown here and elsewhere in "Price Movements January 2004" may differ from those previously reported, because seasonal adjustment factors have been recalculated to reflect developments during

2003. In addition, indexes for September 2003 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2003								
January.....	1.4	4.5	0.4	4.5	4.5	13.0	0.9	28.7
February.....	.8	7.7	.7	6.6	.6	9.9	3.6	36.7
March.....	-.2	10.0	.3	8.0	-1.3	30.1	-.2	46.8
April.....	.2	-10.9	-.2	4.6	1.4	-30.7	-1.2	18.2
May.....	1.2	-4.2	.1	4.2	1.9	1.9	-.1	19.1
June.....	1.8	3.1	0	4.5	-.8	10.5	.2	29.1
July.....	-.9	1.5	-.1	4.4	-2.5	-4.8	1.9	24.2
August.....	.2	2.4	.1	4.4	3.7	-6.1	2.0	20.8
September.....	2.7	-2.0	.2	3.7	7.0	-1.1	2.7	21.5
October.....	2.6	.1	.3	3.4	8.2	-1.8	2.6	22.8
November.....	2.7	-2.0	.2	3.3	0	-1.5	4.1	18.3
December.....	-.5	1.8	.1	3.9	-.2	4.3	3.0	18.5
2004								
January.....	-1.0	2.7	.6	3.8	-6.9	12.5	3.3	13.7

¹ Some percent changes shown here and elsewhere in "Price Movements January 2004" may differ from those previously reported, because seasonal adjustment factors have been recalculated to reflect developments during

2003. In addition, indexes for September 2003 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

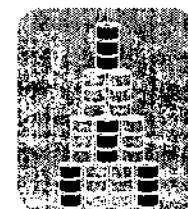
1.7-percent decline in December. The indexes for passenger cars, periodical circulation, and sporting and athletic goods also advanced in January, after decreasing a month earlier. Prices for pharmaceutical preparations and book publishing rose more in January than they did in the previous month, while the cigarettes index increased, after showing no change in December. Alternatively, household furniture prices inched down 0.1 percent in January, following a rise of the same magnitude in the prior month.

Subsequent to a 0.1-percent decrease in December, the capital equipment index advanced 0.3 percent in January. The indexes for light motor trucks and passenger cars turned up, following declines in December. Prices for heavy motor trucks, construction machinery and equipment, and civilian aircraft rose at a faster pace in January than they did a month earlier, while the truck trailers index moved up after showing no change in the preceding month. By contrast, commercial furniture prices fell 0.4 percent in January, compared with a 0.1-percent gain in the prior month. The integrating and measuring instruments index also turned down, following an increase in December. Prices for x-ray and electromedical equipment fell more than they did in the previous month.

Prices for finished consumer foods decreased 1.4 percent in January, following a 0.1-percent increase a month earlier. Leading this downturn, the index for fresh and dry vegetables dropped 20.9 percent, following a 20.7-percent upsurge in December. Prices for eggs for fresh use also fell, after rising in the prior month. The beef and veal index declined at a faster rate than it did in the previous month. Prices for citrus fruits rose less in January than they did in December. By contrast, the index for soft drinks advanced 1.9 percent, compared with a 0.7-percent decrease in the preceding month. Prices for pork

and bakery products also turned up in January, following declines a month earlier. The indexes for processed young chickens, finfish and shellfish, and shortening and cooking oils rose at a quicker pace than they did in December.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components climbed 0.8 percent in January, compared with a 0.4-percent advance in December. Prices for intermediate energy goods, materials for nondurable manufacturing, and materials for durable manufacturing increased at a faster rate in January than they did in December. The index for materials and components for construction turned up, after edging down in the preceding month. On the other hand, the index for intermediate foods and feeds fell at a quicker pace in January than it did a month earlier. Excluding foods and energy, prices for intermediate materials advanced 0.6 percent, after inching up at a 0.1-percent rate in December. (See table B.)

The index for intermediate energy goods jumped 2.7 percent in January, following a 1.8-percent increase in December. A surge in gasoline prices of 14.1 percent followed a 3.4-percent increase in December. The indexes for home heating oil, jet fuel, liquefied petroleum gas, and diesel fuel also advanced at a faster pace than they did in the prior month. Prices for industrial natural gas turned up in January, while the index for industrial electric power fell less than it did in December. By contrast, prices for natural gas to electric utilities declined 6.2 percent in January, compared with a 4.8-percent gain in the previous month. The indexes for

commercial electric power and commercial natural gas also turned down in January.

Prices for materials for nondurable manufacturing climbed 1.3 percent in January, following a 0.4-percent increase in December. The index for liquid refinery gases surged 16.2 percent, after rising 7.4 percent in the previous month. The indexes for plastic resins and materials, inedible fats and oils, medicinal and botanical chemicals, and gray fabrics moved up in January, following declines in December. On the other hand, paperboard prices decreased 1.2 percent in January, after inching up at a 0.1-percent rate a month earlier. The index for nitrogenates also turned down, while prices for paper fell more than they did in the preceding month.

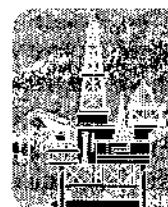
The index for materials and components for construction increased 0.3 percent in January, compared with a 0.1-percent decline in December. Softwood lumber prices jumped 1.5 percent in January, following a 0.3-percent decrease in the prior month. The indexes for wiring devices, hardwood lumber, and prefabricated wood buildings and components also rose, after falling in December. Prices for fabricated structural metal products, steel mill products, plastic construction products, and millwork advanced at a quicker rate than they did in the preceding month. Alternatively, the index for concrete products edged up 0.1 percent in January, following a 0.5-percent gain in December. Plywood prices fell more than they did a month earlier, while the indexes for gypsum products and for air conditioning and refrigeration equipment turned down in January.

Prices for materials for durable manufacturing climbed 1.0 percent in January, after posting a 0.5-percent gain in December. The index for primary nonferrous metals jumped 4.3 percent, following a 2.4-percent rise in the previous month. Prices for copper and brass mill shapes; semifinished steel mill products; cold finished steel bars; and hot rolled steel bars, plates, and structural shapes also increased more than in December. The indexes for hardwood lumber and industrial textile products advanced, following December declines. Conversely, prices for aluminum mill shapes turned down 0.4 percent in January, after inching up at a 0.1-percent rate a month earlier. The index for plywood fell more quickly in January, while prices for cold rolled steel sheet and strip rose more slowly than they did in the prior month.

The index for intermediate foods and feeds fell 1.0 percent in January, compared with a 0.5-percent decrease in December. This faster rate of decline can be attributed mainly to prices for beef and veal products, which dropped 11.0 percent in January after a 5.6-percent decrease in December. In addition, the indexes for fluid milk products and for portion control meat and meat-type products also fell at a quicker pace, while prices for confectionery materials and liquid milk products rose at a slower rate in January than they did a month earlier. The indexes for flour and for refined sugar and sugar byproducts turned down, after rising in December. By contrast, prepared animal feed prices advanced 0.2 percent, after declining 0.4 percent in the previous month. The pork index also turned up in January. Prices for shortening and

cooking oils and processed young chickens increased more in January than they did in December.

Crude goods



The Producer Price Index for Crude Materials for Further Processing advanced at a 2.8-percent rate in January, after posting a 2.2-percent gain in December. Price increases for crude energy materials were larger in January than in December and outweighed larger price decreases for crude foodstuffs and feedstuffs. In addition, the index for basic industrial materials rose at a slightly faster pace than it did in December. (See table B.)

The index for crude energy materials climbed 12.5 percent in January, following a 4.3-percent increase in December. Natural gas prices led the acceleration by surging 17.8 percent, after advancing 6.1 percent in the previous month. The index for crude petroleum rose 8.1 percent in January, compared with a 2.6-percent gain a month earlier. On the other hand, coal prices dropped 1.6 percent, subsequent to a 0.4-percent rise in December.

The index for crude nonfood materials less energy gained 3.3 percent in January, its eighth consecutive increase, after rising 3.0 percent in December. The index for raw cotton increased 6.8 percent, following a 10.1-percent decline in the prior month. Prices for wastepaper also turned up, while indexes for aluminum base scrap and construction sand, gravel, and crushed stone rose more in January than they did in December. Conversely, the rate of increase for iron and steel scrap prices slowed from 8.8 percent in December to 5.7 percent in January. Prices for copper ores, gold ores, and copper base scrap also rose less in January than they did in the prior month.

The index for crude foodstuffs and feedstuffs fell 6.9 percent in January, following a 0.2-percent drop in December. January prices for slaughter cattle declined 17.4 percent, after slipping 3.5 percent the preceding month. Indexes for fresh vegetables (except potatoes), slaughter broilers and fryers, and wheat turned down in January. By contrast, prices for fluid milk fell 1.4 percent in January, after dropping 7.7 percent in December. The January index for slaughter turkeys rose more than in December, as did the indexes for corn, soybeans, and Irish potatoes for further processing. Unprocessed shellfish prices rose after falling.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries rose 11.3 percent in January, following a 4.2-percent increase in December. (Net output price indexes are not seasonally adjusted.) Prices received by the oil and gas extraction industry group jumped 16.0 percent, after advancing 5.2 percent in the prior month. The industry group indexes for metal ore mining and coal mining also increased at

a quicker rate than they did a month earlier. Prices received by the mining support activities industry group rose in January. In January, the Producer Price Index for the Net Output of Total Mining Industries was 141.6 (December 1984=100), 12.4 percent above its year ago level.

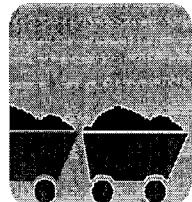
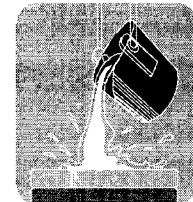
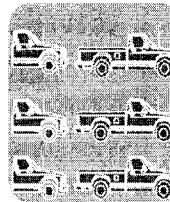
Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries increased 0.9 percent in January, after showing no change in the previous month. Prices received by the petroleum and coal products industry group rose 11.8 percent, compared with a 1.4-percent gain in the preceding month. The industry group indexes for chemicals, fabricated metal products, aerospace products and parts, and primary metals also advanced at a quicker rate than they did in December. Prices received by the automobile and light duty motor vehicle industry turned up, after falling in the prior month. By contrast, the industry group index for food manufacturing dropped 1.0 percent in January, after registering a 0.5-percent decline a month earlier. The industry group index for semiconductors and other electronic

components also fell more than it did in the preceding month. Prices received by the industry group for communications equipment turned down in January, following gains in the previous month. The plastics and rubber products industry group index showed no change, after rising in December. In January, the Producer Price Index for the Net Output of Total Manufacturing Industries was 138.9 (December 1984=100), 2.4 percent above its year ago level.

Services. Among service industries in January, prices received by the industries for general medical and surgical hospitals, portfolio management, offices of physicians (except mental health), direct property and casualty insurance carriers, nursing care facilities, couriers, and newspaper publishers increased. Conversely, prices received by the industries for scheduled passenger air transportation, television broadcasting, lessors of nonresidential buildings (except mini-warehouse), software publishers, radio stations, passenger car rental, and long distance general freight trucking (truckload) fell in January.

Price Movements

February 2004

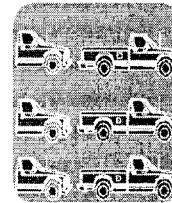


The Producer Price Index for Finished Goods edged up 0.1 percent in February, seasonally adjusted. This increase followed a 0.6-percent jump in January and a 0.2-percent increase in December. At the earlier stages of processing, prices received by manufacturers of intermediate goods rose 0.9 percent in February, after advancing 0.8 percent in January. The crude goods index increased 2.5 percent, compared with a 2.8-percent rise in the prior month. (See table A.)

Among finished goods, the rate of increase in the index for finished energy goods slowed to 0.2 percent in February from 4.7 percent in January. Prices for finished goods other than foods and energy edged up 0.1 percent in February, after rising 0.3 percent in the preceding month. By contrast, the finished consumer foods index turned up 0.2 percent, following a 1.4-percent drop in January.

Before seasonal adjustment, the Producer Price Index for Finished Goods decreased 0.1 percent to 145.3 (1982=100). From February 2003 to February 2004, finished goods prices rose 2.1 percent. During the same period, the indexes for finished energy goods, finished consumer foods, and finished goods other than foods and energy moved up 3.9, 4.0, and 1.0 percent, respectively. At the earlier stages of processing, prices for intermediate goods increased 2.7 percent for the 12 months ended in February 2004, while the index for crude goods rose 10.7 percent.

Finished goods



Prices for finished energy goods increased 0.2 percent in February, after advancing 4.7 percent in the prior month. The rate of increase in the gasoline index slowed to 2.0 percent in February from 14.1 percent in January. Prices for home heating oil, liquefied petroleum gas, and diesel fuel turned down, compared with increases in the previous month. On the other hand, the index for residential natural gas rose 2.6 percent in February, after posting a 1.4-percent increase in January. The rate of increase for residential electric power prices picked up in February, advancing 0.4 percent compared with a 0.1-percent rise in the prior month.

The index for finished goods other than foods and energy increased 0.1 percent, following a 0.3-percent increase in January. In February, rising prices for passenger car pneumatic tires, alcoholic beverages, passenger cars, surgical appliances, railroad cars, and industrial material handling equipment slightly outweighed falling prices for light motor trucks, communication and related equipment, pharmaceutical preparations, and household appliances.

Prices for finished consumer foods turned up 0.2 percent in February, after declining 1.4 percent in the prior month. In February, increasing prices for processed young chickens,

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2003							
February	1.2	0.4	7.4	-0.1	3.3	1.9	5.2
March	1.3	.3	4.8	.6	4.0	2.1	13.2
April	-1.5	.8	-7.2	-.5	2.4	-2.3	-15.8
May	-.4	.1	-3.1	.1	2.5	-.7	1.5
June .....	.6	.4	2.9	0	2.9	.6	4.3
July .....	.1	-.3	.5	.1	3.0	.2	-2.8
August .....	.5	.8	1.4	.1	3.5	.6	-1.0
September .....	.2	1.2	-.1	0	3.5	-.1	2.7
October .....	.6	2.0	-.4	.5	3.4	.3	2.8
November	-.1	-.2	-.8	0	3.4	-.1	.4
December .....	.2	.1	1.6	-.1	4.0	.4	2.2
2004							
January .....	.6	-1.4	4.7	.3	3.3	.8	2.8
February .....	.1	.2	.2	.1	2.1	.9	2.5

¹ Some percent changes shown here and elsewhere in "Price Movements February 2004" may differ from those previously reported, because indexes for

October 2003 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

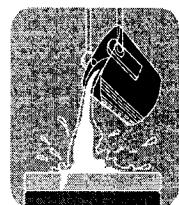
Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2003								
February	0.8	7.7	0.7	6.6	0.6	9.9	3.6	36.7
March	-.2	10.0	.3	8.0	-1.3	30.1	-.2	46.8
April .....	.2	-10.9	-.2	4.6	1.4	-30.7	-1.2	18.2
May	1.2	-4.2	.1	4.2	1.9	1.9	-.1	19.1
June	1.8	3.1	0	4.5	-.8	10.5	.2	29.1
July	-.9	1.5	-.1	4.4	-2.5	-4.8	1.9	24.2
August .....	.2	2.4	.1	4.4	3.7	-6.1	2.0	20.8
September	2.7	-2.0	.2	3.7	7.0	-1.1	2.7	21.5
October	2.7	-.2	.3	3.4	8.5	-2.8	3.0	22.6
November	2.6	-1.8	.2	3.3	-.2	-.5	3.6	18.3
December	-.5	1.8	.1	3.9	-.2	4.3	3.0	18.5
2004								
January	-1.0	2.7	.6	3.8	-6.9	12.5	3.3	13.7
February2	.6	.9	2.7	3.6	0	5.5	10.7

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October 2003 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

eggs for fresh use, dairy products, and pork outweighed falling prices for fresh and dry vegetables, beef and veal, fresh fruits and melons, and finfish and shellfish.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components advanced 0.9 percent in February, after registering a 0.8-percent increase in the previous month. Prices for materials for durable manufacturing, materials and components for construction, intermediate energy goods, materials for nondurable manufacturing, and intermediate foods and feeds rose. Excluding food and energy prices, the index for intermediate materials went up 0.9 percent, following a 0.6-percent gain in January. (See table B.)

Prices for materials for durable manufacturing climbed 3.5 percent in February, compared with a 1.0-percent gain in the preceding month. The cold rolled steel sheet and strip index jumped 12.4 percent, after moving up 0.4 percent a month earlier. Prices for primary nonferrous metals; hot rolled steel bars, plates, and structural shapes; and semifinished steel mill products also increased at a quicker rate than they did in January. The indexes for building paper and board, aluminum mill shapes, and plywood turned up, following declines in the prior month. On the other hand, prepared paint prices fell 0.3 percent in February, after rising 0.4 percent in the previous month. The indexes for hardwood lumber, cold finished steel bars, and copper and brass mill shapes rose less than they did in January, while prices for industrial textile products showed no change in February, after advancing a month earlier.

The index for materials and components for construction moved up 1.4 percent in February, following a 0.3-percent

increase in the prior month. Plywood prices surged 15.2 percent, after falling 9.1 percent a month earlier. The indexes for mineral wool for structural insulation and gypsum products also turned up in February, following declines in the previous month. Prices for fabricated structural metal products, concrete products, softwood lumber, and steel mill products rose more than they did in January. By contrast, the plastic construction products index moved down 1.4 percent in February, compared with a 1.0-percent gain in the preceding month. Prices for architectural coatings and molded case circuit breakers also turned down, after advancing in January. The indexes for millwork and hardwood lumber rose less than they did in the previous month.

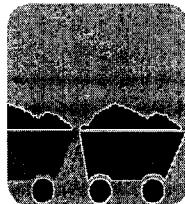
Price increases for intermediate energy goods slowed from 2.7 percent in January to 0.6 percent in February. Half of this deceleration was due to the index for gasoline, which rose 2.0 percent after jumping 14.1 percent in the previous month. Prices for jet fuels also rose more slowly in February. The indexes for diesel fuel, liquefied petroleum gas, and home heating oil turned down, following gains a month earlier. Alternatively, the natural gas to electric utilities index advanced 4.4 percent in February, compared with a 6.2-percent drop in the prior month. The indexes for commercial electric power, commercial natural gas, and industrial electric power also turned up, after falling in January, while industrial natural gas prices increased more in February than they did in the preceding month.

The index for materials for nondurable manufacturing rose 0.7 percent in February, following a 1.3-percent gain in the prior month. This deceleration largely reflects smaller increases for basic organic chemicals prices, which rose 0.8 percent in February after posting a 6.0-percent increase in January. The leather index also advanced at a slower rate than it did in

the preceding month. Prices for processed yarns and threads showed no change, following a gain in the previous month. The finished fabrics index fell, after inching up in January. On the other hand, paper prices turned up 0.6 percent in February, after decreasing 0.8 percent a month earlier. The indexes for paint materials and fertilizer materials also advanced, following declines in the preceding month, while prices for paperboard fell less than they did in January.

The intermediate foods and feeds index turned up 0.2 percent in February, after falling 1.0 percent in the prior month. In February, rising prices for processed young chickens; flour; pork; natural, processed, and imitation cheese; butter; and liquid milk products outweighed falling prices for beef and veal, prepared animal feeds, shortening and cooking oils, confectionery materials, and fluid milk products.

Crude goods



The Producer Price Index for Crude Materials for Further Processing advanced at a 2.5-percent rate in February, after posting a 2.8-percent gain in January. Prices for crude energy materials showed no change in February, after rising in the prior month.

By contrast, the index for crude foodstuffs and feedstuffs turned up, after falling in January, while prices for basic industrial materials increased at a faster pace in February than they did in the prior month. (See table B.)

The index for crude energy materials showed no change in February, following a 12.5-percent rise in the preceding month. Natural gas prices moved down 0.6 percent, after jumping 17.8 percent a month earlier. The index for crude petroleum declined 1.9 percent, compared with an 8.1-percent gain in January. On the other hand, coal prices went up 8.7 percent in February, after registering a 1.6-percent drop in the prior month.

The index for crude foodstuffs and feedstuffs advanced 3.6 percent in February, following a 6.9-percent decrease in the previous month. Prices for slaughter broilers and fryers rose 19.8 percent, compared with a 2.6-percent decline in January. The indexes for slaughter hogs and fluid milk also turned up, after declining a month earlier. The indexes for slaughter cattle, fresh vegetables (except potatoes), and alfalfa hay decreased at a slower rate than they did in the prior month. Alternatively, slaughter turkey prices fell 2.0 percent in February, following a 9.5-percent gain in the preceding month. The unprocessed finfish index also turned down, following increases in January, while prices for wheat and for fresh fruits and melons declined more in February than they did in the prior month.

The index for crude nonfood materials less energy increased 5.5 percent in February, after moving up 3.3 percent a month earlier. Accounting for the majority of this acceleration, iron and steel scrap prices grew 21.1 percent, following a 5.7-percent gain in the preceding month. The indexes for copper base scrap, wastepaper, and phosphates also advanced at a

faster rate than they did in January. By contrast, raw cotton prices dropped 12.0 percent in February, after registering a 6.8-percent increase in the previous month. The indexes for gold ores; hides and skins; and construction sand, gravel, and crushed stone also turned down, following gains in the prior month. Aluminum base scrap prices rose less than they did in January, while the index for leaf tobacco fell more in February than it did a month earlier.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries fell 1.5 percent in February, following an 11.3-percent jump in January. (Net output price indexes are not seasonally adjusted.) Prices received by the crude petroleum and natural gas extraction industry declined 3.0 percent, after advancing 16.0 percent in the prior month. The industry indexes for natural gas liquid extraction, oil and gas operations support activities, gold ore mining, and oil and gas well drilling also turned down in February, compared with increases a month earlier. Conversely, prices received by the industry for bituminous coal and lignite surface mining turned up 3.5 percent, following a 2.4-percent drop in January. In February, the Producer Price Index for the Net Output of Total Mining Industries was 139.5 (December 1984=100), 1.5 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries increased 0.3 percent in February, after rising 0.9 percent in the previous month. Prices received by the chemical manufacturing industry group moved up 0.4 percent, compared with a 1.0-percent gain in the preceding month. The industry group indexes for petroleum and coal products, textile mills, leather and allied products, and transportation equipment fell, after rising in January. Prices received by the beverage and tobacco industry group advanced at slower rate from January to February. By contrast, the industry group index for food manufacturing edged up 0.3 percent in February, after registering a 1.0-percent decline a month earlier. The industry group index for furniture and related products also turned up, following a decline in January. Prices received by the industry groups for plastics and rubber products and for nonmetallic mineral products rose, after showing no change a month earlier. In February, the Producer Price Index for the Net Output of Total Manufacturing Industries was 139.3 (December 1984=100), 1.2 percent above its year-ago level.

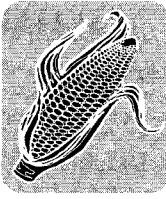
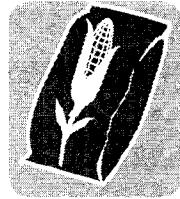
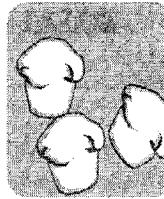
Services. Among service industries in February, prices received by offices of lawyers, long-distance general freight trucking (truckload), direct property and casualty insurance carriers, offices of physicians (except mental health), passenger car rental, and scheduled passenger air transportation increased. On the other hand, the indexes for

lessors of nonresidential buildings (except miniwarehouse), wired telecommunications carriers, general medical and

surgical hospitals, cellular and other wireless carriers, deep sea freight transportation, and couriers declined in February.

Price Movements

March 2004



The Producer Price Index for Finished Goods advanced 0.5 percent in March, seasonally adjusted. This increase followed a 0.1-percent gain in February and a 0.6-percent rise in January. At the earlier stages of processing, prices for both intermediate goods and crude goods moved up 0.7 percent in March, after increasing 0.9 and 2.5 percent, respectively, in the prior month. (See table A.)

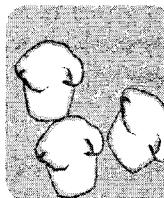
More than half of the acceleration in finished goods prices was due to the finished consumer foods index, which advanced 1.5 percent after edging up 0.2 percent in February. The index for finished goods other than foods and energy increased 0.2 percent, following a 0.1-percent gain in February. Prices for finished energy goods climbed 0.6 percent in March, after rising 0.2 percent in February.

During the first quarter of 2004, prices for finished goods advanced at a seasonally adjusted annual rate of 5.1 percent, after rising at a 2.8-percent rate during the final 3 months of 2003. Excluding prices for foods and energy, the finished goods index increased at a 2.1-percent seasonally adjusted annual rate for the 3 months ended March 2004, following a 1.3-percent rate of increase in the last quarter of 2003. Among prices for raw and partially processed goods, the seasonally adjusted annual rate of increase for intermediate goods prices accelerated from 2.7 percent to 10.1 percent from the final quarter of 2003 to the first quarter of 2004. The crude goods

index moved up at a 26.3-percent seasonally adjusted annual rate during the first quarter of 2004, after advancing at a 23.6-percent rate in the last 3 months of 2003. (See summary table on page 2.)

Before seasonal adjustment, the finished goods index increased 0.6 percent to 146.2 (1982=100). From March 2003 to March 2004, prices for finished goods climbed 1.4 percent. During the same period, the finished consumer foods index jumped 5.3 percent and prices for finished goods other than foods and energy rose 0.7 percent. By contrast, the index for finished energy goods declined 0.4 percent for the 12 months ended March 2004. At the earlier stages of processing, intermediate goods prices advanced 1.2 percent and the crude goods index fell 1.6 percent.

Finished goods



The finished consumer foods index rose 1.5 percent in March, following a 0.2-percent increase in the previous month. Fresh and dry vegetable prices advanced 13.0 percent, subsequent to a 7.8-percent decline in February. The indexes for beef and veal, finfish and shellfish, and shortening and cooking oils also turned up, after falling a month earlier. Prices for dairy products rose more rapidly in March

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2003							
March	1.3	0.3	4.8	0.6	4.0	2.1	13.2
April	-1.5	.8	-7.2	-.5	2.4	-2.3	-15.8
May	-.4	.1	-3.1	.1	2.5	-.7	1.5
June .....	.6	.4	2.9	0	2.9	.6	4.3
July .....	.1	-.3	.5	.1	3.0	.2	-2.8
August .....	.5	.8	1.4	.1	3.5	.6	-1.0
September .....	.2	1.2	-.1	0	3.5	-.1	2.7
October .....	.6	2.0	-.4	.5	3.4	.3	2.8
November	-.1	-.3	-.7	0	3.4	0	0
December2	.2	1.5	-.1	4.0	.4	2.5
2004							
January6	-1.4	4.7	.3	3.3	.8	2.8
February1	.2	.2	.1	2.1	.9	2.5
March5	1.5	.6	.2	1.4	.7	.7

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November 2003 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Summary of December-to-December and 3-month seasonally adjusted annual rates for selected stages of process

Grouping	Percentage change, 12 months ended December			Seasonally adjusted annual rate for 3 months ended			
	2001	2002	2003	June 2003	September 2003	December 2003	March 2004
Finished goods	-1.6	1.2	4.0	-5.2	3.1	2.8	5.1
Finished consumer foods	1.8	-.6	7.7	5.4	6.8	8.1	1.1
Finished energy goods	-17.1	12.3	11.5	-26.8	7.3	1.6	23.5
Finished goods less foods and energy .....	.9	-.5	1.0	-1.8	1.1	1.3	2.1
Finished consumer goods, excluding foods and energy	1.5	-.5	1.0	-2.0	.8	1.3	2.3
Capital equipment	0	-.6	.9	-1.7	1.2	1.4	2.3
Intermediate materials, supplies, and components	-4.0	3.2	3.9	-9.3	2.7	2.7	10.1
Intermediate foods and feeds .....	.3	4.2	12.7	13.1	8.6	20.9	8.6
Intermediate energy goods	-16.9	12.0	10.9	-40.0	7.9	-.7	16.3
Intermediate materials less foods and energy	-1.6	1.5	2.1	-.6	.9	2.6	8.9
Materials for nondurable manufacturing	-5.5	4.2	5.1	-7.5	-2.3	5.4	9.9
Materials for durable manufacturing	-4.0	3.1	3.9	-.6	5.8	8.7	29.7
Materials and components for construction	0	.8	3.0	1.1	5.9	2.6	12.9
Crude materials for further processing	-32.5	24.7	18.5	-37.0	-4.6	23.6	26.3
Foodstuffs and feedstuffs	-7.6	4.5	24.0	10.2	37.0	36.4	13.9
Crude energy materials	-52.9	61.5	12.3	-62.9	-38.7	3.2	24.3
Crude nonfood materials less energy	-9.9	12.6	20.8	-4.5	29.4	46.2	57.2

NOTE: Late reports and corrections by respondents may cause some indexes to change 4 months after original publication. In addition, seasonally

adjusted indexes may be revised for 5 years, due to the recalculation of seasonal factors each January.

than they did in February, while the index for fresh fruits and melons fell at a slower rate over the same period. Conversely, processed young chicken prices climbed 1.5 percent in March, following a 7.3-percent gain in the prior month. The indexes for pork, eggs for fresh use, and processed turkeys also rose less quickly from February to March. Soft drink prices decreased at a faster rate during the same period. The index for finished consumer foods increased at a 1.1-percent seasonally adjusted annual rate in the first quarter of 2004, after advancing at an 8.1-percent rate in the last 3 months of 2003.

Prices for finished consumer goods other than foods and energy moved up 0.3 percent in March, after showing no change in the previous month. The light motor trucks index rose 0.8 percent, compared with a 1.9-percent decrease in February. Prices for pharmaceutical preparations and men's and boys' apparel also turned up in March, while the indexes for pet food and passenger cars increased more quickly than they did in February. On the other hand, prices for sanitary paper products decreased 2.6 percent in March, after inching up 0.1 percent a month earlier. The index for tires, tubes, and tread showed no change, following a rise in February. Cigarette prices fell, after showing no change in the previous month. The indexes for alcoholic beverages and household furniture rose less in March than they did in the prior month. Prices for finished consumer goods excluding foods and energy advanced at a 2.3-percent seasonally adjusted annual rate in the first quarter of 2004, after increasing at a 1.3-percent rate in the last quarter of 2003.

The capital equipment index rose 0.3 percent in March, after showing no change in the prior month. Prices for light

motor trucks advanced 0.8 percent, following a 1.9-percent drop in the previous month. The commercial furniture index increased in March, compared with no change a month earlier. Prices rose faster for truck trailers, agricultural machinery and equipment, and civilian aircraft in March than in February. The index for communication and related equipment was unchanged, following a 0.2-percent decrease in the prior month. Alternatively, the index for integrating and measuring instruments declined 1.1 percent in March, after rising 1.2 percent in February. Prices for x-ray and electromedical equipment and for plastic working machinery also turned down. The index for tools, dies, jigs, fixtures, and industrial molds fell more in March than it did in the previous month. During the first 3 months of 2004, the capital equipment index rose at a 2.3-percent seasonally adjusted annual rate, compared with a 1.4-percent rate of increase in the fourth quarter of 2003.

Prices for finished energy goods climbed 0.6 percent in March, following a 0.2-percent increase in February. The index for liquefied petroleum gas moved up 0.4 percent, after tumbling 17.2 percent in the prior month. Prices for home heating oil, diesel fuel, and asphalt also turned up in March. By contrast, residential natural gas prices slipped 0.5 percent in March, after advancing 2.6 percent in the previous month. The indexes for residential electric power and kerosene also turned down, while prices for gasoline rose less in March than they did in February. The seasonally adjusted annual rate of increase in the index for finished energy goods accelerated from 1.6 percent to 23.5 percent from the final quarter of 2003 to the first quarter of 2004.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2003								
March	-0.2	10.0	0.3	8.0	-1.3	30.1	-0.2	46.8
April .....	.2	-10.9	-.2	4.6	1.4	-30.7	-1.2	18.2
May	1.2	-4.2	.1	4.2	1.9	1.9	-.1	19.1
June	1.8	3.1	0	4.5	-.8	10.5	.2	29.1
July	-.9	1.5	-.1	4.4	-2.5	-4.8	1.9	24.2
August .....	.2	2.4	.1	4.4	3.7	-6.1	2.0	20.8
September	2.7	-2.0	.2	3.7	7.0	-1.1	2.7	21.5
October	2.7	-.2	.3	3.4	8.5	-2.8	3.0	22.6
November	2.6	-1.3	.1	3.4	-.6	-1.3	4.3	18.0
December	-.5	1.4	.2	3.9	.2	5.1	2.3	18.5
2004								
January	~1.0	2.7	.6	3.8	-6.9	12.5	3.3	13.7
February2	.6	.9	2.7	3.6	0	5.5	10.7
March	2.9	.5	.6	1.2	7.1	-6.1	2.7	-1.6

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November 2003 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Intermediate goods

 The Producer Price Index for Intermediate Materials, Supplies, and Components increased 0.7 percent in March, after rising 0.9 percent in February. The indexes for durable manufacturing materials, nondurable manufacturing materials, and intermediate energy goods rose less in March than they did in February. Conversely, prices for intermediate foodstuffs and feedstuffs advanced more quickly than they did in the preceding month. The index for materials and components for construction increased at the same rate in March as it did in February. The index for intermediate goods other than foods and energy moved up 0.6 percent, after gaining 0.9 percent in February. (See table B.)

Subsequent to a 3.5-percent climb in February, the index for materials for durable manufacturing rose 2.0 percent. Prices for cold rolled steel sheet and strip increased 3.0 percent, after a 12.4-percent advance in February. Likewise, the indexes for building paper and board, primary aluminum (except extrusion billet), plywood, and semifinished steel mill products rose more slowly in March than they did in the previous month. Aluminum mill shape prices fell, after rising in February. By contrast, prices for prepared paint increased 0.4 percent, after a 0.3-percent decline in the preceding month. The indexes for unprocessed filament yarns and textile bags turned up in March, while the index for copper cathode and refined copper rose at a quicker pace than it did in the prior month. Prices for materials for durable manufacturing advanced at a 29.7-percent seasonally adjusted annual rate from December 2003 to March 2004, after registering an 8.7-percent rate of increase during the previous 3 months.

The index for materials for nondurable manufacturing increased 0.4 percent in March, after rising 0.7 percent in the preceding month. Higher prices for plastic resins and materials, inedible fats and oils, potassium and sodium compounds, phosphates, and intermediate basic organic chemicals outweighed falling prices for primary basic organic chemicals, nitrogenates, alkalies and chlorine, gray fabrics, and finished fabrics. From December 2003 to March 2004, the index for materials for nondurable manufacturing advanced at a 9.9-percent seasonally adjusted annual rate, following a 5.4-percent rate of increase during the final quarter of 2003.

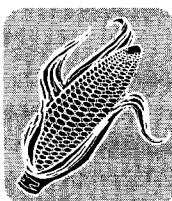
Prices for intermediate energy goods rose 0.5 percent in March, after gaining 0.6 percent in the preceding month. This March increase was led by diesel fuel prices, which advanced 8.5 percent. Rising prices for home heating oil, natural gas to electric utilities, gasoline, and jet fuels also pushed the intermediate energy goods index higher. On the other hand, the commercial natural gas index fell 2.1 percent in March. Price declines also were posted by the indexes for industrial electric power, residual fuel, industrial natural gas, and commercial electric power. From December 2003 to March 2004, prices for intermediate energy goods rose at a 16.3-percent seasonally adjusted annual rate, after falling at a 0.7-percent annual rate for the previous quarter.

Prices for intermediate foods and feeds posted a 2.9-percent gain in March, following a 0.2-percent rise in February. The index for prepared animal feeds jumped 5.6 percent, after a 0.5-percent dip in the preceding month. Prices for beef and veal, shortening and cooking oils, fluid milk products, and refined sugar and byproducts turned up in March, while the index for natural, processed, and imitation cheese advanced at a quicker rate than it did in the prior month.

Alternatively, price increases for processed young chickens slowed, advancing 1.5 percent after a February gain of 7.3 percent. The indexes for pork and butter rose more slowly in March than in February, and flour prices turned down. The index for intermediate foods and feeds increased at a seasonally adjusted annual rate of 8.6 percent during the first quarter of 2004, after rising at a 20.9-percent annual rate for the previous quarter.

The index for materials and components for construction climbed 1.4 percent in March, after posting a 1.4-percent rise in the preceding month. Price gains in fabricated structural metal products, softwood lumber, plywood, steel mill products, nonferrous wire and cable, and wiring devices outweighed falling prices for asphalt felts and coatings, mineral wool for structural insulation, concrete products, and plumbing fixtures and brass fittings. During the first quarter of 2004, prices for materials and components for construction advanced at a 12.9-percent seasonally adjusted annual rate, following a 2.6-percent annual rate of increase during the prior quarter.

Crude goods



The rate of increase in the Producer Price Index for Crude Materials for Further Processing slowed from 2.5 percent in February to 0.7 percent in March. Prices for crude energy materials fell, after showing no change in the previous month. The basic industrial materials index rose at a slower pace than it did in the prior month. By contrast, prices for crude foodstuffs and feedstuffs advanced more in March than they did in the preceding month. (See table B.)

The crude energy materials index decreased 6.1 percent in March, after showing no change in the prior month. Prices for natural gas dropped 14.1 percent, compared with a 0.6-percent decline in February. The coal index inched down 0.2 percent, after increasing 8.7 percent a month earlier. On the other hand, crude petroleum prices went up 8.1 percent in March, following a 1.9-percent fall in the previous month. During the first quarter of 2004, the index for crude energy materials advanced at a 24.3-percent seasonally adjusted annual rate, after rising at a 3.2-percent rate in the preceding calendar quarter.

Prices for crude nonfood materials less energy moved up 2.7 percent in March, following a 5.5-percent gain in the previous month. Much of this deceleration was due to the index for iron and steel scrap, which rose 6.7 percent in March after jumping 21.1 percent in February. Prices for copper base scrap, wastepaper, and aluminum base scrap also rose less than they did in the prior month, while the indexes for leaf tobacco and pulpwood fell at a faster pace than they did a month earlier. Alternatively, raw cotton prices decreased 2.2 percent in March, compared with a 12.0-percent decline in the preceding month. The index for gold ores also fell less than it did in February, while prices for construction sand, gravel, and crushed stone turned up, after edging down in the previous

month. For the quarter ended March 2004, the index for crude nonfood materials less energy advanced at a 57.2-percent seasonally adjusted annual rate, following a 46.2-percent rate of increase in the prior quarter.

Prices for crude foodstuffs and feedstuffs rose 7.1 percent in March, compared with a 3.6-percent gain in the preceding month. The slaughter cattle index turned up 13.0 percent, after falling 1.6 percent in the prior month. Prices for fresh and dry vegetables and unprocessed finfish also increased, following declines in February. The indexes for fluid milk, soybeans, and corn advanced at a quicker rate than they did a month earlier. By contrast, prices for slaughter broilers and fryers decreased 2.0 percent in March, after jumping 19.8 percent in the preceding month. The indexes for slaughter hogs and unprocessed shellfish also turned down, after rising in the previous month, while wheat prices fell more than they did in February. Subsequent to a 36.4-percent seasonally adjusted annual rate of advance during the fourth quarter of 2003, the crude foodstuffs and feedstuffs index rose at a 13.9-percent rate during the first quarter of 2004.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries fell 4.0 percent in March, following a 1.5-percent decrease in February. (Net output price indexes are not seasonally adjusted.) Most of this faster rate of decline is attributable to prices received by the natural gas liquid extraction industry, which dropped 13.2 percent in March after falling 1.9 percent a month earlier. The index for the bituminous coal underground mining industry turned down, following an increase in the prior month, while prices received by the industry for bituminous coal and lignite surface mining rose at a slower pace in March than they did in February. By contrast, the index for the crude petroleum and natural gas extraction industry declined 2.3 percent, after decreasing 3.0 percent in February. Prices received by the industry for oil and gas operations support activities showed no change in March, following a decline in the previous month. The index for the oil and gas well drilling industry turned up, after falling in the preceding month. In the first quarter of 2004, the Producer Price Index for the Net Output of Total Mining Industries rose at a 22.8-percent annual rate, compared with an 8.3-percent rate of advance in the last quarter of 2003. In March, this index was 133.9 (December 1984=100), 20.8 percent below its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries increased 0.6 percent in March, following a 0.3-percent rise in February. Prices received by the food manufacturing industry group jumped 1.6 percent, after advancing 0.3 percent in the prior month. The indexes for the furniture and related products; electrical equipment, appliance, and components; and machinery manufacturing industry groups also moved up at a quicker rate in March. Prices received by manufacturers of petroleum

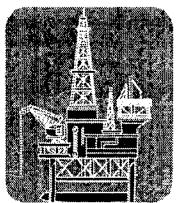
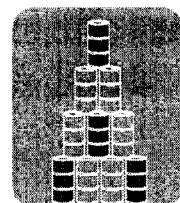
and coal products, leather and allied products, and transportation equipment turned up, compared with February declines. On the other hand, the index for plastic and rubber product manufacturing fell 0.2 percent in March, after increasing 0.9 percent a month earlier. Prices received by manufacturers of beverage and tobacco products also declined, following February gains. The indexes for nonmetallic mineral product manufacturing and primary metal manufacturing rose at a slower pace in March than they did in the prior month. In the first quarter of 2004, the Producer Price Index for the Net Output of Total Manufacturing Industries advanced at a 7.5-percent annual rate, compared with a 1.8-percent rate of increase in the last quarter of 2003. In March, this index was 140.2 (December 1984=100), 1.1 percent above its year-ago level.

Services. Among services industries in March, prices received by offices of lawyers edged down 0.2 percent, after rising 3.9 percent in the preceding month. The indexes for

scheduled passenger air transportation, offices of physicians (except mental health), passenger car rental, local trucking of specialized freight (excluding used goods), and for the truck, utility trailer, and RV rental and leasing industry also turned down in March. Prices received by the industry for long distance general freight trucking by the truckload increased less than they did in February. The index for software publishers showed no change in March, after rising in the prior month. By contrast, prices received by the hotels and motels industry (except casino hotels) jumped 3.3 percent, compared with a 0.1-percent advance in February. The index for the television broadcasting industry also increased at a faster pace in March than it did in the previous month. Prices received by lessors of nonresidential buildings (excluding miniwarehouse), general medical and surgical hospitals, couriers, and residential property managers rose, after falling in February. The index for the cellular and other wireless carriers industry showed no change in March, following a 1.1-percent drop a month earlier.

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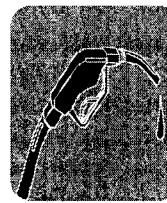
The Producer Price Index for Finished Goods advanced 0.7 percent in April, seasonally adjusted. This increase followed a 0.5-percent rise in March and a 0.1-percent gain in February. April prices for finished goods other than foods and energy went up 0.2 percent, the same rate of increase as in the previous month. At the earlier stages of processing, the intermediate goods index climbed 1.4 percent, compared with a 0.7-percent gain in March. Prices received by manufacturers of crude goods rose 3.0 percent, after advancing 0.7 percent in the preceding month. (See table A.)

The acceleration in finished goods prices can be traced to the index for finished energy goods, which jumped 1.6 percent in April following a 0.6-percent rise in the preceding month. By contrast, capital equipment prices showed no change in April, following a 0.3-percent increase in the prior month. The index for finished consumer foods advanced 1.4 percent, compared with a 1.5-percent gain in March. Prices for finished consumer goods other than foods and energy advanced 0.3 percent for the second consecutive month.

Before seasonal adjustment, the finished goods index moved up 0.8 percent to 147.3 (1982=100). From April 2003 to April 2004, prices for finished goods advanced 3.7 percent. During the same period, the indexes for finished energy goods, finished consumer foods, and finished goods other than foods and energy increased 9.3, 5.9, and 1.5 percent, respectively. At the earlier stages of processing, prices for intermediate

goods rose 5.1 percent for the 12 months ended April 2004, while the crude materials index surged 20.4 percent.

Finished goods



Finished energy goods prices advanced 1.6 percent in April, after posting a 0.6-percent gain in the previous month. Residential natural gas prices increased 2.5 percent, following a 0.5-percent decline in the prior month. The index for residential electric power also turned up in April, while gasoline prices rose at a quicker pace than they did in March. On the other hand, the home heating oil index fell 1.3 percent in April, compared with an 11.0-percent jump in the preceding month. The diesel fuel index increased less than it did in March.

Subsequent to a 0.3-percent gain in March, capital equipment prices showed no change in April. The index for light motor trucks fell 1.0 percent in April, compared with a 0.8-percent increase in the previous month. Likewise, prices for commercial furniture, passenger cars, civilian aircraft, and heavy motor trucks turned down, after rising in the prior month. The index for communication and related equipment decreased, following no change a month earlier, while prices for agricultural machinery and equipment rose less than they did in March. By contrast, the index for integrating and measuring instruments edged up 0.1 percent in April, compared

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2003							
April	-1.5	0.8	-7.2	-0.5	2.4	-2.3	-15.8
May	-.4	.1	-3.1	.1	2.5	-.7	1.5
June .....	.6	.4	2.9	0	2.9	.6	4.3
July .....	.1	-.3	.5	.1	3.0	.2	-2.8
August .....	.5	.8	1.4	.1	3.5	.6	-1.0
September .....	.2	1.2	-.1	0	3.5	-.1	2.7
October .....	.6	2.0	-.4	.5	3.4	.3	2.8
November	-.1	-.3	-.7	0	3.4	0	0
December .....	.2	.2	1.4	-.1	4.0	.4	3.4
2004							
January6	-1.4	4.8	.3	3.3	.8	1.9
February1	.2	.2	.1	2.1	.9	2.5
March5	1.5	.6	.2	1.4	.7	.7
April7	1.4	1.6	.2	3.7	1.4	3.0

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December 2003 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2003								
April	0.2	-10.9	-0.2	4.6	1.4	-30.7	-1.2	18.2
May	1.2	-4.2	.1	4.2	1.9	1.9	-.1	19.1
June	1.8	3.1	0	4.5	-.8	10.5	.2	29.1
July	-.9	1.5	-.1	4.4	-2.5	-4.8	1.9	24.2
August .....	.2	2.4	.1	4.4	3.7	-6.1	2.0	20.8
September	2.7	-2.0	.2	3.7	7.0	-1.1	2.7	21.5
October	2.7	-.2	.3	3.4	8.5	-2.8	3.0	22.6
November	2.6	-1.3	.1	3.4	-.6	-1.3	4.3	18.0
December	-.3	1.4	.2	3.9	.3	7.0	3.0	19.5
2004								
January	-1.2	2.7	.6	3.8	-7.0	10.5	2.7	13.7
February2	.6	.9	2.7	3.6	0	5.5	10.7
March	2.9	.5	.6	1.2	7.1	-6.1	2.7	-1.6
April	5.0	1.8	1.1	5.1	3.7	6.3	-3.9	20.4

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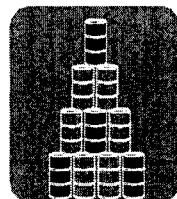
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with a 1.1-percent decline in the preceding month. Prices for x-ray and electromedical equipment; industrial molds and mold boxes; and plastic working machinery also rebounded, after price decreases in March. The index for ships advanced, after showing no change in March, while construction machinery and equipment prices increased at a faster rate than they did in the prior month.

The index for finished consumer foods rose 1.4 percent in April, following a 1.5-percent gain in the previous month. Over half of the April increase for finished consumer foods prices was due to a 10.4-percent jump in the index for dairy products. Other commodities with notable price increases in April included: beef and veal, soft drinks, pork, processed young chickens, roasted coffee, and shortening and cooking oils. These higher prices were partially offset by declining prices for eggs for fresh use, finfish and shellfish, fresh and dry vegetables, and fresh fruits and melons in April.

The index for finished consumer goods other than foods and energy advanced 0.3 percent in April, the same rate as in the prior month. In April, rising prices for alcoholic beverages, pharmaceutical preparations, cigarettes, soaps and synthetic detergents, pet food, and women's, girls', and infants' apparel outweighed falling prices for light motor trucks, home electronic equipment, book publishing, passenger cars, and sporting and athletic goods.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components advanced 1.4 percent in April, after posting a 0.7-percent gain in March. The indexes for intermediate energy goods, materials for nondurable manufacturing, intermediate

foods and feeds, materials and components for construction, and materials for durable manufacturing went up at a quicker rate in April than they did in March. Excluding prices for foods and energy, the intermediate goods index rose 1.1 percent, following a 0.6-percent increase in the prior month. (See table B.)

Prices for intermediate energy goods jumped 1.8 percent in April, following a 0.5-percent advance in March. Commercial natural gas prices climbed 3.9 percent, compared with a 2.1-percent decline in the preceding month. The indexes for industrial natural gas, industrial electric power, and commercial electric power also turned up in April, after falling a month earlier. Prices for gasoline and natural gas to electric utilities moved up at a faster pace than they did in March. By contrast, the index for jet fuels decreased 2.4 percent in April, following a 2.0-percent rise in the previous month. Prices for home heating oil and asphalt also turned down. The index for residual fuel fell more in April than it did in March.

The index for materials for nondurable manufacturing increased 1.1 percent in April, compared with a 0.4-percent gain in March. Prices for industrial chemicals rose 1.9 percent, following a 0.3-percent decrease in the preceding month. Likewise, the indexes for nitrogenates, gray fabrics, and finished fabrics increased, after falling in March. Prices for paperboard and paper rose more in April than they did in the prior month. Conversely, the index for inedible fats and oils rose 2.5 percent in April, following a 12.1-percent jump in March. Price increases also slowed for plastic resins and materials. The indexes for phosphates and for medicinal and botanical chemicals declined, after advancing in the prior month.

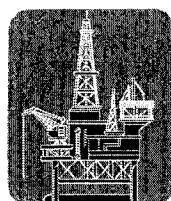
Prices for intermediate foods and feeds increased 5.0 percent in April, on the heels of a 2.9-percent advance in

March. The index for dairy products surged 10.4 percent, following a 3.7-percent rise a month earlier. Price increases for prepared animal feeds, beef and veal, pork, and shortening and cooking oils also picked up the pace in April. The indexes for confectionery materials and liquid beverage bases used for soft drinks rose in April, after showing no change in March. On the other hand, prices for refined sugar and sugar by-products edged down 0.1 percent, compared with a 1.2-percent advance in the preceding month. Flour prices declined more in April than they did in the prior month, while the index for processed young chickens went up less than it did in March.

Subsequent to a 1.4-percent increase in March, prices for materials and components for construction climbed 1.7 percent. In April, the index for millwork rose 2.2 percent, following a 0.5-percent gain in the previous month. Price increases for fabricated structural metal products, wiring devices, fabricated ferrous wire products, and steel mill products also gathered speed in April. The index for plastic construction products rose, after showing no change in March. Prices for concrete products turned up in April. By contrast, a 1.8-percent increase in prices for plywood in April followed an 8.6-percent increase a month earlier. The indexes for nonferrous wire and cable, softwood lumber, and gypsum products also advanced less than they did in the preceding month.

The index for materials for durable manufacturing moved up 2.4 percent in April, following a 2.0-percent increase in March. Prices for aluminum mill shapes advanced 1.2 percent, compared with a 0.9-percent decrease in the prior month. Prices for adhesives and sealants also turned up, after falling in March. The indexes for hot rolled steel bars, plates, and structural shapes; cold rolled steel sheet and strip; cold finished steel bars; and primary aluminum (except extrusion billet) rose more in April than they did a month earlier. On the other hand, the index for primary nonferrous metals other than copper, aluminum, and zinc dropped 9.7 percent, following a 0.6-percent decline in the preceding month. Prices for building paper and board and plywood rose less in April than they did in March.

Crude goods



The Producer Price Index for Crude Materials for Further Processing gained 3.0 percent in April, after increasing 0.7 percent in March. Prices for crude energy materials turned up in April, following a decline in the prior month. By contrast, the crude foodstuffs and feedstuffs index rose less than it did in the prior month. The basic industrial materials index turned down in April. (See table B.)

The crude energy goods index increased 6.3 percent in April, following a decrease of 6.1 percent in March. Natural gas prices led this upturn by climbing 7.9 percent, after a 14.1-percent drop in March. The coal index rose 1.4 percent,

compared with a 0.2-percent decline in the previous month. On the other hand, crude petroleum prices rose 5.2 percent in April, after a March gain of 8.1 percent.

The index for crude foodstuffs and feedstuffs rose 3.7 percent in April, following an advance of 7.1 percent in the previous month. Slaughter cattle prices led the deceleration by gaining 0.2 percent, after increasing 13.0 percent in March. Prices for soybeans and corn also rose less quickly, while the indexes for fresh and dry vegetables and unprocessed finfish turned down. Alternatively, fluid milk prices soared 23.2 percent in April, after posting an advance of 12.2 percent in the prior month. The indexes for slaughter broilers and fryers and wheat turned up in April, compared with decreases in March. Prices for slaughter hogs fell less in April than in March, while prices for slaughter turkeys and alfalfa hay rose more quickly.

Prices for crude nonfood materials less energy fell 3.9 percent, following a 2.7-percent advance in the previous month. More than half of this downturn was due to the index for iron and steel scrap, which fell 10.1 percent in April after climbing 6.7 percent in March. Leaf tobacco prices and raw cotton prices fell more quickly in April than they did in the preceding month, while the indexes for copper base scrap and wastepaper rose less quickly. On the other hand, the index for nonferrous metal ores gained 8.3 percent in April, following a March increase of 7.1 percent. Prices for aluminum base scrap also rose more quickly in April than in March. The index for pulpwood posted no change, after falling in the prior month.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries increased 3.4 percent in April, following a 4.0-percent decrease in March. (Net output price indexes are not seasonally adjusted.) The index for the natural gas liquid extraction industry advanced 2.4 percent, after dropping 13.2 percent a month earlier. Prices received by the industries for crude petroleum and natural gas extraction, bituminous coal underground mining, and gold ore mining also turned up in April, following decreases in the prior month. By contrast, the industry index for oil and gas operations support activities fell 2.4 percent, following no change in the previous month. Prices received by the industries for coal mining support activities and for potash, soda, and borate mineral mining turned down, after rising in March. In April, the Producer Price Index for the Net Output of Total Mining Industries was 138.5 (December 1984 = 100), 11.2 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries advanced 1.1 percent in April, following a 0.6-percent gain in March. Prices received by the food manufacturing industry group jumped 2.6

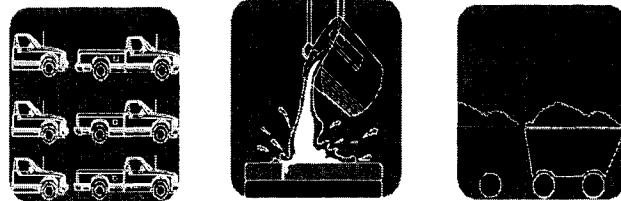
percent, after rising 1.6 percent in the prior month. The industry group indexes for petroleum and coal products and electric equipment, appliance, and components also rose more in April than they did a month earlier. Prices received by manufacturers of beverage and tobacco products, plastics and rubber products, and computer and electronic products turned up, following declines in March. On the other hand, the index for furniture and related products manufacturing rose 0.4 percent in April, after increasing 0.5 percent a month earlier. Prices received by the industry groups for leather and allied products and for transportation equipment turned down, following March increases. The indexes for manufacturers of chemicals, machinery, and wood products rose at a slower pace in April than they did in the prior month. In April, the Producer

Price Index for the Net Output of Total Manufacturing Industries was 141.8 (December 1984 = 100), 4.0 percent above its year-ago level.

Services. Among service industries in April, prices received by the industries for general medical and surgical hospitals, lessors of nonresidential buildings (except miniwarehouse), portfolio management, employee leasing services, direct life insurance carriers, and offices of physicians (except mental health) increased. Alternatively, the industry indexes for hotels and motels (except casino hotels), securities brokerage, scheduled freight air transportation, couriers, investment banking and securities dealing, and passenger car rental fell in April.

Price Movements

May 2004



The Producer Price Index for Finished Goods advanced 0.8 percent in May, seasonally adjusted. This increase followed a 0.7-percent rise in April and a 0.5-percent gain in March. At the earlier stages of processing, prices received by manufacturers of intermediate goods climbed 1.1 percent in May, after posting a 1.4-percent rise in the previous month. The crude goods index went up 2.8 percent, following a 3.0-percent jump in April. (See table A.)

Among finished goods in May, the index for finished consumer foods moved up 1.5 percent, compared with a 1.4-percent gain in the prior month. Prices for finished energy goods rose at a 1.6-percent rate for the second consecutive month. The index for finished goods other than foods and energy moved up at a slightly quicker pace in May than it did in April—rising 0.3 and 0.2 percent, respectively.

Before seasonal adjustment, the finished goods index increased 1.2 percent to 149.1 (1982=100). From May 2003 to May 2004, prices for finished goods rose 5.0 percent. This is the largest 12-month increase in the finished goods index since a 5.7-percent advance for the 12 months ended December 1990. For the 12 months ended May 2004, the indexes for finished energy goods, finished consumer foods, and finished goods other than foods and energy advanced 15.0, 7.4, and 1.7 percent, respectively. At the earlier stages of processing, prices for intermediate goods increased 7.1 percent for the 12

months ended May 2004, and the crude goods index surged 21.9 percent during the same period.

Finished goods



The May index for finished consumer foods climbed 1.5 percent, after registering a 1.4-percent gain in April. Prices for dairy products, beef and veal, fresh fruits and melons, pork, processed young chickens, processed turkeys, and bakery products rose in May. By contrast, the indexes for soft drinks, fresh and dry vegetables, finfish and shellfish, and eggs for fresh use declined in May.

A 5.7-percent jump in gasoline prices led the 1.6-percent advance in the index for finished energy goods in May. Rising prices for liquefied petroleum gas, asphalt, residential natural gas, and finished lubricants also were registered in May. These increases were partially offset by falling prices for home heating oil and diesel fuel.

The index for finished consumer goods other than foods and energy moved up 0.4 percent, compared with a 0.3-percent gain in April. In May, rising prices for passenger cars, light motor trucks, pet food, sanitary papers and health products, pharmaceutical preparations, and household furniture more than offset declining prices for cigarettes, platinum

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2003							
May	-0.4	0.1	-3.1	0.1	2.5	-0.7	1.5
June .....	.6	.4	2.9	0	2.9	.6	4.3
July .....	.1	-.3	.5	.1	3.0	.2	-2.8
August .....	.5	.8	1.4	.1	3.5	.6	-1.0
September .....	.2	1.2	-.1	0	3.5	-.1	2.7
October .....	.6	2.0	-.4	.5	3.4	.3	2.8
November	-.1	-.3	-.7	0	3.4	0	0
December .....	.2	.2	1.4	-.1	4.0	.4	3.4
2004							
January .....	.6	-1.3	4.7	.3	3.3	.9	4.1
February .....	.1	.1	.3	0	2.1	.8	.3
March .....	.5	1.5	.6	.2	1.4	.7	.7
April .....	.7	1.4	1.6	.2	3.7	1.4	3.0
May .....	.8	1.5	1.6	.3	5.0	1.1	2.8

¹ Some percent changes shown here and elsewhere in "Price Movements May 2004" may differ from those previously reported, because indexes for

January 2004 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2003								
May	1.2	-4.2	0.1	4.2	1.9	1.9	-0.1	19.1
June	1.8	3.1	0	4.5	-.8	10.5	.2	29.1
July	-.9	1.5	-.1	4.4	-2.5	-4.8	1.9	24.2
August .....	.2	2.4	.1	4.4	3.7	-6.1	2.0	20.8
September	2.7	-2.0	.2	3.7	7.0	-1.1	2.7	21.5
October	2.7	-.2	.3	3.4	8.5	-2.8	3.0	22.6
November	2.6	-1.3	.1	3.4	-.6	-1.3	4.3	18.0
December	-.3	1.4	.2	3.9	.3	7.0	3.0	19.5
2004								
January	-1.3	2.9	.6	3.9	-6.8	15.3	3.7	16.1
February .....	.4	.3	.9	2.7	3.4	-4.2	4.5	10.7
March	2.9	.5	.6	1.2	7.1	-6.1	2.7	-1.6
April	5.0	1.8	1.1	5.1	3.7	6.3	-3.9	20.4
May	3.0	1.8	.9	7.1	3.2	5.8	-3.8	21.9

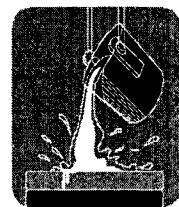
¹ Some percent changes shown here and elsewhere in "Price Movements May 2004" may differ from those previously reported, because indexes for

January 2004 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

and karat gold jewelry, and lawn and garden equipment (except tractors).

The capital equipment index increased 0.3 percent in May, after showing no change in April. Prices for light motor trucks went up 1.1 percent, compared with a 1.0-percent decrease in the previous month. The indexes for passenger cars, communication and related equipment, commercial furniture, and pumps and compressors also turned up in May. Prices for welding machines and related equipment advanced at a quicker rate in May than they did in April. Conversely, the index for heavy motor trucks fell 2.0 percent in May, following a 0.3-percent decline in April. Prices for construction machinery and equipment turned down, while the index for truck trailers increased at a slower pace than it did in April.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components rose 1.1 percent in May, after advancing 1.4 percent in the previous month. Prices for intermediate foods and feeds, components for manufacturing, durable and nondurable manufacturing materials, and materials and

components for construction increased less in May than they did in April. The index for intermediate energy goods advanced 1.8 percent for the second consecutive month. Prices for intermediate goods other than foods and energy moved up 0.9 percent, after posting a 1.1-percent gain in April. (See table B.)

The rate of increase for the intermediate foods and feeds index slowed from 5.0 percent in April to 3.0 percent in May. The index for prepared animal feeds rose 2.3 percent, following a 6.8-percent hike in the previous month. Prices also

advanced more slowly in May than in April for natural, processed, and imitation cheese; shortening and cooking oils; beef and veal; and confectionery materials. The index for liquid beverage bases (used for soft drinks) turned down, after rising in the prior month. Alternatively, prices for fluid milk products jumped 15.6 percent in May, following a 4.5-percent gain in April. The indexes for processed young chickens and pork also rose more in May than they did a month earlier.

Prices for components for manufacturing increased 0.3 percent, after rising 0.6 percent in April. The index for complex electronic component assemblies turned down 4.4 percent in May, compared with a 7.9-percent increase in the prior month. Prices for gray and ductile iron castings also turned down in May, after rising in April. Price increases slowed from April to May for the indexes for sheet metal products, aircraft engines and engine parts, truck and bus bodies (sold separately), and industrial controls. On the other hand, the motor vehicle parts index turned up 0.9 percent in May, following a slight decline in the previous month. Prices for digital MOS integrated circuits and transistors also rose, after falling in April. The index for computer storage devices showed no change in May, compared with a decline in the prior month.

The index for materials for durable manufacturing rose 2.0 percent in May, after advancing 2.4 percent in the prior month. Prices for hot rolled steel bars, plates, and structural shapes increased 2.5 percent, following a 9.6-percent surge in April. The indexes for cold rolled steel sheet and strip, copper cathode and refined copper, primary aluminum (except extrusion billet), and copper and brass mill shapes turned down in May, after rising a month earlier. By contrast, prices for aluminum mill shapes rose 3.7 percent, following a 1.2-percent gain in the previous month. The indexes for semifinished steel mill

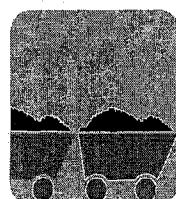
products and cold finished steel bars also advanced at a faster pace in May than they did in April. Hardwood lumber prices turned up, after falling a month ago.

Subsequent to a 1.7-percent gain in April, the index for materials and components for construction moved up 1.5 percent in May. Prices for fabricated structural metal products increased 2.5 percent in May, following a 3.1-percent rise in the prior month. Prices also increased more slowly for millwork, wiring devices, steel mill products, and fabricated ferrous wire products. The index for nonferrous wire and cable turned down, after advancing in April. Conversely, prices for mineral wool for structural insulation turned up 3.4 percent in May, following a 0.8-percent decline in the prior month. The indexes for asphalt felts and coatings and hardwood lumber also turned up, after decreasing a month earlier. Heating equipment prices advanced, following no change in April. The index for air conditioning and refrigeration equipment rose more in May than it did in the previous month.

Prices for materials for nondurable manufacturing increased at nearly the same rate in May as they did in April—rising 1.0 and 1.1 percent, respectively. In May, rising prices for plastic resins and materials, paperboard, primary basic organic chemicals, paper, and woodpulp outweighed falling prices for fertilizer materials, alkalies and chlorine, and paint materials.

The intermediate energy goods index rose 1.8 percent in May, which is the same rate of increase as in April. In May, the impact of rising prices for jet fuels, gasoline, industrial natural gas, commercial natural gas, and liquefied petroleum gas surpassed the effect of declining prices for industrial electric power, diesel fuel, residual fuel, home heating oil, and kerosene.

Crude goods



The Producer Price Index for Crude Materials for Further Processing gained 2.8 percent in May, after rising 3.0 percent in April. Prices for crude foodstuffs and feedstuffs increased less in May than they did in April, as did prices for crude energy materials. By contrast, the basic industrial materials index fell less in May than in the preceding month. (See table B.)

The crude foodstuffs and feedstuffs index advanced 3.2 percent, following a 3.7 percent rise in April. Fluid milk prices gained 12.1 percent in May, after soaring 23.2 percent in the prior month. The indexes for corn and slaughter broilers and fryers turned down, while the wheat index rose more slowly in May than it did in April. On the other hand, prices for slaughter hogs climbed 12.5 percent in May, after slipping 0.6 percent in April. The index for fresh fruits and melons also turned up. Prices for slaughter cattle and soybeans advanced at quicker pace than they did in April.

Subsequent to an April increase of 6.3 percent, the index for crude energy materials rose 5.8 percent in May. Natural gas prices moved up 6.4 percent in May, following a 7.9-percent rate of increase in the preceding month. Increases in

the coal index also slowed from April to May. Alternatively, crude petroleum prices rose at a quicker rate—posting a May gain of 6.7 percent after climbing 5.2 percent in April.

Prices for basic industrial materials fell 3.8 percent, following a 3.9-percent decline in the previous month. The decrease in May was led by a 15.7-percent drop in prices for iron and steel scrap. The indexes for aluminum base scrap, gold ores, copper base scrap, pulpwood, and copper ores also declined in May. On the other hand, price increases were registered for raw cotton; construction sand, gravel, and crushed stone; iron ore; wastepaper; and hides and skins.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries increased 4.7 percent in May, following a 3.4-percent gain in the prior month. (Net output price indexes are not seasonally adjusted.) Prices received by the natural gas liquid extraction industry rose 6.1 percent, after moving up 2.4 percent in the previous month. The industry indexes for crude petroleum and natural gas extraction and for bituminous coal and lignite surface mining also advanced at a faster pace than they did in April. Prices received by the oil and gas operations support activities industry turned up, following a decline in the previous month. The industry index for iron ore mining went up, after showing no change in the preceding month. By contrast, prices received by the gold ore mining industry dropped 8.5 percent in May, compared with a 3.4-percent rise a month earlier. The industry indexes for bituminous coal underground mining and copper and nickel ore mining also turned down, following gains in April. Prices received by the oil and gas well drilling industry advanced less than they did in the preceding month. In May, the Producer Price Index for the Net Output of Total Mining Industries was 145.0 (December 1984=100), 14.8 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries advanced 1.1 percent in May—the same rate of increase as in April. In May, rising prices received by manufacturers of food, petroleum and coal products, furniture and related products, primary metal, electrical equipment and appliances, plastic and rubber products, and chemicals outweighed falling prices received by manufacturers of beverages and tobacco, computers and electronic products, printing and related support activities, and surgical appliances and supplies. In May, the Producer Price Index for the Net Output of Total Manufacturing Industries was 143.4 (December 1984=100), 5.6 percent above its year-ago level.

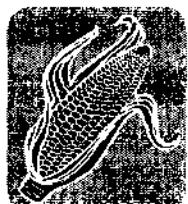
Services. Among services industries in May, rising prices were received by the industries for general medical and surgical hospitals, securities brokerage, direct property and

casualty insurance, casino hotels, television broadcasting, and used household and office goods moving. On the other hand, industry indexes for employee leasing services,

passenger car rental, cellular and other wireless carriers, architectural services, wired telecommunication carriers, and periodical publishers fell.

Price Movements

June 2004



The Producer Price Index for Finished Goods decreased 0.3 percent in June, seasonally adjusted. This decline followed a 0.8-percent rise in May and a 0.7-percent increase in April. Prices for finished goods other than foods and energy went up 0.2 percent in June, as opposed to a 0.3-percent increase in the prior month. At the earlier stages of processing, prices received by manufacturers of intermediate goods rose 0.5 percent, compared with a 1.1-percent jump in the preceding month. The index for crude materials advanced 1.6 percent in June, after posting a 2.8-percent rate of increase a month earlier. (See table A.)

Among finished goods, the index for finished energy goods turned down 1.6 percent in June, following a 1.6-percent increase in May. Prices for finished consumer foods fell 0.6 percent, after gaining 1.5 percent in the prior month. The rate of increase in the index for finished consumer goods other than foods and energy slowed to 0.1 percent in June from 0.4 percent in May, and the index for capital equipment moved up at nearly the same pace in June as it did in the previous month.

During the first 6 months of 2004, the finished goods index moved up at a seasonally adjusted annual rate of 5.0 percent, compared with a 3.0-percent seasonally adjusted annual rate of advance during the latter half of 2003. Within the finished goods category, following a 4.2-percent seasonally adjusted

annual rate of increase during the second half of 2003, the index for finished energy goods rose at a seasonally adjusted annual rate of 14.9 percent in the first half of 2004. Prices for finished goods other than foods and energy moved up at a 2.5-percent seasonally adjusted annual rate during the first half of 2004, after rising at a 1.2-percent seasonally adjusted annual rate in the latter half of 2003. On the other hand, prices for finished consumer foods went up at a 5.3-percent seasonally adjusted annual rate from December 2003 to June 2004, after increasing at a 7.4-percent seasonally adjusted annual rate from June to December 2003. Among crude and partially processed goods, the index for intermediate materials, supplies, and components climbed at a seasonally adjusted annual rate of 11.4 percent from December 2003 to June 2004, compared with a 2.7-percent seasonally adjusted annual rate of increase in the previous 6-month period. After rising at a 10.4-percent seasonally adjusted annual rate in the second half of 2003, prices for crude materials rose at a 27.9-percent seasonally adjusted annual rate during the first half of 2004. (See summary on page 2.)

Before seasonal adjustment, the Producer Price Index for Finished Goods declined 0.3 percent in June to 148.7 (1982 = 100). From June 2003 to June 2004, the finished goods index moved up 4.0 percent. During the same period, prices for

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2003							
June	0.6	0.4	2.9	0.0	2.9	0.6	4.3
July .....	.1	-.3	.5	.1	3.0	.2	-2.8
August .....	.5	.8	1.4	.1	3.5	.6	-1.0
September .....	.2	1.2	-.1	0	3.5	-.1	2.7
October .....	.6	2.0	-.4	.5	3.4	.3	2.8
November	-.1	-.3	-.7	0	3.4	0	0
December .....	.2	.2	1.4	-.1	4.0	.4	3.4
2004							
January .....	.6	-.1.3	4.7	.3	3.3	.9	4.1
February .....	.1	.4	.3	-.1	2.1	1.0	1.5
March .....	.5	1.2	.6	.3	1.4	.6	-.5
April .....	.7	1.4	1.6	.2	3.7	1.4	3.0
May .....	.8	1.5	1.6	.3	5.0	1.1	2.8
June	-.3	-.6	-.1.6	.2	4.0	.5	1.6

¹ Some percent changes shown here and elsewhere in "Price Movements June 2004" may differ from those previously reported, because indexes for

February 2004 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Summary of December-to-December, 6-month, and 3-month seasonally adjusted annual rates for selected stages of processing

Grouping	Percentage change, 12 months ended in December			Seasonally adjusted annual rate for:			
	2001	2002	2003	6 months ended in June 2004	3 months ended in December 2003	3 months ended in March 2004	3 months ended in June 2004
Finished goods	-1.6	1.2	4.0	5.0	2.8	5.1	5.0
Finished consumer foods	1.8	-.6	7.7	5.3	8.1	1.1	9.6
Finished energy goods	-17.1	12.3	11.4	14.9	1.2	24.0	6.4
Finished goods less foods and energy .....	.9	-.5	1.0	2.5	1.3	2.1	2.9
Finished consumer goods, excluding foods and energy	1.5	-.5	1.1	2.4	2.0	1.5	3.3
Capital equipment	0	-.6	.8	2.4	.9	2.9	2.0
Intermediate materials, supplies, and components	-4.0	3.2	3.9	11.4	2.7	10.1	12.7
Intermediate foods and feeds .....	.3	4.2	12.9	16.2	21.9	7.7	25.5
Intermediate energy goods	-16.9	12.0	10.9	17.5	-.7	16.3	18.7
Intermediate materials less foods and energy	-1.6	1.5	2.1	9.8	2.6	8.9	10.8
Materials for nondurable manufacturing	-5.5	4.2	4.9	11.2	4.8	10.5	11.8
Materials for durable manufacturing	-4.0	3.1	4.0	26.5	9.3	28.9	24.2
Materials and components for construction	0	.8	3.0	14.7	2.9	12.6	16.9
Crude materials for further processing	-32.5	24.7	19.5	27.9	27.9	22.1	34.1
Foodstuffs and feedstuffs	-7.6	4.5	24.1	13.1	36.8	13.5	12.7
Crude energy materials	-52.9	61.5	14.4	57.6	10.8	15.8	114.4
Crude nonfood materials less energy	-9.9	12.6	21.6	4.7	50.0	53.3	-28.5

NOTE: Late reports and corrections by respondents may cause some indexes to change 4 months after original publication. In addition, seasonally

adjusted indexes may be revised for 5 years, due to the recalculation of seasonal factors each January.

finished energy goods increased 9.4 percent, the index for finished consumer foods rose 6.4 percent, and prices for finished goods other than foods and energy gained 1.8 percent. The index for intermediate goods rose 6.9 percent, while prices received by crude goods producers jumped 18.9 percent during the 12 months ended June 2004.

Finished goods



A 1.6-percent decrease in the index for finished energy goods followed six consecutive monthly increases. Gasoline prices moved in similar fashion, falling 5.2 percent in June after 6 months of rising prices, and led the reversal in the finished energy goods index. Residential electric power prices declined in June, after showing no change in the prior month, and the liquefied petroleum gas index remained unchanged, after rising in May. By contrast, residential natural gas prices moved up 3.1 percent in June, compared with a 0.1-percent increase in the previous month. The home heating oil index advanced, following a decrease in May.

Subsequent to a 1.5-percent increase in May, finished consumer food prices turned down 0.6 percent in June. The dairy products index fell 3.3 percent in June, following a 6.0-percent gain in May. Dairy product prices were 17.7 percent higher in June than they were in December 2003. The indexes for fresh fruits and melons and processed young chickens also turned down, after rising in the prior month. Prices for fresh and dry vegetables and eggs for fresh use decreased more in June than they did in May, and the indexes

for beef and veal and pork rose less than they did in May. By contrast, soft drink prices rebounded 2.5 percent, following a 1.3-percent decrease in the previous month. The index for processed fruits and vegetables moved up at a faster pace in June than it did in May.

Prices for finished consumer goods other than foods and energy inched up 0.1 percent in June, following a 0.4-percent advance in May. The rate of increase in the pet food index slowed from 3.4 percent in May to 0.6 percent in June. The index for sanitary papers and health products also rose less in June than it did in the prior month. Prices for alcoholic beverages and cut and sew apparel fell in June, after increasing in the prior month. By contrast, prices for cigarettes turned up 0.3 percent, compared with a 0.7-percent decline in May. The index for tires rose, after showing no change in the previous month. During the first 6 months of 2004, prices for finished consumer goods other than foods and energy advanced at a seasonally adjusted annual rate of 2.4 percent, after increasing at a 1.4-percent seasonally adjusted annual rate during the second half of 2003.

The capital equipment index moved up 0.2 percent in June, following a 0.3-percent advance in May. In June, rising prices for civilian aircraft, motor vehicles, commercial furniture, and integrating and measuring instruments outweighed falling prices for communication and related equipment, x-ray and electromedical equipment, transformers and power regulators, and electronic computers. From December 2003 to June 2004, the capital equipment index rose at a 2.4-percent seasonally adjusted annual rate, after a 1.0-percent seasonally adjusted annual rate of increase from June to December 2003.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2003								
June	1.8	3.1	0.0	4.5	-0.8	10.5	0.2	29.1
July	-0.9	1.5	-0.1	4.4	-2.5	-4.8	1.9	24.2
August	0.2	2.4	0.1	4.4	3.7	-6.1	2.0	20.8
September	2.7	-2.0	0.2	3.7	7.0	-1.1	2.7	21.5
October	2.7	-0.2	0.3	3.4	8.5	-2.8	3.0	22.6
November	2.6	-1.3	0.1	3.4	-0.6	-1.3	4.3	18.0
December	-0.3	1.4	0.2	3.9	0.3	7.0	3.0	19.5
2004								
January	-1.3	2.9	0.6	3.9	-6.8	15.3	3.7	16.1
February	1.3	0.7	0.9	2.8	4.3	-2.8	6.1	12.0
March	1.9	0.2	0.6	1.2	6.1	-7.4	1.2	-1.6
April	5.0	1.8	1.1	5.1	3.7	6.3	-3.9	20.4
May	3.0	1.8	0.9	7.1	3.2	5.8	-3.8	21.9
June	-2.2	0.7	0.5	6.9	-3.6	7.7	-0.5	18.9

¹ Some percent changes shown here and elsewhere in "Price Movements June 2004" may differ from those previously reported, because indexes for

February 2004 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components advanced 0.5 percent in June, after posting a 1.1-percent gain in May. Rising prices for intermediate energy goods, materials for both durable and nondurable manufacturing, and materials and components for construction outweighed price declines for intermediate foods and feeds. The index for intermediate goods other than foods and energy increased 0.5 percent in June, compared with a 0.9-percent rise in May. (See table B.)

Prices for intermediate energy goods moved up 0.7 percent in June, after advancing 1.8 percent in both May and April. The indexes for industrial natural gas, natural gas to electric utilities, commercial natural gas, residual fuels, and home heating oil posted gains in June. These increases were partially offset by falling prices for jet fuels, gasoline, commercial electric power, and diesel fuel. The index for intermediate energy goods advanced at a 17.5-percent seasonally adjusted annual rate during the first half of 2004, after rising at a 3.5-percent seasonally adjusted annual rate during the second half of 2003.

Price increases slowed from May to June for materials for durable manufacturing, from 2.0 percent to 1.1 percent. In June, the index for aluminum mill shapes rose 1.3 percent, compared with a 3.7-percent advance in the previous month. Prices turned down for hot rolled steel bars, plates, and structural shapes; plywood; and building paper and board. The indexes for semifinished steel mill products and hot rolled steel sheet and strip rose less rapidly in June than they did a month earlier. Alternatively, prices received by manufacturers

of cold rolled steel sheet and strip advanced 4.2 percent, following a 0.2-percent dip in May. The indexes for primary nonferrous metals, copper and brass mill shapes, and flat glass declined at a slower rate in June than they did in the prior month. From December 2003 to June 2004, prices for materials for durable manufacturing advanced at a 26.5-percent seasonally adjusted annual rate, after registering a 7.6-percent seasonally adjusted annual rate of increase during the June to December 2003 period.

The index for materials for nondurable manufacturing rose 0.7 percent in June, after moving up 1.0 percent in May. Price increases for primary basic organic chemicals, paperboard, plastic resins and materials, nitrogenates, and gray fabrics more than offset falling prices for inedible fats and oils, phosphates, intermediate basic organic chemicals, leather, synthetic fibers, and paint materials. The index for materials for nondurable manufacturing advanced at an 11.2-percent seasonally adjusted annual rate from December 2003 to June 2004, after posting a 1.2-percent seasonally adjusted annual rate of increase from June to December 2003.

Subsequent to a 1.5-percent gain in May, the materials and components for construction index rose 0.7 percent in June. Price increases slowed from May to June for fabricated structural metal products, from 2.5 percent to 1.4 percent. The indexes for softwood lumber and plywood turned down, after moving up in the previous month. June prices for wiring devices and plastic construction products showed no change, following increases a month earlier. On the other hand, the index for nonferrous wire and cable turned up 0.3 percent, after falling 1.7 percent in May. Prices received by producers of concrete products, steel mill products, and gypsum products rose more quickly than they did in the prior month. The index for prefabricated wood buildings and components

increased in June, following no change in May. Prices for materials and components for construction moved up at a 14.7-percent seasonally adjusted annual rate during the first half of 2004, after advancing at a 4.4-percent seasonally adjusted annual rate during the latter half of 2003.

Following a 3.0-percent increase in May, the index for intermediate foods and feeds declined 2.2 percent in June. Prices for prepared animal feeds fell 5.7 percent, after rising 2.3 percent in May. The indexes for dairy products and processed young chickens also turned down in June. Prices for beef and veal and pork moved up at slower rates in June than they did in May. By contrast, the flour index turned up 5.5 percent in June, following a 2.2-percent drop in the previous month. The refined sugar and byproducts index also increased, after falling in the prior month. Subsequent to declines in May, prices remained unchanged for liquid beverage bases (used for soft drinks), malt and malt byproducts, and dry mix preparations. The intermediate foods and feeds index rose at a 16.2-percent seasonally adjusted annual rate during the December 2003 to June 2004 period, following a 15.1-percent seasonally adjusted annual rate of increase during the prior 6-month period.

Crude goods



The Producer Price Index for Crude Materials for Further Processing advanced 1.6 percent in June, following a 2.8-percent rise in May. This slower rate of increase can be traced to prices for crude foodstuffs and feedstuffs, which moved down in June after climbing a month earlier. On the other hand, the index for crude energy materials advanced at a faster rate than it did in the previous month, while prices for crude materials except foods and energy fell less in June than in May. (See table B.)

The index for crude foodstuffs and feedstuffs declined 3.6 percent in June, compared with a 3.2-percent gain in May. Fluid milk prices decreased 10.1 percent, after jumping 12.1 percent in the preceding month. The indexes for soybeans, slaughter hogs, fresh fruits and melons, and wheat also fell in June, following increases in May. Prices for fresh and dry vegetables and corn declined at a quicker pace, while the indexes for alfalfa hay and slaughter cattle advanced less in June than they did a month earlier. By contrast, prices for slaughter broilers and fryers rose 4.1 percent, after moving down at a 0.5-percent rate in May. The index for crude foodstuffs and feedstuffs increased at a seasonally adjusted annual rate of 13.1 percent from December 2003 to June 2004, compared with a 36.9-percent seasonally adjusted annual rate of advance during the previous 6-month period.

The index for crude energy materials climbed 7.7 percent in June, following a 5.8-percent gain in May. This acceleration is attributable to natural gas prices, which jumped 17.0 percent in June after rising 6.4 percent a month earlier. By contrast, the crude petroleum index turned down 5.5 percent, compared with a 6.7-percent increase in May. Coal prices inched up 0.1

percent in June, following a 0.4-percent rise in the prior month. The index for crude energy materials moved up at a seasonally adjusted annual rate of 57.6 percent from December 2003 to June 2004, after falling at a 17.6-percent seasonally adjusted annual rate during the latter half of 2003.

Prices for crude nonfood materials less energy declined at a slower rate in June than they did in May—0.5 versus 3.8 percent. The index for iron and steel scrap turned up 0.6 percent in June, compared with a 15.7-percent drop in the prior month. Prices for gold ores; softwood logs, bolts, and timber; and hardwood logs, bolts, and timber also turned up in June, after declining in May. The indexes for aluminum base scrap and pulpwood fell less than they did in the previous month. Prices for metal ores (other than copper and gold ores) rose more in June than they did a month earlier. On the other hand, the raw cotton index decreased 13.6 percent, following a 15.0-percent gain in May. Prices for construction sand, gravel, and crushed stone rose less, while the indexes for phosphates and copper base scrap declined more in June than they did in May. The index for iron ores showed no change, after rising in May. During the first half of 2004, the index for crude nonfood materials less energy went up at a 4.7-percent seasonally adjusted annual rate. This index rose at a 39.3-percent seasonally adjusted annual rate during the second half of 2003.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries rose 6.1 percent in June, following a 4.7-percent gain in the previous month. (Net output price indexes are not seasonally adjusted.) Prices received by the natural gas liquid extraction industry jumped 16.6 percent in June, after advancing 6.1 percent in the prior month. The industry indexes for oil and gas well drilling; oil and gas operations support activities; and potash, soda, and borate mineral mining also increased at a faster pace in June than they did a month earlier. Prices received by the gold ore mining industry turned up, following a decline in May. By contrast, the rate of increase in the industry index for crude petroleum and natural gas extraction slowed from 7.1 percent in May to 4.2 percent in June. Prices received by the industries for bituminous coal and lignite surface mining and support activities for coal mining turned down, following gains in the preceding month. The industry index for iron ore mining showed no change, after rising in May. During the first half of 2004, the Producer Price Index for the Net Output of Total Mining Industries advanced at an annual rate of 42.1 percent, compared with an 11.5-percent annual rate of decline in the second half of 2003. In June 2004, this index was 153.8 (December 1984 = 100), 12.2 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries fell 0.3 percent in June,

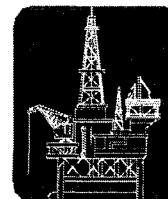
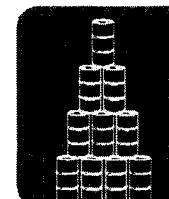
compared with a 1.1-percent increase in the prior month. Prices received by the petroleum and coal products manufacturing industry group dropped 5.5 percent, after posting a 7.6-percent gain in May. The industry group index for food manufacturing also turned down in June. Prices received by the industry groups for electrical equipment, appliances, and components and for primary metal manufacturing rose less than they did in the previous month, while the industry group index for computers and electronic products fell more in June than it did in May. On the other hand, prices received by manufacturers of chemicals went up 0.9 percent in June, following a 0.5-percent increase a month earlier. The industry group indexes for furniture and related products manufacturing and textile mills also advanced at a quicker pace than they did in the preceding month. Prices received by the industry groups for beverage and tobacco manufacturing and printing and related support activities inched up, following declines

in May. From December 2003 to June 2004, the Producer Price Index for the Net Output of Total Manufacturing Industries rose at an annual rate of 7.8 percent, following a 2.1-percent annual rate of increase from June to December 2003. In June 2004, this index was 143.0 (December 1984 = 100), 4.9 percent above its year-ago level.

Services. Among services industries in June, rising prices were received by the industries for direct life insurance carriers, investment banking and securities dealing, long-distance general freight trucking (less than truckload), direct property and casualty insurance carriers, temporary help services, television broadcasting, and general medical and surgical hospitals. Alternatively, the industry indexes for nonresidential property managers, casino hotels, lessors of nonresidential buildings (except miniwarehouses), data processing and related services, and used household goods moving fell in June.

Price Movements

July 2004



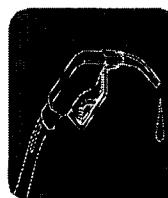
The Producer Price Index for Finished Goods rose 0.1 percent in July, seasonally adjusted. This increase followed a 0.3-percent decline in June and a 0.8-percent jump in May. Prices for finished goods other than foods and energy increased 0.1 percent in July, following a 0.2-percent rise in the previous month. At the earlier stages of processing, prices received by manufacturers of intermediate goods advanced 0.8 percent, compared with a 0.5-percent gain in June, while the crude goods index edged down 0.2 percent, after climbing 1.6 percent in the prior month. (See table A.)

The July upturn in the finished goods index was led by the index for finished energy goods, which rose 2.3 percent in July following a 1.6-percent drop in June. By contrast, the index for finished consumer foods declined 1.6 percent in July, compared with a 0.6-percent decrease in June. Among finished goods other than foods and energy, the capital equipment index inched up 0.1 percent, following a 0.2-percent increase in the previous month, and prices for finished consumer goods advanced 0.1 percent for the second consecutive month.

Before seasonal adjustment, the Producer Price Index for Finished Goods showed no change in July to remain at 148.7 (1982 = 100). From July 2003 to July 2004, the finished goods

index moved up 4.0 percent. Over the same period, prices for finished energy goods advanced 11.3 percent, the index for finished consumer foods rose 5.0 percent, and prices for finished goods other than foods and energy increased 1.7 percent. The index for intermediate goods climbed 7.6 percent, and prices received by crude goods producers jumped 22.2 percent for the 12-month period ended in July 2004.

Finished goods



The finished energy goods index increased 2.3 percent in July, compared with a 1.6-percent decline in June. Leading this upturn, gasoline prices advanced 5.4 percent, following a 5.2-percent decrease in the previous month. The indexes for residential electric power and diesel fuel also turned up, after posting declines in June. Prices for liquefied petroleum gas rose, after showing no change in the prior month. The index for home heating oil climbed at a faster pace in July than it did a month earlier. On the other hand, residential natural gas prices increased 1.2 percent, following a 3.1-percent gain in the previous month.

The finished consumer foods index declined 1.6 percent in July—the largest decrease since a 3.1-percent drop in April

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2003							
July	0.1	-0.3	0.5	0.1	3.0	0.2	-2.8
August .....	.5	.8	1.4	.1	3.5	.6	-1.0
September .....	.2	1.2	-1	0	3.5	-.1	2.7
October .....	.6	2.0	-4	.5	3.4	.3	2.8
November	-.1	-.3	-.7	0	3.4	0	0
December .....	.2	.2	1.4	-.1	4.0	.4	3.4
2004							
January .....	.6	-1.3	4.7	.3	3.3	.9	4.1
February .....	.1	.4	.3	-.1	2.1	1.0	1.5
March .....	.6	1.5	.6	.3	1.5	.8	1.6
April .....	.6	1.1	1.6	.2	3.7	1.2	.8
May .....	.8	1.5	1.6	.3	5.0	1.1	2.8
June	-.3	-.6	-1.6	.2	4.0	.5	1.6
July .....	.1	-1.6	2.3	.1	4.0	.8	-2

¹ Some percent changes shown here and elsewhere in "Price Movements July 2004" may differ from those previously reported because indexes for

March 2004 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2003								
July	-0.9	1.5	-0.1	4.4	-2.5	-4.8	1.9	24.2
August .....	.2	2.4	.1	4.4	3.7	-6.1	2.0	20.8
September	2.7	-2.0	.2	3.7	7.0	-1.1	2.7	21.5
October	2.7	-.2	.3	3.4	8.5	-2.8	3.0	22.6
November	2.6	-1.3	.1	3.4	-.6	-1.3	4.3	18.0
December	-.3	1.4	.2	3.9	.3	7.0	3.0	19.5
2004								
January	-1.3	2.9	.6	3.9	-6.8	15.3	3.7	16.1
February	1.3	.7	.9	2.8	4.3	-2.8	6.1	12.0
March	2.5	.4	.8	1.5	6.9	-3.7	2.8	.5
April	4.5	1.5	.9	5.1	2.9	2.2	-5.4	20.4
May	3.0	1.8	.9	7.1	3.2	5.8	-3.8	21.9
June	-2.2	.7	.5	6.9	-3.6	7.7	-.5	18.9
July	-1.4	2.3	.5	7.6	-4.8	.2	8.6	22.2

¹ Some percent changes shown here and elsewhere in "Price Movements July 2004" may differ from those previously reported because indexes for

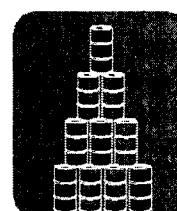
March 2004 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

2002. In June 2004, this index fell 0.6 percent. Beef and veal prices declined 8.3 percent in July, after rising 2.0 percent in the previous month. The index for soft drinks also turned down in July. Prices for dairy products, roasted coffee, and processed turkeys fell more rapidly in July than they did in June, while price increases for pork and processed fruits and vegetables slowed during the same period. On the other hand, the index for fresh and dry vegetables declined 2.8 percent, after plummeting 24.0 percent in June. The indexes for fresh fruits and melons and for processed young chickens also fell less in July than they did in the prior month. July prices for finfish and shellfish and for confectionery end products turned up, following decreases a month earlier.

The index for capital equipment inched up 0.1 percent, subsequent to a 0.2-percent gain in June. Rising prices were registered in July for civilian aircraft, construction machinery and equipment, welding machines and equipment, railroad equipment, semiconductor manufacturing equipment, and industrial material handling equipment. These increases slightly outweighed declining prices for communication and related equipment, commercial furniture, passenger cars, integrating and measuring instruments, x-ray and electromedical equipment, and electronic computers.

Prices for finished consumer goods other than foods and energy inched up 0.1 percent in July, after rising at the same rate in June. In July, rising prices for sanitary paper products, cosmetics and other toilet preparations, book publishing, periodical circulation, men's and boys' apparel, and cigarettes slightly outweighed falling prices for passenger cars; home electronic equipment; women's, girls', and infants' apparel; tires; household furniture; and toys, games, and children's vehicles.

Intermediate goods



Registering its eighth consecutive gain, the Producer Price Index for Intermediate Materials, Supplies, and Components advanced 0.8 percent in July, following a 0.5-percent increase in June. Prices for intermediate energy goods and materials for nondurable manufacturing moved up at a faster rate in July than they did a month earlier, while the index for intermediate foods and feeds fell at a slower pace than it did in June. Conversely, prices for materials and components for construction and for materials for durable manufacturing rose less in July than they did in June. Excluding foods and energy, prices for intermediate goods went up 0.5 percent, the same rate of increase observed in the previous month. (See table B.)

Prices for intermediate energy goods advanced 2.3 percent in July, compared with a 0.7-percent rise in June. Leading this acceleration, the index for jet fuels surged 16.0 percent, following a 9.8-percent decline in the preceding month. Prices for gasoline and diesel fuel also turned up in July. The index for liquefied petroleum gas increased, after showing no change in the prior month, while prices for commercial electric power fell less than they did in June. On the other hand, the index for industrial natural gas moved up 2.7 percent in July, following a 6.7-percent gain a month earlier. Prices for natural gas to electric utilities and for commercial natural gas also rose less than they did in June. The indexes for residual fuel and industrial electric power turned down in July.

Prices for materials for nondurable manufacturing climbed 1.0 percent in July, after posting a 0.7-percent advance in June. The index for inedible fats and oils turned up 4.4

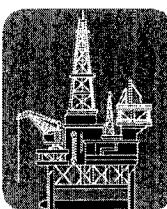
percent, following a 17.9-percent drop in the preceding month. Prices for intermediate basic organic chemicals and synthetic fibers also rose in July, after falling a month earlier. The indexes for paperboard, primary basic organic chemicals, and alkalies and chlorine increased at a quicker pace in July than they did in the previous month. On the other hand, prices for basic organic chemicals (other than primary and intermediate) declined 0.7 percent in July, after rising 0.9 percent in June. The indexes for paper and for medicinal and botanical chemicals also moved down, following advances in the prior month. Price increases slowed from June to July for plastic resins and materials and gray fabrics.

The index for intermediate foods and feeds decreased 1.4 percent in July, following a 2.2-percent drop in June. In July, falling prices for beef and veal, dairy products, shortening and cooking oils, flour, and processed young chickens outweighed rising prices for prepared animal feeds, sausage and deli meats, pork, confectionery materials, and refined sugar and byproducts.

The index for materials and components for construction moved up 0.2 percent in July, compared with a 0.7-percent gain in June. Prices for steel mill products increased 1.9 percent, after surging 6.2 percent in the preceding month. The indexes for millwork, concrete products, and fabricated structural metal products also advanced at a slower rate. Prices for building paper and board fell more in July than they did in June, while the index for prefabricated wood buildings and components turned down, after rising in June. Conversely, prices for asphalt felts and coatings climbed 1.4 percent in July, following a 1.9-percent decrease in the previous month. The index for mineral wool for structural insulation advanced at a quicker rate, compared with June, while prices for softwood lumber went down less in July than they did a month earlier. The index for plastic construction products rose, after showing no change in the prior month.

Prices for materials for durable manufacturing increased 1.0 percent in July, nearly matching the 1.1-percent gain observed for June. In July, rising prices for steel mill products, primary nonferrous metals, aluminum mill shapes, prepared paint, unprocessed filament yarns, and copper and brass mill shapes outweighed falling prices for building paper and board and for plywood.

Crude goods



The Producer Price Index for Crude Materials for Further Processing turned down 0.2 percent in July, after posting a 1.6-percent gain in the preceding month. The rate of increase in prices for crude energy materials slowed from June to July. The crude foodstuffs and feedstuffs index fell at a faster pace in July than it did in the prior month. By contrast, prices for basic industrial materials rose in July, after declining a month earlier. (See table B.)

Price increases for crude energy materials decelerated from 7.7 percent in June to 0.2 percent in July. The natural gas index

moved down 2.0 percent in July, following a 17.0-percent jump in the prior month. Coal prices dropped 0.9 percent, compared with a 0.1-percent gain in the preceding month. On the other hand, the index for crude petroleum turned up 5.3 percent in July, after falling 5.5 percent in June.

Prices for crude foodstuffs and feedstuffs declined 4.8 percent in July, following a 3.6-percent decrease in the previous month. The slaughter cattle index turned down 3.4 percent, after inching up 0.2 percent in the prior month. Prices for slaughter broilers and fryers and for alfalfa hay also fell, following increases in June. The indexes for corn and fluid milk moved down at a quicker pace in July than they did a month earlier. Alternatively, prices for soybeans went down 0.5 percent, after plummeting 13.5 percent in the preceding month. The indexes for fresh and dry vegetables, fresh fruits and melons, and wheat also decreased less than they did in June, while prices for slaughter hogs and unprocessed finfish turned up in July.

The index for crude nonfood materials less energy advanced 8.6 percent in July, compared with a 0.5-percent decline in the preceding month. Prices for iron and steel scrap surged 32.2 percent, after rising 0.6 percent in the prior month. The indexes for gold ores and for hides and skins also climbed at a faster rate in July than they did a month earlier. Prices for copper base scrap and aluminum base scrap turned up, following June decreases. By contrast, the index for logs, bolts, timber, and pulpwood went up 1.1 percent in July, after increasing 2.5 percent in the previous month. Raw cotton prices fell more than they did in June. The index for iron ore declined, following no change in the prior month.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries rose 0.9 percent in July, following a 6.1-percent gain in the previous month. (Net output price indexes are not seasonally adjusted.) Much of this deceleration can be attributed to prices received by the natural gas liquid extraction industry, which turned down 0.3 percent in July following a 16.6-percent jump in June. The industry index for potash, soda, and borate mineral mining also turned down in July. Prices received by the industries for crude petroleum and natural gas extraction, oil and gas well drilling, and oil and gas operations support activities rose less in July than they did in June. Conversely, the index for gold ore mining increased 4.9 percent in July, after posting a 1.6-percent rise in the prior month. Prices received by the coal mining support activities industry turned up, compared with a decline in June. In July 2004, the Producer Price Index for the Net Output of Total Mining Industries was 155.2 (December 1984=100), 17.9 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries rose 0.3 percent in July, compared with a 0.3-percent decrease in the prior month.

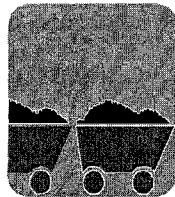
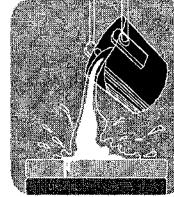
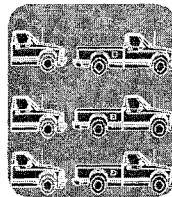
Prices received by the petroleum and coal products manufacturing industry group rebounded 5.6 percent, after falling 5.5 percent in June. The industry group indexes for machinery, nonmetallic mineral products, and printing and related support activities rose more in July than they did in June. Prices received by the computer and electronic products industry group decreased less in July than they did in the prior month. On the other hand, prices received by manufacturers of furniture and related products turned down 0.5 percent, after rising 1.3 percent in June. The industry group indexes for transportation equipment and for beverage and tobacco manufacturing also turned down in July. Prices received by the industry groups for chemicals and primary metals rose at a slower pace in July than they did in the prior month, and the food manufacturing industry group index fell more in July

than it did in June. In July 2004, the Producer Price Index for the Net Output of Total Manufacturing Industries was 143.4 (December 1984=100), 5.1 percent above its year-ago level.

Services. Among services industries in July, prices rose at a faster pace for the general medical and surgical hospitals, direct life insurance carriers, and passenger car rental industries than they did in June. The industry indexes for hotels (excluding casino hotels) and motels, nursing care facilities, and nonresidential property managers turned up in July, after falling in the previous month. Alternatively, the industry indexes for television broadcasting, portfolio management, wired telecommunications carriers, investment banking and securities dealing, and scheduled passenger air transportation decreased, compared with increases in June.

Price Movements

August 2004



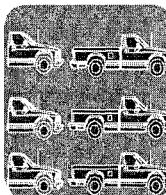
The Producer Price Index for Finished Goods declined 0.1 percent in August, seasonally adjusted. This decrease followed a 0.1-percent advance in July and a 0.3-percent decline in June. At the earlier stages of processing, prices received by manufacturers of intermediate goods jumped 1.0 percent in August, after a 0.8-percent gain in the preceding month, while the crude goods index fell 0.7 percent, compared with a 0.2-percent decrease in July. (See table A.)

Among finished goods, prices for both finished goods other than foods and energy and finished consumer foods edged down in August—falling 0.1 and 0.2 percent, respectively. By contrast, the finished energy goods index moved up 0.2 percent in August.

Before seasonal adjustment, the Producer Price Index for Finished Goods decreased 0.1 percent in August to 148.6 (1982=100). From August 2003 to August 2004, the finished goods index rose 3.4 percent. Over the same period, prices for finished energy goods climbed 9.9 percent, the index for finished consumer foods increased 4.0 percent, and prices for finished goods other than foods and energy advanced 1.5 percent. At the earlier stages of processing, the index for

intermediate goods moved up 8.1 percent, and prices for crude goods rose 22.4 percent for the 12-month period ended August 2004.

Finished goods



The index for finished consumer goods other than foods and energy decreased 0.2 percent in August, after inching up 0.1 percent in July. The light motor trucks index fell 2.5 percent, after showing no change in July, while passenger car prices declined 1.2 percent in August, compared with a 0.4-percent decrease a month earlier. The indexes for cosmetics and other toilet preparations, sanitary papers and health products, and household appliances fell, following increases in July. Prices for book publishing, periodical circulation, and men's and boys' apparel were unchanged in August, after rising in the preceding month. By contrast, the alcoholic beverages index jumped 1.3 percent, compared with a 0.1-percent increase in July. Prices for pharmaceutical preparations also rose at a quicker pace in August than they did in July. The

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2003							
August	0.5	0.8	1.4	0.1	3.5	0.6	-1.0
September .....	.2	1.2	-.1	0	3.5	-.1	2.7
October .....	.6	2.0	-.4	.5	3.4	.3	2.8
November	-.1	-.3	-.7	0	3.4	0	0
December .....	.2	.2	1.4	-.1	4.0	.4	3.4
2004							
January .....	.6	-.1.3	4.7	.3	3.3	.9	4.1
February .....	.1	.4	.3	-.1	2.1	1.0	1.5
March .....	.6	1.5	.6	.3	1.5	.8	1.6
April .....	.7	1.3	1.8	.1	3.7	1.4	1.8
May .....	.7	1.4	1.4	.4	5.0	.9	1.8
June	-.3	-.6	-.1.6	.2	4.0	.5	1.6
July .....	.1	-.1.6	2.3	.1	4.0	.8	-.2
August	-.1	-.2	.2	-.1	3.4	1.0	-.7

¹ Some percent changes shown here and elsewhere in "Price Movements August 2004" may differ from those previously reported because indexes for

April 2004 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2003								
August	0.2	2.4	0.1	4.4	3.7	-6.1	2.0	20.8
September	2.7	-2.0	.2	3.7	7.0	-1.1	2.7	21.5
October	2.7	-2	.3	3.4	8.5	-2.8	3.0	22.6
November	2.6	-1.3	.1	3.4	-.6	-1.3	4.3	18.0
December	-.3	1.4	.2	3.9	.3	7.0	3.0	19.5
2004								
January	-1.3	2.9	.6	3.9	-6.8	15.3	3.7	16.1
February	1.3	.7	.9	2.8	4.3	-2.8	6.1	12.0
March	2.5	.4	.8	1.5	6.9	-3.7	2.8	.5
April	4.7	1.8	1.1	5.4	3.3	3.8	-4.3	21.6
May	2.8	1.5	.7	7.1	2.9	4.1	-4.9	21.9
June	-2.2	.7	.5	6.9	-3.6	7.7	-.5	18.9
July	-1.4	2.3	.5	7.6	-4.8	.2	8.6	22.2
August	-5.2	2.7	1.0	8.1	-4.6	-.1	4.5	22.4

¹ Some percent changes shown here and elsewhere in "Price Movements August 2004" may differ from those previously reported because indexes for

April 2004 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

indexes for women's, girls', and infants' apparel and for household furniture turned up, after falling in July.

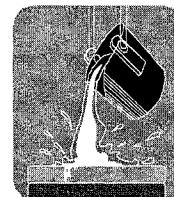
The finished consumer foods index fell 0.2 percent in August, after a 1.6-percent drop in July. The rate of decline in prices for beef and veal slowed to 3.2 percent in August from 8.3 percent in the previous month. The dairy products index also fell less in August than it did in July. Prices for fresh and dry vegetables, soft drinks, and shortening and cooking oils moved up in August, after falling a month earlier. The pork index increased at a faster rate than it did in the preceding month. Conversely, processed young chicken prices dropped 7.1 percent in August, compared with a 1.1-percent decrease in July. The index for eggs for fresh use and the index for fresh fruits and melons also went down more than they did in the preceding month, while price increases for finfish and shellfish slowed in August.

Capital equipment prices inched down 0.1 percent in August, compared with a 0.1-percent rise in July. The light motor trucks index fell 2.5 percent in August, after showing no change in the previous month. The indexes for passenger cars, electronic computers, and x-ray and electromedical equipment decreased at a faster rate than they did a month earlier. Prices for semiconductor manufacturing equipment turned down in August. On the other hand, prices for communication and related equipment increased 0.2 percent in August, following a 0.7-percent decline in the preceding month. The indexes for commercial furniture, heavy motor trucks, and integrating and measuring instruments also turned up, after falling in July.

The finished energy goods index advanced 0.2 percent in August, following a 2.3-percent gain in the prior month. In August, rising prices for liquefied petroleum gas, residential

natural gas, home heating oil, residential electric power, and diesel fuel slightly outweighed falling prices for gasoline and finished lubricants.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components rose 1.0 percent in August, after posting a 0.8-percent gain in the previous month. Prices for materials and components for construction, materials for nondurable manufacturing, intermediate energy goods, and materials for durable manufacturing also rose at a faster rate than they did in July. On the other hand, the intermediate foods and feeds index fell more in August than it did a month earlier. Prices for intermediate goods other than foods and energy advanced 1.0 percent, following a 0.5-percent increase in the prior month. (See table B.)

Subsequent to a 0.2-percent increase in July, the index for materials and components for construction moved up 1.4 percent in August. Plywood prices turned up 13.7 percent in August, after falling 11.1 percent in the preceding month, and the softwood lumber index increased 8.1 percent, compared with a 1.9-percent decrease in July. The indexes for building paper and board, treated wood, and air conditioning and refrigeration equipment also rose, following declines in July. Prices for fabricated structural metal products, concrete products, and plastic construction products increased more than they did in the previous month. By contrast, the mineral wool for structural insulation index edged down 0.1 percent in August, compared with a 5.6-percent rise a month earlier.

Prices for plumbing fixtures and brass fittings also turned down, while the indexes for fabricated ferrous wire products and switchgear rose less than they did in July. Prices for asphalt felts and coatings showed no change in August, after posting an increase in the prior month.

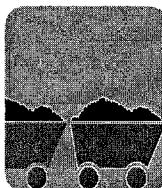
The rate of increase in the index for materials for nondurable manufacturing rose from 1.0 percent in July to 1.7 percent in August. Accounting for much of this acceleration, the industrial chemicals index jumped 5.7 percent, following a 1.6-percent gain in July. Prices for fertilizer materials and paint materials also increased more than they did in the preceding month, while paper prices turned up in August. Alternatively, the paperboard index fell 0.4 percent in August, after climbing 5.5 percent in the previous month. Prices for inedible fats and oils, processed yarns and threads, and synthetic fibers also turned down, following increases in the prior month. The medicinal and botanical chemicals index declined at a quicker rate in August than it did a month earlier, while prices for plastic resins and materials rose less than they did in July.

The intermediate energy goods index went up 2.7 percent in August, following a 2.3-percent gain in the prior month. Industrial electric power prices turned up 3.0 percent, after falling 1.2 percent in the preceding month. The indexes for commercial electric power and residual fuel also advanced, following decreases in July. Prices for industrial natural gas, liquefied petroleum gas, and commercial natural gas rose more quickly in August than they did in the previous month. On the other hand, the gasoline index dropped 5.0 percent in August, after moving up 5.4 percent in the preceding month. The indexes for natural gas to electric utilities, jet fuels, and diesel fuel increased at a slower rate than they did in July.

A 10.3-percent increase in the index for hot rolled steel bars, plates, and structural shapes was the most important factor behind a 1.1-percent gain in the index for materials for durable manufacturing in August. Price increases were also registered for plywood, cold rolled steel sheet and strip, building paper and board, cold finished steel bars, cement, and aluminum mill shapes. By contrast, the indexes for primary nonferrous metals, unprocessed filament yarns, and copper and brass mill shapes declined in August.

The intermediate foods and feeds index moved down 5.2 percent in August, compared with a 1.4-percent decline in the preceding month. Prices for prepared animal feeds plunged 10.1 percent, after rising 2.3 percent in July. Confectionery material prices also turned down in August, while the indexes for processed young chickens; flour; and dry, condensed, and evaporated milk products fell more than they did in the prior month. On the other hand, the beef and veal index went down 3.2 percent in August, following an 8.3-percent drop in the previous month. Prices for fluid milk products also decreased less than they did in July. The indexes for natural, processed, and imitation cheese and for shortening and cooking oils turned up, following declines a month earlier, and the index for pork rose more than it did in July.

Crude goods



The Producer Price Index for Crude Materials for Further Processing fell 0.7 percent in August, after edging down 0.2 percent in July. In August, declining prices for crude foodstuffs and feedstuffs and for crude energy materials outweighed rising prices for crude goods other than foods and energy. (See table B.)

The crude foodstuffs and feedstuffs index decreased 4.6 percent in August, following a 4.8-percent decline in July. Falling prices for soybeans, fluid milk, corn, slaughter broilers and fryers, wheat, and fresh fruits and melons outweighed price increases for fresh and dry vegetables, slaughter cattle, slaughter hogs, unprocessed finfish, and slaughter turkeys.

The August index for crude energy materials inched down 0.1 percent, following a 0.2-percent gain a month earlier. Natural gas prices dropped 6.7 percent, after slipping 2.0 percent in the preceding month. Conversely, the crude petroleum index advanced 12.5 percent, compared with a 5.3-percent increase in July. Coal prices turned up 0.1 percent, following a 0.9-percent drop in the prior month.

Price increases for basic industrial materials slowed from July to August—rising 8.6 and 4.5 percent, respectively. The iron and steel scrap index increased 7.7 percent in August, following a 32.2-percent surge in July. The indexes for construction sand, gravel, and crushed stone; aluminum base scrap; copper base scrap; and hides and skins also rose less rapidly in August. Prices for gold ores turned down, after moving up in the previous month. By contrast, falling prices for raw cotton slowed in August, declining 3.0 percent after sliding 15.5 percent a month earlier. The indexes for phosphates, iron ore, and for hardwood logs, bolts, and timber turned up, following declines in the prior month. Wastepaper prices rose more quickly in August than they did in July.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries advanced 1.3 percent in August, after rising 0.9 percent in July. (Net output price indexes are not seasonally adjusted.) Much of this acceleration can be attributed to prices received by the natural gas liquid extraction industry, which turned up 2.2 percent following a 0.3-percent decrease in July. The industry indexes for bituminous coal and lignite surface mining; potash, soda, and borate mineral mining; and iron ore mining also turned up in August. Prices received by the oil and gas well drilling industry rose more in August than they did in the prior month, while the bituminous coal and lignite underground mining industry index increased, after showing no change in July. By contrast, the crude petroleum and natural gas extraction industry index increased 0.3 percent, after rising 1.5 percent in July. Prices for oil and gas operations support activities also advanced less than they did in the previous month, while the industry

indexes for gold ore mining and support activities for coal mining fell, following increases in July. In August 2004, the Producer Price Index for the Net Output of Total Mining Industries was 157.2 (December 1984=100), 25.3 percent above its year-ago level.

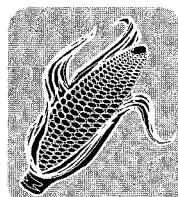
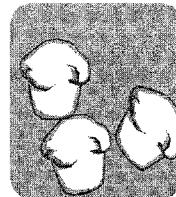
Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries rose 0.2 percent in August, compared with a 0.3-percent increase in the prior month. In August, price increases received by the industries for petroleum and coal products, furniture and related products, chemicals, plastics and rubber products, and primary metals outweighed falling prices received by manufacturers of food products, transportation equipment, and computer and

electronic products. In August, the Producer Price Index for the Net Output of Total Manufacturing Industries was 143.7 (December 1984=100), 4.9 percent above its year-ago level.

Services. Among services industries in August, prices turned down for general medical and surgical hospitals, hotels (excluding casino hotels) and motels, software publishers, and scheduled freight air transportation. The rate of increase in the indexes for direct life insurance carriers, passenger car rental, and nonresidential property managers slowed from July to August. Alternatively, the industry indexes for scheduled passenger air transportation, investment banking and securities dealing, and wired telecommunications carriers turned up in August, after falling in July.

Price Movements

September 2004



The Producer Price Index for Finished Goods increased 0.1 percent in September, seasonally adjusted. This increase followed a 0.1-percent decline in August and a 0.1-percent rise in July. At the earlier stages of processing, prices received by manufacturers of intermediate goods edged up 0.1 percent in September, after a 1.0-percent gain in the preceding month, while the crude goods index fell 4.2 percent, compared with a 0.7-percent decrease in August. (See table A.)

Among finished goods, prices for goods other than foods and energy turned up 0.3 percent in September, following a decline of 0.1 percent in the prior month, while the consumer foods index rose 0.1 percent in September, after falling 0.2 percent in August. By contrast, the index for finished energy goods turned down 0.9 percent, compared with a 0.2-percent increase in August.

During the third quarter of 2004, the finished goods index increased at a 0.3-percent seasonally adjusted annual rate, after rising at a 4.7-percent rate during the second quarter of 2004. The index for finished goods other than foods and energy climbed at a 1.1-percent seasonally adjusted annual rate during the third quarter of 2004, compared with

a 2.9-percent seasonally adjusted annual rate of increase during the second quarter. Among prices for raw and partially processed goods, the intermediate goods index advanced at a 7.8-percent seasonally adjusted annual rate during the third quarter of 2004, following an 11.7-percent seasonally adjusted annual rate of increase from March to June. Prices for crude goods decreased at an 18.8-percent seasonally adjusted annual rate from June to September, compared with a 23.2-percent seasonally adjusted annual rate of increase in the preceding quarter. (See the summary table on page 2.)

Before seasonal adjustment, the Producer Price Index for Finished Goods rose 0.1 percent in September to 148.7 (1982=100). From September 2003 to September 2004, the finished goods index rose 3.3 percent. Over the same period, prices for finished energy goods climbed 9.2 percent, the index for finished consumer foods increased 2.8 percent, and prices for finished goods other than foods and energy advanced 1.9 percent. At the earlier stages of processing, the index for intermediate goods moved up 8.4 percent, and prices for crude goods rose 14.2 percent for the 12-month period ended September 2004.

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2003							
September	0.2	1.2	-0.1	0.0	3.5	-0.1	2.7
October .....	.6	2.0	-.4	.5	3.4	.3	2.8
November	-.1	-.3	-.7	0	3.4	0	0
December .....	.2	.2	1.4	-.1	4.0	.4	3.4
2004							
January .....	.6	-1.3	4.7	.3	3.3	.9	4.1
February .....	.1	.4	.3	-.1	2.1	1.0	1.5
March .....	.6	1.5	.6	.3	1.5	.8	1.6
April .....	.7	1.3	1.8	.1	3.7	1.4	1.8
May .....	.6	1.5	1.3	.2	4.9	1.0	3.2
June	-.1	-.7	-1.5	.4	4.0	.4	.2
July .....	.1	-1.6	2.3	.1	4.0	.8	-.2
August	-.1	-.2	.2	-.1	3.4	1.0	-.7
September .....	.1	.1	-.9	.3	3.3	.1	-4.2

¹ Some percent changes shown here and elsewhere in "Price Movements September 2004" may differ from those previously reported because indexes for

May 2004 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

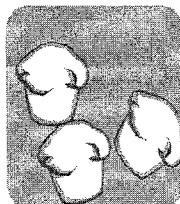
Summary of December-to-December, 9-month, and 3-month seasonally adjusted annual rates for selected stages of processing

Grouping	Percent change, 12 months ended in December			Seasonally adjusted annual rate for:			
	2001	2002	2003	9 months ended September 2004	3 months ended March 2004	3 months ended June 2004	3 months ended September 2004
Finished goods	-1.6	1.2	4.0	3.4	5.4	4.7	0.3
Finished consumer foods	1.8	-.6	7.7	1.1	2.1	8.5	-6.8
Finished energy goods	-17.1	12.3	11.4	11.9	24.0	6.4	6.3
Finished goods less foods and energy .....	.9	-.5	1.0	2.0	2.1	2.9	1.1
Finished consumer goods, excluding foods and energy	1.5	-.5	1.1	1.9	2.5	2.3	1.0
Capital equipment	0	-.6	.8	2.1	1.4	3.5	1.4
Intermediate materials, supplies, and components	-4.0	3.2	3.9	10.2	11.1	11.7	7.8
Intermediate foods and feeds .....	.3	4.2	12.9	-1.2	9.9	23.0	-28.6
Intermediate energy goods	-16.9	12.0	10.9	16.0	17.5	17.5	13.1
Intermediate materials less foods and energy	-1.6	1.5	2.1	9.6	9.8	9.9	9.0
Materials for nondurable manufacturing	-5.5	4.2	4.9	13.8	9.6	12.7	19.4
Materials for durable manufacturing	-4.0	3.1	4.0	22.6	31.8	21.4	15.1
Materials and components for construction	0	.8	3.0	13.0	16.3	13.2	9.7
Crude materials for further processing	-32.5	24.7	19.5	9.9	32.9	23.2	-18.8
Foodstuffs and feedstuffs	-7.6	4.5	24.1	-7.2	16.7	9.7	-37.5
Crude energy materials.....	-52.9	61.5	14.4	23.7	35.5	83.2	-23.8
Crude nonfood materials less energy	-9.9	12.6	21.6	18.1	63.1	-32.8	50.3

NOTE: Late reports and corrections by respondents may cause some indexes to change 4 months after original publication. In addition, seasonally

adjusted indexes may be revised for 5 years, due to the recalculation of seasonal factors each January.

Finished goods



The index for finished consumer goods other than foods and energy rose 0.4 percent in September, after declining 0.2 percent in August. The upturn in this index was led by an increase in motor vehicle prices in September. The light motor trucks index increased 0.2 percent, after falling 2.5 percent in August, and passenger car prices rose 1.1 percent in September, following a 1.2-percent decrease in the prior month. The indexes for sanitary papers and health products and household appliances also turned up in September. Prices for mobile homes and women's, girls', and infants' apparel rose more in September than they did in August. The index for cosmetics and other toilet preparations showed no change in September, compared with a decline in the previous month. Conversely, the alcoholic beverages index showed no change in September, after rising 1.3 percent in August. Prices for pharmaceutical preparations and household furniture rose less in September than they did in the prior month. The index for pet food turned down, following an increase in August. From June to September 2004, the index for finished consumer goods other than foods and energy rose at a 1.0-percent seasonally adjusted annual rate, after increasing at a 2.3-percent seasonally adjusted annual rate from March to June.

Subsequent to a 0.1-percent decrease in August, capital equipment prices rose 0.4 percent in September. As they did in the index for consumer goods other than foods and energy, prices for motor vehicles led the turnaround in the capital equipment index. The indexes for both light motor

trucks and passenger cars increased in September, after falling in August. Prices for x-ray and electromedical equipment also turned up in September, and the index for communication and related equipment advanced at a faster pace in September than it did in August. On the other hand, prices for civilian aircraft showed no change, compared with a 1.4-percent increase in the prior month. The indexes for commercial furniture and railroad equipment fell, after rising in the previous month. Price increases slowed from August to September for heavy motor trucks. From June to September 2004, capital equipment prices rose at a 1.4-percent seasonally adjusted annual rate, after a 3.5-percent seasonally adjusted annual rate of increase from March to June.

The finished consumer foods index edged up 0.1 percent in September, after a 0.2-percent decline in August. Prices for fresh fruits and melons jumped 23.1 percent in September, compared with a 1.2-percent decrease in the prior month. The index for eggs for fresh use also turned up in September. The rates of decline in prices for dairy products and beef and veal slowed from August to September. By contrast, the fresh and dry vegetables index rose 12.1 percent, following a 31.8-percent advance in the previous month. The indexes for soft drinks, finfish and shellfish, pork, and shortening and cooking oils declined, after posting increases in August. During the third quarter of 2004, the index for finished consumer foods decreased at a 6.8-percent seasonally adjusted annual rate, after advancing at an 8.5-percent seasonally adjusted annual rate in the second quarter.

The finished energy goods index declined 0.9 percent in September, following a 0.2-percent increase in the prior month. Residential natural gas prices fell 2.3 percent, after rising 1.1

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

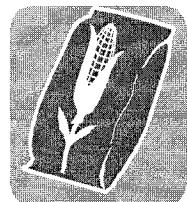
Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2003								
September	2.7	-2.0	0.2	3.7	7.0	-1.1	2.7	21.5
October	2.7	-.2	.3	3.4	8.5	-2.8	3.0	22.6
November	2.6	-1.3	.1	3.4	-.6	-1.3	4.3	18.0
December	-.3	1.4	.2	3.9	.3	7.0	3.0	19.5
2004								
January	-1.3	2.9	.6	3.9	-6.8	15.3	3.7	16.1
February	1.3	.7	.9	2.8	4.3	-2.8	6.1	12.0
March	2.5	.4	.8	1.5	6.9	-3.7	2.8	.5
April	4.7	1.8	1.1	5.4	3.3	3.8	-4.3	21.6
May	2.8	1.5	.8	7.2	2.1	8.4	-5.2	23.6
June	-2.2	.7	.4	6.9	-2.9	3.4	-.3	18.9
July	-1.4	2.3	.5	7.6	-4.8	.2	8.6	22.2
August	-5.2	2.7	1.0	8.1	-4.6	-.1	4.5	22.4
September	-1.7	-1.9	.7	8.4	-2.1	-6.6	-2.5	14.2

¹ Some percent changes shown here and elsewhere in "Price Movements September 2004" may differ from those previously reported because indexes for

May 2004 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

percent in August. The indexes for liquefied petroleum gas, home heating oil, residential electric power, and diesel fuel also turned down in September. On the other hand, gasoline prices turned up 0.7 percent, compared with a decrease of 5.0 percent in August. During the third quarter of 2004, the index for finished energy goods increased at a 6.3-percent seasonally adjusted annual rate, after advancing at a 6.4-percent seasonally adjusted annual rate during the second quarter.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components inched up 0.1 percent in September, after posting a 1.0-percent gain in the previous month. Rising prices for nondurable manufacturing materials, durable manufacturing materials, and materials and components for construction slightly outweighed price declines for intermediate energy goods and intermediate foods and feeds. Excluding foods and energy, prices for intermediate goods rose 0.7 percent, following a 1.0-percent increase in August. (See table B.)

The index for materials for nondurable manufacturing advanced 1.7 percent in September, the same rate of increase as in August. In September, rising prices were received by producers of plastic resins and materials, primary basic organic chemicals, paper, potassium and sodium compounds, fertilizer materials, and synthetic rubber. These increases more than offset falling prices for gray fabrics, inedible fats and oils, intermediate basic organic chemicals, finished fabrics, medicinal and botanical chemicals, and leather. The index for nondurable manufacturing materials moved up at a

19.4-percent seasonally adjusted annual rate from June to September, following a 12.7-percent seasonally adjusted annual rate of increase in the second quarter of 2004.

Prices for materials for durable manufacturing climbed 1.5 percent in September, following a 1.1-percent increase in the preceding month. The index for aluminum mill shapes jumped 6.4 percent, after edging up 0.2 percent a month earlier. Prices for hot rolled steel sheet and strip fell less in September than they did in August, while the indexes for semifinished steel mill products and for cold rolled steel sheet and strip increased more rapidly over the same period. Prices for unprocessed filament yarns turned up in September, after decreasing in the previous month. On the other hand, the index for hot rolled steel bars, plates, and structural shapes moved up 1.1 percent, following a 10.3-percent advance in August. Rising prices for plywood, building paper and board, cold finished steel bars, cement, and hardwood lumber also slowed from August to September. The index for materials for durable manufacturing advanced at a 15.1-percent seasonally adjusted annual rate in the third quarter of 2004, following a 21.4-percent seasonally adjusted annual rate of increase in the previous quarter.

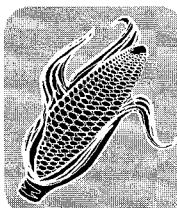
Rising prices for materials and components for construction slowed to 0.7 percent in September, compared with a 1.4-percent gain in the prior month. The index for fabricated structural metal products inched up 0.2 percent, following a 1.7-percent gain in August. The indexes for plywood, treated wood, building paper and board, and steel mill products also increased at a slower rate in September than they did a month earlier. Prices for softwood lumber and nonferrous wire and cable declined, after rising in the previous month. By contrast, prices for concrete products climbed 1.7 percent in September, following a 0.9-percent rise in the preceding

month. The indexes for plastic construction products, wiring devices, paving mixtures and blocks, and switchgear also rose more quickly in September than they did in August. Prices for asphalt felts and coatings increased, after showing no change in the previous month. The index for plumbing fixtures and brass fittings turned up, following a decrease in August. Prices for materials and components for construction grew at a 9.7-percent seasonally adjusted annual rate during the third quarter of 2004, after increasing at a 13.2-percent seasonally adjusted annual rate during the preceding quarter.

The index for intermediate energy goods fell 1.9 percent in September, following a 2.7-percent increase in the prior month. Industrial natural gas prices dropped 4.9 percent, compared with a 3.7-percent gain in August. The indexes for jet fuels, diesel fuel, industrial electric power, commercial natural gas, and liquefied petroleum gas also turned down, after rising in August. Alternatively, gasoline prices advanced 0.7 percent in September, following a 5.0-percent decline a month earlier. The index for finished lubricants also turned up in September. The intermediate energy goods index increased at a 13.1-percent seasonally adjusted annual rate during the third quarter of 2004, after rising at a 17.5-percent seasonally adjusted annual rate in the previous quarter.

The rate of decline in the index for intermediate foods and feeds slowed from August to September — from 5.2 to 1.7 percent, respectively. Prices for prepared animal feeds decreased 3.0 percent, compared with a 10.1-percent drop in the prior month. The indexes for fluid milk products; beef and veal; and dry, condensed, and evaporated milk products also fell less in September than they did August. Flour prices advanced in September, after declining a month earlier. By contrast, prices for shortening and cooking oils dropped 3.3 percent in September, following a 3.0-percent gain in the preceding month. The indexes for natural, processed, and imitation cheese; pork; and refined sugar and byproducts also turned down, after rising in the previous month. Prices for processed young chickens fell more in September than they did in August. The index for intermediate foods and feeds declined at a 28.6-percent seasonally adjusted annual rate from June to September 2004, compared with a 23.0-percent seasonally adjusted annual rate of increase during the second quarter.

Crude goods



The Producer Price Index for Crude Materials for Further Processing fell 4.2 percent in September, following a 0.7-percent decline in August. Prices for crude energy materials also decreased more in September than they did in the prior month, while an August increase in the index for crude goods other than foods and energy was followed by a decline in September. By contrast, prices for crude foodstuffs and feedstuffs fell less in September than they did a month earlier. (See table B.)

The crude energy materials index decreased 6.6 percent in

September, after edging down 0.1 percent in the preceding month. Prices for crude petroleum declined 0.3 percent, following a 12.5-percent jump in August. The index for natural gas tumbled 12.4 percent, compared with a 6.7-percent decline in the previous month. On the other hand, coal prices climbed 2.9 percent in September, after inching up 0.1 percent in the prior month. After rising at an 83.2-percent seasonally adjusted annual rate during the second quarter of 2004, the index for crude energy materials fell at a 23.8-percent seasonally adjusted annual rate from June to September.

Prices for basic industrial materials moved down 2.5 percent in September, following a 4.5-percent advance in the previous month. The index for iron and steel scrap fell 8.7 percent, after posting a 7.7-percent gain in August. Prices for aluminum base scrap, copper base scrap, and wastepaper also turned down in September, following increases in the prior month. The hides and skins index went up less than it did in the preceding month. Alternatively, raw cotton prices jumped 11.7 percent in September, compared with a 3.0-percent decrease a month earlier. The indexes for gold ores and pulpwood also turned up in September, while prices for softwood logs, bolts, and timber showed no change, after falling in August. During the third quarter of 2004, the index for crude nonfood materials less energy rose at a 50.3-percent seasonally adjusted annual rate, following a 32.8-percent seasonally adjusted annual rate of decline during the previous quarter.

Prices for crude foodstuffs and feedstuffs went down 2.1 percent in September, after falling 4.6 percent in the preceding month. The main cause of this index's movement was the slowing rate of decline in prices for soybeans — which decreased 3.1 percent in September following a 35.5-percent decline in August. The indexes for fluid milk and corn also fell less than they did in the previous month, while prices for wheat and fresh fruits and melons turned up in September. By contrast, the index for slaughter broilers and fryers dropped 13.7 percent in September, following a 4.0-percent decline in the prior month. The indexes for fresh vegetables (except potatoes) and unprocessed finfish rose less than they did in August, and prices for slaughter cattle and slaughter hogs turned down in September. Prices for crude foodstuffs and feedstuffs decreased at a 37.5-percent seasonally adjusted annual rate for the three months ending in September 2004, compared with a 9.7-percent seasonally adjusted annual rate of increase in the preceding quarter.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries declined 5.3 percent in September, following a 1.3-percent rise in August. (Net output price indexes are not seasonally adjusted.) Most of this downturn can be traced to prices received by the industry for natural gas liquid extraction, which fell 13.9 percent in September after advancing 2.2 percent in the preceding month. The

industry indexes for crude petroleum and natural gas extraction and for potash, soda, and borate minerals mining also moved down, following August gains. Prices received by the industries for oil and gas well drilling and miscellaneous metal ores mining increased at a slower rate in September than they did in the prior month. By contrast, the index for the bituminous coal and lignite surface mining industry jumped 5.8 percent, compared with a 0.3-percent rise in August. Prices received by the industries for oil and gas operations support activities, bituminous coal underground mining, and construction sand and gravel mining also advanced at a quicker rate in September than they did a month earlier. The index for the gold ore mining industry turned up, after falling in August. For the 3 months ended September 2004, the Producer Price Index for the Net Output of Total Mining Industries declined at an annual rate of 12.4 percent, compared with a 60.7-percent rate of increase for the preceding quarter. In September 2004, this index was 148.8 (December 1984=100), 19.3 percent above its year-ago level.

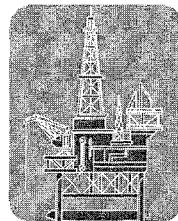
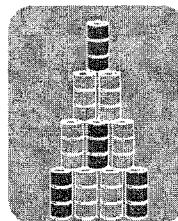
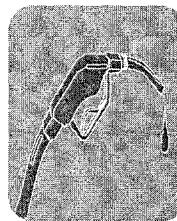
Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries climbed 0.3 percent in September, following a 0.2-percent gain in August. In September, manufacturers of chemicals, petroleum and coal products, plastics and rubber products, primary metals, non-metallic mineral products, electrical equipment and appliances,

and paper products collected higher prices. On the other hand, prices received by food manufacturers, textile mills, and beverage and tobacco product makers fell in September. From June to September 2004, the Producer Price Index for the Net Output of Total Manufacturing Industries increased at an annual rate of 3.1 percent, after rising at a 7.9-percent rate from March to June. In September 2004, this index was 144.1 (December 1984=100), 5.1 percent above its year-ago level.

Services. Among services industries, prices received by the scheduled passenger air transportation industry dropped 3.4 percent in September, following a 1.4-percent advance in August. The industry indexes for investment bankers and securities dealers, lessors of nonresidential buildings (excluding miniwarehouses), wired telecommunications carriers, casino hotels, and passenger car rental also turned down in September, after rising a month earlier. Prices received by hotels (excluding casino hotels) and motels fell at a quicker pace than they did in August. By contrast, the industry index for securities brokerages increased 0.7 percent in September, compared with a 3.3-percent decrease in the prior month. Prices received by general medical and surgical hospitals and television broadcasters also turned up, following August declines, while the industry index for portfolio managers rose at a faster rate in September than it did in the preceding month.

Price Movements

October 2004



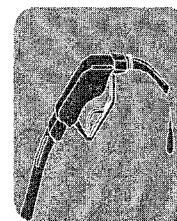
The seasonally adjusted Producer Price Index for Finished Goods advanced 1.7 percent in October. This gain followed a 0.1-percent rise in September and a 0.1-percent decrease in August. At the earlier stages of processing, prices received by the manufacturers of intermediate goods went up 0.9 percent, after increasing 0.1 percent in the prior month. The index for crude materials turned up 4.3 percent in October, compared with a decline of 4.2 percent in September. (See table A.)

Among finished goods, prices for energy goods turned up 6.8 percent in October, following a 0.9-percent decline in September. The finished consumer foods index rose 1.6 percent, compared with a 0.1-percent increase in the prior month. By contrast, prices for finished goods other than foods and energy advanced 0.3 percent in October, as they did in September.

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 2.2 percent in October to 151.9 (1982=100). From October 2003 to October 2004, prices for finished goods advanced 4.4 percent. Over the same period, prices for finished energy goods went up 17.2 percent, the index for finished goods other than foods and energy climbed 1.8 percent, and the index for finished consumer foods rose

2.5 percent. Prices for intermediate goods moved up 9.0 percent during the 12-month period ended October 2004, and the crude goods index jumped 15.7 percent.

Finished goods



The index for finished energy goods advanced 6.8 percent in October, after decreasing 0.9 percent a month earlier. Prices for gasoline climbed 17.3 percent, following a 0.7-percent rise in September. The indexes for residential electric power, residential natural gas, liquefied petroleum gas, and home heating oil turned up in October, following decreases in the previous month.

Prices for finished consumer foods rose 1.6 percent in October, compared with a 0.1-percent gain in the preceding month. A 34.2-percent surge in October's fresh and dry vegetables index followed a 12.1-percent increase in September and led the acceleration in the finished consumer foods index. Prices for beef and veal, pork, soft drinks, dairy products, and processed fruits and vegetables rose in October, having decreased in the prior month. The index for processed young chickens fell less in October than it did in

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2003							
October.....	0.6	2.0	-0.4	0.5	3.4	0.3	2.8
November.....	-.1	-.3	-.7	0	3.4	0	0
December.....	.2	.2	1.4	-.1	4.0	.4	3.4
2004							
January.....	.6	-1.3	4.7	.3	3.3	.9	4.1
February.....	.1	.4	.3	-.1	2.1	1.0	1.5
March.....	.6	1.5	.6	.3	1.5	.8	1.6
April.....	.7	1.3	1.8	.1	3.7	1.4	1.8
May.....	.6	1.5	1.3	.2	4.9	1.0	3.2
June.....	-.2	-.4	-1.7	.3	4.0	.5	.7
July.....	.1	-1.9	2.4	.2	4.0	.7	-.7
August.....	-.1	-.2	.2	-.1	3.4	1.0	-.7
September.....	.1	.1	-.9	.3	3.3	.1	-4.2
October.....	1.7	1.6	6.8	.3	4.4	.9	4.3

¹ Some percent changes shown here and elsewhere in "Price Movements October 2004" may differ from those previously reported because indexes for

June 2004 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2003								
October	2.7	-0.2	0.3	3.4	8.5	-2.8	3.0	22.6
November	2.6	-1.3	.1	3.4	-.6	-1.3	4.3	18.0
December	-.3	1.4	.2	3.9	.3	7.0	3.0	19.5
2004								
January	-1.3	2.9	.6	3.9	-6.8	15.3	3.7	16.1
February	1.3	.7	.9	2.8	4.3	-2.8	6.1	12.0
March	2.5	.4	.8	1.5	6.9	-3.7	2.8	.5
April	4.7	1.8	1.1	5.4	3.3	3.8	-4.3	21.6
May	2.8	1.5	.8	7.2	2.1	8.4	-5.2	23.6
June	-2.0	1.6	.3	7.0	-2.9	4.6	-.5	19.4
July	-1.5	1.5	.7	7.6	-4.8	-.9	8.8	22.2
August	-5.2	2.7	1.0	8.1	-4.6	-.1	4.5	22.4
September	-1.7	-1.9	.7	8.4	-2.1	-6.6	-2.5	14.2
October	-1.9	4.3	.3	9.0	-.8	7.9	5.4	15.7

¹ Some percent changes shown here and elsewhere in "Price Movements October 2004" may differ from those previously reported because indexes for

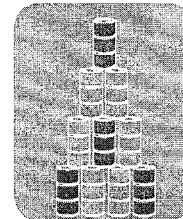
June 2004 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

September. By contrast, price increases slowed from 23.1 percent in September to 11.3 percent in October for fresh fruits and melons. The indexes for bakery products and eggs for fresh use turned down, after increasing in the previous month.

Prices for finished consumer goods other than foods and energy advanced 0.2 percent in October, after rising 0.4 percent in the previous month. The index for passenger cars decreased 1.3 percent, compared with a 1.1-percent gain in September. For the 12 months ended in October 2004, passenger car prices increased 1.1 percent. In accordance with usual practice, most new model-year passenger cars and light trucks were introduced into the PPI in October. (See *Report on Quality Changes for 2005 Model Vehicles*, USDL 04-2351.) Prices for book publishing and pharmaceutical preparations also turned down in October. The indexes for mobile homes; women's, girls', and infants' apparel; and soaps and synthetic detergents moved up at a slower pace in October than they did in the prior month. Alternatively, prices for light motor trucks posted a 2.7-percent gain, after edging up 0.2 percent in September. From October 2003 to October 2004, prices for light motor trucks increased 0.3 percent. Household furniture prices rose more in October than they did in the prior month. The index for men's and boys' apparel increased, after showing no change in the previous month.

The capital equipment index moved up 0.4 percent in October, as it did in September. In October, rising prices for light motor trucks, construction machinery, civilian aircraft, agricultural machinery, and integrating and measuring instruments outweighed decreasing prices for passenger cars, heavy motor trucks, electronic computers, metal cutting machine tools, and textile machinery.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components advanced 0.9 percent in October, following a 0.1-percent gain in September. This acceleration was primarily due to prices for intermediate energy goods, which climbed in October after falling in the preceding month. By contrast, the indexes for materials for durable manufacturing and for materials and components for construction turned down, after rising in September. Prices for materials for nondurable manufacturing went up at a slower rate in October than they did a month earlier, while the index for intermediate foods and feeds decreased at a faster pace over the same period. Excluding foods and energy, price increases for intermediate goods slowed from a 0.7-percent rate in September to a 0.3-percent rate in October. (See table B.)

The index for intermediate energy goods jumped 4.3 percent in October, following a 1.9-percent decline in September. Jet fuel prices increased 17.2 percent, after moving down at a 12.5-percent rate in the prior month. The indexes for diesel fuel, commercial natural gas, home heating oil, and liquefied petroleum gases also turned up in October, following decreases in the previous month. Gasoline prices climbed 17.3 percent, compared with a 0.7-percent gain in September, while prices for industrial natural gas fell at a slower pace than they did in the preceding month. On the other hand, the index for industrial electric power dropped 2.4 percent, after inching down at a 0.1-percent rate in September. Prices for natural gas to electric utilities also declined at a quicker pace in October, while the index for commercial electric power turned down, following a September rise.

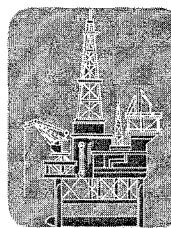
The index for materials for durable manufacturing moved down at a 0.3-percent rate in October, compared with a 1.5-percent gain in September. Much of this downturn can be traced to prices for aluminum mill shapes, which fell 6.6 percent following a 6.4-percent rise in the prior month. The indexes for cold rolled steel sheet and strip, building paper and board, plywood, and hardwood lumber also decreased in October, after increasing a month earlier. Cement prices advanced at a slower rate than they did in September. By contrast, the index for primary nonferrous metals surged 7.6 percent, following a 0.7-percent decline in the previous month. Prices for copper and brass mill shapes also turned up in October, while the index for semifinished steel mill products rose at a faster pace than it did in September.

Price increases for materials for nondurable manufacturing slowed to a 0.9-percent rate in October, after advancing 1.7 percent in September. The index for primary basic organic chemicals rose 0.2 percent, compared with a 4.1-percent increase in the preceding month. Prices for plastic resins and materials, paper, synthetic rubber, and phosphates also moved up less than they did in September. The index for inedible fats and oils fell more in October than it did in the prior month, while paperboard prices turned down, after climbing in September. Conversely, the index for intermediate basic organic chemicals increased 6.3 percent, following a 1.2-percent decline in the previous month. Prices for gray fabrics, paint materials, and finished fabrics also turned up in October. The nitrogenates index increased more than it did in September.

Prices for materials and components for construction inched down at a 0.1-percent rate, after increasing 0.7 percent in September. The softwood lumber index dropped 9.4 percent in October, compared with a 0.1-percent decrease a month earlier. Prices for plywood, building paper and board, asphalt felts and coatings, wiring devices, and gypsum products moved down, following September gains. The indexes for concrete products and plastic construction products advanced at a slower pace than they did in the preceding month. By contrast, prices for nonferrous wire and cable climbed 2.7 percent, after falling 0.8 percent in September. The indexes for fabricated structural metal products, architectural coatings, and steel mill products rose more in October than they did in the previous month.

Prices for intermediate foods and feeds fell 1.9 percent in October, slightly more than the 1.7-percent decrease registered in September. The index for prepared animal feeds dropped 5.7 percent, following a 3.0-percent decline in the preceding month. Prices for natural, processed, and imitation cheese and shortening and cooking oils also decreased at a faster rate in October than they did a month earlier. The indexes for flour, butter, and liquid milk products turned down, after rising in September. Conversely, beef and veal prices increased 3.2 percent in October, compared with a 1.0-percent decline in the prior month. The indexes for pork and packaged fluid milk also moved up, after falling in September. Prices for processed young chickens went down less in October than they did in the previous month.

Crude goods



The Producer Price Index for Crude Materials for Further Processing advanced 4.3 percent in October, after falling 4.2 percent in September. Prices for crude energy materials and crude nonfood materials less energy turned up, after decreasing in the prior month. The index for crude foodstuffs and feedstuffs fell less rapidly in October than it did a month earlier. (See table B.)

Subsequent to a 6.6-percent drop in September, prices for crude energy materials moved up 7.9 percent in October. The natural gas index increased 2.7 percent, following a 12.4-percent decline in September. Crude petroleum prices jumped 18.4 percent, after slipping 0.3 percent in the prior month. By contrast, a 1.9-percent decline in the coal index was preceded by a 2.9-percent gain in September.

Prices for basic industrial materials climbed 5.4 percent, after decreasing 2.5 percent in September. Leading this upturn, the index for iron and steel scrap advanced 15.4 percent in October, following an 8.7-percent decline in the previous month. Prices for nonferrous metal ores, copper base scrap, aluminum base scrap, and wastepaper also turned up in October. Conversely, the raw cotton index decreased 12.3 percent, following an 11.7-percent rise in September. Prices for hides and skins also turned down, after increasing in the prior month. The indexes for leaf tobacco and phosphates advanced less quickly in October than they did in September.

The index for crude foodstuffs and feedstuffs declined 0.8 percent, following a 2.1-percent drop in September. Falling prices for corn, soybeans, slaughter cattle, wheat, and slaughter turkeys outweighed price increases for fresh and dry vegetables, slaughter broilers and fryers, slaughter hogs, fresh fruits and melons, and fluid milk.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries turned up 6.8 percent in October, following a 5.3-percent decline in the previous month. (Net output price indexes are not seasonally adjusted.) Most of this upturn can be attributed to prices received by the industries for crude petroleum and natural gas extraction and for natural gas liquid extraction. The industry index for crude petroleum and natural gas extraction jumped 11.6 percent, after decreasing 4.6 percent in the prior month, while prices received by the industry for natural gas liquid extraction advanced 4.9 percent, following a 13.9-percent drop in September. The industry indexes for coal mining support activities and potash, soda, and borate mineral mining also moved up, after falling a month earlier. Prices received by the industries for oil and gas well drilling and for gold ore mining increased at a faster rate in October than they did in the preceding month. By contrast, the industry index for bituminous coal and lignite surface mining declined 3.0 percent in October, compared with a 5.8-

percent rise a month earlier. Prices received by the industries for oil and gas operations support activities and construction sand and gravel mining increased less than they did in September. In October, the Producer Price Index for the Net Output of Total Mining Industries was 158.9 (December 1984=100), 29.5 percent above its year-ago level.

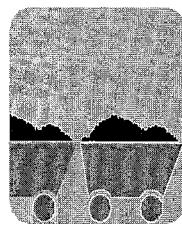
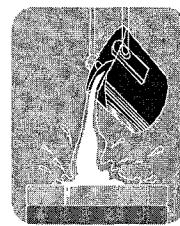
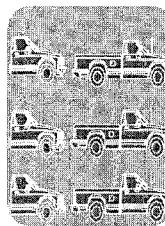
Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries increased 1.7 percent in October, after rising 0.3 percent in the preceding month. Prices received by the industry group for petroleum and coal products manufacturing went up 11.2 percent, following a 2.1-percent gain in September. The industry group index for plastics and rubber products manufacturing also advanced at a quicker pace than it did in the prior month. Prices received by the industry groups for transportation equipment and furniture and related products manufacturing increased, after showing no change a month earlier. The industry group index for food manufacturing fell less than it did in September, while prices received by the industry group for textile mills turned up. On the other hand, the rate of increase in the industry group index for chemical manufacturing slowed from 1.4 percent in September to 0.9 percent in October. Prices received by the industry groups for nonmetallic mineral product manufacturing and primary metal manufacturing also

advanced at a slower rate than they did in September, while the industry group index for printing and related support activities turned down. In October, the Producer Price Index for the Net Output of Total Manufacturing Industries was 146.5 (December 1984=100), 6.0 percent above its year-ago level.

Services. Among services industries, prices received by the industry for scheduled passenger air transportation advanced 0.8 percent in October, compared with a 3.4-percent decline in the prior month. The industry indexes for investment banking and securities dealing, software publishers, casino hotels, cable networks, and temporary help services also turned up, after falling in September. Prices received by the hotels (except casino hotels) and motels industry declined less than they did in the previous month. Alternatively, the industry index for portfolio management turned down 1.4 percent in October, after posting a 2.9-percent increase in the preceding month. Prices received by the industry for television broadcasting also declined, following gains in September. The industry group index for offices of real estate agents and brokers decreased, after showing no change in the prior month. Prices received by the deep sea freight transportation industry showed no change, after rising a month earlier, while the industry index for nonresidential property managers fell more in October than it did in September.

Price Movements

November 2004

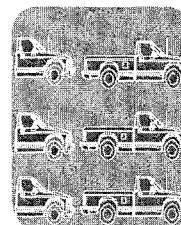


The Producer Price Index for Finished Goods advanced 0.5 percent in November. This increase followed a 1.7-percent gain in October and a 0.1-percent rise in September. At the earlier stages of processing, the index for intermediate goods went up 0.8 percent, compared with a 0.9-percent rise in October, while prices for crude goods jumped 8.7 percent in November, after moving up 4.3 percent in the previous month. (See table A.)

Among finished goods, the rate of increase in the index for finished energy goods slowed from 6.8 percent in October to 1.8 percent in November. Prices for finished consumer foods moved up 0.4 percent, following a 1.6-percent gain in the preceding month. The index for finished goods other than foods and energy increased 0.2 percent in November, following a 0.3-percent rise in the prior month.

Before seasonal adjustment, the Producer Price Index for Finished Goods inched down 0.1 percent in November to 151.7 (1982=100). From November 2003 to November 2004, prices for finished goods increased 5.0 percent. Over the same period, the finished energy goods index rose 19.8 percent, prices for finished goods other than foods and energy went up 1.9 percent, and the index for finished consumer foods advanced 2.9 percent. Prices for intermediate goods rose 9.8 percent for the 12 months ended November 2004, while the crude goods index jumped 25.5 percent.

Finished goods



Prices for finished energy goods rose at a 1.8-percent rate in November, compared with a 6.8-percent rate of increase in the prior month. The majority of this deceleration was due to a downturn in the gasoline index, which fell 0.7 percent after jumping 17.3 percent in October. Prices for home heating oil and diesel fuel also decreased, following gains a month earlier. The indexes for residential electric power and liquefied petroleum gas advanced less than they did in the prior month. By contrast, residential natural gas prices moved up 6.2 percent in November, after climbing 1.0 percent in the previous month. The index for lubricating and similar oils also rose more than it did in October.

Price increases for finished consumer foods slowed to 0.4 percent in November from 1.6 percent in October. The index for fresh and dry vegetables increased 4.4 percent in November, following a 34.2-percent upsurge in the preceding month. Prices for processed fruits and vegetables and for pork also rose more slowly than they did in the previous month, while the indexes for fresh fruits and melons, beef and veal, and soft drinks turned down in November. By contrast, prices for

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2003							
November	-0.1	-0.3	-0.7	0.0	3.4	0.0	0.0
December .....	.2	.2	1.4	-.1	4.0	.4	3.4
2004							
January .....	.6	-1.3	4.7	.3	3.3	.9	4.1
February .....	.1	.4	.3	-.1	2.1	1.0	1.5
March .....	.6	1.5	.6	.3	1.5	.8	1.6
April .....	.7	1.3	1.8	.1	3.7	1.4	1.8
May .....	.6	1.5	1.3	.2	4.9	1.0	3.2
June	-.2	-.4	-1.7	.3	4.0	.5	.7
July	0	-1.8	2.7	-.2	3.8	.5	-.4
August .....	.1	-.3	-.1	.3	3.4	1.2	-1.1
September .....	.1	.1	-.9	.3	3.3	.1	-4.2
October	1.7	1.6	6.8	.3	4.4	.9	4.3
November .....	.5	.4	1.8	.2	5.0	.8	8.7

¹ Some percent changes shown here and elsewhere in "Price Movements November 2004" may differ from those previously reported because indexes for

July 2004 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2003								
November	2.6	-1.3	0.1	3.4	-0.6	-1.3	4.3	18.0
December	-.3	1.4	.2	3.9	.3	7.0	3.0	19.5
2004								
January	-1.3	2.9	.6	3.9	-6.8	15.3	3.7	16.1
February	1.3	.7	.9	2.8	4.3	-2.8	6.1	12.0
March	2.5	.4	.8	1.5	6.9	-3.7	2.8	.5
April	4.7	1.8	1.1	5.4	3.3	3.8	-4.3	21.6
May	2.8	1.5	.8	7.2	2.1	8.4	-5.2	23.6
June	-2.0	1.6	.3	7.0	-2.9	4.6	-.5	19.4
July	-2.1	1.3	.5	7.3	-4.9	-1.2	11.0	22.5
August	-4.6	2.9	1.2	8.1	-4.5	.1	2.5	22.4
September	-1.7	-1.9	.7	8.4	-2.1	-6.6	-2.5	14.2
October	-1.9	4.3	.3	9.0	-.8	7.9	5.4	15.7
November	0	2.3	.4	9.8	1.8	17.0	2.5	25.5

¹ Some percent changes shown here and elsewhere in "Price Movements November 2004" may differ from those previously reported because indexes for

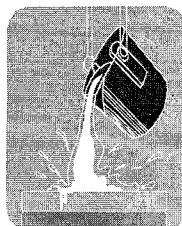
July 2004 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

processed young chickens rose 1.7 percent, following a 2.8-percent decline in October. The indexes for finfish and shellfish and for bakery products also turned up, compared with decreases in the prior month. Prices for dairy products increased more rapidly in November than they did a month earlier, while the index for eggs for fresh use fell less than it did in October.

The capital equipment index advanced 0.2 percent in November, after moving up 0.4 percent in the preceding month. In November, rising prices for civilian aircraft; passenger cars; commercial furniture; truck trailers; and pumps, compressors, and equipment outweighed falling prices for light motor trucks, electronic computers, off-highway trucks, tractor shovel loaders, and heavy motor trucks.

The index for finished consumer goods other than foods and energy increased 0.2 percent in November, the same as in October. Rising prices were registered in November for passenger cars, household furniture, cigarettes, book publishing, and pharmaceutical preparations. These increases outweighed falling prices for light motor trucks; women's, girls', and infants' apparel; and sporting and athletic goods.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components increased 0.8 percent in November, after advancing 0.9 percent in October. Prices rose in November for intermediate energy goods, materials for nondurable manufacturing, and durable manufacturing ma-

terials, while the indexes for construction materials and intermediate foods and feeds showed no change. Excluding foods and energy prices, the intermediate goods index moved up 0.4 percent in November, after rising 0.3 percent in October. (See table B.)

Price increases for intermediate energy goods slowed from 4.3 percent in October to 2.3 percent in November. In November, the jet fuels index rose 4.4 percent, following a 17.2-percent increase in October. The liquefied petroleum gas index also increased less rapidly than it did in October. Prices for gasoline, diesel fuel, and home heating oil turned down, after advancing in the previous month. By contrast, industrial electric power prices rose 3.5 percent in November, following a 2.4-percent decline in the preceding month. The indexes for industrial natural gas, commercial electric power, and natural gas to electric utilities also turned up in November. Prices for commercial natural gas and residual fuel rose more quickly in November than they did a month earlier.

The index for materials for nondurable manufacturing moved up 1.0 percent in November, compared with a 0.9-percent increase in October. Rising prices for liquid refinery gases, plastic resins and materials, fertilizer materials, alkalies and chlorine, and finished fabrics more than offset falling prices for inedible fats and oils, woodpulp, gray fabrics, cyclic intermediate chemicals, and processed yarns and threads.

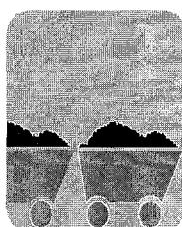
Prices for materials for durable manufacturing increased 0.5 percent in November, following a 0.3-percent decline in October. Leading this upturn, the index for aluminum mill shapes rose 0.2 percent, after slipping 6.6 percent in the prior month. Prices for titanium mill shapes also turned up, after decreasing in October. The indexes for cold rolled steel sheet

and strip, building paper and board, and plywood fell less in November than they did a month earlier. Alternatively, prices for copper cathode and refined copper declined 2.5 percent, compared with an 11.5-percent jump in the prior month. Prices for copper and brass mill shapes also turned down, after rising in the previous month. The rate of increase in the indexes for semifinished steel mill products and hot rolled steel bars, plates, and structural shapes slowed from October to November.

The index for materials and components for construction showed no change in November, after edging down 0.1 percent in October. Price increases for fabricated structural metal products, concrete products, asphalt felts and coatings, steel mill products, plastic construction products, and nonferrous wire and cable offset falling prices for softwood lumber, plywood, building paper and board, wiring devices, mineral wool for structural insulation, and switchgear and switchboard equipment.

Subsequent to a 1.9-percent decline in October, the intermediate foods and feeds index showed no change in November. Prepared animal feed prices fell 1.0 percent in November, following a 5.7-percent drop in the previous month. The indexes for natural, processed, and imitation cheese; flour; and processed young chickens turned up in November, after declining a month earlier. Prices for shortening and cooking oils decreased at a slower pace than they did in the prior month. By contrast, the beef and veal index moved down 1.6 percent in November, after climbing 3.2 percent in October. Prices for fluid milk products; refined sugar and byproducts; and dry, condensed, and evaporated milk products also turned down, following increases in October. The pork index rose less rapidly in November than it did in the preceding month.

Crude goods



The Producer Price Index for Crude Materials for Further Processing gained 8.7 percent in November, after rising 4.3 percent in October. Prices for crude energy materials rose at a higher rate in November than they did in the preceding month, while the crude foodstuffs and feedstuffs index advanced, after posting a decline in October.

By contrast, the rate of increase in prices for basic industrial materials slowed from October to November. (See table B.)

The crude energy materials index rose 17.0 percent in November, after increasing 7.9 percent in October. The natural gas index jumped 43.7 percent in November, compared with a 2.7-percent increase in the prior month. Coal prices were unchanged in November, following a 1.9-percent decrease in October. By contrast, crude petroleum prices fell 11.1 percent, after climbing 18.4 percent in the previous month.

Prices for crude foodstuffs and feedstuffs rose 1.8 percent in November, following a 0.8-percent decline in October. A 12.3-percent decrease in the soybean index in October was

followed by a 1.8-percent rise in November. The wheat, unprocessed shellfish, and unprocessed finfish indexes also turned up in November. Corn prices fell less in November than they did in October. The indexes for slaughter hogs and fluid milk increased more in November than they did in the previous month. By contrast, prices for slaughter cattle fell 2.8 percent in November, after decreasing 1.2 percent in October. The fresh and dry vegetables index increased less in November than it did a month earlier. Prices for fresh fruits and melons and for slaughter broilers and fryers fell, after increasing in the preceding month.

Prices for basic industrial materials increased 2.5 percent in November, after rising 5.4 percent in October. The iron and steel scrap index went up 8.0 percent, following a 15.4-percent advance in October. Prices for copper base scrap, aluminum base scrap, and gold ores also rose less in November than they did in the previous month. The wastepaper index fell in November, after registering a gain in October. By contrast, the raw cotton index increased 0.1 percent, compared with a 12.3-percent drop in October. The indexes for leaf tobacco and phosphates increased at a faster rate in November than they did in October.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries climbed 13.6 percent in November, after posting a 6.8-percent rise in October. (Net output price indexes are not seasonally adjusted.) Much of this acceleration can be attributed to the index for the natural gas liquid extraction industry, which surged 34.1 percent in November, following a 4.9-percent gain a month earlier. Prices received by the industries for oil and gas operations support activities, coal mining support activities, and industrial sand mining also advanced at a faster pace than they did in October. The index for the bituminous coal and lignite surface mining industry fell less in November than it did in the prior month. By contrast, price increases received by the oil and gas well drilling industry slowed from 5.8 percent in October to 1.2 percent in November. The industry indexes for crude petroleum and natural gas extraction and for gold ore mining also rose at slower rates than they did in the preceding month. Prices received by the bituminous coal underground mining industry were unchanged in November, after moving up a month earlier. In November, the Producer Price Index for the Net Output of Total Mining Industries was 180.5 (December 1984=100), 48.6 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries turned down 0.3 percent in November, following a 1.7-percent advance in October. Prices received by petroleum and coal product manufacturers fell 3.5 percent in November, compared with an 11.2-percent gain in the preceding month. The index for the trans-

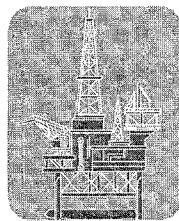
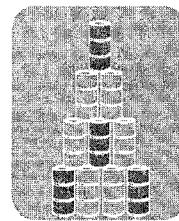
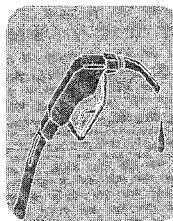
portation equipment industry group also moved down, after rising in October. Prices received by the producers of plastics and rubber products, machinery, and chemicals increased at a slower rate in November than they did in the prior month. The industry group indexes for electrical equipment and appliance manufacturers, beverage and tobacco producers, and paper manufacturers were unchanged in November, following advances in October, while prices received by the computer and electronic products industry group declined, after showing no change in the previous month. Conversely, the industry group index for food manufacturing was unchanged in November, following a 0.3-percent decrease a month earlier. Prices received by producers of furniture and related products, primary metals, and textile mill products climbed more than they did in October. The index for the printing

and related support activities industry group turned up in November. In November, the Producer Price Index for the Net Output of Total Manufacturing Industries was 146.0 (December 1984=100), 6.0 percent above its year-ago level.

Services. Among services industries in November, the indexes increased for investment bankers and securities dealers, general medical and surgical hospitals, direct property and casualty insurance carriers, direct life insurance carriers, long-distance general freight trucking companies (both truckload and less-than-truckload haulers), securities brokerages, television broadcasters, nonresidential property managers, and periodical publishers. By contrast, the indexes decreased for scheduled passenger air transportation, casino hotels, offices of lawyers, and wired telecommunications.

Price Movements

December 2004



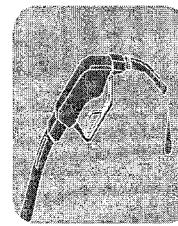
The Producer Price Index for Finished Goods fell 0.7 percent in December, seasonally adjusted. This decline followed a 0.5-percent increase in November and a 1.7-percent advance in October. At the earlier stages of processing, prices received by producers of intermediate goods turned down 0.3 percent, after rising 0.8 percent in the previous month, and the crude goods index declined 2.9 percent in December, following an 8.7-percent increase in November. (See table A.)

Among finished goods, prices for energy goods dropped 4.0 percent in December, as opposed to the 1.8-percent increase registered in November. (Excluding energy, prices for finished goods rose 0.1 percent in December.) The index for finished consumer foods inched up 0.1 percent in December, compared with a 0.4-percent gain in the prior month. Prices for finished goods other than foods and energy rose 0.1 percent in December, following a 0.2-percent increase in November.

Before seasonal adjustment, the Producer Price Index for Finished Goods declined 0.9 percent to 150.4 (1982=100). From December 2003 to December 2004, finished goods prices increased 4.1 percent, after climbing 4.0 percent during 2003. Prices for finished goods other than foods and energy gained 2.2 percent in 2004, following a 1.0-percent rise in 2003. Prices

for finished energy goods advanced 13.4 percent in 2004, compared with an 11.4-percent increase in the previous year. By contrast, the finished consumer foods index moved up 2.8 percent in 2004, following a 7.7-percent advance in the prior year. At the earlier stages of processing, the intermediate goods index jumped 9.1 percent from December 2003 to December 2004, after registering a 3.9-percent gain during 2003. Prices received by producers of crude materials for further processing increased 18.0 percent in 2004, following a 19.5-percent rise in the prior year. (See summary table on page 2.)

Finished goods



The index for finished energy goods turned down 4.0 percent in December, after increasing 1.8 percent in November. Gasoline prices fell 11.1 percent, following a 0.7-percent decline in the preceding month. The indexes for home heating oil and diesel fuel also fell more in December than they did in November. Prices for residential natural gas and liquefied petroleum gas turned down, after rising in November, while the residential electric power index increased less than it did in the prior month.

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted¹

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2003							
December	0.2	0.2	1.4	-0.1	4.0	0.4	3.4
2004							
January .....	.6	-1.3	4.7	.3	3.3	.9	4.1
February .....	.1	.4	.3	-.1	2.1	1.0	1.5
March .....	.6	1.5	.6	.3	1.5	.8	1.6
April .....	.7	1.3	1.8	.1	3.7	1.4	1.8
May .....	.6	1.5	1.3	.2	4.9	1.0	3.2
June	-.2	-.4	-1.7	.3	4.0	.5	.7
July	0	-1.8	2.7	-.2	3.8	.5	-.4
August	0	-.3	-.2	.3	3.3	1.1	-.1
September .....	.1	0	-.8	.3	3.3	.2	-5.1
October	1.7	1.6	6.8	.3	4.4	.9	4.3
November .....	.5	.4	1.8	.2	5.0	.8	8.7
December	-.7	.1	-4.0	.1	4.1	-.3	-2.9

¹ Some percent changes shown here and elsewhere in "Price Movements December 2004" may differ from those previously reported because indexes for

August 2004 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

Summary of December-to-December and 3-month seasonally adjusted annual rates for selected stages of processing

Grouping	Percentage change 12 months ended December			Seasonally adjusted annual rate for 3 months ended			
	2002	2003	2004	March 2004	June 2004	September 2004	December 2004
Finished goods	1.2	4.0	4.1	5.4	4.4	0.5	6.3
Finished consumer foods	-.6	7.7	2.8	2.1	9.9	-8.0	8.7
Finished energy goods	12.3	11.4	13.4	24.0	5.6	7.1	18.2
Finished goods less foods and energy	-.5	1.0	2.2	2.1	2.4	1.6	2.6
Finished consumer goods, excluding foods and energy	-.5	1.1	2.0	2.5	2.0	1.3	2.3
Capital equipment	-.6	.8	2.4	1.4	2.9	2.0	3.1
Intermediate materials, supplies, and components	3.2	3.9	9.1	11.1	12.1	7.5	5.3
Intermediate foods and feeds	4.2	12.9	-1.9	9.9	23.7	-29.0	-4.1
Intermediate energy goods	12.0	10.9	14.7	17.5	21.5	9.5	11.0
Intermediate materials less foods and energy ..	1.5	2.1	8.3	9.8	9.3	9.6	4.6
Materials for nondurable manufacturing	4.2	4.9	13.7	9.6	13.7	18.4	12.6
Materials for durable manufacturing	3.1	4.0	18.0	31.8	14.7	21.9	4.8
Materials and components for construction...	.8	3.0	10.0	16.3	12.1	10.7	1.2
Crude materials for further processing	24.7	19.5	18.0	32.9	25.7	-20.4	46.7
Foodstuffs and feedstuffs	4.5	24.1	-2.5	16.7	9.7	-37.5	16.2
Crude energy materials	61.5	14.4	37.3	35.5	91.6	-27.1	87.9
Crude nonfood materials less energy	12.6	21.6	20.1	63.1	-33.2	51.3	27.5

NOTE: Late reports and corrections by respondents may cause some indexes to change 4 months after original publication. In addition, seasonally

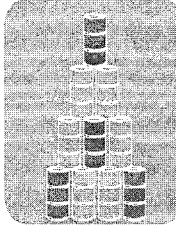
adjusted indexes may be revised for 5 years due to the recalculation of seasonal factors each January.

Prices for finished consumer foods edged up 0.1 percent in December, after increasing 0.4 percent in the prior month. In December, rising prices for beef and veal, eggs for fresh use, dairy products, fresh fruits and melons, confectionery end products, and processed young chickens outweighed price declines for fresh and dry vegetables, pork, shortening and cooking oils, finfish and shellfish, and bakery products.

The index for finished consumer goods other than foods and energy inched up 0.1 percent in December, following a 0.2-percent gain in the prior month. Prices for pharmaceutical preparations, cosmetics and other toilet preparations, mobile homes, newspaper circulation, book publishing, and cigarettes advanced in December. By contrast, prices for passenger cars, periodical circulation, alcoholic beverages, light motor trucks, sporting and athletic goods, and men's and boys' apparel fell in December. During 2004, the index for finished consumer goods other than foods and energy advanced 2.0 percent, following a 1.1-percent rise in 2003.

A 0.1-percent increase in capital equipment prices in December followed a 0.2-percent gain in November. Rising prices for railroad equipment, civilian aircraft, agricultural machinery and equipment, commercial furniture, transformers and power regulators, and metal cutting machine tools more than compensated for declining prices for communication and related equipment, passenger cars, integrating and measuring instruments, light motor trucks, truck trailers, and electronic computers. For the 12 months ended December 2004, capital equipment prices advanced 2.4 percent, after posting a 0.8-percent increase during the previous year.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components decreased 0.3 percent in December, after registering a 0.8-percent advance in November. This downturn is attributable to prices for intermediate energy goods, which fell in December following an increase a month earlier. On the other hand, the indexes for materials and components for construction and intermediate foods and feeds rose, after showing no change in November, while prices for durable and nondurable manufacturing materials moved up faster than they did in the prior month. The index for intermediate goods other than foods and energy went up 0.5 percent in December, following a 0.4-percent gain in November. (See table B.)

Prices for intermediate energy goods fell 3.8 percent in December, compared with a 2.3-percent advance in November. The jet fuels index dropped 23.0 percent, after rising 4.4 percent in the preceding month. Prices for industrial natural gas, commercial natural gas, natural gas to electric utilities, liquefied petroleum gas, and residual fuels also turned down, following increases in November. The indexes for gasoline and diesel fuel fell more in December than they did in the prior month, while prices for commercial electric power and industrial electric power increased less in December than they did in November. From December 2003 to December 2004, prices for intermediate energy goods rose 14.7 percent, following a 10.9-percent gain in 2003.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted¹

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy (unadj.)	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2003								
December	-0.3	1.4	0.2	3.9	0.3	7.0	3.0	19.5
2004								
January	-1.3	2.9	.6	3.9	-6.8	15.3	3.7	16.1
February	1.3	.7	.9	2.8	4.3	-2.8	6.1	12.0
March	2.5	.4	.8	1.5	6.9	-3.7	2.8	.5
April	4.7	1.8	1.1	5.4	3.3	3.8	-4.3	21.6
May	2.8	1.5	.8	7.2	2.1	8.4	-5.2	23.6
June	-2.0	1.6	.3	7.0	-2.9	4.6	-.5	19.4
July	-2.1	1.3	.5	7.3	-4.9	-1.2	11.0	22.5
August	-4.4	2.9	1.0	8.0	-4.5	2.2	2.5	23.5
September	-1.9	-1.9	.8	8.4	-2.1	-8.6	-2.5	14.2
October	-1.9	4.3	.3	9.0	-.8	7.9	5.4	15.7
November	0	2.3	.4	9.8	1.8	17.0	2.5	25.5
December .....	.8	-3.8	.5	9.1	2.9	-7.3	-1.7	18.0

¹ Some percent changes shown here and elsewhere in "Price Movements December 2004" may differ from those previously reported because indexes for

August 2004 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

The index for materials and components for construction moved up 0.4 percent in December, after showing no change in November. Prices for softwood lumber increased 0.7 percent, following an 8.0-percent drop in the prior month. The indexes for plywood, building paper and board, wiring devices, switchgear, fabricated ferrous wire products, heating equipment, and gypsum products also turned up, after falling in November. Prices for nonferrous wire and cable and cement rose more in December than they did in the prior month. By contrast, the index for fabricated structural metal products edged up 0.2 percent, following a 0.6-percent gain in November. Price increases also slowed from November to December for concrete products, asphalt felts and coatings, and steel mill products. The index for plastic construction products fell, after rising in the preceding month. During 2004, prices for materials and components for construction jumped 10.0 percent, following a 3.0-percent increase in the previous year.

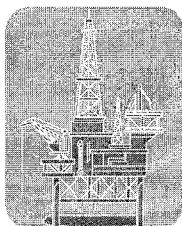
Prices for materials for durable manufacturing advanced 1.0 percent in December, following a 0.5-percent increase in November. The index for building paper and board rose 7.3 percent, after falling 8.3 percent in the prior month. Prices for plywood, primary nonferrous metals, cold rolled steel sheet and strip, and copper and brass mill shapes also turned up in December. The indexes for aluminum mill shapes; hot rolled steel bars, plates, and structural shapes; and cold finished bars went up more than they did in November. Alternatively, prices for titanium mill shapes declined 0.8 percent, following a 20.3-percent upsurge in November. The index for hardwood lumber decreased at a faster rate than it did in the previous

month, and prices for prepared paint and semifinished steel mill products rose less in December than they did in the prior month. In 2004, the index for materials for durable manufacturing climbed 18.0 percent, following a 4.0-percent increase in 2003.

After showing no change in November, prices for intermediate foods and feeds advanced 0.8 percent in December. The index for beef and veal increased 3.9 percent in December, compared with a 1.6-percent decline a month earlier. Prices for prepared animal feeds; fluid milk products; and dry, condensed, and evaporated milk products also moved up, after falling in November. By contrast, flour prices moved down 1.9 percent in December, following a 3.3-percent gain in the prior month. The indexes for pork and confectionery materials also turned down, after climbing in November. Prices for natural, processed, and imitation cheese increased less in December than they did in November, while prices for shortening and cooking oils decreased more in December than they did in November. From December 2003 to December 2004, prices for intermediate foods and feeds fell 1.9 percent, following a 12.9-percent gain in 2003.

The index for materials for nondurable manufacturing increased 1.1 percent in December, following a 1.0-percent advance in November. In December, rising prices for plastic resins and materials, paper, processed or refined potassium salts, synthetic rubber, and paint materials outweighed falling prices for primary basic organic chemicals, finished fabrics, and inedible fats and oils. The index for materials for nondurable manufacturing climbed 13.7 percent in 2004, following a 4.9-percent gain in 2003.

Crude goods



The Producer Price Index for Crude Materials for Further Processing fell 2.9 percent in December, following an 8.7-percent rise in November. December prices for both crude energy materials and crude goods other than foods and energy fell, after climbing in November. By contrast, the crude foodstuffs and feedstuffs index rose more in December than it did in November. (See table B.)

The crude energy materials index moved down 7.3 percent in December, after increasing 17.0 percent in November. The natural gas index fell 6.0 percent, following a 43.7-percent jump in November. Crude petroleum prices declined more in December than they did in November. By contrast, a 0.8-percent advance in coal prices in December followed no change in the prior month. In 2004, the index for crude energy materials increased 37.3 percent, compared with a 14.4-percent rise in 2003.

Prices for basic industrial materials decreased 1.7 percent in December, after rising 2.5 percent in November. The iron and steel scrap index declined 10.8 percent, more than reversing an 8.0-percent gain in November. Prices for raw cotton and softwood logs, bolts, and timber also fell in December, after registering increases in the previous month. Price increases for pulpwood and phosphates slowed from November to December. By contrast, the iron ore index advanced 9.7 percent in December, after remaining unchanged in November. The indexes for both copper base scrap and aluminum base scrap rose more in December than they did in the prior month. Wastepaper prices increased in December, after declining in the preceding month. In 2004, the index for basic industrial materials moved up 20.1 percent, compared with a 21.6-percent gain in 2003.

The crude foodstuffs and feedstuffs index gained 2.9 percent in December, following a 1.8-percent advance in November. A 2.7-percent rise in prices for slaughter cattle in December followed a 2.8-percent decrease in the previous month. The corn, slaughter broilers and fryers, and fresh fruits and melons indexes also moved up, after falling in November. Prices for soybeans rose more in December than they did in the preceding month. By contrast, the slaughter hogs index fell 0.8 percent, following a 16.4-percent increase in the prior month. Prices for fresh vegetables (except potatoes) and wheat decreased in December, after moving up a month earlier. In 2004, the crude foodstuffs and feedstuffs index moved down 2.5 percent, compared with a 24.1-percent increase in 2003.

Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries declined 5.8 percent in December, following a 13.6-percent increase in the prior month. (Net output

price indexes are not seasonally adjusted.) Leading this downturn, prices received by the natural gas liquid extraction industry fell 12.7 percent, after posting a 34.1-percent gain in November. The industry indexes for crude petroleum and natural gas extraction, oil and gas operations support activities, and support activities for coal mining also turned down in December, while prices received by the industry for gold ore mining rose less than they did in the preceding month. By contrast, the rate of increase in the industry index for oil and gas well drilling climbed from 1.2 percent in November to 3.5 percent in December. Prices received by the industries for iron ore mining and bituminous coal underground mining rose, after showing no change a month earlier, while the industry indexes for potash, soda, and borate mineral mining and for bituminous coal and lignite surface mining went up, compared with decreases in November. In December, the Producer Price Index for the Net Output of Total Mining Industries was 170.0 (December 1984=100). Prices received by the mining sector advanced 31.8 percent in 2004, after increasing 13.4 percent in 2003.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries fell 0.9 percent in December, following a 0.3-percent decrease in the previous month. Contributing most significantly to this faster rate of decline, the industry group index for petroleum and coal products manufacturing dropped 13.0 percent in December, after moving down 3.5 percent in the preceding month. Prices received by manufacturers of furniture and related products and of primary metals advanced less than they did in November. The industry group indexes for textile mills and for printing and related support activities turned down, while prices received by the textile product mills industry group showed no change in December, following gains in the prior month. Alternatively, the industry group index for food manufacturers moved up 0.8 percent in December, after remaining unchanged in the previous month. Prices received by the industry group for electrical equipment and appliances also rose, following no change in November. The industry group indexes for plastic and rubber products manufacturing and chemical manufacturing increased more in December than they did a month earlier, while prices received by producers of transportation equipment edged up, following declines in November. In December, the Producer Price Index for the Net Output of Total Manufacturing Industries was 144.7 (December 1984=100). For the 12 months ended December 2004, prices received by the manufacturing sector increased 5.1 percent, compared with a 2.8-percent advance in 2003.

Services. Among services industries in December, prices received by the industry for investment banking and securities dealing edged down 0.2 percent, after rising 1.9 percent in the preceding month. The industry indexes for direct life insurance carriers, long-distance general freight trucking (truck-

load), hotels (except casino hotels) and motels, temporary help services, lessors of nonresidential buildings (except miniwarehouses), and television broadcasting also turned down, following increases in November. Prices received by the general medical and surgical hospitals industry rose at a slower rate than they did in the previous month. By contrast, the industry group index for scheduled passenger air trans-

portation moved up 1.3 percent in December, compared with a 1.2-percent decline in the prior month. Prices received by the industries for employee leasing services, local general freight trucking, and residential property managers also turned up, while the industry indexes for portfolio management and scheduled freight air transportation increased more than they did in November.