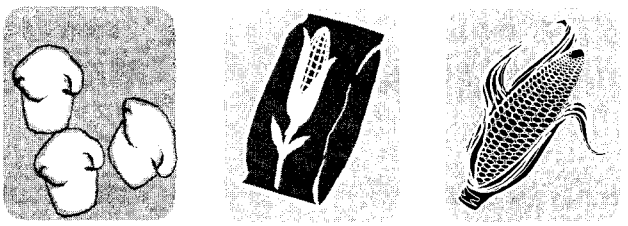
Price Movements January 2005

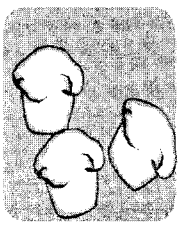


The Producer Price Index for Finished Goods advanced 0.3 percent in January, seasonally adjusted. This increase followed a 0.3-percent decline in December and a 0.7-percent rise in November. At the earlier stages of processing, prices received by manufacturers of intermediate goods moved up 0.4 percent in January, after inching down 0.1 percent in December. The crude goods index fell 2.0 percent, following a 3.0-percent drop in December. (See table A.)

Among finished goods in January, prices for finished goods other than foods and energy climbed 0.8 percent, compared with a 0.2-percent gain in December. The index for finished energy goods fell at a slower rate in January than it did in December. By contrast, prices for finished consumer foods turned down in January, after edging up in December.

Before seasonal adjustment, the Producer Price Index for Finished Goods advanced 0.7 percent in January to 151.5 (1982=100). From January 2004 to January 2005, prices for finished goods increased 4.2 percent. During the same period, the finished energy goods index jumped 9.8 percent, prices for finished goods other than foods and energy rose 2.7 percent, and the index for finished consumer foods went up 4.1 percent. At the earlier stages of processing, prices for intermediate goods moved up 8.7 percent during the 12 months ended January 2005, while the crude goods index gained 10.8 percent.

Finished goods



Prices for finished consumer goods other than foods and energy climbed 0.9 percent in January, after inching up 0.1 percent in December. The cigarettes index rose 3.4 percent in January, compared with a 0.1-percent increase a month earlier. Prices for light motor trucks and pharmaceutical preparations also went up faster than they did in December. The indexes for alcoholic beverages, passenger cars, and sporting and athletic goods turned up in January, following declines in the preceding month. Prices for women's, girls', and infants' apparel, as well as for household furniture, advanced after showing no change in the previous month. Alternatively, the index for cosmetics and other toilet preparations decreased 0.2 percent in January, following a 0.5-percent gain in December. Prices for platinum and karat gold jewelry also turned down, while the pet food index fell, after remaining unchanged in December. (See table 2.)

Table A. **Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted**[1]

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2004							
January	0.3	−1.5	2.6	0.3	3.3	0.7	4.6
February	−.1	.1	−.4	−.1	2.1	.9	.9
March	.5	1.4	.3	.3	1.5	.7	1.7
April	.7	1.3	1.8	.3	3.7	1.4	1.7
May	.6	1.4	1.4	.1	4.9	1.0	3.3
June	−.1	−.4	−.8	.3	4.0	.4	.8
July	.1	−1.5	2.5	−.1	3.8	.6	.1
August	.1	−.2	.3	.3	3.3	1.0	−.3
September	.3	.5	−.2	.3	3.3	.3	−4.5
October	1.3	1.2	5.6	.3	4.4	.8	3.8
November	.7	.4	2.8	.2	5.0	.9	8.4
December	−.3	.1	−2.5	.2	4.1	−.1	−3.0
2005							
January	.3	−.2	−1.0	.8	4.2	.4	−2.0

[1] Some percent changes shown here and elsewhere in "Price Movements January 2005" may differ from those previously reported, because seasonal adjustment factors have been recalculated to reflect developments during 2004. In addition, indexes for September 2004 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

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Table B. **Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted**[1]

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.)
2004								
January	−1.3	2.2	0.6	3.9	−5.8	15.3	3.9	16.1
February	.9	.3	.9	2.8	3.4	−2.8	4.4	12.0
March	2.4	−.2	.8	1.5	7.3	−3.7	2.6	.5
April	4.3	1.5	1.2	5.4	2.6	3.8	−3.8	21.6
May	2.7	1.5	.8	7.2	2.3	8.4	−4.6	23.6
June	−2.0	1.0	.3	7.0	−2.7	4.6	−.4	19.4
July	−1.8	1.8	.5	7.3	−3.8	−1.2	10.9	22.5
August	−4.1	2.3	1.0	8.0	−5.0	2.2	2.5	23.5
September	−1.1	−1.1	.8	8.4	−1.4	−8.4	−1.3	14.6
October	−2.4	3.9	.3	9.0	−1.7	7.7	4.9	15.7
November	0	3.0	.4	9.8	1.2	17.0	2.2	25.5
December	.8	−2.2	.5	9.1	2.6	−7.3	−1.3	18.0
2005								
January	.9	−1.3	.8	8.7	1.9	−4.5	−2.5	10.8

[1] Some percent changes shown here and elsewhere in "Price Movements January 2005" may differ from those previously reported, because seasonal adjustment factors have been recalculated to reflect developments during 2004. In addition, indexes for September 2004 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

The finished energy goods index moved down 1.0 percent in January, following a 2.5-percent decline in December. In January, falling prices for gasoline, residential natural gas, and liquefied petroleum gas outweighed increasing prices for residential electric power and home heating oil.

The capital equipment index advanced 0.6 percent in January, after posting a 0.2-percent gain in the preceding month. Prices for communication and related equipment turned up 0.5 percent, following a 0.9-percent decrease in December. The indexes for passenger cars and truck trailers also increased, after falling a month earlier. Prices for heavy motor trucks, light motor trucks, and printed circuit board manufacturing machinery moved up more in January than they did in December. The index for construction machinery and equipment rose 0.9 percent, following no change in December, while prices for integrating and measuring instruments were unchanged in January, after declining in the prior month. By contrast, the index for electronic computers dropped 6.1 percent, compared with a 0.4-percent dip in December. Price increases slowed from December to January for railroad equipment, while the indexes for transformers and power regulators, x-ray and electromedical equipment, and metal cutting machine tools turned down.

Prices for finished consumer foods went down 0.2 percent in January, after edging up 0.1 percent in the previous month. The eggs for fresh use index fell 23.5 percent, following a 22.9-percent upsurge in December. Prices for fresh fruits and melons, soft drinks, and processed young chickens also moved down, after rising a month earlier. The indexes for beef and veal and for dairy products advanced less in January than they did in December. By contrast, price decreases for fresh and dry vegetables slowed from 26.4 percent in December to 12.0 percent in January. The roasted coffee index jumped 10.8 percent, following no change in the prior month. Prices for confectionery end products and processed turkeys increased more in January than they did in December.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components increased 0.4 percent in January, after inching down 0.1 percent in the previous month. Prices for materials for durable manufacturing, materials and components for construction, materials for nondurable manufacturing, and intermediate foods and feeds rose in January, while the intermediate energy goods index declined. Excluding prices for foods and energy, the index for intermediate goods advanced 0.8 percent, following a 0.5-percent gain in December. (See table B.)

Prices for materials for durable manufacturing increased 1.8 percent in January, compared with a 1.1-percent rise in the preceding month. The aluminum mill shapes index advanced 4.0 percent, following a 2.1-percent gain in the previous month. The indexes for cold rolled steel sheet and strip, cement, and prepared paint also increased more than they did in December. Prices for adhesives and sealants and hardwood lumber turned up, after falling a month earlier. Alternatively, the hot rolled steel bars, plates, and structural shapes index declined 0.5 percent in January, after moving up 2.1 percent in the previous month. Prices for plywood, copper cathode and

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refined copper, copper and brass mill shapes, and cold finished steel bars rose less than they did in December, while the semifinished steel mill products index decreased in January, after showing no change in the prior month. (See table 2.)

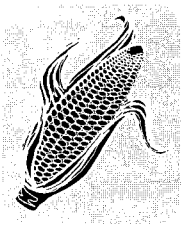
Subsequent to a 0.5-percent rise in December, prices for materials and components for construction went up 1.0 percent in January. The concrete products index advanced 2.2 percent in January, following a 0.6-percent gain in the preceding month. Prices for fabricated structural metal products, softwood lumber, heating equipment, and paving mixtures and blocks also increased more than they did in December, while the indexes for plastic construction products and treated wood turned up in January. By contrast, prices for asphalt felts and coatings turned down 3.5 percent in January, after posting a 1.5-percent gain in the previous month. The indexes for millwork and metal valves (except fluid power) also declined, following increases a month earlier. Prices for plywood, steel mill products, and nonferrous wire and cable rose less than they did in December.

The rate of increase in the index for materials for nondurable manufacturing slowed from 1.2 percent in December to 0.6 percent in January. Prices for plastic resins and materials rose 2.3 percent, after increasing 4.5 percent in December. The indexes for intermediate basic organic chemicals, paper, fertilizer materials, paint materials, and medicinal and botanical chemicals turned down in January. Alternatively, the fats and oils (inedible) index jumped 12.5 percent in January, following a 1.2-percent decline in the preceding month. Prices for gray fabrics, finished fabrics, and paperboard also turned up, after decreasing a month earlier. The index for primary basic organic chemicals fell less than it did in December, and prices for basic inorganic chemicals rose more in January than they did in the prior month.

The intermediate foods and feeds index advanced 0.9 percent in January, after increasing 0.8 percent in the previous month. In January, rising prices for prepared animal feeds, fluid milk products, beef and veal, dry milk products, refined sugar and byproducts, and liquid beverage bases (used for soft drinks) outweighed falling prices for natural, processed, and imitation cheese; shortening and cooking oils; processed young chickens; and liquid milk products.

The rate of decrease in the intermediate energy goods index slowed from 2.2 percent in December to 1.3 percent in January. Prices for jet fuels fell 1.9 percent in January, compared with a 21.9-percent drop in the preceding month. The indexes for gasoline and liquefied petroleum gas also fell less in January than they did in December. Prices for diesel fuel and home heating oil turned up in January, and the industrial electric power index increased at a quicker pace than it did a month earlier. By contrast, industrial natural gas prices moved down 4.5 percent in January, after posting a 1.9-percent gain in the prior month. The commercial natural gas index declined, following no change in December, and prices for natural gas to electric utilities fell more than they did in the preceding month.

Crude goods



The Producer Price Index for Crude Materials for Further Processing declined 2.0 percent in January, following a 3.0-percent fall in December. Prices for crude energy materials decreased less in January than they did in December. By contrast, the index for basic industrial materials fell at a faster pace in January than it did in the prior month, and the crude foodstuffs and feedstuffs index posted a smaller increase in January than it did in December. (See table B.)

The crude energy materials index decreased 4.5 percent in January, after declining 7.3 percent in December. Natural gas prices dropped 12.3 percent in January, while coal prices inched up 0.2 percent. By contrast, crude petroleum prices climbed 10.4 percent in January. (See table 2.)

Prices for basic industrial materials decreased 2.5 percent in January, after falling 1.3 percent in December. In January, declining prices for iron and steel scrap, gold ores, leaf tobacco, aluminum base scrap, and copper ores outweighed rising prices for construction sand, gravel, and crushed stone; iron ore; raw cotton; and softwood logs, bolts, and timber.

The crude foodstuffs and feedstuffs index gained 1.9 percent in January, following a 2.6-percent advance in December. A 6.5-percent increase in prices for slaughter cattle led the increase in the crude foodstuffs and feedstuffs index in January. Rising prices for slaughter broilers and fryers, corn, wheat, and raw cane sugar and byproducts also were registered in January. By contrast, the indexes for fluid milk, slaughter hogs, fresh and dry vegetables, fresh fruits and melons, and soybeans declined 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 declined 3.6 percent in January, following a 5.8-percent drop in the prior month. (Net output price indexes are not seasonally adjusted.) Prices received by the natural gas liquid extraction industry fell 7.4 percent in January, compared with a 12.7-percent decline in December. The crude petroleum and natural gas extraction industry index also decreased less in January, while prices received by the industries for bituminous coal underground mining and for crushed and broken limestone mining and quarrying rose more than they did in the preceding month. Alternatively, the industry index for copper ore and nickel ore mining slipped 0.6 percent, compared with a 15.6-percent increase in December. Prices received by the industries for gold ore mining, bituminous coal and lignite surface mining, and potash, soda, and borate mineral mining also turned down, after rising a month earlier. The index for the oil and gas well drilling industry increased less than it did in December. In January, the Producer Price Index for the Net Output of Total Mining In-

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dustries was 163.8 (December 1984=100), 13.3 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries increased 1.0 percent in January, following a 0.9-percent decrease in the previous month. Prices received by manufacturers of petroleum and coal products turned up 3.4 percent, after falling 13.0 percent in December. The industry group indexes for transportation equipment, beverages and tobacco, chemicals, machinery, fabricated metal products, nonmetallic mineral products, and primary metals rose more in January than they did in the preceding month. By contrast, prices received by food manufacturers increased 0.6 percent in January, following a 0.8-percent gain in December. The industry group indexes for wood product manufacturing and paper manufacturing also rose less than they did in the prior month. In January, the Producer Price Index for the Net Output of Total Manufacturing Industries was 146.2 (December 1984=100), 5.3 percent above its year-ago level.

Services. Among services industries in January, prices received by commercial bankers advanced 4.9 percent, after edging down 0.2 percent in the preceding month. The industry indexes for offices of lawyers, hotels (except casino hotels) and motels, investment banking and securities dealing, and savings institutions also turned up, following declines in December. Prices for direct health and medical insurance carriers, offices of real estate agents and brokers, and general medical and surgical hospitals rose more quickly than they did in the previous month. By contrast, the industry index for scheduled freight air transportation declined 3.2 percent in January, following a 3.4-percent increase a month earlier. Prices received by the industries for passenger car rental, radio stations, cable networks, and residential property managers also turned down, after moving up in December.

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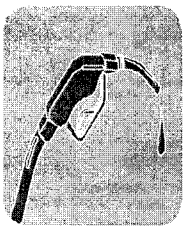
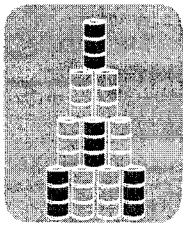
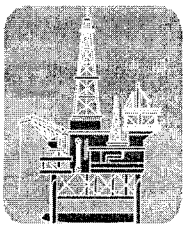
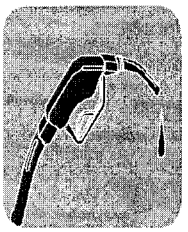




The Producer Price Index for Finished Goods rose 0.4 percent in February, seasonally adjusted. This increase followed a 0.3-percent gain in January and a 0.3-percent decline in December. At the earlier stages of processing, the intermediate goods index advanced 0.7 percent, after moving up 0.4 percent in the previous month, and prices for crude goods fell 1.6 percent, following a 2.0-percent decrease in January. (See table A.)

Among finished goods in February, the indexes for energy goods, consumer foods, and consumer goods other than foods and energy rose 1.4, 0.8, and 0.2 percent, respectively. By contrast, capital equipment prices fell 0.2 percent. Excluding prices for foods and energy, the finished goods index edged up 0.1 percent in February, compared with a 0.8-percent increase in January.

Before seasonal adjustment, the Producer Price Index for Finished Goods advanced 0.5 percent in February to 152.2 (December 1982=100). From February 2004 to February 2005, prices for finished goods rose 4.7 percent. Over the same period, the index for finished energy goods increased 11.8 percent, prices for finished goods other than foods and energy moved up 2.8 percent, and the finished consumer foods index climbed 4.9 percent. For the 12 months ended February 2005, prices for intermediate goods increased 8.4 percent, and the crude goods index rose 8.1 percent.

Finished goods



The finished energy goods index rose 1.4 percent in February, after falling 1.0 percent in the preceding month. Leading this upturn, gasoline prices increased 5.2 percent, following a 4.2-percent decline in January. The liquefied petroleum gas index also turned up, after decreasing in the prior month, while prices for residential natural gas fell less in February than they did in the previous month. Alternatively, the residential electric power index moved down 0.3 percent in February, compared with a 1.2-percent gain a month earlier. Home heating oil prices rose less than they did in January. (See table 2.)

The index for finished consumer foods advanced 0.8 percent in February, following a 0.2-percent decline in the previous month. Prices for fresh and dry vegetables jumped 18.7 percent, after dropping 12.0 percent in January. The indexes for eggs for fresh use, finfish and shellfish, soft drinks, and processed young chickens also turned up in February, following decreases a month earlier. Prices for beef and veal and for bakery products rose more than they did in the preceding month. By contrast, the dairy products index fell 2.5 percent in February, after advancing 0.9 percent in the prior month. Prices for roasted coffee and processed turkeys also turned

Table A. **Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted**[1]

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2004							
February	−0.1	0.1	−0.4	−0.1	2.1	0.9	0.9
March	.5	1.4	.3	.3	1.5	.7	1.7
April	.7	1.3	1.8	.3	3.7	1.4	1.7
May	.6	1.4	1.4	.1	4.9	1.0	3.3
June	−.1	−.4	−.8	.3	4.0	.4	.8
July	.1	−1.5	2.5	−.1	3.8	.6	.1
August	.1	−.2	.3	.3	3.3	1.0	−.3
September	.3	.5	−.2	.3	3.3	.3	−4.5
October	1.5	1.5	5.7	.3	4.5	1.0	4.3
November	.6	.1	2.8	.2	5.0	.7	7.9
December	−.3	.1	−2.5	.2	4.1	−.1	−3.0
2005							
January	.3	−.2	−1.0	.8	4.2	.4	−2.0
February	.4	.8	1.4	.1	4.7	.7	−1.6

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Table B. **Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted**[1]

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.)
2004								
February	0.9	0.3	0.9	2.8	3.4	−2.8	4.4	12.0
March	2.4	−.2	.8	1.5	7.3	−3.7	2.6	.5
April	4.3	1.5	1.2	5.4	2.6	3.8	−3.8	21.6
May	2.7	1.5	.8	7.2	2.3	8.4	−4.6	23.6
June	−2.0	1.0	.3	7.0	−2.7	4.6	−.4	19.4
July	−1.8	1.8	.5	7.3	−3.8	−1.2	10.9	22.5
August	−4.1	2.3	1.0	8.0	−5.0	2.2	2.5	23.5
September	−1.1	−1.1	.8	8.4	−1.4	−8.4	−1.3	14.6
October	−1.8	4.2	.5	9.2	−1.5	9.1	4.3	16.3
November	−.6	2.8	.2	9.8	.9	15.6	2.7	25.5
December	.8	−2.2	.5	9.1	2.6	−7.3	−1.3	18.0
2005								
January	.9	−1.3	.8	8.7	1.9	−4.5	−2.5	10.8
February	−.6	1.5	.5	8.4	−3.2	.2	−3.0	8.1

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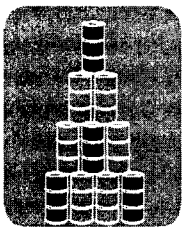
down, following gains in January, while the index for confectionery end products showed no change in February, after rising in the previous month. The indexes for pork and for fresh fruits and melons posted greater declines in February than they did a month earlier.

The rate of increase in the index for finished consumer goods excluding foods and energy slowed from 0.9 percent in January to 0.2 percent in February. Prices for cigarettes moved up 0.6 percent in February, following a 3.4-percent gain in the preceding month. The indexes for alcoholic beverages, newspaper circulation, and household furniture also rose less in February than they did in January. Prices turned down in February for light motor trucks; passenger cars; pharmaceutical preparations; women's, girls', and infants' apparel; and sporting and athletic goods. Conversely, the index for cosmetics and other toilet preparations rose 1.1 percent, after falling 0.2 percent in January. Prices for pet food and floor coverings also increased, following decreases in January, while the household appliance index rose more than it did in the prior month.

Subsequent to a 0.6-percent gain in January, the index for capital equipment decreased 0.2 percent in February. The index for light motor trucks fell 2.8 percent, after posting a 0.9-percent rise in January. Prices for passenger cars and for communication and related equipment also turned down in February. The indexes for heavy motor trucks, civilian aircraft, construction machinery and equipment, and commercial furniture advanced less than they did in the prior month. By contrast, prices for electronic computers turned up 0.4 percent in February, following a 6.1-percent decrease in the preceding month. The indexes for office and store machines and equipment and for welding machines and equipment also went up, after declining a month earlier. Prices for pumps, compressors, and equipment increased at a faster pace than they did in January, and the metal forming machine tools index rose in February, following no change in the previous month.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components advanced 0.7 percent in February, after registering a 0.4-percent gain in the previous month. This faster rate of increase was due to prices for intermediate energy goods, which turned up after falling in January. By contrast, the indexes for durable manufacturing materials, nondurable manufacturing materials, and construction materials increased less in February than they did in the prior month. Intermediate foods and feeds prices turned down, after rising a month earlier. Excluding food and energy prices, the index for intermediate goods went up 0.5 percent, following a 0.8-percent gain in January. (See table B.)

Prices for intermediate energy goods advanced 1.5 percent in February, after declining 1.3 percent in January. Prices for jet fuel, gasoline, liquefied petroleum gas, and residual fuel turned up in February, following declines a month earlier. (Reporting errors were identified in the jet fuel index for November, December, and January and will be corrected in accordance with normal revision procedures. The index level for February is believed to be correct and should be comparable to figures prior to November.) The indexes for industrial natural gas, commercial natural gas, and natural gas to electric utilities decreased less in February than they did in January. Alternatively, prices for industrial electric power declined 1.5 percent in February, compared with a 1.9-percent gain in the prior month. The index for commercial electric power also

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turned down, after rising in January, while home heating oil prices increased less in February than they did in the preceding month. (See table 2.)

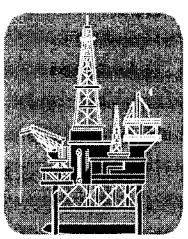
Prices for materials for durable manufacturing moved up 0.9 percent in February, compared with a 1.8-percent gain in the preceding month. In February, rising prices for primary nonferrous metals, cold rolled steel sheet and strip, building paper and board, prepared paint, and cement outweighed price declines for cold finished steel bars, aluminum mill shapes, hardwood lumber, and adhesives and sealants.

The index for materials for nondurable manufacturing rose 0.2 percent in February, after climbing 0.6 percent in the prior month. Prices for plastic resins and materials went up 0.3 percent in February, after posting a 2.3-percent advance in January. The indexes for inedible fats and oils and paperboard turned down, following increases in January. Prices for gray fabrics and synthetic rubber advanced less in February than they did in January. By contrast, the index for liquid refinery gases rose 7.4 percent, after falling 5.1 percent in the previous month. Prices for intermediate basic organic chemicals, paper, and paint materials also turned up in February, following declines a month earlier. The rate of increase in the index for alkalies and chlorine quickened from January to February.

Prices for intermediate foods and feeds fell 0.6 percent in February, after advancing 0.9 percent in the prior month. The index for fluid milk products declined 4.5 percent, following a 4.2-percent gain in January. Prices for prepared animal feeds, dry milk products, and refined sugar and byproducts also turned down, after rising in the previous month. The indexes for pork and for shortening and cooking oils fell more in February than they did a month earlier. Conversely, beef and veal prices advanced 3.0 percent in February, following a 1.8-percent rise in the preceding month. The index for confectionery materials also increased more than it did in January. The indexes for natural, processed, and imitation cheese and liquid milk products fell less than they did in January. Processed young chicken prices turned up in February.

Prices for materials and components for construction moved up 0.9 percent in February, following a 1.0-percent advance in the prior month. Price increases were registered in February for softwood lumber, concrete products, plastic construction products, air conditioning and refrigeration equipment, and asphalt felts and coatings. These increases were partially offset by declining prices for steel mill products, hardwood lumber, millwork, and paving mixtures and blocks.

Crude goods



The Producer Price Index for Crude Materials for Further Processing declined 1.6 percent in February, following a 2.0-percent fall in January. Prices for crude foodstuffs and feedstuffs turned down in February, while the index for crude materials other than food and energy fell more than it did in the prior month. By contrast, the crude energy materials index posted a gain in February, after declining in January. (See table B.)

The crude foodstuffs and feedstuffs index declined 3.2 percent in February, after advancing 1.9-percent in January. February prices for slaughter cattle fell 1.9 percent, following a 6.5-percent rise in January. Similarly, prices for slaughter broilers and fryers, corn, wheat, and raw cane sugar and byproducts decreased, following increases in the previous month. The indexes for rough rice and slaughter hogs fell more in February than they did in January. Conversely, prices for fresh vegetables, except potatoes, jumped 25.3 percent in February, after decreasing 15.1 percent in the prior month. The unprocessed finfish index also increased, compared with a decline in January. (See table 2.)

Prices for basic industrial materials dropped 3.0 percent in February, after falling 2.5 percent in January. The copper ore index decreased 9.9 percent in February, following a 0.6-percent decrease in the prior month. The indexes for iron ore; softwood logs, bolts, and timber; and raw cotton declined, after registering gains in January. Prices for wastepaper remained unchanged, following increases in January. Iron and steel scrap prices declined more than they did in the preceding month. By contrast, the copper base scrap index moved up 4.8 percent in February, after declining 0.2 percent in January. Prices for gold ores, leaf tobacco, and aluminum base scrap fell less than they did in the previous month.

The crude energy materials index rose 0.2 percent in February, subsequent to a 4.5-percent decline in January. In February, the crude petroleum and coal indexes gained 3.3 and 1.4 percent, respectively. Conversely, the natural gas index fell 1.9 percent.

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 February, following a 3.6-percent decline in January. (Net output price indexes are not seasonally adjusted.) Leading this upturn, prices received by the crude petroleum and natural gas extraction industry rose 1.5 percent, compared with a 4.7-percent decrease in the prior month. The industry indexes for potash, soda, and borate minerals mining and for bituminous coal and lignite surface mining also went up in February, after falling a month earlier. Prices received by the industries for natural gas liquid extraction and gold ore mining declined less than they did in January, while the industry indexes for oil and gas well drilling and for oil and gas operations support activities increased more in February than they did in the previous month. By contrast, prices received by the copper and nickel ore mining industry fell 9.7 percent, following a 0.6-percent decline in January. The index for the iron ore mining industry edged down, after moving up in the preceding month, while prices received by the crushed and broken granite mining and quarrying industry rose less in February than they did a month earlier. In February, the Producer Price

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Index for Total Mining Industries was 165.9 (December 1984=100), 18.2 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries advanced 0.7 percent in February, following a 1.0-percent gain in January. Prices received by the chemical manufacturing industry group increased 0.5 percent, compared with a 1.6-percent rise in the prior month. The industry group indexes for beverages and tobacco, machinery, primary metals, electrical equipment and appliances, nonmetallic mineral products, and foods manufacturing also rose less in February than they did in the prior month. Prices received by transportation equipment manufacturers and by producers of medical equipment and supplies moved down, after advancing in January. Alternatively, the industry group index for petroleum and coal products manufacturing jumped 6.5 percent in February, following a 3.4-percent increase a month earlier. Prices received by producers of wood products also rose more than they did in the previous month. In February, the Producer Price Index for Total Manufacturing Industries was 147.2 (December 1984=100), 5.7 percent above its year-ago level.

Services. Among services industries in February, prices received by commercial bankers fell 3.3 percent, after rising 4.9 percent in January. The industry indexes for lawyers, savings institutions, cellular and other wireless carriers, and courier services also turned down, following increases in the preceding month. Prices received by real estate agents and brokers were unchanged, after advancing in January. The industry indexes for direct health and medical insurance carriers, scheduled passenger air transportation, portfolio managers, and hotels (except casino hotels) and motels went up less in February than they did a month earlier. By contrast, prices received by the investment banking and securities dealing industry climbed 6.5 percent, following a 2.9-percent gain in January. The industry indexes for passenger car rental and radio stations turned up in February, after decreasing in the prior month, while prices received by the scheduled freight air transportation industry declined less than they did in January.

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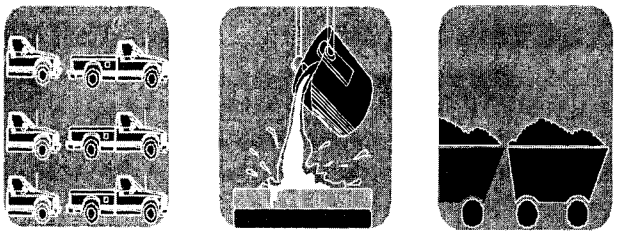
Price Movements March 2005



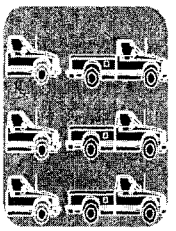
The Producer Price Index for Finished Goods advanced 0.7 percent in March, seasonally adjusted. This increase followed a 0.4-percent rise in February and a 0.3-percent gain in January. As they did in February, prices for finished goods other than foods and energy edged up 0.1 percent in March. At the earlier stages of processing, the intermediate goods index rose 1.0 percent, after climbing 0.7 percent in the prior month, and prices for crude goods turned up 4.3 percent in March, after declining 1.6 percent a month earlier. (See table A.)

The faster rate of increase for the finished goods index was primarily due to energy prices, which advanced 3.3 percent in March after rising 1.4 percent in February, although an upturn in capital equipment prices also contributed to the acceleration in finished goods prices. By contrast, price increases for consumer foods slowed to 0.3 percent in March from 0.8 percent in February. The index for consumer goods other than foods and energy also advanced less than it did in the previous month—posting a 0.1-percent increase following a 0.2-percent rise in February.

During the first quarter of 2005, prices for finished goods advanced at a seasonally adjusted annual rate (SAAR) of 5.7 percent, after rising at a 7.2-percent SAAR during the final 3 months of 2004. Excluding prices for foods and energy, the finished goods index increased at a 3.7-percent SAAR for the 3 months ended March 2005, after rising at a 2.6-percent SAAR in the last quarter of 2004. The SAAR for intermediate goods accelerated from 6.8 percent to 8.7 percent from the final quarter of 2004 to the first quarter of 2005. The crude goods index moved up at a 2.4-percent SAAR during the first quarter of 2005, after advancing at a 41.9-percent SAAR in the last 3 months of 2004. (See summary table on page 2.)

Before seasonal adjustment, the finished goods index rose 0.9 percent in March to 153.5 (1982=100). From March 2004 to March 2005, prices for finished goods increased 4.9 percent. Among finished goods, the index for energy goods advanced 15.3 percent, prices for consumer foods climbed 3.6 percent, and the index for goods other than foods and energy moved up 2.6 percent. At the earlier stages of processing, prices for intermediate goods advanced 8.7 percent, and the crude goods index rose 10.8 percent for the 12 months ended March 2005.

Finished goods



Prices for finished energy goods advanced 3.3 percent in March, compared with a 1.4-percent increase in February. The index for residential natural gas turned up 2.3 percent, after slipping 0.4 percent in the prior month. The residential electric power index also turned up in

Table A. **Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted**[1]

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2004							
March	0.5	1.4	0.3	0.3	1.5	0.7	1.7
April	.7	1.3	1.8	.3	3.7	1.4	1.7
May	.6	1.4	1.4	.1	4.9	1.0	3.3
June	−.1	−.4	−.8	.3	4.0	.4	.8
July	.1	−1.5	2.5	−.1	3.8	.6	.1
August	.1	−.2	.3	.3	3.3	1.0	−.3
September	.3	.5	−.2	.3	3.3	.3	−4.5
October	1.5	1.5	5.7	.3	4.5	1.0	4.3
November	.7	.3	2.7	.3	5.0	.8	7.6
December	−.4	−.1	−2.4	.1	4.1	−.1	−2.7
2005							
January	.3	−.2	−1.0	.8	4.2	.4	−2.0
February	.4	.8	1.4	.1	4.7	.7	−1.6
March	.7	.3	3.3	.1	4.9	1.0	4.3

[1] Some percent changes shown here and elsewhere in "Price Movements March 2005" may differ from those previously reported because indexes for November 2004 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

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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	June 2004	September 2004	December 2004	March 2005
Finished goods	1.2	4.0	4.1	5.0	1.9	7.2	5.7
Finished consumer foods	−.6	7.7	2.8	9.6	−4.6	7.0	3.7
Finished energy goods	12.3	11.4	13.4	9.6	10.9	25.4	15.9
Finished goods less foods and energy	−.5	1.0	2.2	2.7	1.6	2.6	3.7
Finished consumer goods, excluding foods and energy	−.5	1.1	2.0	2.0	1.3	2.5	4.5
Capital equipment	−.6	.8	2.4	2.9	2.0	3.1	2.8
Intermediate materials, supplies, and components	3.2	3.9	9.1	11.4	8.4	6.8	8.7
Intermediate foods and feeds	4.2	12.9	−1.9	21.7	−24.8	−6.1	4.6
Intermediate energy goods	12.0	10.9	14.7	17.5	12.4	20.3	16.5
Intermediate materials less foods and energy	1.5	2.1	8.3	9.6	9.6	4.6	6.8
Materials for nondurable manufacturing	4.2	4.9	13.7	14.0	19.7	11.5	9.8
Materials for durable manufacturing	3.1	4.0	18.0	15.0	19.1	8.7	8.8
Materials and components for construction	.8	3.0	10.0	12.7	9.9	1.6	8.9
Crude materials for further processing	24.7	19.5	18.0	26.0	−17.7	41.9	2.4
Foodstuffs and feedstuffs	4.5	24.1	−2.5	9.1	−34.2	8.1	13.9
Crude energy materials	61.5	14.4	37.3	91.6	−26.6	86.5	3.7
Crude nonfood materials less energy	12.6	21.6	20.1	−30.4	58.2	25.2	−17.0

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.

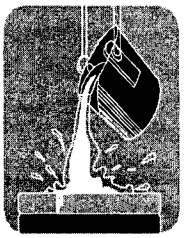
March, following a decline in February. Prices for home heating oil, liquefied petroleum gas, diesel fuel, kerosene, and gasoline rose more in March than they did in February. (See table 2.) The index for finished energy goods advanced at a 15.9-percent SAAR in the first quarter of 2005, compared with a 25.4-percent SAAR of increase in the last 3 months of 2004.

Capital equipment prices rose 0.3 percent in March, after falling 0.2 percent in the prior month. The index for civilian aircraft climbed 0.9 percent, following a 0.1-percent gain in February. Prices for light motor trucks, passenger cars, and communication and related equipment fell less in March than they did a month earlier. The index for tools, dies, jigs, fixtures, and industrial molds turned up, after falling in the previous month. Alternatively, prices received by producers of office and store machines and equipment edged up 0.1 percent in March, following a 4.0-percent rise in February. The rate of increase in prices for pumps, compressors, and equipment also slowed from February to March. The indexes for electronic computers, commercial furniture, and welding machines and equipment turned down, following increases in the preceding month. During the first 3 months of 2005, the capital equipment index rose at a 2.8-percent SAAR, after increasing at a 3.1-percent SAAR in the fourth quarter of 2004.

Price increases for finished consumer foods slowed from 0.8 percent in February to 0.3 percent in March. Fresh and dry vegetable prices advanced 10.1 percent in March, subsequent to an 18.7-percent jump in February. The indexes for beef and veal, finfish and shellfish, and bakery products also rose less in March than they did a month earlier. Prices for eggs for fresh use turned down, after increasing in February. By contrast, the dairy products index declined 0.3 percent in March, following a 2.5-percent drop in the prior month. Prices for shortening and cooking oils and for roasted coffee turned up in February. The indexes for soft drinks and for processed fruits and vegetables rose more in March than they did in February. The index for finished consumer foods increased at a 3.7-percent SAAR in the first quarter of 2005, after advancing at a 7.0-percent SAAR in the last 3 months of 2004.

The index for finished consumer goods other than foods and energy inched up 0.1 percent in March, after rising 0.2 percent in the previous month. Rising prices for sanitary paper products, pharmaceutical preparations, men's and boys' apparel, mobile homes, floor coverings, and household appliances outweighed price declines for book publishing; passenger cars; women's, girls', and infants' apparel; light motor trucks; and periodical circulation. Prices for finished consumer goods excluding foods and energy advanced at a 4.5-percent SAAR in the first quarter of 2005, after increasing at a 2.5-percent SAAR in the last quarter of 2004.

Intermediate goods



The index for Intermediate Materials, Supplies, and Components advanced 1.0 percent in March, after posting a 0.7-percent gain in the previous month. Prices for intermediate energy goods and materials for nondurable manufacturing rose more than they did in February, while the intermedi-

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Table B. **Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted**[1]

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.)
2004								
March	2.4	−0.2	0.8	1.5	7.3	−3.7	2.6	0.5
April	4.3	1.5	1.2	5.4	2.6	3.8	−3.8	21.6
May	2.7	1.5	.8	7.2	2.3	8.4	−4.6	23.6
June	−2.0	1.0	.3	7.0	−2.7	4.6	−.4	19.4
July	−1.8	1.8	.5	7.3	−3.8	−1.2	10.9	22.5
August	−4.1	2.3	1.0	8.0	−5.0	2.2	2.5	23.5
September	−1.1	−1.1	.8	8.4	−1.4	−8.4	−1.3	14.6
October	−1.8	4.2	.5	9.2	−1.5	9.1	4.3	16.3
November	−.5	2.8	.3	9.9	1.1	14.6	3.1	25.2
December	.8	−2.2	.3	9.1	2.4	−6.5	−1.6	18.0
2005								
January	.9	−1.3	.8	8.7	1.9	−4.5	−2.5	10.8
February	−.6	1.5	.5	8.4	−3.2	.2	−3.0	8.1
March	.8	3.7	.3	8.7	4.7	5.5	1.0	10.8

[1] Some percent changes shown here and elsewhere in "Price Movements March 2005" may differ from those previously reported because indexes for November 2004 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

ate foods and feeds index turned up in March. By contrast, the durable manufacturing materials index declined, following an increase in the prior month, and prices for materials and components for construction advanced less in March than they did in the preceding month. The index for intermediate goods other than foods and energy increased 0.3 percent, compared with a 0.5-percent rise in February. (See table B.)

Prices for intermediate energy goods climbed 3.7 percent in March, after rising 1.5 percent in the prior month. In March, price increases were reported for diesel fuel, jet fuels, gasoline, natural gas to electric utilities, home heating oil, commercial electric power, liquefied petroleum gas, and industrial natural gas. (See table 2.) The intermediate energy goods index advanced at a 16.5-percent SAAR from December 2004 to March 2005, after rising at a 20.3-percent SAAR during the final quarter of 2004.

The index for materials for nondurable manufacturing increased 1.6 percent in March, following a 0.2-percent rise in the preceding month. Leading this acceleration, prices for basic organic chemicals went up 5.2 percent, after advancing 1.2 percent in February. The index for paper also increased at a faster rate than it did in the prior month. Prices for inedible fats and oils and for paperboard turned up in March, while the nitrogenates index fell less than it did in February. By contrast, basic inorganic chemicals prices rose 0.2 percent in March, following a 1.2-percent gain in the previous month. The indexes for phosphates, paint materials, and gray fabrics turned down, after increasing in February. From December 2004 to March 2005, prices for nondurable manufacturing materials advanced at a 9.8-percent SAAR, after rising at an 11.5-percent SAAR in the prior quarter.

The intermediate foods and feeds index moved up 0.8 percent in March, following a 0.6-percent decline in the previous month. Prices for prepared animal feeds rose 2.1 percent, compared with a 1.3-percent decrease in the preceding month. The indexes for fluid milk products; shortening and cooking oils; and dry, condensed, and evaporated milk products also turned up in March, after falling in the prior month. Alternatively, prices for refined sugar and byproducts decreased 4.0 percent in March, following a 0.2-percent decline in the previous month. The indexes for natural, processed, and imitation cheese and for pork also fell more than they did in February. Beef and veal prices increased less in March than they did in the preceding month, and the index for confectionery materials turned down. Intermediate foods and feeds prices rose at a 4.6-percent SAAR for the first quarter of 2005, after declining at a 6.1-percent SAAR in the final quarter of 2004.

Prices for materials for durable manufacturing turned down 0.6 percent in March, following a 0.9-percent gain in the prior month. The cold rolled steel sheet and strip index moved down 3.0 percent, after rising 4.0 percent in February. Prices for hot rolled steel bars, plates, and structural shapes; cement; semifinished steel mill products; plywood; and titanium mill shapes also fell in March, after increasing a month earlier. The aluminum mill shapes index decreased more than it did in the previous month. Conversely, prices for primary aluminum (except extrusion billet) advanced 5.0 percent in March, compared with a 2.4-percent rise in the preceding month. The indexes for copper and brass mill shapes, unprocessed filament yarns, and flat glass also increased more in March than they did in February, while prices for cold finished steel bars and hardwood lumber fell less than they

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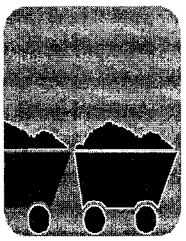
did in the prior month. The index for materials for durable manufacturing advanced at an 8.8-percent SAAR for the 3 months ended March 2005, after moving up at an 8.7-percent SAAR in the preceding quarter.

Subsequent to a 0.9-percent increase in February, prices for materials and components for construction climbed 0.2 percent in March. The index for softwood lumber rose 1.1 percent, after advancing 6.1 percent in the prior month. Prices for asphalt felts and coatings also increased less than they did in the previous month. The index for steel mill products fell more in March than it did in the preceding month. Prices for air conditioning and refrigeration equipment, plywood, and mineral wool for structural insulation turned down in March, while the index for architectural coatings showed no change, after increasing in February. By contrast, millwork prices turned up 0.3 percent in March, following a 0.2-percent decline in the preceding month. The indexes for fabricated structural metal products, plastic construction products, and switchgear and switchboard equipment increased more than they did in the prior month, and the index for hardwood lumber fell less than it did in February. Prices for materials and components for construction advanced at an 8.9-percent SAAR in the first quarter of 2005, after moving up at a 1.6-percent SAAR in the prior quarter.

Crude goods



The Producer Price Index for Crude Materials for Further Processing increased 4.3 percent in March, following a 1.6-percent decrease in February. Prices for crude foodstuffs and feedstuffs and basic industrial materials moved up in March, after falling in the preceding month, while the index for crude energy materials rose at a faster rate than it did in February. (See table B.)

Prices for crude foodstuffs and feedstuffs climbed 4.7 percent in March, compared with a 3.2-percent drop in the prior month. The slaughter cattle index advanced 3.7 percent, subsequent to a 1.9-percent decline in February. Prices for slaughter hogs, slaughter broilers and fryers, soybeans, coru, wheat, fluid milk, Irish potatoes for processing, and raw cane sugar and byproducts also turned up in March, after falling a month earlier. By contrast, the index for fresh vegetables (except potatoes) increased 9.7 percent, following a 25.3-percent gain in February. Prices for unprocessed finfish also went up less than they did in the previous month. (See table 2.) During the first quarter of 2005, the index for crude foodstuffs and feedstuffs rose at a 13.9-percent SAAR, after moving up at an 8.1-percent SAAR in the preceding quarter.

The index for crude energy materials advanced 5.5 percent in March, following a 0.2-percent increase in February. Most of this acceleration can be attributed to prices for crude petroleum, which jumped 17.8 percent after rising 3.3 percent in the preceding month. The index for natural gas fell 1.4-percent, compared with a 1.9-percent decrease in February. Alternatively, prices for coal went up 0.8 percent in March, following a 1.4-percent rise a month earlier. For the quarter ended March 2005, the index for crude energy materials increased at a 3.7-percent SAAR, after surging at an 86.5-percent SAAR in the prior quarter.

The index for crude nonfood materials less energy advanced 1.0 percent in March, following a 3.0-percent decline in February. Copper ore prices climbed 4.9 percent in March, compared with a 9.9-percent drop a month earlier. The indexes for gold ores; aluminum base scrap; raw cotton; leaf tobacco; and softwood logs, bolts, and timber also turned up, after falling in February. Prices for iron and steel scrap decreased less in March than they did in the preceding month. By contrast, the wastepaper index went down 3.7 percent in March, after showing no change in February. Prices for construction sand, gravel, and crushed stone and for pulpwood rose less than they did in the prior month. During the first quarter of 2005, the index for crude nonfood materials less energy moved down at a 17.0-percent SAAR, after increasing at a 25.2-percent SAAR in the previous quarter.

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

Mining. The Producer Price Index for the Net Output of Total Mining Industries gained 4.5 percent in March, following a 1.3-percent rise in February. (Net output price indexes are not seasonally adjusted.) Much of this acceleration can be attributed to prices received by the oil and gas extraction industry group, which rose 5.9 percent in March after increasing 0.4 percent in February. The industry indexes for copper ore and nickel ore mining, gold ore mining, and support activities for metal mining turned up, after falling a month earlier. By contrast, the industry index for oil and gas operations support activities declined 1.8 percent in March, compared with an 8.8-percent climb in February. Prices received by the bituminous coal underground mining industry and the kaolin and ball clay industry also turned down in March, after rising in the previous month. The industry indexes for potash, soda, and borate mineral mining; support activities for coal mining; and oil and gas well drilling rose at slower rates than they did in February. For the 3 months ended in March 2005, the Producer Price Index for the Net Output of Total Mining Industries advanced at an 8.2-percent annualized rate, compared with a 66.8-percent annualized rate of increase in the preceding quarter. In March, the Producer Price Index for Total Mining Industries was 173.4 (December 1984=100), 26.9 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries advanced 1.2 percent in March, following a 0.7-percent gain in February. The greater part of this acceleration was due to prices received by the

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petroleum and coal products manufacturing industry group, which climbed 11.6 percent in March after gaining 6.5 percent in February. The industry group indexes for food manufacturing, chemical manufacturing, and paper manufacturing also rose more in March than in the previous month. Prices received by the transportation equipment industry group fell less in March than they did in February. By contrast, the industry group index for plastics and rubber products manufacturing gained 0.2 percent, after rising 1.2 percent in the previous month. The industry group indexes for fabricated metal products, wood products, machinery, and nonmetallic mineral products also advanced at slower rates in March than they did in the prior month. Prices received by beverage and tobacco manufacturers were unchanged in March, compared with advances in the preceding month, while prices received by the industry groups for printing and related support activities and for primary metal manufacturing industries turned down in March. For the 3 months ended in March 2005, the Producer Price Index for the Net Output of Total Manufacturing Industries advanced at an annualized rate of 12.1 percent, compared with a 1.4-percent annualized rate of increase in the prior quarter. In March, the Producer Price Index for Total Manufacturing Industries was 148.9 (December 1984=100), 6.1 percent above its year-ago level.

Services. Among services industries in March, prices received by commercial bankers decreased 6.1 percent, after declining 3.3 percent in February. The industry indexes for investment banking and securities dealing, general medical and surgical hospitals, hotels (excluding casino hotels) and motels, offices of physicians, temporary help services, and securities brokerages turned down, following increases in the preceding month. Prices received by nonresidential property managers fell more in March than they did in February. Alternatively, prices received by the scheduled passenger air transportation industry rose 3.3 percent, following a 0.9-percent gain in February. Prices received by the direct health and medical insurance carriers industry also increased at a faster rate in March. The industry indexes for wired telecommunication carriers, television broadcasting, offices of lawyers, less-than-truckload long-distance general freight trucking, and casino hotels turned up in March, after decreasing in the prior month. The industry index for savings institutions fell less than it did in February.

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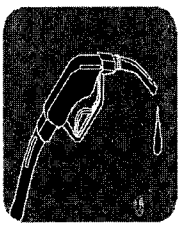
Price Movements April 2005

The Producer Price Index for Finished Goods advanced 0.6 percent in April, seasonally adjusted. This increase followed a 0.7-percent rise in March and a 0.4-percent gain in February. At the earlier stages of processing, prices received by manufacturers of intermediate goods climbed 0.8 percent, after advancing 1.0 percent in the previous month, while the crude goods index moved up 2.7 percent, following a 4.3-percent rise in March. (See table A.)

Among finished goods, much of April's increase was due to a 2.1-percent advance in the energy goods index. Excluding prices for energy goods, the finished goods index inched up 0.1 percent. The indexes for finished consumer goods other than foods and energy, capital equipment, and finished consumer foods also increased in April, rising 0.2, 0.2, and 0.1 percent, respectively. Excluding prices for foods and energy, the index for finished goods increased 0.3 percent in April, compared with a 0.1-percent gain in the prior month.

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 0.6 percent in April to 154.4 (1982=100). From April 2004 to April 2005, prices for finished goods rose 4.8 percent. Over the same period, prices for finished energy goods jumped 15.9 percent, the index for finished goods other than foods and energy moved up 2.6 percent, and prices for finished consumer foods advanced 2.5 percent. For the 12 months ended April 2005, the intermediate goods index increased 8.2 percent, and prices for crude goods went up 11.8 percent.

Finished goods



The index for finished energy goods advanced 2.1 percent in April, following a 3.3-percent gain in the preceding month. Gasoline prices increased 2.6 percent, compared with a 5.3-percent rise in March. The index for liquefied petroleum gas also rose less in April than it did in the prior month. Prices for diesel fuel, home heating oil, and residential electric power turned down, after increasing in March. By contrast, prices for residential natural gas rose 6.6 percent, following a 2.3-percent increase in March. (See table 2.)

The index for finished consumer goods other than foods and energy increased 0.2 percent in April, after inching up 0.1 percent in the prior month. Cigarette prices advanced 1.2 percent, following no change in March. Higher prices also were reported in April for pharmaceutical preparations; light motor trucks; passenger cars; women's, girls', and infants' apparel; and cosmetics and other toilet preparations. Alternatively,

Table A. **Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted**[1]

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2004							
April	0.7	1.3	1.8	0.3	3.7	1.4	1.7
May	.6	1.4	1.4	.1	4.9	1.0	3.3
June	−.1	−.4	−.8	.3	4.0	.4	.8
July	.1	−1.5	2.5	−.1	3.8	.6	.1
August	.1	−.2	.3	.3	3.3	1.0	−.3
September	.3	.5	−.2	.3	3.3	.3	−4.5
October	1.5	1.5	5.7	.3	4.5	1.0	4.3
November	.7	.3	2.7	.3	5.0	.8	7.6
December	−.3	.2	−2.4	.2	4.2	.1	−3.1
2005							
January	.1	−.5	−1.0	.7	4.2	.2	−1.6
February	.4	.8	1.4	.1	4.7	.7	−1.6
March	.7	.3	3.3	.1	4.9	1.0	4.3
April	.6	.1	2.1	.3	4.8	.8	2.7

[1] Some percent changes shown here and elsewhere in "Price Movements April 2005" may differ from those previously reported because indexes for December 2004 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

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Table B. **Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted**[1]

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.)
2004								
April	4.3	1.5	1.2	5.4	2.6	3.8	−3.8	21.6
May	2.7	1.5	.8	7.2	2.3	8.4	−4.6	23.6
June	−2.0	1.0	.3	7.0	−2.7	4.6	−.4	19.4
July	−1.8	1.8	.5	7.3	−3.8	−1.2	10.9	22.5
August	−4.1	2.3	1.0	8.0	−5.0	2.2	2.5	23.5
September	−1.1	−1.1	.8	8.4	−1.4	−8.4	−1.3	14.6
October	−1.8	4.2	.5	9.2	−1.5	9.1	4.3	16.3
November	−.5	2.8	.3	9.9	1.1	14.6	3.1	25.2
December	.4	−1.4	.4	9.2	2.2	−7.5	−1.4	17.4
2005								
January	1.3	−2.1	.7	8.7	2.0	−3.5	−2.8	10.8
February	−.6	1.5	.5	8.4	−3.2	.2	−3.0	8.1
March	.8	3.7	.3	8.7	4.7	5.5	1.0	10.8
April	.4	3.4	.2	8.2	−2.3	7.2	.8	11.8

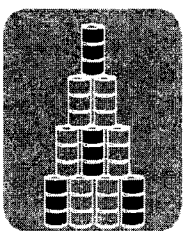
[1] Some percent changes shown here and elsewhere in "Price Movements April 2005" may differ from those previously reported because indexes for December 2004 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

the indexes for alcoholic beverages, men's and boys' apparel, textile housefurnishings, mobile homes, and home electronic equipment declined in April.

The capital equipment index moved up 0.2 percent in April, compared with a 0.3-percent gain in March. In April, rising prices for industrial material handling equipment, light motor trucks, passenger cars, commercial furniture, civilian aircraft, and heavy motor trucks outweighed falling prices for x-ray and electromedical equipment; tools, dies, jigs, fixtures, and industrial molds; and electronic computers.

The index for finished consumer foods edged up 0.1 percent in April, following a 0.3-percent rise in the preceding month. In April, price increases for fresh fruits and melons, pork, roasted coffee, beef and veal, confectionery end products, and fresh and dry vegetables prevailed over price decreases for dairy products, soft drinks, finfish and shellfish, processed young chickens, and eggs for fresh use.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components advanced 0.8 percent in April, after registering a 1.0-percent increase in March. In April, rising prices for energy goods and for foods and feeds outweighed falling prices for materials for nondurable manufacturing and for materials and components for construction. The index for materials for durable manufacturing was unchanged in April. Excluding foods and energy, prices for intermediate goods moved up 0.2 percent, following a 0.3-percent advance in March. (See table B.)

The index for intermediate energy goods increased 3.4 percent in April, compared with a 3.7-percent jump in March. Nearly three fourths of April's rise can be attributed to higher prices for industrial natural gas, commercial natural gas, and natural gas to electric utilities, climbing 8.4, 8.0, and 4.5 percent, respectively. The indexes for jet fuels, gasoline, residual fuels, and industrial electric power also went up in April, while prices for diesel fuel, home heating oil, and kerosene declined for the month. (See table 2.)

Prices for intermediate foods and feeds advanced 0.4 percent in April, after posting a 0.8-percent rise in March. In April, increasing prices for prepared animal feeds; refined sugar and byproducts; beef and veal; pork; soft drink beverage bases; and dry, condensed, and evaporated milk products outweighed decreasing prices for fluid milk products; flour; confectionery materials; processed young chickens; and natural, processed, and imitation cheese.

The index for materials for nondurable manufacturing edged down 0.1 percent in April, compared with a 1.6-percent jump in March. Prices for liquid refinery gases fell 3.6 percent in April, following a 5.8-percent gain in the prior month. The indexes for plastic resins and materials, processed yarns and threads, alkalies and chlorine, and finished fabrics also turned down, after rising in March. Prices for intermediate basic organic chemicals, inedible fats and oils, and paper advanced less in April than they did in the preceding month. By contrast, the fertilizer materials index moved up 2.2 percent, after declining 2.0 percent in March. Prices for gray fabrics and paint materials also turned up in April.

The index for materials and components for construction inched down 0.1 percent, following a 0.2-percent increase in March. Prices for building paper and board dropped 6.8 per-

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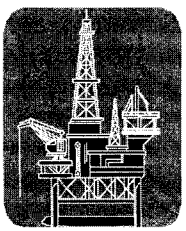
cent in April, after rising 2.9 percent a month earlier. The indexes for fabricated structural metal products, asphalt felts and coatings, softwood lumber, and millwork also moved down, following advances in March. Prices for plastic construction products, concrete products, and nonferrous wire and cable climbed at slower rates than they did in the prior month. Conversely, the steel mill products index declined 1.8 percent in April, compared with a 3.2-percent decrease in March. Prices for metal valves (except fluid power), paving mixtures and blocks, and cement moved up, after falling in the preceding month. The wiring devices index went up more in April than it did a month earlier.

Prices for materials for durable manufacturing were unchanged in April, after moving down 0.6 percent in March. The index for aluminum mill shapes rose 1.7 percent, following a 1.5-percent decline in the previous month. Prices for cold rolled steel sheet and strip and cement also turned up, after falling a month earlier. The indexes for titanium mill shapes and for hot rolled steel bars, plates, and structural shapes decreased less in April than they did in March, while prices for flat glass increased more than they did in the preceding month. By contrast, the index for semifinished steel mill products dropped 10.3 percent, following a 1.7-percent decline in March. Prices for cold finished steel bars also fell more in April than they did in the prior month. The indexes for primary aluminum (except extrusion billet), building paper and board, and copper and brass mill shapes moved down, after advancing in March.

Crude goods



The Producer Price Index for Crude Materials for Further Processing gained 2.7 percent in April, following a 4.3-percent increase in March. April price increases for crude energy materials and basic industrial materials more than offset price decreases for crude foodstuffs and feedstuffs. (See table B.)

The index for crude energy materials rose 7.2 percent in April, following a 5.5-percent increase in March. The majority of this acceleration was due to natural gas prices, which jumped 18.1 percent after declining 1.4 percent in March. The coal index increased 2.8 percent, after posting a 0.8-percent rise a month earlier. By contrast, the index for crude petroleum fell 6.3 percent in April, subsequent to a 17.8-percent gain in March. (See table 2.)

Prices for crude nonfood materials less energy advanced 0.8 percent in April, after rising 1.0 percent in March. In April, the index for iron and steel scrap climbed 8.0 percent. Prices also increased in April for copper ores; aluminum base scrap; copper base scrap; construction sand, gravel, and crushed stone; and softwood logs, bolts, and timber. Conversely, prices decreased in April for wastepaper, gold ores, hides and skins, pulpwood, and raw cotton.

Prices for crude foodstuffs and feedstuffs fell 2.3 percent in April, after rising 4.7 percent in March. The soybean index declined 8.5 percent, following a 22.6-percent gain in March. Prices for corn, fluid milk, slaughter broilers and fryers, slaughter hogs, and wheat also turned down in April, after rising a month earlier. The slaughter cattle, fresh and dry vegetables, raw cane sugar and byproducts, alfalfa hay, and unprocessed shellfish indexes increased less in April than they did in the prior month. By contrast, the index for fresh fruits and melons gained 5.7 percent, following a 6.2-percent decline in March. Prices for slaughter turkeys fell less in April 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 5.5 percent in April, following a 4.5-percent gain in March. (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 increased 9.5 percent after posting a 4.0-percent rise in the previous month. The industry indexes for bituminous coal underground mining, oil and gas operations support activities, and iron ore mining turned up in April, following declines a month earlier. Prices received by the crushed and broken limestone mining and quarrying industry rose, after showing no change in the prior month. By contrast, the index for the gold ore mining industry fell 3.4 percent in April, compared with a 5.2-percent advance in March. Prices paid to the industries for oil and gas well drilling, crude petroleum and natural gas extraction, bituminous coal and lignite surface mining, and copper ore and nickel ore mining rose less in April than they did in the preceding month. In April, the Producer Price Index for Total Mining Industries was 183.0 (December 1984=100), 29.9 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries gained 0.5 percent in April, following a 1.2-percent advance in March. This deceleration was primarily due to prices received by the petroleum and coal products manufacturing industry group, which rose 3.7 percent after jumping 11.6 percent in the prior month. The industry group index for wood products manufacturing turned down, after increasing in March. Prices received by the industry groups for food manufacturing and machinery manufacturing advanced less in April than they did a month earlier. Alternatively, the industry group index for transportation equipment inched up 0.1 percent, after dipping 0.1 percent in the previous month. The industry group indexes for fabricated metal products and nonmetallic mineral products increased more in April than they did in the prior month. Prices received by manufacturers of furniture and related products turned up, compared with decreases in the preced-

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ing month, while the industry group index for primary metal manufacturing declined less than it did in March. In April, the Producer Price Index for Total Manufacturing Industries was 149.7 (December 1984=100), 5.6 percent above its year-ago level.

Services. Among services industries in April, prices received by commercial bankers advanced 9.3 percent, after declining 6.1 percent in March. The industry indexes for investment banking and securities dealing, savings institutions, cellular and other wireless carriers, and hotels (excluding casino hotels) and motels also turned up, following decreases in the preceding month. Prices received by direct life insurance carriers increased, after showing no change in March. By contrast, prices received by the scheduled passenger air transportation industry fell 1.1 percent in April, following a 3.3-percent gain a month earlier. Prices received by direct health and medical insurance carriers and the local general freight trucking industry increased at slower rates in April than they did in March. The industry indexes for casino hotels, passenger car rental, and medical laboratories turned down in April, after increasing in the prior month. The industry index for portfolio management fell, compared with no change in March.

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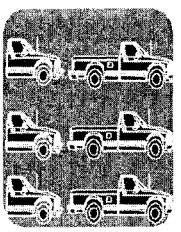
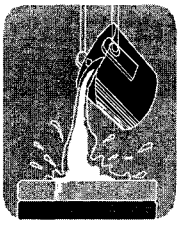
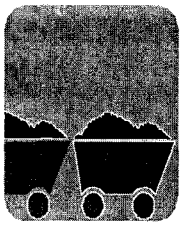
Price Movements May 2005

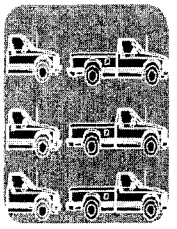




The Producer Price Index for Finished Goods fell 0.6 percent in May, seasonally adjusted. This decline followed a 0.6-percent increase in April and a 0.7-percent advance in March. At the earlier stages of processing, prices received by manufacturers of intermediate goods decreased 0.7 percent in May, after rising 0.8 percent in the preceding month, while the crude goods index moved down 2.0 percent, following a 2.7-percent jump in April. (See table A.)

Over three-fourths of the downturn in the finished goods index can be traced to prices for energy goods, which fell 3.5 percent in May after posting a 2.1-percent increase in April. Prices for finished consumer foods also turned down, declining 0.3 percent following a 0.1-percent advance in the prior month. The index for finished goods other than foods and energy went up 0.1 percent in May, compared with a 0.3-percent gain in April.

Before seasonal adjustment, the Producer Price Index for Finished Goods moved down 0.2 percent in May to 154.1 (1982=100). From May 2004 to May 2005, prices for finished goods increased 3.5 percent. Over the same period, the index for finished energy goods climbed 10.2 percent, the index for finished consumer foods advanced 0.8 percent, and prices for finished goods other than foods and energy rose 2.6 percent. For the 12 months ended May 2005, prices for intermediate goods increased 6.3 percent, and the crude goods index went up 6.1 percent.

Finished goods



The index for finished energy goods fell 3.5 percent in May, after rising 2.1 percent in April. Accounting for nearly half of this downturn, gasoline prices dropped 9.9 percent in May, following a 2.6-percent increase a month earlier. The indexes for residential natural gas and liquefied petroleum gas also turned down, following April gains. Prices for home heating oil, residential electric power, and diesel fuel decreased at faster rates than they did in the preceding month. (See table 2.)

Prices for finished consumer foods declined 0.3 percent in May, compared with a 0.1-percent rise in April. The index for fresh and dry vegetables dropped 15.0 percent, following a 1.1-percent increase in the preceding month. Pork prices were unchanged in May, after advancing a month earlier. The indexes for roasted coffee and confectionery end products moved up at slower rates than they did in April, while prices for processed turkeys and for shortening and cooking oils

Table A. **Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted**[1]

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2004							
May	0.6	1.4	1.4	0.1	4.9	1.0	3.3
June	−.1	−.4	−.8	.3	4.0	.4	.8
July	.1	−1.5	2.5	−.1	3.8	.6	.1
August	.1	−.2	.3	.3	3.3	1.0	−.3
September	.3	.5	−.2	.3	3.3	.3	−4.5
October	1.5	1.5	5.7	.3	4.5	1.0	4.3
November	.7	.3	2.7	.3	5.0	.8	7.6
December	−.3	.2	−2.4	.2	4.2	.1	−3.1
2005							
January	.1	−.5	−1.0	.7	4.1	.3	−2.0
February	.4	.8	1.4	.1	4.7	.6	−1.2
March	.7	.3	3.3	.1	4.9	1.0	4.3
April	.6	.1	2.1	.3	4.8	.8	2.7
May	−.6	−.3	−3.5	.1	3.5	−.7	−2.0

[1] Some percent changes shown here and elsewhere in "Price Movements May 2005" may differ from those previously reported because indexes for January 2005 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

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Table B. **Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted**[1]

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.)
2004								
May	2.7	1.5	0.8	7.2	2.3	8.4	−4.6	23.6
June	−2.0	1.0	.3	7.0	−2.7	4.6	−.4	19.4
July	−1.8	1.8	.5	7.3	−3.8	−1.2	10.9	22.5
August	−4.1	2.3	1.0	8.0	−5.0	2.2	2.5	23.5
September	−1.1	−1.1	.8	8.4	−1.4	−8.4	−1.3	14.6
October	−1.8	4.2	.5	9.2	−1.5	9.1	4.3	16.3
November	−.5	2.8	.3	9.9	1.1	14.6	3.1	25.2
December	.4	−1.4	.4	9.2	2.2	−7.5	−1.4	17.4
2005								
January	.8	−1.7	.7	8.7	2.1	−4.6	−2.5	10.3
February	−.2	1.1	.5	8.4	−3.2	1.3	−3.3	8.1
March	.8	3.7	.3	8.7	4.7	5.5	1.0	10.8
April	.4	3.4	.2	8.2	−2.3	7.2	.8	11.8
May	.4	−2.6	−.3	6.3	−1.0	−1.9	−3.6	6.1

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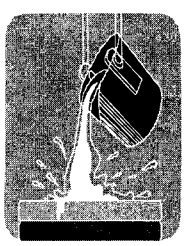
fell more in May than they did in the prior month. By contrast, the index for soft drinks rose 1.0 percent in May, compared with a 1.3-percent decrease in April. Prices for eggs for fresh use and for finfish and shellfish also turned up in May.

The index for finished consumer goods other than foods and energy inched up 0.1 percent in May, following a 0.2-percent advance in April. In May, rising prices for cigarettes, pharmaceutical preparations, periodical circulation, textile housefurnishings, household furniture, alcoholic beverages, and mobile homes slightly outweighed falling prices for light motor trucks; passenger cars; and women's, girls', and infants' apparel.

The capital equipment index edged up 0.1 percent in May, after moving up 0.2 percent in April. In May, higher prices for construction machinery and equipment; civilian aircraft; heavy motor trucks; commercial furniture; agricultural machinery and equipment; and tools, dies, jigs, fixtures, and industrial molds slightly outweighed lower prices for light motor trucks, passenger cars, and electronic computers.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components declined 0.7 percent in May, after increasing 0.8 percent in April. The majority of this downturn was due to the index for intermediate energy goods, which fell after rising in April. Prices for materials for durable manufacturing declined in May, after showing no change in the prior month. The index for materials and components for construction edged down slightly more in May than it did in the previous month. By contrast, prices for materials for nondurable manufacturing advanced in May, after declining in April. Prices for intermediate foods and feeds rose at the same pace in May as they did in the previous month. Excluding foods and energy, prices for intermediate goods turned down 0.3 percent, following a 0.2-percent advance in April. (See table B.)

The index for intermediate energy goods decreased 2.6 percent in May, compared to a 3.4-percent advance in April. Prices for industrial natural gas fell 1.5 percent, after rising 8.4 percent in April. Prices for jet fuels, gasoline, commercial natural gas, natural gas to electric utilities, and liquefied petroleum gas also turned down in May, compared with increases in the prior month. The home heating oil and diesel fuel indexes fell at faster rates in May than they did in April. Conversely, the index for commercial electric power increased 1.1 percent, following a 0.1-percent gain in the preceding month. (See table 2.)

Prices for materials for durable manufacturing fell 1.4 percent in May, after showing no change in April. The index for hot rolled steel sheet and strip declined 8.4 percent, following a 1.1-percent decline in the previous month. Prices for aluminum mill shapes, cold rolled steel sheet and strip, and unprocessed filament yarns increased less than they did in the prior month. The flat glass and original equipment automotive stamping indexes turned down, compared with increases in April. By contrast, the index for semifinished steel mill products rose 0.1 percent, after dropping 10.3 percent in April. Also moving up in May, after falling in the prior month, were the indexes for hot rolled steel bars, plates, and structural shapes; cold finished steel bars; copper and brass mill shapes; and hardwood lumber.

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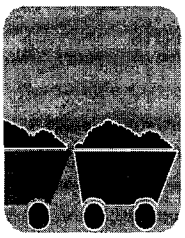
The materials and components for construction index decreased 0.2 percent in May, after inching down 0.1 percent in the previous month. In May, declining prices for softwood lumber, steel mill products, plywood, building paper and board, nonferrous wire and cable, and wiring devices outweighed increasing prices for paving mixtures and blocks, plastic construction products, fabricated structural metal products, gypsum products, architectural coatings, and concrete products.

The index for materials for nondurable manufacturing edged up 0.1 percent in May, compared with a 0.1-percent dip in April. The index for plastic resins and materials rose 0.4 percent, after declining 0.5 percent in April. Prices for finished fabrics and for processed yarns and threads also turned up in May. The inedible fats and oils, basic inorganic chemicals, and phosphates indexes grew more in May than they did in the preceding month. By contrast, the index for intermediate basic organic chemicals fell 10.2 percent in May, following a 0.1-percent gain in the prior month. Prices for gray fabrics also turned down in May. The paper, synthetic fibers, nitrogenates, synthetic rubber, and medicinal and botanical chemicals indexes gained less in May than they did in April.

Prices for intermediate foods and feeds advanced 0.4 percent in May, after posting a 0.4-percent rise in April. In May, increasing prices for beef and veal, prepared animal feeds, fluid milk products, and flour outweighed decreasing prices for natural, processed, and imitation cheese; shortening and cooking oils; refined sugar and byproducts; processed young chickens; confectionery materials; liquid milk products; and butter.

Crude goods



The Producer Price Index for Crude Materials for Further Processing turned down 2.0 percent in May, after rising 2.7 percent in the preceding month. Prices for crude energy materials and basic industrial materials declined, following increases in April. By contrast, the index for crude foodstuffs and feedstuffs decreased less in May than it did in the prior month. (See table B.)

Prices for crude energy materials fell 1.9 percent in May, compared with a 7.2-percent gain in the previous month. Leading this downturn, the index for natural gas decreased 3.6 percent, after jumping 18.1 percent in the prior month. The rate of increase in coal prices slowed from 2.8 percent in April to 0.3 percent in May. Alternatively, the crude petroleum index turned up 0.5 percent, following a 6.3-percent decline in April. (See table 2.)

Prices for crude nonfood materials other than energy moved down 3.6 percent in May, after posting a 0.8-percent gain in the preceding month. This downturn was mostly due to the index for iron and steel scrap, which dropped 12.3 percent following an 8.0-percent increase in April. Prices for copper ores; copper base scrap; aluminum base scrap; and softwood logs, bolts, and timber also turned down in May, after rising in the prior month. By contrast, the index for wastepaper showed no change, following a 3.8-percent decline in April. Raw cotton prices turned up in May, while the indexes for gold ores and for hides and skins fell less than they did in April.

The rate of decrease in prices for crude foodstuffs and feedstuffs slowed from 2.3 percent in April to 1.0 percent in May. The index for corn inched down 0.1 percent, following a 7.5-percent decline in the preceding month. Prices for slaughter broilers and fryers also fell less than they did in April. The indexes for wheat, soybeans, unprocessed finfish, and slaughter turkeys turned up in May. Alternatively, the slaughter cattle index turned down 1.2 percent in May, following a 0.8-percent gain in the prior month. Prices for fresh vegetables, except potatoes, also decreased, after increasing a month earlier. The index for fluid milk fell more in May than it did in the preceding month, and alfalfa hay prices rose less than they 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 fell 2.1 percent in May, following a 5.5-percent gain in April. (Net output price indexes are not seasonally adjusted.) Much of this downturn can be attributed to prices received by the crude petroleum and natural gas extraction industry, which decreased 2.7 percent after posting a 6.6-percent rise in the previous month. The industry indexes for natural gas liquid extraction and for copper ore and nickel ore mining also turned down in May, following increases a month earlier. Prices received by the oil and gas well drilling industry were unchanged, after rising in April. Alternatively, the phosphate rock mining industry index turned up 2.6 percent in May, after edging down 0.1 percent in the preceding month. Prices paid to the industries for gold ores and for potash, soda, and borate minerals fell less rapidly in May than they did in April, while the industry indexes for crushed and broken granite mining and quarrying, construction sand and gravel, and nonmetallic minerals support activity (except fuels) rose more during the same period. In May, the Producer Price Index for Total Mining Industries was 179.1 (December 1984=100), 19.8 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries slipped 0.3 percent, following a 0.5-percent gain in April. This reversal was primarily due to prices received by the petroleum and coal products manufacturing industry group, which fell 3.2 percent after advancing 3.7 percent in the prior month. The industry group indexes for chemicals, transportation equipment, and electrical equipment and appliances also turned down, compared with increases in April. Prices received by manufactur-

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ers of fabricated metal products advanced less in May than they did a month earlier, while the industry group index for computers and electronic products fell more in May than it did in April. Conversely, prices for the machinery industry group rose 0.4 percent, after inching up 0.1 percent in the previous month. The industry group index for beverage and tobacco manufacturing turned up in May, after falling in the prior month. Prices for printing and related support activities fell less than they did in April, while the industry group index for textile mills increased more during the same period. In May, the Producer Price Index for Total Manufacturing Industries was 149.3 (December 1984=100), 4.2 percent above its year-ago level.

Services. Among services industries in May, prices received by commercial bankers declined 3.0 percent, after rising 9.3 percent in April. The industry indexes for savings institutions, lessors of nonresidential buildings (except mini-warehouses), cellular and other wireless carriers, and solid waste collection also turned down, following gains in April. Prices for direct life insurance carriers showed no change in May, after increasing in the preceding month. The scheduled passenger air transportation index fell more quickly than it did in April. By contrast, prices for portfolio management advanced 0.4 percent in May, compared with a 1.6-percent decline a month earlier. The indexes for offices of certified public accountants, casino hotels, passenger car rental, and employee leasing services also turned up, after falling in April. Prices received by line-haul railroads rose more in May than they did in the previous month.

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Price Movements June 2005

The Producer Price Index for Finished Goods showed no change in June, seasonally adjusted. This index had fallen 0.6 percent in May and risen 0.6 percent in April. At the earlier stages of processing, prices received by manufacturers of intermediate goods advanced 0.1 percent in June, following a 0.7-percent decline in the preceding month, while the crude goods index decreased 3.3 percent, after moving down 2.0 percent in May. (See table A.)

Among finished goods, the index for energy goods increased 2.0 percent in June, following a 3.5-percent drop in the previous month. By contrast, prices for finished consumer foods fell 1.1 percent, compared with a 0.3-percent decline in May, and the index for finished goods other than foods and energy decreased 0.1 percent in June, following a 0.1-percent rise a month earlier.

During the first 6 months of 2005, prices for finished goods advanced at a seasonally adjusted annual rate (SAAR) of 2.4 percent, after moving up at a 4.8-percent SAAR during the latter half of 2004. Within the finished goods category, the index for finished energy goods increased at an 8.5-percent SAAR from December 2004 to June 2005, after rising at an 18.0-percent SAAR from June to December 2004, and prices for finished consumer foods went down at a 1.3-percent SAAR during the first half of 2005, after advancing at a 1.6-percent SAAR during the second half of 2004. The index for finished goods other than foods and energy climbed at a 2.2-percent SAAR in June 2005, the same rate of increase as in the prior 6-month period. At the earlier stages of processing, prices for intermediate goods increased at a 4.2-percent SAAR from December 2004 to June 2005, after rising at an 8.0-percent SAAR from June to December 2004. The crude goods index declined at a 3.4-percent SAAR during the first 6 months of 2005, after moving up at a 7.2-percent SAAR during the last 6 months of 2004. (See summary table on page 2.)

Before seasonal adjustment, the Producer Price Index for Finished Goods declined 0.1 percent in June to 154.0 (1982=100). From June 2004 to June 2005, prices for finished goods advanced 3.6 percent. Over the same period, the index for finished energy goods jumped 13.2 percent, prices for finished goods other than foods and energy rose 2.2 percent, and the index for finished consumer foods inched up 0.1 percent. For the 12 months ended June 2005, prices for intermediate goods increased 6.2 percent, and the crude goods index moved up 1.7 percent.

Table A. **Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted**[1]

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2004							
June	−0.1	−0.4	−0.8	0.3	4.0	0.4	0.8
July	.1	−1.5	2.5	−.1	3.8	.6	.1
August	.1	−.2	.3	.3	3.3	1.0	−.3
September	.3	.5	−.2	.3	3.3	.3	−4.5
October	1.5	1.5	5.7	.3	4.5	1.0	4.3
November	.7	.3	2.7	.3	5.0	.8	7.6
December	−.3	.2	−2.4	.2	4.2	.1	−3.1
2005							
January	.1	−.5	−1.0	.7	4.1	.3	−2.0
February	.4	.6	1.8	−.1	4.7	.6	−1.0
March	.7	.4	3.0	.2	4.9	1.0	4.1
April	.6	.1	2.1	.3	4.8	.8	2.7
May	−.6	−.3	−3.5	.1	3.5	−.7	−2.0
June	0	−1.1	2.0	−.1	3.6	.1	−3.3

[1] Some percent changes shown here and elsewhere in "Price Movements June 2005" may differ from those previously reported because indexes for February 2005 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 December			Seasonally adjusted annual rate for			
	2002	2003	2004	6 months ended June 2005	3 months ended Dec. 2004	3 months ended March 2005	3 months ended June 2005
Finished goods	1.2	4.0	4.2	2.4	7.7	5.1	−0.3
Finished consumer foods	−.6	7.7	3.1	−1.3	8.1	2.6	−5.0
Finished energy goods	12.3	11.4	13.4	8.5	25.4	15.9	1.6
Finished goods less foods and energy	−.5	1.0	2.3	2.2	2.9	3.4	1.0
Finished consumer goods, excluding foods and energy	−.5	1.1	2.2	2.6	3.0	4.0	1.2
Capital equipment	−.6	.8	2.4	1.5	3.1	2.8	.3
Intermediate materials, supplies, and components	3.2	3.9	9.2	4.2	7.7	7.8	.8
Intermediate foods and feeds	4.2	12.9	−2.3	2.9	−7.5	6.2	−.3
Intermediate energy goods	12.0	10.9	15.8	11.9	24.4	12.7	11.0
Intermediate materials less foods and energy	1.5	2.1	8.3	2.5	4.9	6.5	−1.3
Materials for nondurable manufacturing	4.2	4.9	13.7	3.9	11.5	9.8	−1.7
Materials for durable manufacturing	3.1	4.0	18.3	−.1	9.8	7.7	−7.4
Materials and components for construction	.8	3.0	10.1	4.5	1.6	8.9	.2
Crude materials for further processing	24.7	19.5	17.4	−3.4	39.6	4.1	−10.4
Foodstuffs and feedstuffs	4.5	24.1	−2.6	−6.0	7.4	14.6	−23.0
Crude energy materials	61.5	14.4	35.9	7.9	79.0	8.1	7.7
Crude nonfood materials less energy	12.6	21.6	20.5	−21.8	26.6	−17.9	−25.4

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

The index for finished energy goods climbed 2.0 percent in June, following a 3.5-percent decrease in May. Over two-thirds of this upturn can be traced to gasoline prices, which went up 8.7 percent in June, compared with a 9.9-percent drop a month earlier. The indexes for home heating oil, liquefied petroleum gas, diesel fuel, and kerosene also advanced, after falling in May. Alternatively, prices for residential natural gas declined 3.2 percent in June, following a 0.9-percent decrease in the preceding month. The index for residential electric power also fell at a faster rate than it did in the previous month. (See table 2.)

The index for finished consumer foods declined 1.1 percent in June, compared with a 0.3-percent decrease in May. Prices for beef and veal dropped 8.0 percent in June, after rising 1.9 percent a month earlier. The indexes for fresh fruits and melons, eggs for fresh use, and finfish and shellfish also moved down, following increases in May. Pork prices decreased in June, after remaining unchanged in the prior month. The index for processed turkeys fell at a faster rate than it did in May. By contrast, prices for fresh and dry vegetables advanced 7.4 percent in June, subsequent to a 15.0-percent decline in the preceding month. The dairy products index decreased less in June than it did in the previous month, while prices for roasted coffee and for processed fruits and vegetables rose more than they did in May.

The capital equipment index fell 0.2 percent in June, after inching up 0.1 percent in May. Prices for construction machinery and equipment moved down 0.4 percent in June, following a 2.2-percent jump a month earlier. The indexes for civilian aircraft and industrial material handling equipment also turned down, after rising in May. Prices for light motor trucks and passenger cars declined more in June than they did in the previous month, while the index for heavy motor trucks increased at a slower pace than it did in May. Conversely, prices for electronic computers decreased 0.8 percent in June, compared with a 4.8-percent drop in the preceding month. The indexes for railroad equipment and metal cutting machine tools advanced more than they did in May. From December 2004 to June 2005, capital equipment prices moved up at a 1.5-percent SAAR, after climbing at a 2.6-percent SAAR from June to December 2004.

The index for finished consumer goods other than foods and energy edged down 0.1 percent in June, following a 0.1-percent increase in May. Passenger car prices declined 1.0 percent in June, after decreasing 0.2 percent a month earlier, while the index for light motor trucks fell 1.7 percent, after moving down 0.9 percent in May. Prices for cigarettes and household furniture were unchanged in June, following advances in the preceding month. The indexes for periodical circulation and textile housefurnishings turned down, after rising in May. Prices for mobile homes and pharmaceutical preparations increased less in June than they did in the prior month. By contrast, newspaper circulation prices, which were unchanged in May, went up 1.7 percent in June. The book publishing index also rose, after showing no change in the

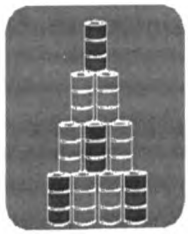
Table B. **Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted**[1]

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.)
2004								
June	−2.0	1.0	0.3	7.0	−2.7	4.6	−0.4	19.4
July	−1.8	1.8	.5	7.3	−3.8	−1.2	10.9	22.5
August	−4.1	2.3	1.0	8.0	−5.0	2.2	2.5	23.5
September	−1.1	−1.1	.8	8.4	−1.4	−8.4	−1.3	14.6
October	−1.8	4.2	.5	9.2	−1.5	9.1	4.3	16.3
November	−.5	2.8	.3	9.9	1.1	14.6	3.1	25.2
December	.4	−1.4	.4	9.2	2.2	−7.5	−1.4	17.4
2005								
January	.8	−1.7	.7	8.7	2.1	−4.6	−2.5	10.3
February	−.4	1.2	.5	8.4	−3.1	1.5	−2.9	8.3
March	1.1	3.6	.3	8.7	4.6	5.3	.6	10.8
April	.4	3.4	.2	8.2	−2.3	7.2	.8	11.8
May	.4	−2.6	−.3	6.3	−1.0	−1.9	−3.6	6.1
June	−.8	1.9	−.2	6.2	−3.1	−3.1	−4.3	1.7

[1] Some percent changes shown here and elsewhere in "Price Movements June 2005" may differ from those previously reported because indexes for February 2005 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

previous month, while tire prices advanced at a quicker pace than they did in May. During the first half of 2005, the index for finished consumer goods other than foods and energy climbed at a 2.6-percent SAAR, after moving up at a 2.1-percent SAAR during the second half of 2004.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components edged up 0.1 percent in June, following a 0.7-percent decline in the prior month. Prices for intermediate energy goods rose, after decreasing in May, accounting for most of this upturn. Prices for materials and components for construction also turned up in June, while the index for materials for durable manufacturing fell less than it did in the preceding month. By contrast, the indexes for materials for nondurable manufacturing and for intermediate foods and feeds decreased, following increases in the previous month. Prices for intermediate goods other than foods and energy moved down 0.2 percent in June, compared with a 0.3-percent decline in May. (See table B.)

The intermediate energy goods index turned up 1.9 percent in June, after falling 2.6 percent in the preceding month. Gasoline prices jumped 8.7 percent, following a 9.9-percent drop in May. The indexes for jet fuels, diesel fuel, home heating oil, and liquefied petroleum gas also went up, after falling a month earlier. Prices for industrial electric power rose at a quicker pace than they did in May. Alternatively, the industrial natural gas index declined 5.1 percent in June, following a 1.5-percent decrease in the prior month. Prices for commercial natural gas also fell more than they did in May, and the index for commercial electric power turned down in June. Prices for intermediate energy goods advanced at an 11.9-percent SAAR during the first half of 2005, after rising at an 18.3-percent SAAR in the second half of 2004. (See table 2.)

The index for materials for durable manufacturing declined 0.5 percent in June, after falling 1.4 percent in May. Hot rolled steel sheet and strip prices fell 7.6 percent in June, after posting an 8.4-percent decline a month earlier. The indexes for building paper and board and for plywood turned up in June, while prices for copper cathode and refined copper, copper and brass mill shapes, and cement increased more than they did in May. By contrast, the aluminum mill shapes index turned down 1.6 percent in June, compared with a 0.3-percent advance in the preceding month. Following gains in May, prices also decreased for hot rolled steel bars, plates, and structural shapes; cold finished steel bars; and prepared paint. From December 2004 to June 2005, the index for materials for durable manufacturing fell at a 0.1-percent SAAR, after moving up at a 14.4-percent SAAR in the previous 6-month period.

Subsequent to a 0.2-percent decline in May, prices for materials and components for construction climbed 0.3 percent in June. Accounting for more than half of this upturn, the index for softwood lumber increased 3.9 percent, after falling 5.7 percent in the previous month. Prices for plywood, building paper and board, nonferrous wire and cable, and wiring devices also rose in June, following decreases in the prior month. The treated wood index went up more than it did in May. By contrast, prices for plastic construction products declined 0.7 percent in June, after increasing 0.6 percent in the preceding month. The indexes for paving mixtures and

blocks, concrete products, and hardwood lumber also turned down in June, while prices for steel mill products fell more than they did in May. During the first half of 2005, the index for materials and components for construction advanced at a 4.5-percent SAAR, after increasing at a 5.7-percent SAAR in the second half of 2004.

Prices for materials for nondurable manufacturing turned down 0.4 percent in June, after inching up 0.1 percent a month earlier. Much of this downturn can be attributed to the index for plastic resins and materials, which fell 2.8 percent, following a 0.4-percent rise in May. Prices for inedible fats and oils, finished fabrics, and paint materials also declined in June, after moving up in the prior month. The paperboard index decreased, following no change in May. Prices for intermediate basic organic chemicals fell more in June than they did in the previous month, and the index for basic inorganic chemicals rose less than in May. Alternatively, prices for primary basic organic chemicals showed no change in June, following a 3.1-percent drop in the preceding month. The indexes for paper, medicinal and botanical chemicals, and synthetic rubber increased more than they did in the preceding month. From December 2004 to June 2005, prices for materials for nondurable manufacturing climbed at a 3.9-percent SAAR, after rising at a 15.5-percent SAAR from June to December 2004.

The intermediate foods and feeds index declined 0.8 percent in June, following a 0.4-percent rise in the prior month. Leading this downturn, beef and veal prices dropped 8.0 percent, after moving up 1.9 percent in May. The index for fluid milk products also turned down in June. Prices for pork fell, following no change in May, while the flour index rose less than it did in the previous month. Conversely, the index for prepared animal feeds increased 2.0 percent in June, after rising 0.7 percent a month earlier. The natural, processed, and imitation cheese index fell less than it did in the preceding month, while prices for refined sugar and byproducts, shortening and cooking oils, and confectionery materials turned up in June. The index for intermediate foods and feeds advanced at a 2.9-percent SAAR in the first half of 2005, after falling at a 16.6-percent SAAR in the prior 6-month period.

Crude goods

The Producer Price Index for Crude Materials for Further Processing declined 3.3 percent in June, following a 2.0-percent fall in May. Prices for crude foodstuffs and feedstuffs, crude energy materials, and basic industrial materials fell more in June than in May. (See table B.)

The crude foodstuffs and feedstuffs index declined 3.1 percent in June, after decreasing 1.0 percent in May. In June, prices for slaughter cattle fell 5.9 percent, following a 1.2-percent decline in May. Similarly, prices for slaughter hogs also fell at a faster pace than in May. The fresh fruits and melons, wheat, and unprocessed finfish indexes turned down in June, after rising a month earlier. Conversely, prices for fresh vegetables (except potatoes) moved up 12.1 percent in June, following an 18.0-percent drop in the prior month. Prices for slaughter broilers and fryers and for corn also increased, after declining in the previous month. The index for crude foodstuffs and feedstuffs decreased at a 6.0-percent SAAR from December 2004 to June 2005, after declining at a 15.9-percent SAAR during the previous 6-month period. (See table 2.)

The crude energy materials index declined 3.1 percent in June, subsequent to a 1.9-percent decline in May. The natural gas index fell 8.9 percent in June, after decreasing 3.6 percent in the prior month. Prices for coal turned down 1.1 percent, after increasing 0.3 percent a month earlier. By contrast, prices for crude petroleum gained 5.5 percent, following a 0.5-percent rise in May. The index for crude energy materials moved up at a 7.9-percent SAAR from December 2004 to June 2005, after advancing at a 14.6-percent SAAR during the second half of 2004.

Prices for basic industrial materials declined 4.3 percent in June, after falling 3.6 percent in May. The iron and steel scrap index fell 19.9 percent in June, following a 12.3-percent drop in the preceding month. Prices for aluminum base scrap and for softwood logs, bolts, and timber also fell at faster rates in June than in May. Prices for wastepaper declined, after remaining unchanged a month earlier, and the raw cotton index turned down, after a May increase. Conversely, the copper ore index increased 6.1 percent in June, after declining 7.7 percent in May. Similarly, prices for copper base scrap and for hides and skins turned up in June, following decreases in May. During the first half of 2005, the index for crude nonfood materials less energy declined at a 21.8-percent SAAR, after advancing at a 41.6-percent SAAR for the second half of 2004.

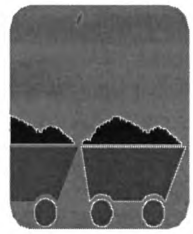
Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries declined 1.8 percent in June, following a 2.1-percent drop in May. (Net output price indexes are not seasonally adjusted.) Prices fell in June for the industries for natural gas liquid extraction, crude petroleum and natural gas extraction, phosphate rock mining, bituminous coal and lignite surface mining, and gold ore mining. These decreases outweighed rising prices received by the industries for oil and gas operations support activities, copper ore and nickel ore mining, oil and gas well drilling, bituminous coal underground mining, and crushed and broken limestone mining and quarrying. During the first half of 2005, the Producer Price Index for the Net Output of Total Mining Industries advanced at an annual rate of 8.0 percent, compared with an 18.4-percent rate of increase in the second half of 2004. In June 2005, this index was 175.8 (December 1984=100), 13.1 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 June, following a 0.3-percent drop a month earlier. This upturn was primarily due to prices received by the petroleum and coal products manufacturing industry group, which increased 3.2 percent, after falling a similar amount in the prior month. The industry group indexes for wood products manufacturing, computer and electronic products, and printing and related support activities also turned up, after declining in May. Prices paid to manufacturers of fabricated metal products, nonmetallic mineral products, and beverage and tobacco products advanced more in June than they did a month earlier. Alternatively, prices received by food manufacturers fell 0.9 percent, after rising 0.4 percent in the previous month. The industry group indexes for transportation equipment and chemical manufacturing declined at faster rates in June than they did in the preceding month. Prices for the machinery manufacturing industry group remained unchanged, after increasing in May. From December 2004 to June 2005, the Producer Price Index for the Net Output of Total Manufacturing Industries rose at an annual rate of 6.2 percent, following a 3.0-percent rate of increase from June to December 2004. In June 2005, this index was 149.4 (December 1984=100), 4.5 percent above its year-ago level.

Services. Among services industries in June, prices received by commercial bankers advanced 5.2 percent, after decreasing 3.0 percent in May. The industry indexes for scheduled passenger air transportation and securities brokerages also turned up, following declines in the prior month. Prices received by hotels and motels (excluding casinos) and by offices of lawyers increased more in June than they did a month earlier. The index for savings institutions fell less than it did in May. By contrast, rising prices for investment banking and securities dealing slowed, advancing 0.3 percent compared with a 2.7-percent rise in May. The indexes for line-haul railroads and for direct health and medical insurance carriers also increased less in June than they did in the previous month. Prices received by offices of certified public accountants and by casino hotels turned down, after increasing in May, while the index for cellular and other wireless carriers fell more during the same period.

Price Movements July 2005



The Producer Price Index for Finished Goods advanced 1.0 percent in July, seasonally adjusted. This increase followed no change in June and a 0.6-percent decline in May. At the earlier stages of processing, prices received by manufacturers of intermediate goods increased 1.0 percent, compared with a 0.1-percent gain in June, while the crude goods index turned up 6.7 percent, after falling 3.3 percent in the prior month. (See table A.)

The July increase in finished goods prices was led by the index for finished energy goods, which climbed 4.4 percent following a 2.0-percent rise in June. Prices for finished goods other than foods and energy moved up 0.4 percent in July, after decreasing 0.1 percent a month earlier. The index for finished consumer foods fell 0.3 percent in July, following a 1.1-percent drop in the previous month.

Before seasonal adjustment, the Producer Price Index for Finished Goods rose 0.9 percent in July to 155.4 (1982 = 100). From July 2004 to July 2005, the finished goods index increased 4.6 percent. Over the same period, prices for finished energy goods advanced 15.2 percent, the index for finished goods other than foods and energy increased 2.8 percent, and prices for finished consumer foods rose 1.4 percent. The index for intermediate goods climbed 6.5 percent, and prices received by crude goods producers rose 8.4 percent for the 12-month period ended July 2005.

Finished goods

The finished energy goods index increased 4.4 percent in July, compared with a 2.0-percent gain in June. Leading this acceleration, residential natural gas prices advanced 3.7 percent, following a 3.2-percent decrease in the previous month. The index for residential electric power also turned up, after declining in June. Prices for gasoline and liquefied petroleum gas rose more than they had in the prior month. Conversely, the index for home heating oil increased 5.1 percent in July, following a 13.5-percent advance a month earlier. Diesel fuel prices also rose less than they had in the prior month. (See table 2.)

The index for capital equipment advanced 0.5 percent, subsequent to a 0.2-percent decline in June. Light motor truck prices rose 1.4 percent in July, after falling 1.7 percent in the previous month. The indexes for passenger cars, civilian aircraft, and construction machinery and equipment also

Table A. **Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted**[1]

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2004							
July	0.1	−1.5	2.5	−0.1	3.8	0.6	0.1
August	.1	−.2	.3	.3	3.3	1.0	−.3
September	.3	.5	−.2	.3	3.3	.3	−4.5
October	1.5	1.5	5.7	.3	4.5	1.0	4.3
November	.7	.3	2.7	.3	5.0	.8	7.6
December	−.3	.2	−2.4	.2	4.2	.1	−3.1
2005							
January	.1	−.5	−1.0	.7	4.1	.3	−2.0
February	.4	.6	1.8	−.1	4.7	.6	−1.0
March	.8	.6	3.3	.2	5.0	1.0	4.7
April	.5	−.1	1.8	.3	4.8	.8	2.1
May	−.6	−.3	−3.5	.1	3.5	−.7	−2.0
June	0	−1.1	2.0	−.1	3.6	.1	−3.3
July	1.0	−.3	4.4	.4	4.6	1.0	6.7

[1] Some percent changes shown here and elsewhere in "Price Movements July 2005" may differ from those previously reported because indexes for March 2005 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 adjusted**[1]

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.)
2004								
July	−1.8	1.8	0.5	7.3	−3.8	−1.2	10.9	22.5
August	−4.1	2.3	1.0	8.0	−5.0	2.2	2.5	23.5
September	−1.1	−1.1	.8	8.4	−1.4	−8.4	−1.3	14.6
October	−1.8	4.2	.5	9.2	−1.5	9.1	4.3	16.3
November	−.5	2.8	.3	9.9	1.1	14.6	3.1	25.2
December	.4	−1.4	.4	9.2	2.2	−7.5	−1.4	17.4
2005								
January	.8	−1.7	.7	8.7	2.1	−4.6	−2.5	10.3
February	−.4	1.2	.5	8.4	−3.1	1.5	−2.9	8.3
March	1.0	3.7	.3	8.7	4.6	7.0	−.3	11.4
April	.4	3.2	.2	8.2	−2.4	5.5	1.6	11.8
May	.4	−2.6	−.3	6.3	−1.0	−1.9	−3.6	6.1
June	−.8	1.9	−.2	6.2	−3.1	−3.1	−4.3	1.7
July	.9	5.2	−.1	6.5	0	12.8	3.1	8.4

[1] Some percent changes shown here and elsewhere in "Price Movements July 2005" may differ from those previously reported because indexes for March 2005 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

turned up, following decreases in June. Commercial furniture prices increased, after showing no change in the preceding month. Alternatively, the index for railroad equipment fell 0.6 percent in July, following a 2.0-percent gain a month earlier. Prices for metal cutting machine tools, agricultural machinery and equipment, and welding machines and equipment also turned down, after rising in June. The electronic computers index decreased more than it had in the prior month.

Prices for finished consumer goods other than foods and energy advanced 0.4 percent in July, after edging down 0.1 percent in June. The index for passenger cars rose 1.5 percent, following a 1.0-percent decline in the prior month. Prices for light motor trucks and periodical circulation also turned up in July, after falling a month earlier. The index for pharmaceutical preparations rose more quickly than it had in June, and household furniture prices increased, following no change in the previous month. By contrast, the index for cosmetics and other toilet preparations declined 0.4 percent in July, after increasing at the same rate in June. Prices for newspaper circulation and household appliances also turned down, following increases in the prior month. The book publishing index rose less than it had in June.

The rate of decrease in the finished consumer foods index slowed from 1.1 percent in June to 0.3 percent in July. Beef and veal prices declined 1.9 percent, after dropping 8.0 percent in the previous month. The indexes for dairy products, eggs for fresh use, finfish and shellfish, and processed young chickens turned up in July, after decreasing a month earlier. Pork prices fell less than they had in June. Alternatively, the index for fresh and dry vegetables dropped 16.1 percent, after rising 7.4 percent in June. Prices for soft drinks and for processed fruits and vegetables also turned down in July, following increases in the prior month. The index for confectionery end products remained unchanged, after moving up a month earlier.

Intermediate goods

The index for Intermediate Materials, Supplies, and Components advanced 1.0 percent in July, after inching up 0.1 percent in June. Accounting for most of this acceleration, prices for intermediate energy goods advanced at faster rates than in June. The indexes for materials for nondurable manufacturing and for intermediate foods and feeds turned up in July. By contrast, prices for materials and components for construction turned down after increasing in June, and the index for materials for durable manufacturing fell at a faster pace in July than it had in the preceding month. The index for intermediate goods other than foods and energy edged down 0.1 percent, after declining 0.2 percent in June. (See table B.)

Prices for intermediate energy goods climbed 5.2 percent in July, after rising 1.9 percent in the prior month. Industrial natural gas prices rose 7.4 percent, following a 5.1-percent decline in June. The indexes for commercial natural gas, natural gas to electric utilities, commercial electric power, and residual fuel also turned up in July. Gasoline and jet fuel prices increased at faster rates than they had in June. By contrast, the diesel fuel index edged up 0.2 percent in July, after gaining 12.7 percent in June. Price increases also moderated in July for home heating oil, industrial electric power, and kerosene. (See table 2.)

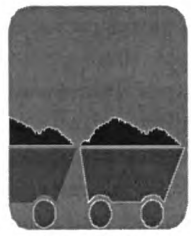
The materials for nondurable manufacturing index inched up 0.1 percent in July, following a 0.4-percent decline in the preceding month. Prices for intermediate basic organic chemicals increased 0.4 percent, after decreasing 11.8 percent in June. The indexes for inedible fats and oils, paint materials, and gray fabrics also turned up in July. Prices for paperboard and for plastic resins and materials decreased less than they had a month earlier, while prices for basic inorganic chemicals increased more than in June. By contrast, the index for primary basic organic chemicals fell 2.3 percent in July, after showing no change in June. Prices for paper and nitrogenates rose less than they had a month earlier. The indexes for synthetic rubber and synthetic fibers turned down in July.

The intermediate foods and feeds index moved up 0.9 percent in July, following a 0.8-percent decline in the previous month. Prices for dairy products rose 2.9 percent, following a 1.0-percent decrease in June. The index for processed young chickens also turned up in July, after falling in the prior month. Prices for beef and veal and for pork fell at slower rates in July than they had in June. By contrast, the index for refined sugar and byproducts decreased 0.6 percent in July, following a 2.1-percent rise in the preceding month. Similarly, the indexes for flour, for confectionery materials, and for shortening and cooking oils turned down in July.

Prices for materials and components for construction decreased 0.2 percent in July, after increasing 0.3 percent in June. The index for softwood lumber fell 3.2 percent, after advancing 3.9 percent in the prior month. Prices for plywood, building paper and board, treated wood, fabricated structural metal products, and wiring devices also turned down in July. The indexes for steel mill products and mineral wool for structural insulation fell more than they had in the preceding month. Conversely, prices for concrete products moved up 1.9 percent in July, after inching down 0.1 percent in June. The indexes for millwork, plumbing fixtures and brass fittings, paving mixtures and blocks, and fabricated ferrous wire products also turned up, after declining in the preceding month. Prices for plastic construction products decreased less than they had in the prior month, while the indexes for cement and for nonferrous wire and cable increased more than they had in June.

Prices for materials for durable manufacturing decreased 0.9 percent in July, following a 0.5-percent decline in the prior month. The building paper and board index moved down 8.0 percent, after rising 7.3 percent in June. Prices for cold-rolled steel sheet and strip, plywood, semifinished steel mill products, and unprocessed filament yarns also turned down in July. The indexes for hot-rolled steel bars, plates, and structural shapes and for cold-finished steel bars decreased more than they had in the previous month. Conversely, prices for aluminum mill shapes fell 0.5 percent, after declining 1.6 percent in June. The index for hot-rolled steel sheet and strip also fell at a slower rate in July than it had a month earlier. Prices for metal powders, pastes, and flakes turned up after falling in the previous month, and the index for cement increased more than it had in June.

Crude goods



The Producer Price Index for Crude Materials for Further Processing advanced 6.7 percent in July, after declining 3.3 percent in June. Prices for crude energy materials and basic industrial materials turned up in July, following decreases in the preceding month, while the index for crude foodstuffs and feedstuffs showed no change, after falling in June. (See table B.)

Prices for crude energy materials climbed 12.8 percent in July, following a 3.1-percent decline in June. Leading this upturn, the natural gas index surged 14.9 percent, following an 8.9-percent drop in the previous month. The crude petroleum index increased at a faster rate in July than in June, 13.1 percent compared with 5.5 percent. The coal index moved up 0.3 percent, after falling 1.1 percent a month earlier. (See table 2.)

The index for crude nonfood materials less energy advanced 3.1 percent in July, following a 4.3-percent decline in June. Most of this reversal was attributable to prices for iron and steel scrap, which increased 2.7 percent in July following a 19.9-percent drop in the prior month. The indexes for aluminum base scrap, raw cotton, and softwood logs, bolts, and timber also moved up, after decreasing in June. Prices for nonferrous metal ores and copper base scrap rose more in July than they had in the preceding month, while the wastepaper index fell less than it had in June. By contrast, the index for hides and skins moved down 0.2 percent in July, following a 3.4-percent advance in the previous month. Pulpwood prices also turned down, after increasing a month earlier. The indexes for construction sand, gravel, and crushed stone and for hardwood logs, bolts, and timber went up less in July than in June.

Prices for crude foodstuffs and feedstuffs were unchanged in July, following a 3.1-percent decline in June. The slaughter hogs index rose 3.3 percent in July, after falling 13.0 percent in the prior month. Prices for fluid milk and unprocessed finfish also turned up, following decreases in June. The slaughter cattle index declined less in July than it had a month earlier, while prices for corn and slaughter turkeys increased more than in June. Alternatively, the index for fresh vegetables (except potatoes) dropped 20.6 percent in July, compared with a 12.1-percent jump in the preceding month. Prices for slaughter broilers and fryers also moved down, after advancing in June. The soybean index rose at a slower rate in July 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 Mining Industries increased 10.4 percent in July, after declining 1.8 percent in the preceding month. (Net output price indexes are not seasonally adjusted.) Accounting for the

majority of this upturn, prices received by the crude petroleum and natural gas industry rose 13.3 percent, following a 2.4-percent decrease in June. The industry indexes for natural gas liquid extraction and phosphate rock mining also turned up in July, after falling in the prior month. Prices paid to the industries for copper ore and nickel ore mining, oil and gas well drilling, and bituminous coal underground mining advanced at quicker rates than they had in the previous month. By contrast, prices received by the industry for oil and gas operations support activities moved down 0.4 percent, compared with a 4.0-percent rise a month earlier. The industry indexes for support activities for coal mining and for crushed and broken granite mining and quarrying also turned down in July, while prices received by the crushed and broken limestone quarrying and mining industry increased less than they had in June. In July, the Producer Price Index for Total Mining Industries was 194.1 (December 1984 = 100), 24.7 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries climbed 0.9 percent in July, after edging up 0.1 percent in the prior month. Leading this acceleration, prices received by the petroleum and coal products manufacturing industry group advanced 8.4 percent, following a 3.2-percent gain in June. The industry group indexes for nonmetallic mineral products and for furniture and related products also rose more than they had in the preceding month. Prices received by the industries for transportation equipment and food manufacturing turned up in July, and the industry group index for chemical manufacturing fell less than it had in June. Alternatively, prices received by the wood products manufacturing industry group turned down 1.1 percent, following a 1.8-percent increase in the previous month. The industry group index for beverage and tobacco product manufacturing also decreased in July, after rising a month earlier. Prices received by the industries for printing and related support activities and for fabricated metal products advanced at slower rates than they had in June, while the industry group index for paper manufacturing declined in July, after showing no change in the preceding month. In July, the Producer Price Index for Total Manufacturing Industries was 150.8 (December 1984 = 100), 5.3 percent above its year-ago level.

Services. Among services industries in July, prices received by commercial bankers fell 1.0 percent, after rising 5.2 percent in the previous month. The industry indexes for offices of lawyers, television broadcasting, investment banking and securities dealing, and nonresidential property managers also turned down, following increases in June. Prices received by the industries for scheduled passenger air transportation and for hotels and motels (excluding casinos) rose less than they had in the prior month. By contrast, the industry index for savings institutions turned up 4.4 percent, after falling 1.3 percent in June. Prices received by casino hotels also rose, after declining in the prior month. The industry indexes for general medical and surgical hospitals and for newspaper publishers advanced at faster rates than they had in June. The industry index for cellular and other wireless carriers decreased less in July than it had in the previous month, and prices received by wired telecommunications carriers and direct life insurance carriers increased, after remaining unchanged in June.

Price Movements August 2005

The Producer Price Index for Finished Goods rose 0.6 percent in August, seasonally adjusted. This increase followed a 1.0-percent gain in July and no change in June. At the earlier stages of processing, prices received by manufacturers of intermediate goods advanced 0.7 percent, after moving up 1.0 percent in the preceding month. The crude goods index climbed 2.3 percent in August, following a 6.7-percent rise in July. (See table A.)

Among finished goods, prices for goods other than foods and energy showed no change in August, after increasing 0.4 percent in the prior month. The finished energy goods index rose 3.7 percent, compared with a 4.4-percent gain in July. Finished consumer food prices declined 0.3 percent in August, the same rate of decrease as in the preceding month.

Before seasonal adjustment, the Producer Price Index for Finished Goods advanced 0.5 percent in August to 156.1 (1982=100). From August 2004 to August 2005, prices for finished goods rose 5.1 percent. Over the same period, the index for finished energy goods increased 19.2 percent, prices for finished goods other than foods and energy went up 2.4 percent, and the finished consumer foods index rose 1.2 percent. For the 12 months ended August 2005, intermediate goods prices moved up 6.1 percent, and the crude goods index increased 11.3 percent.

Finished goods

The index for finished consumer goods other than foods and energy edged down 0.1 percent in August, after rising 0.4 percent in the previous month. Accounting for about half of this downturn, prices for passenger cars declined 1.3 percent, following a 1.5-percent gain in July. The indexes for alcoholic beverages, tires, and periodical circulation also fell, after advancing in the preceding month. The rates of increase in prices for pharmaceutical preparations and light motor trucks slowed from July to August. By contrast, the cosmetics and other toilet prepara-

Hurricane Katrina

Hurricane Katrina struck Florida and the Gulf Coast after the Producer Price Index's August pricing date, and therefore did not affect the PPI in August. The PPI pricing date for September 2005 is Tuesday, September 13.

Table A. **Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted**[1]

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2004							
August	0.1	−0.2	0.3	0.3	3.3	1.0	−0.3
September	.3	.5	−.2	.3	3.3	.3	−4.5
October	1.5	1.5	5.7	.3	4.5	1.0	4.3
November	.7	.3	2.7	.3	5.0	.8	7.6
December	−.3	.2	−2.4	.2	4.2	.1	−3.1
2005							
January	.1	−.5	−1.0	.7	4.1	.3	−2.0
February	.4	.6	1.8	−.1	4.7	.6	−1.0
March	.8	.6	3.3	.2	5.0	1.0	4.7
April	.5	−.2	1.8	.3	4.8	.7	2.6
May	−.6	−.1	−3.5	.1	3.5	−.6	−2.5
June	0	−1.1	2.0	−.1	3.6	.1	−3.3
July	1.0	−.3	4.4	.4	4.6	1.0	6.7
August	.6	−.3	3.7	0	5.1	.7	2.3

[1] Some percent changes shown here and elsewhere in "Price Movements August 2005" may differ from those previously reported because indexes for April 2005 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 adjusted**[1]

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.)
2004								
August	−4.1	2.3	1.0	8.0	−5.0	2.2	2.5	23.5
September	−1.1	−1.1	.8	8.4	−1.4	−8.4	−1.3	14.6
October	−1.8	4.2	.5	9.2	−1.5	9.1	4.3	16.3
November	−.5	2.8	.3	9.9	1.1	14.6	3.1	25.2
December	.4	−1.4	.4	9.2	2.2	−7.5	−1.4	17.4
2005								
January	.8	−1.7	.7	8.7	2.1	−4.6	−2.5	10.3
February	−.4	1.2	.5	8.4	−3.1	1.5	−2.9	8.3
March	1.0	3.7	.3	8.7	4.6	7.0	−.3	11.4
April	0	3.5	.1	8.1	−2.5	6.5	2.1	12.4
May	.8	−2.8	−.2	6.3	−1.0	−2.8	−4.1	6.1
June	−.8	1.9	−.2	6.2	−3.1	−3.1	−4.3	1.7
July	.9	5.2	−.1	6.5	0	12.8	3.1	8.4
August	−.4	3.3	−.1	6.1	−1.4	3.8	4.6	11.3

[1] Some percent changes shown here and elsewhere in "Price Movements August 2005" may differ from those previously reported because indexes for April 2005 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

tions index inched up 0.1 percent in August, compared with a 0.4-percent decrease a month earlier. Prices for home electronic equipment and for women's, girls', and infants' apparel also turned up, while the sanitary paper products index rose more than it had in July. (See table 2.)

Prices for capital equipment decreased 0.1 percent in August, following a 0.5-percent rise in the preceding month. The civilian aircraft index showed no change, after increasing 1.0 percent in July. Prices for passenger cars, commercial furniture, and communication and related equipment turned down, following gains in the prior month. The indexes for light motor trucks and heavy motor trucks advanced less than they had in July. Alternatively, railroad equipment prices moved up 0.9 percent in August, after dropping 0.6 percent in the previous month. The indexes for agricultural machinery and equipment and for metal cutting machine tools also turned up, following declines a month earlier. Electronic computer prices fell less in August than in the prior month, while the index for pumps, compressors, and equipment went up, after showing no change in July.

Subsequent to a 4.4-percent increase in July, prices for finished energy goods rose 3.7 percent in August. The residential natural gas index moved up 2.5 percent, compared with a 3.7-percent gain in the previous month. The rates of increase in the indexes for gasoline and residential electric power also slowed from July to August, and home heating oil prices fell, after climbing in the prior month. By contrast, the liquefied petroleum gas index jumped 10.7 percent in August, following a 5.6-percent rise in the preceding month. Prices for diesel fuel and kerosene also advanced more than they had in July, while the finished lubricants index turned up in August.

Prices for finished consumer foods decreased 0.3 percent for the second consecutive month. In August, declining prices for beef and veal, eggs for fresh use, dairy products, fresh fruits and melons, and roasted coffee outweighed rising prices for pork, processed young chickens, fresh and dry vegetables, soft drinks, and finfish and shellfish.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components advanced 0.7 percent in August, following a 1.0-percent gain in July. Most of this slower rate of increase can be attributed to prices for intermediate energy goods, which rose less in August than they had a month earlier. The index for intermediate foods and feeds turned down, after moving up in July. By contrast, prices for materials and components for construction were unchanged in August, after falling in the previous month. The index for materials for nondurable manufacturing increased slightly more than it had in July, while prices for materials for durable manufacturing fell slightly less than in the preceding month. In August, the index for intermediate goods excluding foods and energy decreased 0.1 percent, its fourth consecutive monthly decline. (See table B.)

Prices for intermediate energy goods climbed 3.3 percent in August, following a 5.2-percent advance in July. The gasoline index rose 9.5 percent in August, compared with a 10.9-percent gain a month earlier. Prices for residual fuel and commercial natural gas also went up at slower rates than they had in July. The indexes for jet fuels, commercial electric power, and home heating oil turned down in August, after moving up in the prior month. Alternatively, diesel fuel prices increased

3.1 percent, following a 0.2-percent advance in July. The indexes for liquefied petroleum gas and natural gas to electric utilities also rose more in August than in the previous month. (See table 2.)

The index for intermediate foods and feeds declined 0.4 percent in August, after increasing 0.9 percent in July. Prices for prepared animal feeds fell 1.6 percent, subsequent to a 2.7-percent jump in the prior month. The dairy products index also turned down in August. Prices for beef and veal and for flour decreased at faster rates than in July, while the index for processed young chickens rose less than it had in the previous month. By contrast, pork prices advanced 4.8 percent in August, compared with a 0.6-percent drop a month earlier. The indexes for shortening and cooking oils, sausages and deli meats, and refined sugar and byproducts also moved up, following declines in July.

The index for materials and components for construction was unchanged in August, after falling 0.2 percent in July. Prices for asphalt felts and coatings jumped 8.5 percent, following no change in the preceding month. The indexes for building paper and board and for steel mill products declined less in August than they had a month earlier. Prices for gypsum products, nonferrous wire and cable, and paving mixtures and blocks rose more than they had in July. Alternatively, prices for concrete products advanced 0.6 percent, following a 1.9-percent increase in July. The plastic construction products index decreased at a faster rate in August compared with the prior month, while prices for millwork moved down after rising in July.

The materials for nondurable manufacturing index climbed 0.2 percent in August, following a 0.1-percent advance in the preceding month. In August, rising prices for primary basic organic chemicals, inedible fats and oils, phosphates, paint materials, and synthetic fibers outweighed falling prices for paperboard, intermediate basic organic chemicals, plastic resins and materials, and processed yarns and threads.

The index for materials for durable manufacturing declined 0.8 percent in August, after moving down 0.9 percent in July. In August, deceasing prices for both hot and cold rolled steel sheet and strip; cold finished steel bars; hot rolled steel bars, plates, and structural shapes; aluminum mill shapes; building paper and board; and plywood more than offset increasing prices for primary nonferrous metals, copper and brass mill shapes, semifinished steel mill products, and prepared paint.

Crude goods

The Producer Price Index for Crude Materials for Further Processing rose 2.3 percent in August, following a 6.7-percent advance in July. Prices for crude energy materials increased less in August than in the prior month. The index for crude foodstuffs and feedstuffs turned down, after remaining unchanged in July. By contrast, prices for basic industrial materials increased more than in the previous month. (See table B.)

The index for crude energy materials gained 3.8 percent in August, after climbing 12.8 percent in July. Prices for natural gas rose 4.6 percent, following a 14.9-percent surge in the previous month. Crude petroleum prices went up 3.7 percent in August, after jumping 13.1 percent in July. The coal index moved down 0.8 percent, after edging up 0.3 percent a month earlier. (See table 2.)

The index for crude foodstuffs and feedstuffs declined 1.4 percent in August, after remaining unchanged in July. The fluid milk index decreased 3.5 percent in August, compared with a 6.2-percent increase in the prior month. Prices for corn and soybeans also turned down, following gains in July. The indexes for Irish potatoes for processing and unprocessed finfish advanced less in August than they had a month earlier. By contrast, the index for slaughter cattle fell 2.2 percent, following a 3.9-percent decline in July. Prices for wheat also declined less in August than they had a month earlier. The indexes for slaughter broilers and fryers and for fresh vegetables (except potatoes) turned up, following declines in July. Prices for slaughter hogs increased faster than they had in the previous month.

Prices for crude nonfood materials less energy advanced 4.6 percent in August, following a 3.1-percent gain in July. Most of this acceleration is attributable to the index for iron and steel scrap, which jumped 19.7 percent following a 2.7-percent advance in the prior month. The indexes for gold ores and for construction sand, gravel, and crushed stone also increased at faster rates in August, compared with July. Prices for pulpwood turned up, after falling a month earlier. Conversely, the index for copper ores decreased 3.6 percent, after climbing 20.7 percent in July. Prices for raw cotton and miscellaneous roundwood products also turned down, after rising in the previous month. The index for copper base scrap increased less in August than it had a month earlier, and prices for iron ore were unchanged, after advancing 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 3.6 percent in August, after rising 10.4 percent in the preceding month. (Net output price indexes are not seasonally adjusted.) This slower rate of increase is mostly due to prices received by the crude petroleum and natural gas extraction industry, which moved up 5.3 percent, following a 13.3-percent gain in July. The industry indexes for natural gas liquid extraction and for oil and gas well drilling also rose less than they had in the prior month. Prices paid to miners of copper ore and nickel ore, underground bituminous coal, and phosphate rock fell in August, after rising a month earlier. By contrast, prices received by the gold ore mining industry advanced 5.0 percent, compared with a 0.2-percent gain in July. The industry indexes for oil and gas operations support activities and for crushed and broken granite mining and quarrying turned up, after falling a

month earlier. In August, the Producer Price Index for Total Mining Industries was 201.1 (December 1984=100), 26.2 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries rose 0.5 percent in August, after climbing 0.9 percent in the prior month. Leading this deceleration, prices received by the petroleum and coal products manufacturing industry group advanced 5.1 percent, following an 8.4-percent gain in July. The industry group indexes for transportation equipment, food manufacturing, computer and electronic products, and furniture and related product manufacturing turned down in August, after rising in the preceding month. Conversely, prices received by the chemical manufacturing industry group turned up 0.3 percent, following a 0.1-percent decline in the previous month. The industry group index for machinery rose in August, after showing no change a month earlier. Prices received by manufacturers of beverages and tobacco turned up, following declines in July. In August, the Producer Price Index for Total Manufacturing Industries was 151.6 (December 1984=100), 5.5 percent above its year-ago level.

Services. Among services industries in August, higher prices were received by investment banking and securities dealers, lessors of nonresidential buildings (except miniwarehouses), employee leasing services, direct property and casualty insurance carriers, and offices of certified public accountants. Alternatively, lower prices were paid to the industries for scheduled passenger air transportation, commercial banking, cellular and other wireless services, and hotels and motels (excluding casinos).

Price Movements September 2005

The Producer Price Index for Finished Goods rose 1.9 percent in September, seasonally adjusted. This advance followed increases of 0.6 percent in August and 1.0 percent in July. At the earlier stages of processing, prices received by manufacturers of intermediate goods climbed 2.5 percent in September, after moving up 0.7 percent in the preceding month, while the crude goods index rose 10.2 percent, following a 2.3-percent gain in August. (See table A.)

Among finished goods in September, prices for energy goods advanced 7.1 percent, compared with a 3.7-percent increase in August. The finished consumer foods index turned up 1.4 percent, following a 0.3-percent decline in the prior month. Prices for finished goods other than foods and energy rose 0.3 percent in September, following no change in August.

During the third quarter of 2005, prices for finished goods advanced at a seasonally adjusted annual rate (SAAR) of 14.8 percent, after falling at a 0.5-percent SAAR during the second quarter of 2005. Excluding prices for foods and energy, the finished goods index increased at a 2.6-percent SAAR for the 3 months ended September 2005, after rising at a 1.0-percent SAAR for the 3 months ended June 2005. Among prices for raw and partially processed goods, the SAAR for intermediate goods accelerated from 0.8 percent to 18.1 percent from the second to the third quarter of 2005. The crude goods index moved up at a 109.7-percent SAAR during the third quarter, after declining at a 12.5-percent SAAR during the previous quarter. (See summary below.)

Before seasonal adjustment, the Producer Price Index for Finished Goods advanced 1.8 percent in September to 158.9 (1982 = 100). From September 2004 to September 2005, prices for finished goods rose 6.9 percent. Over the same period, the index for finished energy goods increased 27.8 percent, prices for finished goods other than foods and energy went up 2.6 percent, and the finished consumer foods index climbed 2.1 percent. For the 12 months ended September

Hurricanes Katrina and Rita

Hurricanes Katrina and Rita had virtually no impact on data collection efforts or survey response rates, and no changes in estimation procedures were necessary.

Table A. **Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted**[1]

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2004							
September	0.3	0.5	−0.2	0.3	3.3	0.3	−4.5
October	1.5	1.5	5.7	.3	4.5	1.0	4.3
November	.7	.3	2.7	.3	5.0	.8	7.6
December	−.3	.2	−2.4	.2	4.2	.1	−3.1
2005							
January	.1	−.5	−1.0	.7	4.1	.3	−2.0
February	.4	.6	1.8	−.1	4.7	.6	−1.0
March	.8	.6	3.3	.2	5.0	1.0	4.7
April	.5	−.2	1.8	.3	4.8	.7	2.6
May	−.5	−.2	−3.3	.3	3.6	−.7	−3.1
June	−.1	−1.0	1.7	−.3	3.6	.2	−2.7
July	1.0	−.3	4.4	.4	4.6	1.0	6.7
August	.6	−.3	3.7	0	5.1	.7	2.3
September	1.9	1.4	7.1	.3	6.9	2.5	10.2

[1] Some percent changes shown here and elsewhere in "Price Movements September 2005" may differ from those previously reported because indexes for May 2005 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

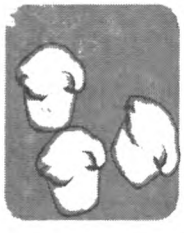
Summary of December-to-December, 9-month, and 3-month seasonally adjusted annual rates of change in price indexes at selected stages of processing

Grouping	Percentage change, 12 months ended December			Seasonally adjusted annual rate for			
	2002	2003	2004	9 months ended Sept. 2005	3 months ended March 2005	3 months ended June 2005	3 months ended Sept. 2005
Finished goods	1.2	4.0	4.2	6.4	5.4	− 0.5	14.8
Finished consumer foods	− .6	7.7	3.1	.3	3.1	− 5.5	3.4
Finished energy goods	12.3	11.4	13.4	28.6	17.4	.3	80.7
Finished goods less foods and energy	− .5	1.0	2.3	2.3	3.4	1.0	2.6
Finished consumer goods, excluding foods and energy	− .5	1.1	2.2	2.5	3.8	1.5	2.2
Capital equipment	− .6	.8	2.4	2.1	2.5	.6	3.1
Intermediate materials, supplies, and components	3.2	3.9	9.2	8.7	7.8	.8	18.1
Intermediate foods and feeds	4.2	12.9	− 2.3	1.7	5.9	0	− .6
Intermediate energy goods	12.0	10.9	15.8	33.8	13.4	10.4	91.6
Intermediate materials less foods and energy	1.5	2.1	8.3	3.1	6.5	− 1.3	4.2
Materials for nondurable manufacturing	4.2	4.9	13.7	7.6	9.0	− 1.0	15.3
Materials for durable manufacturing	3.1	4.0	18.3	.9	8.8	− 8.3	3.1
Materials and components for construction	.8	3.0	10.1	4.2	8.7	.5	3.7
Crude materials for further processing	24.7	19.5	17.4	25.1	6.6	− 12.5	109.7
Foodstuffs and feedstuffs	4.5	24.1	− 2.6	− 4.0	15.0	− 23.2	.3
Crude energy materials	61.5	14.4	35.9	59.8	15.3	1.0	250.3
Crude nonfood materials less energy	12.6	21.6	20.5	.6	− 20.7	− 22.8	66.3

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.

2005, intermediate goods prices advanced 8.4 percent, and the crude goods index increased 28.5 percent.

Finished goods



The index for finished energy goods moved up 7.1 percent in September, following a 3.7-percent advance in August. Leading this acceleration, prices for residential natural gas rose 9.0 percent, subsequent to a 2.5-percent gain in the previous month. The indexes for gasoline, liquefied petroleum gas, finished lubricants, and kerosene also climbed at faster rates than they had in August. Home heating oil prices turned up, after falling a month earlier. By contrast, the index for residential electric power was unchanged in September, following a 0.2-percent increase in the prior month. Prices for diesel fuel rose less than in the previous month. (See table 2.) During the third quarter of 2005, prices for finished energy goods rose at an 80.7-percent SAAR, after inching up at a 0.3-percent SAAR during the second quarter.

The index for finished consumer foods advanced 1.4 percent in September, following a 0.3-percent decline in August. Prices for eggs for fresh use surged 49.3 percent, after falling 24.0 percent a month earlier. The indexes for dairy products, beef and veal, and fresh fruits and melons also turned up, after decreasing in August. Prices for fresh and dry vegetables, soft drinks, and finfish and shellfish rose at faster rates in September than they had in the previous month. Alternatively, the index for processed fruits and vegetables declined 0.2 percent, after inching up 0.1 percent in August. Prices for confectionery end products and processed turkeys also moved down, following gains in the prior month. For the 3 months ended September 2005, the index for finished consumer foods increased at a 3.4-percent SAAR, after decreasing at a 5.5-percent SAAR for the 3 months ended in June.

Prices for finished consumer goods other than foods and energy went up 0.2 percent in September, subsequent to a 0.1-percent decline in August. Leading this upturn, the passenger cars index rose 0.9 percent, following a 1.3-percent drop in the preceding month. Prices for alcoholic beverages, men's and boys' apparel, floor coverings, and periodical circulation also turned up in September, after falling a month earlier. The index for women's, girls', and infants' apparel increased more in September than it had in August, while prices for newspaper circulation advanced, after showing no change in the prior month. By contrast, the index for sanitary papers and health products decreased 0.3 percent in September, compared with a 0.7-percent gain in the prior month. Prices for soaps and synthetic detergents, which were unchanged in August, also declined in September. During the third quarter of 2005, the index for finished consumer goods other than foods and energy rose at a 2.2-percent SAAR, after climbing at a 1.5-percent SAAR during the second quarter.

Prices for capital equipment moved up 0.3 percent in September, after edging down 0.1 percent in August. Most of this upturn can be traced to the index for passenger cars, which rose in September following an August decline. The index for commercial furniture also advanced, after falling in

Table B. **Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted**[1]

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.)
2004								
September	– 1.1	– 1.1	0.8	8.4	– 1.4	– 8.4	– 1.3	14.6
October	– 1.8	4.2	.5	9.2	– 1.5	9.1	4.3	16.3
November	– .5	2.8	.3	9.9	1.1	14.6	3.1	25.2
December	.4	– 1.4	.4	9.2	2.2	– 7.5	– 1.4	17.4
2005								
January	.8	– 1.7	.7	8.7	2.1	– 4.6	– 2.5	10.3
February	– .4	1.2	.5	8.4	– 3.1	1.5	– 2.9	8.3
March	1.0	3.7	.3	8.7	4.6	7.0	– .3	11.4
April	0	3.5	.1	8.1	– 2.5	6.5	2.1	12.4
May	.6	– 2.6	– .3	6.3	– 1.0	– 4.5	– 3.0	5.4
June	– .6	1.7	– .1	6.2	– 3.0	– 1.4	– 5.4	1.7
July	.9	5.2	– .1	6.5	0	12.8	3.1	8.4
August	– .4	3.3	– .1	6.1	– 1.4	3.8	4.6	11.3
September	– .6	8.3	1.2	8.4	1.5	16.9	5.3	28.5

[1] Some percent changes shown here and elsewhere in "Price Movements September 2005" may differ from those previously reported because indexes for May 2005 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

August. Prices for communication and related equipment were unchanged in September, following decreases in the preceding month, while the civilian aircraft index moved up, after showing no change in August. Prices for heavy motor trucks and for transformers and power regulators increased at quicker rates in September than they had in the prior month. By contrast, the truck trailers index moved down, after rising in August. Prices for x-ray and electromedical equipment, as well as for construction machinery and equipment, also turned down in September. The index for electronic computers declined at a faster rate than it had in August. For the 3 months ended September 2005, capital equipment prices climbed at a 3.1-percent SAAR, after advancing at a 0.6-percent SAAR for the 3 months ended in June.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components advanced 2.5 percent in September, following a 0.7-percent gain in the prior month. Accounting for about half of this acceleration, prices for intermediate energy goods rose more than they had in August. The index for materials for nondurable manufacturing also increased at a faster rate in September than it had in the preceding month. The index for materials for durable manufacturing turned up, after falling a month earlier, while prices for materials and components for construction moved up, following no change in August. By contrast, the index for intermediate foods and feeds decreased more in September than it had in the previous month. The index for intermediate goods excluding foods and energy rose 1.2 percent in September, compared with a 0.1-percent decline in the prior month. (See table B.)

The rate of increase in intermediate energy goods prices rose from 3.3 percent in August to 8.3 percent in September. The jet fuel index jumped 16.3 percent, following a 3.5-percent decline in the prior month. Prices for commercial electric power also turned up, after declining in August. The indexes for industrial natural gas, commercial natural gas, gasoline, natural gas to electric utilities, and liquefied petroleum gas moved up at quicker rates in September than they had in the preceding month. Alternatively, price increases for diesel fuel slowed from 3.1 percent in August to 1.5 percent in September. The industrial electric power index also rose less than it had in the previous month. (See table 2.) Prices for intermediate energy goods advanced at a 91.6-percent SAAR in the third quarter of 2005, after climbing at a 10.4-percent SAAR in the prior quarter.

The index for materials for nondurable manufacturing rose 3.4 percent in September, compared with a 0.2-percent increase in the preceding month. Basic organic chemicals prices climbed 8.4 percent, following a 0.6-percent gain in August. The plastic resins and materials index turned up in September, and prices for paper advanced, after showing no change in August. The index for paperboard fell less than it had in the prior month. By contrast, prices for inedible fats and oils dropped 11.1 percent in September, following a 2.3-percent rise in the previous month. The indexes for woodpulp, paint materials, and synthetic fibers also turned down, after posting gains in August. For the 3 months ended in September 2005, prices for materials for nondurable manufacturing increased at a 15.3-percent SAAR, after falling at a 1.0-percent SAAR in the previous quarter.

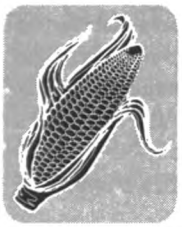
The materials for durable manufacturing index climbed 2.6

percent in September, compared with a 0.8-percent decrease in the previous month. Leading this upturn, prices for steel mill products rose 3.7 percent, following a 2.7-percent decline in the prior month. The indexes for aluminum mill shapes, building paper and board, and plywood also turned up in September, while prices for titanium mill shapes increased more than they had in August. Alternatively, the prepared paint index fell 0.2 percent in September, after moving up 0.4 percent in the preceding month. Prices for unprocessed filament yarns and hardwood lumber also turned down, following gains in August. From June to September 2005, the index for materials for durable manufacturing increased at a 3.1-percent SAAR, after falling at an 8.3-percent SAAR in the second quarter of 2005.

Prices for materials and components for construction rose 1.1 percent in September, after showing no change in the prior month. The plywood index jumped 14.4 percent, following a 3.0-percent drop in the preceding month. Prices for steel mill products, softwood lumber, building paper and board, and plastic construction products also moved up in September, after falling in the prior month, while the paving mixtures and blocks index increased more than it had a month earlier. By contrast, price increases for asphalt felts and coatings slowed from 8.5 percent in August to 1.1 percent in September. The indexes for nonferrous wire and cable and for gypsum products also advanced less than they had in the previous month. During the third quarter of 2005, the materials and components for construction index went up at a 3.7-percent SAAR, after rising at a 0.5-percent SAAR in the second quarter.

Intermediate foods and feeds prices moved down 0.6 percent in September, following a 0.4-percent slide in the preceding month. The index for prepared animal feeds decreased 3.7 percent, after falling 1.6 percent in the prior month. Prices for fluid milk products; sausage, deli, and cooked meats; and dry milk products also turned down in September, following gains in the preceding month. The indexes for pork and for refined sugar and byproducts rose less than they had in August. Alternatively, beef and veal prices turned up 1.1 percent in September, compared with a 2.7-percent decline in the prior month. The indexes for natural, processed, and imitation cheese and for flour also advanced, after falling in August, while prices for soft drink beverage bases increased, following no change in the previous month. The index for intermediate foods and feeds fell at a 0.6-percent SAAR during the third quarter of 2005, after showing no change in the preceding quarter.

Crude goods



The Producer Price Index for Crude Materials for Further Processing advanced 10.2 percent in September, following a 2.3-percent increase in August. Prices for crude energy materials and for crude goods other than foods and energy also rose more in September than they had in the prior month. The index for crude foodstuffs and feedstuffs turned up, after falling a month earlier. (See table B.)

Prices for crude energy materials jumped 16.9 percent in September, following a 3.8-percent gain in the preceding month. Accounting for most of this acceleration, the natural gas index advanced 30.7 percent, after rising 4.6 percent in August. Coal prices turned up 0.7 percent, compared with a 0.8-percent decline in the previous month. Alternatively, the index for crude petroleum climbed 0.8 percent in September, after advancing 3.7 percent in the prior month. (See table 2.) After increasing at a 1.0-percent SAAR during the second quarter of 2005, the index for crude energy materials surged at a 250.3-percent SAAR from June to September.

Prices for crude foodstuffs and feedstuffs rose 1.5 percent in September, after falling 1.4 percent in the preceding month. The index for slaughter cattle increased 6.7 percent, following a 2.2-percent decline in August. Prices for fluid milk, wheat, and fresh fruits and melons also turned up, after decreasing in the previous month. The indexes for fresh and dry vegetables and for slaughter turkeys rose more in September than they had a month earlier. By contrast, prices for slaughter broilers and fryers dropped 4.0 percent in September, following a 4.7-percent advance in the prior month. The indexes for soybeans and corn fell more in September than they had in August, while prices for slaughter hogs increased at slower rates during the same period. The index for crude foodstuffs and feedstuffs edged up at a 0.3-percent SAAR for the 3 months ended in September 2005, after declining at a 23.2-percent SAAR in the preceding quarter.

Basic industrial material prices advanced 5.3 percent in September, following a 4.6-percent gain in the previous month. The index for iron and steel scrap increased 22.8 percent, after rising 19.7 percent in August. Prices for copper ores, raw cotton, and miscellaneous roundwood products turned up in September, following declines in the prior month. The hides and skins index fell less than it had in the preceding month. Conversely, copper base scrap prices edged up 0.2 percent in September, compared with a 5.1-percent advance a month earlier. The indexes for gold ores, for aluminum base scrap, and for construction sand, gravel, and crushed stone also rose less in September than they had in August. During the third quarter of 2005, the index for crude nonfood materials less energy rose at a 66.3-percent SAAR, after falling at a 22.8-percent SAAR during the previous quarter.

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

Mining. The Producer Price Index for the Net Output of Total Mining Industries gained 14.9 percent in September, following a 3.6-percent rise in August. (Net output price indexes are not seasonally adjusted.) Most of this faster rate of increase can be attributed to prices received by the oil and gas extraction industry group, which surged 19.8 percent in September after increasing 4.8 percent in August. Prices received by the industry for oil and gas operations support activities also

rose more in September than in the prior month. The industry indexes for copper ore and nickel ore mining, bituminous coal underground mining, and construction sand and gravel mining turned up, after falling a month earlier. By contrast, the industry index for oil and gas wells drilling advanced 1.0 percent in September, compared with a 4.3-percent increase in the prior month. Prices received by the industry for gold ore mining also rose less than they had in August. The industry indexes for crushed and broken granite mining and quarrying and for potash, soda, and borate mineral mining turned down in September. Prices received by the phosphate rock mining industry fell more than they had a month earlier. For the 3 months ended in September 2005, the Producer Price Index for the Net Output of Total Mining Industries advanced at an annualized rate of 198.6 percent, compared with a 0.5-percent rate of decrease in the preceding quarter. In September, the Producer Price Index for Total Mining Industries was 231.1 (December 1984 = 100), 54.5 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries advanced 1.6 percent in September, following a 0.5-percent gain in August. The majority of this acceleration was due to prices received by the petroleum and coal products manufacturing industry group, which climbed 12.2 percent in September after gaining 5.1 percent in August. The industry group indexes for wood product manufacturing, transportation equipment, primary metal manufacturing, and food manufacturing turned up, after declining in the prior month. Prices received by the industry groups for chemicals and for plastics and rubber products advanced more than they had in the previous month. Alternatively, the industry group index for computer and electronic products declined 0.2 percent, after edging down 0.1 percent in August. For the 3 months ended in September 2005, the Producer Price Index for the Net Output of Total Manufacturing Industries advanced at an annualized rate of 13.2 percent, compared with a 1.3-percent rate of increase in the prior quarter. In September, the Producer Price Index for Total Manufacturing Industries was 154.1 (December 1984 = 100), 6.9 percent above its year-ago level.

Services. Among services industries in September, prices received by the commercial banking industry increased 4.0 percent, after declining 0.6 percent in August. Also turning up after declining in the prior month were the industry indexes for cellular and other wireless carriers, hotels and motels (excluding casino hotels), and passenger car rental. Prices received by the industry group for general medical and surgical hospitals gained more in September than a month earlier, and the index for savings institutions increased, following no change in August. Alternatively, prices received by the investment banking and securities dealing industry fell 7.2 percent, after advancing 2.6 percent in August. Prices received by lessors of nonresidential buildings (excluding miniwarehouses) rose less than they had in the preceding month. The industry index for scheduled passenger air transportation declined at a faster rate than it had in August. The industry indexes for employee leasing services and nonresidential property managers turned down, after rising in August. Prices received by direct property and casualty insurance carriers were unchanged, after rising a month earlier.

Price Movements October 2005

The seasonally adjusted Producer Price Index for Finished Goods advanced 0.7 percent in October. This gain followed a 1.9-percent jump in September and a 0.6-percent rise in August. At the earlier stages of processing, prices received by manufacturers of intermediate goods moved up 3.0 percent, after increasing 2.5 percent in the preceding month. The index for crude materials rose 6.7 percent in October, compared with a 10.2-percent gain in September. (See table A.)

Among finished goods, prices for energy goods climbed 4.1 percent in October, following a 7.1-percent increase in September. The finished consumer foods index declined 0.1 percent, compared with a 1.4-percent advance in the prior month. Prices for finished goods other than foods and energy fell 0.3 percent in October, after rising at the same rate in September.

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 1.3 percent in October to 161.0 (1982 = 100). From October 2004 to October 2005, prices for finished goods advanced 5.9 percent. Over the same period, prices for finished energy goods jumped 26.1 percent, the index for finished goods other than foods and energy rose 1.9 percent, and the index for finished consumer foods advanced 0.3 percent. Prices for intermediate goods increased 10.5 percent during the 12-month period ended October 2005, and the crude goods index moved up 31.5 percent.

Finished goods

The rate of increase in the index for finished energy goods slowed from 7.1 percent in September to 4.1 percent in October. Prices for liquefied petroleum gas climbed 1.4 percent, following a 24.7-percent jump in September. The gasoline index turned down 3.3 percent, after increasing 12.7 percent a month earlier. By contrast, prices for residential electric power rose 2.9 percent, following no change in the prior month. The indexes for residential natural gas, home heating oil, diesel fuel, kerosene, and finished lubricants advanced at faster rates in October than they had in the previous month. (See table 2.)

Prices for finished consumer foods declined 0.1 percent in October, compared with a 1.4-percent gain a month earlier. Subsequent to a 49.3-percent jump in September, the index for eggs for fresh use fell 25.2 percent in October. Prices for fresh and dry vegetables, pork, fresh fruits and melons, and

Table A. **Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted**[1]

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2004							
October	1.5	1.5	5.7	0.3	4.5	1.0	4.3
November	.7	.3	2.7	.3	5.0	.8	7.6
December	−.3	.2	−2.4	.2	4.2	.1	−3.1
2005							
January	.1	−.5	−1.0	.7	4.1	.3	−2.0
February	.4	.6	1.8	−.1	4.7	.6	−1.0
March	.8	.6	3.3	.2	5.0	1.0	4.7
April	.5	−.2	1.8	.3	4.8	.7	2.6
May	−.5	−.2	−3.3	.3	3.6	−.7	−3.1
June	0	−.8	1.8	−.2	3.7	.3	−1.9
July	.9	−.5	4.3	.3	4.6	.9	5.9
August	.6	−.3	3.7	0	5.1	.7	2.3
September	1.9	1.4	7.1	.3	6.9	2.5	10.2
October	.7	−.1	4.1	−.3	5.9	3.0	6.7

[1] Some percent changes shown here and elsewhere in "Price Movements October 2005" may differ from those previously reported because indexes for June 2005 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 adjusted**[1]

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.)
2004								
October	– 1.8	4.2	0.5	9.2	– 1.5	9.1	4.3	16.3
November	– .5	2.8	.3	9.9	1.1	14.6	3.1	25.2
December	.4	– 1.4	.4	9.2	2.2	– 7.5	– 1.4	17.4
2005								
January	.8	– 1.7	.7	8.7	2.1	– 4.6	– 2.5	10.3
February	– .4	1.2	.5	8.4	– 3.1	1.5	– 2.9	8.3
March	1.0	3.7	.3	8.7	4.6	7.0	– .3	11.4
April	0	3.5	.1	8.1	– 2.5	6.5	2.1	12.4
May	.6	– 2.6	– .3	6.3	– 1.0	– 4.5	– 3.0	5.4
June	– .1	2.0	– .1	6.2	– 3.0	– .5	– 3.7	2.5
July	.4	4.9	– .1	6.5	0	11.7	1.3	8.4
August	– .4	3.3	– .1	6.1	– 1.4	3.8	4.6	11.3
September	– .6	8.3	1.2	8.4	1.5	16.9	5.3	28.5
October	.7	9.3	1.2	10.5	.2	12.4	– 1.2	31.5

[1] Some percent changes shown here and elsewhere in "Price Movements October 2005" may differ from those previously reported because indexes for June 2005 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

soft drinks also turned down, following increases in the prior month. The index for dairy products rose less than it had a month earlier. Alternatively, price increases for beef and veal accelerated from 1.1 percent in September to 3.2 percent in October. The index for finfish and shellfish also rose more in October than it had in the previous month.

The index for finished consumer goods other than foods and energy declined 0.2 percent in October, after rising 0.2 percent in the previous month. Passenger car prices decreased 3.0 percent, compared with a 0.9-percent gain in September. For the 12 months ended October 2005, the index for passenger cars fell 2.1 percent. Prices for light motor trucks fell 2.2 percent, after rising 0.5 percent in September. From October 2004 to October 2005, the index for light motor trucks fell 3.9 percent. In accordance with usual practice, most new-model-year passenger cars and light motor trucks were introduced into the PPI in October. (See "Report on Quality Changes for 2006 Model Vehicles" in this report.) Prices for apparel, floor coverings, and newspaper circulation turned down in October. The pharmaceutical preparations index moved up at a slower pace in October than it had in the prior month. By contrast, prices for soaps and synthetic detergents edged up 0.1 percent, after falling 1.5 percent in September. The index for sanitary papers and health products also turned up, after declining in September. Book publishing prices rose in October, following no change a month earlier. The index for mobile homes increased more than it had in the prior month.

The capital equipment index moved down 0.2 percent in October, after rising 0.3 percent a month earlier. Prices for light motor trucks, passenger cars, agricultural machinery and equipment, and railroad equipment turned down, following increases in September. The index for heavy motor trucks rose less in October than it had a month earlier. Conversely, prices for civilian aircraft moved up 0.6 percent, following a 0.2-percent gain in the prior month. The indexes for industrial material handling equipment and for construction machinery and equipment turned up, after decreasing in September. Prices for communication and related equipment edged up in October, following no change in the preceding month.

Intermediate goods

The index for Intermediate Materials, Supplies, and Components advanced 3.0 percent in October, after rising 2.5 percent in September. Prices for intermediate energy goods and for materials and components for construction increased more than they had in September. The intermediate foods and feeds index moved up in October, after falling a month earlier. By contrast, the indexes for materials for both durable manufacturing and nondurable manufacturing increased at slower rates, compared with September. (See table B.)

Prices for intermediate energy goods climbed 9.3 percent in October, after rising 8.3 percent in the prior month. The diesel fuel index moved up 22.7 percent, after advancing 1.5 percent in September. Prices for commercial natural gas, commercial electric power, residual fuel, and jet fuel also increased at faster rates in October, compared with a month earlier. By contrast, the gasoline index fell 3.3 percent, following a 12.7-percent gain in September. Prices for liquefied petroleum gas and natural gas to electric utilities advanced less than they had in the previous month. (See table 2.)

The intermediate foods and feeds index moved up 0.7 percent in October, following a 0.6-percent decrease in September. Prices for prepared animal feeds edged up 0.3 percent,

following a 3.7-percent decline in the preceding month. The index for fluid milk products also turned up, after decreasing in September. Prices for beef and veal and for refined sugar and byproducts increased at faster rates in October, compared with the previous month. Alternatively, prices for pork decreased 4.2 percent in October, following a 4.7-percent advance in September. The indexes for natural, processed, and imitation cheese and for processed young chickens also turned down after rising in October. Prices for soft drink beverage bases were unchanged, after increasing in the previous month.

Prices for materials and components for construction rose 1.4 percent in October, subsequent to a 1.1-percent increase in September. The plastic construction products index rose 7.4 percent, after advancing 1.6 percent a month earlier. Prices for nonferrous wire and cable also increased more than they had in September. The wiring devices index turned up in October, while the fabricated structural metal products index rose, after showing no change in the previous month. By contrast, the plywood index increased 5.1 percent, following a 14.4-percent jump in September. Prices for paving mixtures and blocks also advanced less in October than they had in the prior month, while the softwood lumber index turned down, after rising in September.

The materials for nondurable manufacturing index advanced 2.8 percent in October, following a 3.4-percent rise in the preceding month. Prices for primary basic organic chemicals went up 7.7 percent, after climbing 17.5 percent in September. The processed yarns and threads index also increased at a slower rate than it had a month earlier. Prices for paper and for finished fabrics turned down in October. By contrast, the plastic resins and materials index increased 6.6 percent, following a 3.9-percent gain in September. Prices for inedible fats and oils, paperboard, and synthetic rubber turned up in October, after declining in the previous month.

Prices for materials for durable manufacturing advanced 2.0 percent in October, following a 2.6-percent gain a month earlier. The hot rolled steel sheet and strip index increased 4.0 percent, after rising 9.4 percent in September. Prices for aluminum mill shapes, semifinished steel mill products, plywood, and cold finished steel bars also rose less in October than they had in the preceding month. The index for titanium mill shapes turned down, after increasing in the previous month. Conversely, prices for primary nonferrous metals advanced 6.6 percent in October, subsequent to a 1.8-percent rise in the prior month. The index for cold rolled steel sheet and strip turned up, after declining a month earlier.

Crude goods

The Producer Price Index for Crude Materials for Further Processing advanced 6.7 percent in October, following a 10.2-percent gain in September. This slower rate of increase primarily can be attributed to prices for crude energy materials, which rose less in October than they had a month earlier. The index for crude nonfood materials less energy turned down, after advancing in September, while prices for crude foodstuffs and feedstuffs moved up less in October than they had in the previous month. (See table B.)

The index for crude energy materials climbed 12.4 percent in October, subsequent to a 16.9-percent jump in September. Leading this deceleration, natural gas prices rose 20.3 percent, after surging 30.7 percent in the preceding month. The coal index inched down 0.2 percent in October, following a 0.7-percent increase a month earlier. Crude petroleum prices increased 0.6 percent, compared with a 0.8-percent gain in September. (See table 2.)

The index for crude nonfood materials less energy declined 1.2 percent in October, after rising 5.3 percent in the prior month. Prices for iron and steel scrap fell 7.8 percent, following a 22.8-percent advance in September. The index for aluminum base scrap also moved down in October, after increasing in the previous month. Prices for phosphates, miscellaneous roundwood products, and raw cotton climbed less than they had in September. By contrast, the index for copper base scrap jumped 11.9 percent in October, following a 0.2-percent gain a month earlier. Prices for gold ores and pulpwood also moved up more than they had in the prior month.

The index for crude foodstuffs and feedstuffs edged up 0.2 percent in October, after increasing 1.5 percent in September. Slaughter cattle prices rose 1.7 percent, compared with a 6.7-percent advance in the preceding month. The indexes for slaughter turkeys and wheat also moved up at slower rates in October than they had a month earlier. Prices for slaughter broilers and fryers fell more than in September. The index for fresh and dry vegetables (excluding potatoes) turned down in October, as did prices for fresh fruits and melons. Alternatively, the soybeans index declined 5.0 percent in October, following a 14.7-percent drop in September. Corn prices also decreased at slower rates than they had in the previous month. The indexes for slaughter hogs and unprocessed finfish increased more in October than 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 advanced 9.8 percent in October, after increasing 14.9 percent in the previous month. (Net output price indexes are not seasonally adjusted.) Prices received by the industry for natural gas liquid extraction moved up 13.0 percent, following a 24.7-percent rise in September. The industry indexes for crude petroleum and natural gas extraction and for oil and gas operations support activities also increased less in October than they had a month earlier. Prices received by the industries for bituminous coal underground mining and for crushed and broken limestone mining and quarrying turned down, after registering gains in the preceding month. By contrast, the oil and gas well drilling industry index climbed 8.9 percent in October, following a 1.0-per-

cent increase in the prior month. Prices received by the industries for gold ore mining and for bituminous coal and lignite surface mining also advanced more than they had in September. The industry index for phosphate rock mining fell less than it had in the preceding month. In October, the Producer Price Index for Total Mining Industries was 253.8 (December 1984 = 100), 58.0 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries went up 1.6 percent in October, after increasing at the same rate in the previous month. In October, rising prices received by manufacturers of petroleum and coal products, transportation equipment, chemicals, plastics and rubber products, machinery, and food outweighed falling prices received by the industry groups for computer and electronic product manufacturing, printing and related support activities, apparel manufacturing, paper manufacturing, and leather and allied product manufacturing. In October, the Producer Price Index for Total Manufacturing Industries was 156.5 (December 1984 = 100), 6.8 percent above its year-ago level.

Services. Among services industries in October, the index for commercial banking turned down 3.5 percent, following a 4.0-percent gain in the prior month. Prices received by the industries for savings institutions, hotels and motels (excluding casino hotels), cellular and other wireless carriers, inland water freight transportation, passenger car rental, and direct life insurance carriers also fell, after advancing in September. By contrast, the scheduled passenger air transportation industry index increased 3.6 percent in October, following a 3.6-percent decline in the preceding month. Prices received by the television broadcasting industry also turned up, after decreasing in the prior month. The industry index for investment banking and securities dealing fell less than it had in September, while prices received by the industries for direct health and medical insurance carriers and for offices of real estate agents and brokers advanced in October, following no change a month earlier.

Price Movements November 2005

The Producer Price Index for Finished Goods declined 0.7 percent in November, seasonally adjusted. This decrease followed a 0.7-percent rise in October and a 1.9-percent gain in September. Prices for finished goods other than foods and energy increased 0.1 percent, after decreasing 0.3 percent in the preceding month. At the earlier stages of processing, the index for intermediate goods fell 1.2 percent, following a 3.0-percent rise in the prior month. Prices for crude goods moved down 1.2 percent, after advancing 6.7 percent in October. (See table A.)

The downturn in the finished goods index was due to prices for energy goods, which fell 4.0 percent in November after increasing 4.1 percent a month earlier. By contrast, prices for finished consumer goods other than foods and energy turned up 0.2 percent, following a 0.2-percent decline in the previous month. The finished consumer foods index moved up 0.5 percent, after edging down 0.1 percent in October. Capital equipment prices fell 0.1 percent in November, compared with a 0.2-percent decrease in the prior month.

Before seasonal adjustment, the Producer Price Index for Finished Goods dropped 1.6 percent in November to 158.4 (1982 = 100). From November 2004 to November 2005, prices for finished goods increased 4.4 percent. Over the same period, the finished energy goods index jumped 17.8 percent, prices for finished goods other than foods and energy advanced 1.7 percent, and the finished consumer foods index inched up 0.8 percent. For the 12 months ended November 2005, prices received by manufacturers of intermediate goods rose 8.4 percent, and the index for crude goods went up 21.0 percent.

Finished goods

Prices for finished energy goods decreased 4.0 percent in November, following a 4.1-percent gain in the previous month. Leading this downturn, the residential natural gas index fell 0.5 percent, after rising 12.7 percent in October. Prices for home heating oil, liquefied petroleum gas, diesel fuel, and kerosene also moved down in November, following increases in the prior month. The gasoline index declined more than it had in the preceding month, while prices for residential electric power advanced at slower rates than they had in October. (See table 2.)

Table A. **Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted**[1]

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2004							
November	0.7	0.3	2.7	0.3	5.0	0.8	7.6
December	−.3	.2	−2.4	.2	4.2	.1	−3.1
2005							
January	.1	−.5	−1.0	.7	4.1	.3	−2.0
February	.4	.6	1.8	−.1	4.7	.6	−1.0
March	.8	.6	3.3	.2	5.0	1.0	4.7
April	.5	−.2	1.8	.3	4.8	.7	2.6
May	−.5	−.2	−3.3	.3	3.6	−.7	−3.1
June	0	−.8	1.8	−.2	3.7	.3	−1.9
July	1.0	−.5	4.6	.4	4.7	1.1	5.4
August	.5	−.3	3.4	−.1	5.1	.5	2.8
September	1.9	1.4	7.1	.3	6.9	2.5	10.2
October	.7	−.1	4.1	−.3	5.9	3.0	6.7
November	−.7	.5	−4.0	.1	4.4	−1.2	−1.2

[1] Some percent changes shown here and elsewhere in "Price Movements November 2005" may differ from those previously reported because indexes for July 2005 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 adjusted**[1]

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.)
2004								
November	−0.5	2.8	0.3	9.9	1.1	14.6	3.1	25.2
December	.4	−1.4	.4	9.2	2.2	−7.5	−1.4	17.4
2005								
January	.8	−1.7	.7	8.7	2.1	−4.6	−2.5	10.3
February	−.4	1.2	.5	8.4	−3.1	1.5	−2.9	8.3
March	1.0	3.7	.3	8.7	4.6	7.0	−.3	11.4
April	0	3.5	.1	8.1	−2.5	6.5	2.1	12.4
May	.6	−2.6	−.3	6.3	−1.0	−4.5	−3.0	5.4
June	−.1	2.0	−.1	6.2	−3.0	−.5	−3.7	2.5
July	0	5.1	.2	6.8	0	10.8	.7	7.9
August	0	3.1	−.3	6.1	−1.4	4.6	5.2	11.3
September	−.6	8.3	1.2	8.4	1.5	16.9	5.3	28.5
October	.7	9.3	1.2	10.5	.2	12.4	−1.2	31.5
November	−.1	−6.6	.5	8.4	1.3	−4.2	5.4	21.0

[1] Some percent changes shown here and elsewhere in "Price Movements November 2005" may differ from those previously reported because indexes for July 2005 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 consumer goods other than foods and energy rose 0.2 percent in November, following a 0.2-percent decrease in the previous month. Prices for pharmaceutical preparations increased 1.6 percent, following a 0.2-percent gain in the preceding month. The index for sanitary papers and health products also rose more than it had a month earlier. The rates of decline in the indexes for passenger cars and light motor trucks slowed from October to November. Prices for apparel and floor coverings turned up, after falling in October. The index for household furniture rose, after showing no change in the previous month. By contrast, prices for alcoholic beverages turned down 0.3 percent in November, after increasing 0.3 percent a month earlier. The textile housefurnishings index also declined, following a gain in the preceding month, while prices for book publishing and mobile homes rose less than they had in October.

The finished consumer foods index turned up 0.5 percent in November, compared with a 0.1-percent decline in the previous month. More than half of this upturn was due to prices for eggs for fresh use, which increased 13.4 percent following a 25.2-percent drop in October. The indexes for fresh and dry vegetables, fresh fruits and melons, pork, and soft drinks also rose, after falling in the prior month. Conversely, finfish and shellfish prices declined 7.1 percent in November, following a 9.7-percent increase in the preceding month. The processed turkeys index also turned down, following a gain in October. Prices for beef and veal rose less than they had in the prior month, and the processed young chickens index fell more than it had in October. Prices for dairy products showed no change in November, after moving up a month earlier.

The capital equipment index inched down 0.1 percent in November, compared with a 0.2-percent decline in the prior month. In November, falling prices for light motor trucks, passenger cars, communication and related equipment, metal cutting machine tools, electronic computers, and railroad equipment slightly outweighed rising prices for commercial furniture, transformers and power regulators, agricultural machinery and equipment, civilian aircraft, industrial material handling equipment, and heavy motor trucks.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components decreased 1.2 percent in November, following a 3.0-percent increase in October. This reversal primarily can be attributed to prices for intermediate energy goods, which fell in November after rising in the preceding month. The indexes for materials for nondurable manufacturing and for intermediate foods and feeds also turned down, following gains in October. Prices for materials and components for construction and for materials for durable manufacturing advanced at slower rates in November than they had a month earlier. The index for intermediate goods less foods and energy moved up 0.5 percent in November, after climbing 1.2 percent in October. (See table B.)

Prices for intermediate energy goods dropped 6.6 percent, following a 9.3-percent jump in October. The index for industrial natural gas declined 4.4 percent, after surging 16.1 percent in the previous month. Prices for jet fuel, diesel fuel, commercial natural gas, residual fuels, natural gas to electric utilities, and home heating oil also turned down, following

increases in October. The gasoline index fell more in November than it had a month earlier. By contrast, prices for industrial electric power advanced 4.4 percent, after rising 1.0 percent in the preceding month. (See table 2.)

The index for materials for nondurable manufacturing decreased 0.9 percent in November, following a 2.8-percent gain in October. Prices for primary basic organic chemicals moved down 10.3 percent, after increasing 7.7 percent in the prior month. The indexes for inedible fats and oils and for processed yarns and threads also fell in November, following advances a month earlier. Prices for plastic resins and materials and for basic inorganic chemicals rose at slower rates than they had in October. Alternatively, the paperboard index climbed 4.0 percent, after edging up 0.2 percent in October. Prices for intermediate basic organic chemicals and fertilizer materials also increased at faster rates than they had in the prior month. The indexes for paper and finished fabrics turned up in November.

The rate of increase in prices for materials and components for construction slowed to 1.0 percent in November, from 1.4 percent in October. The plywood index turned down 15.0 percent in November, compared with a 5.1-percent increase a month earlier. Prices for building paper and board, air conditioning and refrigeration equipment, and treated wood also declined, following advances in October. The softwood lumber index fell more than in the prior month, while prices for fabricated structural metal products increased less in November than they had in the previous month. Conversely, the concrete products index rose 1.2 percent, after moving up 0.6 percent in October. Prices for wiring devices, nonferrous wire and cable, asphalt felts and coatings, and plastic construction products also climbed more in November than they had in the preceding month. The index for mineral wool for structural insulation turned up, following a decrease in October.

The index for materials for durable manufacturing advanced 1.6 percent in November, after rising 2.0 percent in October. Prices for copper cathode and refined copper increased 3.3 percent, compared with a 13.3-percent jump in the previous month. The indexes for building paper and board, plywood, cold finished steel bars, and cement turned down in November, following gains a month earlier. Prices for hot rolled steel bars, plates, and structural shapes, as well as for copper and brass mill shapes, rose less than they had in October. Conversely, the index for semifinished steel mill products surged 12.2 percent in November, after moving up 2.5 percent in the prior month. Prices for hot rolled steel sheet and strip, aluminum mill shapes, and prepared paint also increased at quicker rates than they had in October.

The index for intermediate foods and feeds edged down 0.1 percent in November, following a 0.7-percent increase in October. Prices for prepared animal feeds fell 1.3 percent, after rising 0.3 percent in the preceding month. The indexes for beef and veal, fluid milk products, refined sugar and byproducts, and shortening and cooking oils advanced at slower rates in November than they had in October. Prices for processed young chickens decreased more than they had in the previous month. By contrast, the pork index moved up 0.2 percent in November, following a 4.2-percent decline a month earlier. Prices for natural, processed, and imitation cheese also turned up, after falling in October. The indexes for flour and snack chips increased at quicker rates than they had in the prior month.

Crude goods

The Producer Price Index for Crude Materials for Further Processing fell 1.2 percent in November, following a 6.7-percent advance in October. Prices for crude energy materials turned down in November, after rising in the preceding month. Conversely, the index for basic industrial materials increased, following a decline in October. The rate of increase in prices for crude foodstuffs and feedstuffs quickened from October to November. (See table B.)

The crude energy materials index declined 4.2 percent in November, after increasing 12.4 percent in October. The natural gas index fell 1.3 percent, compared with a 20.3-percent jump in the prior month. Crude petroleum prices tumbled 11.4 percent in November, after climbing 0.6 percent a month earlier. By contrast, the coal index edged down 0.1 percent in November, after a 0.2-percent drop in October. (See table 2).

Prices for basic industrial materials increased 5.4 percent in November, after decreasing 1.2 percent in October. The iron and steel scrap index went up 18.8 percent, following a 7.8-percent decline in the preceding month. Prices for aluminum base scrap and for softwood logs, bolts, and timber also turned up in November, after falling in October. The indexes for construction sand, gravel, and crushed stone and for hardwood logs, bolts, and timber rose more in November than they had in the prior month. Alternatively, the raw cotton index fell 6.0 percent, compared with an 8.3-percent gain in October. Prices for gold ores, wastepaper, and pulpwood also turned down in November, following increases a month earlier. The index for copper base scrap rose less in November than it had in October.

Prices for crude foodstuffs and feedstuffs climbed 1.3 percent, following a 0.2-percent gain in October. Subsequent to a 7.7-percent decrease in October, the corn index rose 10.5 percent in November. Prices for soybeans, fresh and dry vegetables, and fresh fruits and melons also turned up in November. The index for slaughter broilers and fryers fell less than it had in the previous month. By contrast, prices for slaughter hogs declined 1.9 percent in November, after advancing 8.6 percent in October. The indexes for wheat and unprocessed finfish also turned down, following gains a month earlier. Prices for fluid milk showed no change in November, after increasing in the preceding month.

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

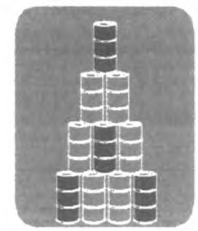
Mining. The Producer Price Index for the Net Output of

Total Mining Industries fell 3.4 percent in November, following a 9.8-percent rise in October. (Net output price indexes are not seasonally adjusted.) Prices received by the industry for crude petroleum and natural gas extraction declined 6.1 percent, after gaining 12.2 percent a month earlier. The industry indexes for natural gas liquid extraction, oil and gas operations support activities, gold ore mining, and bituminous coal and lignite surface mining also turned down, after rising in October. The industry index for oil and gas well drilling increased less than it had a month earlier. By contrast, prices received by the industry for bituminous coal underground mining turned up 0.5 percent, after falling 0.4 percent in October. The industry index for potash, soda, and borate mineral mining also increased, after an October decline. In November, the Producer Price Index for Total Mining Industries was 245.2 (December 1984 = 100), 36.9 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries declined 2.4 percent in November, following a 1.6-percent gain in October. Prices paid to manufacturers of petroleum and coal products turned down 19.4 percent, after rising 7.7 percent in the previous month. The industry group indexes for transportation equipment, wood products, and food also decreased, after increasing in October. The industry group index for machinery remained unchanged, after rising in the prior month, while prices received by the computer and electronic products industry group fell at faster rates in November than in October. By contrast, the rate of increase in the industry group index for plastics and rubber products accelerated to 3.3 percent, from 2.0 percent in October. Prices paid to manufacturers of paper turned up in November, after falling in the prior month. In November, the Producer Price Index for Total Manufacturing Industries was 152.7 (December 1984 = 100), 4.5 percent above its year-ago level.

Services. Among services industries in November, prices received by commercial bankers increased 4.4 percent, after declining 3.5 percent in October. The industry indexes for hotels and motels (excluding casinos) and for direct life insurance carriers also turned up, following declines in the preceding month. Alternatively, prices paid to offices of real estate agents and brokers edged down 0.1 percent, following a 4.5-percent gain in October. The industry indexes for long distance trucking of new, specialized freight and for cable networks also turned down in November. Prices received by lessors of nonresidential buildings (excluding miniwarehouses) decreased in November, after remaining unchanged in October. The industry indexes for direct health and medical insurance carriers and for portfolio management advanced at slower rates than in the previous month. Prices received by specialty hospitals (other than psychiatric and substance abuse) were unchanged, after rising in October.

Price Movements December 2005



The Producer Price Index for Finished Goods rose 0.9 percent in December, seasonally adjusted. This increase followed a 0.7-percent decline in November and a 0.7-percent gain in October. Prices for finished goods other than foods and energy advanced 0.1 percent in December, the same rate as in November. At the earlier stages of processing, the intermediate goods index rose 0.2 percent in December, following a 1.2-percent decrease in the prior month, while prices for crude goods moved down 2.3 percent, after falling 1.2 percent in November. (See table A.)

The December upturn in finished goods prices was led by the index for energy goods, which climbed 3.1 percent after dropping 4.0 percent in the preceding month. Larger price increases for finished consumer foods and an upturn in the index for capital equipment also contributed to this turnaround. By contrast, prices for finished consumer goods other than foods and energy moved up at a 0.1-percent rate in December, compared with a 0.2-percent increase in November.

Before seasonal adjustment, the Producer Price Index for Finished Goods advanced 0.3 percent in December to 158.8 (1982 = 100). From December 2004 to December 2005, finished goods prices rose 5.4 percent, following a 4.2-percent increase in 2004. The index for finished energy goods climbed 23.9 percent in 2005, after moving up 13.4 percent in the preceding calendar year. Conversely, prices for finished goods other than foods and energy rose 1.7 percent in 2005, following a 2.3-percent gain in 2004. The finished consumer foods index also went up at a slower rate in 2005 than it had in the previous year—1.4 percent, compared with 3.1 percent. At the earlier stages of processing, prices received by manufacturers of intermediate goods advanced 8.4 percent in 2005, compared with a 9.2-percent increase in 2004, while the crude goods index jumped 22.1 percent, after rising 17.4 percent a year earlier. (See summary table on page 2.)

Finished goods

The index for finished energy goods jumped 3.1 percent in December, following a 4.0-percent decline in November. Most of this upturn can be attributed to gasoline prices, which advanced 12.3 percent in December after falling 10.7 percent a month earlier. The indexes for liquefied petroleum gas, home heating oil, diesel fuel, and kerosene also increased, following decreases in November. By contrast, prices for residential electric power

Table A. **Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted**[1]

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2004							
December	−0.3	0.2	−2.4	0.2	4.2	0.1	−3.1
2005							
January	.1	−.5	−1.0	.7	4.1	.3	−2.0
February	.4	.6	1.8	−.1	4.7	.6	−1.0
March	.8	.6	3.3	.2	5.0	1.0	4.7
April	.5	−.2	1.8	.3	4.8	.7	2.6
May	−.5	−.2	−3.3	.3	3.6	−.7	−3.1
June	0	−.8	1.8	−.2	3.7	.3	−1.9
July	1.0	−.5	4.6	.4	4.7	1.1	5.4
August	.6	−.3	3.6	0	5.3	.7	3.5
September	1.7	1.4	6.9	.1	6.9	2.3	9.4
October	.7	−.1	4.1	−.3	5.9	3.0	6.7
November	−.7	.5	−4.0	.1	4.4	−1.2	−1.2
December	.9	.9	3.1	.1	5.4	.2	−2.3

[1] Some percent changes shown here and elsewhere in "Price Movements December 2005" may differ from those previously reported because indexes for August 2005 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 of change in price indexes at selected stages of processing

Grouping	Percentage change, 12 months ended December			Seasonally adjusted annual rate for 3 months ended			
	2003	2004	2005	March 2005	June 2005	September 2005	December 2005
Finished goods	4.0	4.2	5.4	5.4	0.0	14.2	3.6
Finished consumer foods	7.7	3.1	1.4	3.1	– 4.5	2.3	5.2
Finished energy goods	11.4	13.4	23.9	17.4	.6	80.1	12.7
Finished goods less foods and energy	1.0	2.3	1.7	3.4	1.3	2.3	0
Finished consumer goods, excluding foods and energy	1.1	2.2	1.9	3.8	1.7	2.0	.5
Capital equipment	.8	2.4	1.3	2.5	1.1	2.5	–.8
Intermediate materials, supplies, and components	3.9	9.2	8.4	7.8	1.3	17.5	8.1
Intermediate foods and feeds	12.9	– 2.3	2.1	5.9	1.8	– 2.4	3.0
Intermediate energy goods	10.9	15.8	26.5	13.4	11.7	89.4	7.8
Intermediate materials less foods and energy	2.1	8.3	4.5	6.5	– 1.3	4.2	8.5
Materials for nondurable manufacturing	4.9	13.7	7.5	9.0	– 2.0	16.5	7.4
Materials for durable manufacturing	4.0	18.3	6.1	8.8	– 7.3	2.1	22.9
Materials and components for construction	3.0	10.1	6.1	8.7	.7	3.5	12.3
Crude materials for further processing	19.5	17.4	22.1	6.6	– 9.7	103.2	12.2
Foodstuffs and feedstuffs	24.1	– 2.6	1.4	15.0	– 23.2	.3	18.5
Crude energy materials	14.4	35.9	44.8	15.3	4.9	237.4	7.7
Crude nonfood materials less energy	21.6	20.5	4.8	– 20.7	– 17.2	54.9	17.2

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.

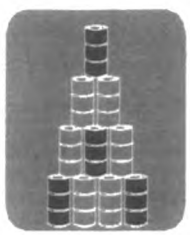
moved up 0.5 percent in December, compared with a 2.3-percent gain in the previous month. The index for residential natural gas declined 2.7 percent, after falling 0.5 percent in November. (See table 2.)

The index for finished consumer foods rose 0.9 percent in December, following a 0.5-percent advance in November. Prices for fresh and dry vegetables jumped 21.7 percent, after increasing 7.2 percent in the preceding month. The indexes for beef and veal and for pork also climbed at faster rates in December than a month earlier, while prices for processed young chickens fell less than they had in November. The indexes for finfish and shellfish and for processed turkeys turned up in December, while the dairy products index rose, following no change in the prior month. By contrast, soft drink prices declined 0.4 percent in December, after advancing 0.8 percent in November. The index for shortening and cooking oils also turned down, following an increase in the previous month. Prices for eggs for fresh use, fresh fruits and melons, and processed fruits and vegetables moved up at slower rates in December than they had in November.

The capital equipment index advanced 0.1 percent in December, after inching down 0.1 percent in November. Prices for communication and related equipment increased 0.6 percent, compared with a 0.3-percent decrease in the previous month. The indexes for metal cutting machine tools and for mining machinery and equipment also turned up in December, after falling a month earlier. Passenger car prices declined less in December than they had in the prior month, while the indexes for civilian aircraft and for integrating and measuring instruments rose more than in November. Conversely, prices for light motor trucks moved down 1.0 percent in December, following a 0.8-percent decrease in the previous month. The index for electronic computers also fell at a quicker rate than it had in November. Prices for agricultural machinery and equipment, as well as for tools, dies, jigs, fixtures, and industrial molds, turned down in December. The capital equipment index advanced 1.3 percent in 2005, after climbing 2.4 percent in 2004.

The index for finished consumer goods other than foods and energy edged up 0.1 percent in December, following a 0.2-percent gain in November. In December, rising prices for pharmaceutical preparations, newspaper circulation, tires, book publishing, and mobile homes slightly outweighed falling prices for light motor trucks, sanitary papers and health products, passenger cars, and sporting and athletic goods. The index for finished consumer goods other than foods and energy increased 1.9 percent in 2005, after advancing 2.2 percent in 2004.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components increased 0.2 percent in December, following a 1.2-percent drop in November. Prices for intermediate foods and feeds turned up, after falling in the previous month. The indexes for intermediate energy goods and nondurable manufacturing materials fell less in December than in the preceding month. By

Table B. **Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted**[1]

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.)
2004								
December	0.4	− 1.4	0.4	9.2	2.2	− 7.5	− 1.4	17.4
2005								
January	.8	− 1.7	.7	8.7	2.1	− 4.6	− 2.5	10.3
February	− .4	1.2	.5	8.4	− 3.1	1.5	− 2.9	8.3
March	1.0	3.7	.3	8.7	4.6	7.0	− .3	11.4
April	0	3.5	.1	8.1	− 2.5	6.5	2.1	12.4
May	.6	− 2.6	− .3	6.3	− 1.0	− 4.5	− 3.0	5.4
June	− .1	2.0	− .1	6.2	− 3.0	− .5	− 3.7	2.5
July	0	5.1	.2	6.8	0	10.8	.7	7.9
August	− .2	3.5	− .1	6.3	− 1.4	6.0	5.1	12.1
September	− .4	7.9	1.0	8.4	1.5	15.3	5.4	28.5
October	.7	9.3	1.2	10.5	.2	12.4	− 1.2	31.5
November	− .1	− 6.6	.5	8.4	1.3	− 4.2	5.4	21.0
December	.1	− .2	.3	8.4	2.8	− 5.4	0	22.1

[1] Some percent changes shown here and elsewhere in "Price Movements December 2005" may differ from those previously reported because indexes for August 2005 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 construction materials advanced at a slower rate in December than it had in the prior month, while prices for durable manufacturing materials increased at the same rate as in November. The increase in the index for intermediate goods less foods and energy slowed to 0.3 percent, after rising 0.5 percent a month earlier. (See table B.)

After decreasing 0.1 percent in November, prices for intermediate foods and feeds edged up 0.1 percent in December. The index for prepared animal feeds increased 0.4 percent in December, compared with a 1.3-percent decline a month earlier. Moving up at faster rates than they had in November were prices for beef and veal; natural, processed, and imitation cheese; and pork. The index for processed young chickens declined less in December than in the preceding month. By contrast, prices for shortening and cooking oils moved down 4.9 percent in December, following a 0.2-percent gain in the prior month. The indexes for flour, fluid milk products, and snack chips also turned down, after climbing in November. Prices for refined sugar and byproducts advanced less in December than they had a month earlier. (See table 2.) From December 2004 to December 2005, the index for intermediate foods and feeds rose 2.1 percent, following a 2.3-percent decline in 2004.

Prices for intermediate energy goods declined 0.2 percent in December, compared with a 6.6-percent decrease in November. The jet fuels index fell 2.5 percent, after dropping 26.5 percent in the preceding month. Prices for gasoline, diesel fuel, home heating oil, and liquefied petroleum gas turned up, following declines in November. Alternatively, industrial electric power prices edged up 0.1 percent, after advancing 4.4 percent in November. The indexes for natural gas to electric utilities and for industrial natural gas decreased more in December than they had a month earlier, while prices for commercial electric power increased less than in November. From December 2004 to December 2005, prices for intermediate energy goods advanced 26.5 percent, following a 15.8-percent gain in 2004.

The index for materials for nondurable manufacturing inched down 0.1 percent in December, after falling 0.9 percent in November. Prices for primary basic organic chemicals declined 1.9 percent, following a 10.3-percent drop in the preceding month. The index for ethanol also decreased less in December than it had a month earlier. Prices for medicinal and botanical chemicals and for woodpulp moved up, after declining in November. Conversely, the index for plastic resins and materials fell 1.2 percent in December, following a 2.4-percent increase in the prior month. Prices for paperboard and gray fabrics also turned down, after rising in November. The index for nitrogenates rose less in December than it had in the preceding month. The index for materials for nondurable manufacturing climbed 7.5 percent in 2005, following a 13.7-percent gain in 2004.

The index for materials and components for construction moved up 0.6 percent in December, after rising 1.0 percent in November. Prices for plastic construction products increased 1.4 percent, compared with an 8.0-percent gain in the prior month. The indexes for concrete products and architectural paint coatings turned down, after rising in November. Prices for wiring devices, steel mill products, and asphalt felts and coatings increased less in December than they had in the prior month. By contrast, the plywood index edged down 0.2 percent, following a 15.0-percent drop in November. Prices for building paper and board, softwood lumber, and air conditioning and refrigeration equipment turned up in December, after declining a month earlier. During 2005, prices for materials and components for construction climbed 6.1 percent,

following a 10.1-percent increase in the previous year.

Prices for materials for durable manufacturing advanced 1.6 percent in December, the same rate of increase as in November. The indexes for primary nonferrous metals; aluminum mill shapes; hot rolled steel bars, plates, and structural shapes; hot rolled steel sheet and strip; and copper and brass mill shapes moved up in December. These increases more than offset falling prices for cold rolled steel sheet and strip, semifinished steel mill products, plywood, and unprocessed filament yarns. In 2005, the index for materials for durable manufacturing climbed 6.1 percent, following an 18.3-percent jump in 2004.

Crude goods

The Producer Price Index for Crude Materials for Further Processing declined 2.3 percent in December, following a 1.2-percent fall in November. In December, prices for crude nonfood materials less energy were unchanged, after rising in the previous month, while prices for crude energy materials declined more than they had in November. By contrast, the crude foodstuffs and feedstuffs index increased more than it had a month earlier. (See table B.)

The index for basic industrial materials showed no change in December, after increasing 5.4 percent in November. Prices for iron and steel scrap decreased 4.4 percent, following an 18.8-percent advance in the preceding month. The indexes for copper base scrap; both hardwood and softwood logs, bolts, and timber; hides and skins; and phosphates also turned down in December. Prices for construction sand, gravel, and crushed stone increased at slower rates, compared with the previous month. By contrast, the gold ores index gained 11.9 percent, subsequent to a 1.1-percent decrease in November. The wastepaper index also turned up in December. The index for raw cotton declined less than it had in the prior month, while the rate of increase in prices for aluminum base scrap quickened from November to December. (See table 2.) In 2005, the basic industrial materials index advanced 4.8 percent, after rising 20.5 percent in 2004.

The crude energy materials index fell 5.4 percent in December, following a 4.2-percent decline in November. The index for natural gas fell 11.4 percent in December, after decreasing 1.3 percent in the prior month. By contrast, prices for crude petroleum gained 7.9 percent, following an 11.4-percent decline in November, while the index for coal showed no change, after edging down 0.1 percent in the previous month. In 2005, the crude energy materials index surged 44.8 percent, subsequent to a 35.9-percent climb in 2004.

The crude foodstuffs and feedstuffs index advanced 2.8 percent in December, after rising 1.3 percent in November. In December, prices for slaughter cattle gained 4.1 percent, following a 1.5-percent increase in the preceding month. Similarly, prices for fresh and dry vegetables and for slaughter turkeys rose at faster rates than they had in November. The indexes for slaughter hogs, unprocessed finfish, and alfalfa hay turned up in December. Alternatively, prices for slaughter broilers and fryers fell 6.2 percent in December, following a 2.9-percent decrease in the prior month. The index for fluid milk declined, after showing no change in November. Prices for soybeans and corn rose at slower rates, compared with the previous month. In 2005, the crude foodstuffs and feedstuffs index increased 1.4 percent, subsequent to a 2.6-percent decrease in 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 2.9 percent in December, following a 3.4-percent decline in the previous month. (Net output price indexes are not seasonally adjusted.) Prices received by the natural gas liquid extraction industry decreased 0.6 percent, after moving down 2.5 percent in November. The industry indexes for gold ore mining, oil and gas operations support activities, and bituminous coal and lignite surface mining turned up, following declines in the preceding month. Prices received by the industry for oil and gas well drilling rose more than they had in November. Conversely, the industry index for crude petroleum and natural gas extraction decreased 7.2 percent in December, after falling 6.1 percent in the prior month. Turning down after increasing in November were prices received by the industries for support activities for coal mining; potash, soda, and borate mineral mining; and kaolin and ball clay mining. The industry index for crushed and broken limestone mining and quarrying advanced less than it had in the previous month. In December, the Producer Price Index for the Net Output of Total Mining Industries was 238.1 (December 1984 = 100). Prices received by the mining sector advanced 40.7 percent in 2005, after increasing 31.2 percent a year ago.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries edged up 0.1 percent in December, after decreasing 2.4 percent in the previous month. Prices received by manufacturers of wood products increased 0.8 percent, compared with a 2.7-percent decline in the prior month. The industry group index for food manufacturing also turned up in December, while prices received by the industry groups for petroleum and coal products, transportation equipment, and computer and electronic products fell less than they had in November. Prices received by manufacturers of machinery rose, following no change in the preceding month. By contrast, prices received by the plastics and rubber products industry group inched down 0.1 percent in December, after advancing 3.3 percent in the prior month. The industry group index for beverages and tobacco also turned down, following an increase in the preceding month. Prices received by the industry groups for chemicals, paper, and nonmetallic mineral products advanced at slower rates than they had in November. In December, the Producer Price

Index for the Net Output of Total Manufacturing Industries was 152.8 (December 1984 = 100). For the 12 months ended December 2005, prices received by the manufacturing sector increased 5.4 percent, compared with a 5.3-percent rise in 2004.

Services. Among services industries, the industry index for commercial banking increased 0.5 percent in December, following a 4.4-percent gain in the previous month. Prices received by the industry for couriers also rose less than they had in November. The industry indexes for scheduled passenger air transportation, hotels and motels (excluding casinos), and offices of certified public accountants turned down, after moving up a month earlier. Alternatively, prices received by the industry for lessors of nonresidential buildings (excluding miniwarehouses) went up 1.7 percent, following a 4.0-percent decline in November. The industry indexes for investment banking and securities dealing, savings institutions, and casino hotels fell less in December than they had a month earlier. Prices received by the passenger car rental industry rose more than they had in November.

Price Movements January 2006

The Producer Price Index for Finished Goods rose 0.3 percent in January, seasonally adjusted. This increase followed a 0.6-percent advance in December and a 0.4-percent decline in November. At the earlier stages of processing, prices for intermediate goods moved up 1.2 percent, compared with a 0.1-percent rise in the prior month. The crude goods index decreased 0.5 percent, after falling 2.3 percent in December. (See table A.)

Among finished goods, prices for energy goods were unchanged in January, following a 2.0-percent rise in the prior month. The rate of increase in the finished consumer foods index slowed from 0.8 percent in December to 0.2 percent in January. By contrast, prices for finished goods other than foods and energy went up 0.4 percent, after edging up 0.1 percent in the preceding month.

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 0.8 percent in January to 160.0 (1982 = 100). From January 2005 to January 2006, prices for finished goods rose 5.7 percent. Over the same period, the index for finished energy goods jumped 25.0 percent, prices for finished goods other than foods and energy moved up 1.5 percent, and the finished consumer foods index advanced 1.9 percent. For the 12 months ended January 2006, prices for intermediate goods increased 9.3 percent, while the index for crude goods rose 23.6 percent.

Finished goods

Prices for finished energy goods were unchanged in January, following a 2.0-percent advance in December. The gasoline index turned down 3.5 percent, following a 7.2-percent gain in the previous month. Prices for liquefied petroleum gas, home heating oil, and diesel fuel also declined, after rising in December. Alternatively, the residential electric power index increased 3.0 percent in January, following a 0.2-percent rise a month earlier. Prices for residential natural gas turned up, after declining in the preceding month. (See table 2.)

The index for finished consumer foods increased 0.2 percent in January, following a 0.8-percent gain in the previous month. Leading this deceleration, the fresh and dry vegetables index rose 5.9 percent, after surging 21.7 percent in December. Prices for beef and veal also advanced less than they had in the preceding month. The indexes for fresh fruits and melons, finfish and shellfish, dairy products, and processed turkeys turned down in January, while prices for processed young chickens fell more than they had in the prior month. By contrast, the soft drinks index went up 1.0 percent in January, compared with a 0.2-percent decline in the preceding month. Prices for shortening and cooking oils

Table A. **Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted**[1]

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2005							
January	0.1	-0.3	-0.8	0.6	4.1	0.5	-1.7
February	.5	.6	1.9	.1	4.7	.6	-.7
March	.8	.6	3.0	.1	5.0	.9	4.7
April	.5	-.1	2.1	.3	4.8	.7	2.7
May	-.2	-.2	-1.6	.2	3.6	-.3	-3.1
June	.1	-.7	1.5	-.1	3.7	.2	-1.7
July	.8	-.7	3.9	.3	4.7	1.0	5.1
August	.5	-.2	3.0	0	5.3	.5	3.5
September	1.4	1.2	5.4	.2	6.9	2.3	10.5
October	.8	-.1	4.6	-.3	5.9	2.6	5.4
November	-.4	.6	-2.9	.1	4.4	-1.0	-1.5
December	.6	.8	2.0	.1	5.4	.1	-2.3
2006							
January	.3	.2	0	.4	5.7	1.2	-.5

[1] Some percent changes shown here and elsewhere in "Price Movements January 2006" may differ from those previously reported, because seasonal adjustment factors have been recalculated to reflect developments during 2005. In addition, indexes for September 2005 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 adjusted**[1]

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.)
2005								
January	0.9	−0.5	0.7	8.7	2.0	−4.6	−1.5	10.3
February	−.4	1.2	.5	8.4	−2.8	1.5	−2.1	8.3
March	1.0	3.4	.4	8.7	4.7	7.0	−.5	11.4
April	−.1	3.2	.1	8.1	−2.2	6.5	2.2	12.4
May	.7	−.9	−.3	6.3	−1.2	−4.5	−2.9	5.4
June	−.1	1.7	−.1	6.2	−2.4	−.5	−3.6	2.5
July	−.2	4.4	.1	6.8	−.6	10.8	.6	7.9
August	−.1	3.0	−.1	6.3	−1.2	6.0	4.6	12.1
September	−.1	7.4	1.0	8.7	1.7	17.1	5.6	29.7
October	.4	8.2	1.1	10.5	−.2	10.7	−1.9	31.5
November	.1	−6.0	.6	8.4	.9	−4.2	3.8	21.0
December	−.1	−.5	.3	8.4	2.5	−5.4	.5	22.1
2006								
January	.9	1.9	1.0	9.3	−3.0	.6	−.1	23.6

[1] Some percent changes shown here and elsewhere in "Price Movements January 2006" may differ from those previously reported, because seasonal adjustment factors have been recalculated to reflect developments during 2005. In addition, indexes for September 2005 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

also turned up, and the processed fruits and vegetables index rose more than it had in December.

Prices for finished consumer goods other than foods and energy advanced 0.4 percent in January, after rising 0.2 percent in the previous month. The light motor trucks index went up 0.7 percent, following a 0.7-percent drop in the prior month. Prices for passenger cars, sanitary papers and health products, sporting and athletic goods, and alcoholic beverages also turned up in January, while the book-publishing index increased more than it had a month earlier. Alternatively, newspaper circulation prices declined 0.3 percent, after rising 1.4 percent in December. The indexes for tires and for women's, girls', and infants' apparel also turned down in January, and prices for cigarettes decreased, following no change in the preceding month.

The index for capital equipment rose 0.3 percent in January, after edging up 0.1 percent in the prior month. Prices for passenger cars climbed 1.1 percent, compared with a 0.1-percent decline in December. The indexes for light motor trucks and for tools, dies, jigs, fixtures, and industrial molds also increased, after falling in the previous month. Prices for civilian aircraft, construction machinery and equipment, and commercial furniture advanced at quicker rates than they had in the preceding month. By contrast, communication and related equipment prices inched down 0.1 percent in January, following a 0.6-percent increase in the previous month. The indexes for integrating and measuring instruments and for industrial material handling equipment also fell, after rising in December.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components increased 1.2 percent in January, following a 0.1-percent gain in December. Prices for intermediate energy goods rose in January, after falling in the prior month. The index for materials for nondurable manufacturing moved up, following no change in December, while prices for materials and components for construction increased more in January than they had a month earlier. The index for intermediate foods and feeds turned up, after declining in the previous month. By contrast, prices for materials for durable manufacturing rose less in January than they had in the preceding month. The index for intermediate goods other than foods and energy climbed 1.0 percent, following a 0.3-percent advance in December. (See table B.)

The index for intermediate energy goods increased 1.9 percent in January, after decreasing 0.5 percent in December. Prices for industrial natural gas jumped 5.7 percent, following a 4.1-percent drop in the prior month. The indexes for industrial electric power, jet fuel, and commercial natural gas also turned up in January, after declining a month earlier. Prices for commercial electric power advanced at faster rates than they had in December, while the index for natural gas to electric utilities fell less than it had in the previous month. Alternatively, gasoline prices moved down 3.5 percent in January, following a 7.2-percent rise in December. The indexes for liq-

uefied petroleum gas, diesel fuel, and home heating oil also turned down, after climbing in the preceding month. (See table 2.)

Prices for materials for nondurable manufacturing, which were unchanged in December, increased 1.9 percent in January. The index for primary basic organic chemicals surged 10.4 percent, following a 1.9-percent decrease in December. Prices for gray fabrics, inedible fats and oils, paper, and paperboard also moved up in January, after falling a month earlier. The index for basic inorganic chemicals advanced at a quicker rate than it had in December, while prices for plastic resins and materials declined less than in the prior month. By contrast, prices for fertilizer materials decreased 1.9 percent in January, after falling 0.1 percent in December. The index for intermediate basic organic chemicals rose less than in the previous month.

The index for materials and components for construction increased 1.0 percent in January, after climbing 0.6 percent in December. The majority of this acceleration is attributable to prices for concrete products, which rose 1.9 percent following a 0.3-percent decline in the prior month. The indexes for softwood lumber, wiring devices, asphalt felts and coatings, and cement advanced at faster rates in January than they had a month earlier. Prices for treated wood and mineral wool for structural insulation turned up, after falling in December. Conversely, the index for nonferrous wire and cable moved down 0.3 percent in January, following a 4.5-percent jump in the preceding month. Prices for fabricated structural metal products and millwork rose less than they had in the previous month.

The index for intermediate foods and feeds increased 0.9 percent in January, after inching down 0.1 percent in December. Prices for prepared animal feeds advanced 2.5 percent, compared with a 0.4-percent gain in the prior month. The indexes for confectionery materials, refined sugar and byproducts, and dry milk products also increased at quicker rates in January than they had a month earlier. Prices for shortening and cooking oils and for pork turned up, after retreating in December, while the index for fluid milk products declined at a slower rate than it had in the preceding month. By contrast, the index for natural, processed, and imitation cheese decreased, following a rise in December. The index for beef and veal increased less in January than it had a month earlier, while prices for processed young chickens fell more than in the preceding month.

The index for materials for durable manufacturing advanced 1.0 percent in January, after rising 1.5 percent in December. Prices for primary aluminum (except extrusion billet) increased 3.3 percent, compared with a 10.6-percent surge in the previous month. The indexes for copper cathode and refined copper, copper and brass mill shapes, aluminum mill shapes, and building paper and board also rose less in January than a month earlier. Prices for steel mill products turned down, following December gains. Conversely, the softwood lumber index climbed 4.9 percent in January, after increasing 1.6 percent in the preceding month. Prices for cement and prepared paint also moved up at faster rates than they had in the prior month.

Crude goods

The Producer Price Index for Crude Materials for Further Processing declined 0.5 percent in January, following a 2.3-percent fall in December. In January, decreasing prices for crude foodstuffs and feedstuffs and basic industrial materials outweighed rising prices for crude energy materials. (See table B.)

The crude foodstuffs and feedstuffs index fell 3.0 percent in January, after advancing 2.5 percent in December. Prices for slaughter cattle moved down 2.1 percent, following a 4.1-percent rise in the prior month. The indexes for slaughter hogs, soybeans, and slaughter turkeys also turned down in January. Prices for corn and for fresh and dry vegetables rose at slower rates than they had in the preceding month. By contrast, prices for slaughter broilers and fryers declined 2.7 percent, following a 6.2-percent decrease in December. The wheat index also decreased at a slower rate than it had in the previous month. Prices for fluid milk were unchanged, after moving down in December. The index for raw cane sugar and byproducts rose more than it had a month earlier. (See table 2.)

Prices for basic industrial materials edged down 0.1 percent in January, following a 0.5-percent increase in December. The iron and steel scrap index fell 8.4 percent in January, following a 1.4-percent drop in the preceding month. Prices for phosphates and pulpwood also decreased more than they had in December. The index for nonferrous metal ores increased at a slower rate, compared with the previous month. Conversely, the nonferrous scrap index advanced 6.8 percent in January, after rising 0.2 percent in December. The index for construction sand, gravel, and crushed stone also rose more than it had in December. Prices for wastepaper, iron ore, hides and skins, and raw cotton also turned up in January. The index for hardwood logs, bolts, and timber fell less than in the previous month.

The crude energy materials index increased 0.6 percent in January, subsequent to a 5.4-percent decline in December. Prices for coal rose 10.1 percent, after showing no change in the previous month. The natural gas index fell 1.4 percent in January, after decreasing 11.4 percent in the prior month. On the contrary, prices for crude petroleum gained 2.6 percent in January, following a 7.9-percent advance in December.

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

Mining. The Producer Price Index for the Net Output of Total Mining Industries declined 0.2 percent in January, following a 2.9-percent drop in the prior month. (Net output price indexes are not seasonally adjusted.) Price decreases received by the industries for natural gas liquid extraction and for oil

and gas operations support activities outweighed rising prices received by the industries for crude petroleum and natural gas extraction, oil and gas well drilling, bituminous coal underground mining, copper ore and nickel ore mining, and bituminous coal and lignite surface mining. In January, the Producer Price Index for the Net Output of Total Mining Industries was 237.7 (December 1984 = 100), 45.6 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries advanced 0.9 percent in January, following a 0.1-percent gain in the previous month. Prices received by manufacturers of petroleum and coal products rose 3.2 percent, after falling 0.4 percent in December. The industry group indexes for transportation equipment, beverages and tobacco, and plastics and rubber products also turned up in January, after declining a month earlier. Prices received by manufacturers of chemicals, nonmetallic mineral products, and machinery advanced more than they had in December. By contrast, the industry group index for primary metal manufacturing increased 0.9 percent, after rising 1.4 percent in the previous month. In January, the Producer Price Index for the Net Output of Total Manufacturing Industries was 154.1 (December 1984 = 100), 5.4 percent above its year-ago level.

Services. Among services industries in January, prices received by the scheduled passenger air transportation industry advanced 3.0 percent, after falling 3.2 percent in the prior month. Also turning up, following declines in December, were the industry indexes for offices of lawyers; investment banking and securities dealing; saving institutions; long-distance, general freight trucking (less than truckload); and hotels and motels (excluding casinos). Prices received by the United States Postal Service increased in January, after remaining unchanged a month earlier. The indexes for direct health and medical insurance carriers, general medical and surgical hospitals, commercial banking, and couriers rose more than in the previous month. By contrast, the industry index for temporary help services declined 1.2 percent in January, following a 1.0-percent increase a month earlier.

Price Movements February 2006

The Producer Price Index for Finished Goods declined 1.4 percent in February, seasonally adjusted. This decrease followed a 0.3-percent gain in January and a 0.6-percent increase in December. At the earlier stages of processing, the intermediate goods index turned down 0.3 percent, after rising 1.2 percent in the previous month, and prices for crude goods dropped 9.2 percent, following a 0.5-percent decrease in January. (See table A.)

Among finished goods in February, the index for energy goods fell 4.7 percent, following no change a month earlier. Prices for consumer foods turned down 2.7 percent, after a 0.2-percent gain in January. Excluding prices for foods and energy, the finished goods index moved up 0.3 percent in February, compared with a 0.4-percent advance in the previous month.

Before seasonal adjustment, the Producer Price Index for Finished Goods decreased 1.4 percent in February to 157.8 (1982 = 100). From February 2005 to February 2006, prices for finished goods rose 3.7 percent. Over the same period, the index for finished energy goods advanced 17.0 percent, prices for finished goods other than foods and energy increased 1.7 percent, and the finished consumer foods index fell 1.3 percent. For the 12 months ended February 2006, prices for intermediate goods moved up 8.2 percent, and the crude goods index rose 12.9 percent.

Finished goods

The finished energy goods index, which was unchanged in January, decreased 4.7 percent in February. Gasoline prices decreased 11.0 percent, following a 3.5-percent drop in January. The indexes for liquefied petroleum gas and diesel fuel also fell more in February than they had a month earlier. Prices for residential natural gas turned down, after rising in the previous month, and the index for residential electric power was unchanged, after increasing in the prior month. By contrast, the index for lubricating greases advanced 4.1 percent, compared with a 1.3-percent increase in January. (See table 2.)

Prices for finished consumer foods declined 2.7 percent in February, following a 0.2-percent rise in the previous month. Leading this downturn, the fresh and dry vegetables index dropped 27.1 percent, after moving up 5.9 percent in January. Prices for beef and veal, pork, and eggs for fresh use also turned down in February, following increases a month earlier.

Table A. **Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted**[1]

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2005							
February	0.5	0.6	1.9	0.1	4.7	0.6	−0.7
March	.8	.6	3.0	.1	5.0	.9	4.7
April	.5	−.1	2.1	.3	4.8	.7	2.7
May	−.2	−.2	−1.6	.2	3.6	−.3	−3.1
June	.1	−.7	1.5	−.1	3.7	.2	−1.7
July	.8	−.7	3.9	.3	4.7	1.0	5.1
August	.5	−.2	3.0	0	5.3	.5	3.5
September	1.4	1.2	5.4	.2	6.9	2.3	10.5
October	.8	.1	4.3	−.3	5.9	3.0	5.7
November	−.4	.4	−2.6	.2	4.4	−1.4	−1.7
December	.6	.8	2.0	.1	5.4	.1	−2.3
2006							
January	.3	.2	0	.4	5.7	1.2	−.5
February	−1.4	−2.7	−4.7	.3	3.7	−.3	−9.2

[1] Some percent changes shown here and elsewhere in "Price Movements February 2006" may differ from those previously reported because indexes for October 2005 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 adjusted**[1]

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.)
2005								
February	−0.4	1.2	0.5	8.4	−2.8	1.5	−2.1	8.3
March	1.0	3.4	.4	8.7	4.7	7.0	−.5	11.4
April	−.1	3.2	.1	8.1	−2.2	6.5	2.2	12.4
May	.7	−.9	−.3	6.3	−1.2	−4.5	−2.9	5.4
June	−.1	1.7	−.1	6.2	−2.4	−.5	−3.6	2.5
July	−.2	4.4	.1	6.8	−.6	10.8	.6	7.9
August	−.1	3.0	−.1	6.3	−1.2	6.0	4.6	12.1
September	−.1	7.4	1.0	8.7	1.7	17.1	5.6	29.7
October	.4	8.8	1.4	10.9	−.1	10.9	−1.5	31.8
November	.1	−6.5	.3	8.4	.8	−4.4	3.5	21.0
December	−.1	−.5	.3	8.4	2.5	−5.4	.5	22.1
2006								
January	.9	1.9	1.0	9.3	−3.0	.6	−.1	23.6
February	−1.2	−3.1	.5	8.2	−3.0	−16.2	3.3	12.9

[1] Some percent changes shown here and elsewhere in "Price Movements February 2006" may differ from those previously reported because indexes for October 2005 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 dairy products fell more in February than it had in the preceding month, and prices for processed fruits and vegetables rose less than they had in January. By contrast, the index for bakery products advanced 0.8 percent in February, after climbing 0.3 percent in the prior month. Prices for finfish and shellfish posted smaller declines than they had in January.

Price increases for finished consumer goods excluding foods and energy slowed from a 0.4-percent rate in January to a 0.2-percent rate in February. The light motor trucks index moved up 0.5 percent in February, following a 0.7-percent gain in the preceding month. Prices for passenger cars, book publishing, and for sporting and athletic goods turned down, after rising in January. The index for men's and boys' apparel fell more in February than it had a month earlier. Alternatively, cigarette prices advanced 0.5 percent, following a 0.3-percent decline in the prior month. The indexes for household furniture and for women's, girls', and infants' apparel also turned up in February, after decreasing in the previous month. Prices for periodical circulation rose more than they had in January.

Subsequent to a 0.3-percent gain in January, the index for capital equipment increased 0.1 percent in February. Prices for civilian aircraft moved up 0.4 percent, following a 0.7-percent advance in January. The indexes for passenger cars and commercial furniture turned down in February, after rising a month earlier. Prices for light motor trucks and for agricultural machinery and equipment rose less than in January, while the electronic computers index fell more in February than it had a month earlier. By contrast, prices for integrating and measuring instruments turned up 0.4 percent, following a 0.8-percent decline in the preceding month. The indexes for truck trailers and ships also turned up, after declining in January, while prices for metal cutting machine tools increased at faster rates in February than they had a month earlier.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components declined 0.3 percent in February, following a 1.2-percent gain in January. The majority of this downturn is attributable to prices for intermediate energy goods, which fell after advancing in the previous month. The index for intermediate foods and feeds also decreased, after rising in January. Prices for materials and components for construction and the index for materials for nondurable manufacturing increased at slower rates in February than they had in the preceding month. Conversely, prices for materials for durable manufacturing rose more than they had a month earlier. The index for intermediate goods other than foods and energy climbed 0.5 percent in February, following a 1.0-percent jump in January. (See table B.)

The index for intermediate energy goods declined 3.1 percent in February, after advancing 1.9 percent in the prior month. Prices for industrial natural gas fell 7.0 percent, following a 5.7-percent gain in January. The indexes for commercial electric power, commercial natural gas, and industrial electric power also moved down in February, after increasing a month earlier. Prices for gasoline, natural gas to electric utilities, diesel fuel, and liquefied petroleum gas decreased at quicker rates than they had in January. Alternatively, the residual fuels index rose 1.4 percent in February, compared

with a 3.6-percent decline in the previous month. (See table 2.)

Prices for materials and components for construction moved up 0.3 percent in February, following a 1.0-percent advance in the preceding month. The concrete products index increased 0.4 percent, after rising 1.9 percent in January. Prices for softwood lumber, plastic construction products, and cast iron pressure and soil pipe fittings also went up at slower rates in February than they had a month earlier. The indexes for wiring devices, asphalt felts and coatings, and building paper and board fell, following increases in January. Conversely, prices for nonferrous wire and cable climbed 1.8 percent in February, after decreasing 0.3 percent in the previous month. The index for environmental controls also turned up, while prices for fabricated structural metal products and gypsum products advanced at quicker rates than they had in January.

The index for intermediate foods and feeds declined 1.2 percent in February, following a 0.9-percent gain a month earlier. Prices for prepared animal feeds moved down 0.4 percent, after rising 2.5 percent in January. The indexes for beef and veal, pork, confectionery materials, and for shortening and cooking oils also turned down in February, following increases in the prior month. Dairy product prices decreased at faster rates than they had in January. By contrast, the flour index moved up 3.5 percent, compared with a 1.2-percent decline in the previous month. Prices for dry mix preparations advanced more in February than they had in January, while the index for nonfrozen, perishable prepared foods fell less than in the preceding month.

Prices for materials for nondurable manufacturing increased 1.6 percent in February, following a 1.9-percent advance in January. The index for primary basic organic chemicals moved down 1.4 percent in February, compared with a 10.4-percent jump a month earlier. Prices for basic inorganic chemicals, paper, and gray fabrics rose less than they had in January, while the nitrogenates index fell more in February than it had in the prior month. Prices for inedible fats and oils declined, after advancing in the preceding month. By contrast, the paperboard index increased 5.3 percent in February, following a 0.7-percent gain in January. Prices for plastic resins and materials and for ethanol turned up, after decreasing in the previous month. The index for medicinal and botanical chemicals rose, after showing no change in January.

The index for materials for durable manufacturing advanced 1.6 percent in February, following a 1.0-percent advance in January. Prices for cold rolled steel sheet and strip increased 2.0 percent, after decreasing 2.6 percent in the prior month. The indexes for semifinished steel mill products, thermoplastic resins, and unprocessed filament yarns also turned up in February, following declines a month earlier. Prices for nonferrous mill shapes and both primary and secondary aluminum rose more than they had in January. By contrast, the index for hot rolled steel sheet and strip fell 1.4 percent in February, after increasing 0.8 percent in the previous month. Prices for building paper and board and for hot rolled steel bars, plates, and structural shapes also moved down, following increases in the preceding month, while the softwood lumber index advanced less than it had in January.

Crude goods

The Producer Price Index for Crude Materials for Further Processing decreased 9.2 percent in February, following a 0.5-percent decline in January. Prices for crude energy materials turned down in February, after rising in the preceding month. Alternatively, the index for basic industrial materials increased, subsequent to edging down in January. Prices for crude foodstuffs and feedstuffs fell at the same rate as in the prior month. (See table B.)

The crude energy materials index fell 16.2 percent in February, after increasing 0.6 percent in January. Prices for natural gas sank 24.0 percent, following a 1.4-percent decline in the previous month. The crude petroleum index moved down 5.2 percent in February, after advancing 2.6 percent in January. Prices for coal moved up 0.3 percent, following a 10.1-percent jump in the preceding month. (See table 2.)

Prices for basic industrial materials advanced 3.3 percent in February, after inching down 0.1 percent in the preceding month. The majority of this upturn is attributable to the iron and steel scrap index, which gained 7.1 percent following an 8.4-percent decline in January. Prices for logs, bolts, timber, and pulpwood also turned up in February, after falling in the prior month. The indexes for aluminum base scrap, gold ores, and iron ore rose at faster rates than in January. By contrast, prices for wastepaper declined 3.6 percent, following a 1.6-percent increase a month earlier. The indexes for raw cotton and industrial sand also turned down in February, while prices for copper base scrap increased less than in the previous month.

The crude foodstuffs and feedstuffs index fell 3.0 percent in February, matching its January decline. In February, falling prices for slaughter cattle, fluid milk, fresh vegetables (except potatoes), slaughter hogs, and slaughter turkeys outweighed rising prices for wheat, alfalfa hay, corn, Irish potatoes for processing, and raw cane sugar.

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

Mining. The Producer Price Index for the Net Output of Total Mining Industries fell 12.8 percent in February, after edging down 0.2 percent in the preceding month. (Net output price indexes are not seasonally adjusted.) Prices received by the industry for crude petroleum and natural gas extraction dropped 15.8 percent, after rising 3.4 percent in January. The industry index for natural gas liquid extraction decreased more than it had in the preceding month, while prices received by the industries for drilling oil and gas wells, bituminous coal underground mining, and bituminous coal and lignite surface mining advanced at slower rates than they had a

month earlier. By contrast, the industry index for oil and gas operations support activities moved down 0.6 percent in February, compared with a 2.9-percent decline in the prior month. Prices received by the industries for gold ore mining, iron ore mining, and crushed and broken limestone mining and quarrying increased more than they had in January. In February, the Producer Price Index for Total Mining Industries was 207.3 (December 1984 = 100), 24.7 percent above its year-ago level.

Manufacturing. The Producer Price Index for Total Manufacturing Industries declined 0.4 percent in February, following a 0.9-percent rise in the previous month. Leading this downturn, prices received by manufacturers of petroleum and coal products fell 4.3 percent, after increasing 3.2 percent in January. The industry group indexes for transportation equipment, food manufacturing, and medical equipment and supplies manufacturing also turned down in February, after moving up in the preceding month. Prices received by the industry groups for beverage and tobacco manufacturing and nonmetallic mineral product manufacturing rose less than they had in the prior month. Alternatively, the chemical manufacturing industry group index went up 1.1 percent in February, following a 0.8-percent gain a month earlier. Prices received by the industry groups for primary metal manufacturing and paper manufacturing also advanced more than they had in January, and the industry group index for furniture and related product manufacturing turned up, following a decline in the prior month. In February, the Producer Price Index for Total Manufacturing Industries was 153.5 (December 1984 = 100), 4.4 percent above its year-ago level.

Services. Among services industries, prices received by commercial bankers decreased 0.8 percent in February, after advancing 0.9 percent in the previous month. The industry indexes for scheduled passenger air transportation, general medical and surgical hospitals, direct health and medical insurance carriers, and investment banking and securities dealing rose less than they had in January, while prices received by the United States Postal Service were unchanged, following increases in the preceding month. By contrast, the industry index for offices of certified public accountants moved up 3.2 percent in February, compared with a 2.1-percent decline in the prior month. Also turning up, following decreases in January, were prices received by the industries for temporary help services; inland water freight transportation; long distance, general freight trucking (truckload); and radio stations.

Price Movements March 2006

The Producer Price Index for Finished Goods rose 0.5 percent in March, seasonally adjusted. This increase followed a 1.4-percent decline in February and a 0.3-percent advance in January. At the earlier stages of processing, prices received by manufacturers of intermediate goods decreased 0.1 percent in March, after moving down 0.3 percent in February, and the crude goods index fell 2.7 percent, following a 9.2-percent drop in the prior month. (See table A.)

The March upturn in finished goods prices was led by the index for finished energy goods, which climbed 1.8 percent following a 4.7-percent decline in February. Prices for finished consumer foods also turned up, increasing 0.5 percent after falling 2.7 percent in the preceding month. By contrast, the index for finished goods less foods and energy rose 0.1 percent in March, following a 0.3-percent advance in the previous month.

During the first quarter of 2006, the finished goods index decreased at a 2.5-percent seasonally adjusted annual rate (SAAR), after moving up at a 4.1-percent SAAR during the fourth quarter of 2005. For the 3 months ended March 2006, prices for finished energy goods fell at an 11.6-percent SAAR, after increasing at a 15.1-percent SAAR for the 3 months ended December 2005. The index for finished consumer foods went down at a 7.6-percent SAAR during the first quarter of 2006, after rising at a 5.0-percent SAAR during the fourth quarter of 2005. By contrast, prices for finished goods other than foods and energy, which were unchanged for the 3 months ended in December, advanced at a 3.1-percent SAAR for the 3 months ended in March. At earlier stages of processing, the intermediate goods index moved up at a 3.0-percent SAAR during the first quarter of 2006, after increasing at a 7.0-percent SAAR during the fourth quarter of 2005, and prices for crude goods dropped at a 40.3-percent SAAR for the 3 months ended in March, after climbing at a 5.9-percent SAAR for the 3 months ended in December. (See summary table on page 2.)

Before seasonal adjustment, the Producer Price Index for Finished Goods rose 0.8 percent in March to 159.0 (1982 = 100). From March 2005 to March 2006, prices for finished goods increased 3.5 percent. Over the same period, the index for finished energy goods advanced 15.6 percent, prices for finished goods other than foods and energy moved up 1.7 percent, and the index for finished consumer foods declined 1.4 percent. At the earlier stages of processing, prices received by manufacturers of intermediate goods rose 7.0 percent, and the crude goods index increased 4.9 percent.

Table A. **Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted**[1]

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2005							
March	0.8	0.6	3.0	0.1	5.0	0.9	4.7
April	.5	−.1	2.1	.3	4.8	.7	2.7
May	−.2	−.2	−1.6	.2	3.6	−.3	−3.1
June	.1	−.7	1.5	−.1	3.7	.2	−1.7
July	.8	−.7	3.9	.3	4.7	1.0	5.1
August	.5	−.2	3.0	0	5.3	.5	3.5
September	1.4	1.2	5.4	.2	6.9	2.3	10.5
October	.8	.1	4.3	−.3	5.9	3.0	5.7
November	−.5	.6	−3.1	.1	4.4	−1.3	−1.4
December	.8	.5	2.5	.2	5.4	.1	−2.7
2006							
January	.3	.2	0	.4	5.7	1.2	−.5
February	−1.4	−2.7	−4.7	.3	3.7	−.3	−9.2
March	.5	.5	1.8	.1	3.5	−.1	−2.7

[1] Some percent changes shown here and elsewhere in "Price Movements, March 2006" may differ from those previously reported because indexes for November 2005 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 of change in price indexes at selected stages of processing

Grouping	Percentage change, 12 months ended December			Seasonally adjusted annual rate for 3 months ended—			
	2003	2004	2005	June 2005	September 2005	December 2005	March 2006
Finished goods	4.0	4.2	5.4	1.6	11.3	4.1	−2.5
Finished consumer foods	7.7	3.1	1.4	−4.0	1.3	5.0	−7.6
Finished energy goods	11.4	13.4	23.9	8.3	61.9	15.1	−11.6
Finished goods less foods and energy	1.0	2.3	1.7	1.6	2.1	0	3.1
Finished consumer goods, excluding foods and energy	1.1	2.2	1.9	2.0	2.2	.2	3.2
Capital equipment	.8	2.4	1.3	1.4	2.0	−.3	2.5
Intermediate materials, supplies, and components	3.9	9.2	8.4	2.1	16.5	7.0	3.0
Intermediate foods and feeds	12.9	−2.3	2.1	2.1	−1.5	1.8	−2.4
Intermediate energy goods	10.9	15.8	26.5	16.9	78.3	4.7	−8.4
Intermediate materials less foods and energy	2.1	8.3	4.5	−1.0	4.2	8.2	6.7
Materials for nondurable manufacturing	4.9	13.7	7.5	−2.2	19.6	4.6	12.1
Materials for durable manufacturing	4.0	18.3	6.1	−7.1	1.8	22.0	12.4
Materials and components for construction	3.0	10.1	6.1	.9	3.5	12.3	7.4
Crude materials for further processing	19.5	17.4	22.1	−8.4	108.9	5.9	−40.3
Foodstuffs and feedstuffs	24.1	−2.6	1.4	−20.9	−.3	13.9	−28.2
Crude energy materials	14.4	35.9	44.8	4.9	259.0	1.2	−57.9
Crude nonfood materials less energy	21.6	20.5	4.8	−16.1	52.5	9.8	16.9

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 increased 1.8 percent in March, following a 4.7-percent drop a month earlier. Most of this upturn may be traced to gasoline prices, which jumped 9.1 percent, after falling 11.0 percent in February. The indexes for residential natural gas, liquefied petroleum gas, and diesel fuel declined at slower rates in March than they had in the previous month. Kerosene prices moved up, following decreases in the prior month. By contrast, the index for residential electric power, which was unchanged in February, fell 0.7 percent in March. Prices for home heating oil declined more than they had in the preceding month. (See table 2.)

The index for finished consumer foods advanced 0.5 percent in March, following a 2.7-percent decrease in the prior month. Prices for fresh and dry vegetables rose 3.7 percent, after dropping 27.1 percent in February. Also turning up in March were the indexes for eggs for fresh use, pork, finfish and shellfish, fresh fruits and melons, and confectionery end products. Prices for beef and veal and for processed young chickens fell less than they had in February. Conversely, the dairy products index moved down 3.1 percent in March, compared with a 1.8-percent decline a month earlier. Soft drink prices decreased, after rising in February.

The index for finished goods less foods and energy increased 0.1 percent in March, following a 0.3-percent advance in the preceding month. Prices for light motor trucks inched up 0.1 percent, after rising 0.5 percent in February. The indexes for pharmaceutical preparations, periodical circulation, construction machinery and equipment, and civilian aircraft also moved up at slower rates in March than they had a month earlier. Prices for cigarettes, metal cutting machine tools, and floor coverings turned down, after increasing in February. Alternatively, the passenger car index climbed 0.4 percent in March, following a 0.8-percent decline in the previous month. Commercial furniture prices also rose, after falling in February, while the index for sanitary papers and health products advanced more in March than it had in the prior month.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components edged down 0.1 percent in March, following a 0.3-percent decline in the prior month. Prices for intermediate energy goods and the index for intermediate foods and feeds fell at slower rates than they had in February. The index for materials and components for construction advanced more than in the prior month. By contrast, prices for materials for nondurable manufacturing turned down in March, and the index for materials for durable manufacturing rose less than it had in the preceding month. Prices for intermediate materials less foods and energy edged up 0.1 percent, after advancing 0.5 percent in February. (See table B.)

Table B. **Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted**[1]

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.)
2005								
March	1.0	3.4	0.4	8.7	4.7	7.0	-0.5	11.4
April	-.1	3.2	.1	8.1	-2.2	6.5	2.2	12.4
May	.7	-.9	-.3	6.3	-1.2	-4.5	-2.9	5.4
June	-.1	1.7	-.1	6.2	-2.4	-.5	-3.6	2.5
July	-.2	4.4	.1	6.8	-.6	10.8	.6	7.9
August	-.1	3.0	-.1	6.3	-1.2	6.0	4.6	12.1
September	-.1	7.4	1.0	8.7	1.7	17.1	5.6	29.7
October	.4	8.8	1.4	10.9	-.1	10.9	-1.5	31.8
November	0	-6.9	.4	8.5	1.0	-3.4	2.4	21.6
December	.1	-.1	.1	8.4	2.4	-6.4	1.5	22.1
2006								
January	.9	1.9	1.0	9.3	-3.0	.6	-.1	23.6
February	-1.2	-3.1	.5	8.2	-3.0	-16.2	3.3	12.9
March	-.3	-.9	.1	7.0	-2.2	-4.5	.8	4.9

[1] Some percent changes shown here and elsewhere in "Price Movements, March 2006" may differ from those previously reported because indexes for November 2005 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

The intermediate energy goods index decreased 0.9 percent in March, subsequent to a 3.1-percent decline in the prior month. Prices for liquefied petroleum gas edged down 0.1 percent, after falling 14.3 percent in February. The indexes for commercial and industrial natural gas, commercial electric power, and diesel fuel also decreased less than they had a month earlier. Gasoline prices turned up in March. Alternatively, the jet fuels index inched up 0.2 percent in March, following a 3.0-percent increase in the preceding month. The indexes for industrial electric power and home heating oil fell more than they had a month earlier, and prices for residual fuel turned down in March. (See table 2.) The intermediate energy goods index declined at an 8.4-percent SAAR from December 2005 to March 2006, after rising at a 4.7-percent SAAR during the final quarter of 2005.

The intermediate foods and feeds index moved down 0.3 percent in March, following a 1.2-percent decrease in the prior month. Prices for beef and veal declined 1.2 percent, after falling 4.2 percent in February. The indexes for processed young chickens and for natural, processed, and imitation cheese also decreased less than they had a month earlier. Prices for pork, prepared animal feeds, and shortening and cooking oils turned up in March. Conversely, prices for flour fell 1.1 percent in March, subsequent to a 3.5-percent gain in February. The index for fluid milk products declined more than it had in the preceding month, while prices for refined sugar and byproducts rose less than in February. The index for intermediate foods and feeds decreased at a 2.4-percent SAAR in the first quarter of 2006, after rising at a 1.8-percent SAAR in the final quarter of 2005.

Prices for materials and components for construction gained 0.4 percent in March, after increasing 0.3 percent in the prior month. In March, rising prices for concrete products, fabricated structural metal products, paving mixtures and blocks, architectural coatings, wiring devices, and equipment for air-conditioning and refrigeration outweighed falling prices for both hardwood and softwood lumber. The index for materials and components for construction advanced at a 7.4-percent SAAR in the first quarter of 2006, after moving up at a 12.3-percent SAAR in the prior quarter.

Prices for materials for nondurable manufacturing declined 0.6 percent in March, after increasing 1.6 percent a month earlier. The index for basic organic chemicals went down 2.4 percent, following a 1.0-percent rise in February. Prices for plastic resins and materials, gray fabrics, synthetic rubber, and medicinal and botanical chemicals also decreased in March, after moving up in the prior month. The paperboard index rose less than it had in February. Alternatively, the index for inedible fats and oils increased 3.8 percent, after falling 2.8 percent in February. Prices for phosphates and rock salt also turned up in March. The indexes for paper and leather advanced more than they had a month earlier. From December 2005 to March 2006, prices for materials for nondurable manufacturing increased at a 12.1-percent SAAR, after rising at a 4.6-percent SAAR in the prior quarter.

The rate of increase in the index for materials for durable manufacturing slowed from 1.6 percent in February to 0.3 percent in March. Prices for aluminum mill shapes rose 0.9 percent, after advancing 2.4 percent a month earlier. The indexes for copper and brass mill shapes, cold rolled steel sheet and strip, and cement also rose less than they had in February. Prices for titanium mill shapes, primary aluminum, softwood lumber, and thermoplastic resins turned down in March. By contrast, the hot rolled steel sheet and strip index

edged up 0.1 percent in March, compared with a 1.4-percent decrease in the preceding month. The index for prepared paint increased more than it had in February. The index for materials for durable manufacturing advanced at a 12.4-percent SAAR for the 3 months ended March 2006, after moving up at a 22.0-percent SAAR in the preceding quarter.

Crude goods

The Producer Price Index for Crude Materials for Further Processing declined 2.7 percent in March, after falling 9.2 percent in the previous month. Prices for crude energy materials and for crude foodstuffs and feedstuffs decreased less than they had in February. By contrast, the index for crude goods except foods and energy increased at a slower rate in March than it had in the preceding month. (See table B.)

Prices for crude energy materials moved down 4.5 percent in March, after dropping 16.2 percent in the preceding month. Accounting for the majority of this slower rate of decline, the natural gas index went down 11.5 percent, compared with a 24.0-percent decrease in February. Prices for crude petroleum rose 5.2 percent, after declining at the same rate in the previous month, while the coal index increased 0.8 percent in March, after moving up 0.3 percent a month earlier. (See table 2.) During the first quarter of 2006, prices for crude energy materials fell at a 57.9-percent SAAR, after inching up at a 1.2-percent SAAR in the prior quarter.

The crude foodstuffs and feedstuffs index fell 2.2 percent in March, after moving down 3.0 percent in the previous month. The rate of decrease in prices for fresh vegetables (except potatoes) slowed from 33.1 percent in February to 0.8 percent in March. The indexes for slaughter hogs and slaughter cattle also fell less than they had in the previous month, while prices for unprocessed finfish, slaughter turkeys, and unprocessed shellfish turned up in March. Alternatively, the fluid milk index decreased 7.8 percent, following a 4.1-percent decline in February. Prices for slaughter broilers and fryers also fell more in March than they had in the previous month. The index for alfalfa hay turned down, and wheat prices rose less than they had a month earlier. The index for crude foodstuffs and feedstuffs fell at a 28.2-percent SAAR in the first quarter of 2006, after rising at a 13.9-percent SAAR in the last quarter of 2005.

Prices for crude nonfood materials less energy advanced 0.8 percent in March, after gaining 3.3 percent in the preceding month. Leading this deceleration, the iron and steel scrap index rose 1.5 percent, after jumping 7.1 percent in February. Prices for copper base scrap also rose less than they had in the previous month. The indexes for aluminum base scrap and gold ores turned down in March, while prices for iron ore were unchanged, after rising a month earlier. By contrast, the wastepaper index fell 0.5 percent, after decreasing 3.6 percent in the prior month. Prices for raw cotton and phosphates turned up, following declines in February. The index for basic industrial materials increased at a 16.9-percent SAAR during the first quarter of 2006, after rising at a 9.8-percent SAAR during the fourth quarter of 2005.

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

Mining. The Producer Price Index for the Net Output of Total Mining Industries fell 3.0 percent in March, following a 12.8-percent drop in February. (Net output price indexes are not seasonally adjusted.) Contributing to this slower rate of decline, prices received by the crude petroleum and natural gas extraction industry decreased 4.8 percent, after falling 15.8 percent in February. The industry index for natural gas liquid extraction also moved down at a slower rate in March than it had a month earlier. Prices received by the industry for oil and gas operations support activities turned up, following decreases in the prior month. Conversely, the industry index for gold ore mining moved down 3.4 percent in March, compared with a 3.6-percent climb in February. Prices received by the industries for oil and gas well drilling and for bituminous coal and lignite surface mining rose less in March than they had in the previous month. The industry index for bituminous coal underground mining turned down, after increasing in February, while prices received by the iron ore mining industry were unchanged in March, following gains in the preceding month. For the 3 months ended in March 2006, the Producer Price Index for the Net Output of Total Mining Industries declined at a 49.2-percent annualized rate, compared with an 8.9-percent annualized rate of increase in the final quarter of 2005. In March, the Producer Price Index for Total Mining Industries was 201.0 (December 1984 = 100), 14.2 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries advanced 0.9 percent in March, following a 0.4-percent decline in February. The majority of this upturn can be attributed to prices received by the petroleum and coal products manufacturing industry group, which climbed 7.9 percent in March after falling 4.3 percent in February. Prices received by the transportation equipment and the medical equipment and supplies industry groups also turned up, after moving down in February. The industry group index for food manufacturing decreased at a slower rate in March than in the previous month. The paper manufacturing industry group index increased more in March than it had a month earlier. By contrast, prices received by chemical manufacturers declined 0.6 percent, after rising 1.1 percent in the previous month. The industry group indexes for beverage and tobacco manufacturing and for plastics and rubber products manufacturing also turned down in March. Prices received by the primary metals industry group rose less than they had in February. For the first quarter of 2006, the Producer Price Index for the Net Output of Total Manufacturing Industries advanced at an annualized rate of 5.6

percent, compared with a 3.6-percent annualized rate of decline in the prior quarter. In March, the Producer Price Index for Total Manufacturing Industries was 154.9 (December 1984 = 100), 4.0 percent above its year-ago level.

Services. Among services industries in March, prices received by commercial bankers decreased 8.9 percent, after declining 0.8 percent in February. Prices received by savings institutions and software publishers also fell more in March than they had a month earlier. The industry indexes for investment banking and securities dealing, engineering services, and offices of certified public accountants turned down, following increases in the preceding month. The index for the general medical and surgical hospitals industry group was unchanged in March, after increasing a month earlier. Alternatively, prices received by the scheduled passenger air transportation industry rose 4.7 percent, after gaining 0.1 percent in February. Prices received by the industries for casino hotels and wired telecommunications carriers turned up in March, after falling a month earlier. The industry index for offices of physicians (excluding mental health) advanced more than it had in February.

Price Movements April 2006

The Producer Price Index for Finished Goods advanced 0.9 percent in April, seasonally adjusted. This gain followed a 0.5-percent rise in March and a 1.4-percent decline in February. The index for finished goods other than foods and energy rose 0.1 percent, the same rate of increase as in the previous month. At the earlier stages of processing, prices for intermediate goods moved up 0.9 percent in April after edging down 0.1 percent in the prior month, while the crude goods index increased 1.2 percent following a 2.7-percent decrease in March. (See table A.)

Among finished goods, prices for energy goods advanced 4.0 percent in April after rising 1.8 percent in the preceding month. The index for capital equipment climbed 0.2 percent following a 0.1-percent gain in the previous month. Conversely, price increases for finished consumer foods slowed from 0.5 percent in March to 0.1 percent in April. The index for finished consumer goods excluding foods and energy inched up 0.1 percent, compared with a 0.2-percent rise a month earlier.

Before seasonal adjustment, the Producer Price Index for Finished Goods advanced 1.0 percent in April to 160.6 (1982 = 100). From April 2005 to April 2006, prices for finished goods rose 4.0 percent. Over the same period, the finished energy goods index increased 18.0 percent, prices for finished goods other than foods and energy moved up 1.5 percent, and the finished consumer foods index fell 1.3 percent. For the 12 months ended April 2006, prices for intermediate goods rose 7.3 percent, while the crude goods index climbed 3.4 percent.

Finished goods

Prices for finished energy goods increased 4.0 percent in April following a 1.8-percent gain in the prior month. The home heating oil index jumped 13.7 percent after falling 3.6 percent in the preceding month. Prices for liquefied petroleum gas, residential electric power, and diesel fuel also turned up in April, while the indexes for gasoline and kerosene increased at quicker rates than they had in March. By contrast, residential natural gas prices decreased 3.0 percent in April, compared with a 0.5-percent decline in the previous month. (See table 2.)

The capital equipment index climbed 0.2 percent in April following a 0.1-percent increase in the preceding month. In April, rising prices for civilian aircraft, communication and related equipment, truck trailers, industrial material handling equipment, and integrating and measuring instruments more than offset falling prices for passenger cars, electronic com-

Table A. **Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted**[1]

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2005							
April	0.5	−0.1	2.1	0.3	4.8	0.7	2.7
May	−.2	−.2	−1.6	.2	3.6	−.3	−3.1
June	.1	−.7	1.5	−.1	3.7	.2	−1.7
July	.8	−.7	3.9	.3	4.7	1.0	5.1
August	.5	−.2	3.0	0	5.3	.5	3.5
September	1.4	1.2	5.4	.2	6.9	2.3	10.5
October	.8	.1	4.3	−.3	5.9	3.0	5.7
November	−.5	.6	−3.1	.1	4.4	−1.3	−1.4
December	.7	.8	2.4	0	5.4	.3	−3.5
2006							
January	.3	−.1	.1	.6	5.7	1.0	.4
February	−1.4	−2.7	−4.7	.3	3.7	−.3	−9.2
March	.5	.5	1.8	.1	3.5	−.1	−2.7
April	.9	.1	4.0	.1	4.0	.9	1.2

[1] Some percent changes shown here and elsewhere in "Price Movements, April 2006" may differ from those previously reported because indexes for December 2005 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 adjusted**[1]

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.)
2005								
April	−0.1	3.2	0.1	8.1	−2.2	6.5	2.2	12.4
May	.7	−.9	−.3	6.3	−1.2	−4.5	−2.9	5.4
June	−.1	1.7	−.1	6.2	−2.4	−.5	−3.6	2.5
July	−.2	4.4	.1	6.8	−.6	10.8	.6	7.9
August	−.1	3.0	−.1	6.3	−1.2	6.0	4.6	12.1
September	−.1	7.4	1.0	8.7	1.7	17.1	5.6	29.7
October	.4	8.8	1.4	10.9	−.1	10.9	−1.5	31.8
November	0	−6.9	.4	8.5	1.0	−3.4	2.4	21.6
December	.3	−.4	.4	8.6	2.5	−8.1	1.9	21.1
2006								
January	.7	2.1	.8	9.3	−3.1	2.5	−.5	23.6
February	−1.2	−3.1	.5	8.2	−3.0	−16.2	3.3	12.9
March	−.3	−.9	.1	7.0	−2.2	−4.5	.8	4.9
April	−.7	2.8	.4	7.3	−1.4	1.3	4.7	3.4

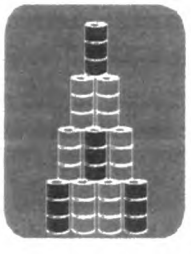
[1] Some percent changes shown here and elsewhere in "Price Movements, April 2006" may differ from those previously reported because indexes for December 2005 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

puters, construction machinery and equipment, and heavy motor trucks.

The finished consumer foods index inched up 0.1 percent in April subsequent to a 0.5-percent gain in the prior month. Prices for eggs for fresh use increased 2.4 percent after surging 29.2 percent in March. The index for finfish and shellfish also rose less than it had in the previous month, while pork prices turned down in April. The indexes for beef and veal and for processed young chickens decreased at quicker rates than they had a month earlier. Alternatively, prices for fresh and dry vegetables jumped 18.1 percent in April, compared with a 3.7-percent increase in the preceding month. The indexes for fresh fruits and melons and for processed fruits and vegetables also rose more than they had in March, while prices for dairy products fell less than in the prior month.

The index for finished consumer goods excluding foods and energy went up 0.1 percent in April following a 0.2-percent increase in March. In April, rising prices for alcoholic beverages, mobile homes, household furniture, book publishing, and sporting and athletic goods slightly outweighed falling prices for passenger cars; periodical circulation; women's, girls', and infants' apparel; and sanitary paper products.

Intermediate goods



The Producer Price Index for Intermediate Materials, Supplies, and Components advanced 0.9 percent in April after edging down 0.1 percent in March. Prices for energy goods and for materials for nondurable manufacturing turned up in April, while the index for materials for durable manufacturing rose more than in the prior month. Conversely, prices for intermediate foods and feeds declined more in April than in the previous month. The index for materials and components for construction rose at the same rate as it had a month earlier. Excluding foods and energy, prices for intermediate goods moved up 0.4 percent following a 0.1-percent gain in March. (See table B.)

The index for intermediate energy goods increased 2.8 percent in April, compared with a 0.9-percent decline a month earlier. Jet fuel price increases accelerated to 18.1 percent from 0.2 percent in March. Prices for gasoline also rose more than in the previous month. The indexes for diesel fuel, home heating oil, and industrial electric power turned up following declines in the prior month. Industrial natural gas prices fell less than they had in March. Alternatively, the index for commercial natural gas dropped 4.3 percent in April after falling 3.3 percent in the preceding month. Prices for residual fuel also decreased more than they had in March. (See table 2.)

The index for materials for durable manufacturing increased 1.6 percent in April following a 0.3-percent advance in the previous month. Leading this acceleration, prices for primary nonferrous metals rose 5.9 percent after a 0.5-percent gain in March. The indexes for copper and brass mill shapes, cold rolled steel sheet and strip, and aluminum mill shapes also increased at faster rates in April than they had a month earlier. Prices for titanium mill shapes and hardwood lumber turned up, and the index for hot rolled steel bars, plates, and structural shapes fell less than in March. By contrast, the index for semifinished steel mill products declined 4.8 percent in April following a 1.8-percent increase in the prior month. Prices for prepared paint and secondary aluminum also turned down after climbing in March.

Subsequent to a 0.6-percent decline in March, prices for materials for nondurable manufacturing inched up 0.1 per-

cent in April. The industrial chemicals index turned up 1.5 percent after falling at the same rate in the prior month. The index for nitrogenates fell at a slower rate in April than it had a month earlier, while prices for paint materials turned up from March declines. By contrast, the index for plastic resins and materials moved down 2.0 percent in April following a 1.3-percent decrease in the previous month. Prices for inedible fats and oils and for phosphates turned down in April, while the stemmed and redried tobacco index fell after remaining unchanged in March. Paper prices rose less than they had a month earlier.

Prices for intermediate foods and feeds fell 0.7 percent in April after declining 0.3 percent in March. The prepared animal feeds index decreased 0.8 percent after climbing 0.7 percent in the prior month. Pork prices also turned down following advances in March. The indexes for beef and veal and for natural, processed, and imitation cheese fell more in April, while prices for shortening and cooking oils rose less than they had a month earlier. Alternatively, flour prices advanced 5.0 percent following a 1.1-percent decline in the preceding month. The indexes for refined sugar and byproducts and for confectionery materials increased at faster rates than they had in the prior month, while prices for dry, condensed, and evaporated milk products fell less than in March.

The index for materials and components for construction advanced 0.4 percent, the same rate of increase as in March. In April, rising prices for nonferrous wire and cable, concrete products, paving mixtures and blocks, fabricated structural metal products, steel mill products, and building paper and board outweighed declining prices for plastic construction products, softwood lumber, and treated wood.

Crude goods

The Producer Price Index for Crude Materials for Further Processing advanced 1.2 percent in April following a 2.7-percent decrease in March. Prices for crude energy materials turned up after falling in the preceding month. The index for crude nonfood materials less energy rose more in April than in March, and the rate of decline in crude foodstuffs and feedstuffs prices slowed from the prior month. (See table B.)

The index for crude energy materials climbed 1.3 percent following a 4.5-percent decrease in March. Crude petroleum prices jumped 10.3 percent in April after rising 5.2 percent a month earlier. The natural gas index went down 5.5 percent following an 11.5-percent drop in the previous month. Coal prices rose more in April than they had in March—1.0 percent, compared with 0.8 percent. (See table 2.)

The index for crude nonfood materials less energy increased 4.7 percent in April following a 0.8-percent advance a month earlier. Prices for iron and steel scrap moved up 5.9 percent after rising 1.5 percent in the prior month. The indexes for copper base scrap and raw cotton also rose more in April than they had in March. Prices for gold ores, aluminum base scrap, and wastepaper turned up following declines in the previous month. By contrast, the rate of increase in the index for construction sand, gravel, and crushed stone slowed to 0.4 percent in April from 1.1 percent a month earlier, while prices for phosphates turned down after climbing in March.

The index for crude foodstuffs and feedstuffs fell 1.4 percent in April following a 2.2-percent decline in March. Prices for fluid milk decreased 6.4 percent after moving down 7.8 percent in the preceding month. The indexes for corn, wheat, and fresh fruits and melons rose more than they had in March, while prices for fresh vegetables (except potatoes) and alfalfa hay turned up in April. Alternatively, the slaughter hogs index declined 6.4 percent following a 0.4-percent decrease in March. Prices for slaughter cattle and for slaughter broilers and fryers also fell more in April than they had a month earlier. The index for unprocessed shellfish turned down after increasing 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 2.3 percent in April following a 3.0-percent decline in March. (Net output price indexes are not seasonally adjusted.) Prices received by the crude oil and natural gas extraction industry moved up 3.7 percent after falling 4.8 percent in the previous month. The industry indexes for gold ore mining and bituminous coal underground mining also turned up in April. Prices received by the natural gas liquid extraction industry decreased less than they had in the prior month, while the industry indexes for oil and gas well drilling and for bituminous coal and lignite surface mining rose more than in March. Alternatively, prices paid to the industry for oil and gas support activities advanced 1.3 percent in April, compared with a 4.5-percent rise in March. The industry index for anthracite mining turned down in April. The Producer Price Index for Total Mining Industries was 205.6 in April (December 1984 = 100), 11.6 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries increased 1.4 percent in April following a 0.9-percent gain in March. The majority of this acceleration can be attributed to prices received by manufacturers of petroleum and coal products, which increased 12.0 percent subsequent to a 7.9-percent rise in the previous month. The industry group indexes for electrical equipment and appliances, primary metals, and fabricated metal products also increased more than they had in March, while the prices paid to manufacturers of chemical products fell less than they had a month earlier. By contrast, prices received by food manufacturers decreased 0.6 percent in April after edging down 0.1 percent in the prior month. The industry group index for paper manufacturing advanced less

than it had in March. Prices paid to machinery manufacturers were unchanged after increasing in the preceding month, while the index for the printing and related support activities industry group turned down after rising a month earlier. In April, the Producer Price Index for Total Manufacturing Industries was 157.1 (December 1984 = 100), 5.0 percent above its year-ago level.

Services. Among services industries in April, prices received by commercial bankers advanced 12.5 percent after declining 8.9 percent in March. The industry indexes for investment banking and security dealing, savings institutions, portfolio management, and lessors of nonresidential buildings (excluding miniwarehouses) also turned up following decreases in the prior month. Prices received by direct health and medical insurance carriers rose more than they had a month earlier. By contrast, prices received by the scheduled passenger air transportation industry fell 2.3 percent following a 4.7-percent gain in March. Similarly, the industry indexes for casino hotels and offices of physicians turned down in April.

Price Movements May 2006

The Producer Price Index for Finished Goods rose 0.2 percent in May, seasonally adjusted. This increase followed a 0.9-percent jump in April and a 0.5-percent advance in March. At the earlier stages of processing, prices received by manufacturers of intermediate goods climbed 1.1 percent in May after rising 0.9 percent in the preceding month, and the crude goods index moved up 2.0 percent following a 1.2-percent gain in April. (See table A.)

Most of the deceleration in the finished goods index can be traced to slower increases in prices for energy goods, which rose 0.4 percent in May after advancing 4.0 percent in April. Prices for finished consumer foods turned down 0.5 percent following a 0.1-percent gain in the prior month. Alternatively, the index for finished goods other than foods and energy increased 0.3 percent in May compared with a 0.1-percent rise in April.

Before seasonal adjustment, the Producer Price Index for Finished Goods advanced 0.4 percent in May to 161.2 (1982 = 100). From May 2005 to May 2006, prices for finished goods increased 4.5 percent. Over the same period, the index for finished energy goods climbed 20.6 percent, prices for finished goods other than foods and energy rose 1.5 percent, and the index for finished consumer foods fell 1.5 percent. For the 12 months ended May 2006, prices for intermediate goods increased 8.9 percent, and the crude goods index moved up 8.6 percent.

Finished goods

The index for finished energy goods rose 0.4 percent in May after advancing 4.0 percent in April. Gasoline prices climbed 2.2 percent in May following a 12.3-percent jump a month earlier. The indexes for home heating oil, liquefied petroleum gas, residential electric power, diesel fuel, finished lubricants, and kerosene also increased at slower rates than they had in the preceding month. Prices for residential natural gas fell more than in April. (See table 2.)

Prices for finished consumer foods declined 0.5 percent in May compared with a 0.1-percent rise in April. The index for fresh and dry vegetables dropped 14.0 percent following an 18.1-percent increase in the preceding month. Prices for fresh fruits and melons, eggs for fresh use, and finfish and shellfish also turned down in May after rising a month earlier. Conversely, the index for beef and veal rose 2.3 percent in May compared with a 2.7-percent decrease in April. Prices for pork, soft drinks, and bakery products also turned up in

Table A. **Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted**[1]

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2005							
May	−0.2	−0.2	−1.6	0.2	3.6	−0.3	−3.1
June	.1	−.7	1.5	−.1	3.7	.2	−1.7
July	.8	−.7	3.9	.3	4.7	1.0	5.1
August	.5	−.2	3.0	0	5.3	.5	3.5
September	1.4	1.2	5.4	.2	6.9	2.3	10.5
October	.8	.1	4.3	−.3	5.9	3.0	5.7
November	−.5	.6	−3.1	.1	4.4	−1.3	−1.4
December	.7	.8	2.4	0	5.4	.3	−3.5
2006							
January	.3	−.2	.1	.4	5.6	1.0	−.8
February	−1.3	−2.5	−4.8	.4	3.7	−.3	−8.1
March	.5	.5	1.8	.1	3.5	−.1	−2.7
April	.9	.1	4.0	.1	4.0	.9	1.2
May	.2	−.5	.4	.3	4.5	1.1	2.0

[1] Some percent changes shown here and elsewhere in "Price Movements, May 2006" may differ from those previously reported because indexes for January 2006 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 adjusted**[1]

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.)
2005								
May	0.7	−0.9	−0.3	6.3	−1.2	−4.5	−2.9	5.4
June	−.1	1.7	−.1	6.2	−2.4	−.5	−3.6	2.5
July	−.2	4.4	.1	6.8	−.6	10.8	.6	7.9
August	−.1	3.0	−.1	6.3	−1.2	6.0	4.6	12.1
September	−.1	7.4	1.0	8.7	1.7	17.1	5.6	29.7
October	.4	8.8	1.4	10.9	−.1	10.9	−1.5	31.8
November	0	−6.9	.4	8.5	1.0	−3.4	2.4	21.6
December	.3	−.4	.4	8.6	2.5	−8.1	1.9	21.1
2006								
January	.7	1.6	.9	9.2	−3.1	.2	−.2	22.1
February	−1.3	−2.6	.4	8.2	−3.0	−14.3	3.1	12.9
March	−.3	−.9	.1	7.0	−2.2	−4.5	.8	4.9
April	−.7	2.8	.4	7.3	−1.4	1.3	4.7	3.4
May	−.2	1.0	1.1	8.9	−2.3	2.5	6.2	8.6

[1] Some percent changes shown here and elsewhere in "Price Movements, May 2006" may differ from those previously reported because indexes for January 2006 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

May. The indexes for dairy products and processed young chickens fell less than they had in April.

The index for finished consumer goods other than foods and energy moved up 0.2 percent in May following a 0.1-percent gain in April. In May, prices rose for pharmaceutical preparations; soaps and synthetic detergents; household furniture; pet food; mobile homes; women's, girls', and infants' apparel; tires; and sanitary paper products. These increases outweighed falling prices for alcoholic beverages and passenger cars.

The capital equipment index advanced 0.3 percent in May after moving up 0.2 percent in April. In May, higher prices for heavy motor trucks, communication and related equipment, commercial furniture, civilian aircraft, and agricultural machinery and equipment more than offset lower prices for passenger cars, integrating and measuring instruments, and semiconductor manufacturing equipment.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components advanced 1.1 percent in May following a 0.9-percent gain in the preceding month. Prices for materials for durable manufacturing, materials for nondurable manufacturing, and materials and components for construction rose more than they had in April. The index for intermediate foods and feeds decreased less in May than in the prior month, while prices for containers turned up after declining a month earlier. By contrast, the intermediate energy goods index increased at a slower rate in May than it had in the previous month. Prices for intermediate materials less foods and energy rose 1.1 percent compared with a 0.4-percent gain in April. (See table B.)

The index for materials for durable manufacturing moved up 4.4 percent in May after rising 1.6 percent in the prior month. Hot rolled steel sheet and strip prices jumped 7.9 percent following no change in April. The indexes for copper and brass mill shapes and for aluminum mill shapes increased more in May than they had in the preceding month. Turning up after falling a month earlier were prices for semifinished steel mill products; secondary aluminum; softwood lumber; and hot rolled steel bars, plates, and structural shapes. Alternatively, the cold rolled steel sheet and strip index climbed 1.2 percent in May following a 4.3-percent advance in the prior month. Prices for primary aluminum (except extrusion billet) also rose less than they had in April, and the index for titanium mill shapes turned down in May. (See table 2.)

Prices for materials for nondurable manufacturing increased 1.4 percent in May following a 0.1-percent rise in the preceding month. The paperboard index moved up 5.3 percent after rising 0.3 percent in the prior month. Prices for primary basic organic chemicals also increased more than they had in April. The index for plastic resins and materials fell less than it had a month earlier. Prices for inedible fats and oils and for phosphates turned up in May, while the index for stemmed and redried tobacco was unchanged after declining in the previous month. By contrast, prices for paint materials fell 2.7 percent in May compared with a 2.1-percent rise in April. The index for potassium and sodium compounds (excluding bleaches and alkalies) also decreased after advancing a month earlier. Prices for intermediate basic organic chemicals declined following no change in April.

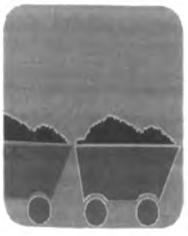
Prices for materials and components for construction climbed 1.2 percent in May following a 0.4-percent rise in the prior month. The nonferrous wire and cable index jumped 16.6 percent after moving up 5.7 percent in the previous month. Prices for steel mill products, paving mixtures and blocks, and fabricated structural metal products also increased more than they had in April. The index for softwood lumber turned up in May, while prices for plastic construction products showed no change after falling in the preceding month. Alternatively, the concrete products index advanced 0.6 percent in May following a 1.2-percent rise in the prior month. Plywood prices turned down after increasing in April.

The index for intermediate foods and feeds edged down 0.2 percent in May following a 0.7-percent decline in the previous month. Prices for fluid milk products decreased 0.4 percent after falling 2.5 percent in April. The indexes for natural, processed, and imitation cheese and for processed young chickens also fell less in May than they had a month earlier. Prices for beef and veal and for pork turned up following declines in the previous month. Conversely, the refined sugar and byproducts index moved down 0.6 percent after rising 3.5 percent in April. Prices for confectionery materials and for shortening and cooking oils also turned down in May, while the flour index increased less than it had in the previous month.

Prices for containers advanced 0.3 percent in May after declining 0.2 percent in the prior month. The aluminum cans index edged up 0.1 percent following a 1.4-percent decrease in April. Prices for steel cans also turned up after falling in the preceding month. The index for glass containers rose in May after showing no change in the previous month, and prices for paper boxes and containers increased more than they had in April. Conversely, the paper, plastic, and foil bags index fell 1.1 percent compared with a 0.4-percent decrease in the prior month.

Prices for intermediate energy goods moved up 1.0 percent in May following a 2.8-percent rise in the prior month. The jet fuels index advanced 1.6 percent after surging 18.1 percent in April. Prices for gasoline, diesel fuel, and home heating oil also increased less than they had in the preceding month. The indexes for both industrial and commercial electric power fell following gains in the prior month. By contrast, residual fuel prices moved up 10.3 percent in May after dropping 17.4 percent in the previous month. The index for natural gas to electric utilities also turned up, while prices for both industrial and commercial natural gas decreased at slower rates than they had in April.

Crude goods



The Producer Price Index for Crude Materials for Further Processing rose 2.0 percent in May following a 1.2-percent gain in April. Prices for crude energy materials and basic industrial materials increased more than they had a month earlier. Conversely, the index for crude foodstuffs and feedstuffs fell at a faster rate than it had in April. (See table B.)

The index for crude energy materials advanced 2.5 percent in May following a 1.3-percent increase in the previous month. The majority of this acceleration can be traced to prices for natural gas, which gained 2.3 percent after declining 5.5 percent in April. Alternatively, the index for crude petroleum moved up 3.8 percent in May subsequent to a 10.3-percent advance a month earlier. The coal index decreased 2.2 percent following a 1.0-percent advance in April. (See table 2.)

Prices for crude nonfood materials less energy advanced 6.2 percent in May after rising 4.7 percent in the prior month. The index for gold ores jumped 21.1 percent in May following a 10.0-percent gain in April. Prices for both copper and aluminum base scrap and for iron and steel scrap also increased more than they had a month earlier. The index for phosphates turned up in May. Conversely, prices for raw cotton decreased 13.0 percent in May following a 9.3-percent advance in the previous month. The index for wastepaper rose less than it had a month earlier, while prices for iron ore were unchanged after increasing in the prior month.

Prices for crude foodstuffs and feedstuffs fell 2.3 percent in May subsequent to a 1.4-percent decline in April. The index for slaughter cattle moved down 5.2 percent after decreasing 3.3 percent in the prior month. Prices for fresh and dry vegetables, alfalfa hay, unprocessed finfish, and fresh fruits and melons turned down in May. The indexes for corn and wheat increased less than they had in the previous month. By contrast, prices for fluid milk fell 1.6 percent in May after decreasing 6.4 percent in April. The indexes for slaughter hogs, slaughter broilers and fryers, and soybeans turned up in May.

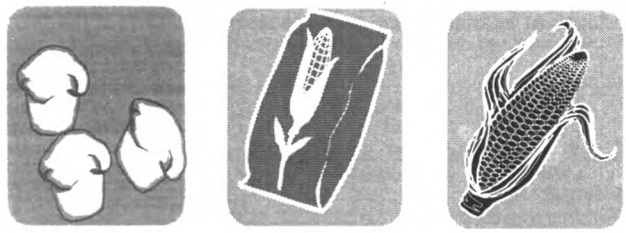
Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries advanced 3.1 percent in May following a 2.3-percent rise in April. (Net output price indexes are not seasonally adjusted.) Prices received by the industry for natural gas liquid extraction increased 2.7 percent after falling 1.9 percent in the previous month. The industry indexes for gold ore mining and for potash, soda, and borate mineral mining climbed at faster rates in May than they had a month earlier. By contrast, the index for the oil and gas well drilling industry moved up 2.4 percent in May compared with a 6.5-percent advance in the prior month. Prices received by the industry for crude petroleum and natural gas extraction also rose less than they had in April. The industry indexes for bituminous coal and lignite surface mining, bituminous coal underground mining, oil and gas operations support activities, and crushed and broken granite mining and quarrying turned down after increasing in the preceding month. Prices received by the industry for iron ore mining were unchanged after rising a month earlier. The Producer Price Index for Total Mining Industries was 212.0 in May (December 1984 = 100), 19.2 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries advanced 0.9 percent in May after increasing 1.4 percent in April. Prices received by petroleum and coal products manufacturers rose 4.3 percent following a 12.0-percent jump in the previous month. After inching up in April, prices received by producers of transportation equipment turned down in May. Alternatively, prices received by food manufacturers rose 0.6 percent following a decrease of 0.6 percent in April. The industry group index for chemical manufacturing also turned up after declining in the prior month. Prices received by manufacturers of primary metals, electrical equipment and appliances, and paper advanced at faster rates in May than they had in the preceding month. The industry group indexes for machinery manufacturing and for computer and electronic products manufacturing, which were unchanged in April, moved up in May. The Producer Price Index for Total Manufacturing Industries was 158.5 in May (December 1984 = 100), 6.1 percent above its year-ago level.

Services. Among services industries, the index for commercial banking declined 2.2 percent in May compared with a 12.5-percent gain in April. Prices received by the industries for portfolio management, cellular and other wireless carriers, lessors of nonresidential buildings (except miniwarehouses), offices of certified public accountants, and investment banking and securities dealing also decreased after rising in the previous month. By contrast, the index for the scheduled passenger air transportation industry fell 0.4 percent in May after declining 2.3 percent in the preceding month. Prices received by the industry for engineering services climbed more in May than they had in April.

Price Movements June 2006



The Producer Price Index for Finished Goods increased 0.5 percent in June, seasonally adjusted. This rise followed advances of 0.2 percent in May and 0.9 percent in April. At the earlier stages of processing, prices received by producers of intermediate goods climbed 0.7 percent in June after increasing 1.1 percent in the prior month, and the crude goods index fell 1.7 percent following a 2.0-percent gain in May. (See table A.)

Among prices for finished goods, the index for consumer foods moved up 1.4 percent in June after decreasing 0.5 percent in May. Prices for energy goods rose 0.7 percent following a 0.4-percent advance in the previous month. By contrast, the index for finished goods other than foods and energy increased 0.2 percent in June compared with a 0.3-percent rise in May.

During the first 6 months of 2006, the finished goods index rose at a 2.1-percent seasonally adjusted annual rate (SAAR) after moving up at a 7.5-percent SAAR during the latter half of 2005. Leading this slower rate of advance were prices for finished energy goods, which climbed at a 4.1-percent SAAR from December 2005 to June 2006 after advancing at a 36.3-percent SAAR for the 6 months ended December 2005. The index for finished consumer foods declined at a 2.3-percent SAAR during the first half of 2006 after increasing at a 3.6-percent SAAR during the second half of 2005. By contrast, prices for finished goods other than foods and energy advanced at a 3.1-percent SAAR for the 6 months ended in June after rising at a 0.6-percent SAAR during the prior 6-month period. At the earlier stages of processing, the intermediate goods index increased at a 6.6-percent SAAR from December 2005 to June 2006 after moving up at a 12.1-percent SAAR during the latter half of 2005, and prices for crude goods fell at a 19.1-percent SAAR for the 6 months ended in June after surging at a 46.1-percent SAAR for the 6 months ended December 2005. (See summary table on page 2.)

Before seasonal adjustment, the Producer Price Index for Finished Goods rose 0.3 percent in June to 161.7 (1982 = 100). From June 2005 to June 2006, prices for finished goods increased 4.9 percent. Over the same period, the index for finished energy goods climbed 19.1 percent, prices for finished goods other than foods and energy advanced 1.9 percent, and the index for finished consumer foods rose 0.6 percent. For the 12 months ended June 2006, prices received by intermediate goods producers moved up 9.3 percent, and the crude goods index increased 8.6 percent.

Table A. **Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted**[1]

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2005							
June	0.1	−0.7	1.5	−0.1	3.7	0.2	−1.7
July	.8	−.7	3.9	.3	4.7	1.0	5.1
August	.5	−.2	3.0	0	5.3	.5	3.5
September	1.4	1.2	5.4	.2	6.9	2.3	10.5
October	.8	.1	4.3	−.3	5.9	3.0	5.7
November	−.5	.6	−3.1	.1	4.4	−1.3	−1.4
December	.7	.8	2.4	0	5.4	.3	−3.5
2006							
January	.3	−.2	.1	.4	5.6	1.0	−.8
February	−1.2	−2.2	−4.5	.3	3.9	−.5	−8.4
March	.4	.2	1.5	.2	3.5	.1	−2.4
April	.9	.1	4.0	.1	4.0	.9	1.2
May	.2	−.5	.4	.3	4.5	1.1	2.0
June	.5	1.4	.7	.2	4.9	.7	−1.7

[1] Some percent changes shown here and elsewhere in "Price Movements, June 2006" may differ from those previously reported because indexes for February 2006 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 of change in price indexes at selected stages of processing

Grouping	Percentage change, 12 months ended December			Seasonally adjusted annual rate for			
	2003	2004	2005	6 months ended June 2006	3 months ended December 2005	3 months ended March 2006	3 months ended June 2006
Finished goods	4.0	4.2	5.4	2.1	3.8	-2.2	6.7
Finished consumer foods	7.7	3.1	1.7	-2.3	6.0	-8.6	4.5
Finished energy goods	11.4	13.4	23.9	4.1	14.8	-11.4	22.3
Finished goods less foods and energy	1.0	2.3	1.4	3.1	-.8	3.9	2.3
Finished consumer goods, excluding foods and energy	1.1	2.2	1.6	3.2	-1.0	4.4	1.9
Capital equipment	.8	2.4	1.2	3.1	-.8	3.1	3.0
Intermediate materials, supplies, and components	3.9	9.2	8.6	6.6	7.8	2.3	11.1
Intermediate foods and feeds	12.9	-2.3	2.4	-1.5	2.7	-3.2	.3
Intermediate energy goods	10.9	15.8	26.2	4.4	3.7	-7.5	17.9
Intermediate materials less foods and energy	2.1	8.3	4.8	7.7	9.3	5.7	9.8
Materials for nondurable manufacturing	4.9	13.7	8.9	8.2	10.2	6.5	10.0
Materials for durable manufacturing	4.0	18.3	5.9	22.0	21.4	13.0	31.7
Materials and components for construction	3.0	10.1	6.1	7.7	12.0	7.7	7.8
Crude materials for further processing	19.5	17.4	21.1	-19.1	2.2	-38.2	5.7
Foodstuffs and feedstuffs	24.1	-2.6	1.6	-13.9	14.7	-28.6	3.9
Crude energy materials	14.4	35.9	42.2	-36.9	-5.9	-54.8	-12.1
Crude nonfood materials less energy	21.6	20.5	5.2	37.1	11.5	15.2	63.1

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

The index for finished consumer foods rose 1.4 percent in June following a 0.5-percent decrease in May. Prices for processed young chickens jumped 12.1 percent after edging down 0.2 percent in the preceding month. Also turning up in June were the indexes for eggs for fresh use, fresh fruits and melons, and dairy products. Prices for fresh and dry vegetables declined less in June than they had a month earlier, while the indexes for pork and confectionery end products increased more than in May. Conversely, beef and veal prices moved up 0.4 percent in June following a 2.3-percent gain in the prior month. The indexes for soft drinks and bakery products also advanced less than they had in the previous month. (See table 2.)

Prices for finished energy goods rose 0.7 percent in June after moving up 0.4 percent in May. Leading this acceleration, the gasoline index climbed 6.3 percent following a 2.2-percent increase in the preceding month. Prices for home heating oil and diesel fuel also rose more in June than they had a month earlier. The index for lubricating and similar oils, which was unchanged in May, advanced in June. By contrast, prices for residential electric power fell 2.8 percent in June after inching up 0.1 percent in the prior month. The index for residential natural gas declined at a faster rate than it had in May, while prices for liquefied petroleum gas and kerosene rose less than in the previous month.

The index for finished goods other than foods and energy increased 0.2 percent in June following a 0.3-percent advance in May. In June, rising prices for passenger cars, light motor trucks, civilian aircraft, pharmaceutical preparations, alcoholic beverages, and mobile homes outweighed falling prices for platinum and karat gold jewelry; home electronic equipment; electronic computers; and women's, girls', and infants' apparel.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components rose 0.7 percent in June following a 1.1-percent advance in the prior month. Prices for materials for durable manufacturing, intermediate energy goods, materials and components for construction, and materials for nondurable manufacturing also increased less than they had in May. By contrast, the index for intermediate foods and feeds turned up after falling in the previous month. Prices for intermediate goods other than foods and energy moved up 0.8 percent in June compared with a 1.1-percent jump in May. (See table B.)

The index for materials for durable manufacturing climbed 1.1 percent in June after rising 4.4 percent in May. Hot rolled steel sheet and strip prices increased 5.6 percent in June after gaining 7.9 percent a month earlier. The index for aluminum mill shapes also advanced less than it had in May. Prices for

Table B. **Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted**[1]

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.)
2005								
June	−0.1	1.7	−0.1	6.2	−2.4	−0.5	−3.6	2.5
July	−.2	4.4	.1	6.8	−.6	10.8	.6	7.9
August	−.1	3.0	−.1	6.3	−1.2	6.0	4.6	12.1
September	−.1	7.4	1.0	8.7	1.7	17.1	5.6	29.7
October	.4	8.8	1.4	10.9	−.1	10.9	−1.5	31.8
November	0	−6.9	.4	8.5	1.0	−3.4	2.4	21.6
December	.3	−.4	.4	8.6	2.5	−8.1	1.9	21.1
2006								
January	.7	1.6	.9	9.2	−3.1	.2	−.2	22.1
February	−1.1	−3.2	.3	8.0	−3.0	−14.9	3.1	12.6
March	−.4	−.3	.2	7.0	−2.2	−3.8	.8	4.9
April	−.7	2.8	.4	7.3	−1.4	1.3	4.7	3.4
May	−.2	1.0	1.1	8.9	−2.3	2.5	6.2	8.6
June	1.0	.4	.8	9.3	4.8	−6.8	1.7	8.6

[1] Some percent changes shown here and elsewhere in "Price Movements, June 2006" may differ from those previously reported because indexes for February 2006 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

primary nonferrous metals, copper and brass mill shapes, softwood lumber, and building paper and board turned down after rising in the previous month. By contrast, the index for cold rolled steel sheet and strip increased 8.4 percent in June compared with a 1.2-percent gain in the preceding month. Prices for hot rolled steel bars, plates, and structural shapes also advanced more than they had in May. The index for thermoplastic resins turned up after declining in the prior month. (See table 2.) From December 2005 to June 2006, the index for materials for durable manufacturing jumped at a 22.0-percent SAAR after moving up at an 11.2-percent SAAR in the previous 6-month period.

The intermediate energy goods index advanced 0.4 percent in June after increasing 1.0 percent in the preceding month. The increase in the index for residual fuel slowed to 7.3 percent from 10.3 percent in May. Prices for both industrial and commercial natural gas fell more than in the preceding month. The index for natural gas to electric utilities turned down in June after increasing a month earlier. By contrast, prices for industrial electric power turned up 0.9 percent after falling 0.8 percent in May. The index for commercial electric power also rose after declining in the previous month. Prices for gasoline, jet fuels, and home heating oil advanced more than in the prior month. The index for intermediate energy goods moved up at a 4.4-percent SAAR during the first half of 2006 after climbing at a 36.0-percent SAAR in the second half of 2005.

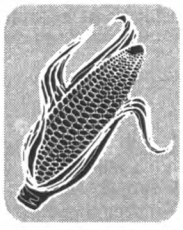
Subsequent to a 1.2-percent gain in May, prices for materials and components for construction increased 0.3 percent in June. The index for paving mixtures and blocks rose 2.6 percent after advancing 7.1 percent in the previous month. Prices for nonferrous wire and cable, softwood lumber, gypsum products, and building paper and board turned down in June following increases in the prior month. The treated wood index fell after showing no change in May. Alternatively, prices for fabricated structural metal products went up 1.1 percent in June after rising 0.6 percent in the preceding month. The index for steel mill products also advanced more in June, and prices for wiring devices turned up from declines in May. The index for air conditioning and refrigeration equipment moved up after showing no change in the previous month. During the first half of 2006, the index for materials and components for construction advanced at a 7.7-percent SAAR after increasing at the same rate in the second half of 2005.

Prices for materials for nondurable manufacturing moved up 1.0 percent in June after increasing 1.4 percent a month earlier. The increase in the index for paperboard slowed to 1.0 percent from 5.3 percent in May. The indexes for inedible fats and oils, phosphates, aluminum compounds, and finished fabrics turned down in June after moving up in the prior month. By contrast, prices for plastic resins and materials advanced 1.3 percent following a 1.2-percent drop in the preceding month. The index for intermediate basic organic chemicals also turned up in June. Prices for primary basic organic chemicals and for paper rose more in June than they had in May. From December 2005 to June 2006, prices for materials for nondurable manufacturing climbed at an 8.2-percent SAAR after rising at a 14.8-percent SAAR from June to December 2005.

The intermediate foods and feeds index moved up 1.0 percent in June following a 0.2-percent decline in the prior month. Prices for shortening and cooking oils advanced 0.8 percent after falling 1.7 percent in May. The indexes for processed young chickens; natural, processed, and imitation

cheese; and confectionery materials also turned up in June. Prices for prepared animal feeds were unchanged in June after decreasing a month earlier. The pork index rose more than in the previous month. Conversely, the index for beef and veal increased 0.4 percent in June after advancing 2.3 percent a month earlier. Prices for flour also rose less than they had in May. The index for soft drink beverage bases was unchanged after moving up a month earlier. Prices for intermediate foods and feeds declined at a 1.5-percent SAAR in the first half of 2006 after increasing at a 0.6-percent SAAR in the prior 6-month period.

Crude goods



The Producer Price Index for Crude Materials for Further Processing declined 1.7 percent in June following a 2.0-percent increase in May. Prices for crude energy materials fell after rising in the previous month. The index for basic industrial materials increased less than it had in May. By contrast, prices for crude foodstuffs and feedstuffs turned up following declines in the prior month. (See table B.)

The index for crude energy materials fell 6.8 percent in June after increasing 2.5 percent in the preceding month. Leading this downturn, prices for natural gas dropped 10.8 percent following a 2.3-percent gain in May. The index for crude petroleum decreased 3.7 percent after rising 3.8 percent in the prior month. Alternatively, coal prices were unchanged following a 2.2-percent decline in May. (See table 2.) During the first half of 2006, the crude energy materials index decreased at a 36.9-percent SAAR after rising at an 83.8-percent SAAR in the previous 6-month period.

Prices for crude nonfood materials less energy increased 1.7 percent in June after a 6.2-percent rise in the prior month. The iron and steel scrap index advanced 6.2 percent following a 6.8-percent gain in May. Prices for gold ores, both copper and aluminum base scrap, and wastepaper fell after increasing in the previous month. By contrast, the raw cotton index declined 0.6 percent in June following a 13.0-percent decrease in the preceding month. Prices for miscellaneous metal ores turned up, while the index for hides and skins rose more than it had in May. From December 2005 to June 2006, the index for basic industrial materials increased at a 37.1-percent SAAR after rising at a 30.4-percent SAAR in the second half of 2005.

The index for crude foodstuffs and feedstuffs advanced 4.8 percent compared with a 2.3-percent decline in May. Slaughter cattle prices increased 2.5 percent in June after falling 5.2 percent in the preceding month. Prices for fluid milk, Irish potatoes for processing, fresh fruits and melons, and alfalfa hay also turned up. The indexes for slaughter hogs and for slaughter broilers and fryers rose more in June than they had a month earlier. Alternatively, prices for soybeans fell 1.4 percent following a 5.9-percent gain in May. The index for corn also decreased after rising in the previous month. The index for crude foodstuffs and feedstuffs declined at a 13.9-percent SAAR in the first half of 2006 after increasing at a 6.9-percent SAAR in the prior 6-month period.

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

Mining. The Producer Price Index for the Net Output of Total Mining Industries declined 4.4 percent in June after rising 3.1 percent in May. (Net output price indexes are not seasonally adjusted.) The majority of this downturn can be attributed to prices received by the oil and gas extraction industry group, which declined 6.5 percent following a 3.2-percent gain in May. Prices received for gold ore mining and for oil and gas well drilling also turned down in June. The index for the bituminous coal underground mining industry fell more than in the previous month. The index for potash, soda, and borate mineral mining was unchanged in June following an increase in the prior month, and prices received by the construction sand and gravel mining industry rose less than in May. By contrast, the index for oil and gas operations support activities increased 1.8 percent following a 0.3-percent decrease in May. Prices received for bituminous coal and lignite surface mining also turned up in June. During the first half of 2006, the Producer Price Index for the Net Output of Total Mining Industries declined at a 25.3-percent annual rate compared with a 73.5-percent rate of increase in the second half of 2005. In June 2006, this index was 202.7 (December 1984 = 100), 13.8 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries increased 0.6 percent in June following a 0.9-percent gain a month earlier. The industry group index for petroleum and coal products advanced 3.0 percent after increasing 4.3 percent in May. Prices received by manufacturers of electrical equipment, appliances, and components and by producers of primary metals also rose less than they had in the prior month. The industry group indexes for wood products, plastic and rubber products, computers and electronic products, and medical equipment and supplies turned down in June. Alternatively, prices received by food manufacturers moved up 1.2 percent subsequent to a 0.6-percent increase in May. The industry group index for transportation equipment was unchanged after falling in the previous month, while the beverage and tobacco industry group index increased after remaining unchanged in May. From December 2005 to June 2006, the Producer Price Index for the Net Output of Total Manufacturing Industries rose at an annual rate of 9.0 percent following a 4.3-percent rate of increase from June to December 2005. In June 2006, this index was 159.5 (December 1984 = 100), 6.6 percent higher than its year-ago level.

Services. Among services industries in June, prices received by commercial bankers advanced 5.8 percent after decreasing 2.2 percent in May. The industry indexes for scheduled passenger air transportation, cellular and other

wireless carriers, portfolio management, passenger car rental, lessors of nonresidential buildings (excluding miniwarehouses), and investment banking and securities dealing also turned up in June.

Conversely, prices paid for engineering services edged down 0.1 percent following a 1.3-percent rise in the previous month. The industry index for long-distance general freight trucking (less than truckload) also turned down in June.

Price Movements July 2006

The Producer Price Index for Finished Goods moved up 0.1 percent in July, seasonally adjusted. This increase followed a 0.5-percent advance in June and a 0.2-percent rise in May. Prices for finished goods other than foods and energy decreased 0.3 percent in July after moving up 0.2 percent in the previous month. At the earlier stages of processing, prices received by manufacturers of intermediate goods advanced 0.5 percent compared with a 0.7-percent gain in June. The index for crude materials climbed 3.1 percent after declining 1.7 percent in the prior month. (See table A.)

In July, a 1.3-percent increase in prices for finished energy goods slightly outweighed price declines of 0.3 percent for finished goods less foods and energy and for finished consumer foods.

Before seasonal adjustment, the Producer Price Index for Finished Goods rose 0.2 percent in July to 162.0 (1982 = 100). From July 2005 to July 2006, the finished goods index moved up 4.2 percent. Over the same period, prices for finished energy goods jumped 16.3 percent, the index for finished goods other than foods and energy increased 1.3 percent, and prices for finished consumer foods advanced 1.1 percent. For the 12-month period ended July 2006, the index for intermediate goods climbed 8.9 percent, and prices received by producers of crude goods advanced 6.6 percent.

Finished goods

The finished energy goods index increased 1.3 percent in July compared with a 0.7-percent rise in June. Prices for residential electric power advanced 1.8 percent following a 2.8-percent decline in the previous month. The indexes for residential natural gas and lubricating grease also turned up after declining in June. Prices for liquefied petroleum gas rose more than they had a month earlier. By contrast, the gasoline index gained 0.7 percent after climbing 6.3 percent in June. Prices for home heating oil, diesel fuel, and kerosene turned down in July. (See table 2.)

The index for finished goods other than foods and energy declined 0.3 percent in July after edging up 0.2 percent a month earlier. Prices for light motor trucks decreased 3.1 percent compared with a 0.4-percent advance in June. The indexes for passenger cars, pharmaceutical preparations, civilian aircraft, mobile homes, newspaper circulation, railroad equipment, and integrating and measuring instruments also turned down in July. Prices for men's and boys' apparel fell after remaining unchanged in June, and the index for alcoholic beverages advanced less than it had a month earlier. By contrast, tire prices increased 3.5 percent following no

Table A. **Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted**[1]

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2005							
July	0.8	−0.7	3.9	0.3	4.7	1.0	5.1
August	.5	−.2	3.0	0	5.3	.5	3.5
September	1.4	1.2	5.4	.2	6.9	2.3	10.5
October	.8	.1	4.3	−.3	5.9	3.0	5.7
November	−.5	.6	−3.1	.1	4.4	−1.3	−1.4
December	.7	.8	2.4	0	5.4	.3	−3.5
2006							
January	.3	−.2	.1	.4	5.6	1.0	−.8
February	−1.2	−2.2	−4.5	.3	3.9	−.5	−8.4
March	.4	.4	1.5	.2	3.6	.2	−2.6
April	.9	−.1	4.0	.1	4.0	.7	1.3
May	.2	−.5	.4	.3	4.5	1.1	2.0
June	.5	1.4	.7	.2	4.9	.7	−1.7
July	.1	−.3	1.3	−.3	4.2	.5	3.1

[1] Some percent changes shown here and elsewhere in "Price Movements, July 2006" may differ from those previously reported because indexes for March 2006 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 adjusted**[1]

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.)
2005								
July	−0.2	4.4	0.1	6.8	−0.6	10.8	0.6	7.9
August	−.1	3.0	−.1	6.3	−1.2	6.0	4.6	12.1
September	−.1	7.4	1.0	8.7	1.7	17.1	5.6	29.7
October	.4	8.8	1.4	10.9	−.1	10.9	−1.5	31.8
November	0	−6.9	.4	8.5	1.0	−3.4	2.4	21.6
December	.3	−.4	.4	8.6	2.5	−8.1	1.9	21.1
2006								
January	.7	1.6	.9	9.2	−3.1	.2	−.2	22.1
February	−1.1	−3.2	.3	8.0	−3.0	−14.9	3.1	12.6
March	−.1	−.4	.4	7.2	−2.4	−4.3	1.3	4.7
April	−1.0	2.8	.2	7.3	−1.2	1.8	4.1	3.4
May	−.2	1.0	1.1	8.9	−2.3	2.5	6.2	8.6
June	1.0	.4	.8	9.3	4.8	−6.8	1.7	8.6
July	.4	−.1	.7	8.9	1.8	4.8	1.3	6.6

[1] Some percent changes shown here and elsewhere in "Price Movements, July 2006" may differ from those previously reported because indexes for March 2006 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

change in June. The indexes for women's, girls', and infants' apparel and for commercial furniture turned up in July, while prices for platinum and karat gold jewelry declined less than they had in the prior month.

The finished consumer foods index decreased 0.3 percent in July after rising 1.4 percent in June. The index for eggs for fresh use dropped 26.1 percent following a 27.7-percent climb a month earlier. Prices for fresh fruits and melons, finfish and shellfish, soft drinks, dairy products, processed fruits and vegetables, and beef and veal also turned down in July after increasing in the prior month. The indexes for processed young chickens, confectionery end products, and pork rose less than in June. Conversely, prices for fresh and dry vegetables advanced 6.5 percent in July following a 7.5-percent decline in June.

Intermediate goods

The index for Intermediate Materials, Supplies, and Components increased 0.5 percent in July after advancing 0.7 percent in June. Prices for materials for nondurable manufacturing and for intermediate foods and feeds rose less than they had in June, while the index for intermediate energy goods turned down in July. By contrast, prices for materials for durable manufacturing and for materials and components for construction increased more in July than they had in the preceding month. The index for intermediate goods less foods and energy moved up 0.7 percent after rising 0.8 percent in June. (See table B.)

The materials for nondurable manufacturing index edged up 0.2 percent in July following a 1.0-percent gain in the preceding month. Prices for primary basic organic chemicals increased 2.2 percent after advancing 5.4 percent in June. The indexes for plastic resins and materials, paperboard, and synthetic fibers also rose less in July than they had in the prior month. Prices for intermediate basic organic chemicals, paper, and nitrogenates turned down following increases a month earlier. Conversely, the index for finished fabrics moved up 0.6 percent in July after decreasing 0.2 percent in June. Prices for phosphates also advanced following declines in the previous month. (See table 2.)

Prices for intermediate energy goods inched down 0.1 percent in July after rising 0.4 percent in the prior month. Diesel fuel prices dropped 5.0 percent following a 5.4-percent advance in June. The indexes for jet fuel, residual fuel, and home heating oil also turned down in July. Prices for gasoline increased less than they had in June. By contrast, the industrial natural gas index moved up 2.9 percent in July after declining 7.3 percent in June. Prices also turned up in July for commercial natural gas and natural gas to electric utilities. The index for liquefied petroleum gas rose more than it had in June.

The rate of increase in the index for intermediate foods and feeds slowed from 1.0 percent in June to 0.4 percent in July. Prices for processed young chickens rose 1.9 percent following a 12.1-percent jump in June. The index for pork also advanced less in July than it had a month earlier. Prices for natural, processed, and imitation cheese and for beef and veal turned down after increasing in June. Alternatively, the index for fluid milk products moved up 1.1 percent in July following a 0.3-percent decline in the preceding month. Prices for flour and for refined sugar and byproducts advanced more than they had in June. The prepared animal feeds index increased after remaining unchanged in the previous month.

Prices for materials for durable manufacturing advanced 2.3 percent in July following a 1.1-percent gain in the prior month. The index for primary nonferrous metals jumped 11.4 percent after falling 3.5 percent in June. Prices for copper and brass mill shapes and for plywood also turned up in July. The indexes for softwood lumber and for building paper and board decreased less than they had in the previous month. By contrast, prices for aluminum mill shapes fell 2.3 percent after rising 2.4 percent in June. The index for secondary aluminum also turned down in July following a gain in the previous month. Prices for semifinished steel mill products, cold finished steel bars, and unprocessed filament yarns increased less than they had in June.

Prices for materials and components for construction increased 0.7 percent in July after rising 0.3 percent in June. The index for concrete products advanced 1.4 percent following a 0.2-percent gain in the prior month. Softwood lumber prices declined less in July than they had a month earlier. The indexes for plastic construction products, plumbing fixtures and brass fittings, and plywood turned up after falling in the preceding month. Alternatively, prices for wiring devices rose 0.2 percent in July following a 1.4-percent increase in June. The index for air-conditioning and refrigeration equipment also rose less than it had in the preceding month, and prices for nonferrous wire and cable fell more than in June.

Crude goods

The Producer Price Index for Crude Materials for Further Processing increased 3.1 percent in July following a 1.7-percent decrease in June. Leading this reversal were prices for crude energy materials, which rose after falling in the previous month. By contrast, the indexes for crude foodstuffs and feedstuffs and for crude nonfood materials less energy advanced less in July than they had in the preceding month. (See table B.)

The index for crude energy materials turned up 4.8 percent after decreasing 6.8 percent in June. Leading this upturn, the natural gas index rose 1.2 percent following a 10.8-percent drop in the prior month. Crude petroleum prices moved up 9.4 percent in July after a 3.7-percent decline a month earlier. The index for coal increased 0.6 percent following no change in the preceding month. (See table 2.)

Price increases for crude foodstuffs and feedstuffs slowed from 4.8 percent in June to 1.8 percent in July. The index for slaughter broilers and fryers advanced 6.4 percent following a 14.7-percent increase in the previous month. Prices for slaughter cattle also rose less in July than they had a month earlier, while the indexes for slaughter hogs, fluid milk, and fresh fruits and melons fell after increasing in June. Conversely, corn prices climbed 8.0 percent following a 1.2-percent decline in June. The indexes for wheat, fresh vegetables (except potatoes), and soybeans also rose in July after falling in the prior month.

The crude nonfood materials less energy index increased 1.3 percent following a 1.7-percent advance in the preceding month. In July, rising prices for wastepaper; construction sand, gravel, and crushed stone; gold ores; and miscellaneous metal ore mining outweighed falling prices for iron and steel scrap, copper base scrap, aluminum base scrap, and raw cotton.

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

Mining. The Producer Price Index for the Net Output of Total Mining Industries increased 5.0 percent in July after decreasing 4.4 percent in June. (Net output price indexes are not seasonally adjusted.) Leading this upturn, prices received by the industry for crude petroleum and natural gas extraction jumped 5.3 percent following a 6.5-percent drop in the previous month. Also advancing in July following declines a month earlier were the industry indexes for natural gas liquid extraction, gold ore mining, oil and gas well-drilling services, bituminous coal underground mining, and crushed and broken granite mining and quarrying. Alternatively, prices received by the industry for miscellaneous metal ore mining rose 3.9 percent after climbing 7.0 percent in June. The index for oil and gas operations support activities also moved up at a slower rate than it had in the preceding month. In July, the Producer Price Index for Total Mining Industries was 212.9 (December 1984 = 100), 10.1 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries inched up 0.1 percent in July after increasing 0.6 percent in June. Prices received by producers of petroleum and coal products edged up 0.1 percent following a 3.0-percent gain in the previous month. The industry group indexes for foods, paper, and machinery manufacturing also advanced less in July than they had in the previous month. Prices received by producers of transportation equipment moved down in July after registering no change in June. The indexes for beverage and tobacco manufacturing and for printing and related support activities turned down after climbing in the prior month. Conversely, prices received by the plastics and rubber products industry group rose 0.6 percent in July compared with a 0.6-percent decline in June. The industry group index for manufacturers of medical equipment and supplies also turned up after falling in the preceding month, while prices received by wood products manufacturers decreased less than they had in June. In July, the Producer Price Index for Total Manufacturing Industries was 159.7 (December 1984 = 100), 5.8 percent above its year-ago level.

Services. Among services industries, prices received by commercial bankers fell 3.6 percent in July following a 5.8-percent jump in June. The industry indexes for portfolio management, television broadcasting, software publishers, and lessors of nonresidential buildings (excluding miniware-

houses) also moved down in July after rising a month earlier. Prices received by the scheduled passenger air transportation industry and savings institutions increased at slower rates than they had in June. By contrast, the index for general medical and surgical hospitals climbed 0.8 percent in July after moving up 0.1 percent in the prior month. Prices received by the industries for investment banking and securities dealing and for specialty hospitals (except psychiatric and substance abuse) also advanced more in July than they had in the previous month.

Price Movements August 2006

The Producer Price Index for Finished Goods rose 0.1 percent in August, seasonally adjusted. This advance followed increases of 0.1 percent in July and 0.5 percent in June. The index for finished goods other than foods and energy decreased 0.4 percent in August after declining 0.3 percent in the prior month. At the earlier stages of processing, prices received by producers of intermediate goods moved up 0.4 percent in August following a 0.5-percent gain in the previous month, while the crude goods index rose 2.2 percent after advancing 3.1 percent in July. (See table A.)

Among finished goods in August, prices for consumer foods climbed 1.4 percent and the index for energy goods moved up 0.3 percent. These increases slightly outweighed falling prices for consumer goods other than foods and energy and for capital equipment, which fell 0.5 percent and 0.3 percent, respectively.

Before seasonal adjustment, the Producer Price Index for Finished Goods rose 0.1 percent in August to 162.1 (1982 = 100). From August 2005 to August 2006, prices for finished goods advanced 3.7 percent. Over the same period, the index for finished energy goods jumped 13.2 percent, prices for finished consumer foods moved up 2.8 percent, and the index for finished goods other than foods and energy increased 0.9 percent. At the earlier stages of processing, prices for intermediate goods climbed 8.8 percent, and the crude goods index rose 5.3 percent for the 12 months ended August 2006.

Finished goods

The index for finished consumer foods advanced 1.4 percent in August after moving down 0.3 percent in July. Prices for fresh and dry vegetables surged 20.7 percent following a rise of 6.5 percent in the previous month. The index for processed young chickens also increased more in August than it had a month earlier. Prices for fresh fruits and melons, eggs for fresh use, dairy products, soft drinks, and processed turkeys turned up after falling in July. By contrast, the beef and veal index decreased 1.5 percent in August following a 0.2-percent decline in the prior month. The index for portion-controlled meat products moved down after advancing in July, and pork prices rose less in August than they had in the preceding month. (See table 2.)

The index for finished energy goods increased 0.3 percent in August following a 1.3-percent gain in July. Prices for liquefied petroleum gas rose 0.9 percent after climbing 11.5 percent in the prior month. The index for residential electric power also moved up less in August than it had in July. Gasoline prices turned down following advances in the preceding month. Alternatively, the index for residential natural gas increased 1.6 percent in August after rising 0.9 percent a month earlier. Prices for home heating oil and diesel fuel turned up following declines in July.

Table A. **Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted**[1]

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2005							
August	0.5	−0.2	3.0	0.0	5.3	0.5	3.5
September	1.4	1.2	5.4	.2	6.9	2.3	10.5
October	.8	.1	4.3	−.3	5.9	3.0	5.7
November	−.5	.6	−3.1	.1	4.4	−1.3	−1.4
December	.7	.8	2.4	0	5.4	.3	−3.5
2006							
January	.3	−.2	.1	.4	5.6	1.0	−.8
February	−1.2	−2.2	−4.5	.3	3.9	−.5	−8.4
March	.4	.4	1.5	.2	3.6	.2	−2.6
April	.9	.3	4.0	.1	4.1	1.0	2.6
May	.1	−.8	.5	.3	4.5	.8	.8
June	.5	1.4	.7	.2	4.9	.7	−1.7
July	.1	−.3	1.3	−.3	4.2	.5	3.1
August	.1	1.4	.3	−.4	3.7	.4	2.2

[1] Some percent changes shown here and elsewhere in "Price Movements, August 2006" may differ from those previously reported because indexes for April 2006 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 adjusted**[1]

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.)
2005								
August	−0.1	3.0	−0.1	6.3	−1.2	6.0	4.6	12.1
September	−.1	7.4	1.0	8.7	1.7	17.1	5.6	29.7
October	.4	8.8	1.4	10.9	−.1	10.9	−1.5	31.8
November	0	−6.9	.4	8.5	1.0	−3.4	2.4	21.6
December	.3	−.4	.4	8.6	2.5	−8.1	1.9	21.1
2006								
January	.7	1.6	.9	9.2	−3.1	.2	−.2	22.1
February	−1.1	−3.2	.3	8.0	−3.0	−14.9	3.1	12.6
March	−.1	−.4	.4	7.2	−2.4	−4.3	1.3	4.7
April	−.7	3.0	.6	7.7	−1.0	3.6	5.3	4.6
May	−.5	.9	.7	8.9	−2.6	.8	5.0	8.6
June	1.0	.4	.8	9.3	4.8	−6.8	1.7	8.6
July	.4	−.1	.7	8.9	1.8	4.8	1.3	6.6
August	−.2	.7	.4	8.8	.1	5.9	−2.8	5.3

[1] Some percent changes shown here and elsewhere in "Price Movements, August 2006" may differ from those previously reported because indexes for April 2006 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 consumer goods other than foods and energy decreased 0.5 percent in August after moving down 0.3 percent in July. Passenger car prices fell 2.6 percent in August following a 0.8-percent decline a month earlier. The indexes for pharmaceutical preparations and light motor trucks also decreased more than they had in July. Prices for alcoholic beverages, tires, and periodical circulation turned down in August after rising in the preceding month. Conversely, the index for men's and boys' apparel advanced 1.2 percent following a 0.6-percent decline in July. Prices for newspaper circulation and household appliances also increased in August after falling in the previous month.

The capital equipment index decreased 0.3 percent in August after moving down 0.2 percent in July. Leading the August decline, prices for light motor trucks dropped 3.4 percent. The indexes for passenger cars, electronic computers, and communication and related equipment also fell in August. By contrast, prices for civilian aircraft, industrial material handling equipment, transformers and power regulators, truck trailers, and heavy motor trucks increased in August.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components advanced 0.4 percent in August following a 0.5-percent gain in July. In August, rising prices for energy goods, materials and components for construction, and materials for both durable and nondurable manufacturing outweighed falling prices for foods and feeds. The index for intermediate goods excluding foods and energy moved up 0.4 percent in August following a 0.7-percent increase a month earlier. (See table B.)

Prices for intermediate energy goods rose 0.7 percent in August after edging down 0.1 percent in July. The jet fuels index climbed 6.7 percent compared with a 5.3-percent decline a month earlier. Prices for diesel fuel and residual fuel also moved up after decreasing in July. The index for industrial natural gas increased more than it had in the previous month. Alternatively, gasoline prices fell 2.2 percent subsequent to a 0.7-percent advance in July. The index for commercial electric power also turned down in August. Prices for liquefied petroleum gas and natural gas to electric utilities advanced less than they had in the previous month. (See table 2.)

The index for materials and components for construction increased 0.4 percent in August following a 0.7-percent gain in July. Prices for concrete products inched up 0.1 percent after advancing 1.4 percent a month earlier. The indexes for steel mill products, paving mixtures and blocks, plumbing fixtures and brass fittings, and plastic construction products also rose less than they had in the prior month. Prices for softwood lumber fell more than they had in July. The indexes for plywood and millwork turned down in August. Conversely, prices for nonferrous wire and cable moved up 3.3 percent following a 1.0-percent decline in July. The asphalt felts and coatings index advanced in August after remaining unchanged in the previous month.

The materials for durable manufacturing index rose 0.4 percent in August after moving up 2.3 percent in July. The rate of increase for the cold rolled steel sheet and strip index slowed from 8.6 percent in July to 0.8 percent in August. Prices for hot rolled steel sheet and strip also advanced less than in the prior month. The indexes for primary nonferrous metals; hot rolled steel bars, plates, and structural shapes; and copper and brass mill shapes turned down in August after rising a month earlier. The index for softwood lumber fell more than in

July. By contrast, prices for aluminum mill shapes edged up 0.1 percent in August after declining 2.3 percent in the previous month. Prices for semifinished steel mill products increased more than they had a month earlier.

The materials for nondurable manufacturing index edged up 0.2 percent in August, the same rate as in July. In August, rising prices for primary and intermediate basic organic chemicals, plastic resins and materials, inedible fats and oils, stemmed and redried tobacco, and paper outweighed falling prices for fertilizer materials and ethanol.

The index for intermediate foods and feeds declined 0.2 percent in August after increasing 0.4 percent in July. Flour prices fell 5.1 percent subsequent to a 2.8-percent rise in the prior month. The indexes for prepared animal feeds and for refined sugar and byproducts also turned down in August after rising a month earlier. Prices for beef and veal decreased at faster rates in August, while the index for fluid milk products rose less than it had in July. By contrast, prices for natural, processed, and imitation cheese advanced 2.4 percent compared with a 2.0-percent decline a month earlier. The index for dry, condensed, and evaporated milk products also turned up in August, and prices for processed young chickens increased more than they had in July.

Crude goods

The Producer Price Index for Crude Materials for Further Processing advanced 2.2 percent in August following a 3.1-percent rise in the previous month. Prices for crude foodstuffs and feedstuffs increased less than in the prior month, and the index for basic industrial materials turned down after rising in July. By contrast, prices for crude energy materials rose more in August than they had a month earlier. (See table B.)

The index for crude foodstuffs and feedstuffs increased 0.1 percent following a 1.8-percent gain in the preceding month. Price increases for slaughter broilers and fryers slowed from 6.4 percent in July to 3.2 percent in August. The indexes for corn, wheat, and soybeans turned down after rising a month earlier. By contrast, the index for slaughter cattle advanced 3.7 percent following a 1.0-percent rise in the prior month. The index for fresh vegetables (except potatoes) also increased at a faster rate in August than it had a month earlier. Prices for fresh fruits and melons and for slaughter hogs turned up after declining in July. (See table 2.)

Prices for crude nonfood materials less energy fell 2.8 percent after a 1.3-percent increase in July. Leading this downturn, the iron and steel scrap index dropped 14.7 percent in August following a 2.0-percent decrease in the previous month. Aluminum base scrap prices also fell more than in July. The index for wastepaper rose less than in the preceding month. Prices for softwood logs, bolts, and timber turned down after rising in the previous month. Conversely, the miscellaneous roundwood products index rose 4.0 percent in August after declining 0.1 percent a month earlier. The index for raw cotton also climbed following a decrease in July. Prices for copper base scrap were unchanged following a decline in the prior month, and the index for construction sand, gravel, and crushed stone rose more than it had a month earlier.

The crude energy materials index advanced 5.9 percent in August after rising 4.8 percent a month earlier. This acceleration can be attributed to natural gas prices, which jumped 15.7 percent after a 1.2-percent increase in the preceding month. Conversely, the crude petroleum index turned down 1.9 percent following a 9.4-percent rise in July. The index for coal fell 1.4 percent after increasing 0.6 percent 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 4.7 percent in August after advancing 5.0 percent in the preceding month. (Net output price indexes are not seasonally adjusted.) Contributing to this slower rate of increase, prices received by the oil and gas well drilling industry moved up 1.5 percent following a 2.3-percent gain in July. The industry index for bituminous coal and lignite surface mining turned down subsequent to rising in the prior month. Prices paid to the industry for oil and gas operations support activities were unchanged in August after increasing a month earlier. The industry indexes for gold ore mining, crushed and broken granite mining and quarrying, and construction sand and gravel mining advanced less than they had in July. Conversely, prices received by the natural gas liquid extraction industry climbed 8.1 percent in August compared with a 7.1-percent gain in the preceding month. The industry index for bituminous coal underground mining also advanced more than it had in July. In August, the Producer Price Index for Total Mining Industries was 222.9 (December 1984 = 100), 9.5 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries rose 0.1 percent in August after increasing at the same rate in July. In August, higher prices received by the manufacturers of petroleum and coal products, electrical equipment and appliances, plastic and rubber products, fabricated metal products, and machinery outweighed falling prices paid to the industry groups for transportation equipment, wood product manufacturing, and computer and electronic products. In August, the Producer Price Index for Total Manufacturing Industries was 159.8 (December 1984 = 100), 5.3 percent above its year-ago level.

Services. Among services industries, prices received by commercial bankers increased 2.0 percent in August following a 3.6-percent decline in July. The industry index for cellular and other wireless services also turned up after falling in the previous month, and prices received by the portfolio management industry were unchanged in August subsequent to

agement industry were unchanged in August subsequent to decreasing a month earlier. Alternatively, the industry index for investment banking and securities dealing declined 1.1 percent after moving up 1.8 percent in July. Prices also turned down in August for hotels and motels (excluding casino hotels), passenger car rental, and scheduled freight air transportation. The index for general medical and surgical hospitals rose less in August compared with the prior month, and prices received by Internet service providers fell more than they had in July.

Price Movements September 2006

The Producer Price Index for Finished Goods fell 1.3 percent in September, seasonally adjusted. This decline followed increases of 0.1 percent in both August and July. At the earlier stages of processing, prices received by manufacturers of intermediate goods moved down 1.4 percent in September after increasing 0.4 percent in the preceding month, and the crude goods index dropped 3.4 percent following a 2.2-percent gain in August. (See table A.)

Among finished goods in September, prices for energy goods declined 8.4 percent compared with a 0.3-percent increase in August. The finished consumer foods index rose 0.7 percent after advancing 1.4 percent in the prior month. By contrast, prices for finished goods other than foods and energy climbed 0.6 percent in September following a 0.4-percent decline in August.

During the third quarter of 2006, prices for finished goods decreased at a seasonally adjusted annual rate (SAAR) of 4.4 percent after moving up at a 6.4-percent SAAR during the second quarter of 2006. Excluding prices for foods and energy, the finished goods index edged down at a 0.3-percent SAAR for the 3 months ended September 2006 subsequent to rising at a 2.3-percent SAAR for the 3 months ended June 2006. Among prices for raw and partially processed goods, the intermediate goods index fell at a 1.9-percent SAAR in the third quarter of 2006 after climbing at a 10.3-percent SAAR from March to June 2006. The crude goods index moved up at an 8.0-percent SAAR for the 3 months ended September 2006 following a 6.4-percent rate of increase during the previous quarter. (See summary table on page 2.)

Before seasonal adjustment, the Producer Price Index for Finished Goods decreased 1.1 percent in September to 160.3 (1982 = 100). From September 2005 to September 2006, prices for finished goods rose 0.9 percent. Over the same period, the index for finished goods other than foods and energy went up 1.2 percent, prices for finished consumer foods climbed 2.2 percent, and the finished energy goods index declined 1.8 percent. For the 12 months ended September 2006, intermediate goods prices advanced 4.7 percent, and the crude goods index decreased 7.8 percent.

Finished goods

The index for finished energy goods declined 8.4 percent in September following a 0.3-percent gain in August. Over half of this downturn was due to gasoline prices, which dropped 22.2 percent in September subsequent to a 2.2-percent decrease in the previous month. The indexes for home heating oil, liquefied petroleum gas, residential electric power, and diesel fuel turned down after rising

Table A. **Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted**[1]

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2005							
September	1.4	1.2	5.4	0.2	6.9	2.3	10.5
October	.8	.1	4.3	−.3	5.9	3.0	5.7
November	−.5	.6	−3.1	.1	4.4	−1.3	−1.4
December	.7	.8	2.4	0	5.4	.3	−3.5
2006							
January	.3	−.2	.1	.4	5.6	1.0	−.8
February	−1.2	−2.2	−4.5	.3	3.9	−.5	−8.4
March	.4	.4	1.5	.2	3.6	.2	−2.6
April	.9	.3	4.0	.1	4.1	1.0	2.6
May	.1	−.8	.8	.3	4.5	1.1	1.7
June	.5	1.5	.3	.3	4.9	.4	−2.6
July	.1	−.3	1.3	−.3	4.2	.5	3.1
August	.1	1.4	.3	−.4	3.7	.4	2.2
September	−1.3	.7	−8.4	.6	.9	−1.4	−3.4

[1] Some percent changes shown here and elsewhere in "Price Movements, September 2006" may differ from those previously reported because indexes for May 2006 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 of change in price indexes at selected stages of processing

Grouping	Percentage change 12 months ended December			Seasonally adjusted annual rate for			
	2003	2004	2005	9 months ended September 2006	3 months ended March 2006	3 months ended June 2006	3 months ended September 2006
Finished goods	4.0	4.2	5.4	-0.1	-2.0	6.4	-4.4
Finished consumer foods	7.7	3.1	1.7	.9	-7.9	3.7	7.6
Finished energy goods	11.4	13.4	23.9	-6.5	-11.4	22.3	-24.7
Finished goods less foods and energy	1.0	2.3	1.4	2.0	3.9	2.3	-.3
Finished consumer goods, excluding foods and energy	1.1	2.2	1.6	1.8	4.2	2.2	-1.0
Capital equipment	.8	2.4	1.2	2.2	3.6	2.5	.5
Intermediate materials, supplies, and components	3.9	9.2	8.6	3.7	3.0	10.3	-1.9
Intermediate foods and feeds	12.9	-2.3	2.4	.3	-2.1	-.9	3.9
Intermediate energy goods	10.9	15.8	26.2	-6.4	-7.8	18.2	-24.8
Intermediate materials less foods and energy	2.1	8.3	4.8	6.8	6.5	9.0	5.0
Materials for nondurable manufacturing	4.9	13.7	8.9	3.8	5.7	10.8	-4.4
Materials for durable manufacturing	4.0	18.3	5.9	19.1	14.9	29.6	13.4
Materials and components for construction	3.0	10.1	6.1	6.9	7.7	7.8	5.2
Crude materials for further processing	19.5	17.4	21.1	-11.0	-38.6	6.4	8.0
Foodstuffs and feedstuffs	24.1	-2.6	1.6	-4.4	-29.1	4.6	18.0
Crude energy materials	14.4	35.9	42.2	-24.7	-55.7	-10.3	7.2
Crude nonfood materials less energy	21.6	20.5	5.2	22.6	17.9	59.4	-1.9

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.

in August. By contrast, the index for residential natural gas advanced 1.8 percent in September following a 1.6-percent increase in the prior month. (See table 2.) During the third quarter of 2006, prices for finished energy goods fell at a 24.7-percent SAAR after moving up at a 22.3-percent SAAR during the second quarter of 2006.

The rate of increase in the index for finished consumer foods slowed from 1.4 percent in August to 0.7 percent in September. Prices for fresh and dry vegetables rose 3.5 percent after jumping 20.7 percent in the previous month. The index for eggs for fresh use also rose less than it had in August. The indexes for fresh fruits and melons, processed young chickens, and processed turkeys turned down in September following increases a month earlier. Prices for confectionery end products decreased after remaining unchanged in the preceding month. Alternatively, finfish and shellfish prices advanced 6.7 percent in September following a 9.1-percent decline in August. Prices for beef and veal also turned up after falling in August, and the index for pork rose at a faster rate than it had in the prior month. From June to September 2006, the index for finished consumer foods advanced at a 7.6-percent SAAR after increasing at a 3.7-percent SAAR for the 3 months ended June 2006.

Prices for finished consumer goods other than foods and energy increased 0.5 percent in September after falling at the same rate in the previous month. The light motor trucks index climbed 3.5 percent following a 3.4-percent decline in August. Prices for passenger cars, alcoholic beverages, and mobile homes also turned up in September after decreasing a month earlier. The index for pharmaceutical preparations fell less than it had in the prior month, while prices for soaps and synthetic detergents rose after remaining unchanged in August. By contrast, the index for household appliances moved down 1.4 percent subsequent to a 0.7-percent gain in the preceding month. Prices for men's and boys' apparel increased at slower rates in September compared with the previous month. The index for women's, girls', and infants' apparel was unchanged following an increase in August. During the third quarter of 2006, the index for finished consumer goods other than foods and energy decreased at a 1.0-percent SAAR after advancing at a 2.2-percent SAAR from March to June 2006.

Capital equipment prices increased 0.6 percent in September after falling 0.3 percent in August. The index for passenger cars moved up 2.8 percent following a 2.6-percent decline in the prior month. Prices for light motor trucks, communication and related equipment, commercial furniture, and x-ray and electromedical equipment also turned up in September after declining a month earlier. By contrast, the civilian aircraft index was unchanged following a 0.4-percent gain in August. Prices for industrial material handling equipment advanced less in September than they had in the preceding month. The index for truck trailers turned down after increasing in August. For the 3 months ended September 2006, capital equipment prices rose at a 0.5-percent SAAR after climbing at a 2.5-percent SAAR for the 3 months ended June 2006.

Table B. **Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted**[1]

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.)
2005								
September	−0.1	7.4	1.0	8.7	1.7	17.1	5.6	29.7
October	.4	8.8	1.4	10.9	−.1	10.9	−1.5	31.8
November	0	−6.9	.4	8.5	1.0	−3.4	2.4	21.6
December	.3	−.4	.4	8.6	2.5	−8.1	1.9	21.1
2006								
January	.7	1.6	.9	9.2	−3.1	.2	−.2	22.1
February	−1.1	−3.2	.3	8.0	−3.0	−14.9	3.1	12.6
March	−.1	−.4	.4	7.2	−2.4	−4.3	1.3	4.7
April	−.7	3.0	.6	7.7	−1.0	3.6	5.3	4.6
May	−.3	1.3	1.1	9.2	−2.5	.8	9.2	9.6
June	.8	0	.5	9.3	4.7	−6.8	−2.2	8.6
July	.4	−.1	.7	8.9	1.8	4.8	1.3	6.6
August	−.2	.7	.4	8.8	.1	5.9	−2.8	5.3
September	.8	−7.5	.1	4.7	2.3	−8.4	1.0	−7.8

[1] Some percent changes shown here and elsewhere in "Price Movements, September 2006" may differ from those previously reported because indexes for May 2006 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 decreased 1.4 percent in September following a 0.4-percent increase in August. Most of this downturn can be traced to prices for intermediate energy goods, which fell after rising in the prior month. The index for materials for nondurable manufacturing also turned down, while prices for materials and components for construction advanced less in September than they had a month earlier. Alternatively, the index for intermediate foods and feeds moved up following a decline in the prior month, and prices for materials for durable manufacturing increased more than they had in August. Excluding foods and energy, prices for intermediate goods edged up 0.1 percent in September after rising 0.4 percent in the preceding month. (See table B.)

The index for intermediate energy goods decreased 7.5 percent in September following a 0.7-percent advance in August. Diesel fuel prices dropped 22.3 percent after increasing 2.7 percent in the prior month. The indexes for jet fuel, home heating oil, liquefied petroleum gas, and residual fuel also moved down in September following advances a month earlier. Gasoline prices fell more than in August, while the indexes for industrial natural gas and natural gas to electric utilities increased less in September than they had in the previous month. Conversely, the index for commercial natural gas climbed 3.0 percent in September compared with a 1.8-percent gain in August. Prices for commercial electric power decreased less than they had in the preceding month. (See table 2.) The intermediate energy goods index declined at a 24.8-percent SAAR during the third quarter of 2006 after advancing at an 18.2-percent SAAR during the second quarter of 2006.

The index for materials for nondurable manufacturing fell 1.5 percent in September following a 0.2-percent increase in August. Leading this downturn, prices for basic organic chemicals decreased 4.0 percent after rising 2.0 percent in the prior month. The indexes for inedible fats and oils and for gray fabrics also moved down in September following advances a month earlier. Prices for plastic resins and materials and for stemmed and redried tobacco were unchanged after rising in August, while the indexes for paperboard and paper increased less than in the previous month. By contrast, prices for nitrogenates climbed 4.5 percent in September following a 6.0-percent drop in the preceding month. The index for synthetic fibers also turned up after falling in August. Prices for materials for nondurable manufacturing declined at a 4.4-percent SAAR for the 3 months ended in September after moving up at a 10.8-percent SAAR for the 3 months ended in June.

The index for materials and components for construction rose 0.2 percent in September following a 0.4-percent increase in August. Prices for fabricated structural metal products were unchanged after climbing 1.0 percent in the prior month. The nonferrous wire and cable index moved up less in September than it had a month earlier. Prices for concrete products, gypsum products, paving mixtures and blocks, hardwood lumber, and plastic construction products turned down following advances in August. Conversely, the softwood lumber index moved up 0.7 percent in September after

dropping 5.6 percent in the previous month. Prices for treated wood also turned up following declines in August. The plywood index fell less in September than it had in the preceding month, while prices for steel mill products and for air conditioning and refrigeration equipment increased more than in the prior month. The index for materials and components for construction rose at a 5.2-percent SAAR in the third quarter of 2006 after advancing at a 7.8-percent SAAR in the second quarter of 2006.

The index for intermediate foods and feeds increased 0.8 percent in September compared with a 0.2-percent decrease in August. Flour prices moved up 1.7 percent after falling 5.1 percent in the prior month. The beef and veal index also turned up in September following a decline a month earlier. Prices for pork and for natural, processed, and imitation cheese rose more than they had in August, while the indexes for prepared animal feeds and for refined sugar and byproducts fell less than in the previous month. By contrast, prices for processed young chickens decreased 0.6 percent in September after advancing 4.6 percent in August. The index for dry, condensed, and evaporated milk products increased less than it had in the preceding month. Prices for intermediate foods and feeds climbed at a 3.9-percent SAAR for the 3 months ended in September after moving down at a 0.9-percent SAAR for the 3 months ended in June.

The index for materials for durable manufacturing advanced 0.5 percent in September following a 0.4-percent gain in August. In September, rising prices for cold rolled steel sheet and strip; hot rolled steel sheet and strip; hot rolled steel bars, plates, and structural shapes; softwood lumber; prepared paint; and cement outweighed falling prices for aluminum mill shapes, primary aluminum (except extrusion billet), cold finished steel bars, building paper and board, and hardwood lumber. The index for materials for durable manufacturing increased at a 13.4-percent SAAR in the third quarter of 2006 after surging at a 29.6-percent SAAR in the second quarter of 2006.

Crude goods

The Producer Price Index for Crude Materials for Further Processing fell 3.4 percent in September following a 2.2-percent increase in August. Prices for crude energy materials turned down after rising in the previous month. Conversely, the basic industrial materials index increased after declining in August. The index for crude foodstuffs and feedstuffs rose more than in the prior month. (See table B.)

Prices for crude energy materials dropped 8.4 percent in September following a 5.9-percent rise in the preceding month. Leading this downturn, natural gas prices fell 5.5 percent after climbing 15.7 percent in the previous month. The crude petroleum index dropped 13.3 percent following a 1.9-percent decrease in August. Alternatively, prices for coal advanced 0.2 percent after declining 1.4 percent in the prior month. (See table 2.) During the third quarter of 2006, the crude energy materials index increased at a 7.2-percent SAAR after falling at a 10.3-percent SAAR in the second quarter of 2006.

The index for crude nonfood materials less energy advanced 1.0 percent after decreasing 2.8 percent in August. Iron and steel scrap prices rose 5.0 percent following a 14.7-percent drop in the previous month. Prices for aluminum base scrap also turned up in September following declines in the preceding month. Conversely, prices for nonferrous metal ores fell 5.3 percent after increasing 4.8 percent in August. The raw cotton index also turned down following an advance in the previous month. Prices for construction sand, gravel, and crushed stone and for wastepaper rose less in September than in August. The index for copper base scrap fell after remaining unchanged in the previous month, and the index for pulpwood was unchanged after increasing a month earlier. For the 3 months ended September 2006, the basic industrial materials index decreased at a 1.9-percent SAAR after surging at a 59.4-percent SAAR in the 3 months ended June 2006.

The index for crude foodstuffs and feedstuffs increased 2.3 percent in September following a 0.1-percent gain in the previous month. Corn prices turned up 1.0 percent after dropping 13.9 percent in August. The fluid milk, wheat, and unprocessed finfish indexes also rose after declining in the prior month. Prices for slaughter hogs increased more in September than in the preceding month. By contrast, the slaughter broilers and fryers index declined 2.5 percent after increasing 3.2 percent in August. Prices for fresh fruits and melons also turned down following increases in the prior month. The indexes for fresh and dry vegetables and for slaughter cattle advanced less in September than in the previous month. The crude foodstuffs and feedstuffs index increased at an 18.0-percent SAAR during the third quarter of 2006 after rising at a 4.6-percent SAAR in the prior quarter.

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

Mining. The Producer Price Index for the Net Output of Total Mining Industries turned down 7.4 percent in September after rising 4.7 percent in August. (Net output price indexes are not seasonally adjusted.) The index for the oil and gas extraction industry group declined 9.8 percent following a 6.2-percent gain in August. Prices received for copper ore and nickel ore mining, oil and gas well drilling, gold ore mining, and bituminous coal underground mining also turned down after increasing a month earlier. The industry index for phosphate rock mining fell more than in the previous month. By contrast, the index for bituminous coal and lignite surface mining increased 0.1 percent following a 1.5-percent decrease in August. Prices received for oil and gas operation support activities rose in September after remaining unchanged in the pre-

vious month. For the 3 months ended September 2006, the Producer Price Index for the Net Output of Total Mining Industries advanced at a 7.7-percent annualized rate, compared with a 1.4-percent annualized rate of increase in the second quarter of 2006. In September, the Producer Price Index for Total Mining Industries was 206.5 (December 1984 = 100), 11.4 percent below its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries turned down 1.9 percent in September after rising 0.1 percent a month earlier. The industry group index for petroleum and coal products declined 16.2 percent after increasing 0.7 percent in August. Prices received by the plastics and rubber products and by the medical equipment and supplies industry groups also turned down after rising in the previous month. The industry group index for electrical equipment and appliances rose less than in August. Alternatively, the industry group index for transportation equipment increased 0.9 percent in September after falling 1.2 percent a month earlier. Prices received by the wood products and by the computer and electronic products industry groups also rose after August declines. The food industry group index rose more than in the prior month. For the third quarter of 2006, the Producer Price Index for the Net Output of Total Manufacturing Industries fell at an annualized rate of 6.6 percent, compared with a 12.1-percent annualized rate of increase in the prior quarter. In September, the Producer Price Index for Total Manufacturing Industries was 156.8 (December 1984 = 100), 1.7 percent above its year-ago level.

Services. Among services industries, prices received for scheduled passenger air transportation turned down 10.8 percent in September after rising 1.0 percent in August. The industry indexes for general medical and surgical hospitals and for cellular and other wireless carriers also decreased in September after increasing in the previous month. By contrast, prices paid to commercial bankers rose 3.1 percent after advancing 2.0 percent in the prior month. The industry indexes for investment advice, casino hotels, passenger car rental, and newspaper publishing turned up after declining in August. Prices paid to Internet service providers decreased less than they had a month earlier.

Price Movements October 2006

The Producer Price Index for Finished Goods fell 1.6 percent in October, seasonally adjusted. This decrease followed a 1.3-percent decline in September and a 0.1-percent advance in August. At the earlier stages of processing, prices received by manufacturers of intermediate goods moved down 1.1 percent in October after falling 1.4 percent in September, and the crude goods index dropped 10.5 percent following a 3.4-percent decrease in the previous month. (See table A.)

Among finished goods in October, prices for goods other than foods and energy declined 0.9 percent after rising 0.6 percent in September. The index for finished consumer foods also turned down—falling 0.8 percent in October following a 0.7-percent increase in the prior month. Conversely, prices for energy goods decreased 5.0 percent after dropping 8.4 percent in September.

Before seasonal adjustment, the Producer Price Index for Finished Goods moved down 1.2 percent in October to 158.4 (1982 = 100). From October 2005 to October 2006, finished goods prices declined 1.6 percent. Over the same period, the index for finished energy goods fell 10.4 percent, prices for finished consumer foods climbed 1.5 percent, and the index for finished goods other than foods and energy increased 0.6 percent. At the earlier stages of processing, prices received by intermediate goods producers rose 0.4 percent, while the crude goods index decreased 22.0 percent for the 12 months ended in October.

Finished goods

The index for finished goods other than foods and energy declined 0.9 percent in October after rising 0.6 percent in September. Prices for light motor trucks fell 9.7 percent following a 3.5-percent gain in the preceding month. From October 2005 to October 2006, the index for light motor trucks dropped 12.4 percent. Passenger car prices moved down 2.3 percent in October compared with a 2.8-percent advance a month earlier. For the 12 months ended October 2006, the passenger cars index decreased 3.2 percent. In accordance with usual practice, most new-model-year passenger cars and light motor trucks were introduced into the PPI in October. (See *Report on Quality Changes for 2007 Model Vehicles*, USDL 06-1973.) Prices for communication and related equipment, soaps and synthetic detergents, alcoholic beverages, x-ray and electromedical equipment, and printing trades machinery declined in October after increasing in September. The mobile homes index was unchanged following an advance in the prior month, and prices for cosmetics and other toilet preparations rose less than in Septem-

Table A. **Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted**[1]

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2005							
October	0.8	0.1	4.3	−0.3	5.9	3.0	5.7
November	−.5	.6	−3.1	.1	4.4	−1.3	−1.4
December	.7	.8	2.4	0	5.4	.3	−3.5
2006							
January	.3	−.2	.1	.4	5.6	1.0	−.8
February	−1.2	−2.2	−4.5	.3	3.9	−.5	−8.4
March	.4	.4	1.5	.2	3.6	.2	−2.6
April	.9	.3	4.0	.1	4.1	1.0	2.6
May	.1	−.8	.8	.3	4.5	1.1	1.7
June	.6	1.3	1.2	.1	4.9	.5	−2.5
July	.1	−.1	.5	−.1	4.2	.4	3.0
August	.1	1.4	.3	−.4	3.7	.4	2.2
September	−1.3	.7	−8.4	.6	.9	−1.4	−3.4
October	−1.6	−.8	−5.0	−.9	−1.6	−1.1	−10.5

[1] Some percent changes shown here and elsewhere in "Price Movements, October 2006" may differ from those previously reported because indexes for June 2006 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 adjusted**[1]

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.)
2005								
October	0.4	8.8	1.4	10.9	−0.1	10.9	−1.5	31.8
November	0	−6.9	.4	8.5	1.0	−3.4	2.4	21.6
December	.3	−.4	.4	8.6	2.5	−8.1	1.9	21.1
2006								
January	.7	1.6	.9	9.2	−3.1	.2	−.2	22.1
February	−1.1	−3.2	.3	8.0	−3.0	−14.9	3.1	12.6
March	−.1	−.4	.4	7.2	−2.4	−4.3	1.3	4.7
April	−.7	3.0	.6	7.7	−1.0	3.6	5.3	4.6
May	−.3	1.3	1.1	9.2	−2.5	.8	9.2	9.6
June	.7	.3	.7	9.5	4.5	−7.1	−.8	8.7
July	.5	−.4	.5	8.9	2.0	5.2	−.1	6.6
August	−.2	.7	.4	8.8	.1	5.9	−2.8	5.3
September	.8	−7.5	.1	4.7	2.3	−8.4	1.0	−7.8
October	.4	−5.5	0	.4	3.1	−23.5	−1.3	−22.0

[1] Some percent changes shown here and elsewhere in "Price Movements, October 2006" may differ from those previously reported because indexes for June 2006 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

ber. Alternatively, the index for pharmaceutical preparations climbed 0.5 percent after falling 0.2 percent in the previous month. Prices for household appliances, tires, and household furniture also turned up in October. The indexes for sporting and athletic goods and for commercial furniture increased more than they had in September. (See table 2.)

Prices for finished consumer foods decreased 0.8 percent in October following a 0.7-percent increase in the prior month. The pork index fell 10.2 percent after rising 8.1 percent in September. Prices for fresh and dry vegetables, beef and veal, and soft drinks also declined in October following advances a month earlier. The indexes for dairy products, finfish and shellfish, and processed fruits and vegetables increased less than they had in September, while prices for processed young chickens decreased more in October than in the previous month. Conversely, the index for confectionery end products fell 0.2 percent after moving down 2.6 percent in September. Prices for fresh fruits and melons and for processed turkeys turned up, while the indexes for bakery products and roasted coffee climbed in October after remaining unchanged in the preceding month.

The index for finished energy goods declined 5.0 percent in October following an 8.4-percent drop in September. Gasoline prices decreased 7.9 percent after dropping 22.2 percent a month earlier. The indexes for liquefied petroleum gas and diesel fuel also fell less than they had in September. Prices for home heating oil and kerosene turned up in October. By contrast, the index for residential natural gas declined 9.3 percent following a 1.8-percent advance in September. Prices for residential electric power fell more in October than they had in the previous month.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components fell 1.1 percent in October following a 1.4-percent decline in September. Prices for intermediate energy goods decreased less than they had in the prior month. The index for nondurable manufacturing materials turned up after falling in September. By contrast, prices for materials for durable manufacturing and for materials and components for construction turned down following advances a month earlier. The index for intermediate foods and feeds increased less than it had in the previous month. Excluding foods and energy, prices for intermediate goods were unchanged in October after edging up 0.1 percent in September. (See table B.)

The index for intermediate energy goods decreased 5.5 percent in October following a 7.5-percent decline in September. Prices for diesel fuel fell 8.9 percent after dropping 22.3 percent a month earlier. The indexes for gasoline and jet fuel also declined at slower rates than in the previous month. Prices for home heating oil and commercial electric power turned up in October. By contrast, the index for industrial natural gas decreased 12.3 percent after advancing 0.7 percent in September. Prices for commercial natural gas and natural gas to electric utilities also turned down in October. (See table 2.)

Prices for materials for nondurable manufacturing edged up 0.2 percent in October subsequent to a 1.5-percent decrease in September. The index for finished fabrics increased 0.6 percent compared with a 0.2-percent decline in the previ-

ous month. Prices for primary basic organic chemicals decreased less in October than a month earlier, while the index for plastic resins and materials moved up after no change in September. Conversely, the index for nitrogenates moved down 1.8 percent in October after increasing 4.5 percent in September. The index for intermediate basic organic chemicals declined more than it had in the prior month. Paper prices were unchanged in October following increases in the previous month. The index for stemmed and redried tobacco fell after no change in September, and prices for paint materials rose less than in the prior month.

The index for materials for durable manufacturing inched down 0.1 percent in October compared with a 0.5-percent advance in September. Prices for hot rolled steel sheet and strip fell 2.2 percent subsequent to a 1.1-percent rise a month earlier. The indexes for cold rolled steel sheet and strip and for hot rolled steel bars, plates, and structural shapes increased at slower rates than in September. By contrast, the index for primary aluminum (except extrusion billet) rose 5.6 percent after declining 2.1 percent in September. Prices for cold finished steel bars were unchanged after declining in the prior month. The index for hardwood lumber edged up following a decrease in September, and prices for titanium mill shapes increased more than in the preceding month.

Prices for materials and components for construction declined 0.2 percent in October subsequent to a 0.2-percent advance in September. The softwood lumber index decreased 6.8 percent in October compared with a 0.7-percent increase a month earlier. Prices for treated wood and for air conditioning and refrigeration equipment also moved down following September gains. The indexes for steel mill products and for asphalt felts and coatings rose less than they had in the preceding month. The index for millwork declined in October after no change a month earlier. By contrast, prices for concrete products advanced 0.2 percent after falling 0.4 percent in September. The index for fabricated structural metal products moved up after remaining unchanged in the prior month.

Prices for intermediate foods and feeds rose 0.4 percent in October following a 0.8-percent advance in September. In October, rising prices for prepared animal feeds; flour; fluid milk products; and dry, condensed, and evaporated milk products more than offset declining prices for pork; beef and veal; processed young chickens; natural, processed, and imitation cheese; shortening and cooking oils; and refined sugar and byproducts.

Crude goods

The Producer Price Index for Crude Materials for Further Processing fell 10.5 percent in October after decreasing 3.4 percent in September. Prices for crude energy materials fell more than they had in the previous month. The basic industrial materials index turned down in October after increasing a month earlier. Conversely, prices for crude foodstuffs and feedstuffs rose more than they had in September. (See table B.)

The crude energy materials index dropped 23.5 percent in October following an 8.4-percent decline in the previous month. Prices for natural gas plummeted 39.6 percent after falling 5.5 percent in September. The index for coal edged up 0.1 percent after advancing 0.2 percent in the preceding month. By contrast, price declines for crude petroleum slowed from 13.3 percent in September to 9.4 percent in October. (See table 2.)

Prices for crude nonfood materials less energy decreased 1.3 percent after advancing 1.0 percent a month earlier. The iron and steel scrap index turned down 2.7 percent following a 5.0-percent increase in September. Aluminum base scrap prices also fell in October after rising in the previous month. The indexes for wastepaper and for construction sand, gravel, and crushed stone increased less than they had in September. Prices for copper base scrap and for gold ores decreased more than they had in the preceding month. Conversely, the decline in the raw cotton index slowed to 0.6 percent from 2.0 percent a month earlier. Prices for hides and skins turned up after decreasing in September.

The crude foodstuffs and feedstuffs index increased 3.1 percent following a 2.3-percent rise in September. Corn prices jumped 32.7 percent after a 1.0-percent advance in the preceding month. The indexes for wheat and slaughter turkeys also rose more in October than they had in September. Prices for soybeans turned up following declines in the previous month. By contrast, slaughter cattle prices fell 1.1 percent after a 3.0-percent increase in the preceding month. The indexes for slaughter hogs and for fresh and dry vegetables also turned down following advances a month earlier. Prices for slaughter broilers and fryers fell more in October than they had in the previous month.

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

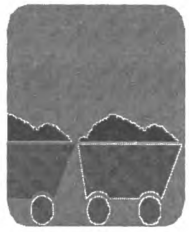
Mining. The Producer Price Index for the Net Output of Total Mining Industries fell 16.4 percent in October after declining 7.4 percent in the preceding month. (Net output price indexes are not seasonally adjusted.) Prices received by the oil and gas extraction industry group moved down 24.7 percent following a 9.8-percent decrease in September. The industry index for gold ore mining also fell more than in the prior month. Prices paid to the industries for crushed and broken limestone mining and quarrying and for bituminous coal and lignite surface mining turned down after increasing a month earlier. The industry index for oil and gas operations support activities rose less than in September. Conversely, declines in prices received for oil and gas well drilling slowed to 2.3 percent in October from 4.9 percent in the previous month. The industry index for bituminous coal underground mining turned up after decreasing in September, and prices received by the industry for crushed and broken granite mining and quarrying rose more than a month earlier. In October, the Producer Price Index for Total Mining Industries was 172.6

(December 1984 = 100), 32.1 percent below its year-ago level.

Manufacturing. The decline in the Producer Price Index for the Net Output of Total Manufacturing Industries slowed to 0.6 percent in October from 1.9 percent a month earlier. Prices received by the petroleum and coal products manufacturing industry group fell 5.7 percent after decreasing 16.2 percent in September. The industry group index for plastics and rubber products turned up after falling in the prior month, and prices received by the machinery manufacturing industry group rose more than in September. Alternatively, the increase in the industry group index for transportation equipment slowed to 0.3 percent in October from 0.9 percent a month earlier. Prices received by the industry groups for food manufacturing, wood product manufacturing, computer and electronic product manufacturing, and beverage and tobacco product manufacturing turned down after rising in September. In October, the Producer Price Index for Total Manufacturing Industries was 155.8 (December 1984 = 100), 0.5 percent below its year- ago level.

Services. Among services in October, higher prices were received by the industries for general medical and surgical hospitals, scheduled passenger air transportation, engineering services, offices of physicians, portfolio management, and investment banking and securities dealing. Alternatively, lower prices were received by the industries for commercial banking; noncasino hotels and motels; lessors of nonresidential buildings (except miniwarehouses); and long-distance (less than truckload), general freight trucking.

Price Movements November 2006

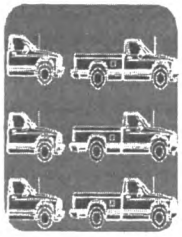


The Producer Price Index for Finished Goods advanced 2.0 percent in November, seasonally adjusted. This gain followed declines of 1.6 percent in October and 1.3 percent in September. The index for finished goods other than foods and energy rose 1.3 percent in November compared with a 0.9-percent decrease in the previous month. At the earlier stages of processing, prices for intermediate goods moved up 0.7 percent after falling 1.1 percent in the prior month, and the crude goods index increased 15.7 percent following a 10.5-percent decline in October. (See table A.)

The upturn in the finished goods index was broad-based and led by prices for energy goods, which climbed 6.1 percent in November after declining 5.0 percent in October. The index for finished consumer goods excluding foods and energy rose 1.1 percent following a 0.8-percent decline in the previous month. Prices for capital equipment turned up 1.4 percent after falling 0.9 percent in October. The index for finished consumer foods increased 0.1 percent in November compared with a 0.8-percent decrease a month earlier.

Before seasonal adjustment, the Producer Price Index for Finished Goods advanced 0.8 percent in November to 159.7 (1982 = 100). From November 2005 to November 2006, prices for finished goods rose 0.9 percent. Over the same period, prices for finished goods other than foods and energy moved up 1.8 percent, the finished consumer foods index increased 0.8 percent, and prices for finished energy goods moved down 2.1 percent. For the 12 months ended November 2006, prices for intermediate goods rose 2.4 percent, while the crude goods index declined 8.5 percent.

Finished goods



Prices for finished energy goods increased 6.1 percent in November following a 5.0-percent decline in the prior month. The gasoline index jumped 17.9 percent after falling 7.9 percent in the preceding month. Prices for residential natural gas, diesel fuel, and lubricating grease also turned up in November. The index for home heating oil rose more than in the prior month, while prices for residential electric power and liquefied petroleum gas decreased less than they had in October. By contrast, the index for lubricating and similar oils advanced 1.0 percent in November following a 1.4-percent rise in the previous month. (See table 2.)

The index for finished consumer goods excluding foods and energy climbed 1.1 percent in November following a 0.8-percent decrease in October. Accounting for the majority of

Table A. **Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted**[1]

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2005							
November	−0.5	0.6	−3.1	0.1	4.4	−1.3	−1.4
December	.7	.8	2.4	0	5.4	.3	−3.5
2006							
January	.3	−.2	.1	.4	5.6	1.0	−.8
February	−1.2	−2.2	−4.5	.3	3.9	−.5	−8.4
March	.4	.4	1.5	.2	3.6	.2	−2.6
April	.9	.3	4.0	.1	4.1	1.0	2.6
May	.1	−.8	.8	.3	4.5	1.1	1.7
June	.6	1.3	1.2	.1	4.9	.5	−2.5
July	−.1	.1	.7	−.6	4.0	.3	2.6
August	.2	1.2	.1	−.1	3.7	.5	2.7
September	−1.3	.7	−8.4	.6	.9	−1.4	−3.4
October	−1.6	−.8	−5.0	−.9	−1.6	−1.1	−10.5
November	2.0	.1	6.1	1.3	.9	.7	15.7

[1] Some percent changes shown here and elsewhere in "Price Movements, November 2006" may differ from those previously reported because indexes for July 2006 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 adjusted**[1]

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.)
2005								
November	0.0	−6.9	0.4	8.5	1.0	−3.4	2.4	21.6
December	.3	−.4	.4	8.6	2.5	−8.1	1.9	21.1
2006								
January	.7	1.6	.9	9.2	−3.1	.2	−.2	22.1
February	−1.1	−3.2	.3	8.0	−3.0	−14.9	3.1	12.6
March	−.1	−.4	.4	7.2	−2.4	−4.3	1.3	4.7
April	−.7	3.0	.6	7.7	−1.0	3.6	5.3	4.6
May	−.3	1.3	1.1	9.2	−2.5	.8	9.2	9.6
June	.7	.3	.7	9.5	4.5	−7.1	−.8	8.7
July	.7	−.7	.5	8.7	1.9	3.6	1.3	6.2
August	−.4	1.0	.4	8.8	.2	7.5	−4.1	5.3
September	.8	−7.5	.1	4.7	2.3	−8.4	1.0	−7.8
October	.4	−5.5	0	.4	3.1	−23.5	−1.3	−22.0
November	3.4	4.2	−.3	2.4	2.8	35.8	.5	−8.5

[1] Some percent changes shown here and elsewhere in "Price Movements, November 2006" may differ from those previously reported because indexes for July 2006 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

this upturn, prices for light motor trucks increased 13.7 percent after moving down 9.7 percent in the previous month. The indexes for passenger cars and alcoholic beverages also turned up after October declines. By contrast, the index for pharmaceutical preparations declined 0.4 percent following a 0.5-percent advance in October. Prices for household appliances, sporting and athletic goods, and tires also moved down in November after rising in the prior month. The index for mobile homes fell after no change in October.

The capital equipment index moved up 1.4 percent in November following a 0.9-percent decrease in the preceding month. Prices for passenger cars rose 2.2 percent subsequent to a 2.3-percent decline a month earlier. The indexes for light motor trucks, communication and related equipment, and for x-ray and electromedical equipment also turned up in November. Prices for civilian aircraft advanced after no change in October. The index for heavy motor trucks advanced more than it had in the previous month. By contrast, prices for integrating and measuring devices fell 1.1 percent after edging up 0.1 percent a month earlier. The index for commercial furniture increased less than it had in October.

The finished consumer foods index inched up 0.1 percent in November subsequent to a 0.8-percent decline in the prior month. Prices for pork increased 1.2 percent after declining 10.2 percent in October. The indexes for soft drinks, processed young chickens, and beef and veal also turned up in November. Prices for dairy products and eggs for fresh use rose more than they had a month earlier. By contrast, prices for fresh fruits and melons fell 20.3 percent in November compared with a 3.9-percent increase in the preceding month.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components advanced 0.7 percent in November following a 1.1-percent decline in October. Most of this upturn can be traced to prices for intermediate energy goods, which increased after falling in the previous month. The index for intermediate foods and feeds rose more in November than it had a month earlier. Conversely, prices for materials for nondurable manufacturing turned down following advances in the prior month. The indexes for materials for durable manufacturing and for materials and components for construction decreased more than they had in the preceding month. Prices for containers were unchanged in November after rising a month earlier. Excluding foods and energy, prices for intermediate goods fell 0.3 percent after no change in October. (See table B.)

The intermediate energy goods index increased 4.2 percent in November after declining 5.5 percent a month earlier. Industrial natural gas prices rose 4.5 percent following a 12.3-percent drop in the previous month. The indexes for gasoline, diesel fuel, commercial natural gas, natural gas to electric utilities, and residual fuel also turned up after declining in October. Prices for jet fuel fell less in November compared with a month earlier, and home heating oil prices increased more than they had in the prior month. By contrast, the index

for commercial electric power edged up 0.2 percent following a 1.2-percent advance in October. (See table 2.)

Prices for intermediate foods and feeds rose 3.4 percent subsequent to a 0.4-percent gain in the preceding month. The prepared animal feeds index increased 7.4 percent after rising 2.2 percent in October. The indexes for pork; natural, processed, and imitation cheese; shortening and cooking oils; beef and veal; and processed young chickens turned up in November following declines in the previous month. By contrast, flour prices edged down 0.1 percent after rising 5.7 percent in October. The index for confectionery materials also turned down following an increase in the prior month, and prices for fluid milk products rose less than they had a month earlier.

The index for materials for nondurable manufacturing moved down 0.4 percent following a 0.2-percent advance in October. Prices for plastic resins and materials fell 2.4 percent in November after rising 0.2 percent in the preceding month. The indexes for basic inorganic chemicals and for processed yarns and threads also turned down following increases in the prior month. Prices for both primary and intermediate basic organic chemicals, as well as nitrogenates, fell more than they had a month earlier. The index for paperboard declined after no change in October. Conversely, prices for inedible fats and oils jumped 17.7 percent in November after declining 3.2 percent in the preceding month. Ethanol prices also turned up following decreases in the previous month, and the paper index moved up after no change in October.

Prices for materials for durable manufacturing fell 0.5 percent in November after moving down 0.1 percent in the previous month. Hot rolled steel sheet and strip prices dropped 14.8 percent following a 2.2-percent decrease a month earlier. The indexes for cold rolled steel sheet and strip; thermoplastic resins; hot rolled steel bars, plates, and structural shapes; and prepared paint turned down after advancing in October. The primary aluminum (except extrusion billet) index rose less than it had in the previous month. Alternatively, prices for aluminum mill shapes increased 2.5 percent following a 0.9-percent decrease in the preceding month. The index for secondary aluminum also turned up after falling in October, and prices for softwood lumber declined less in November compared with a month earlier.

The index for materials and components for construction fell 0.5 percent in November following a 0.2-percent decline in the previous month. Prices for steel mill products decreased 4.4 percent after advancing 0.5 percent in the prior month. The indexes for asphalt felts and coatings and for nonferrous wire and cable also turned down following increases in October. Prices for plastic construction products declined more than they had in the preceding month. By contrast, softwood lumber prices fell 1.6 percent after decreasing 6.8 percent a month earlier. The indexes for treated wood and for plywood turned up in November following declines in October. Millwork prices were unchanged after falling in the previous month.

Prices for containers were unchanged subsequent to a 0.3-percent advance in the preceding month. The index for paper, plastic, and foil bags turned down 0.5 percent after rising 1.1 percent a month earlier. Prices for paper boxes and containers were unchanged following increases in October. Conversely, the glass containers index rose 0.8 percent after declining 0.1 percent in the previous month.

Crude goods

The Producer Price Index for Crude Materials for Further Processing climbed 15.7 percent in November following a 10.5-percent decrease in October. Nearly all of this upturn can be traced to prices for crude energy materials, which advanced in November after dropping a month earlier. The index for basic industrial materials also turned up following a decline in October. By contrast, prices for crude foodstuffs and feedstuffs rose less in November than they had in the prior month. (See table B.)

The index for crude energy materials increased 35.8 percent in November after falling 23.5 percent in the previous month. Accounting for most of this upturn, natural gas prices surged 92.8 percent following a 39.6-percent drop in October. The crude petroleum index decreased less in November than it had in the preceding month—1.2 percent and 9.4 percent, respectively. By contrast, coal prices declined 0.2 percent after inching up 0.1 percent in October. (See table 2.)

The index for crude nonfood materials less energy advanced 0.5 percent in November following a 1.3-percent decline in the prior month. Gold ore prices moved up 12.0 percent after falling 6.6 percent in October. The indexes for both aluminum and copper base scrap and for raw cotton also turned up in November. Prices for miscellaneous roundwood products and wastepaper rose more than they had in October. Conversely, the iron and steel scrap index decreased 5.6 percent in November after declining 2.7 percent a month earlier. Prices for softwood logs, bolts, and timber also fell more than they had in October. The indexes for pulpwood and industrial sand moved down in November after increasing in the previous month.

The index for crude foodstuffs and feedstuffs climbed 2.8 percent in November following a 3.1-percent gain in the preceding month. Corn prices jumped 24.9 percent after surging 32.7 percent in October. The indexes for wheat and slaughter turkeys also moved up at slower rates in November than they had a month earlier. Prices for slaughter cattle, slaughter hogs, and fresh vegetables (except potatoes) fell more than they had in October. The indexes for fresh fruits and melons and for unprocessed shellfish turned down in November. By contrast, soybean prices advanced 18.8 percent following a 5.5-percent increase in October. The fluid milk index also rose more in November than it had in the previous month. Prices for slaughter broilers and fryers turned up after declining 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 advanced 22.8 percent in November following a 16.4-percent drop in October. (Net output price indexes are not seasonally adjusted.) Prices received by the oil and gas extraction industry group jumped 37.8 percent after falling 24.7 percent a month earlier. The industry indexes for gold ore mining, oil and gas well drilling, crushed and broken limestone mining and quarrying, and for construction sand and gravel mining also turned up after declining in October. By contrast, price increases received by the industry for oil and gas operations support activities slowed from 0.6 percent in October to 0.1 percent in November. The industry index for crushed and broken granite mining and quarrying turned down following an increase in the prior month. The index for the bituminous coal and lignite surface mining industry fell more in November than it had a month earlier. In November, the Producer Price Index for Total Mining Industries was 211.9 (December 1984 = 100), 14.3 percent below its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries rose 0.4 percent in November following a 0.6-percent decline in October. Prices paid to manufacturers of transportation equipment advanced 2.7 percent after increasing 0.3 percent in the previous month. The industry group indexes for petroleum and coal products and for wood products fell less than they had in October. Prices received by food manufacturers and by beverage and tobacco manufacturers turned up in November following declines a month earlier. Conversely, the industry group index for chemical manufacturing decreased 0.4 percent after rising 0.2 percent in October. Prices paid to manufacturers of plastics and rubber products also turned down following increases in the prior month, and the industry group index for machinery manufacturing rose less than in October. In November, the Producer Price Index for Total Manufacturing Industries was 156.5 (December 1984 = 100), 2.5 percent above its year-ago level.

Services. Among services industries in November, higher prices were received by the industries for commercial banking, securities brokerage, savings institutions, and television broadcasting. By contrast, lower prices were paid to the industries for lessors of nonresidential buildings (except miniwarehouses), couriers, investment banking and securities dealing, wired telecommunications carriers, general medical and surgical hospitals, and line-haul railroads.

Price Movements, December 2006

The Producer Price Index for Finished Goods increased 0.9 percent in December, seasonally adjusted. This rise followed a 2.0-percent advance in November and a 1.6-percent decline in October. At the earlier stages of processing, prices received by manufacturers of intermediate goods moved up 0.5 percent in December after climbing 0.7 percent a month earlier, and the crude goods index increased 2.9 percent following a 15.7-percent gain in November. (See table A.)

Among prices for finished goods, the index for energy goods rose 2.5 percent in December compared with a 6.1-percent advance in the prior month. Price increases for finished goods other than foods and energy also slowed in December, gaining 0.2 percent following a 1.3-percent November advance. By contrast, the index for finished consumer foods moved up 1.7 percent after rising 0.1 percent in the previous month.

Before seasonal adjustment, the Producer Price Index for Finished Goods advanced 0.5 percent in December to 160.5 (1982 = 100). In 2006, finished goods prices increased 1.1 percent following a 5.4-percent rise in 2005. This slower rate of advance is attributable to the index for finished energy goods, which fell 2.0 percent in 2006 after climbing 23.9 percent a year earlier. By contrast, prices for finished goods other than foods and energy moved up 2.0 percent in 2006 following a 1.4-percent gain in 2005, and the index for finished consumer foods rose slightly more than it had a year earlier—1.8 percent and 1.7 percent, respectively. At the earlier stages of processing, prices received by intermediate goods producers increased 2.8 percent in 2006 compared with an 8.6-percent advance in the preceding year, while the crude goods index declined 2.4 percent after moving up 21.1 percent in 2005. (See summary table on page 2.)

Finished goods

The index for finished energy goods rose 2.5 percent in December following a 6.1-percent jump in the prior month. Leading this deceleration, gasoline prices increased 7.1 percent after surging 17.9 percent in November. The indexes for residential natural gas, home heating oil, and diesel fuel also moved up less in December than they had a month earlier. Prices for finished lubricants were unchanged following gains in November. By contrast, the index for liquefied petroleum gas advanced 4.0 percent in December after decreasing 2.8 percent in the previous month. Prices for residential electric power also turned up after declining in November. (See table 2.)

Table A. **Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted**[1]

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2005							
December	0.7	0.8	2.4	0.0	5.4	0.3	−3.5
2006							
January	.3	−.2	.1	.4	5.6	1.0	−.8
February	−1.2	−2.2	−4.5	.3	3.9	−.5	−8.4
March	.4	.4	1.5	.2	3.6	.2	−2.6
April	.9	.3	4.0	.1	4.1	1.0	2.6
May	.1	−.8	.8	.3	4.5	1.1	1.7
June	.6	1.3	1.2	.1	4.9	.5	−2.5
July	−.1	.1	.7	−.6	4.0	.3	2.6
August	.4	1.2	−.3	.4	3.8	.5	2.5
September	−1.4	.7	−8.1	.3	.9	−1.5	−3.1
October	−1.6	−.8	−5.0	−.9	−1.6	−1.1	−10.5
November	2.0	.1	6.1	1.3	.9	.7	15.7
December	.9	1.7	2.5	.2	1.1	.5	2.9

[1] Some percent changes shown here and elsewhere in "Price Movements, December 2006" may differ from those previously reported because indexes for August 2006 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 of change for price indexes at selected stages of processing

Grouping	Percentage change 12 months ended December			Seasonally adjusted annual rate for			
	2004	2005	2006	3 months ended March 2006	3 months ended June 2006	3 months ended September 2006	3 months ended December 2006
Finished goods	4.2	5.4	1.1	-2.0	6.7	-4.6	5.1
Finished consumer foods	3.1	1.7	1.8	-7.9	2.9	8.5	4.1
Finished energy goods	13.4	23.9	-2.0	-11.4	26.6	-27.2	14.4
Finished goods less foods and energy	2.3	1.4	2.0	3.9	1.8	.3	2.3
Finished consumer goods, excluding foods and energy	2.2	1.6	1.8	4.2	1.4	-.2	1.7
Capital equipment	2.4	1.2	2.3	3.6	2.2	.8	3.0
Intermediate materials, supplies, and components	9.2	8.6	2.8	3.0	11.1	-2.6	.2
Intermediate foods and feeds	-2.3	2.4	5.7	-2.1	-1.5	4.6	23.4
Intermediate energy goods	15.8	26.2	-4.4	-7.8	19.6	-25.7	3.4
Intermediate materials less foods and energy	8.3	4.8	4.7	6.5	9.8	4.2	-1.4
Materials for nondurable manufacturing	13.7	8.9	2.1	5.7	11.6	-5.1	-2.7
Materials for durable manufacturing	18.3	5.9	13.1	14.9	33.9	9.7	-3.2
Materials and components for construction	10.1	6.1	4.3	7.7	8.2	4.7	-2.9
Crude materials for further processing	17.4	21.1	-2.4	-38.6	6.9	7.5	28.6
Foodstuffs and feedstuffs	-2.6	1.6	2.9	-29.1	3.9	18.8	27.6
Crude energy materials	35.9	42.2	-11.4	-55.7	-11.5	8.6	44.6
Crude nonfood materials less energy	20.5	5.2	16.7	17.9	68.9	-7.4	.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.

The index for finished goods other than foods and energy advanced 0.2 percent in December following a 1.3-percent jump in the preceding month. Price increases for light motor trucks slowed to 0.7 percent after climbing 13.7 percent in November. The indexes for passenger cars, alcoholic beverages, cosmetics and other toilet preparations, semiconductor manufacturing equipment, agricultural machinery and equipment, and commercial furniture turned down in December. Civilian aircraft prices were unchanged compared with advances in November, while the index for heavy motor trucks rose less in December than it had a month earlier. By contrast, prices for pharmaceutical preparations moved up 0.6 percent following a 0.4-percent decline in November. The indexes for integrating and measuring instruments, railroad equipment, and sanitary paper products also turned up in December. Prices for mobile homes fell less than they had in November.

The index for finished consumer foods increased 1.7 percent in December after inching up 0.1 percent in the previous month. Prices for fresh and dry vegetables jumped 21.7 percent following a 14.2-percent drop in November. The indexes for fresh fruits and melons, finfish and shellfish, and processed turkeys also turned up in December. Prices for processed young chickens and processed fruits and vegetables rose more than they had in November. By contrast, the soft drinks index decreased 0.5 percent in December after advancing 2.1 percent a month earlier. Prices for beef and veal and for bakery products also moved down following gains in November. The index for dairy products increased less in December than it had in the prior month.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components increased 0.5 percent in December following a 0.7-percent advance in November. Prices for intermediate energy goods and for intermediate foods and feeds rose less than they had in the previous month. The index for materials for nondurable manufacturing fell more in December than in the preceding month. Conversely, the indexes for construction materials, as well as materials for durable manufacturing, declined less in December than they had in the prior month. Prices for intermediate goods less foods and energy fell 0.1 percent after decreasing 0.3 percent a month earlier. (See table B.)

The index for intermediate energy goods increased 2.3 percent in December compared with a 4.2-percent gain in November. Diesel fuel prices moved up 10.2 percent after advancing 14.6 percent in the preceding month. The indexes for gasoline, industrial natural gas, and residual fuels also rose less than they had in November. Prices for natural gas to electric utilities and commercial electric power turned down in December after increasing in the prior month. Alternatively, the jet fuels index advanced 12.6 percent following a 5.4-per-

Table B. **Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted**[1]

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.)
2005								
December	0.3	−0.4	0.4	8.6	2.5	−8.1	1.9	21.1
2006								
January	.7	1.6	.9	9.2	−3.1	.2	−.2	22.1
February	−1.1	−3.2	.3	8.0	−3.0	−14.9	3.1	12.6
March	−.1	−.4	.4	7.2	−2.4	−4.3	1.3	4.7
April	−.7	3.0	.6	7.7	−1.0	3.6	5.3	4.6
May	−.3	1.3	1.1	9.2	−2.5	.8	9.2	9.6
June	.7	.3	.7	9.5	4.5	−7.1	−.8	8.7
July	.7	−.7	.5	8.7	1.9	3.6	1.3	6.2
August	−.2	1.1	.4	8.8	.4	6.9	−3.9	5.1
September	.6	−7.5	.1	4.7	2.0	−7.8	.8	−7.8
October	.4	−5.5	0	.4	3.1	−23.5	−1.3	−22.0
November	3.4	4.2	−.3	2.4	2.8	35.8	.5	−8.5
December	1.5	2.3	−.1	2.8	.2	5.5	1.0	−2.4

[1] Some percent changes shown here and elsewhere in "Price Movements, December 2006" may differ from those previously reported because indexes for August 2006 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

cent decline in November. Prices for liquefied petroleum gas also turned up in December after falling in November. (See table 2.) In 2006, prices for intermediate energy goods declined 4.4 percent after advancing 26.2 percent in 2005.

The rate of increase in the intermediate foods and feeds index slowed from 3.4 percent in November to 1.5 percent in December. Prices for prepared animal feeds rose 4.0 percent in December compared with a 7.4-percent gain a month earlier. The indexes for natural, processed, and imitation cheese and for shortening and cooking oils also advanced less than they had in November. Beef and veal prices turned down in December after rising in the preceding month. The indexes for flour and for refined sugar and byproducts fell more in December than they had a month earlier. By contrast, prices for processed young chickens jumped 10.4 percent in December following a 1.5-percent gain in the prior month. In 2006, the index for intermediate foods and feeds advanced 5.7 percent following a 2.4-percent increase in 2005.

Prices for materials for nondurable manufacturing declined 0.5 percent in December after falling 0.4 percent in November. The indexes for plastic resins and materials, finished fabrics, primary basic organic chemicals, synthetic rubber, and gray fabrics moved down in December. These decreases outweighed rising prices for ethanol, paper, inedible fats and oils, fertilizer materials, intermediate basic organic chemicals, and basic inorganic chemicals. The index for materials for nondurable manufacturing advanced 2.1 percent in 2006 following an 8.9-percent gain in 2005.

The index for materials and components for construction moved down 0.1 percent in December after declining 0.5 percent in November. Prices for steel mill products fell 0.4 percent compared with a 4.4-percent drop in the prior month. The indexes for plastic construction products and softwood lumber also decreased at slower rates than they had a month earlier. Prices for asphalt felts and coatings, wiring devices, and mineral wool for structural insulation turned up after declining in November. By contrast, the index for nonferrous wire and cable moved down 2.6 percent following a 1.1-percent decline in November. Prices for concrete products rose less in December than in the prior month. During 2006, prices for materials and components for construction advanced 4.3 percent after climbing 6.1 percent in the previous year.

The index for materials for durable manufacturing declined 0.2 percent in December following a 0.5-percent decrease in November. Falling prices for semifinished steel mill products; hot rolled steel bars, plates, and structural shapes; thermoplastic resins; copper and brass mill shapes; and building paper and board outweighed price increases for cold rolled steel sheet and strip, hot rolled steel sheet and strip, and primary aluminum (except extrusion billet). In 2006, the index for materials for durable manufacturing jumped 13.1 percent following a 5.9-percent advance in 2005.

Crude goods

The Producer Price Index for Crude Materials for Further Processing rose 2.9 percent in December after climbing 15.7 percent in November. Prices for crude energy materials and for foodstuffs and feedstuffs advanced less than they had a month earlier. Conversely, the index for basic industrial materials rose more than it had in the preceding month. (See table B.)

Price increases for crude energy materials slowed to 5.5 percent in December from 35.8 percent a month earlier. The index for natural gas advanced 6.8 percent following a 92.8-percent jump in the previous month. The coal index decreased 0.6 percent after edging down 0.2 percent in the prior month. By contrast, crude petroleum prices turned up 5.0 percent following a 1.2-percent decline in November. (See table 2.) In 2006, the crude energy materials index fell 11.4 percent after climbing 42.2 percent in 2005.

The index for crude foodstuffs and feedstuffs inched up 0.2 percent after increasing 2.8 percent in the preceding month. In December, rising prices for fluid milk, fresh and dry vegetables, fresh fruits and melons, unprocessed finfish, and alfalfa hay more than offset declining prices for slaughter turkeys, wheat, and slaughter cattle. In 2006, crude foodstuffs and feedstuffs prices rose 2.9 percent following a 1.6-percent increase in 2005.

The basic industrial materials index moved up 1.0 percent after rising 0.5 percent a month earlier. Iron and steel scrap prices turned up 6.8 percent in December following a 5.6-percent decrease in November. The index for softwood logs, bolts, and timber also increased following a decline in the previous month. Prices for wastepaper rose more than they had in November. By contrast, the advance in the gold ores index slowed to 1.2 percent in December after rising 12.0 percent a month earlier. Prices for aluminum base scrap also increased less in December than a month earlier. The indexes for copper base scrap and for construction sand, gravel, and crushed stone turned down after rising in the prior month. Prices for iron ore fell after no change in November. The basic industrial materials index climbed 16.7 percent in 2006 following a 5.2-percent gain in 2005.

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 December following a 22.8-percent advance in the previous month. (Net output price indexes are not seasonally adjusted.) Prices received by the oil and gas extraction industry group gained 5.6 percent after surging 37.8 percent in November. The industry indexes for gold ore mining and for oil and gas well drilling also rose less than they had in the preceding month. Prices received by the iron ore mining industry declined following no change in November. The industry index for bituminous coal and lignite surface mining decreased more than it had a month earlier. Prices received by the bituminous coal underground mining industry turned down in December, and the industry index for crushed and broken limestone mining and quarrying was unchanged after rising in November. Conversely, prices paid to the anthracite mining industry moved up 0.6 percent in December after falling 3.2 percent in the prior month. In December, the Producer Price Index for the Net Output of Total Mining Industries was 219.0 (December 1984 = 100). In 2006, prices received by the mining sector fell 6.6 percent after rising 38.7 percent in 2005.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries edged up 0.3 percent in December after increasing 0.4 percent in the previous month. In December, higher prices received by the manufacturers of petroleum and coal products, food, computer and electronic products, machinery, and fabricated metal products outweighed lower prices paid to the manufacturers of transportation equipment, chemicals, and beverage and tobacco products. In December, the Producer Price Index for the Net Output of Total Manufacturing Industries was 157.0 (December 1984 = 100). In 2006, prices received by the manufacturing sector increased 2.7 percent compared with a 5.4-percent rise in 2005.

Services. Among services industries in December, the industry index for commercial banking decreased 3.9 percent after a 0.8-percent gain in November. Prices paid to securities brokerages and savings institutions also turned down in December after rising in the prior month. The industry index for scheduled passenger air transportation declined after no change in November. Alternatively, prices received by noncasino hotels and motels increased 3.6 percent following a 0.6-percent decrease in November. The industry indexes for general medical and surgical hospitals, investment banking and securities dealing, and wired telecommunications carriers also turned up in December after declining a month earlier.

Producer Price Indexes -- January 2007

The Producer Price Index for Finished Goods declined 0.6 percent in January, seasonally adjusted. This decrease followed a 0.9-percent advance in December and a 1.8-percent jump in November. At the earlier stages of processing, prices for intermediate goods moved down 0.7 percent compared with a 0.5-percent increase in the prior month. The crude goods index decreased 6.3 percent after rising 2.8 percent in December. (See table A.)

Among finished goods, prices for energy goods fell 4.6 percent in January following a 2.2-percent rise in the prior month. The rate of increase in the finished consumer foods index slowed to 1.1 percent in January from 1.5 percent in December. By contrast, prices for finished goods other than foods and energy advanced 0.2 percent for the second consecutive month.

Before seasonal adjustment, the Producer Price Index for Finished Goods declined 0.2 percent in January to 160.2 (1982 = 100). From January 2006 to January 2007, prices for finished goods edged up 0.2 percent. Over the same period, the finished consumer foods index advanced 2.7 percent, and prices for finished goods other than foods and energy moved up 1.8 percent. Conversely, the index for finished energy goods fell 7.3 percent. For the 12 months ended January 2007, intermediate goods prices increased 0.9 percent, while the index for crude goods decreased 8.0 percent.

Finished goods

Finished energy goods prices declined 4.6 percent in January compared with a 2.2-percent advance in December. The gasoline index dropped 13.0 percent following a 5.0-percent increase in the previous month. Prices for liquefied petroleum gas, home heating oil, residential natural gas, and diesel fuel also turned down after rising in December. Alternatively, the residential electric power index increased 0.4 percent in January following a 0.3-percent rise a month earlier. (See table 2.)

The increase in the index for finished consumer foods slowed to 1.1 percent in January from 1.5 percent in the previous month. The index for processed young chickens rose 4.6 percent after climbing 9.1 percent in December. Prices for processed fruits and vegetables also rose less than they had in the prior month. The indexes for fresh fruits and melons and for fresh and dry vegetables turned down in January following advances a month earlier. By contrast, beef and veal prices moved up 3.3 percent in January after falling 2.4 percent in the preceding month. The indexes for pork and bakery products also turned up in January, while prices for dairy products rose more than they had in December.

The index for finished goods other than foods and energy increased 0.2 percent in January after moving up at the

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

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2006							
Jan.	0.3	0.0	0.2	0.4	5.6	0.9	-0.6
Feb.	-1.1	-2.0	-3.9	.3	3.9	-.3	-8.4
Mar.	.4	.4	1.3	.2	3.6	.3	-2.4
Apr.	.7	.5	2.6	.1	4.1	.7	2.5
May	.2	-.8	1.1	.2	4.5	1.2	1.7
June	.5	1.2	1.1	.1	4.9	.5	-2.6
July	-.1	.1	.7	-.5	4.0	.2	2.8
Aug.	.4	1.2	-.5	.4	3.8	.4	2.6
Sept.	-1.1	.4	-5.9	.3	.9	-1.3	-3.8
Oct.	-1.8	-.7	-6.2	-.8	-1.6	-1.0	-10.3
Nov.	1.8	.1	6.0	1.1	.9	.6	15.5
Dec.	.9	1.5	2.2	.2	1.1	.5	2.8
2007							
Jan.	-.6	1.1	-4.6	.2	.2	-.7	-6.3

NOTE: Some of the percent changes shown here and elsewhere in this release may differ from those previously reported because seasonal adjustment factors have been recalculated to reflect developments during 2006. In addition, indexes for September 2006 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 adjusted

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2006								
Jan.	0.7	0.9	0.8	9.2	-2.5	0.0	0.7	22.1
Feb.	-1.1	-2.2	.3	8.0	-2.7	-14.9	2.6	12.6
Mar.	.1	-.2	.4	7.2	-2.1	-4.3	1.9	4.7
Apr.	-.4	1.4	.6	7.7	-.7	3.4	5.1	4.6
May	-.3	1.7	1.1	9.2	-2.5	.9	9.2	9.6
June	.6	.4	.6	9.5	4.0	-7.0	-1.0	8.7
July	.8	-1.1	.5	8.7	2.2	3.7	1.5	6.2
Aug.	-.4	.4	.4	8.8	.3	6.9	-3.4	5.1
Sept.	.6	-6.0	0	4.7	1.8	-9.2	1.4	-8.2
Oct.	.4	-5.5	.1	.4	2.7	-22.3	-2.7	-22.0
Nov.	3.1	4.1	-.4	2.4	2.5	35.8	.4	-8.5
Dec.	1.5	2.5	0	2.8	0	5.6	.5	-2.4
2007								
Jan.	1.9	-3.8	0	.9	2.1	-16.2	1.6	-8.0

NOTE: Some of the percent changes shown here and elsewhere in this release may differ from those previously reported because seasonal adjustment factors have been recalculated to reflect developments during 2006. In addition, indexes for September 2006 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

same rate in December. In January, rising prices for pharmaceutical preparations; civilian aircraft; cigarettes; women's, girls', and infants' apparel; heavy motor trucks; household appliances; book publishing; and commercial furniture outweighed price declines for light motor trucks, electronic computers, and alcoholic beverages.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components declined 0.7 percent in January following a 0.5-percent increase in December. The majority of this downturn is attributable to prices for intermediate energy goods, which fell in January after rising a month earlier. The index for materials for durable manufacturing decreased more than it had in December. Conversely, prices for materials for nondurable manufacturing declined less than they had a month earlier. The index for materials and components for construction turned up in January, and prices for intermediate foods and feeds increased more than they had in December. The index for intermediate goods other than foods and energy was unchanged for the second consecutive month. (See table B.)

Prices for intermediate energy goods declined 3.8 percent in January subsequent to a 2.5-percent advance in the prior month. The index for diesel fuel fell 13.2 percent following an 8.9-percent rise in December. Prices for gasoline, jet fuels, liquefied petroleum gas, commercial natural gas, and home heating oil also moved down in January after increasing a month earlier. The index for natural gas to electric utilities decreased more than it had in December. Alternatively, prices for commercial electric power rose 0.4 percent in January compared with a 0.7-percent decline in the previous month. The industrial electric power index also turned up after a December decline. (See table 2.)

Prices for materials for durable manufacturing moved down 0.6 percent in January following a 0.2-percent decrease in December. The index for cold rolled steel sheet and strip fell 0.4 percent after advancing 3.6 percent in the prior month. Prices for hot rolled steel sheet and strip and for prepared paint also turned down in January. The index for copper and brass mill shapes declined more than it had in December. By contrast, prices for semifinished steel mill products edged up 0.2 percent compared with a 6.5-percent decrease in the previous month. The index for softwood lumber also turned up in January. Prices for hot rolled steel bars, plates, and structural shapes and for thermoplastic resins declined less than they had a month earlier, while the index for aluminum mill shapes rose more than it had in December.

Prices for materials for nondurable manufacturing inched down 0.1 percent in January following a 0.5-percent decrease in the prior month. The index for plastic resins and materials moved down 0.4 percent subsequent to a 2.7-percent drop a month earlier. Prices for finished fabrics also declined less than they had in December. The indexes for medicinal and botanical chemicals, synthetic rubber, and paint materials turned up in January after decreasing in the previous month. Woodpulp prices rose more than they had in the prior month.

By contrast, the industrial chemicals index decreased 1.1 percent after advancing 0.8 percent in December. Prices for inedible fats and oils and for paper also turned down in January.

The index for materials and components for construction edged up 0.2 percent in January following a 0.1-percent decline in the preceding month. Prices for softwood lumber turned up 5.7 percent after decreasing 0.5 percent in December. The indexes for asphalt felts and coatings and for concrete products advanced more than they had in the previous month. Prices for air conditioning and refrigeration equipment increased in January after no change a month earlier, while the index for gypsum products fell less than it had in December. Alternatively, prices for nonferrous wire and cable moved down 4.6 percent following a 2.6-percent decrease in the prior month. The index for plastic construction products also declined more than it had in December, and prices for mineral wool for structural insulation turned down in January.

The increase in the index for intermediate foods and feeds accelerated to 1.9 percent in January from 1.5 percent a month earlier. Prices for confectionery materials rose 12.5 percent compared with a 0.1-percent decline in December. Similarly, the indexes for beef and veal, pork, and for refined sugar and byproducts also turned up in January after falling a month earlier. Prices for fluid milk products advanced more than they had in the prior month. By contrast, the prepared animal feeds index moved up 1.2 percent in January following a 4.0-percent gain in the previous month. Prices for processed young chickens and for shortening and cooking oils also increased less than they had in December.

Crude goods

The Producer Price Index for Crude Materials for Further Processing declined 6.3 percent in January following a 2.8-percent advance in December. This downturn is attributable to prices for crude energy materials, which fell after rising in the previous month. Alternatively, the crude foodstuffs and feedstuffs index increased in January following no change in the preceding month, and prices for basic industrial materials rose more than they had a month earlier. (See table B.)

The crude energy materials index decreased 16.2 percent subsequent to a 5.6-percent advance in December. Prices for natural gas dropped 22.4 percent following a 6.8-percent increase in the prior month. Crude petroleum prices turned down 9.2 percent after rising 5.0 percent a month earlier. The index for coal declined 2.4 percent in January after edging up 0.4 percent in December. (See table 2.)

Prices for crude foodstuffs and feedstuffs increased 2.1 percent following no change in the preceding month. Slaughter cattle prices rose 3.5 percent after inching down 0.2 percent in December. The indexes for slaughter broilers and fryers and for slaughter turkeys also turned up in January after decreasing a month earlier. The indexes for fluid milk and unprocessed finfish advanced more than they had in the prior month. Alternatively, prices for fresh fruits and melons fell 13.4 percent following a 26.3-percent jump in December. The index for fresh vegetables (except potatoes) also turned down after increasing in the previous month. The indexes for corn and wheat declined more in January than they had a month earlier.

The basic industrial materials index moved up 1.6 percent following a 0.5-percent gain in the previous month. Price increases for iron and steel scrap accelerated to 11.8 percent in January from 3.8 percent in December. The indexes for wastepaper; construction sand, gravel, and crushed stone; and phosphates also advanced more than they had a month earlier. Iron ore prices fell less in January than in the prior month. Alternatively, aluminum base scrap prices fell 4.6 percent following a 1.5-percent rise in the prior month. The indexes for gold ores and for softwood logs, bolts, and timber also turned down after increasing in December. Copper base scrap prices decreased more in January than they had a month earlier.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries decreased 0.6 percent in January. (Net output price indexes are not seasonally adjusted.) Leading this decline, prices received by petroleum and coal products manufacturers fell 6.4 percent. The industry indexes for oil and gas extraction, electric power generation, natural gas distribution, and mining support activities also moved down in January. Conversely, prices received by food producers increased 1.1 percent. The industry group indexes for transportation equipment, chemicals, and machinery manufacturing, as well as prices for electric power distribution, also rose in January.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries advanced 1.4 percent in January. (Trade indexes measure changes in margins received by wholesalers and retailers.) Most of this increase is attributable to a 44.2-percent jump in margins received by gasoline stations. The margin indexes for merchant wholesalers of durable goods, grocery stores, health and personal care stores, automobile dealers, and for book, periodical, and music stores also rose in January. By contrast, margins received by miscellaneous general merchandise stores decreased 9.5 percent. The margin indexes for electronics and appliance stores, merchant wholesalers of nondurable goods, electronic shopping and mail order houses, and department stores also declined in January.

Transportation and Warehousing Industries. The Producer Price Index for the Net Output of Transportation and Warehousing Industries increased 2.3 percent in January. Leading this advance, prices received by the scheduled passenger air transportation industry rose 12.2 percent. The industry indexes for couriers, long-distance general freight trucking (by the truckload), local specialized freight trucking of new goods, used household and office goods moving, and local general freight trucking also moved up in January. Conversely, prices received by providers of inland water freight transportation services fell 5.0 percent. The industry indexes for pipeline transportation of crude oil, long distance general freight trucking (less than truckload), and airport space leasing for concessions also declined in January.

Traditional Services Industries. The Producer Price Index for the Net Output of Total Traditional Services Industries advanced 0.6 percent in January. Higher prices received by offices of lawyers, the commercial banking industry, general medical and surgical hospitals, offices of physicians (excluding mental health), portfolio managers, and by direct health and medical insurance carriers outweighed lower prices received by non-casino hotels and motels, wired telecommunications carriers, and the passenger car rental industry.

Producer Price Indexes -- February 2007

The Producer Price Index for Finished Goods advanced 1.3 percent in February, seasonally adjusted. This increase followed a 0.6-percent decline in January and a 0.9-percent rise in December. At the earlier stages of processing, the intermediate goods index turned up 1.1 percent after falling 0.7 percent in the previous month, and prices for crude goods climbed 8.9 percent following a 6.3-percent decrease in January. (See table A.)

Among finished goods in February, the index for energy goods moved up 3.5 percent compared with a 4.6-percent drop a month earlier. The rate of increase for consumer foods prices accelerated to 1.9 percent in February from 1.1 percent in January. Excluding prices for foods and energy, the finished goods index moved up 0.4 percent in February after a 0.2-percent advance in the previous month.

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 1.1 percent in February to 162.0 (1982 = 100). From February 2006 to February 2007, prices for finished goods rose 2.5 percent. Over the same period, the finished consumer foods index jumped 6.8 percent, prices for finished goods other than foods and energy increased 1.8 percent, and the index for finished energy goods was unchanged. For the 12 months ended February 2007, prices for intermediate goods moved up 2.5 percent, and the crude goods index rose 9.3 percent.

Finished goods

The finished energy goods index climbed 3.5 percent in February after falling 4.6 percent in the preceding month. Gasoline prices rose 5.3 percent following a 13.0-percent drop in January. The indexes for residential natural gas, liquefied petroleum gas, home heating oil, diesel fuel, and kerosene also turned up in February. Prices for residential electric power increased more than they had a month earlier. By contrast, the index for lubricating grease fell 2.9 percent compared with a 2.7-percent increase in January. (See table 2.)

Prices for finished consumer foods advanced 1.9 percent in February following a 1.1-percent gain in the previous month. Leading this acceleration, the fresh fruits and melons index jumped 15.7 percent after decreasing 13.4 percent in January. Prices for fresh and dry vegetables also turned up in February following declines a month earlier. The indexes for pork, beef and veal, and confectionery end products rose more in February than they had in the preceding month. Alternatively, prices for finfish and shellfish moved up 0.3 percent in February after climbing 8.1 percent in the prior month. The index for processed young chickens also rose less than it had in January. Prices for processed fruits and vegetables turned down in February after increasing a month earlier, and the index for soft drinks fell more than in January.

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

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2006							
Feb.	-1.1	-2.0	-3.9	0.3	3.9	-0.3	-8.4
Mar.	.4	.4	1.3	.2	3.6	.3	-2.4
Apr.	.7	.5	2.6	.1	4.1	.7	2.5
May	.2	-.8	1.1	.2	4.5	1.2	1.7
June	.5	1.2	1.1	.1	4.9	.5	-2.6
July	-.1	.1	.7	-.5	4.0	.2	2.8
Aug.	.4	1.2	-.5	.4	3.8	.4	2.6
Sept.	-1.1	.4	-5.9	.3	.9	-1.3	-3.8
Oct.	r -1.5	r -.4	r -5.8	r -.4	r -1.2	r -1.2	r -9.2
Nov.	r 1.5	r -.1	r 5.6	r .8	.9	r .9	r 14.2
Dec.	.9	1.5	2.2	.2	1.1	.5	2.8
2007							
Jan.	-.6	1.1	-4.6	.2	.2	-.7	-6.3
Feb.	1.3	1.9	3.5	.4	2.5	1.1	8.9

r=revised. Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for October 2006 have been revised to reflect the availability of late reports and corrections by respondents.

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

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2006								
Feb.	-1.1	-2.2	0.3	8.0	-2.7	-14.9	2.6	12.6
Mar.	.1	-.2	.4	7.2	-2.1	-4.3	1.9	4.7
Apr.	-.4	1.4	.6	7.7	-.7	3.4	5.1	4.6
May	-.3	1.7	1.1	9.2	-2.5	.9	9.2	9.6
June	.6	.4	.6	9.5	4.0	-7.0	-1.0	8.7
July	.8	-1.1	.5	8.7	2.2	3.7	1.5	6.2
Aug.	-.4	.4	.4	8.8	.3	6.9	-3.4	5.1
Sept.	.6	-6.0	0	4.7	1.8	-9.2	1.4	-8.2
Oct.	.4	r -5.9	r -.1	r .2	2.7	r -20.1	-2.7	r -21.1
Nov.	3.1	r 4.5	r -.2	2.4	2.5	r 32.0	.4	-8.5
Dec.	1.5	2.5	0	2.8	0	5.6	.5	-2.4
2007								
Jan.	1.9	-3.8	0	.9	2.1	-16.2	1.6	-8.0
Feb.	2.6	4.5	.2	2.5	7.4	13.7	2.7	9.3

r=revised. Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for October 2006 have been revised to reflect the availability of late reports and corrections by respondents.

Subsequent to a 0.2-percent increase in January, the index for finished consumer goods excluding foods and energy advanced 0.5 percent in February. Cigarette prices climbed 4.6 percent after rising 1.8 percent in the preceding month. The indexes for light motor trucks and alcoholic beverages turned up following declines in January. Pet food prices rose more in February than they had a month earlier. Conversely, the passenger cars index fell 1.2 percent following a 0.1-percent decline in the prior month. Prices for pharmaceutical preparations and for women's, girls', and infants' apparel rose less than they had in January. The indexes for book publishing and floor coverings turned down in February after increasing in the previous month.

Capital equipment prices advanced 0.3 percent following a 02-percent increase in January. In February, rising prices for light motor trucks; commercial furniture; pumps, compressors, and equipment; communication and related equipment; construction machinery and equipment; and ships outweighed falling prices for passenger cars; x-ray and electromedical equipment; electronic computers; and railroad equipment.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components advanced 1.1 percent in February following a 0.7-percent decline in January. Prices for intermediate energy goods, as well as the indexes for both durable and nondurable manufacturing materials, increased after falling in January. The index for intermediate foods and feeds rose more than it had a month earlier. Conversely, prices for materials and components for construction advanced less than they had in January. Excluding foods and energy, prices for intermediate goods edged up 0.2 percent after remaining unchanged in January. (See table B.)

The index for intermediate energy goods increased 4.5 percent in February compared with a 3.8-percent decline a month earlier. Prices for diesel fuel rose 9.2 percent after declining 13.2 percent in January. Similarly, the indexes for gasoline, natural gas to electric utilities, jet fuel, residual fuel, liquefied petroleum gas, and commercial natural gas also turned up in February. Prices for industrial electric power advanced more than they had in the prior month. (See table 2.)

After edging down 0.1 percent in January, the index for materials for nondurable manufacturing moved up 0.7 percent in February. The primary basic organic chemicals index increased 3.2 percent following a 2.9-percent decline in the previous month. Prices for finished fabrics also turned up in February. The index for fertilizer materials rose more than it had in January, and paper prices fell less in February compared with the prior month. By contrast, the index for inedible fats and oils decreased 9.6 percent in February subsequent to a 5.5-percent decline a month earlier. Prices for basic inorganic chemicals also declined more than in the prior month. The indexes for paint materials and ethanol turned down in February after rising a month earlier.

The index for materials for durable manufacturing increased 0.3 percent in February following a 0.6-percent decrease in the previous month. Leading this reversal, prices for steel mill products rose 1.4 percent after inching down 0.2 percent in January. The index for primary nonferrous metals also turned up in February, while prices for unprocessed filament yarns fell less than they had in January. By contrast, the index for softwood lumber increased 0.8 percent in February subsequent to a 5.7-percent gain in January. Prices

for aluminum mill shapes also advanced less than they had a month earlier. The indexes for building paper and board and for hardwood lumber turned down in February. Prices for cement fell more than in January.

Prices for intermediate foods and feeds advanced 2.6 percent in February after increasing 1.9 percent in January. The prepared animal feeds index climbed 4.8 percent following a 1.2-percent advance a month earlier. Prices for pork and for beef and veal also rose more than they had in the prior month. The flour index declined less than it had in January. Alternatively, prices for confectionary materials advanced 0.3 percent subsequent to a 12.5-percent rise in the preceding month. The indexes for fluid milk products and processed young chickens also increased less compared with the preceding month. Prices for refined sugar and byproducts turned down in January.

The index for materials and components for construction edged up 0.1 percent following a 0.2-percent increase in January. In February, rising prices for steel mill products, plumbing fixtures and brass fittings, concrete products, heating equipment, and plastic construction products outweighed price declines for nonferrous wire and cable, treated wood, gypsum products, asphalt felts and coatings, and prefabricated wood buildings and components.

Crude goods

The Producer Price Index for Crude Materials for Further Processing increased 8.9 percent in February following a 6.3-percent decline in January. Prices for crude energy materials turned up after decreasing in the previous month. The indexes for crude foodstuffs and feedstuffs and for basic industrial materials advanced more than they had a month earlier. (See table B.)

The crude energy materials index rose 13.7 percent in February after falling 16.2 percent in the prior month. Natural gas prices jumped 21.1 percent compared with a 22.4-percent drop a month earlier. The index for crude petroleum advanced 6.4 percent after declining 9.2 percent in the preceding month. Coal prices turned up 1.8 percent following a 2.4-percent decrease in January. (See table 2.)

Prices for crude foodstuffs and feedstuffs increased 7.4 percent in February subsequent to a 2.1-percent advance a month earlier. The corn index jumped 16.2 percent after declining 1.3 percent in January. Prices for slaughter hogs, soybeans, fresh fruits and melons, wheat, and for fresh and dry vegetables also turned up following declines in the previous month. By contrast, fluid milk prices gained 4.3 percent in February subsequent to a 5.1-percent increase a month earlier. The indexes for slaughter broilers and fryers and for unprocessed finfish also rose less than they had in the prior month.

The basic industrial materials index advanced 2.7 percent after increasing 1.6 percent in January. The gold ores index turned up 9.2 percent following a 3.7-percent decline in the preceding month. Prices for both copper and aluminum base scrap fell less in February than they had in the previous month. The indexes for wastepaper; construction sand, gravel, and crushed stone; and phosphates rose more than they had a month earlier. By contrast, price increases for iron and steel scrap slowed to 9.1 percent in February from 11.8 percent in January. The raw cotton index turned down after advancing in the prior month.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries increased 1.3 percent in February following a 0.6-percent decline in January. (Net output price indexes are not seasonally adjusted.) Leading this reversal, prices received by petroleum and coal products manufacturers jumped 4.4 percent in February after dropping 6.4 percent a month earlier. The industry indexes for electric power generation, distribution, and transmission; oil and gas extraction; natural gas distribution; mining support activities; and gold ore mining also turned up following decreases in January. Prices received by the industry group for food manufacturing rose more in February than they had in the previous month. Conversely, the index for transportation equipment manufacturing edged up 0.1 percent after climbing 0.3 percent in January. Prices received by the manufacturing industry groups for printing and related support activities and for wood products fell in February following advances in the preceding month.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries declined 0.3 percent in February compared with a 1.4-percent increase in January. (Trade indexes measure changes in margins received by wholesalers and retailers.) Most of this downturn can be traced to margins received by gasoline stations, which dropped 24.8 percent in February following a 44.2-percent jump in the prior month. The margin indexes for merchant wholesalers of durable goods, grocery stores, shoe stores, and automobile dealers also fell after rising in January. Conversely, margins received by merchant wholesalers of nondurable goods advanced 4.1 percent in February following a 0.9-percent decrease a month earlier. The margin indexes for department stores and for electronic shopping and mail order houses also turned up after declining in January. Margins received by miscellaneous general merchandise stores and by electronics and appliances stores fell less in February than they had in the previous month.

Transportation and Warehousing Industries. The Producer Price Index for the Net Output of Transportation and Warehousing Industries decreased 0.5 percent in February following a 2.3-percent increase in January. Prices received by the air transportation industry group moved down 2.6 percent in February after climbing 9.5 percent in the preceding month. The industry group indexes for general freight trucking, local specialized freight trucking of new goods, and general warehousing and storage also fell following advances in January. Prices received by the courier industry rose at a slower rate than in January. By contrast, prices received by the industry for inland water freight transportation increased 1.1 percent in February compared with a 5.0-percent drop a month earlier. The industry index for line haul railroads moved up following no change in January, while prices received by the industry for pipeline transportation of crude oil were unchanged in February after falling in the prior month.

The index for coastal and Great Lakes freight transportation advanced more than it had in January.

Traditional Services Industries. The Producer Price Index for the Net Output of Total Traditional Services Industries rose 0.3 percent in February following a 0.6-percent increase in January. Prices received by offices of lawyers edged up 0.1 percent in February after climbing 2.7 percent a month earlier. The industry indexes for commercial banking, portfolio management, direct health and medical insurance carriers, and engineering services also moved up less than they had in January. Prices received by general medical and surgical hospitals, lessors of nonresidential buildings, and cellular and other wireless carriers fell in February following advances in the previous month. By contrast, the index for offices of physicians (excluding mental health) rose 3.0 percent after increasing 1.3 percent in January. Prices received by the industry for investment banking and securities dealing turned up in February, while the index for non-casino hotels and motels declined less than it had in January.

Producer Price Indexes – March 2007

The Producer Price Index for Finished Goods increased 1.0 percent in March, seasonally adjusted. This advance followed a 1.3-percent rise in February and a 0.6-percent decrease in January. The index for finished goods excluding foods and energy was unchanged in March after moving up 0.4 percent in February. At the earlier stages of processing, prices received by producers of intermediate goods increased 1.0 percent in March following a 1.1-percent advance a month earlier, and the crude goods index rose 3.2 percent after climbing 8.9 percent in February. (See table A.)

Among finished goods, the index for consumer goods less foods and energy edged up 0.1 percent in March following a 0.5-percent increase in the preceding month, while capital equipment prices moved down 0.1 percent after advancing 0.3 percent in February. The consumer foods index rose less in March than it had a month earlier—1.4 and 1.9 percent, respectively. By contrast, slightly counteracting the deceleration in finished goods prices, the index for energy goods increased 3.6 percent in March compared with a rise of 3.5 percent in February.

During the first quarter of 2007, the finished goods index climbed at a 6.9-percent seasonally adjusted annual rate (SAAR), after moving up at a 3.5-percent SAAR during the fourth quarter of 2006. This faster rate of increase can be traced primarily to prices for finished consumer foods, which advanced at an 18.7-percent SAAR for the 3 months ended March 2007 after rising at a 3.6-percent SAAR for the 3 months ended December 2006. The index for finished energy goods increased at a 9.4-percent SAAR during the first quarter of 2007 after moving up at a 6.6-percent SAAR during the fourth quarter of 2006. Prices for finished goods less foods and energy advanced at a 2.3-percent SAAR for the 3 months ended in March, the same as for the 3 months ended in December. At the earlier stages of processing, the intermediate goods index increased at a 5.9-percent SAAR during the first quarter of 2007 after inching up at a 0.7-percent SAAR during the fourth quarter of 2006, and prices for crude goods jumped at a 23.5-percent SAAR for the 3 months ended in March after climbing at a 29.0-percent SAAR for the 3 months ended in December. (See summary table on page 2.)

Before seasonal adjustment, the Producer Price Index for Finished Goods rose 1.4 percent in March to 164.2 (1982 = 100). From March 2006 to March 2007, finished goods prices advanced 3.2 percent. Over the same period, the index for finished consumer foods increased 7.8 percent, prices for finished goods less foods and energy moved up 1.7 percent, and the index for finished energy goods rose 2.8 percent. For the 12 months ended in March, prices received by manufacturers of intermediate goods advanced 3.5 percent, and the crude goods index jumped 15.6 percent.

Finished goods

The capital equipment index inched down 0.1 percent in March after rising 0.3 percent in February. Most of this

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

Month	Finished goods					Inter-mediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2006							
Mar.	0.4	0.4	1.3	0.2	3.6	0.3	-2.4
Apr.	.7	.5	2.6	.1	4.1	.7	2.5
May	.2	-.8	1.1	.2	4.5	1.2	1.7
June	.5	1.2	1.1	.1	4.9	.5	-2.6
July	-.1	.1	.7	-.5	4.0	.2	2.8
Aug.	.4	1.2	-.5	.4	3.8	.4	2.6
Sept.	-1.1	.4	-5.9	.3	.9	-1.3	-3.8
Oct.	-1.5	-.4	-5.8	-.4	-1.2	-1.2	-9.2
Nov.	r 1.6	r .1	r 5.4	r .9	.9	r .6	r 11.7
Dec.	r .8	r 1.3	r 2.3	r .1	1.1	r .8	r 5.1
2007							
Jan.	-.6	1.1	-4.6	.2	.2	-.7	-6.3
Feb.	1.3	1.9	3.5	.4	2.5	1.1	8.9
Mar.	1.0	1.4	3.6	0	3.2	1.0	3.2

r=revised. Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for November 2006 have been revised to reflect the availability of late reports and corrections by respondents.

Summary of December-to-December and 3-month seasonally adjusted annual rates of change in price indexes at selected stages of process

Grouping	Percentage change 12 months ended December			Seasonally adjusted annual rate for 3 months ended			
	2004	2005	2006	June 2006	Sept. 2006	Dec. 2006	Mar. 2007
Finished goods	4.2	5.4	1.1	5.6	-3.2	3.5	6.9
Finished consumer foods	3.1	1.7	1.8	3.1	6.8	3.6	18.7
Finished energy goods	13.4	23.9	-2.0	21.2	-21.1	6.6	9.4
Finished goods less foods and energy	2.3	1.4	2.0	1.5	.5	2.3	2.3
Finished consumer goods, excluding foods and energy	2.2	1.6	1.8	1.0	.2	1.7	3.1
Capital equipment	2.4	1.2	2.3	2.2	1.1	2.7	1.9
Intermediate materials, supplies, and components	9.2	8.6	2.8	10.3	-2.9	.7	5.9
Intermediate foods and feeds	-2.3	2.4	5.7	-.6	3.9	22.1	27.5
Intermediate energy goods	15.8	26.2	-4.4	14.7	-24.0	3.3	19.7
Intermediate materials less foods and energy	8.3	4.8	4.7	9.8	3.7	-1.0	1.7
Materials for nondurable manufacturing	13.7	8.9	2.1	11.8	-3.8	-4.5	6.1
Materials for durable manufacturing	18.3	5.9	13.1	34.2	8.3	-2.3	3.0
Materials and components for construction	10.1	6.1	4.3	8.0	4.1	-2.1	2.1
Crude materials for further processing	17.4	21.1	-2.4	6.4	5.9	29.0	23.5
Foodstuffs and feedstuffs	-2.6	1.6	2.9	2.5	18.8	22.9	59.3
Crude energy materials	35.9	42.2	-11.4	-11.3	2.6	54.0	-11.6
Crude nonfood materials less energy	20.5	5.2	16.7	66.6	-2.3	-7.0	59.8

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.

downturn can be attributed to prices for light motor trucks, which fell 1.2 percent in March following a 1.7-percent increase a month earlier. The indexes for commercial furniture and for ships also decreased after advancing in the preceding month. Prices for pumps, compressors, and related equipment rose less in March than in the prior month, while the index for electronic computers declined more than it had in February. Prices for communication and related equipment were unchanged following increases in the previous month. By contrast, partially offsetting the downturn in capital equipment prices, the index for x-ray and electromedical equipment moved up 0.3 percent in March after falling 2.6 percent in February. Prices for passenger cars, railroad equipment, and for integrating and measuring instruments also turned up in March. (See table 2.) The capital equipment index advanced at a 1.9-percent SAAR during the first quarter of 2007 after climbing at a 2.7-percent SAAR during the fourth quarter of 2006.

The index for finished consumer goods less foods and energy edged up 0.1 percent in March following a 0.5-percent rise in February. Cigarette prices were unchanged in March after climbing 4.6 percent a month earlier. The indexes for light motor trucks; toys, games, and children's vehicles; household furniture; soaps and synthetic detergents; lawn and garden equipment (excluding garden tractors); and sanitary papers and health products turned down following gains in February. By contrast, the passenger cars index moved up 0.2 percent in March after falling 1.2 percent in the prior month. Prices for newspaper circulation and home electronic equipment also increased following declines in February, while the pharmaceutical preparations index advanced at a slightly quicker rate in March than it had in the preceding month. During the first quarter of 2007, prices for finished consumer goods less foods and energy rose at a 3.1-percent SAAR after moving up at a 1.7-percent SAAR during the fourth quarter of 2006.

The index for finished consumer foods rose 1.4 percent in March following a 1.9-percent advance in the prior month. Prices for processed young chickens moved up 1.1 percent compared with a 3.8-percent jump in February. The indexes for fresh fruits and melons, pork, eggs for fresh use, and confectionery end products turned down in March after increasing a month earlier. Prices for bakery products and pasta products rose less than they had in February. By contrast, the index for fresh and dry vegetables surged 13.5 percent in March following an 8.3-percent advance in the preceding month. Prices for dairy products also increased more than they had in February. The indexes for soft drinks and processed turkeys climbed after falling in the prior month.

The finished energy goods index rose 3.6 percent in March after advancing 3.5 percent in February. In March, higher prices for gasoline, which jumped 8.7 percent, along with increasing prices for residential natural gas, liquefied petroleum gas, diesel fuel, and home heating oil outweighed declining prices for finished lubricants.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components rose 1.0 percent in March, slightly

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

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2006								
Mar.	0.1	-0.2	0.4	7.2	-2.1	-4.3	1.9	4.7
Apr.	-.4	1.4	.6	7.7	-.7	3.4	5.1	4.6
May	-.3	1.7	1.1	9.2	-2.5	.9	9.2	9.6
June	.6	.4	.6	9.5	4.0	-7.0	-1.0	8.7
July	.8	-1.1	.5	8.7	2.2	3.7	1.5	6.2
Aug.	-.4	.4	.4	8.8	.3	6.9	-3.4	5.1
Sept.	.6	-6.0	0	4.7	1.8	-9.2	1.4	-8.2
Oct.	.4	-5.9	-.1	.2	2.7	-20.1	-2.7	-21.1
Nov.	r 2.4	r 4.3	r -.4	r 2.1	2.5	r 26.5	r -.6	r -10.5
Dec.	r 2.2	r 2.7	r .2	2.8	0	r 10.1	r 1.5	-2.4
2007								
Jan.	1.9	-3.8	0	.9	2.1	-16.2	1.6	-8.0
Feb.	2.6	4.5	.2	2.5	7.4	13.7	2.7	9.3
Mar.	1.7	4.1	.2	3.5	2.4	1.7	7.7	15.6

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less than the 1.1-percent increase in the prior month. In March, price advances for intermediate energy goods, materials for both nondurable and durable manufacturing, intermediate foods and feeds, and for materials and components for construction outweighed falling prices for components for manufacturing. Prices for intermediate materials less foods and energy moved up 0.2 percent for the second consecutive month. (See table B.)

The intermediate energy goods index rose 4.1 percent in March subsequent to a 4.5-percent advance in the previous month. Prices for natural gas to electric utilities increased 5.9 percent after climbing 12.2 percent in February. The indexes for both commercial and industrial electric power turned down following gains a month earlier. Prices for asphalt, home heating oil, and both commercial and industrial natural gas rose less than they had in the prior month. By contrast, partially offsetting the deceleration in intermediate energy goods prices, the jet fuels index jumped 12.4 percent in March after inching up 0.3 percent in the preceding month. Gasoline prices also increased more than they had in February. (See table 2.) The intermediate energy goods index advanced at a 19.7-percent SAAR from December 2006 to March 2007 after rising at a 3.3-percent SAAR during the final quarter of 2006.

Subsequent to a 0.7-percent increase in February, prices for materials for nondurable manufacturing moved up 0.9 percent in March. The index for inedible fats and oils rose 2.4 percent following a 9.6-percent drop in February. Prices for plastic resins and materials, intermediate basic organic chemicals, paperboard, and paint materials also turned up in March. The fertilizer materials index advanced at a faster rate than it had in February. By contrast, the index for primary basic organic chemicals increased 0.5 percent after climbing 3.2 percent in February. Prices for finished fabrics also rose less in March, and the paper index decreased more than it had a month earlier. From December 2006 to March 2007, prices for materials for nondurable manufacturing increased at a 6.1-percent SAAR after moving down at a 4.5-percent SAAR in the prior quarter.

The index for materials for durable manufacturing advanced 1.1 percent in March following a 0.3-percent increase in February. Prices for copper and brass mill shapes rose 1.7 percent after declining 4.5 percent a month earlier. Prices for cement, building paper and board, and thermoplastic resins also turned up in March. The indexes for hot rolled steel bars, plates, and structural shapes; prepared paint; and hot rolled steel sheet and strip increased more than they had in February. Conversely, the titanium mill shapes index decreased 13.1 percent in March compared with a 0.3-percent advance in the preceding month. Prices for softwood lumber and aluminum mill shapes rose less than they had in February. The index for materials for durable manufacturing advanced at a 3.0-percent SAAR for the 3 months ended March 2007 after declining at a 2.3-percent SAAR in the preceding quarter.

Prices for intermediate foods and feeds moved up 1.7 percent in March following a 2.6-percent increase in the prior month. The prepared animal feeds index rose 1.8 percent after climbing 4.8 percent in February. Prices for processed young chickens also advanced at slower rates in March than they had a month earlier. The indexes for pork and confectionery materials turned down after rising in the previous month. By contrast, prices for fluid milk products increased 2.4 percent subsequent to a 0.5-percent gain in

February. The indexes for flour and for refrigerated, perishable prepared foods turned up after falling a month earlier. Prices for refined sugar and byproducts fell less in March than in the previous month. The index for intermediate foods and feeds climbed at a 27.5-percent SAAR in the first quarter of 2007 after rising at a 22.1-percent SAAR in the final quarter of 2006.

Prices for materials and components for construction increased 0.3 percent in March after edging up 0.1 percent in the prior month. The concrete products index advanced 0.8 percent following a 0.3-percent rise in February. Prices for fabricated structural metal products also increased more than they had in the preceding month. Prices for nonferrous wire and cable and for treated wood fell less in March than in the prior month. The indexes for architectural coatings and for asphalt felts and coatings turned up after falling in February. Alternatively, prices for plastic construction products declined 0.3 percent in March following a 0.3-percent advance a month earlier. The index for heating equipment also turned down after rising in February, while prices for plumbing fixtures and brass fittings increased less in March. The index for materials and components for construction advanced at a 2.1-percent SAAR in the first quarter of 2007 after falling at a 2.1-percent SAAR in the prior quarter.

The index for components for manufacturing declined 0.5 percent in March after increasing 0.1 percent for two consecutive months. In March, falling prices for electronic components and accessories, computer storage devices, carpets and rugs, and lamp bulbs and tubes outweighed rising prices for fabricated steel plate, heat exchangers and condensers, steam and hot water equipment, and parts for turbines and turbine generators. The index for components for manufacturing fell at a 1.5-percent SAAR from December 2006 to March 2007 after rising at a 0.3-percent SAAR during the final quarter of 2006.

Crude goods

The Producer Price Index for Crude Materials for Further Processing increased 3.2 percent in March following an 8.9-percent rise in February. The indexes for crude energy materials and for crude foodstuffs and feedstuffs advanced less in March than they had a month earlier. By contrast, partially offsetting the deceleration in crude material prices, the index for basic industrial materials increased more than it had in the prior month. (See table B.)

Prices for crude energy materials advanced 1.7 percent in March after climbing 13.7 percent in the previous month. The natural gas index rose 3.8 percent subsequent to a 21.1-percent surge a month earlier. Prices for crude petroleum turned down 1.3 percent following a 6.4-percent gain in February. The index for coal edged down 0.1 percent compared with a 1.8 percent increase in the preceding month. (See table 2.) During the first quarter of 2007, prices for crude energy materials decreased at an 11.6-percent SAAR after rising at a 54.0-percent SAAR in the prior quarter.

The index for crude foodstuffs and feedstuffs advanced 2.4 percent following a 7.4-percent rise a month earlier. Price increases for slaughter broilers and fryers slowed from 8.7 percent in February to 7.1 percent in March. Wheat prices also rose less than they had in the prior month. The indexes for corn, slaughter hogs, soybeans, and for fresh fruits and melons turned down in March. By contrast, the index for slaughter cattle advanced 5.8 percent following a 3.4-percent rise a month earlier. Prices for fluid milk and for fresh vegetables (except potatoes) also increased more than they had in February. The index for crude foodstuffs and feedstuffs rose at a 59.3-percent SAAR in the first quarter of 2007 after increasing at a 22.9-percent SAAR in the last quarter of 2006.

Prices for crude nonfood materials less energy rose 7.7 percent in March subsequent to a 2.7-percent increase in February. The iron and steel scrap index advanced 18.8 percent following a 9.1-percent rise in the previous month. Prices for copper base scrap turned up in March, while the index for aluminum base scrap fell less than it had a month earlier. Alternatively, prices for gold ores declined 1.9 percent after climbing 9.2 percent in the prior month. The indexes for construction sand, gravel, and crushed stone and for wastepaper advanced less than they had in February. Prices for raw cotton fell more than in the previous month, and the hides and skins index showed no change after rising a month earlier. The index for basic industrial materials increased at a 59.8-percent SAAR during the first quarter of 2007 after decreasing at a 7.0-percent SAAR for the last quarter of 2006.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries rose 1.2 percent in March following a 1.3-percent increase in February. (Net output price indexes are not seasonally adjusted.) Higher prices received by the industry groups for petroleum and coal products manufacturing; food; chemicals; oil and gas extraction; and natural gas distribution outweighed lower prices received by the industry groups for electric power generation, distribution, and transmission; computer and electronic products; and transportation equipment.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries advanced 1.0 percent after declining 0.3 percent in February. (Trade indexes measure changes in margins received by wholesalers and retailers.) Margins received by gasoline stations jumped 18.3 percent in March following a 24.8-percent drop in the previous month. The margin indexes for merchant wholesalers of durable goods, shoe stores, grocery stores, and automobile dealers also rose after falling in the prior month. Conversely, partially offsetting the upturn in the trade industries index, margins received by merchant wholesalers of nondurable goods decreased 0.8 percent following a 4.1-percent increase a month earlier. The margin indexes for department stores, electronic shopping and mail order houses, and clothing stores also turned down after rising in February.

Transportation and Warehousing Industries. The Producer Price Index for the Net Output of Transportation and Warehousing Industries edged down 0.2 percent in March following a 0.5-percent decline in the previous month. Prices received by the scheduled air transportation industry fell 1.0 percent after decreasing 2.9 percent a month earlier. The

index for the general freight trucking industry group turned up following a decline in the preceding month. By contrast, prices received by the couriers industry decreased 0.9 percent after rising 0.3 percent a month earlier. The industry indexes for line-haul railroads, coastal and Great Lakes freight transportation, inland water freight transportation, and nonscheduled air transportation also turned down after rising in February. Prices received by the used household and office goods moving industry were unchanged following increases in the prior month.

Traditional Service Industries. The Producer Price Index for the Net Output of Total Traditional Service Industries decreased 1.4 percent in March after edging up 0.3 percent in February. Most of this downturn can be traced to prices received by the commercial banking industry, which fell 12.9 percent following a 0.6-percent rise a month earlier. The industry indexes for offices of physicians (excluding mental health) and management consulting services also turned down after increasing in the previous month. Prices received by the investment banking and securities dealing industry rose less in March, while the industry index for cellular and other wireless carriers fell more than in February. By contrast, the index for offices of lawyers increased 1.5 percent in March after inching up 0.1 percent in February. The indexes for accommodation and wired telecommunications carriers turned up following declines in the preceding month.

Producer Price Indexes – April 2007

The Producer Price Index for Finished Goods increased 0.7 percent in April, seasonally adjusted. This advance followed a 1.0-percent rise in March and a 1.3-percent increase in February. In April, the index for finished goods excluding foods and energy remained unchanged for the second consecutive month. At the earlier stages of processing, prices received by producers of intermediate goods rose 0.9 percent following a 1.0-percent increase a month earlier, and the crude goods index fell 1.5 percent after increasing 3.2 percent in March. (See table A.)

Among finished goods, prices for consumer foods moved up 0.4 percent in April following a 1.4-percent increase in the previous month, while the consumer goods less foods and energy index turned down 0.1 percent after advancing 0.1 percent in the preceding month. Prices for energy goods rose less in April than they had a month earlier -- 3.4 and 3.6 percent, respectively. By contrast, the capital equipment index edged up 0.1 percent after decreasing 0.1 percent in March, slightly counteracting the deceleration in finished goods prices.

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 1.0 percent in April to 165.8 (1982 = 100). From April 2006 to April 2007, finished goods prices rose 3.2 percent. Over the same period, the index for finished consumer foods advanced 7.7 percent, prices for finished goods less foods and energy increased 1.5 percent, and the finished energy goods index rose 3.7 percent. For the 12 months ended in April 2007, prices received by manufacturers of intermediate goods advanced 3.7 percent, and the crude goods index jumped 11.1 percent.

Finished goods

The index for finished consumer foods advanced 0.4 percent in April following a 1.4-percent increase in the prior month. The fresh and dry vegetables index rose 8.9 percent compared with a 13.5-percent jump in March. Prices for beef and veal and for dairy products also rose less than they had a month earlier. The index for sausages and deli meats turned down after advancing in the previous month, while prices for finfish and shellfish decreased more than they had in March. Conversely, partially offsetting the deceleration in finished consumer foods prices, the fresh fruits and melons index declined 2.8 percent following a 7.5-percent fall a month earlier. Prices for pork also fell less than they had in the preceding month. The indexes for processed young chickens and soft drinks rose more than they had in March. Prices for confectionery end products turned up after declining a month earlier. (See table 2.)

The index for finished consumer goods less foods and energy turned down 0.1 percent following a 0.1-percent increase in the previous month. The passenger cars index fell 1.0 percent after rising 0.2 percent in March. Prices for pharmaceutical preparations, household appliances, pet food, and mobile homes also decreased in April following increases in the preceding month. Prices for alcoholic beverages rose less than they had a month earlier. By contrast, the light motor trucks index moved down 0.5 percent after decreasing

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

	Finished goods						
Month	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)	Inter-mediate goods	Crude goods
2006							
Apr.	0.7	0.5	2.6	0.1	4.1	0.7	2.5
May	.2	-.8	1.1	.2	4.5	1.2	1.7
June	.5	1.2	1.1	.1	4.9	.5	-2.6
July	-.1	.1	.7	-.5	4.0	.2	2.8
Aug.	.4	1.2	-.5	.4	3.8	.4	2.6
Sept.	-1.1	.4	-5.9	.3	.9	-1.3	-3.8
Oct.	-1.5	-.4	-5.8	-.4	-1.2	-1.2	-9.2
Nov.	1.6	.1	5.4	.9	.9	.6	11.7
Dec.	r .7	r 1.1	r 2.4	.1	1.1	r .9	r 2.6
2007							
Jan.	-.6	r 1.2	-4.6	r .3	.2	-.7	r -4.0
Feb.	1.3	1.9	3.5	.4	2.5	1.1	8.9
Mar.	1.0	1.4	3.6	0	3.2	1.0	3.2
Apr.	.7	.4	3.4	0	3.2	.9	-1.5

r=revised. Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for December 2006 have been revised to reflect the availability of late reports and corrections by respondents.

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

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2006								
Apr.	-0.4	1.4	0.6	7.7	-0.7	3.4	5.1	4.6
May	-.3	1.7	1.1	9.2	-2.5	.9	9.2	9.6
June	.6	.4	.6	9.5	4.0	-7.0	-1.0	8.7
July	.8	-1.1	.5	8.7	2.2	3.7	1.5	6.2
Aug.	-.4	.4	.4	8.8	.3	6.9	-3.4	5.1
Sept.	.6	-6.0	0	4.7	1.8	-9.2	1.4	-8.2
Oct.	.4	-5.9	-.1	.2	2.7	-20.1	-2.7	-21.1
Nov.	2.4	4.3	-.4	2.1	2.5	26.5	-.6	-10.5
Dec.	r 1.2	r 3.9	r .1	2.8	r -.1	r 4.8	r 1.7	r -4.7
2007								
Jan.	r 2.8	r -4.9	r .2	.9	r 2.2	r -11.9	r 1.4	-8.0
Feb.	2.6	4.5	.2	2.5	7.4	13.7	2.7	9.3
Mar.	1.7	4.1	.2	3.5	2.4	1.7	7.7	15.6
Apr.	.5	1.3	.8	3.7	1.3	-4.9	.4	11.1

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1.2 percent in the prior month. Prices for household furniture and sanitary paper products turned up in April following declines in the previous month. The index for motor homes rose after no change in March.

The finished energy goods index advanced 3.4 percent subsequent to a 3.6-percent rise a month earlier. In April, increasing prices for gasoline, liquefied petroleum gas, home heating oil, residential electric power, residential natural gas, and diesel fuel outweighed decreasing prices for lubricating and similar oils and for asphalt.

The capital equipment index moved up 0.1 percent following a 0.1-percent decrease in March. Prices for heavy motor trucks rose 3.8 percent after no change in the previous month. The indexes for communication and related equipment and for printing trades machinery also advanced in April following no change a month earlier. The light motor trucks and electronic computers indexes fell less than they had in the preceding month. Prices for commercial furniture increased after declining in the prior month. Conversely, the passenger cars index turned down 1.0 percent following a 0.2-percent advance in March. Prices for civilian aircraft decreased after no change a month earlier. The indexes for transformers and power regulators and for integrating and measuring instruments fell following increases in the previous month.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components increased 0.9 percent in April following a 1.0-percent rise in March. The April advance in intermediate goods prices was broad-based, with the indexes for materials for durable manufacturing, energy goods, materials and components for construction, foods and feeds, and materials for nondurable manufacturing all moving up from their March levels. Prices for intermediate goods less foods and energy climbed 0.8 percent in April after edging up 0.2 percent in the prior month. (See table B.)

The index for materials for durable manufacturing jumped 3.7 percent in April following a 1.1-percent increase in the preceding month. Prices for copper and brass mill shapes surged 15.8 percent after rising 1.7 percent in March. The indexes for primary nonferrous metals; hot rolled steel sheet and strip; hot rolled steel bars, plates, and structural shapes; and cold rolled steel sheet and strip also advanced more in April than they had a month earlier. Prices for titanium mill shapes turned up following declines in March. By contrast, partially offsetting the acceleration in durable manufacturing materials prices, the prepared paint index moved down 0.8 percent in April following a 2.0-percent increase in March. Prices for thermoplastic resins and flat glass also turned down in April. (See table 2.)

The index for intermediate energy goods rose 1.3 percent in April after climbing 4.1 percent in the previous month. Diesel fuel prices advanced 1.7 percent compared with an 8.8-percent gain in March. Gasoline prices also moved up less than they had in March. The indexes for jet fuel, natural gas to electric utilities, residual fuel, and both industrial and commercial natural gas moved down in April after increasing a month earlier. By contrast, the index for commercial electric power rose 1.0 percent in April following a 0.4-percent decline in the preceding month. Prices for

industrial electric power also advanced after decreasing in March.

The index for materials and components for construction increased 0.6 percent in April following a 0.3-percent rise in the prior month. Prices for nonferrous wire and cable surged 8.4 percent after falling 2.2 percent in March. The indexes for plastic construction products, wiring devices, and heating equipment also turned up in April following declines a month earlier. Prices for steel mill products and for paving mixtures and blocks moved up at faster rates than they had in March. Conversely, the concrete products index was unchanged in April following a 0.8-percent advance in the preceding month. Prices for fabricated structural metal products also were unchanged after rising in March. The indexes for asphalt felts and coatings and for architectural coatings turned down in April.

The index for intermediate foods and feeds increased 0.5 percent in April following a 1.7-percent jump in the prior month. Prices for beef and veal moved up 2.4 percent after climbing 4.1 percent in March. The indexes for dry milk products and for shortening and cooking oils also rose less than they had in March. Prices for prepared animal feeds, perishable prepared foods, and for sausages and deli meats turned down in April following advances a month earlier. By contrast, the index for processed young chickens increased 3.0 percent in April compared with a 1.1-percent advance in the preceding month. Prices for confectionery materials turned up in April, while the index for soft drink beverage bases moved up after no change in March.

The index for materials for nondurable manufacturing inched up 0.1 percent in April following a 0.9-percent rise in March. Price increases for fertilizer materials slowed to a 4.2-percent rate in April from 12.7 percent in the previous month. The ethanol index also moved up less than it had in March. Prices for plastic resins and materials, intermediate basic organic chemicals, finished fabrics, and rock salt declined in April after advancing in the preceding month. By contrast, the index for primary basic organic chemicals climbed 1.4 percent following a 0.5-percent increase in March. Prices for alkalies and chlorine and for processed yarns and threads turned up in April after decreasing a month earlier.

Crude goods

The Producer Price Index for Crude Materials for Further Processing fell 1.5 percent in April following a 3.2-percent advance in March. Prices for crude energy materials turned down after rising in the preceding month. The indexes for crude nonfood materials less energy and for crude foodstuffs and feedstuffs increased less in April than they had in March. (See table B.)

Prices for crude energy materials fell 4.9 percent following a 1.7-percent gain in March. The natural gas index dropped 13.0 percent subsequent to a 3.8-percent increase in the previous month. By contrast, partially offsetting the downturn in prices for crude energy goods, the index for crude petroleum turned up 7.9 percent in April after declining 1.3 percent a month earlier. Coal prices rose 0.2 percent in April after falling 0.1 percent in March. (See table 2.)

The index for crude nonfood materials less energy increased 0.4 percent in April following a 7.7-percent advance in the preceding month. In April, higher prices for copper base scrap, gold ores, aluminum base scrap, and for construction sand, gravel, and crushed stone outweighed price declines for iron and steel scrap, wastepaper, and pulpwood.

The crude foodstuffs and feedstuffs index rose 1.3 percent in April following a 2.4-percent increase in March. Price increases for slaughter cattle slowed to 2.3 percent in April after advancing 5.8 percent in the preceding month. The indexes for fresh vegetables (except potatoes) and fluid milk also moved up at slower rates than they had in March. Corn prices fell more in April, and the index for slaughter broilers and fryers turned down after rising in the previous month. Alternatively, the slaughter hogs index increased 7.0 percent following a 7.3-percent decrease in March. Prices for Irish potatoes for processing and soybeans also turned up in April after falling a month earlier. The index for fresh fruits and melons decreased less than it had in the previous month.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries increased 1.2 percent in April following a 1.2-percent rise in March. (Net output price indexes are not seasonally adjusted.) In April, higher prices were received by the manufacturing industry groups for petroleum and coal products, food, primary metals, electrical equipment and appliances, as well as, electric power distributors. These increases outweighed lower prices received by the industry group for transportation equipment manufacturing, and the industries for natural gas distribution and electric power generation.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries advanced 1.2 percent in April compared with a 1.0-percent increase in March. (Trade indexes measure changes in margins received by wholesalers and retailers.) Margins received by department stores rose 4.6 percent in April following a 4.5-percent decline in the prior month. The margin indexes for electronic shopping and mail order houses and for specialty food stores also turned up in April. Margins received by electronics and appliances stores increased more than they had in March. The margin index for clothing stores was unchanged after declining in March, while margins received by merchant wholesalers of nondurable goods declined less in April than they had a month earlier. Conversely, partially offsetting the acceleration in the trade industries index, the margin index for gasoline stations advanced 3.8 percent in April following an 18.3-percent gain in the previous month. Margins received by merchant wholesalers of durable goods; retailers of automotive parts, accessories, and tires; and automobile dealers also rose less than they had in the previous month.

Transportation and Warehousing Industries. The Producer Price Index for the Net Output of Transportation and Warehousing Industries increased 1.6 percent in April after edging down 0.2 percent in March. Accounting for the

majority of this upturn, prices received by the scheduled passenger air transportation industry moved up 7.3 percent following a 1.2-percent decline in the preceding month. The industry indexes for couriers, long distance general freight trucking (by the truckload), line-haul railroads, and nonscheduled air transportation also turned up in April. Prices received by the general warehousing and storage industry rose following no change a month earlier. The industry index for long distance general freight trucking (less than truckload) increased more than it had in March. By contrast, prices received by the local general freight trucking industry moved up 0.6 percent in April compared with a 2.0-percent increase in the preceding month. The industry indexes for freight transportation arrangement and for local messengers and delivery turned down after rising in March.

Traditional Service Industries. The Producer Price Index for the Net Output of Total Service Industries rose 1.8 percent in April following a 1.4-percent decrease in March. Prices received by the commercial banking industry climbed 17.1 percent subsequent to a 12.9-percent decrease a month earlier. The industry indexes for savings institutions, cellular and other wireless carriers, and management consulting services also turned up in April. Prices received by the direct health and medical insurance carriers industry moved up after no change in March, while the index for offices of physicians (excluding mental health) declined less than it had in the prior month. By contrast, prices received by the industry for investment banking and securities dealing turned down 4.7 percent after rising 1.0 percent in March. The industry indexes for non-casino hotels and motels also turned down in April. Prices received by offices of lawyers and casino hotels increased less than in the prior month.

Producer Price Indexes – May 2007

The Producer Price Index for Finished Goods increased 0.9 percent in May, seasonally adjusted. This advance followed a 0.7-percent rise in April and a 1.0-percent increase in March. The index for finished goods excluding foods and energy moved up 0.2 percent in May after remaining unchanged in April. At the earlier stages of processing, prices received by producers of intermediate goods increased 1.1 percent in May after advancing 0.9 percent a month earlier, and the crude goods index turned up 2.0 percent following a decline of 1.5 percent in April. (See table A.)

Among finished goods, the index for consumer goods less foods and energy moved up 0.3 percent in May after inching down 0.1 percent in the previous month, while prices for energy goods gained 4.1 percent subsequent to a 3.4-percent increase in April. By contrast, slightly counteracting the overall acceleration in finished goods prices, the index for consumer foods decreased 0.2 percent in May compared with a 0.4-percent rise in the prior month. Prices for capital equipment edged up 0.1 percent for the second consecutive month.

Before seasonal adjustment, the Producer Price Index for Finished Goods advanced 1.2 percent in May to 167.8 (1982 = 100). From May 2006 to May 2007, finished goods prices rose 4.1 percent. Over the same period, the index for finished consumer foods increased 8.5 percent, prices for finished energy goods rose 7.2 percent, and the index for finished goods less foods and energy moved up 1.6 percent. For the 12 months ended in May 2007, prices received by manufacturers of intermediate goods advanced 3.7 percent, and the crude goods index climbed 11.5 percent.

Finished goods

Prices for finished consumer goods less foods and energy advanced 0.3 percent in May following a 0.1-percent decline in April. The pharmaceutical preparations index increased 0.4 percent after decreasing 0.2 percent a month earlier. Prices for household appliances, floor coverings, and tires also turned up in May. The indexes for passenger cars and light motor trucks declined less than in April. Prices for cosmetics and other toilet preparations advanced more than they had in the previous month. By contrast, slightly counteracting the upturn in the finished consumer goods less foods and energy index, prices for motor homes edged down 0.1 percent compared with a 2.7-percent rise a month earlier. The indexes for soaps and synthetic detergents and for sporting and athletic goods also turned down in May after increasing in the prior month. (See table 2.)

The finished energy goods index rose 4.1 percent in May following a 3.4-percent advance in April. Leading this acceleration, prices for gasoline jumped 10.2 percent after rising 8.2 percent a month earlier. Similarly, the indexes for residential electric power, liquefied petroleum gas, and residential natural gas also increased more than they had in the preceding month. By contrast, prices for home heating oil rose 2.3 percent subsequent to a 4.8-percent gain in April.

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

	Finished goods						
Month	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)	Inter-mediate goods	Crude goods
2006							
May	0.2	-0.8	1.1	0.2	4.5	1.2	1.7
June	.5	1.2	1.1	.1	4.9	.5	-2.6
July	-.1	.1	.7	-.5	4.0	.2	2.8
Aug.	.4	1.2	-.5	.4	3.8	.4	2.6
Sept.	-1.1	.4	-5.9	.3	.9	-1.3	-3.8
Oct.	-1.5	-.4	-5.8	-.4	-1.2	-1.2	-9.2
Nov.	1.6	.1	5.4	.9	.9	.6	11.7
Dec.	.7	1.1	2.4	.1	1.1	.9	2.6
2007							
Jan.	-.6	r 1.0	r -4.3	r .2	r .1	-.7	r -5.5
Feb.	1.3	r 2.0	r 3.1	.4	2.5	r 1.0	r 10.7
Mar.	1.0	1.4	3.6	0	3.2	1.0	3.2
Apr.	.7	.4	3.4	0	3.2	.9	-1.5
May	.9	-.2	4.1	.2	4.1	1.1	2.0

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

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2006								
May	-0.3	1.7	1.1	9.2	-2.5	0.9	9.2	9.6
June	.6	.4	.6	9.5	4.0	-7.0	-1.0	8.7
July	.8	-1.1	.5	8.7	2.2	3.7	1.5	6.2
Aug.	-.4	.4	.4	8.8	.3	6.9	-3.4	5.1
Sept.	.6	-6.0	0	4.7	1.8	-9.2	1.4	-8.2
Oct.	.4	-5.9	-.1	.2	2.7	-20.1	-2.7	-21.1
Nov.	2.4	4.3	-.4	2.1	2.5	26.5	-.6	-10.5
Dec.	1.2	3.9	.1	2.8	-.1	4.8	1.7	-4.7
2007								
Jan.	r 1.8	r -3.7	r 0	r 1.1	r 2.4	r -15.3	r 1.8	r -9.5
Feb.	r 3.6	r 3.1	r .4	2.5	r 7.1	r 18.4	r 2.3	9.3
Mar.	1.7	4.1	.2	3.5	2.4	1.7	7.7	15.6
Apr.	.5	1.3	.8	3.7	1.3	-4.9	.4	11.1
May	.1	4.2	.4	3.7	1.1	4.3	.1	11.5

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The diesel fuel index moved down following an increase in the prior month.

The index for finished consumer foods declined 0.2 percent in May following a 0.4-percent advance in the preceding month. Prices for fresh and dry vegetables dropped 35.0 percent following an 8.9-percent increase in April. The index for processed young chickens also turned down in May, and prices for beef and veal rose less than they had in April. By contrast, the index for fresh fruits and melons climbed 12.1 percent in May subsequent to a 2.8-percent decrease in the previous month. Prices for eggs for fresh use, pork, and for sausages and deli meats also turned up in May. The indexes for dairy products and for processed fruits and vegetables increased more than they had in April.

The capital equipment index inched up 0.1 percent in May, the same rate of advance as in the prior month. In May, rising prices for civilian aircraft, transformers and power regulators, both agricultural and mining machinery and equipment, and for welding machines and equipment slightly outweighed falling prices for electronic computers, communication and related equipment, passenger cars, x-ray and electromedical equipment, and light motor trucks.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components rose 1.1 percent in May following a 0.9-percent increase in April. Prices for intermediate energy goods and materials for nondurable manufacturing advanced more than they had in the previous month. By contrast, partially offsetting the acceleration in intermediate goods prices, the indexes for materials for durable manufacturing, materials and components for construction, and intermediate foods and feeds rose less than they had in the prior month. Excluding foods and energy, prices for intermediate goods moved up 0.4 percent in May after rising 0.8 percent a month earlier. (See table B.)

The intermediate energy goods index climbed 4.2 percent following a 1.3-percent increase in the preceding month. Jet fuel prices rose 3.0 percent after falling 2.1 percent in April. The indexes for natural gas to electric utilities, residual fuel, and both industrial and commercial natural gas also turned up in May following decreases in the prior month. Prices for gasoline, industrial electric power, and liquefied petroleum gas rose more than they had a month earlier. By contrast, diesel fuel prices fell 1.6 percent after moving up 1.7 percent in April. The commercial electric power and home heating oil indexes advanced less in May than they had in the previous month. (See table 2.)

The index for materials for nondurable manufacturing increased 2.9 percent after edging up 0.1 percent a month earlier. Prices for basic organic chemicals rose 3.3 percent in May following a 0.3-percent gain in the preceding month. The inedible fats and oils index also advanced more than it had in the prior month. Prices for plastic resins and materials turned up after declining in April, and the woodpulp index increased after no change a month earlier. By contrast, prices for nitrogenates moved down 0.3 percent following a 4.1-percent jump in the previous month. The indexes for phosphates and paperboard also turned down

in May. Prices for paper fell more than they had in the prior month, and the index for paint materials rose less than in April.

The materials for durable manufacturing index edged up 0.2 percent following a 3.7-percent increase in April. Prices for primary nonferrous metals advanced 1.5 percent after climbing 10.8 percent in the previous month. The indexes for steel mill products, copper and brass mill shapes, and building paper and board fell following advances a month earlier. Softwood lumber prices decreased more than they had in the preceding month. By contrast, prices for thermoplastic resins rose 3.8 percent in May after falling 2.2 percent in the prior month. The secondary aluminum and prepared paint indexes also turned up following declines a month earlier. Cement prices increased more than they had in April.

The index for materials and components for construction advanced 0.3 percent after rising 0.6 percent in the preceding month. The nonferrous wire and cable index climbed 3.9 percent subsequent to an 8.4-percent jump a month earlier. Prices for steel mill products and for paving mixtures and blocks turned down in May following increases in April. The millwork index decreased after no change in the previous month. Prices for gypsum products and softwood lumber fell more than they had in the prior month. By contrast, the fabricated structural metal products index advanced 0.4 percent after no change in April. Prices for concrete products also rose following no change a month earlier. Treated wood prices turned up after falling in the preceding month. The indexes for asphalt felts and coatings and for mineral wool for structural insulation declined less in May than they had a month earlier.

Prices for intermediate foods and feeds inched up 0.1 percent following a 0.5-percent increase in April. The beef and veal index advanced 1.0 percent after moving up 2.4 percent in the previous month. Flour prices also rose less in May than they had a month earlier. The index for prepared animal feeds decreased more than it had in April, and prices for processed young chickens turned down in May after advancing in the prior month. By contrast, prices for dairy products climbed 4.5 percent subsequent to a 1.6-percent increase in April. The index for shortening and cooking oils also rose more than it had in the preceding month. Prices for pork and for sausage and deli meats turned up in May after declining in the previous month.

Crude goods

The Producer Price Index for Crude Materials for Further Processing increased 2.0 percent in May after falling 1.5 percent in the preceding month. This reversal can be traced to the index for crude energy materials, which rose following a decline in April. By contrast, slightly counteracting the upturn in crude goods prices, the indexes for crude foodstuffs and feedstuffs and for crude nonfood materials less energy advanced less in May than they had in April. (See table B.)

Prices for crude energy materials jumped 4.3 percent in May after dropping 4.9 percent in the prior month. This upturn is attributable to the natural gas index, which climbed 6.6 percent following a 13.0-percent decrease in April. By contrast, crude petroleum prices moved up 1.9 percent in May compared with a 7.9-percent rise a month earlier. For the second consecutive month, the coal index inched up at a 0.2-percent rate. (See table 2.)

The index for crude foodstuffs and feedstuffs increased 1.1 percent in May after advancing 1.3 percent in April. In May, higher prices for fluid milk, slaughter broilers and fryers, corn, soybeans, and fresh fruits and melons outweighed lower prices for fresh and dry vegetables, slaughter hogs, and unprocessed shellfish.

The index for crude nonfood materials less energy edged up 0.1 percent in May following a 0.4-percent increase in April. In May, rising prices for copper base scrap, wastepaper, aluminum base scrap, and for construction sand, gravel, and crushed stone slightly outweighed declining prices for iron and steel scrap, raw cotton, gold ores, and for hardwood logs, bolts, and timber.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. In May, the Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries advanced 1.2 percent for the second consecutive month. (Net output price indexes are not seasonally adjusted.) In May, higher prices were received by the manufacturing industry groups for petroleum and coal products, foods, chemicals, fabricated metal products, and electrical equipment and appliances. The indexes for electric power distribution and for oil and gas extraction also moved up in May. These increases outweighed lower prices received by the electric power generation industry and by the computer and electronic products industry group.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries rose 2.0 percent in May compared with a 1.2-percent increase in April. (Trade indexes measure changes in margins received by wholesalers and retailers.) Margins received by gasoline stations jumped 43.3 percent in May following a 3.8-percent gain in the prior month. The margin indexes for merchant wholesalers of nondurable goods; sporting goods, hobby, and musical instrument stores; and health and personal care stores turned up in May. Margins received by building material and supplies dealers increased after no change in April. By contrast, partially offsetting the acceleration in the trade industries index, the margin index for electronics and appliance stores fell 0.9 percent in May following an 18.9-percent gain in the previous month. Margins received by department stores, shoe stores, and fuel dealers also turned down in May. The margin index for merchant wholesalers of durable goods increased less than it had in April.

Transportation and Warehousing Industries. The Producer Price Index for the Net Output of Transportation and Warehousing Industries edged down 0.1 percent in May after rising 1.6 percent in April. Prices received by the scheduled passenger air transportation industry fell 8.4 percent following a 7.3-percent increase in the preceding month. The industry indexes for long distance general freight trucking (by the truckload), general warehousing and storage, and long distance specialized freight trucking of new goods also turned down in May. Prices received by the line-haul railroads

industry rose less than they had a month earlier. By contrast, prices received by the United States Postal Service moved up 6.5 percent in May after remaining unchanged in the preceding month. The industry index for scheduled freight air transportation also rose following no change in April. Prices received by the local general freight trucking industry increased more in May than they had a month earlier. The industry indexes for freight transportation arrangement and local specialized freight trucking of new goods turned up following declines in April.

Traditional Service Industries. The Producer Price Index for the Net Output of Total Traditional Service Industries declined 0.3 percent in May following a 1.8-percent increase in April. Prices received by the depository credit intermediation industry group decreased 3.8 percent after climbing 15.7 percent a month earlier. The industry index for offices of real estate agents and brokers also turned down in May. Prices received by direct health and medical insurance carriers and by portfolio managers rose less than they had in April. The indexes for general medical and surgical hospitals and for wired telecommunication carriers were unchanged following increases in the prior month. By contrast, prices received by the industry for investment banking and securities dealing advanced 1.8 percent in May after falling 4.7 percent a month earlier. The industry indexes for non-casino hotels and motels and for cable networks also turned up in May.

Producer Price Indexes – June 2007

The Producer Price Index for Finished Goods decreased 0.2 percent in June, seasonally adjusted. This decline followed advances of 0.9 percent in May and 0.7 percent in April. At the earlier stages of processing, prices received by producers of intermediate goods rose 0.5 percent in June after increasing 1.1 percent in the prior month, and the crude goods index moved up 0.3 percent following a 2.0-percent advance in May. (See table A.)

Among prices for finished goods, the index for energy goods fell 1.1 percent in June after rising 4.1 percent in May. Prices for consumer foods decreased 0.8 percent following a 0.2-percent decline in the previous month. By contrast, slightly counteracting the downturn in finished goods prices, the index for finished goods other than foods and energy increased 0.3 percent in June compared with a 0.2-percent rise in May.

During the first 6 months of 2007, the finished goods index rose at a 6.4-percent seasonally adjusted annual rate (SAAR) after no change during the latter half of 2006. Prices for finished energy goods climbed at an 18.4-percent SAAR from December 2006 to June 2007 after declining at an 8.2-percent SAAR for the 6 months ended December 2006. The index for finished consumer foods moved up at a 7.8-percent SAAR during the first half of 2007 after increasing at a 4.9-percent SAAR during the second half of 2006. Prices for finished goods other than foods and energy advanced at a 2.3-percent SAAR for the 6 months ended June 2007 after rising at a 1.3-percent SAAR during the prior 6-month period. At the earlier stages of processing, the intermediate goods index increased at an 8.0-percent SAAR from December 2006 to June 2007 after falling at a 1.0-percent SAAR during the latter half of 2006, and prices for crude goods advanced at an 18.6-percent SAAR for the 6 months ended in June after moving up at an 11.3-percent SAAR for the 6 months ended in December. (See summary table on page 2.)

Before seasonal adjustment, the Producer Price Index for Finished Goods fell 0.4 percent in June to 167.1 (1982 = 100). From June 2006 to June 2007, prices for finished goods increased 3.3 percent. Over the same period, the index for finished consumer foods rose 6.5 percent, prices for finished energy goods climbed 4.7 percent, and the index for finished goods other than foods and energy advanced 1.8 percent. For the 12 months ended June 2007, prices received by intermediate goods producers moved up 3.7 percent, and the crude goods index increased 14.8 percent.

Finished goods

Prices for finished energy goods declined 1.1 percent in June after increasing 4.1 percent in May. The gasoline index fell 3.9 percent following a 10.2-percent jump in the previous month. Prices for liquefied petroleum gas, residential electric power, home heating oil, and finished lubricants also turned down after rising in May. By contrast,

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

	Finished goods						
Month	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)	Inter-mediate goods	Crude goods
2006							
June	0.5	1.2	1.1	0.1	4.9	0.5	-2.6
July	-.1	.1	.7	-.5	4.0	.2	2.8
Aug.	.4	1.2	-.5	.4	3.8	.4	2.6
Sept.	-1.1	.4	-5.9	.3	.9	-1.3	-3.8
Oct.	-1.5	-.4	-5.8	-.4	-1.2	-1.2	-9.2
Nov.	1.6	.1	5.4	.9	.9	.6	11.7
Dec.	.7	1.1	2.4	.1	1.1	.9	2.6
2007							
Jan.	-.6	1.0	-4.3	.2	.1	-.7	-5.5
Feb.	r 1.2	r 1.7	r 3.0	.4	r 2.4	r .8	r 9.0
Mar.	1.0	r 1.7	3.6	0	3.2	r 1.3	r 4.8
Apr.	.7	.4	3.4	0	3.2	.9	-1.5
May	.9	-.2	4.1	.2	4.1	1.1	2.0
June	-.2	-.8	-1.1	.3	3.3	.5	.3

r=revised. Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for February 2007 have been revised to reflect the availability of late reports and corrections by respondents.

Summary of December-to-December, 6-month, and 3-month seasonally adjusted annual rates of change in price indexes for selected stages of processing

Grouping	Percentage change 12 months ended December			Seasonally adjusted annual rate for			
	2004	2005	2006	6 months ended Dec. 2006	6 months ended June 2007	3 months ended March 2007	3 months ended June 2007
Finished goods	4.2	5.4	1.1	0.0	6.4	7.1	5.7
Finished consumer foods	3.1	1.7	1.7	4.9	7.8	19.3	-2.6
Finished energy goods	13.4	23.9	-2.0	-8.2	18.4	9.1	28.6
Finished goods less foods and energy	2.3	1.4	2.0	1.3	2.3	2.5	2.0
Finished consumer goods, excluding foods and energy	2.2	1.6	1.8	1.1	2.4	2.9	1.9
Capital equipment	2.4	1.2	2.3	1.8	1.9	2.2	1.6
Intermediate materials, supplies, and components	9.2	8.6	2.8	-1.0	8.0	5.7	10.4
Intermediate foods and feeds	-2.3	2.4	4.7	10.6	20.3	32.3	9.3
Intermediate energy goods	15.8	26.2	-3.3	-9.4	19.8	14.4	25.5
Intermediate materials less foods and energy	8.3	4.8	4.5	1.0	4.5	2.4	6.6
Materials for nondurable manufacturing	13.7	8.9	1.2	-5.9	15.4	10.1	20.9
Materials for durable manufacturing	18.3	5.9	12.5	2.0	11.1	4.8	17.7
Materials and components for construction	10.1	6.1	4.3	1.0	3.5	2.1	4.9
Crude materials for further processing	17.4	21.1	-4.7	11.3	18.6	36.0	3.3
Foodstuffs and feedstuffs	-2.6	1.6	2.8	20.7	33.9	59.8	12.3
Crude energy materials	35.9	42.2	-15.7	13.7	3.5	8.0	-.8
Crude nonfood materials less energy	20.5	5.2	17.0	-4.2	26.5	58.3	1.1

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.

slightly counteracting the downturn in the finished energy goods index, residential natural gas prices advanced 2.6 percent in June following a 0.9-percent increase a month earlier. The index for diesel fuel turned up after decreasing in May. (See table 2.)

Prices for finished consumer foods fell 0.8 percent in June following a 0.2-percent decrease in May. The index for fresh fruits and melons declined 14.9 percent after climbing 12.1 percent in the preceding month. Prices for eggs for fresh use, beef and veal, pork, processed fruits and vegetables, and soft drinks also turned down following increases in May. The index for processed young chickens decreased more in June than it had in the prior month. By contrast, prices for fresh and dry vegetables rose 0.2 percent following a 35.0-percent drop a month earlier. The index for dairy products advanced more in June than it had in May.

The index for finished goods other than foods and energy increased 0.3 percent in June following a 0.2-percent advance in May. Higher prices for light motor trucks, passenger cars, sanitary papers and health products, civilian aircraft, household furniture, and alcoholic beverages outweighed lower prices for electronic computers, commercial furniture, pharmaceutical preparations, and cosmetics and other toilet preparations.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components rose 0.5 percent in June following a 1.1-percent advance in the prior month. Prices for intermediate energy goods and materials for nondurable manufacturing increased less than they had in May. Conversely, partially offsetting the deceleration in intermediate goods prices, the indexes for intermediate foods and feeds, materials and components for construction, and materials for durable manufacturing rose more than in the previous month. Prices for intermediate goods other than foods and energy moved up 0.4 percent for the second consecutive month. (See table B.)

The index for intermediate energy goods rose 0.3 percent in June after jumping 4.2 percent in May. The index for residual fuel increased 0.6 percent in June after climbing 7.8 percent a month earlier. Prices for gasoline, industrial electric power, jet fuels, and liquefied petroleum gas turned down after advancing in May. By contrast, the rise in the index for natural gas to electric utilities accelerated to 7.8 percent from 1.4 percent in the previous month. Prices for commercial natural gas also increased more in June, and the index for diesel fuel turned up after declining in May. (See table 2.) From December 2006 to June 2007, the index for intermediate energy goods advanced at a 19.8-percent SAAR after dropping at a 9.4-percent SAAR in the previous 6-month period.

The index for materials for nondurable manufacturing moved up 1.8 percent in June after advancing 2.9 percent in the prior month. The increase in the index for primary basic organic chemicals slowed to 2.7 percent from 4.6 percent in May. Prices for plastic resins and materials and

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

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2006								
June	0.6	0.4	0.6	9.5	4.0	-7.0	-1.0	8.7
July	.8	-1.1	.5	8.7	2.2	3.7	1.5	6.2
Aug.	-.4	.4	.4	8.8	.3	6.9	-3.4	5.1
Sept.	.6	-6.0	0	4.7	1.8	-9.2	1.4	-8.2
Oct.	.4	-5.9	-.1	.2	2.7	-20.1	-2.7	-21.1
Nov.	2.4	4.3	-.4	2.1	2.5	26.5	-.6	-10.5
Dec.	1.2	3.9	.1	2.8	-.1	4.8	1.7	-4.7
2007								
Jan.	1.8	-3.7	0	1.1	2.4	-15.3	1.8	-9.5
Feb.	r 3.0	r 3.5	r 0	r 2.2	r 7.4	r 14.3	r 2.9	r 7.7
Mar.	r 2.3	r 3.7	r .6	3.5	r 2.2	r 5.4	r 7.1	15.6
Apr.	.5	1.3	.8	3.7	1.3	-4.9	.4	11.1
May	.1	4.2	.4	3.7	1.1	4.3	.1	11.5
June	1.6	.3	.4	3.7	.5	.6	-.2	14.8

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for intermediate basic organic chemicals also rose less than in the preceding month. Conversely, the increase in the fertilizer materials index accelerated to 4.8 percent in June from 0.5 percent a month earlier. Prices for basic inorganic chemicals also increased more than in the preceding month. The indexes for paper, processed yarns and threads, and synthetic rubber turned up after falling in May. The index for materials for nondurable manufacturing rose at a 15.4-percent SAAR during the first half of 2007 after declining at a 5.9-percent SAAR in the second half of 2006.

Prices for intermediate foods and feeds moved up 1.6 percent in June after increasing 0.1 percent in the prior month. The index for prepared animal feeds turned up 2.2 percent after dropping 3.1 percent in May. Prices for flour, fluid milk products, and for natural, processed, and imitation cheese rose more than in the previous month. By contrast, the index for beef and veal turned down 3.3 percent after advancing 1.0 percent in the prior month. Prices for pork also decreased after rising in May. The index for shortening and cooking oils increased less in June, and prices for processed young chickens fell more than in May. During the first half of 2007, the index for intermediate foods and feeds rose at a 20.3-percent SAAR after advancing at a 10.6-percent SAAR in the second half of 2006.

The index for materials and components for construction moved up 0.4 percent in June after advancing 0.3 percent a month earlier. Price increases for nonferrous wire and cable, plywood, asphalt felts and coatings, wiring devices, softwood lumber, treated wood, and concrete products outweighed price decreases for plastic construction products. From December 2006 to June 2007, prices for materials and components for construction moved up at a 3.5-percent SAAR after advancing at a 1.0-percent SAAR from June to December 2006.

The index for materials for durable manufacturing increased 0.3 percent in June after moving up 0.2 percent in the prior month. Rising prices for copper and brass mill shapes, cold rolled steel sheet and strip, semifinished steel mill products, plywood, softwood lumber, and secondary aluminum more than offset falling prices for aluminum mill shapes and cold finished steel bars. The index for materials for durable manufacturing climbed at an 11.1-percent SAAR in the first half of 2007 after rising at a 2.0-percent SAAR in the prior 6-month period.

Crude goods

The Producer Price Index for Crude Materials for Further Processing moved up 0.3 percent in June following a 2.0-percent increase in May. Prices for crude energy materials and for crude foodstuffs and feedstuffs rose less than they had in May. The index for basic industrial materials turned down after edging up in the prior month. (See table B.)

Prices for crude energy materials moved up 0.6 percent in June subsequent to a 4.3-percent increase a month earlier. In June, rising prices for crude petroleum and coal outweighed falling prices for natural gas. (See table 2.) During the first half of 2007, the crude energy materials index advanced at a 3.5-percent SAAR after rising at a 13.7-percent SAAR in the previous 6-month period.

The crude foodstuffs and feedstuffs index advanced 0.5 percent following a 1.1-percent increase in May. In June,

higher prices for fluid milk, corn, wheat, soybeans, slaughter hogs, and slaughter turkeys outweighed lower prices for slaughter cattle, slaughter broilers and fryers, fresh fruit and melons, and unprocessed finfish. The index for crude foodstuffs and feedstuffs increased at a 33.9-percent SAAR in the first half of 2007 subsequent to rising at a 20.7-percent SAAR in the second half of 2006.

Prices for crude nonfood materials less energy inched down 0.2 percent in June after edging up 0.1 percent in the preceding month. The copper base scrap index declined 6.6 percent following a 10.3-percent gain in May. Similarly, prices for wastepaper and pulpwood also turned down in June. The indexes for aluminum base scrap and for construction sand, gravel, and crushed stone were unchanged after increasing in the previous month. Prices for gold ores fell more than they had a month earlier. By contrast, partially offsetting the downturn in the basic industrial materials index, prices for iron and steel scrap advanced 1.4 percent in June subsequent to an 8.3-percent decrease in the prior month. The indexes for phosphates and for hardwood logs, bolts, and timber also turned up in June. Prices for raw cotton declined less than they had in May. From December 2006 to June 2007, the index for basic industrial materials increased at a 26.5-percent SAAR after decreasing at a 4.2-percent SAAR in the prior 6-month period.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries advanced 0.2 percent in June following a 1.2-percent rise in May. (Net output price indexes are not seasonally adjusted.) In June, prices received by electric power distributors increased 3.3 percent. The industry indexes for electric power generation; natural gas distribution; mining support activities; as well as, food, chemical, and electrical equipment and appliance manufacturing also moved up in June. By contrast, prices received by petroleum and coal products manufacturers fell 3.1 percent in June. The industry indexes for printing and related support activities and for beverage and tobacco manufacturing also declined in June.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries decreased 1.2 percent in June after climbing 2.0 percent in May. (Trade indexes measure changes in margins received by wholesalers and retailers.) Margins received by gasoline stations dropped 8.4 percent in June compared with a 43.3-percent jump in the prior month. The margin indexes for merchant wholesalers of both durable and nondurable goods, grocery stores, health and personal care stores, and florists also turned down following advances in May. Margins received by building materials and supplies dealers rose less in June than they had a month earlier. By contrast, partially counteracting the downturn in the trade industries index, margins received by shoe stores increased 18.6 percent following a 15.2-percent decline in May. The margin indexes for department stores, wholesale trade agents and brokers, and recreational vehicle dealers also moved up in June after falling in the previous month.

Transportation and Warehousing Industries. The Producer Price Index for the Net Output of Total Transportation and Warehousing Industries advanced 0.8 percent in June after inching down 0.1 percent in May. Prices received by the industry for scheduled passenger air transportation rose 4.5 percent in June following an 8.4-percent decrease in the preceding month. Prices received by the industries for line-haul railroad transportation, inland water freight transportation, and courier services increased more in June than they had a month earlier. The index for long-distance general freight trucking (by the truckload) was unchanged following a decline in May. Conversely, prices received by the United States Postal Service were unchanged in June after rising 6.5 percent in the prior month. The indexes for scheduled freight air transportation, long distance general freight trucking (less than truckload), and local general freight trucking turned down after advancing in May.

Traditional Service Industries. The Producer Price Index for the Net Output of Total Traditional Service Industries climbed 0.7 percent in June following a 0.3-percent decline in May. Prices received by the commercial banking industry jumped 4.7 percent in June after falling 3.8 percent a month earlier. The indexes for savings institutions, lessors of nonresidential buildings (except miniwarehouses), offices of real estate agents and brokers, and passenger car rental also turned up following decreases in May. Prices received by non-casino hotels and motels moved up more in June than they had in the previous month. The indexes for wired telecommunications carriers and general medical and surgical hospitals rose after no change in May. By contrast, prices received by cellular and other wireless carriers declined 2.2 percent in June after increasing 3.0 percent in the preceding month. The indexes for management consulting services and offices of lawyers also turned down following advances in May.

Producer Price Indexes -- July 2007

The Producer Price Index for Finished Goods advanced 0.6 percent in July, seasonally adjusted. This increase followed a 0.2-percent decline in June and a 0.9-percent rise in May. At the earlier stages of processing, prices received by manufacturers of intermediate goods rose 0.6 percent in July compared with a 0.5-percent gain in June, and the index for crude materials climbed 1.2 percent subsequent to a 0.3-percent increase a month earlier. (See table A.)

Among prices for finished goods, the index for energy goods rose 2.5 percent in July following a 1.1-percent decrease in June. Prices for finished consumer foods inched down 0.1 percent after declining 0.8 percent in the previous month. By contrast, slightly counteracting the upturn in finished goods prices, the increase in the index for finished goods other than foods and energy slowed to 0.1 percent from 0.3 percent in June.

Before seasonal adjustment, the Producer Price Index for Finished Goods advanced 0.7 percent in July to 168.2 (1982 = 100). From July 2006 to July 2007, the finished goods index moved up 4.0 percent. Over the same period, prices for finished energy goods jumped 6.6 percent, the index for finished consumer foods rose 6.2 percent, and prices for finished goods other than foods and energy increased 2.3 percent. For the 12-month period ended in July, the index for intermediate goods advanced 4.1 percent, and prices received by crude goods producers climbed 13.1 percent.

Finished goods

The finished energy goods index increased 2.5 percent in July compared with a 1.1-percent decrease in June. Leading this upturn, prices for gasoline advanced 3.2 percent following a 3.9-percent decline in the previous month. The indexes for residential electric power and liquefied petroleum gas also turned up in July. Prices for diesel fuel and kerosene rose more than they had a month earlier. Conversely, slightly counteracting the upturn in finished energy goods prices, the index for lubricating and similar oils moved down 2.0 percent subsequent to a 0.3-percent decline in June. (See table 2.)

Prices for finished consumer foods edged down 0.1 percent in July after falling 0.8 percent in June. The index for fresh fruits and melons decreased 10.2 percent subsequent to a 14.9-percent decline a month earlier. Prices for eggs for fresh use, processed young chickens, soft drinks, and for finfish and shellfish turned up in July. The index for fresh and dry vegetables rose more than it had in the preceding month. Conversely, prices for beef and veal moved down 8.4 percent following a 3.3-percent decline in the prior month. The pork index also decreased at a faster rate compared with a month

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

	Finished goods						
Month	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)	Inter-mediate goods	Crude goods
2006							
July	-0.1	0.1	0.7	-0.5	4.0	0.2	2.8
Aug.	.4	1.2	-.5	.4	3.8	.4	2.6
Sept.	-1.1	.4	-5.9	.3	.9	-1.3	-3.8
Oct.	-1.5	-.4	-5.8	-.4	-1.2	-1.2	-9.2
Nov.	1.6	.1	5.4	.9	.9	.6	11.7
Dec.	.7	1.1	2.4	.1	1.1	.9	2.6
2007							
Jan.	-.6	1.0	-4.3	.2	.1	-.7	-5.5
Feb.	1.2	1.7	3.0	.4	2.4	.8	9.0
Mar.	1.0	r 1.6	r 3.8	r -.1	r 3.1	r 1.2	r 2.6
Apr.	r .8	r .5	r 3.2	r .1	3.2	r 1.0	r .6
May	.9	-.2	4.1	.2	4.1	1.1	2.0
June	-.2	-.8	-1.1	.3	3.3	.5	.3
July	.6	-.1	2.5	.1	4.0	.6	1.2

r=revised. Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for March 2007 have been revised to reflect the availability of late reports and corrections by respondents.

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

	Intermediate goods				Crude goods			
Month	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2006								
July	0.8	-1.1	0.5	8.7	2.2	3.7	1.5	6.2
Aug.	-.4	.4	.4	8.8	.3	6.9	-3.4	5.1
Sept.	.6	-6.0	0	4.7	1.8	-9.2	1.4	-8.2
Oct.	.4	-5.9	-.1	.2	2.7	-20.1	-2.7	-21.1
Nov.	2.4	4.3	-.4	2.1	2.5	26.5	-.6	-10.5
Dec.	1.2	3.9	.1	2.8	-.1	4.8	1.7	-4.7
2007								
Jan.	1.8	-3.7	0	1.1	2.4	-15.3	1.8	-9.5
Feb.	3.0	3.5	0	2.2	7.4	14.3	2.9	7.7
Mar.	r 1.8	r 4.2	r .4	r 3.3	r 2.4	r .3	r 7.4	r 13.3
Apr.	r 1.0	r .9	r 1.0	3.7	r 1.2	r -.1	r .1	11.1
May	.1	4.2	.4	3.7	1.1	4.3	.1	11.5
June	1.6	.3	.4	3.7	.5	.6	-.2	14.8
July	.8	2.0	.2	4.1	2.1	1.1	0	13.1

r=revised. Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for March 2007 have been revised to reflect the availability of late reports and corrections by respondents.

earlier. Prices for dairy products increased less than they had in June, while the canned meats index turned down in July.

The index for finished goods less foods and energy edged up 0.1 percent in July after increasing 0.3 percent a month earlier. Prices for passenger cars moved up 0.2 percent subsequent to a 1.4-percent gain in June. The indexes for alcoholic beverages, civilian aircraft, and household furniture turned down in July. Prices for sanitary papers and health products were unchanged after moving up in the previous month. By contrast, prices for pharmaceutical preparations increased 0.5 percent after inching down 0.1 percent in June. The indexes for commercial furniture, cosmetics and other toilet preparations, and tires also turned up in July. Prices for light motor trucks increased more than they had in June.

Intermediate goods

The index for Intermediate Materials, Supplies, and Components increased 0.6 percent in July after advancing 0.5 percent in June. Among prices for intermediate goods in July, increases for energy goods, materials for nondurable manufacturing, foods and feeds, and materials and components for construction outweighed decreases for materials for durable manufacturing. The index for intermediate goods less foods and energy moved up 0.2 percent after advancing 0.4 percent in June. (See table B.)

Prices for intermediate energy goods increased 2.0 percent in July after rising 0.3 percent in the prior month. The diesel fuel index moved up 6.8 percent following a 0.4-percent advance in June. Prices for residual fuel also rose more than they had in the previous month. The indexes for gasoline, jet fuels, and liquefied petroleum gas turned up in July. Prices for industrial electric power were unchanged after falling in June. By contrast, partially counteracting the acceleration in the intermediate energy goods index, prices for natural gas to electric utilities decreased 2.1 percent following a 7.8-percent advance in the preceding month. The indexes for both commercial and industrial natural gas and for commercial electric power also turned down in July. (See table 2.)

The materials for nondurable manufacturing index advanced 1.1 percent in July after climbing 1.8 percent a month earlier. Price increases for inedible fats and oils slowed to 2.1 percent from 7.4 percent in June. The indexes for fertilizer materials, processed yarns and threads, and gray fabrics also rose less than in the previous month. Prices for intermediate basic organic chemicals and finished fabrics turned down in July. The index for synthetic fibers fell following no change in June. By contrast, the increase in the index for plastic resins and materials accelerated to 1.4 percent after advancing 0.8 percent a month earlier. Prices for alkalies and chlorine and for paper also rose more in July. The index for paint materials turned up after falling in June.

The rate of increase in the index for intermediate foods and feeds slowed from 1.6 percent in June to 0.8 percent in July. Prices for natural, processed, and imitation cheese moved up 1.9 percent after increasing 9.6 percent in June. The indexes for flour and for dry, condensed, and evaporated milk products also rose less in July than they had in the previous month. Prices for beef and veal and for pork fell more in July. By contrast, the index for processed young chickens turned up 0.3 percent following a 4.5-percent decline

in June. Prices for shortening and cooking oils and for fluid milk products rose more in July than in the prior month.

The index for materials and components for construction rose 0.2 percent in July following a 0.4-percent gain in the prior month. Price increases for nonferrous wire and cable, cast iron pressure and soil pipe fittings, softwood lumber, treated wood, building paper and board, and for paving mixtures and blocks more than offset declining prices for steel mill products, gypsum products, asphalt felts and coatings, and fabricated structural metal products.

Prices for materials for durable manufacturing declined 0.5 percent in July after increasing 0.3 percent in June. The index for semifinished steel mill products decreased 5.3 percent following a 2.1-percent rise in the preceding month. Prices for hot rolled steel sheet and strip fell in July after no change, while the index for cold rolled steel sheet and strip was unchanged following an increase in June. Prices for secondary aluminum and cement turned down in July after rising a month earlier. Conversely, the index for primary nonferrous metals advanced 2.8 percent following a 2.2-percent decrease in June. Prices for building paper and board and for softwood lumber moved up at quicker rates in July than they had in the prior month. The index for hot rolled steel bars, plates, and structural shapes turned up after falling in June.

Crude goods

The Producer Price Index for Crude Materials for Further Processing increased 1.2 percent in July following a 0.3-percent gain in the preceding month. Prices for crude foodstuffs and feedstuffs and for crude energy material rose more than they had in June. The basic industrial materials index showed no change after declining in the previous month. (See table B.)

Prices for crude foodstuffs and feedstuffs advanced 2.1 percent in July following a 0.5-percent rise in the prior month. The slaughter cattle index increased 1.1 percent compared with a 7.7-percent drop in June. Prices for slaughter broilers and fryers, alfalfa hay, and unprocessed finfish also turned up in July. The index for soybeans rose more than it had in the preceding month. By contrast, partially counteracting the acceleration in crude foodstuffs and feedstuffs prices, the index for corn declined 12.8 percent in July subsequent to a 6.8-percent advance in the previous month. The indexes for fluid milk, wheat, and slaughter hogs increased less than they had in June. (See table 2.)

Prices for crude energy materials moved up 1.1 percent in July after increasing 0.6 percent a month earlier. The index for crude petroleum jumped 11.8 percent following a 2.9-percent rise in the prior month. Coal prices moved up 1.7 percent after increasing 1.1 percent in June. By contrast, the index for natural gas fell 6.4 percent in July following a 1.2-percent decline in the preceding month.

Prices for crude nonfood material less energy were unchanged in July after edging down 0.2 percent in the previous month. The wastepaper index advanced 11.1 percent following a 0.8-percent decrease in the prior month. The indexes for copper base scrap and raw cotton also turned up in July. Prices for gold ores decreased less than they had in the preceding month. The indexes for construction, sand, gravel, and crushed stone and for aluminum base scrap increased after no change in June. By contrast, the iron and steel scrap index decreased 4.7 percent in July compared with a 1.4-percent advance in the prior month. Prices for hides and skins fell more than they had in the preceding month.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries climbed 0.8 percent in July after advancing 0.2 percent in June. (Net output price indexes are not seasonally adjusted.) Most of this faster rate of increase is attributable to prices received by petroleum and coal products manufacturers, which jumped 5.0 percent in July following a 3.1-percent drop a month earlier. The industry indexes for printing and related support activities, furniture and related product manufacturing, and textile product mills also turned up after falling in June. By contrast, partially offsetting the acceleration in overall mining, utilities, and manufacturing prices, the index for electric power distribution moved up 1.0 percent in July compared with a 3.3-percent increase in June. Prices received by food manufacturers also advanced less than they had in the prior month. The index for the natural gas distribution industry turned down after rising in June, while prices received by transportation equipment manufacturers decreased in July following no change in the previous month.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries rose 0.7 percent in July after falling 1.2 percent in June. (Trade indexes measure changes in margins received by wholesalers and retailers.) Margins received by merchant wholesalers of durable goods moved up 1.6 percent in July following a 4.1-percent drop a month earlier. Similarly, the margin indexes for merchant wholesalers of nondurable goods, grocery stores, and for electronics and appliance stores also turned up after decreasing in June. Margins received by miscellaneous general merchandise stores climbed at faster rates in July than they had in the prior month, while the margin index for gasoline stations declined less than it had in June. By contrast, margins received by electronic shopping and mail order houses fell 7.9 percent in July after increasing 1.2 percent in the preceding month. The margin indexes for department stores, shoe stores, and wholesale trade agents and brokers also turned down following advances in June.

Transportation and Warehousing Industries. The Producer Price Index for the Net Output of Total Transportation and Warehousing Industries climbed 1.3 percent in July after rising 0.8 percent in June. Most of this acceleration can be traced to prices received by the industry for scheduled air transportation, which jumped 5.4 percent in July following a 3.6-percent gain in the previous month. The industry indexes for pipeline transportation of crude oil and refined petroleum products both advanced after no change in June. Prices for deep sea freight transportation and for long-distance, general freight trucking turned up in July after falling in the prior month. By contrast, prices received by line-haul railroads were unchanged in July following a 0.9-percent increase in

June. The industry indexes for inland water freight transportation and for couriers moved up at slower rates in July than they had in the preceding month.

Traditional Services Industries. The Producer Price Index for the Net Output of Total Traditional Service Industries decreased 0.2 percent in July after rising 0.7 percent in June. Prices received by the commercial banking industry dropped 4.9 percent following a 4.7-percent advance in the prior month. The indexes for savings institutions and offices of physicians (excluding mental health) also turned down in July. Prices received by non-casino hotels and motels and lessors of nonresidential buildings (excluding miniwarehouses) moved up at slower rates than they had in June. By contrast, the index for cellular and other wireless carriers increased 2.8 percent in July after falling 2.2 percent in the previous month. Prices received by the securities brokerage industry also turned up. The index for portfolio managers climbed in July following no change a month earlier, while prices received by software publishers were unchanged after declining in June.

Producer Price Indexes – August 2007

The Producer Price Index for Finished Goods fell 1.4 percent in August, seasonally adjusted. This decrease followed a 0.6-percent increase in July and a 0.2-percent decline in June. At the earlier stages of processing, prices received by manufacturers of intermediate goods moved down 1.2 percent in August compared with a 0.6-percent advance in July, and the crude goods index dropped 3.0 percent after climbing 1.2 percent in the prior month. (See table A.)

Accounting for most of the downturn in finished goods prices, the index for energy goods fell 6.6 percent in August following a 2.5-percent rise in the prior month. Prices for consumer foods declined 0.2 percent after inching down 0.1 percent in July. By contrast, slightly counteracting the downturn in finished goods prices, the index for finished goods other than foods and energy moved up 0.2 percent in August compared with a 0.1-percent increase a month earlier.

Before seasonal adjustment, the Producer Price Index for Finished Goods decreased 1.4 percent in August to 165.8 (1982 = 100). From August 2006 to August 2007, finished goods prices advanced 2.2 percent. Over the same period, the index for finished goods other than foods and energy climbed 2.2 percent, prices for finished consumer foods rose 4.7 percent, and the index for finished energy goods was unchanged. At the earlier stages of processing, prices received by intermediate goods producers increased 2.4 percent, and the crude goods index moved up 6.9 percent, for the 12 months ended August 2007.

Finished goods

The index for finished energy goods fell 6.6 percent in August, seasonally adjusted, after rising 2.5 percent in July. Gasoline prices dropped 13.8 percent in August following a 3.2-percent advance a month earlier. Similarly, the indexes for residential natural gas, residential electric power, and diesel fuel also turned down after increasing in July. Prices for home heating oil declined more in August than they had in the previous month, while the index for liquefied petroleum gas moved up less than it had in July. By contrast, slightly counteracting the downturn in prices for finished energy goods, the index for finished lubricants rose 1.3 percent compared with a 1.8-percent decrease in the preceding month. (See table 2.)

The index for finished consumer foods fell 0.2 percent in August after edging down 0.1 percent in July. In August, price declines for fresh and dry vegetables, eggs for fresh use, pork, processed young chickens, fresh fruits and melons, and for finfish and shellfish outweighed price increases for beef and veal, soft drinks, and confectionery end products.

The index for finished goods other than foods and energy climbed 0.2 percent after inching up 0.1 percent in July. In August, higher prices for pharmaceutical preparations, civilian aircraft, passenger cars, alcoholic beverages, and newspaper circulation more than

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

Month	Finished goods					Inter-mediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2006							
Aug.	0.4	1.2	-0.5	0.4	3.8	0.4	2.6
Sept.	-1.1	.4	-5.9	.3	.9	-1.3	-3.8
Oct.	-1.5	-.4	-5.8	-.4	-1.2	-1.2	-9.2
Nov.	1.6	.1	5.4	.9	.9	.6	11.7
Dec.	.7	1.1	2.4	.1	1.1	.9	2.6
2007							
Jan.	-.6	1.0	-4.3	.2	.1	-.7	-5.5
Feb.	1.2	1.7	3.0	.4	2.4	.8	9.0
Mar.	1.0	1.6	3.8	-.1	3.1	1.2	2.6
Apr.	r .9	.5	r 3.3	.1	3.2	1.0	r 1.1
May	r .8	-.2	r 4.0	.2	4.1	1.1	r 1.5
June	-.2	-.8	-1.1	.3	3.3	.5	.3
July	.6	-.1	2.5	.1	4.0	.6	1.2
Aug.	-1.4	-.2	-6.6	.2	2.2	-1.2	-3.0

r=revised. Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for April 2007 have been revised to reflect the availability of late reports and corrections by respondents.

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

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2006								
Aug.	-0.4	0.4	0.4	8.8	0.3	6.9	-3.4	5.1
Sept.	.6	-6.0	0	4.7	1.8	-9.2	1.4	-8.2
Oct.	.4	-5.9	-.1	.2	2.7	-20.1	-2.7	-21.1
Nov.	2.4	4.3	-.4	2.1	2.5	26.5	-.6	-10.5
Dec.	1.2	3.9	.1	2.8	-.1	4.8	1.7	-4.7
2007								
Jan.	1.8	-3.7	0	1.1	2.4	-15.3	1.8	-9.5
Feb.	3.0	3.5	0	2.2	7.4	14.3	2.9	7.7
Mar.	1.8	4.2	.4	3.3	2.4	.3	7.4	13.3
Apr.	r .9	r 1.4	r .8	3.7	r 1.5	r .7	r 1.3	r 11.6
May	r .2	r 3.6	r .5	3.7	r .8	r 3.5	r -1.0	11.5
June	1.6	.3	.4	3.7	.5	.6	-.2	14.8
July	.8	2.0	.2	4.1	2.1	1.1	0	13.1
Aug.	.3	-3.7	-.5	2.4	-1.5	-5.6	1.3	6.9

r=revised. Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for April 2007 have been revised to reflect the availability of late reports and corrections by respondents.

offset lower prices for light motor trucks, electronic computers, heavy motor trucks, and floor coverings.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components declined 1.2 percent in August following a 0.6-percent increase in July. Prices for intermediate energy goods, materials for nondurable manufacturing, and materials and components for construction turned down after rising in July. The index for materials for durable manufacturing fell more in August, while prices for intermediate foods and feeds advanced less than they had in July. (See table B.)

Prices for intermediate energy goods fell 3.7 percent in August after moving up 2.0 percent in July. The diesel fuel index dropped 7.2 percent compared with a 6.8-percent increase a month earlier. Prices for gasoline and jet fuels also turned down after rising in July. The indexes for commercial natural gas, home heating oil, and natural gas to electric utilities decreased more than they had in the previous month. By contrast, partially offsetting the downturn in intermediate energy goods prices, the index for industrial electric power advanced 1.6 percent in August following no change in the prior month. Prices for commercial electric power rose after falling in July. (See table 2.)

The materials for nondurable manufacturing index declined 1.1 percent in August after increasing by the same rate in July. Prices for primary basic organic chemicals dropped 7.0 percent following a 2.8-percent rise in the preceding month. The index for inedible fats and oils also turned down in August. Ethanol prices decreased more than they had in July, and the index for plastic resins and materials was unchanged in August after increasing a month earlier. By contrast, prices for intermediate basic organic chemicals rose 0.6 percent following a 5.6-percent decline in July. The indexes for finished fabrics and synthetic fibers also turned up in August. Prices for phosphates increased at faster rates than they had in July.

The index for materials for durable manufacturing decreased 1.5 percent in August after falling 0.5 percent in July. The cold rolled steel sheet and strip index dropped 17.4 percent in August following no change a month earlier. Prices for copper cathode and refined copper; copper and brass mill shapes; hot rolled steel bars, plates, and structural shapes; softwood lumber; and building paper and board turned down after rising in July. By contrast, prices for hot rolled steel sheet and strip advanced 11.6 percent in August after declining 12.9 percent in the previous month. The index for secondary aluminum also turned up following a decline in July, and prices for semifinished steel mill products fell less in August than they had a month earlier.

The index for materials and components for construction decreased 0.1 percent in August following a 0.2-percent gain in July. The index for nonferrous wire and cable fell 1.6 percent after increasing 4.3 percent a month earlier. Prices for softwood lumber, cast iron pressure and soil pipe fittings, treated wood, building paper and board, and plywood also turned down subsequent to rising in the preceding month. Conversely, the index for asphalt felts and coatings advanced 2.3 percent following a 2.5-percent decline in July. Prices for fabricated structural metal products, concrete products, and

wiring devices also turned up in August.

The rate of increase in prices for intermediate foods and feeds slowed from 0.8 percent in July to 0.3 percent in August. The index for fluid milk products rose 2.3 percent following a 6.5-percent advance in the previous month. Prices for shortening and cooking oils also moved up less than in July. Prepared animal feeds prices were unchanged in August after increasing a month earlier. The indexes for dry milk products; natural, processed, and imitation cheese; and processed young chickens turned down following advances in July. Prices for refined sugar and byproducts fell more than in the previous month. By contrast, beef and veal prices climbed 2.3 percent in August after dropping 8.4 percent in the prior month. The index for snack chips also turned up in August, and pork prices fell less than in July.

Crude goods

The Producer Price Index for Crude Materials for Further Processing fell 3.0 percent in August compared with a 1.2-percent advance in July. Prices for crude energy materials declined after rising in the previous month. The index for crude foodstuffs and feedstuffs also turned down in August. By contrast, slightly counteracting the downturn in crude goods prices, the index for basic industrial materials increased following no change a month earlier. (See table B.)

The index for crude energy materials fell 5.6 percent in August compared with a 1.1-percent gain in the preceding month. Natural gas prices dropped 12.4 percent after declining 6.4 percent in the prior month. The crude petroleum index rose 1.3 percent following an 11.8-percent rise in July. Prices for coal advanced 1.2 percent subsequent to a 1.7-percent increase a month earlier. (See table 2.)

The crude foodstuffs and feedstuffs index decreased 1.5 percent in August following a 2.1-percent advance in the previous month. Fluid milk prices declined 1.0 percent after rising 9.7 percent in July. Similarly, the indexes for soybeans, slaughter broilers and fryers, slaughter cattle, and fresh and dry vegetables also turned down in August. Prices for slaughter hogs were unchanged after rising in the preceding month, and the index for slaughter turkeys increased less than it had a month earlier. By contrast, corn prices declined 5.5 percent subsequent to a 12.8-percent decrease in July. The fresh fruits and melons index also fell less than it had in the prior month, and wheat prices advanced more than they had a month earlier.

The index for crude nonfood materials less energy rose 1.3 percent in August following no change in July. Prices for iron and steel scrap moved up 1.3 percent compared with a 4.7-percent decrease in the previous month. The indexes for hides and skins and for gold ores also turned up in August. Prices for construction sand, gravel, and crushed stone rose more than they had a month earlier. By contrast, the wastepaper index edged up 0.2 percent after advancing 11.1 percent in July. Prices for copper base scrap and raw cotton turned down in August. The softwood logs, bolts, and timber index declined following no change in the prior month.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries turned down 1.0 percent in August after climbing 0.8 percent in July. (Net output price indexes are not seasonally adjusted.) Most of this downturn can be attributed to prices received by petroleum and coal products manufacturers, which declined 8.6 percent after jumping 5.0 percent a month earlier. The industry indexes for oil and gas extraction and for wood product manufacturing also turned down after increasing in July. Prices received by natural gas distributors fell more in August, and the index for electric power distribution moved up less than in July. By contrast, partially offsetting the downturn in overall mining, utility, and manufacturing prices, the index for the transportation manufacturing industry group was unchanged after decreasing 0.3 percent in July. Prices received by electric power generators advanced more in August than in the previous month, and the index for the beverage and tobacco industry group turned up after falling in July.

Trade Industries. The increase in the Producer Price Index for the Net Output of Total Trade Industries accelerated to 1.0 percent from 0.7 percent in July. (Trade indexes measure changes in margins received by wholesalers and retailers.) Margins received by merchant wholesalers of nondurable goods rose 4.5 percent after moving up 0.7 percent a month earlier. The margin index for wholesalers of durable goods also rose more than in July. Margins received by electronic shopping and mail order houses and by department stores turned up after dropping in the prior month. The margin index for gasoline stations was unchanged after decreasing in July. By contrast, the margin index for grocery stores turned down 1.0 percent after advancing 2.1 percent in the preceding month. Margins for miscellaneous general merchandise stores and for electronics and appliances stores also fell following July increases.

Transportation and Warehousing Industries. The rise in the Producer Price Index for the Net Output of Total Transportation and Warehousing Industries slowed to 0.4 percent in August after climbing 1.3 percent in July. The industry index for couriers advanced 0.2 percent following a 0.5-percent rise in the previous month. Prices received by the industries for scheduled passenger air transportation and for long distance, general freight trucking (less than truckload) turned down after increasing in July. The industry index for pipeline transportation of refined petroleum products was unchanged in August after advancing in the prior month. Conversely, the industry index for line-haul railroads jumped 1.7 percent after no change in July. Prices received by the water transportation industry group and the industry for freight transportation arrangement moved up more in August than in the previous month. The industry index for local, general-freight trucking turned up after falling in July.

Traditional Service Industries. The Producer Price Index for the Net Output of Total Traditional Service Industries turned up 0.4 percent in August after decreasing 0.2 percent in July. The index for the depository credit intermediation industry group rose 4.0 percent following a 4.5-percent drop in the prior month. Prices received by offices of lawyers and non-internet broadcasters also turned up in August. The index for the investment banking and securities dealing industry moved up following no change in July. By contrast, the index for general medical and surgical hospitals turned down 0.3 percent in August after increasing 0.4 percent in the previous month. Prices received by the telecommunications industry group, as well as, by the industries for non-casino hotels and motels, offices of real estate agents and brokers, and securities brokerages also fell following July advances.

Producer Price Indexes – September 2007

The Producer Price Index for Finished Goods increased 1.1 percent in September, seasonally adjusted. This advance followed a 1.4-percent decrease in August and a 0.6-percent rise in July. The index for finished goods excluding foods and energy moved up 0.1 percent in September after increasing 0.2 percent in August. At the earlier stages of processing, prices received by producers of intermediate goods turned up 0.4 percent after declining 1.2 percent a month earlier, and the crude goods index rose 0.1 percent following a 3.0-percent drop in August. (See table A.)

Among finished goods, the index for finished energy goods turned up 4.1 percent in September after decreasing 6.6 percent in the preceding month. Prices for finished consumer foods moved up 1.5 percent after declining 0.2 percent in August. The index for finished consumer goods less foods and energy advanced 0.2 percent for the fourth consecutive month. Slightly counteracting the upturn in finished goods prices, the index for capital equipment fell 0.1 percent following a 0.1-percent increase in August.

During the third quarter of 2007, the finished goods index rose at a 1.4-percent seasonally adjusted annual rate (SAAR), after climbing at a 6.0-percent SAAR during the second quarter. Much of this slower rate of increase can be traced to prices for finished energy goods, which moved down at a 1.5-percent SAAR for the 3 months ended in September after increasing at a 27.5-percent SAAR for the 3 months ended in June. The index for finished goods less foods and energy advanced at a 1.5-percent SAAR during the third quarter of 2007 after rising at a 2.5-percent SAAR during the second quarter. By contrast, prices for finished consumer foods increased at a 4.7-percent SAAR for the 3 months ended in September after declining at a 2.1-percent SAAR for the 3 months ended in June. At the earlier stages of processing, the intermediate goods index moved down at a 0.7-percent SAAR during the third quarter of 2007 after increasing at a 10.7-percent SAAR during the second quarter, and prices for crude goods moved down at a 6.6-percent SAAR for the 3 months ended in September after jumping at a 12.4-percent SAAR for the 3 months ended in June. (See summary table.)

Before seasonal adjustment, the Producer Price Index for Finished Goods climbed 1.0 percent in September to 167.4 (1982 = 100). From September 2006 to September 2007, finished goods prices rose 4.4 percent. Over the same period, the index for finished energy goods increased 10.6 percent, prices for finished consumer foods moved up 5.7 percent, and the index for finished goods less foods and energy advanced 2.0 percent. For the 12 months ended in September, prices received by manufacturers of intermediate goods rose 4.2 percent, and the crude goods index advanced 11.4 percent.

Finished goods

The finished energy goods index turned up 4.1 percent after dropping 6.6 percent in August. About half of this upturn can be attributed to the gasoline index, which moved up 8.4 percent in September after falling 13.8 percent a month earlier. Prices for residential natural gas, home heating oil, diesel fuel, and kerosene also turned up after decreasing in the preceding month. The index for liquefied petroleum gas

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

	Finished goods						
Month	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)	Inter-mediate goods	Crude goods
2006							
Sept.	-1.1	0.4	-5.9	0.3	0.9	-1.3	-3.8
Oct.	-1.5	-.4	-5.8	-.4	-1.2	-1.2	-9.2
Nov.	1.6	.1	5.4	.9	.9	.6	11.7
Dec.	.7	1.1	2.4	.1	1.1	.9	2.6
2007							
Jan.	-.6	1.0	-4.3	.2	.1	-.7	-5.5
Feb.	1.2	1.7	3.0	.4	2.4	.8	9.0
Mar.	1.0	1.6	3.8	-.1	3.1	1.2	2.6
Apr.	.9	.5	3.3	.1	3.2	1.0	1.1
May	r .7	r -.6	r 3.5	.2	r 3.9	r 1.2	r 1.3
June	r -.1	r -.5	r -.6	r .2	3.3	r .4	r .6
July	.6	-.1	2.5	.1	4.0	.6	1.2
Aug.	-1.4	-.2	-6.6	.2	2.2	-1.2	-3.0
Sept.	1.1	1.5	4.1	.1	4.4	.4	.1

r=revised. Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for May 2007 have been revised to reflect the availability of late reports and corrections by respondents.

Summary of December-to-December, 9-month, and 3-month seasonally adjusted annual rates of change in price indexes at selected stages of processing

Grouping	Percentage change 12 months ended December			Seasonally adjusted annual rate for			
	2004	2005	2006	9 months ended September 2007	3 months ended March 2007	3 months ended June 2007	3 months ended September 2007
Finished goods	4.2	5.4	1.1	4.7	6.9	6.0	1.4
Finished consumer foods	3.1	1.7	1.7	6.7	18.7	-2.1	4.7
Finished energy goods	13.4	23.9	-2.0	11.4	10.0	27.5	-1.5
Finished goods less foods and energy	2.3	1.4	2.0	2.0	2.0	2.5	1.5
Finished consumer goods, excluding foods and energy	2.2	1.6	1.8	2.4	2.2	2.6	2.4
Capital equipment	2.4	1.2	2.3	1.4	1.6	2.2	.3
Intermediate materials, supplies, and components	9.2	8.6	2.8	5.0	5.4	10.7	-.7
Intermediate foods and feeds	-2.3	2.4	4.7	16.9	29.5	11.7	10.5
Intermediate energy goods	15.8	26.2	-3.3	11.7	16.3	23.4	-2.9
Intermediate materials less foods and energy	8.3	4.8	4.5	2.8	1.7	7.4	-.5
Materials for nondurable manufacturing	13.7	8.9	1.2	10.6	8.1	23.1	1.7
Materials for durable manufacturing	18.3	5.9	12.5	2.6	2.2	20.8	-12.5
Materials and components for construction	10.1	6.1	4.3	2.3	2.6	4.5	-.2
Crude materials for further processing	17.4	21.1	-4.7	9.5	25.1	12.4	-6.6
Foodstuffs and feedstuffs	-2.6	1.6	2.8	26.3	60.7	11.7	12.2
Crude energy materials	35.9	42.2	-15.7	-6.4	-11.3	20.7	-23.4
Crude nonfood materials less energy	20.5	5.2	17.0	21.6	60.1	0	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.

advanced more in September than in the prior month, and prices for residential electric power were unchanged following August decreases. Partially offsetting the upturn in finished energy goods prices, the index for lubricating and similar oils fell 0.9 percent after advancing 1.4 percent in August. (See table 2.)

The index for finished consumer foods turned up 1.5 percent in September following a 0.2-percent decrease in August. The index for fresh and dry vegetables jumped 15.2 percent in September after falling 6.0 percent in the previous month. Prices for eggs for fresh use, fresh fruits and melons, dairy products, and processed young chickens also turned up in September. The index for bakery products rose more than in August. By contrast, the index for soft drinks turned down 0.7 percent in September after climbing 0.7 percent a month earlier. Prices for confectionery end products also declined following August increases.

The index for finished consumer goods less foods and energy climbed 0.2 percent for the fourth consecutive month. Rising prices for cigarettes, pharmaceutical preparations, alcoholic beverages, household furniture, newspaper circulation, and book publishing outweighed price decreases for passenger cars and light motor trucks. During the third quarter of 2007, the index for finished consumer goods less foods and energy moved up at a 2.4-percent SAAR after advancing at a 2.6-percent SAAR during the second quarter.

The index for capital equipment turned down 0.1 percent after rising 0.1 percent in August. The index for passenger cars dropped 1.8 percent following a 0.5-percent rise in the previous month. Prices for transformers and power regulators also turned down in September, and the index for civilian aircraft advanced less than in August. Conversely, the decrease in the index for light motor trucks slowed to 0.5 percent in September after declining 0.9 percent in the previous month. Prices for heavy motor trucks and electronic computers also moved down less than a month earlier. The index for commercial furniture turned up in September, and prices for integrating and measuring instruments advanced more than in August. The capital equipment index inched up at a 0.3-percent SAAR from June to September after increasing at a 2.2-percent SAAR from March to June.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components increased 0.4 percent in September after falling 1.2 percent in August. Prices for intermediate energy goods and for materials for nondurable manufacturing rose in September following declines a month earlier. The index for intermediate foods and feeds advanced more than it had in August, while prices for materials for durable manufacturing decreased less in September than in the

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

	Intermediate goods				Crude goods			
Month	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2006								
Sept.	0.6	-6.0	0.0	4.7	1.8	-9.2	1.4	-8.2
Oct.	.4	-5.9	-.1	.2	2.7	-20.1	-2.7	-21.1
Nov.	2.4	4.3	-.4	2.1	2.5	26.5	-.6	-10.5
Dec.	1.2	3.9	.1	2.8	-.1	4.8	1.7	-4.7
2007								
Jan.	1.8	-3.7	0	1.1	2.4	-15.3	1.8	-9.5
Feb.	3.0	3.5	0	2.2	7.4	14.3	2.9	7.7
Mar.	1.8	4.2	.4	3.3	2.4	.3	7.4	13.3
Apr.	.9	1.4	.8	3.7	1.5	.7	1.3	11.6
May	r 0	r 3.8	r .6	r 3.8	r 1.0	r 3.0	r -1.3	r 11.3
June	r 1.8	r .1	.4	3.7	r .3	r 1.1	r 0	14.8
July	.8	2.0	.2	4.1	2.1	1.1	0	13.1
Aug.	.3	-3.7	-.5	2.4	-1.5	-5.6	1.3	6.9
Sept.	1.4	1.1	.1	4.2	2.4	-2.0	1.6	11.4

r=revised. Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for May 2007 have been revised to reflect the availability of late reports and corrections by respondents.

previous month. By contrast, slightly counteracting the upturn in prices for intermediate goods, the index for materials and components for construction moved down more than it had in August. Excluding foods and energy, prices for intermediate goods inched up 0.1 percent in September after dropping 0.5 percent in the prior month. (See table B.)

The index for intermediate energy goods climbed 1.1 percent in September following a 3.7-percent decline in the preceding month. Diesel fuel prices increased 3.1 percent after falling 7.2 percent in August. The indexes for gasoline, commercial natural gas, home heating oil, and asphalt also turned up in September. Prices for liquefied petroleum gas and residual fuel moved up more than they had in August. Conversely, the jet fuel index dropped 6.4 percent in September following a 2.3-percent decrease a month earlier. Prices for natural gas to electric utilities also fell more than they had in August, while the index for industrial electric power rose less in September than in the prior month. (See table 2.) Prices for intermediate energy goods declined at a 2.9-percent SAAR during the third quarter of 2007 after surging at a 23.4-percent SAAR during the second quarter.

The index for materials for nondurable manufacturing advanced 0.5 percent in September following a 1.1-percent decline in the prior month. Leading this reversal, prices for primary basic organic chemicals moved up 4.9 percent after falling 7.0 percent in August. Similarly, the indexes for inedible fats and oils and for potassium and sodium compounds (excluding bleaches and alkalies) also turned up in September. Paperboard prices rose following no change in August. By contrast, prices for nitrogenates decreased 4.4 percent after rising 3.5 percent in August. The finished fabrics index also turned down after increasing in the prior month. Prices for plastic resins and materials fell in September following no change a month earlier, while the index for paint materials rose less than in August. The index for materials for nondurable manufacturing advanced at a 1.7-percent SAAR for the 3 months ended in September after climbing at a 23.1-percent SAAR for the 3 months ended in June.

The index for intermediate foods and feeds increased 1.4 percent in September following a 0.3-percent rise in the preceding month. Flour prices jumped 13.2 percent after advancing 3.7 percent in August. The indexes for natural, processed, and imitation cheese; processed young chickens; and refined sugar and byproducts turned up in September. Prices for prepared animal feeds increased following no change in August, while the indexes for dry milk products and pork fell less in September than they had a month earlier. Conversely, prices for fluid milk products edged up 0.2 percent following a 2.3-percent gain in August. The beef and veal index also moved up less in September than in the previous month. Prices for intermediate foods and feeds climbed at a 10.5-percent SAAR during the third quarter of 2007 after rising at an 11.7-percent SAAR during the second quarter.

The index for materials for durable manufacturing declined 1.3 percent in September compared with a 1.5-percent decrease in August. In September, falling prices for primary nonferrous metals; hot rolled steel sheet and strip; copper and brass mill shapes; aluminum mill shapes; hot rolled steel bars, plates, and structural shapes; and semifinished steel mill products outweighed rising prices for cold rolled steel sheet and strip, cement, and prepared paint. The index for materials for durable manufacturing dropped at

a 12.5-percent SAAR for the 3 months ended in September after surging at a 20.8-percent SAAR for the 3 months ended in June.

The index for materials and components for construction fell 0.2 percent in September after inching down 0.1 percent in the previous month. In September, lower prices for nonferrous wire and cable, asphalt felts and coatings, steel mill products, softwood lumber, plastic construction products, and gypsum products more than offset higher prices for switchgear and switchboard equipment, concrete products, and for air conditioning and refrigeration equipment. The index for materials and components for construction edged down at a 0.2-percent SAAR during the third quarter of 2007 after rising at a 4.5-percent SAAR during the second quarter.

Crude goods

The Producer Price Index for Crude Materials for Further Processing edged up 0.1 percent in September following a 3.0-percent decrease in the prior month. Prices for crude foodstuffs and feedstuffs moved up after declining in the previous month. The index for crude energy materials decreased less than a month earlier, and prices for basic industrial materials rose more than they had in August. (See table B.)

Prices for crude foodstuffs and feedstuffs increased 2.4 percent in September compared with a 1.5-percent decline in the preceding month. The soybean index moved up 13.1 percent after decreasing 8.6 percent in August. Prices for slaughter broilers and fryers, slaughter cattle, fresh and dry vegetables, and for fresh fruits and melons also turned up in September. Wheat prices increased more than they had in the preceding month, and the corn index fell less than it had a month earlier. By contrast, partially offsetting the upturn in crude foodstuffs and feedstuffs prices, the index for slaughter hogs declined 4.4 percent subsequent to no change in August. The fluid milk index decreased at a faster rate compared with August, and prices for alfalfa hay turned down in September. (See table 2.) The crude foodstuffs and feedstuffs index increased at a 12.2-percent SAAR during the third quarter of 2007 after rising at an 11.7-percent SAAR in the prior quarter.

Prices for crude energy materials fell 2.0 percent in September subsequent to a 5.6-percent decrease in the preceding month. Natural gas prices dropped 11.1 percent following a 12.4-percent decline in the previous month. The crude petroleum index increased 7.1 percent after a 1.3-percent gain in August. By contrast, prices for coal inched down 0.2 percent compared with a 1.2-percent increase a month earlier. During the third quarter of 2007, the crude energy materials index decreased at a 23.4-percent SAAR after rising at a 20.7-percent SAAR in the second quarter.

The index for crude nonfood materials less energy advanced 1.6 percent following a 1.3-percent increase in August. Iron and steel scrap prices rose 5.8 percent in September subsequent to a 1.3-percent advance in the previous month. The wastepaper and gold ores indexes also increased more than they had in the preceding month. Prices for raw cotton turned up in September. The indexes for copper base scrap and for softwood logs, bolts, and timber decreased less than they had in the prior month. By contrast, prices for aluminum base scrap moved down 0.9 percent compared with no change in August. The construction sand, gravel, and crushed stone index rose less in September than in August. For the 3 months ended September 2007, the basic industrial materials index advanced at a 12.4-percent SAAR after no change in the 3 months ended in June.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries rose 0.5 percent in September after falling 1.0 percent in August. (Net output price indexes are not seasonally adjusted.) Most of this upturn can be attributed to prices received by petroleum and coal products manufacturers, which advanced 3.8 percent after declining 8.6 percent a month earlier. The indexes for natural gas distributors, food manufacturers, and the mining support activities industry group also turned up in September. Prices received by the oil and gas extraction industry group fell less than in August. By contrast, partially offsetting the upturn in overall mining, utility, and manufacturing prices, the index for the electric power generation industry decreased 1.7 percent after rising 4.5 percent in August. Prices received by the transportation equipment industry group fell following no change in the previous month, and the industry group index for chemical manufacturing increased less than it had in August. For the 3 months ended September 2007, the total mining, utilities, and manufacturing industries index advanced at a 0.8-percent annual rate after rising at a 10.6-percent annual rate for the 3 months ended in June.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries declined 2.2 percent in September compared with a 1.0-percent rise in August. (Trade indexes measure changes in margins received by wholesalers and retailers.) Margins received by merchant wholesalers of nondurable goods fell 4.2 percent after increasing 4.5 percent a month earlier. The margin indexes for wholesalers of durable goods, department stores, motor vehicle and parts dealers, fuel dealers, and for health and personal care stores also turned down in September. Margins received by gasoline stations fell after no change in August, and the margin index for electronic shopping and mail order houses rose less in September than in the prior month. Conversely, margins received by building materials and supply dealers fell 0.4 percent in September after declining 1.5 percent a month earlier. The margin index for furniture stores rose more than it had in August. During the third quarter of 2007, the total trade industries index decreased at a 1.9-percent annual rate after rising at a 5.6-percent annual rate in the second quarter.

Transportation and Warehousing Industries. The Producer Price Index for the Net Output of Total Transportation and Warehousing Industries moved down 0.9 percent in September subsequent to a 0.4-percent gain in August. The industry index for scheduled passenger air transportation fell 6.4 percent following a 0.4-percent decline in the previous month. Prices received by the industries for freight transportation arrangement and for local, general-freight trucking turned down in September after increasing a month

earlier. Prices received by the industries for line-haul railroads, long distance general freight trucking (by the truckload), and inland water freight transportation rose less than they had in August. By contrast, the industry index for long distance general freight trucking (less than truckload) increased 0.3 percent in September after declining 0.6 percent a month earlier. Prices received by the industries for nonscheduled air transportation and pipeline transportation of crude oil rose following no change in the previous month. Prices received by household and office goods movers turned up after falling in August. During the third quarter of 2007, the transportation and warehousing industries index increased at a 2.7-percent annual rate after rising at a 6.4-percent annual rate in the second quarter.

Traditional Service Industries. The Producer Price Index for the Net Output of Total Traditional Service Industries edged down 0.2 percent in September after increasing 0.4 percent in August. The index for the depository credit intermediation industry group fell 1.7 percent following a 4.0-percent rise in the prior month. Prices received by the industries for investment banking and securities dealing and for passenger car rental also turned down in September. Prices received by non-casino hotels and motels declined more than in August. By contrast, the index for cellular and other wireless carriers rose 1.9 percent in September after decreasing 3.5 percent in the previous month. Prices received by wired telecommunication carriers, general medical and surgical hospitals, and management consultants also turned up in September. The industry index for offices of real estate agents and brokers fell less than it had in August. The index for total traditional service industries was unchanged during the third quarter of 2007 after rising at a 7.0-percent annual rate during the second quarter.

Producer Price Indexes – October 2007

The Producer Price Index for Finished Goods rose 0.1 percent in October, seasonally adjusted. This increase followed a 1.1-percent advance in September and a 1.4-percent decline in August. At the earlier stages of processing, prices received by manufacturers of intermediate goods inched up 0.1 percent in October after rising 0.4 percent in September, and the crude goods index increased 2.4 percent following a 0.1-percent gain in the previous month. (See table A.)

Among finished goods, prices for consumer foods moved up 1.0 percent in October following a 1.5-percent increase in the prior month. The index for energy goods decreased 0.8 percent after rising 4.1 percent a month earlier. The index for goods other than foods and energy was unchanged after edging up 0.1 percent in September.

Before seasonal adjustment, the Producer Price Index for Finished Goods moved up 0.7 percent in October to 168.6 (1982 = 100). From October 2006 to October 2007, finished goods prices advanced 6.1 percent. Over the same period, the index for finished energy goods climbed 16.6 percent, prices for finished consumer foods rose 7.1 percent, and the index for finished goods other than foods and energy increased 2.5 percent. At the earlier stages of processing, prices received by intermediate goods producers advanced 5.6 percent, while the crude goods index jumped 25.7 percent for the 12 months ended in October.

Finished goods

The index for finished consumer foods rose 1.0 percent in October after climbing 1.5 percent in September. Higher prices for fresh and dry vegetables, soft drinks, fresh fruits and melons, processed fruits and vegetables, and bakery products outweighed lower prices for beef and veal, pork, eggs for fresh use, dairy products, and processed young chickens. (See table 2.)

The index for finished energy goods declined 0.8 percent in October following a 4.1-percent advance in September. Gasoline prices decreased 3.1 percent after rising 8.4 percent a month earlier. The indexes for residential natural gas, home heating oil, and diesel fuel also declined in October following increases in the prior month. Prices for liquefied petroleum gas and kerosene rose less than in September. By contrast, partially offsetting the downturn in finished energy goods prices, the index for residential electric power moved up 0.2 percent following no change in September. Prices for lubricating and similar oils increased in October after falling a month earlier.

The index for finished goods other than foods and energy was unchanged in October after rising 0.1 percent in September. Price increases for passenger cars, cigarettes, civilian aircraft, household furniture, book publishing, and

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

Month	Finished goods					Inter-mediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2006							
Oct.	-1.5	-0.4	-5.8	-0.4	-1.2	-1.2	-9.2
Nov.	1.6	.1	5.4	.9	.9	.6	11.7
Dec.	.7	1.1	2.4	.1	1.1	.9	2.6
2007							
Jan.	-.6	1.0	-4.3	.2	.1	-.7	-5.5
Feb.	1.2	1.7	3.0	.4	2.4	.8	9.0
Mar.	1.0	1.6	3.8	-.1	3.1	1.2	2.6
Apr.	.9	.5	3.3	.1	3.2	1.0	1.1
May	.7	-.6	3.5	.2	3.9	1.2	1.3
June	r .1	r -.4	r -.2	.2	3.3	.4	r 1.1
July	r .5	r -.2	r 2.1	r .2	4.0	r .7	r .7
Aug.	-1.4	-.2	-6.6	.2	2.2	-1.2	-3.0
Sept.	1.1	1.5	4.1	.1	4.4	.4	.1
Oct.	.1	1.0	-.8	0	6.1	.1	2.4

r=revised. Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for June 2007 have been revised to reflect the availability of late reports and corrections by respondents.

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

	Intermediate goods				Crude goods			
Month	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2006								
Oct.	0.4	-5.9	-0.1	0.2	2.7	-20.1	-2.7	-21.1
Nov.	2.4	4.3	-.4	2.1	2.5	26.5	-.6	-10.5
Dec.	1.2	3.9	.1	2.8	-.1	4.8	1.7	-4.7
2007								
Jan.	1.8	-3.7	0	1.1	2.4	-15.3	1.8	-9.5
Feb.	3.0	3.5	0	2.2	7.4	14.3	2.9	7.7
Mar.	1.8	4.2	.4	3.3	2.4	.3	7.4	13.3
Apr.	.9	1.4	.8	3.7	1.5	.7	1.3	11.6
May	0	3.8	.6	3.8	1.0	3.0	-1.3	11.3
June	1.8	r .3	r .2	r 3.6	r .5	r 2.3	0	r 15.5
July	.8	r 1.8	r .4	4.1	r 1.9	r 0	0	13.1
Aug.	.3	-3.7	-.5	2.4	-1.5	-5.6	1.3	6.9
Sept.	1.4	1.1	.1	4.2	2.4	-2.0	1.6	11.4
Oct.	1.0	-.1	.1	5.6	-1.8	5.9	1.4	25.7

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sanitary papers and health products were offset by price decreases for light motor trucks, electronic computers, newspaper circulation, alcoholic beverages, and communication and related equipment. In accordance with usual practice, most new-model-year passenger cars and light motor trucks were introduced into the PPI in October. (See *Report on Quality Changes for 2008 Model Vehicles*, USDL 07-1787.) In October, the index for passenger cars moved up 1.0 percent, and light motor truck prices fell 2.7 percent. For the 12 months ended October 2007, the passenger cars index rose 0.4 percent, and prices for light motor trucks advanced 5.1 percent.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components increased 0.1 percent in October after rising 0.4 percent in September. The index for intermediate foods and feeds advanced less in October than a month earlier, and prices for intermediate energy goods turned down after moving up in September. By contrast, partially offsetting the deceleration in the intermediate goods index, prices for materials for nondurable manufacturing rose more than in September. The index for materials for durable manufacturing decreased less in October than in the previous month, and prices for materials and components for construction turned up after declining in September.

The advance in the index for intermediate foods and feeds slowed to 1.0 percent in October from 1.4 percent in the prior month. The index for flour moved up 5.9 percent after jumping 13.2 percent in the preceding month. Prices for natural, processed, and imitation cheese; beef and veal; processed young chickens; and refined sugar and byproducts turned down after increasing in September. The index for pork fell more than a month earlier. Conversely, the increase in the index for prepared animal feeds accelerated to 3.1 percent in October from 0.4 percent in the prior month. Prices for shortening and cooking oils also rose more than in September. (See table 2.)

The index for intermediate energy goods turned down 0.1 percent after advancing 1.1 percent in September. The diesel fuel index decreased 4.0 percent following a 3.1-percent rise in the prior month. Prices for gasoline, residual fuel, and both commercial electric power and natural gas also turned down in October. Conversely, the index for jet fuels advanced 3.2 percent after decreasing 6.4 percent in September. Prices for natural gas to electric utilities and industrial natural gas also turned up after falling a month earlier.

The rise in the index for materials for nondurable manufacturing accelerated to 1.1 percent in October from 0.5 percent in the previous month. The index for plastic resins and materials turned up 0.6 percent after moving down 0.6 percent in September. Prices for paperboard and basic inorganic chemicals rose more than a month earlier. The index for nitrogenates declined less than in the preceding month. Conversely, the increase in the index for primary basic organic chemicals slowed to 0.7 percent in October from 4.9 percent a month earlier. Prices for phosphates, paint materials, synthetic rubber, and gray fabrics turned down after rising in September.

The decrease in the index for materials for durable manufacturing slowed to 0.4 percent in October from 1.3

percent in the preceding month. The index for hot rolled steel bars, plates, and structural shapes moved down 0.6 percent after falling 1.6 percent in September. Prices for semifinished steel mill products also declined less than a month earlier. The indexes for primary nonferrous metals, hot rolled steel sheet and strip, copper and brass mill shapes, and titanium mill shapes turned up after decreasing in the previous month. Conversely, the index for cold rolled steel sheet and strip fell 7.7 percent in October following a 1.0-percent advance in the prior month. Prices for softwood lumber decreased more than in September.

The index for materials and components for construction inched up 0.1 percent in October after falling 0.2 percent a month earlier. The index for nonferrous wire and cable rose 4.3 percent following a 1.9-percent September decrease. Prices for asphalt felts and coatings and for treated wood also turned up. The index for millwork increased after remaining unchanged a month earlier. By contrast, the index for softwood lumber declined 4.4 percent in October after moving down 1.0 percent in the prior month. Prices for gypsum products and plywood also decreased more than in September. The indexes for switchgear and switchboard equipment and for air conditioning and refrigeration equipment turned down after rising in the preceding month. Prices for concrete products were unchanged following advances in September.

Crude goods

The Producer Price Index for Crude Materials for Further Processing climbed 2.4 percent in October after inching up 0.1 percent in September. This acceleration is attributable to prices for crude energy materials, which rose in October following declines a month earlier. By contrast, the index for crude foodstuffs and feedstuffs moved down after increasing in September, and prices for basic industrial materials advanced less than they had in the prior month. (See table B.)

The index for crude energy materials jumped 5.9 percent in October following a 2.0-percent decrease in September. This upturn can be traced to natural gas prices, which climbed 9.7 percent in October after dropping 11.1 percent in the previous month. By contrast, slightly counteracting the upturn in crude energy goods prices, the crude petroleum index advanced 3.7 percent following a 7.1-percent increase in September. Coal prices fell 0.5 percent in October compared with a 0.2-percent decline a month earlier. (See table 2.)

The index for crude foodstuffs and feedstuffs decreased 1.8 percent in October after climbing 2.4 percent in September. Prices for slaughter broilers and fryers moved down 11.0 percent following a 4.2-percent rise in the preceding month. The slaughter cattle index also turned down in October. Prices for wheat, soybeans, and fresh fruits and melons increased less than they had in September. The indexes for slaughter hogs and fluid milk fell more in October than a month earlier. By contrast, corn prices moved up 0.5 percent compared with a 1.4-percent decrease in September. The alfalfa hay and unprocessed finfish indexes also turned up in October. The index for fresh and dry vegetables rose more than in the prior month.

The index for crude nonfood materials less energy advanced 1.4 percent in October after moving up 1.6 percent in September. Raw cotton prices increased 1.8 percent following a 16.3-percent jump in the previous month. The index for construction sand, gravel, and crushed stone also rose less in October than it had a month earlier. Prices for iron and steel scrap and for phosphates moved down following advances in September. The index for logs, bolts, timber, and pulpwood fell more in October than in the prior month, while prices for hides and skins declined after no change in September. By contrast, the nonferrous scrap index rose 4.8 percent in October after decreasing 0.5 percent in the preceding month. Prices for wastepaper and gold ores increased more than they had in September.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries edged up 0.1 percent in October subsequent to a 0.5-percent rise in September. (Net output price indexes are not seasonally adjusted.) In October, higher prices received by the industry groups for transportation equipment, oil and gas extraction, chemical manufacturing, beverage and tobacco manufacturing, and paper manufacturing outweighed lower prices received by the industry group for electric power generation, distribution, and transmission, as well as, by manufacturers of food products and of computer and electronic products.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries increased 1.4 percent in October after falling 2.2 percent in September. (Trade indexes measure changes in margins received by wholesalers and retailers.) Margins received by gasoline stations rose 11.7 percent compared with a 15.6-percent decline in the prior month. The margin indexes for merchant wholesalers of nondurable goods, department stores, grocery stores, fuel dealers, and recreational vehicle dealers also turned up in October. Margins received by merchant wholesalers of durable goods decreased less than they had a month earlier. By contrast, partially counteracting the upturn in the total trade industries index, margins received by electronic shopping and mail order houses fell 0.5 percent following a 3.3-percent increase in September. The margin indexes for furniture stores and clothing stores also turned down in October.

Transportation and Warehousing Industries. The Producer Price Index for the Net Output of Total Transportation and Warehousing Industries advanced 1.0 percent in October compared with a 0.9-percent decline a month earlier. Leading this upturn, prices received by the industry for scheduled passenger air transportation rose 4.7 percent following a 6.4-percent decrease in the preceding month. The local general freight trucking index also turned up in October. Prices received by the industry for freight transportation arrangement fell less than in September, while the line–haul railroads index advanced more than it had a month earlier. By contrast, prices received by the industry for inland water freight transportation moved down 5.5 percent after rising 5.4 percent in the prior

month. The indexes for couriers and for long distance general freight trucking (truckload) also turned down in October. Prices for pipeline transportation of crude oil were unchanged after rising in September.

Traditional Service Industries. The Producer Price Index for the Net Output of Total Traditional Service Industries was unchanged after edging down 0.2 percent in September. Prices received by the general medical and surgical hospitals industry advanced 1.6 percent in October subsequent to inching up 0.1 percent a month earlier. The index for offices of physicians (excluding mental health) also increased more than it had in the preceding month. Prices received by the non-casino hotels and motels industry decreased less than they had in the previous month. The passenger car rental index turned up in October, and the index for direct health and medical insurance carriers rose after no change in September. By contrast, prices received by the commercial banking industry moved down 3.0 percent in October following a 1.9-percent decrease in the previous month. The index for savings institutions also declined more than it had a month earlier. Prices received by the industries for management consulting services and for cellular and other wireless carriers turned down in October.

Producer Price Indexes — November 2007

The Producer Price Index for Finished Goods rose 3.2 percent in November, seasonally adjusted. This gain followed increases of 0.1 percent in October and 1.1 percent in September. At the earlier stages of processing, prices for intermediate goods moved up 3.7 percent after rising 0.1 percent in the prior month, while the crude goods index increased 8.7 percent following a 2.4-percent advance in October. (See table A.)

The acceleration in the finished goods index was led by prices for energy goods, which surged 14.1 percent in November following a 0.8-percent decrease in October. Prices for finished goods excluding foods and energy rose 0.4 percent subsequent to no change in the preceding month. By contrast, partially offsetting the acceleration in the finished goods index, prices for finished consumer foods were unchanged compared with a 1.0-percent increase a month earlier.

Before seasonal adjustment, the Producer Price Index for Finished Goods advanced 1.6 percent in November to 171.3 (1982 = 100). From November 2006 to November 2007, prices for finished goods rose 7.2 percent. Over the same period, the finished energy goods index climbed 23.6 percent, prices for finished consumer foods increased 7.3 percent, and the index for finished goods other than foods and energy moved up 2.0 percent. For the 12 months ended November 2007, prices for intermediate goods increased 8.1 percent, while the crude goods index jumped 22.4 percent.

Finished goods

Prices for finished energy goods increased 14.1 percent in November following a 0.8-percent decline a month earlier. The gasoline index jumped 34.8 percent after falling 3.1 percent in the preceding month. Prices for home heating oil, diesel fuel, and asphalt also turned up in November. The indexes for residential electric power, liquefied petroleum gas, and kerosene rose more than in the prior month. Conversely, slightly counteracting the upturn in finished energy goods prices, the index for residential natural gas fell 5.2 percent in November following a 2.4-percent decline in the previous month. (See table 2.)

Prices for finished goods excluding foods and energy rose 0.4 percent in November subsequent to no change in October. Prices for light motor trucks advanced 2.3 percent compared with a 2.7-percent decrease in the prior month. The indexes for alcoholic beverages, soaps and synthetic detergents, and for communication and related equipment also turned up in November. Prices for pharmaceutical preparations increased after no change a month earlier, and the index for newspaper circulation was unchanged following a decline in the preceding month. By contrast, prices for cigarettes fell 0.5 percent following a 1.0-percent advance in October. The index for household appliances also turned down in November. Prices for passenger cars and civilian

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

Month	Finished goods					Inter-mediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2006							
Nov.	1.6	0.1	5.4	0.9	0.9	0.6	11.7
Dec.	.7	1.1	2.4	.1	1.1	.9	2.6
2007							
Jan.	-.6	1.0	-4.3	.2	.1	-.7	-5.5
Feb.	1.2	1.7	3.0	.4	2.4	.8	9.0
Mar.	1.0	1.6	3.8	-.1	3.1	1.2	2.6
Apr.	.9	.5	3.3	.1	3.2	1.0	1.1
May	.7	-.6	3.5	.2	3.9	1.2	1.3
June	.1	-.4	-.2	.2	3.3	.4	1.1
July	r .7	r .1	r 2.5	r .3	r 4.2	r .8	r .5
Aug.	r -1.5	r -.5	r -7.0	r .1	2.2	r -1.3	r -2.9
Sept.	1.1	1.5	4.1	.1	4.4	.4	.1
Oct.	.1	1.0	-.8	0	6.1	.1	2.4
Nov.	3.2	0	14.1	.4	7.2	3.7	8.7

r=revised. Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for July 2007 have been revised to reflect the availability of late reports and corrections by respondents.

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

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2006								
Nov.	2.4	4.3	-0.4	2.1	2.5	26.5	-0.6	-10.5
Dec.	1.2	3.9	.1	2.8	-.1	4.8	1.7	-4.7
2007								
Jan.	1.8	-3.7	0	1.1	2.4	-15.3	1.8	-9.5
Feb.	3.0	3.5	0	2.2	7.4	14.3	2.9	7.7
Mar.	1.8	4.2	.4	3.3	2.4	.3	7.4	13.3
Apr.	.9	1.4	.8	3.7	1.5	.7	1.3	11.6
May	0	3.8	.6	3.8	1.0	3.0	-1.3	11.3
June	1.8	.3	.2	3.6	.5	2.3	0	15.5
July	r .7	r 2.2	.4	r 4.2	1.9	r -.5	r .6	r 12.9
Aug.	r .4	r -4.1	-.5	2.4	-1.5	r -5.2	r .8	6.9
Sept.	1.4	1.1	.1	4.2	2.4	-2.0	1.6	11.4
Oct.	1.0	-.1	.1	5.6	-1.8	5.9	1.4	25.7
Nov.	1.2	13.3	1.0	8.1	2.0	17.0	-.5	22.4

r=revised. Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for July 2007 have been revised to reflect the availability of late reports and corrections by respondents.

aircraft rose less than they had in the previous month. The index for electronic computers fell more than in October.

The finished consumer foods index was unchanged in November subsequent to a 1.0-percent increase a month earlier. The index for fresh and dry vegetables fell 13.2 percent compared with a 29.1-percent advance in October. Prices for soft drinks and for processed fruits and vegetables also turned down in November. The beef and veal index declined more than it had a month earlier, while prices for confectionary end products rose less than in the preceding month. By contrast, the pork index advanced 2.0 percent in November following a 3.3-percent decrease in the previous month. Prices for eggs for fresh use, dairy products, processed young chickens, and processed turkeys also turned up in November.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components advanced 3.7 percent in November following a 0.1-percent gain in October. Most of this acceleration can be traced to rising prices for intermediate energy goods, which fell in the previous month. The indexes for materials for nondurable manufacturing and for intermediate foods and feeds increased more than they had in October. Prices for materials for durable manufacturing turned up in November. Conversely, partially offsetting the acceleration in the intermediate goods index, prices for materials and components for construction declined after increasing in the prior month. Excluding foods and energy, prices for intermediate goods advanced 1.0 percent following a 0.1-percent rise in October. (See table B.)

The intermediate energy goods index jumped 13.3 percent in November after edging down 0.1 percent a month earlier. Diesel fuel prices surged 35.8 percent following a 4.0-percent drop in the previous month. The indexes for gasoline, home heating oil, residual fuel, and commercial electric power also turned up after declining in October. Prices for jet fuel and industrial electric power rose more in November compared with a month earlier. By contrast, the index for commercial natural gas decreased 6.0 percent following a 1.2-percent decline in October. Prices for industrial natural gas and for natural gas to electric utilities turned down in November. (See table 2.)

The index for materials for nondurable manufacturing moved up 3.6 percent following a 1.1-percent advance in October. Prices for basic organic chemicals climbed 8.1 percent in November after rising 0.8 percent in the preceding month. The indexes for plastic resins and materials and for paper also increased more than they had in the prior month. Prices for fertilizer materials, paint materials, and processed yarns and threads turned up after declining in October. Conversely, paperboard prices decreased 0.4 percent in November after rising 3.4 percent in the preceding month. The indexes for basic inorganic chemicals and for inedible fats and oils advanced less than in October.

Prices for materials for durable manufacturing increased 1.1 percent in November after moving down 0.4 percent in the previous month. Cold rolled steel sheet and strip prices advanced 9.7 percent following a 7.7-percent

decrease a month earlier. The indexes for aluminum mill shapes, building paper and board, semifinished steel mill products, and secondary aluminum also turned up after falling in October. Prices for thermoplastic resins and for hot rolled steel sheet and strip rose more than they had in the previous month. By contrast, prices for copper and brass mill shapes turned down 4.9 percent in November following a 0.5-percent increase in the prior month.

The intermediate foods and feeds index rose 1.2 percent subsequent to a 1.0-percent increase in the preceding month. Prices for natural, processed, and imitation cheese advanced 2.2 percent following a 2.3-percent decline in October. The indexes for pork and processed young chickens also turned up in November. Prices for prepared animal feeds and for shortening and cooking oils rose more than in October. By contrast, flour prices moved down 2.1 percent after rising 5.9 percent in the prior month. The indexes for beef and veal; dry, condensed, and evaporated milk products; and refined sugar and byproducts fell more than they had a month earlier.

Prices for materials and components for construction fell 0.1 percent in November following a 0.1-percent increase in the previous month. Prices for nonferrous wire and cable dropped 5.7 percent after rising 4.3 percent in the prior month. The index for asphalt felts and coatings also turned down in November. Prices for mineral wool for structural insulation fell more than they had in the preceding month. By contrast, prices for steel mill products rose 2.3 percent after declining 1.8 percent a month earlier. The indexes for building paper and board and for plastic construction products also turned up in November. Prices for fabricated structural metal products and concrete products increased after no change in October. The index for gypsum products fell less than in the prior month.

Crude goods

The increase in the Producer Price Index for Crude Materials for Further Processing accelerated to 8.7 percent in November from 2.4 percent in October. The index for crude energy materials climbed more in November than a month earlier. Prices for crude foodstuffs and feedstuffs turned up after declining in the previous month. Conversely, partially offsetting the acceleration in the index for crude materials, the index for basic industrial materials moved down after advancing in October. (See table B.)

The index for crude energy materials jumped 17.0 percent in November after increasing 5.9 percent in October. The advance in the index for natural gas accelerated to 21.6 percent in November from 9.7 percent in the previous month. Prices for crude petroleum climbed 15.5 percent following a 3.7-percent increase in October. The index for coal turned up 0.5 percent after a similar decline a month earlier.

The index for crude foodstuffs and feedstuffs turned up 2.0 percent in November after falling 1.8 percent in October. The increase in the index for corn accelerated to 16.0 percent in November from 0.5 percent in the preceding month. Prices for soybeans also climbed more than in October. The indexes for slaughter broilers and fryers, hogs, and cattle moved down less than a month earlier. Prices for fluid milk turned up after falling in October. Conversely, the index for fresh vegetables, except potatoes decreased 18.8 percent in November following a 34.2-percent rise in the prior month. Prices for wheat also turned down after rising in October.

The index for crude nonfood materials less energy turned down 0.5 percent in November after rising 1.4 percent in October. The index for iron and steel scrap declined 7.6 percent in November following a 0.7-percent decrease in the previous month. Prices for softwood logs, bolts, and timber also moved down more than a month earlier. The index for copper base scrap turned down after rising in October, and prices for wastepaper moved up less than in the previous month. Conversely, the advance in the index for gold ores accelerated to 8.6 percent in November from 4.8 percent in the prior month. Prices for construction sand, gravel, and crushed stone and for aluminum base scrap also rose more than in October. The index for phosphates turned up after declining in the previous month.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries climbed 1.9 percent in November after inching up 0.1 percent in October. (Net output price indexes are not seasonally adjusted.) Leading this acceleration, prices received by petroleum and coal products manufacturers jumped 14.1 percent in November after edging down 0.1 percent a month earlier. The industry group indexes for food, primary metal, and fabricated metal products manufacturing also turned up after falling in October. Prices received by the electric power distribution industry declined less in November than they had in the prior month. The industry indexes for chemical manufacturing, oil and gas extraction, and natural gas distribution moved up at faster rates than they had in October. By contrast, partially counteracting the acceleration in the total mining, utilities, and manufacturing industries index, prices received by transportation equipment producers increased 0.4 percent in November following a 2.0-percent rise in the preceding month. The index for the beverage and tobacco manufacturing industry group was unchanged in November compared with a gain in the previous month, while prices received by the mining support activities industry group turned down after rising in October.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries decreased 0.7 percent in November compared with a 1.4-percent rise in October. (Trade indexes measure changes in margins received by wholesalers and retailers.) Margins received by gasoline stations dropped 9.0 percent in November after jumping 11.7 percent a month earlier. The margin indexes for merchant wholesalers of nondurable goods, department stores, grocery stores, and fuel dealers also turned down after increasing in October. Margins received by merchant wholesalers of durable goods fell more in November than they had in the preceding month. By contrast, the margin index for automobile dealers rose 0.8 percent after a 0.8-percent drop in October. Margins received by clothing stores and furniture stores also turned up in November.

Transportation and Warehousing Industries. The Producer Price Index for the Net Output of Total Transportation and Warehousing Industries advanced 0.6 percent in November after rising 1.0 percent in October. Prices received by the local, general freight trucking industry moved up 1.1 percent in November compared with a 1.5-percent increase in the previous month, while the index for scheduled passenger air transportation fell 0.4 percent following a 4.7-percent advance in October. Prices received by the inland water freight transportation industry declined more in November than they had in the preceding month, while the index for the nonscheduled air transportation industry rose less than it had in October. By contrast, prices received by the industry group for long-distance, general freight trucking moved up 1.2 percent in November after no change in the prior month. The industry indexes for couriers and freight transportation arrangement turned up in November. Prices received by the industries for long-distance specialized freight trucking (excluding used goods) and line-haul railroads increased at faster rates than they had in October.

Traditional Service Industries. The Producer Price Index for the Net Output of Total Traditional Service Industries climbed 0.6 percent in November following no change in October. Prices received by the depository credit intermediation industry group jumped 4.4 percent after dropping 3.0 percent in the previous month. The indexes for management consulting services and casino hotels also turned up in November. Prices received by direct life insurance carriers were unchanged following declines in October. By contrast, the index for general medical and surgical hospitals moved up 0.6 percent after increasing 1.6 percent in the prior month. Prices received by the industries for wired telecommunications carriers, offices of real estate agents and brokers, and passenger car rental turned down in November. The index for offices of physicians (excluding mental health) was unchanged compared with an October advance.

Producer Price Index – December 2007

The Producer Price Index for Finished Goods declined 0.1 percent in December, seasonally adjusted. This decrease followed a 3.2-percent rise in November and a 0.1-percent advance in October. At the earlier stages of processing, prices received by producers of intermediate goods fell 0.2 percent in December after increasing 3.7 percent in the prior month, and the crude goods index moved up 1.0 percent following an 8.7-percent jump in November. (See table A.)

The downturn in prices for finished goods was led by the index for energy goods, which dropped 1.9 percent in December after climbing 14.1 percent in November. Prices for finished goods other than foods and energy rose 0.2 percent in December compared with a 0.4-percent advance in the preceding month. By contrast, partially offsetting the downturn in the finished goods index, prices for finished consumer foods increased 1.3 percent following no change in November.

Before seasonal adjustment, the Producer Price Index for Finished Goods declined 0.4 percent in December to 170.6 (1982 = 100). In 2007, finished goods prices moved up 6.3 percent compared with a 1.1-percent advance in 2006. This faster rate of increase in 2007 is attributable to food and energy prices. The index for finished energy goods surged 18.4 percent in 2007 after falling 2.0 percent a year earlier, and prices for finished consumer foods jumped 7.4 percent following a 1.7-percent rise in 2006. Alternatively, the index for finished goods other than foods and energy advanced 2.0 percent in 2007, the same as in the preceding year. At the earlier stages of processing, prices received by manufacturers of intermediate goods climbed 6.8 percent in 2007 after moving up 2.8 percent in the prior year, while the crude goods index jumped 20.6 percent following a 4.7-percent decrease in 2006. (See summary table on page 2.)

Finished goods

The index for finished energy goods fell 1.9 percent in December after rising 14.1 percent in November. Leading this downturn, gasoline prices declined 4.8 percent in December following a 34.8-percent surge a month earlier. The indexes for home heating oil, diesel fuel, liquefied petroleum gas, asphalt, and kerosene also decreased after advancing in November. Prices for residential electric power moved up less in December than in the previous month. By contrast, partially counteracting the downturn in the index for finished energy goods, prices for residential natural gas fell 0.1 percent compared with a 5.2-percent drop in November. (See table 2.)

The index for finished goods other than foods and energy increased 0.2 percent in December following a 0.4-percent rise in November. In December, higher prices for pharmaceutical preparations, cosmetics and other toilet preparations, civilian aircraft, commercial furniture, cigarettes, pet food, and floor coverings outweighed lower prices for passenger cars, light motor trucks, household furniture, and for x-ray and electromedical equipment.

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

Month	Finished goods					Inter-mediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2006							
Dec.	0.7	1.1	2.4	0.1	1.1	0.9	2.6
2007							
Jan.	-.6	1.0	-4.3	.2	.1	-.7	-5.5
Feb.	1.2	1.7	3.0	.4	2.4	.8	9.0
Mar.	1.0	1.6	3.8	-.1	3.1	1.2	2.6
Apr.	.9	.5	3.3	.1	3.2	1.0	1.1
May	.7	-.6	3.5	.2	3.9	1.2	1.3
June	.1	-.4	-.2	.2	3.3	.4	1.1
July	.7	.1	2.5	.3	4.2	.8	.5
Aug.	r -1.4	r -.2	r -6.7	.1	r 2.3	-1.3	r -3.6
Sept.	r 1.0	r 1.1	r 3.7	.1	4.4	.4	r .9
Oct.	.1	1.0	-.8	0	6.1	.1	2.4
Nov.	3.2	0	14.1	.4	7.2	3.7	8.7
Dec.	-.1	1.3	-1.9	.2	6.3	-.2	1.0

r=revised. Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for August 2007 have been revised to reflect the availability of late reports and corrections by respondents.

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			
	2005	2006	2007	3 months ended March 2007	3 months ended June 2007	3 months ended September 2007	3 months ended December 2007
Finished goods	5.4	1.1	6.3	6.9	6.5	1.0	13.3
Finished consumer foods	1.7	1.7	7.4	18.7	-1.7	4.2	9.4
Finished energy goods	23.9	-2.0	18.4	10.0	29.5	-3.0	51.9
Finished goods less foods and energy	1.4	2.0	2.0	2.0	2.3	1.7	2.2
Finished consumer goods, excluding foods and energy	1.6	1.8	2.5	2.2	2.9	2.1	2.8
Capital equipment	1.2	2.3	1.3	1.6	1.3	1.1	1.3
Intermediate materials, supplies, and components	8.6	2.8	6.8	5.4	10.4	-.5	15.0
Intermediate foods and feeds	2.4	4.7	17.5	29.5	11.7	10.5	19.2
Intermediate energy goods	26.2	-3.3	18.6	16.3	24.2	-3.6	55.3
Intermediate materials less foods and energy	4.8	4.5	3.3	1.7	6.9	0	4.6
Materials for nondurable manufacturing	8.9	1.2	13.0	8.1	21.3	3.3	20.3
Materials for durable manufacturing	5.9	12.5	1.6	2.2	19.5	-11.6	-1.5
Materials and components for construction	6.1	4.3	1.8	2.6	3.6	.6	.4
Crude materials for further processing	21.1	-4.7	20.6	25.1	14.8	-8.5	59.6
Foodstuffs and feedstuffs	1.6	2.8	25.2	60.7	12.6	11.3	19.2
Crude energy materials	42.2	-15.7	17.2	-11.3	26.3	-26.9	129.5
Crude nonfood materials less energy	5.2	17.0	16.8	60.1	0	12.4	3.6

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 climbed 1.3 percent in December after no change in November. Prices for fresh and dry vegetables jumped 13.4 percent in December compared with a 13.2-percent drop in the preceding month. The indexes for beef and veal and for processed fruits and vegetables also turned up in December. Prices for fresh fruits and melons and for eggs for fresh use increased more than they had in November. By contrast, the index for processed turkeys fell 9.4 percent in December following an 8.7-percent rise in the prior month. Prices for pork and roasted coffee also decreased after advancing in November. The indexes for bakery products, finfish and shellfish, and processed young chickens increased at slower rates in December than they had a month earlier.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components decreased 0.2 percent in December following a 3.7-percent advance in November. Leading this downturn, prices for intermediate energy goods and materials for durable manufacturing declined after rising a month earlier. The index for materials for nondurable manufacturing rose less than it had in the preceding month. By contrast, partially offsetting the downturn in intermediate goods prices, the index for intermediate foods and feeds advanced more than it had a month earlier, and prices for materials and components for construction turned up in November. The index for intermediate goods less foods and energy was unchanged in December following a 1.0-percent decrease in the prior month. (See table B.)

The index for intermediate energy goods declined 1.4 percent in December subsequent to a 13.3-percent advance in November. Diesel fuel prices moved down 3.0 percent after surging 35.8 percent in the preceding month. The indexes for gasoline, home heating oil, both commercial and industrial electric power, and liquefied petroleum gas also turned down in December. Prices for jet fuels rose less than they had a month earlier, and the index for natural gas to electric utilities fell more than it had in November. By contrast, prices for commercial natural gas increased 0.6 percent following a 6.0-percent decline in the previous month. The index for industrial natural gas also turned up in December. (See table 2.) From December 2006 to December 2007, prices for intermediate energy goods advanced 18.6 percent after decreasing 3.3 percent a year earlier.

Prices for materials for nondurable manufacturing edged up 0.1 percent in December subsequent to a 3.6-percent rise in November. The index for processed yarns and threads moved up 0.2 percent following a 1.0-percent gain in the preceding month. Prices for basic organic chemicals, plastic resins and materials, and for paint materials declined after increasing in the prior month. By contrast, the rate of increase for the inedible fats and oils index quickened from 4.4 percent in November to 9.5 percent in December. Prices for fertilizer materials and basic inorganic chemicals also advanced more than they had a month earlier. The paperboard index inched up subsequent to a decline in the previous month. The index

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

	Intermediate goods				Crude goods			
Month	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2006								
Dec.	1.2	3.9	0.1	2.8	-0.1	4.8	1.7	-4.7
2007								
Jan.	1.8	-3.7	0	1.1	2.4	-15.3	1.8	-9.5
Feb.	3.0	3.5	0	2.2	7.4	14.3	2.9	7.7
Mar.	1.8	4.2	.4	3.3	2.4	.3	7.4	13.3
Apr.	.9	1.4	.8	3.7	1.5	.7	1.3	11.6
May	0	3.8	.6	3.8	1.0	3.0	-1.3	11.3
June	1.8	.3	.2	3.6	.5	2.3	0	15.5
July	.7	2.2	.4	4.2	1.9	-.5	.6	12.9
Aug.	r .3	r -4.2	r -.4	2.4	r -1.6	r -6.3	r .4	r 6.1
Sept.	r 1.5	r 1.2	.1	4.2	2.4	r -.8	r 2.0	11.4
Oct.	1.0	-.1	.1	5.6	-1.8	5.9	1.4	25.7
Nov.	1.2	13.3	1.0	8.1	2.0	17.0	-.5	22.4
Dec.	2.2	-1.4	0	6.8	4.3	-.7	0	20.6

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for materials for nondurable manufacturing advanced 13.0 percent in 2007 compared with a 1.2-percent rise in 2006.

Prices for materials for durable manufacturing decreased 1.0 percent in December following a 1.1-percent advance in November. The primary nonferrous metals index fell 8.5 percent after rising 2.5 percent in the prior month. Prices for thermoplastic resins, building paper and board, and aluminum mill shapes also turned down in December. The indexes for both cold and hot rolled steel sheet and strip rose less than in the preceding month. By contrast, prices for softwood lumber moved down 0.6 percent compared with a 3.8-percent decrease a month earlier. The index for copper and brass mill shapes also declined less than it had in the previous month, and prices for titanium mill shapes turned up in December. In 2007, the index for materials for durable manufacturing moved up 1.6 percent subsequent to a 12.5-percent jump in 2006.

The advance in the intermediate foods and feeds index accelerated from 1.2 percent in November to 2.2 percent in December. Prices for beef and veal moved up 3.2 percent compared with a 5.0-percent decline a month earlier. The indexes for flour and for refined sugar and byproducts also turned up in December. Prices for shortening and cooking oils advanced more than in the preceding month, while the index for dry milk products fell less than it had in November. By contrast, prices for prepared animal feeds increased 1.7 percent in December following a 3.7-percent advance in the prior month. Similarly, prices for processed young chickens also rose less then they had in November. The pork index turned down in December, and prices for fluid milk products declined more than they had in the previous month. From December 2006 to December 2007, the index for intermediate foods and feeds climbed 17.5 percent subsequent to a 4.7-percent increase a year earlier.

The index for materials and components for construction inched up 0.1 percent in December compared with a 0.1-percent decline in November. Prices for asphalt felts and coatings advanced 2.1 percent following a 2.6-percent decrease in the previous month. The indexes for nonferrous wire and cable and for softwood lumber fell less than they had a month earlier. Prices for fabricated structural metal products rose more than in November. By contrast, the index for steel mill products moved up 0.8 percent after increasing 2.3 percent in November. Prices for building paper and board, millwork, and treated wood turned down December. During 2007, prices for materials and components for construction advanced 1.8 percent after rising 4.3 percent in the previous year.

Crude goods

The Producer Price Index for Crude Materials for Further Processing rose 1.0 percent in December after advancing 8.7 percent in November. Rising prices for foodstuffs and feedstuffs outweighed price decreases for energy materials, while the index for basic industrial materials was unchanged in December. (See table B.)

Prices for crude foodstuffs and feedstuffs climbed 4.3 percent after increasing 2.0 percent in the preceding month. The slaughter hogs index rose 9.5 percent following a 7.9-percent decline in November. Prices for wheat; fresh vegetables, except potatoes; and slaughter cattle also turned up

in December. By contrast, slightly counteracting the acceleration in prices for crude foodstuffs and feedstuffs, the index for slaughter broilers and fryers fell 5.1 percent after moving down 0.8 percent in November. Prices for Irish potatoes for processing and for soybeans rose less than they had in the prior month. The fluid milk index turned down in December. (See table 2.) In 2007, crude foodstuffs and feedstuffs prices jumped 25.2 percent following a 2.8-percent increase in 2006.

The index for crude energy materials fell 0.7 percent in December after climbing 17.0 percent a month earlier. Crude petroleum prices turned down 2.4 percent following a 15.5-percent gain in November. Price advances for natural gas slowed to 0.9 percent in December after jumping 21.6 percent in the previous month. Conversely, the coal index increased 1.4 percent after moving up 0.5 percent in the prior month. In 2007, prices for crude energy materials advanced 17.2 percent following a 15.7-percent drop in 2006.

The basic industrial materials index was unchanged in December after decreasing 0.5 percent a month earlier. Iron and steel scrap prices turned up 5.7 percent following a 7.6-percent decrease in November. The index for copper base scrap fell less than in November. Prices for raw cotton and phosphates rose more than they had a month earlier. The index for softwood logs, bolts, and timber was unchanged after falling in the prior month. By contrast, prices for aluminum base scrap declined 3.2 percent in December following a 1.5-percent advance a month earlier. The index for wastepaper also turned down after rising in November. Prices for gold ores increased less than they had in the preceding month. The basic industrial materials index climbed 16.8 percent in 2007, slightly less than the 17.0-percent rise in 2006.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries turned down 0.6 percent in December after rising 1.9 percent in November. (Net output price indexes are not seasonally adjusted.) The index for the petroleum and coal products industry group declined 6.0 percent following a 14.1-percent jump a month earlier. Prices received by the industries for oil and gas extraction, transportation equipment, and natural gas distribution also fell after moving up in November. The index for the chemical manufacturing industry group increased less than in the prior month. By contrast, partially offsetting the downturn in the total mining, utilities, and manufacturing industries index, prices received by electric power generators turned up 1.1 percent in December after falling 2.3 percent in the preceding month. The index for the food manufacturing industry group increased more in December than in the previous month, and prices received by the computer and electronic products industry group were unchanged after falling in November.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries turned up 1.5 percent in December after decreasing 0.7 percent in November. (Trade indexes measure changes in margins received by wholesalers and retailers.) The margin index for gasoline stations jumped 41.1 percent in December following a 9.0-percent decrease a month earlier. Margins received by merchant wholesalers of durable goods, building materials and supplies dealers, and fuel dealers also turned up after falling in November. By contrast, the margin index for merchant wholesalers of nondurable goods dropped 5.6 percent in December following a 0.7-percent decline in the preceding month. Margins received by clothing stores, electronic shopping and mail order houses, and automobile dealers turned down after rising in November.

Transportation and Warehousing Industries. The increase in the Producer Price Index for the Net Output of Total Transportation and Warehousing Industries slowed to 0.1 percent in December from 0.6 percent in the previous month. The index for the general freight trucking industry group rose 0.5 percent after advancing 1.2 percent in November. Prices received by the industries for freight transportation arrangement and for long-distance, specialized-freight trucking also rose less than in the preceding month. The industry index for scheduled passenger air transportation fell more in December than in the prior month, and prices received by the industry for local, specialized-freight trucking turned down after increasing in November. By contrast, the advance in the industry index for couriers accelerated to 2.0 percent in December from 1.0 percent in the previous month. Prices received for inland water freight transportation turned up in December, and the industry index for general warehousing and storage rose after no change in November.

Traditional Service Industries. The Producer Price Index for the Net Output of Total Traditional Service Industries turned down 0.9 percent in December after increasing 0.6 percent in November. The index for commercial banking dropped 8.4 percent in December following a 5.0-percent advance in the prior month. Prices received by general medical and surgical hospitals, portfolio managers, casino hotels, and offices of lawyers also turned down after rising in November. Conversely, the index for investment banking and securities dealing moved up 3.4 percent in December following a 0.2-percent decrease in the prior month. Prices received by wired telecommunication carriers also turned up after declining in November. The index for lessors of nonresidential buildings increased more than in the preceding month.

Producer Price Indexes – January 2008

The Producer Price Index for Finished Goods rose 1.0 percent in January, seasonally adjusted. This increase followed a decline of 0.3 percent in December and a 2.6-percent advance in November. At the earlier stages of processing, prices for intermediate goods moved up 1.4 percent after falling 0.2 percent in the prior month, and the crude goods index increased 2.5 percent following a 1.1-percent advance in December. (See table A.)

The upturn in finished goods prices was led by the index for energy goods, which increased 1.5 percent in January after falling 3.0 percent in December. Prices for finished goods excluding foods and energy advanced 0.4 percent following a 0.2-percent rise in the preceding month. The index for finished consumer foods increased 1.7 percent after climbing 1.4 percent a month earlier.

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 0.8 percent in January to 171.9 (1982 = 100). From January 2007 to January 2008, the index for finished goods moved up 7.4 percent. Over the same period, prices for finished energy goods climbed 22.6 percent, the index for finished consumer foods rose 8.3 percent, and prices for finished goods other than foods and energy advanced 2.3 percent. For the 12 months ended January 2008, the index for intermediate goods increased 8.8 percent, and prices for crude goods jumped 31.3 percent.

Finished goods

The index for finished energy goods turned up 1.5 percent in January after falling 3.0 percent a month earlier. The index for gasoline increased 2.9 percent following a 7.6-percent drop in the preceding month. Prices for home heating oil, liquefied petroleum gas, residential natural gas, diesel fuel, and kerosene also turned up after falling in December. The index for lubricating oils rose after no change in the prior month. By contrast, partially offsetting the upturn in finished energy goods prices, the index for residential electric power fell 1.2 percent after advancing 0.6 percent in the previous month. (See table 2.)

The rise in the index for finished goods excluding foods and energy accelerated to 0.4 percent in January from 0.2 percent in December. The index for pharmaceutical preparations advanced 1.5 percent after increasing 0.4 percent in the prior month. Prices for light motor trucks and passenger cars turned up after falling in December. The index for book publishing increased after no change a month earlier. By contrast, the index for cosmetics and other toilet preparations turned down 1.7 percent in January after rising 1.1 percent in the preceding month. Prices for floor coverings also declined following December increases. The index for civilian aircraft

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

Month	Finished goods					Inter-mediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2007							
Jan.	-0.1	0.9	-2.0	0.1	0.1	-0.2	-5.7
Feb.	1.2	1.6	3.2	.4	2.4	.8	9.0
Mar.	.9	1.5	3.2	-.1	3.1	1.0	2.5
Apr.	.7	.5	2.6	.2	3.2	1.1	1.0
May	.6	-.7	2.9	.2	3.9	1.0	1.0
June	.1	-.2	-.3	.2	3.3	.4	.8
July	.5	-.1	2.2	.2	4.2	.7	.3
Aug.	-.8	0	-4.2	.1	2.3	-.9	-3.5
Sept.	.5	1.1	1.2	.1	4.4	0	.9
Oct.	.5	1.2	1.4	.1	6.1	.5	3.0
Nov.	2.6	-.2	11.4	.3	7.2	3.1	9.2
Dec.	-.3	1.4	-3.0	.2	6.3	-.2	1.1
2008							
Jan.	1.0	1.7	1.5	.4	7.4	1.4	2.5

NOTE: Some of the percent changes shown here and elsewhere in this release may differ from those previously reported because seasonal adjustment factors have been recalculated to reflect developments during 2007. In addition, indexes for September 2007 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 adjusted

	Intermediate goods				Crude goods			
Month	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2007								
Jan.	1.6	-1.6	0.0	1.1	1.9	-15.3	0.9	-9.5
Feb.	3.0	3.5	0	2.2	6.9	14.3	3.6	7.7
Mar.	1.7	3.1	.4	3.3	2.3	.3	6.9	13.3
Apr.	.9	1.9	.8	3.7	1.3	.8	1.1	11.6
May	0	2.8	.5	3.8	.8	3.0	-1.8	11.3
June	1.9	.7	.3	3.6	-.1	2.2	-.3	15.5
July	.7	2.0	.4	4.2	1.1	-.5	.7	12.9
Aug.	.4	-2.9	-.4	2.4	-1.6	-6.4	.6	6.1
Sept.	1.3	-.5	.1	4.1	2.7	-.8	2.2	11.3
Oct.	1.3	1.7	.1	5.6	-.3	6.0	2.0	25.7
Nov.	1.1	10.7	1.0	8.1	2.9	17.0	.2	22.4
Dec.	2.3	-1.6	0	6.8	4.6	-.7	.2	20.6
2008								
Jan.	3.3	2.8	.8	8.8	2.7	1.8	4.0	31.3

NOTE: Some of the percent changes shown here and elsewhere in this release may differ from those previously reported because seasonal adjustment factors have been recalculated to reflect developments during 2007. In addition, indexes for September 2007 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

advanced less than in the previous month, and prices for cigarettes were unchanged after increasing in December.

The index for finished consumer foods rose 1.7 percent in January after advancing 1.4 percent a month earlier. The rise in the index for bakery products accelerated to 2.7 percent from 0.1 percent in December. Prices for pasta products also rose more than in the prior month. The indexes for soft drinks, frozen specialties, and processed turkeys turned up after falling in December. Conversely, the index for fresh and dry vegetables turned down 1.0 percent in January after rising 13.4 percent in the previous month. Prices for dairy products also declined following December advances. The index for fresh fruits and melons increased less in January than in the preceding month.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components rose 1.4 percent in January following a 0.2-percent decrease in December. This upturn was broad based. Prices for intermediate energy goods and materials for durable manufacturing advanced in January after declining a month earlier, while the indexes for materials for nondurable manufacturing, materials and components for construction, and intermediate foods and feeds increased more than in December. Excluding foods and energy, prices for intermediate goods climbed 0.8 percent in January compared with no change in the prior month. (See table B.)

The index for intermediate energy goods jumped 2.8 percent in January after falling 1.6 percent in December. Diesel fuel prices rose 5.9 percent following a 0.8-percent decrease in December. Similarly, the indexes for gasoline, home heating oil, liquefied petroleum gas, and industrial natural gas also turned up in January. Prices for jet fuels moved up more than they had in December. The indexes for commercial electric power and natural gas to electric utilities declined less in January than a month earlier. By contrast, partially offsetting the upturn in intermediate energy goods prices, the commercial natural gas index moved down 1.9 percent after advancing 0.3 percent in December. Prices for industrial electric power fell more in January than in the preceding month. (See table 2.)

The index for materials for nondurable manufacturing increased 2.2 percent in January after inching up 0.1 percent in December. Leading this acceleration, prices for primary basic organic chemicals jumped 3.2 percent in January following a 2.8-percent drop a month earlier. The index for plastic resins and materials also turned up after falling in December. Prices for basic inorganic chemicals, paper, fertilizer materials, synthetic rubber, and finished fabrics rose more in January than they had in the prior month. Conversely, the index for medicinal and botanical chemicals declined 2.5 percent compared with a 0.1-percent decrease in December. Prices for inedible fats and oils increased less in January than they had in the previous month.

The index for materials for durable manufacturing moved up 0.6 percent in January following a 1.0-percent decrease in December. Prices for primary nonferrous metals rose 1.1 percent after dropping 8.5 percent in the prior month. The indexes for nonferrous wire and cable, copper and brass mill shapes, and thermoplastic resins also turned up in

January. Prices for hot rolled steel bars, plates, and structural shapes; semifinished steel mill products; and hot rolled steel sheet and strip advanced more than they had in December. By contrast, prices for cold rolled steel sheet and strip declined 2.2 percent following a 1.6-percent gain in December. The indexes for titanium mill shapes and secondary aluminum also turned down in January.

The index for materials and components for construction climbed 0.4 percent in January after inching up 0.1 percent in December. Prices for nonferrous wire and cable jumped 3.8 percent in January following a 3.3-percent drop a month earlier. The index for millwork also turned up after falling in December. Prices for paving mixtures and blocks, asphalt felts and coatings, and wiring devices rose more in January than they had in the previous month. Conversely, the index for fabricated structural metal products advanced 0.2 percent compared with a 0.5-percent increase in December. Prices for concrete products and for prefabricated wood buildings and components turned down in January. The softwood lumber index declined more than in the preceding month.

The index for intermediate foods and feeds moved up 3.3 percent in January following a 2.3-percent rise in December. Leading this acceleration, prices for prepared animal feeds increased 4.8 percent in January after advancing 1.7 percent a month earlier. The index for confectionery materials also climbed at a faster rate than it had in December. Prices for fluid milk products and pork turned up in January. The indexes for soft drink liquid beverage bases and snack chips rose following no change in December. By contrast, flour prices increased 3.3 percent in January after surging 12.2 percent in the prior month. The indexes for natural, processed, and imitation cheese and for refined sugar and byproducts turned down in January.

Crude goods

The Producer Price Index for Crude Materials for Further Processing increased 2.5 percent in January following a 1.1-percent rise in December. The index for crude energy materials turned up in January, and prices for crude nonfood materials less energy advanced more than they had a month earlier. By contrast, partially offsetting the acceleration in crude material prices, the index for crude foodstuffs and feedstuffs increased less than it had in December. (See table B.)

Prices for crude energy materials advanced 1.8 percent in January after declining 0.7 percent in the previous month. The crude petroleum index rose 2.7 percent subsequent to a 2.4-percent decrease a month earlier. Prices for coal advanced 3.9 percent following a 0.5-percent gain in December. By contrast, the index for natural gas increased 0.7 percent compared with a 0.9-percent increase in the preceding month. (See table 2.)

Prices for crude nonfood materials less energy moved up 4.0 percent in January subsequent to a 0.2-percent increase in December. The iron and steel scrap index jumped 17.2 percent following a 5.3-percent rise in the previous month. Similarly, prices for gold ores and phosphates also advanced more than they had a month earlier. The indexes for wastepaper and for both copper and aluminum base scrap turned up in January. Prices for iron ore rose after no change in December. By contrast, the index for construction sand, gravel, and crushed stone declined 1.4 percent in January after advancing 0.8 percent in December. Prices for industrial sand increased less than they had in the prior month.

The index for crude foodstuffs and feedstuffs advanced 2.7 percent following a 4.6-percent rise a month earlier. Wheat prices increased 6.6 percent in January subsequent to a 22.6-percent surge in December. The index for fresh fruits and melons also advanced less than it had in December. Prices for slaughter cattle, fluid milk, slaughter hogs, and for fresh and dry vegetables turned down in January. Conversely, the index for slaughter broilers and fryers rose 10.0 percent following a 1.6-percent decline a month earlier. Corn prices increased more than they had in December.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries advanced 0.8 percent in January after decreasing 0.6 percent in December. (Net output price indexes are not seasonally adjusted.) Leading this upturn, prices received by manufacturers of petroleum and coal products increased 2.9 percent following a 6.0-percent drop in December. The industry group indexes for transportation equipment, oil and gas extraction, and metal ore mining, as well as, prices received by the electric power distribution industry also turned up in January. The indexes for the food and chemical manufacturing industry groups rose more than in December. By contrast, partially offsetting the upturn in the total mining, utilities, and manufacturing industries index, prices received by the industry for electric power generation decreased 1.6 percent in January after rising 1.1 percent a month earlier. The industry group index for computer and electronic products fell following no change in December. In January, the index for mining, utilities, and manufacturing industries was 107.1 (December 2006 = 100), 7.6 percent above its year-ago level.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries decreased 1.2 percent in January following a 1.5-percent rise in December. (Trade indexes measure changes in margins received by wholesalers and retailers.) This downturn is primarily attributable to margins received by gasoline stations, which dropped 35.7 percent after jumping 41.1 percent in the previous month. The margin indexes for merchant wholesalers of durable goods and for electronics and appliance stores also turned down in January. Conversely, margins received by merchant wholesalers of nondurable goods advanced 4.7 percent subsequent to a 5.6-percent decline in December. The margin index for automobile dealers also turned up after falling in the prior month. The margin index for grocery stores rose in January following no change a month earlier. Margins received by clothing stores and department stores fell less than they had in December. In January, the index for total trade industries was 104.6 (December 2006 = 100), 2.3 percent above its year-ago level.

Transportation and Warehousing Industries. The Producer Price Index for the Net Output of Total Transportation and Warehousing Industries increased 1.4 percent in January after inching up 0.1 percent in the prior month. Leading this acceleration, prices received by the scheduled passenger air transportation industry advanced 5.2 percent following a 3.0-percent decrease in December. The industry index for local specialized freight trucking of new goods also turned up after falling in the previous month. The industry indexes for line-haul railroads, local general freight trucking, and water freight transportation rose more in January than they had a month earlier. By contrast, prices received by couriers fell 0.3 percent after increasing 2.0 percent in December. The industry indexes for long distance general freight trucking and freight transportation arrangement also turned down after rising in December. In January, the index for transportation and warehousing industries was 107.8 (December 2006 = 100), 6.0 percent above its year-ago level.

Traditional Services Industries. The Producer Price Index for the Net Output of Total Traditional Services Industries advanced 0.5 percent in January following a 0.9-percent decline in December. Prices received by the depository credit intermediation industry group rose 1.1 percent after falling 7.4 percent in the previous month. The industry indexes for general medical and surgical hospitals, offices of lawyers, and casino hotels also turned up in January following decreases a month earlier. Prices received by direct health and medical insurance carriers increased more than they had in December. By contrast, the industry index for security and commodity contracts intermediation and brokerage declined 3.3 percent in January following a 1.9-percent gain in December. Prices received by the engineering services industry and wired telecommunications carriers also turned down in January. The industry index for lessors of nonresidential buildings rose less than it had in December. In January, the index for traditional services industries was 102.0 (December 2006 = 100), 1.2 percent above its year-ago level.

Producer Price Indexes – February 2008

The Producer Price Index for Finished Goods rose 0.3 percent in February, seasonally adjusted. This increase followed a 1.0-percent advance in January and a 0.3-percent decline in December. At the earlier stages of processing, prices received by manufacturers of intermediate goods moved up 0.8 percent in February subsequent to a 1.4-percent advance in January, and the crude goods index rose 3.7 percent after climbing 2.5 percent in the prior month. (See table A.)

Within finished goods, the index for energy goods increased 0.8 percent in February compared with a 1.5-percent gain in the previous month. Prices for consumer foods declined 0.5 percent following a 1.7-percent rise in January. By contrast, slightly counteracting the deceleration in finished goods prices, the index for finished goods other than foods and energy moved up 0.5 percent in February after increasing 0.4 percent a month earlier.

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 0.2 percent in February to 172.2 (1982 = 100). From February 2007 to February 2008, finished goods prices advanced 6.4 percent. Over the same period, the index for finished energy goods increased 19.6 percent, prices for finished consumer foods rose 6.0 percent, and the index for finished goods other than foods and energy climbed 2.4 percent. For the 12 months ended February 2008, prices received by intermediate goods producers increased 8.8 percent, and the crude goods index surged 24.6 percent.

Finished goods

The index for finished energy goods increased 0.8 percent in February after rising 1.5 percent in January. The index for unleaded mid-premium gasoline increased 2.8 percent in February subsequent to a 4.3-percent advance in the prior month. Diesel fuel prices also moved up less than a month earlier. Prices for liquefied petroleum gas and home heating oil turned down in February. By contrast, partially offsetting the deceleration in finished energy goods prices, the index for residential natural gas rose 5.7 percent following a 0.7-percent gain in January. Prices for both unleaded regular and premium grade gasoline also advanced at faster rates compared with a month earlier. The index for residential electric power declined less than it had in the preceding month.

The index for finished consumer foods fell 0.5 percent in February after moving up 1.7 percent in January. Prices for fresh and dry vegetables declined 15.7 percent subsequent to a 1.0-percent decrease a month earlier. The dairy products index also fell more than it had in January. Prices for fresh fruits and melons, processed young chickens, and pork turned down in February. The indexes for beef and veal, frozen specialties, bakery products, soft drinks, and eggs for fresh use advanced at slower rates compared with the prior month. By contrast, prices for roasted coffee increased 4.4 percent following no change in January. (See table 2.)

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

Month	Finished goods					Inter-mediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2007							
Feb.	1.2	1.6	3.2	0.4	2.4	0.8	9.0
Mar.	.9	1.5	3.2	-.1	3.1	1.0	2.5
Apr.	.7	.5	2.6	.2	3.2	1.1	1.0
May	.6	-.7	2.9	.2	3.9	1.0	1.0
June	.1	-.2	-.3	.2	3.3	.4	.8
July	.5	-.1	2.2	.2	4.2	.7	.3
Aug.	-.8	0	-4.2	.1	2.3	-.9	-3.5
Sept.	.5	1.1	1.2	.1	4.4	0	.9
Oct.	.5	r 1.3	r 1.1	.1	6.1	r .6	r 4.0
Nov.	2.6	r -.3	r 11.7	r .2	7.2	3.1	r 8.2
Dec.	-.3	1.4	-3.0	.2	6.3	-.2	1.1
2008							
Jan.	1.0	1.7	1.5	.4	7.4	1.4	2.5
Feb.	.3	-.5	.8	.5	6.4	.8	3.7

r=revised. Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for October 2007 have been revised to reflect the availability of late reports and corrections by respondents.

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

	Intermediate goods				Crude goods			
Month	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2007								
Feb.	3.0	3.5	0.0	2.2	6.9	14.3	3.6	7.7
Mar.	1.7	3.1	.4	3.3	2.3	.3	6.9	13.3
Apr.	.9	1.9	.8	3.7	1.3	.8	1.1	11.6
May	0	2.8	.5	3.8	.8	3.0	-1.8	11.3
June	1.9	.7	.3	3.6	-.1	2.2	-.3	15.5
July	.7	2.0	.4	4.2	1.1	-.5	.7	12.9
Aug.	.4	-2.9	-.4	2.4	-1.6	-6.4	.6	6.1
Sept.	1.3	-.5	.1	4.1	2.7	-.8	2.2	11.3
Oct.	r 1.2	r 1.3	r .4	r 5.7	r -.2	r 8.2	r 1.5	r 26.8
Nov.	r 1.3	r 11.2	r .8	8.1	r 2.8	r 14.6	r .7	22.4
Dec.	2.3	-1.6	0	6.8	4.6	-.7	.2	20.6
2008								
Jan.	3.3	2.8	.8	8.8	2.7	1.8	4.0	31.3
Feb.	2.3	1.1	.6	8.8	.7	5.6	3.3	24.6

r=revised. Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for October 2007 have been revised to reflect the availability of late reports and corrections by respondents.

The index for finished goods other than foods and energy moved up 0.5 percent subsequent to a 0.4-percent increase in January. In February, higher prices for pharmaceutical preparations, light motor trucks, passenger cars, alcoholic beverages, sanitary papers and health products, pet food, civilian aircraft, communication and related equipment, turbine and turbine generator sets, and for medical and surgical equipment and devices more than offset lower prices for newspaper circulation.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components advanced 0.8 percent in February following a 1.4-percent increase in January. Prices for intermediate energy goods, materials for nondurable manufacturing, and intermediate foods and feeds rose less in February than they had a month earlier. By contrast, partially offsetting the deceleration in intermediate goods prices, the indexes for materials for durable manufacturing and for materials and components for construction increased more than they had in January. Prices for intermediate materials less foods and energy climbed 0.6 percent in February compared with a 0.8-percent gain in the preceding month. (See table B.)

The index for intermediate energy goods increased 1.1 percent in February after rising 2.8 percent in January. Diesel fuel prices advanced 0.9 percent in February following a 5.9-percent jump in the prior month. The finished lubricants index also moved up less than it had in January. Prices for jet fuel, liquefied petroleum gas, home heating oil, and residual fuel turned down in February. Conversely, the utility natural gas index climbed 6.8 percent after inching up 0.1 percent in January. Electric power prices fell less in February than they had a month earlier. (See table 2.)

The index for materials for nondurable manufacturing rose 0.9 percent in February following a 2.2-percent jump in January. Prices for plastic resins and materials increased 0.3 percent in February after climbing 1.6 percent in the previous month. The index for industrial chemicals declined 0.2 percent following a 2.4-percent advance in January, and phosphate prices also turned down in February. The indexes for paper, synthetic rubber, and finished fabrics moved up less than they had in January. Conversely, the nitrogenates index surged 14.3 percent in February after rising 2.9 percent a month earlier. Prices for medicinal and botanical chemicals and for synthetic fibers advanced following January decreases.

The index for intermediate foods and feeds rose 2.3 percent in February after moving up 3.3 percent in January. Prices for beef and veal increased 0.6 percent in February compared with a 3.6-percent advance in the preceding month. The indexes for confectionery materials, prepared animal feeds, and shortening and cooking oils also rose less than they had in January. Prices for fluid milk products and processed young chickens turned down in February. By contrast, the flour index surged 15.2 percent following a 3.3-percent increase in January. Prices for malt and malt byproducts also climbed at faster rates in February, and the index for refined sugar and byproducts advanced after falling in January.

Prices for materials for durable manufacturing jumped 1.6 percent in February following a 0.6-percent rise in

January. The index for aluminum extrusion billet surged 10.1 percent in February after advancing 0.5 percent a month earlier. The indexes for hot rolled steel bars, plates, and structural shapes; hot rolled steel sheet and strip; and semifinished steel mill products also increased more than they had in January. Prices for nonferrous mill shapes and secondary aluminum turned up in February. By contrast, prices for cold rolled steel sheet and strip declined 4.2 percent compared with a 2.2-percent decrease in January. The indexes for nonferrous wire and cable and for thermoplastic resins moved up less in February than in the previous month.

The index for materials and components for construction rose 0.7 percent in February following a 0.4-percent increase in January. Prices for fabricated structural metal products advanced 0.8 percent in February after inching up 0.2 percent in the prior month. The indexes for cast iron pressure and soil pipe fittings and for architectural coatings also rose more than they had in January. Prices for concrete products turned up in February, while the softwood lumber index fell less than it had in January. By contrast, prices for asphalt felts and coatings declined 0.5 percent following a 2.7-percent increase in the preceding month. The index for air conditioning and refrigeration equipment also turned down in February. Prices for paving mixtures and blocks and for nonferrous wire and cable advanced less than in January.

Crude goods

The Producer Price Index for Crude Materials for Further Processing climbed 3.7 percent in February following a 2.5-percent increase in January. Prices for crude energy materials rose more than in the previous month. By contrast, partially offsetting the acceleration in prices for crude materials, the indexes for crude foodstuffs and feedstuffs and for crude nonfood materials less energy advanced less than they had a month earlier. (See table B.)

The crude energy materials index increased 5.6 percent in February after rising 1.8 percent in the prior month. Accounting for this acceleration, natural gas prices jumped 11.5 percent compared with a 0.7-percent gain a month earlier. Conversely, the index for crude petroleum moved up 0.6 percent after increasing 2.7 percent in the preceding month, and coal prices rose 1.0 percent following a 3.9-percent advance in January. (See table 2.)

Price increases for crude foodstuffs and feedstuffs slowed to 0.7 percent in February from 2.7 percent in January. The soybeans index rose 4.1 percent after advancing 9.5 percent in January. Prices for corn, slaughter broilers and fryers, and fresh fruits and melons turned down following increases in the previous month. The indexes for fluid milk and for fresh vegetables, except potatoes fell more than they had in January. By contrast, slaughter livestock prices rose 4.5 percent in February subsequent to a 3.8-percent decline a month earlier. The index for slaughter turkeys also turned up in February after falling in the prior month, and wheat prices advanced more than they had in January.

The index for crude nonfood materials less energy moved up 3.3 percent after rising 4.0 percent in January. Price increases for iron and steel scrap slowed to 6.5 percent in February from 17.2 percent in January. The indexes for phosphates, raw cotton, and aluminum base scrap turned down following advances a month earlier. By contrast, prices for construction sand, gravel, and crushed stone moved up 1.9 percent following a 1.4-percent decline in January. The indexes for wastepaper, nonferrous metal ores, and copper base scrap rose more in February than they had in the previous month.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries advanced 0.7 percent in February after increasing 0.8 percent in January. (Net output price indexes are not seasonally adjusted.) In February, higher prices received by manufacturers of food, chemicals, petroleum and coal products, transportation equipment, machinery, fabricated metal products, and for plastic and rubber products, as well as, for natural gas distribution, electric power generation, and oil and gas extraction outweighed lower prices received for electric power distribution. In February, the index for mining, utilities, and manufacturing industries was 107.8 (December 2006 = 100), 7.1 percent above its year-ago level.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries turned up 0.5 percent in February after decreasing 1.2 percent in January. (Trade indexes measure changes in margins received by wholesalers and retailers.) The margin index for electronics and appliance stores rose 3.2 percent in February after dropping 20.2 percent a month earlier. Margins received by department stores also turned up after decreasing in January. The margin index for gasoline stations fell less than in the previous month. Margins received by automobile dealers rose more in February, and the margin index for merchant wholesalers of durable goods was unchanged after falling in January. By contrast, partially offsetting the upturn in the total trade industries index, the increase in the margin index for grocery stores slowed to 0.9 percent in February from 3.7 percent in the prior month. Margins received by merchant wholesalers of nondurable goods also rose less than in January, and the margin index for shoe stores turned down in February after advancing a month earlier. In February, the index for total trade industries was 105.1 (December 2006 = 100), 2.6 percent above its year-ago level.

Transportation and Warehousing Industries. The advance in the Producer Price Index for the Net Output of Total Transportation and Warehousing Industries slowed to 0.3 percent in February from 1.4 percent in the previous month. The industry index for inland water freight transportation rose 1.6 percent after jumping 9.1 percent in January. Prices received by the industries for scheduled passenger air transportation, line haul railroads, local general freight trucking, and for local messenger and delivery services turned down in February after advancing in the prior month. Conversely, the index for the long distance, general freight trucking industry group turned up 1.1 percent after falling 0.2 percent in January. Prices received by scheduled freight air transporters rose more in February than a month earlier, and the industry index for freight transportation arrangement

decreased less than in January. In February, the index for transportation and warehousing industries was 108.1 (December 2006 = 100), 6.1 percent above its year-ago level.

Traditional Service Industries. The Producer Price Index for the Net Output of Total Traditional Service Industries turned down 0.1 percent in February after advancing 0.5 percent in the previous month. The index for the depository credit intermediation industry group dropped 0.9 percent after increasing 1.1 percent in January. Prices received by general medical and surgical hospitals and by lessors of nonresidential buildings also turned down in February after rising in the prior month. The industry indexes for direct health and medical insurance carriers and for offices of lawyers increased less than in January. By contrast, the industry index for engineering services turned up 0.4 percent in February after falling 2.0 percent a month earlier. Prices received by wired telecommunication carriers also rose following a January declines. The industry index for investment banking and securities dealing fell less in February than in the previous month, and prices received by direct life insurance carriers increased after no change in January. In February, the index for total traditional service industries was 101.9 (December 2006 = 100), 1.1 percent above its year-ago level.

Producer Price Indexes – March 2008

The Producer Price Index for Finished Goods increased 1.1 percent in March, seasonally adjusted. This advance followed a 0.3-percent rise in February and a 1.0-percent increase in January. At the earlier stages of processing, prices received by producers of intermediate goods rose 2.3 percent after increasing 0.8 percent a month earlier, and the crude goods index advanced 8.0 percent following a 3.7-percent rise in February. (See table A.)

Among finished goods, the increase in the index for energy goods accelerated to 2.9 percent in March from 0.8 percent in the preceding month. Prices for finished consumer foods turned up 1.2 percent after declining 0.5 percent in February. By contrast, partially offsetting the acceleration in finished goods prices, the rise in the index for finished goods less foods and energy slowed to 0.2 percent from 0.5 percent in February.

During the first quarter of 2008, the finished goods index rose at a 10.2-percent seasonally adjusted annual rate (SAAR), after climbing at an 11.5-percent SAAR during the fourth quarter of 2007. Much of this slower rate of increase can be traced to prices for finished energy goods, which moved up at a 22.5-percent SAAR for the 3 months ended in March after jumping at a 44.1-percent SAAR for the 3 months ended in December. By contrast, prices for finished goods less foods and energy increased at a 5.0-percent SAAR during the first quarter of 2008 after rising at a 2.2-percent SAAR during the fourth quarter of 2007. The index for finished consumer foods increased at a 10.1-percent SAAR for the 3 months ended in March after advancing at a 9.6-percent SAAR for the 3 months ended in December. At the earlier stages of processing, the intermediate goods index moved up at a 19.4-percent SAAR during the first quarter of 2008 after increasing at a 14.5-percent SAAR during the fourth quarter of 2007, and prices for crude goods surged at a 73.4-percent SAAR for the 3 months ended in March after jumping at a 67.7-percent SAAR for the 3 months ended in December. (See summary table.)

Before seasonal adjustment, the Producer Price Index for Finished Goods climbed 1.9 percent in March to 175.4 (1982 = 100). From March 2007 to March 2008, finished goods prices rose 6.9 percent. Over the same period, the index for finished energy goods increased 20.4 percent, prices for finished consumer foods moved up 5.8 percent, and the index for finished goods less foods and energy advanced 2.7 percent. For the 12 months ended in March, prices received by manufacturers of intermediate goods rose 10.5 percent, and the crude goods index advanced 31.4 percent.

Finished goods

The rise in the finished energy goods index accelerated to 2.9 percent from 0.8 percent in February. Over half of this acceleration can be attributed to the liquefied petroleum gas index, which turned up 4.2 percent in March after dropping 9.7 percent a month earlier. Prices for home heating oil, residential electric power, and kerosene also moved up after falling in the preceding month. The indexes

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

Month	Finished goods					Inter-mediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2007							
Mar.	0.9	1.5	3.2	-0.1	3.1	1.0	2.5
Apr.	.7	.5	2.6	.2	3.2	1.1	1.0
May	.6	-.7	2.9	.2	3.9	1.0	1.0
June	.1	-.2	-.3	.2	3.3	.4	.8
July	.5	-.1	2.2	.2	4.2	.7	.3
Aug.	-.8	0	-4.2	.1	2.3	-.9	-3.5
Sept.	.5	1.1	1.2	.1	4.4	0	.9
Oct.	.5	1.3	1.1	.1	6.1	.6	4.0
Nov.	2.6	r -.2	11.7	r .3	r 7.3	r 2.9	r 6.8
Dec.	r -.4	r 1.2	-3.0	r .1	6.3	r -.1	r 2.4
2008							
Jan.	1.0	1.7	1.5	.4	7.4	1.4	2.5
Feb.	.3	-.5	.8	.5	6.4	.8	3.7
Mar.	1.1	1.2	2.9	.2	6.9	2.3	8.0

r=revised. Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for November 2007 have been revised to reflect the availability of late reports and corrections by respondents.

Summary of December-to-December and 3-month seasonally adjusted annual rates of change in price indexes at selected stages of processing

Grouping	Percentage change 12 months ended December			Seasonally adjusted annual rate for			
	2005	2006	2007	3 months ended June 2007	3 months ended September 2007	3 months ended December 2007	3 months ended March 2008
Finished goods	5.4	1.1	6.3	5.5	1.0	11.5	10.2
Finished consumer foods	1.7	1.7	7.4	-1.2	4.4	9.6	10.1
Finished energy goods	23.9	-2.0	18.4	22.9	-3.3	44.1	22.5
Finished goods less foods and energy	1.4	2.0	2.0	2.5	1.5	2.2	5.0
Finished consumer goods, excluding foods and energy	1.6	1.8	2.5	3.1	1.9	2.6	5.5
Capital equipment	1.2	2.3	1.3	1.6	.5	1.6	4.3
Intermediate materials, supplies, and components	8.6	2.8	6.8	10.4	-.9	14.5	19.4
Intermediate foods and feeds	2.4	4.7	17.5	11.7	10.2	20.7	39.6
Intermediate energy goods	26.2	-3.3	18.6	23.7	-5.3	50.6	46.4
Intermediate materials less foods and energy	4.8	4.5	3.3	6.9	0	4.6	10.7
Materials for nondurable manufacturing	8.9	1.2	13.0	21.3	2.6	21.0	19.8
Materials for durable manufacturing	5.9	12.5	1.6	19.0	-10.6	-2.3	26.5
Materials and components for construction	6.1	4.3	1.8	3.8	.4	.4	7.9
Crude materials for further processing	21.1	-4.7	20.6	12.2	-8.9	67.7	73.4
Foodstuffs and feedstuffs	1.6	2.8	25.2	8.6	9.3	32.5	23.8
Crude energy materials	42.2	-15.7	17.2	26.5	-27.0	129.9	120.7
Crude nonfood materials less energy	5.2	17.0	16.8	-4.0	14.9	10.1	52.6

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 diesel fuel and asphalt advanced more in March than in the prior month. Conversely, partially offsetting the acceleration in finished energy goods prices, the rise in the index for gasoline slowed to 1.3 percent from 2.9 percent in February. Prices for residential natural gas also advanced less than a month earlier. (See table 2.)

The index for finished consumer foods turned up 1.2 percent in March following a 0.5-percent decrease in February. The index for fresh and dry vegetables jumped 15.4 percent in March after dropping 15.7 percent in the previous month. Prices for processed young chickens also turned up in March after falling in the prior month. The index for fresh fruits and melons fell less than in February. Prices for beef and veal and for shortening and cooking oils advanced more than a month earlier. By contrast, the index for soft drinks turned down 0.8 percent after rising 0.5 percent in February. Prices for eggs for fresh use also fell in March after advancing in the preceding month, and the index for pork decreased more than in February.

The index for finished goods less foods and energy climbed 0.2 percent after rising 0.5 percent in February. The rise in the index for pharmaceutical preparations slowed to 0.4 percent in March from 1.3 percent in the prior month. Prices for sanitary paper and health products, alcoholic beverages, civilian aircraft, and pet food also increased less than in February. The indexes for light motor trucks and passenger cars turned down in March after rising in the prior month. By contrast, the index for soaps and synthetic detergents rose 2.0 percent following a 0.1-percent advance in February.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components rose 2.3 percent in March subsequent to a 0.8-percent increase in the prior month. This price acceleration was broad based as the indexes for intermediate energy goods, materials for both durable and nondurable manufacturing, intermediate foods and feeds, and materials and components for construction all rose more in March. Prices for intermediate materials less foods and energy moved up 1.1 percent after advancing 0.6 percent in February. (See table B.)

The intermediate energy goods index climbed 5.9 percent in March following a 1.1-percent gain in the previous month. Leading this acceleration, the index for diesel fuel surged 15.3 percent after rising 0.9 percent in February. Prices for jet fuel, residual fuel, liquefied petroleum gas, electric power, and home heating oil turned up in March. By contrast, slightly offsetting the acceleration in the intermediate energy goods index, gasoline prices advanced 1.3 percent compared with a 2.9-percent rise in February. The index for utility natural gas also rose less than it had in the prior month. (See table 2.) The intermediate energy goods index advanced at a 46.4-percent SAAR from December 2007 to March 2008 after moving up at a 50.6-percent SAAR during the final quarter of 2007.

Prices for materials for durable manufacturing increased 3.8 percent in March subsequent to a 1.6-percent rise in the preceding month. The cold rolled steel sheet and

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

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2007								
Mar.	1.7	3.1	0.4	3.3	2.3	0.3	6.9	13.3
Apr.	.9	1.9	.8	3.7	1.3	.8	1.1	11.6
May	0	2.8	.5	3.8	.8	3.0	-1.8	11.3
June	1.9	.7	.3	3.6	-.1	2.2	-.3	15.5
July	.7	2.0	.4	4.2	1.1	-.5	.7	12.9
Aug.	.4	-2.9	-.4	2.4	-1.6	-6.4	.6	6.1
Sept.	1.3	-.5	.1	4.1	2.7	-.8	2.2	11.3
Oct.	1.2	1.3	.4	5.7	-.2	8.2	1.5	26.8
Nov.	r 1.4	r 10.4	.8	r 7.9	r 2.9	r 12.3	r -.9	r 20.9
Dec.	r 2.2	r -.9	0	6.8	r 4.4	r 1.3	r 1.9	20.6
2008								
Jan.	3.3	2.8	.8	8.8	2.7	1.8	4.0	31.3
Feb.	2.3	1.1	.6	8.8	.7	5.6	3.3	24.6
Mar.	2.9	5.9	1.1	10.5	2.0	13.4	3.5	31.4

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strip index advanced 7.6 percent following a 4.2-percent decline a month earlier. Prices for hot rolled steel sheet and strip, aluminum mill shapes, nonferrous wire and cable, secondary aluminum, and copper and brass mill shapes advanced at faster rates compared with the prior month. By contrast, the index for prepared paint decreased 1.5 percent after rising 1.7 percent in February. Prices for semifinished steel mill products and for hot rolled steel bars, plates, and structural shapes increased less than they had a month earlier. From December 2007 to March 2008, prices for materials for durable manufacturing advanced at a 26.5-percent SAAR after moving down at a 2.3-percent SAAR in the prior quarter.

The index for materials for nondurable manufacturing rose 1.5 percent following a 0.9-percent increase in February. Prices for basic organic chemicals moved up 2.0 percent after declining 0.5 percent a month earlier. The phosphates index also turned up in March. Prices for inedible fats and oils, paper, and paint materials increased more than they had in February. By contrast, the nitrogenates index decreased 2.0 percent compared with a 14.3-percent advance in the preceding month. Prices for plastic resins and materials, medicinal and botanical chemicals, and woodpulp also turned down in March. The index for materials for nondurable manufacturing advanced at a 19.8-percent SAAR for the 3 months ended March 2008 after climbing at a 21.0-percent SAAR in the previous quarter.

Prices for intermediate foods and feeds moved up 2.9 percent in March following a 2.3-percent increase in the prior month. The beef and veal index rose 4.0 percent subsequent to a 0.6-percent gain in February. Prices for shortening and cooking oils and for prepared animal feeds also advanced more than they had in the previous month. The indexes for natural, processed, and imitation cheese and for processed young chickens turned up in March. By contrast, the flour index increased 6.2 percent following a 15.2-percent climb in the preceding month. Prices for fluid milk products and pork declined more than they had in February. The index for intermediate foods and feeds increased at a 39.6-percent SAAR in the first quarter of 2008 after rising at a 20.7-percent SAAR in the final quarter of 2007.

Prices for materials and components for construction increased 0.8 percent in March after moving up 0.7 percent in the prior month. In March, higher prices for nonferrous wire and cable, fabricated structural metal products, steel mill products, fabricated ferrous wire products, asphalt felts and coatings, and concrete products more than offset lower prices for plastic construction products and for plumbing fixtures and brass fittings. The index for materials and components for construction advanced at a 7.9-percent SAAR in the first quarter of 2008 after edging up at a 0.4-percent SAAR in the prior quarter.

Crude goods

The Producer Price Index for Crude Materials for Further Processing climbed 8.0 percent in March following a 3.7-percent increase in February. Most of this acceleration can be traced to the index for crude energy materials, which

surged in March after rising at a slower rate a month earlier. Prices for crude foodstuffs and feedstuffs and for crude nonfood materials less energy also moved up more than they had in February. (See table B.)

The index for crude energy materials jumped 13.4 percent in March following a 5.6-percent advance in the preceding month. This faster rate of increase is attributable to prices for crude petroleum, which surged 17.5 percent after rising 0.6 percent in February. By contrast, partially offsetting the acceleration in the index for crude energy goods, the coal index fell 0.9 percent in March subsequent to a 1.0-percent gain in the prior month. Natural gas prices moved up slightly less than they had in February – 11.4 percent compared with 11.5 percent. (See table 2.) During the first quarter of 2008, the index for crude energy materials increased at a 120.7-percent SAAR after advancing at a 129.9-percent SAAR in the fourth quarter of 2007.

The index for crude foodstuffs and feedstuffs increased 2.0 percent in March following a 0.7-percent rise in the previous month. Corn prices jumped 14.5 percent after declining 1.9 percent in February. The indexes for fresh vegetables (excluding potatoes), slaughter broilers and fryers, and raw cane sugar and byproducts also turned up in March. Prices for fresh fruits and melons fell less than they had in February. Conversely, price advances for wheat slowed to 0.6 percent in March following a 19.2-percent surge a month earlier. The indexes for slaughter cattle, slaughter hogs, and Irish potatoes for processing turned down after increasing in February. Prices for crude foodstuffs and feedstuffs climbed at a 23.8-percent SAAR for the 3 months ended in March after rising at a 32.5-percent SAAR for the 3 months ended in December.

The index for crude nonfood materials less energy advanced 3.5 percent in March compared with a 3.3-percent rise a month earlier. In March, higher prices for nonferrous metal ores; nonferrous scrap; iron and steel scrap; construction sand, gravel, and crushed stone; wastepaper; phosphates; raw cotton; and pulpwood outweighed lower prices for softwood logs, bolts, and timber. During the first quarter of 2008, the index for crude nonfood materials less energy increased at a 52.6-percent SAAR after moving up at a 10.1-percent SAAR in the fourth quarter of 2007.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries rose 2.3 percent in March following a 0.7-percent increase in February. (Net output price indexes are not seasonally adjusted.) Prices received by the petroleum and coal products industry group jumped 13.2 percent after increasing 0.6 percent in the prior month. The indexes for oil and gas extraction and for manufacturers of food, electrical equipment and appliances, and fabricated metal products also rose more than they had in February. Prices for electric power distribution turned up in March. By contrast, slightly counteracting the acceleration in the index for total mining, utilities, and manufacturing industries, prices for the transportation equipment industry group fell 0.3 percent in March following a 0.4-percent gain a month earlier. The indexes for electric power generation and for beverage and tobacco manufacturers also turned down in March. Prices received by the chemical manufacturing industry group rose less than they had in February. For the first 3 months of 2008, the Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries advanced at a 16.4-percent annualized rate compared with a 7.1-percent annualized rate of increase in the final quarter of 2007. In March, the Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries was 110.3 (December 2006 = 100), 8.2 percent above its year-ago level.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries moved up 0.3 percent after increasing 0.5 percent in February. (Trade indexes measure changes in margins received by wholesalers and retailers.) The rate of increase in margins received by department stores slowed to 0.2 percent in March from 3.5 percent in the previous month. The margin indexes for merchant wholesalers of nondurable goods, grocery stores, automobile dealers, and fuel dealers turned down after rising in the prior month. Conversely, margins received by gasoline stations increased 2.7 percent following a 9.8-percent drop a month earlier. The margin indexes for shoe stores and furniture stores also turned up in March. Margins received by merchant wholesalers of durable goods rose after no change in February. For the first quarter of 2008, the Producer Price Index for the Net Output of Total Trade Industries fell at a 1.9-percent annualized rate after rising at an 8.3-percent annualized rate in the preceding quarter. In March, the Producer Price Index for the Net Output of Total Trade Industries was 105.4 (December 2006 = 100), 2.6 percent above its year-ago level.

Transportation and Warehousing Industries. The Producer Price Index for the Net Output of Transportation and Warehousing Industries rose 1.0 percent in March following a 0.3-percent increase in the previous month. Prices received by the scheduled passenger air transportation industry advanced 3.3 percent after inching down 0.1 percent a month earlier. The industry indexes for couriers, local general freight trucking, line-haul railroads, and long distance specialized freight trucking of new goods also turned up following declines in the preceding month. By contrast, prices received by the scheduled freight air transportation industry decreased 0.2 percent after climbing 4.1 percent a month earlier. The industry indexes for coastal and Great Lakes freight transportation, general warehousing and storage, and used household and office goods moving also turned down after rising in February. Prices received by the industry for long distance general freight trucking (less than truckload) advanced less than they had in the prior month. From December 2007 to March 2008, the Producer Price Index for the Net Output of Transportation and Warehousing Industries climbed at an 11.4-percent annualized rate following a 7.1-percent annualized rate of increase in the final quarter of 2007. In March, the Producer Price Index for the Net Output of Transportation and Warehousing Industries was 109.2 (December 2006 = 100), 6.7 percent above its year-ago level.

Traditional Service Industries. The Producer Price Index for the Net Output of Total Traditional Service Industries

decreased 0.6 percent in March after edging down 0.1 percent in February. Prices received by the commercial banking industry fell 8.2 percent in March following a 0.8-percent decline a month earlier. The industry indexes for offices of physicians (excluding mental health) and direct life insurance carriers turned down after increasing in the previous month. Prices received by management consultants and wired telecommunication carriers were unchanged in March following advances in February. By contrast, the index for investment banking and securities dealing increased 5.8 percent in March after falling 1.3 percent in February. The indexes for general medical and surgical hospitals, software publishers, and lessors of nonresidential buildings (excluding miniwarehouses) also turned up in March. Prices received by portfolio managers fell less than they had in February. During the first quarter of 2008, the Producer Price Index for the Net Output of Total Traditional Service Industries declined at a 0.8-percent annualized rate following a 2.7-percent annualized rate of decrease from September to December 2007. In March, the Producer Price Index for the Net Output of Total Traditional Service Industries was 101.3 (December 2006 = 100), 1.2 percent above its year-ago level.

Producer Price Indexes – April 2008

The Producer Price Index for Finished Goods increased 0.2 percent in April, seasonally adjusted. This rise followed a 1.1-percent advance in March and a 0.3-percent increase in February. At the earlier stages of processing, prices received by producers of intermediate goods rose 0.9 percent following a 2.3-percent gain a month earlier, and the crude goods index advanced 3.2 percent after climbing 8.0 percent in March. (See table A.)

In April, the index for finished goods other than foods and energy moved up 0.4 percent and was partially offset by prices for energy goods, which fell 0.2 percent. The index for finished consumer foods was unchanged from its March level.

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 0.7 percent in April to 176.7 (1982 = 100). From April 2007 to April 2008, finished goods prices rose 6.5 percent. Over the same period, the finished energy goods index advanced 17.5 percent, prices for finished goods less foods and energy increased 3.0 percent, and the index for finished consumer foods climbed 5.2 percent. For the 12 months ended April 2008, prices received by manufacturers of intermediate goods advanced 10.5 percent, and the crude goods index jumped 34.3 percent.

Finished goods

The index for finished goods less foods and energy moved up 0.4 percent in April following a 0.2-percent increase in the previous month. Prices for light motor trucks rose 1.3 percent after decreasing 0.3 percent in March. The indexes for commercial furniture and passenger cars also turned up in April following declines in the preceding month. Prices for pharmaceutical preparations, alcoholic beverages, and household furniture rose more than they had in March. By contrast, partially offsetting the acceleration in the index for finished goods less foods and energy, prices for communication and related equipment declined 0.4 percent after rising by the same rate in the prior month. The index for book publishing also turned down in April, and prices for soaps and synthetic detergents increased less than in March. (See table 2.)

The finished energy goods index fell 0.2 percent in April subsequent to a 2.9-percent rise a month earlier. Gasoline prices decreased 4.6 percent following a 1.3-percent gain in March. (Prior to seasonal adjustment, gasoline prices increased 3.2 percent in April.) The diesel fuel index also turned down in April after rising in the preceding month. The

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

Month	Finished goods					Inter-mediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2007							
Apr.	0.7	0.5	2.6	0.2	3.2	1.1	1.0
May	.6	-.7	2.9	.2	3.9	1.0	1.0
June	.1	-.2	-.3	.2	3.3	.4	.8
July	.5	-.1	2.2	.2	4.2	.7	.3
Aug.	-.8	0	-4.2	.1	2.3	-.9	-3.5
Sept.	.5	1.1	1.2	.1	4.4	0	.9
Oct.	.5	1.3	1.1	.1	6.1	.6	4.0
Nov.	2.6	-.2	11.7	.3	7.3	2.9	6.8
Dec.	r -.5	r 1.3	r -3.5	r .1	r 6.2	r .2	r 1.8
2008							
Jan.	r 1.1	1.7	r 2.1	r .5	7.4	r 1.1	r 3.1
Feb.	.3	-.5	.8	.5	6.4	.8	3.7
Mar.	1.1	1.2	2.9	.2	6.9	2.3	8.0
Apr.	.2	0	-.2	.4	6.5	.9	3.2

r=revised. Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for December 2007 have been revised to reflect the availability of late reports and corrections by respondents.

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

	Intermediate goods				Crude goods			
Month	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2007								
Apr.	0.9	1.9	0.8	3.7	1.3	0.8	1.1	11.6
May	0	2.8	.5	3.8	.8	3.0	-1.8	11.3
June	1.9	.7	.3	3.6	-.1	2.2	-.3	15.5
July	.7	2.0	.4	4.2	1.1	-.5	.7	12.9
Aug.	.4	-2.9	-.4	2.4	-1.6	-6.4	.6	6.1
Sept.	1.3	-.5	.1	4.1	2.7	-.8	2.2	11.3
Oct.	1.2	1.3	.4	5.7	-.2	8.2	1.5	26.8
Nov.	1.4	10.4	.8	7.9	2.9	12.3	-.9	20.9
Dec.	r 2.0	r .1	r .1	r 7.1	r 4.2	r .5	r .8	r 19.8
2008								
Jan.	r 3.5	r 1.8	.8	8.8	r 2.9	r 2.7	r 5.1	31.3
Feb.	2.3	1.1	.6	8.8	.7	5.6	3.3	24.6
Mar.	2.9	5.9	1.1	10.5	2.0	13.4	3.5	31.4
Apr.	-.6	.5	1.2	10.5	-.9	4.1	7.9	34.3

r=revised. Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for December 2007 have been revised to reflect the availability of late reports and corrections by respondents.

indexes for home heating oil, liquefied petroleum gas, kerosene, and asphalt advanced less than they had in March. Conversely, residential natural gas prices climbed 5.4 percent in April after increasing 4.2 percent in the prior month. The indexes for residential electric power and for lubricating and similar oils also rose more than they had in March.

The index for finished consumer foods was unchanged in April following a 1.2-percent rise in the prior month. Prices for fresh and dry vegetables dropped 4.1 percent after jumping 15.4 percent in March. The indexes for beef and veal and for roasted coffee also turned down in April. Prices for eggs for fresh use decreased more than they had in March. By contrast, the dairy products index rose 0.4 percent in April following a 1.8-percent decline a month earlier. Prices for pork and soft drinks also turned up after declining a month earlier. The index for confectionery end products rose more than in March.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components increased 0.9 percent in April after rising 2.3 percent in March. Leading this deceleration, prices for intermediate energy goods and for materials for durable manufacturing advanced less in April than in the prior month. Prices for intermediate foods and feeds turned down after increasing in March. By contrast, partially offsetting the overall deceleration in the intermediate goods index, prices for materials for nondurable manufacturing and for materials and components for construction increased at faster rates than they had in March. The index for intermediate goods other than foods and energy climbed 1.2 percent in April following a 1.1-percent jump in the preceding month. (See table B.)

The index for intermediate energy goods advanced 0.5 percent in April following a 5.9-percent jump in March. Jet fuel prices rose 6.8 percent in April compared with a 10.2-percent surge a month earlier. The indexes for home heating oil, industrial electric power, natural gas to electric utilities, and industrial natural gas also increased less than in March. Prices for diesel fuel, gasoline, and residual fuel turned down in April. By contrast, the index for finished lubricants rose 2.9 percent after advancing 1.3 percent in March. (See table 2.)

The index for materials for durable manufacturing moved up 1.9 percent in April following a 3.8-percent increase in March. Prices for copper and brass mill shapes rose 0.4 percent in April after advancing 6.9 percent in the preceding month. The indexes for cold rolled steel sheet and strip and for secondary aluminum also climbed less than in March. Prices for primary nonferrous metals and for nonferrous wire and cable turned down in April. The index for cement fell more than it had in March. Conversely, prices for hot rolled steel bars, plates, and structural shapes increased 6.2 percent in April compared with a 2.5-percent gain a month earlier. The index for hot rolled steel sheet and strip also advanced at a faster rate than in March. Prices for prepared paint and thermoplastic resins turned up in April.

The index for intermediate foods and feeds declined 0.6 percent in April following a 2.9-percent rise in March. Leading this reversal, prices for prepared animal feeds fell 0.9 percent after increasing 4.9 percent in March. The indexes for flour; beef and veal; natural, processed, and imitation cheese; and confectionery materials also turned down in April. Prices

for shortening and cooking oils advanced less than they had in March. By contrast, the index for fluid milk products moved up 2.9 percent in April following a 5.4-percent drop in the previous month. Prices for pork and for dry, condensed, and evaporated milk products also rose after falling in March. The index for malt and malt byproducts climbed more in April than in the preceding month.

The index for materials for nondurable manufacturing increased 1.7 percent in April compared with a 1.5-percent advance in March. Prices for basic inorganic chemicals surged 13.7 percent in April after rising 1.7 percent a month earlier. The indexes for primary basic organic chemicals and ethanol also climbed more than they had in March. Prices for plastic resins and materials, nitrogenates, and woodpulp turned up in April. By contrast, the index for intermediate basic organic chemicals moved up 2.1 percent following a 12.3-percent jump in March. Prices for inedible fats and oils, paper, and paint materials also rose less in April than in the previous month.

The index for materials and components for construction advanced 1.0 percent in April after rising 0.8 percent in March. Prices for fabricated structural metal products jumped 3.1 percent in April following a 1.0-percent increase in the preceding month. The indexes for concrete products and for paving mixtures and blocks also moved up more than they had in March. Prices for plumbing fixtures and brass fittings and for softwood lumber turned up in April. The index for plastic construction products fell less than in March. By contrast, prices for nonferrous wire and cable decreased 3.1 percent in April after surging 7.9 percent a month earlier. The index for prefabricated wood buildings and components also turned down in April. Prices for asphalt felts and coatings and for fabricated ferrous wire products rose less than they had in March.

Crude goods

The Producer Price Index for Crude Materials for Further Processing advanced 3.2 percent in April following an 8.0-percent increase in March. The index for crude energy materials rose at a slower rate compared with a month earlier. Prices for crude foodstuffs and feedstuffs turned down in April. By contrast, partially offsetting the deceleration in crude materials prices, the index for crude nonfood materials less energy moved up more than it had in March. (See table B.)

The index for crude energy materials advanced 4.1 percent in April subsequent to a 13.4-percent gain in the preceding month. Leading this deceleration, the index for crude petroleum increased 4.5 percent compared with a 17.5-percent surge in March. Similarly, natural gas prices rose 4.3 percent following an 11.4-percent increase a month earlier. By contrast, the coal index edged up 0.3 percent in April after falling 0.9 percent in the previous month. (See table 2.)

The index for crude foodstuffs and feedstuffs decreased 0.9 percent in April following a 2.0-percent rise a month earlier. Wheat prices declined 23.1 percent after moving up 0.6 percent in March. The indexes for fresh vegetables (excluding potatoes) and soybeans also turned down in April. Prices for corn and slaughter turkeys rose less than they had in March. By contrast, the slaughter hogs index advanced 10.5 percent compared with a 1.8-percent decline in the preceding month. Prices for Irish potatoes for processing also turned up in April. The index for fluid milk declined less than it had in March, and prices for slaughter cattle were unchanged after decreasing a month earlier.

The index for crude nonfood materials less energy advanced 7.9 percent in April subsequent to a 3.5-percent rise a month earlier. Leading this acceleration, prices for iron and steel scrap surged 32.2 percent compared with a 1.4-percent increase in March. The index for logs, bolts, timber, and pulpwood also moved up more than in the previous month. Prices for iron ore increased following no change in March, while the hides and skins index turned up in April. Conversely, the nonferrous metal ores index declined 1.8 percent compared with a 6.9-percent gain a month earlier. Prices for wastepaper; construction sand, gravel, and crushed stone; and raw cotton also turned down in April. The index for nonferrous scrap advanced less than it had in March.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The rise in the Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries slowed to 1.2 percent in April from 2.3 percent in March. (Net output price indexes are not seasonally adjusted.) Prices received by the petroleum and coal products industry group increased 3.3 percent after jumping 13.2 percent in the prior month. The indexes for the food manufacturing and the oil and gas extraction industry groups also rose less than they had in March. Prices received by the electrical equipment and appliance industry group turned down in April after increasing a month earlier. By contrast, partially offsetting the deceleration in the index for total mining, utilities, and manufacturing industries, the index for the electric power generation, distribution, and transmission industry group rose 2.7 percent in April after advancing 0.5 percent in the previous month. Prices received by the chemical manufacturing industry group also increased more than in March. The index for the transportation equipment industry group turned up after falling in the prior month. Prices received by the industry groups for furniture and related products manufacturing and for printing and related support activities advanced after no change in March. In April, the Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries was 111.6 (December 2006 = 100), 8.2 percent above its year-ago level.

Trade Industries. The increase in the Producer Price Index for the Net Output of Total Trade Industries accelerated to 1.2 percent from 0.3 percent in March. (Trade indexes measure changes in margins received by wholesalers and retailers.) Margins received by wholesalers of nondurable goods turned up 1.4 percent in April after falling 2.1 percent in the previous month. The margin index for grocery stores also advanced after decreasing in March. Margins received by electronics and appliance stores, gasoline stations, department stores, and clothing stores rose more than a month earlier. By contrast, the margin index for wholesalers of durable goods turned down 1.4 percent in April after advancing 1.9 percent in the prior month. Margins received by furniture stores also decreased after rising in March. In April, the Producer Price

Index for the Net Output of Total Trade Industries was 106.7 (December 2006 = 100), 3.5 percent above its year-ago level.

Transportation and Warehousing Industries. The rise in the Producer Price Index for the Net Output of Total Transportation and Warehousing Industries accelerated to 1.2 percent from 1.0 percent in March. Prices received by the specialized freight trucking industry group rose 4.3 percent following a 0.3-percent increase in the previous month. The industry indexes for long distance general freight trucking (truckload) and pipeline transportation of crude oil also advanced more than in March. Prices received by the industries for scheduled freight air transportation and freight transportation arrangement turned up in April after declining in the preceding month. By contrast, the increase in the industry index for scheduled passenger air transportation slowed to 0.9 percent from 3.3 percent in March. Prices received by couriers and long distance general freight truckers (less than truckload) also rose less than a month earlier. In April, the Producer Price Index for the Net Output for Total Transportation and Warehousing Industries was 110.5 (December 2006 = 100), 7.5 percent above its year-ago level.

Traditional Service Industries. The Producer Price Index for the Net Output of Total Traditional Service Industries turned up 0.7 percent in April after falling 0.6 percent in March. The index for the depository credit intermediation industry group advanced 4.4 percent following a 7.3-percent decrease a month earlier. Prices received by offices of physicians (excluding mental health) also turned up in April, and the index for cellular and other wireless carriers advanced more than in March. Conversely, the increase in the index for general and medical surgical hospitals slowed to 0.1 percent in April from 0.5 percent in the previous month. Prices received by direct health and medical insurance carriers, investment bankers and securities dealers, and software publishers also rose less than in March. The index for passenger car rental turned down after advancing in the prior month. In April, the Producer Price Index for the Net Output of Total Traditional Service Industries was 102.0 (December 2006 = 100), 0.9 percent above its year-ago level.

Producer Price Index – May 2008

The Producer Price Index for Finished Goods increased 1.4 percent in May, seasonally adjusted. This rise followed a 0.2-percent advance in April and a 1.1-percent increase in March. At the earlier stages of processing, prices received by producers of intermediate goods rose 2.9 percent following a 0.9-percent advance a month earlier, and the crude goods index increased 6.7 percent after climbing 3.2 percent in April. (See table A.)

In May, the index for finished energy goods turned up 4.9 percent after falling 0.2 percent a month earlier. Prices for finished consumer foods increased 0.8 percent following no change in April. By contrast, partially offsetting the acceleration in the finished goods index, the rise in the index for finished goods less foods and energy slowed to 0.2 percent from 0.4 percent in the previous month.

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 1.6 percent in May to 179.6 (1982 = 100). From May 2007 to May 2008, finished goods prices advanced 7.2 percent. Over the same period, the finished energy goods index rose 19.7 percent, prices for finished goods less foods and energy increased 3.0 percent, and the index for finished consumer foods climbed 6.5 percent. For the 12 months ended May 2008, prices received by manufacturers of intermediate goods advanced 12.6 percent, and the crude goods index jumped 41.5 percent.

Finished goods

The index for finished energy goods turned up 4.9 percent in May after decreasing 0.2 percent in the preceding month. The index for gasoline rose 9.3 percent following a 4.6-percent decrease in April. Prices for diesel fuel also turned up after declining in the prior month. The indexes for home heating oil, liquefied petroleum gas, and kerosene rose more than they had in April. Conversely, partially offsetting the upturn in finished energy goods prices, the advance in the index for residential electric power slowed to 0.6 percent in May from 1.2 percent a month earlier. Prices for residential natural gas also rose less than in April. The index for lubricating and similar oils was unchanged in May after increasing in the preceding month. (See table 2.)

The index for finished consumer foods rose 0.8 percent in May following no change in the prior month. The index for beef and veal turned up 2.5 percent after falling 1.7 percent in April. Prices for natural cheese (except cottage cheese) also increased following declines a month earlier. The indexes for pork and snack chips rose more in May than in the preceding month. Prices for chicken eggs fell less than in April. By contrast, the index for melons turned down 14.3 percent in May after jumping 90.7 percent in the previous month. Prices for packaged fluid milk products and for dry,

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

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2007							
May	0.6	-0.7	2.9	0.2	3.9	1.0	1.0
June	0.1	-0.2	-0.3	0.2	3.3	0.4	0.8
July	0.5	-0.1	2.2	0.2	4.2	0.7	0.3
Aug	-0.8	0.0	-4.2	0.1	2.3	-0.9	-3.5
Sept	0.5	1.1	1.2	0.1	4.4	0.0	0.9
Oct	0.5	1.3	1.1	0.1	6.1	0.6	4.0
Nov	2.6	-0.2	11.7	0.3	7.3	2.9	6.8
Dec	-0.5	1.3	-3.5	0.1	6.2	0.2	1.8
2008							
Jan.[1]	1.2	1.7	2.2	0.6	7.4	1.2	2.9
Feb.[1]	0.3	-0.6	0.6	0.5	6.4	0.7	3.9
Mar	1.1	1.2	2.9	0.2	6.9	2.3	8.0
Apr	0.2	0.0	-0.2	0.4	6.5	0.9	3.2
May	1.4	0.8	4.9	0.2	7.2	2.9	6.7

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for January 2008 have been revised to reflect the availability of late reports and corrections by respondents.

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

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2007								
May	0.0	2.8	0.5	3.8	0.8	3.0	-1.8	11.3
June	1.9	0.7	0.3	3.6	-0.1	2.2	-0.3	15.5
July	0.7	2.0	0.4	4.2	1.1	-0.5	0.7	12.9
Aug	0.4	-2.9	-0.4	2.4	-1.6	-6.4	0.6	6.1
Sept	1.3	-0.5	0.1	4.1	2.7	-0.8	2.2	11.3
Oct	1.2	1.3	0.4	5.7	-0.2	8.2	1.5	26.8
Nov	1.4	10.4	0.8	7.9	2.9	12.3	-0.9	20.9
Dec	2.0	0.1	0.1	7.1	4.2	0.5	0.8	19.8
2008								
Jan.[1]	3.5	1.9	0.9	8.9	3.1	1.8	4.7	30.8
Feb.[1]	2.2	1.0	0.5	8.8	0.6	6.5	3.7	24.6
Mar	2.9	5.9	1.1	10.5	2.0	13.4	3.5	31.4
Apr	-0.6	0.5	1.2	10.5	-0.9	4.1	7.9	34.3
May	3.2	6.2	2.0	12.6	1.8	13.1	5.0	41.5

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for January 2008 have been revised to reflect the availability of late reports and corrections by respondents.

condensed, and evaporated milk products also fell after rising in April.

The rise in the index for finished goods less foods and energy slowed to 0.2 percent in May from 0.4 percent in the prior month. The index for pharmaceutical preparations increased 0.2 percent after rising 0.7 percent in April. Prices for light motor trucks, passenger cars, nonwood furniture and store fixtures, periodical circulation, and distilled bottled liquor (except brandy) turned down after advancing a month earlier. By contrast, the increase in the index for tobacco products accelerated to 2.2 percent in May from 0.1 percent in the previous month. Prices for aircraft also rose more than in April. The indexes for plastic products and for communication and related equipment turned up after falling in the preceding month.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components advanced 2.9 percent in May following a 0.9-percent increase in April. Prices for intermediate energy goods, materials for both durable and nondurable manufacturing, and materials and components for construction rose more than they had in the previous month. The index for intermediate foods and feeds turned up in May after falling a month earlier. By contrast, partially offsetting the acceleration in intermediate goods prices, the index for containers rose slightly less than in the prior month. Excluding prices for foods and energy, intermediate goods moved up 2.0 percent in May after rising 1.2 percent a month earlier. (See table B.)

The intermediate energy goods index climbed 6.2 percent following a 0.5-percent increase in the preceding month. Diesel fuel prices jumped 11.2 percent after falling 0.9 percent in April. The indexes for gasoline and residual fuels also turned up in May following decreases in the prior month. Prices for commercial electric power, utility natural gas, home heating oil, industrial electric power, and liquefied petroleum gas rose more than they had a month earlier. By contrast, the index for finished lubricants moved up 0.4 percent after advancing 2.9 percent in April. (See table 2.)

Prices for materials for durable manufacturing climbed 4.5 percent following a 1.9-percent increase in April. The steel mill products index advanced 10.7 percent after rising 5.5 percent in the previous month. Prices for primary nonferrous metals, nonferrous wire and cable, refined lead, building paper and board, and cement turned up in May after falling a month earlier. The index for unfinished softwood lumber (not made from purchased materials) rose more than it had in the preceding month. By contrast, prices for aluminum mill shapes inched down 0.1 percent in May after increasing 3.2 percent in the prior month. The index for secondary aluminum rose less than it had in April.

The index for materials for nondurable manufacturing increased 3.2 percent after moving up 1.7 percent a month earlier. Prices for primary basic organic chemicals climbed 7.5 percent in May following a 3.8-percent advance in the preceding month. The indexes for plastic

resins and materials, nitrogenates, newsprint, alkalies and chlorine, and for writing and printing papers also increased more than they had in the prior month. Conversely, the rise in prices for phosphates slowed from 11.1 percent in April to 5.4 percent in May. The indexes for intermediate basic organic chemicals and for processed yarns and threads also rose less than they had in April.

Prices for intermediate foods and feeds advanced 3.2 percent following a 0.6-percent decline in April. The index for corn, cottonseed, and soybean cake and meal increased 15.7 percent after falling 1.6 percent in the previous month. Prices for beef and veal and for natural cheese (except cottage cheese) also turned up in May. The indexes for shortening and cooking oils, pork, and for sugar and confectionery products rose more than they had in April. Flour prices fell less than in the prior month. By contrast, the index for fluid milk products declined 2.3 percent subsequent to a 2.9-percent gain in April. Prices for dry, condensed, and evaporated milk products and processed eggs also turned down after rising in the preceding month.

The index for materials and components for construction advanced 2.1 percent after rising 1.0 percent in the preceding month. The nonferrous wire and cable index increased 2.2 percent subsequent to a 3.1-percent decline a month earlier. Prices for steel mill products, unfinished softwood lumber (not made from purchased materials), paving mixtures and blocks, and for asphalt felts and coatings rose more than they had in April. The indexes for plastic construction products and treated wood turned up in May following declines in the prior month. Conversely, prices for precast concrete products fell 2.3 percent after climbing 6.1 percent in April. The index for fabricated structural metal advanced less in May than a month earlier. Prices for switchgear and switchboard equipment turned down after rising in the preceding month.

The index for containers moved up 0.5 percent, slightly less than the 0.6-percent gain in April. In May, higher prices for barrels, drums, and pails; paper, plastic, and foil bags; steel cans; paper boxes and containers; and wooden boxes outweighed lower prices for glass containers; fiber and composite cans and related products; and aluminum cans.

Crude goods

The Producer Price Index for Crude Materials for Further Processing climbed 6.7 percent in May after rising 3.2 percent in April. Leading this acceleration, prices for crude energy materials advanced significantly more in May than they had a month earlier. Also contributing to this faster rate of increase, the index for crude foodstuffs and feedstuffs turned up after falling in April. By contrast, partially offsetting the acceleration in prices for crude goods, the index for crude nonfood materials less energy moved up less in May than it had in the previous month. (See table B.)

The index for crude energy materials jumped 13.1 percent in May after increasing 4.1 percent in April. Leading this broad-based acceleration, prices for natural gas surged 17.0 percent in May following a 4.3-percent advance in the prior month. The crude petroleum index rose 11.1 percent compared with a 4.5-percent gain in April. Coal prices climbed 2.9 percent in May after edging up 0.3 percent a month earlier. (See table 2.)

The index for crude foodstuffs and feedstuffs increased 1.8 percent in May following a 0.9-percent decline in April. Slaughter cattle prices moved up 3.7 percent in May after no change in the preceding month. The indexes for wheat and for ungraded chicken eggs fell less than they had in April. Prices for slaughter hogs rose more in May than they had a month earlier. The fluid milk index was unchanged following a decrease in April, and prices for citrus fruits turned up in May. Conversely, corn prices declined 1.7 percent in May following a 6.6-percent advance in April. The indexes for Irish potatoes for processing and melons also turned down in May. Prices for rough rice increased less than they had in April.

The index for crude nonfood materials less energy rose 5.0 percent in May after climbing 7.9 percent in April. Price increases for iron and steel scrap slowed to 9.0 percent in May from 32.2 percent in the previous month. The indexes for phosphates and for cattle hides and skins also moved up less than they had in April. Prices for gold ores and corrugated wastepaper fell more than they had a month earlier. The nonferrous scrap index turned down in May, and iron ore prices were unchanged following advances in April. By contrast, the index for construction sand, gravel, and crushed stone rose 0.5 percent in May after declining 0.7 percent in the prior month. Prices for high grade wastepaper and for plant and animal fibers also turned up after decreasing in April.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries advanced 2.3 percent in May after increasing 1.2 percent in April. (Net output price indexes are not seasonally adjusted.) Prices received by the petroleum refining industry climbed 10.9 percent subsequent to a 3.4-percent gain a month earlier. The industry indexes for crude petroleum and natural gas extraction and for electric power distribution also rose more than they had in April. Prices received by animal slaughterhouses (excluding poultry) and cheese manufacturers turned up in May. By contrast, slightly offsetting the acceleration in the index for total mining, utilities, and manufacturing industries, the industry index for electric power generation declined 2.9 percent following a 7.0-percent increase in April. Prices received by manufacturers of automobile, light truck and utility vehicles also declined after rising in the prior month. In May, the index for total mining, utilities, and manufacturing industries was 114.2 (December 2006 = 100), 9.7 percent above its year-ago level.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries increased 1.3 percent after moving up 1.2 percent in April. (Trade indexes measure changes in margins received by wholesalers and retailers.) In May, rising margins received by merchant wholesalers of both durable and nondurable goods, supermarkets and grocery stores, family clothing stores, and sporting goods stores outweighed falling margins received by gasoline stations,

women's clothing stores, department stores, and hardware stores. In May, the index for total trade industries was 108.1 (December 2006 = 100), 3.3 percent above its year-ago level.

Transportation and Warehousing Industries. The Producer Price Index for the Net Output of Total Transportation and Warehousing Industries moved up 1.7 percent compared with a 1.2-percent gain in April. The index for the U.S. Postal Service rose 2.8 percent in May following no change a month earlier. Prices received by couriers, local general freight truckers, long distance general freight truckers (truckload), line haul railroads, and nonscheduled passenger air transporters advanced more than they had in the prior month. By contrast, the industry index for local specialized freight trucking of new goods increased 1.0 percent subsequent to a 6.9-percent rise in April. Prices received by the industries for scheduled passenger air transportation, freight transportation arrangement, and long distance general freight trucking (less than truckload) also advanced less in May than a month earlier. In May, the index for total transportation and warehousing industries was 112.4 (December 2006 = 100), 8.7 percent above its year-ago level.

Traditional Service Industries. The Producer Price Index for the Net Output of Total Traditional Service Industries edged down 0.1 percent after advancing 0.7 percent in April. The industry index for commercial banking declined 1.4 percent in May compared with a 4.7-percent gain a month earlier. Prices received by cellular and other wireless carriers, investment bankers and securities dealers, non-casino hotels and motels, and software publishers also turned down in May. The industry index for offices of real estate agents and brokers decreased more than it had in April. By contrast, prices received by portfolio managers moved up 3.8 percent after falling 0.7 percent a month earlier. The indexes for the securities brokerage and passenger car rental industries also turned up in May. In May, the total traditional service industries index was 101.9 (December 2006 = 100), 1.0 percent above its year-ago level.

Producer Price Indexes – June 2008

The Producer Price Index for Finished Goods increased 1.8 percent in June, seasonally adjusted, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. This increase followed advances of 1.4 percent in May and 0.2 percent in April. At the earlier stages of processing, prices received by producers of intermediate goods rose 2.1 percent in June after moving up 2.9 percent in the prior month, and the crude goods index increased 3.7 percent following a 6.7-percent gain in May. (See table A.)

Within finished goods, the index for energy goods climbed 6.0 percent in June after rising 4.9 percent in May. Prices for consumer foods increased 1.5 percent subsequent to a 0.8-percent advance in the previous month, and the index for finished goods other than foods and energy increased 0.2 percent for the second consecutive month.

During the first 6 months of 2008, the finished goods index rose at a 12.4-percent seasonally adjusted annual rate (SAAR) after increasing at a 5.8-percent SAAR during the second half of 2007. Prices for finished energy goods climbed at a 38.1-percent SAAR from December 2007 to June 2008 after rising at a 16.7-percent SAAR for the 6 months ended December 2007. The index for finished goods other than foods and energy advanced at a 4.5-percent SAAR for the 6 months ended in June after rising at a 1.7-percent SAAR during the prior 6 month period. Prices for finished consumer foods moved up at a 9.8-percent SAAR during the first half of 2008 after increasing at a 7.1-percent SAAR through the second half of 2007. At the earlier stages of processing, the intermediate goods index increased at a 22.5-percent SAAR from December 2007 to June 2008 after moving up at a 7.0-percent SAAR during the latter half of 2007, and prices for crude goods surged at a 74.0-percent SAAR for the 6 months ended in June after climbing at a 22.0-percent SAAR for the 6 months ended December 2007. (See summary table.)

Before seasonal adjustment, the Producer Price Index for Finished Goods rose 1.6 percent in June to 182.5 (1982 = 100). From June 2007 to June 2008, prices for finished goods increased 9.2 percent. Over the same period, prices for finished energy goods surged 27.0 percent, the index for finished goods other than foods and energy gained 3.0 percent, and the index for finished consumer foods advanced 8.3 percent. For the 12 months ended June 2008, prices received by intermediate goods producers moved up 14.5 percent, and the crude goods index climbed 45.5 percent.

Finished goods

Prices for finished energy goods advanced 6.0 percent in June after increasing 4.9 percent in May. The residential natural gas index rose 6.6 percent subsequent to a 3.8-percent gain in the previous month. Similarly, prices for liquefied petroleum gas, home heating oil, residential electric power, and unleaded mid-premium gasoline also advanced

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

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2007							
June	0.1	-0.2	-0.3	0.2	3.3	0.4	0.8
July	0.5	-0.1	2.2	0.2	4.2	0.7	0.3
Aug	-0.8	0.0	-4.2	0.1	2.3	-0.9	-3.5
Sept	0.5	1.1	1.2	0.1	4.4	0.0	0.9
Oct	0.5	1.3	1.1	0.1	6.1	0.6	4.0
Nov	2.6	-0.2	11.7	0.3	7.3	2.9	6.8
Dec	-0.5	1.3	-3.5	0.1	6.2	0.2	1.8
2008							
Jan	1.2	1.7	2.2	0.6	7.4	1.2	2.9
Feb.[1]	0.3	-0.6	1.0	0.4	6.5	0.9	3.9
Mar.[1]	1.0	1.3	2.5	0.3	6.9	2.2	8.0
Apr	0.2	0.0	-0.2	0.4	6.5	0.9	3.2
May	1.4	0.8	4.9	0.2	7.2	2.9	6.7
June	1.8	1.5	6.0	0.2	9.2	2.1	3.7

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for February 2008 have been revised to reflect the availability of late reports and corrections by respondents.

Summary of December-to-December, 6-month, and 3-month seasonally adjusted annual rates of change in price indexes at selected stages of processing

Grouping	Percentage change 12 months ended December			Seasonally adjusted annual rate for			
	2005	2006	2007	6 months ended Dec. 2007	6 months ended June 2008	3 months ended Mar. 2008	3 months ended June 2008
Finished goods	5.4	1.1	6.2	5.8	12.4	10.7	14.1
Finished consumer foods	1.7	1.7	7.6	7.1	9.8	9.9	9.6
Finished energy goods	23.9	-2.0	17.8	16.7	38.1	25.5	51.9
Finished goods less foods and energy	1.4	2.0	2.0	1.7	4.5	5.3	3.7
Finished consumer goods less foods and energy	1.6	1.8	2.4	2.1	4.9	5.7	4.2
Capital equipment	1.2	2.3	1.4	1.1	3.8	4.3	3.2
Intermediate materials, supplies, and components	8.6	2.8	7.1	7.0	22.5	18.3	26.8
Intermediate foods and feeds	2.4	4.7	17.2	14.9	27.3	40.6	15.3
Intermediate energy goods	26.2	-3.3	19.8	21.8	48.9	40.7	57.5
Intermediate materials less foods and energy	4.8	4.5	3.3	2.4	14.8	10.4	19.3
Materials for nondurable manufacturing	8.9	1.2	12.8	11.2	27.4	20.2	35.0
Materials for durable manufacturing	5.9	12.5	1.7	-6.4	31.7	26.0	37.7
Materials and components for construction	6.1	4.3	2.0	0.8	13.2	7.0	19.8
Crude materials for further processing	21.1	-4.7	19.8	22.0	74.0	78.0	70.1
Foodstuffs and feedstuffs	1.6	2.8	24.9	19.7	21.8	25.0	18.7
Crude energy materials	42.2	-15.7	16.2	27.4	132.7	128.4	137.0
Crude nonfood materials less energy	5.2	17.0	15.6	10.1	61.3	59.2	63.4

"-" Data not available.

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.

more than they had in May. The index for lubricating and similar oils moved up in June compared with no change a month earlier. By contrast, slightly counteracting the acceleration in the finished energy goods index, prices for unleaded regular gasoline advanced 9.0 percent in June following a 9.6-percent increase in the previous month. The indexes for diesel fuel and kerosene also rose less than they had in May. (See table 2.)

Prices for finished consumer foods moved up 1.5 percent in June following a 0.8-percent increase in May. The index for fresh and dry vegetables advanced 14.7 percent after declining 9.0 percent in the preceding month. Prices for pears, eggs for fresh use, fluid milk products, and processed young chickens also turned up in June. The index for natural, processed, and imitation cheese increased more than it had in the prior month. By contrast, prices for pork fell 2.4 percent compared with an 8.0-percent increase a month earlier. The indexes for noncarbonated soft drinks and confectionery end products also turned down in June. Prices for manufactured ice and for shortening and cooking oils advanced less than they had in May.

The index for finished goods other than foods and energy moved up 0.2 percent in June, the same increase as in May. Higher prices for passenger cars, pet food, aircraft and aircraft equipment, commercial furniture, mining machinery and equipment, railroad equipment, and textbooks outweighed lower prices for light motor trucks, consumer plastic products, and telephone and telegraph equipment.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components rose 2.1 percent in June following a 2.9-percent increase in the prior month. This price deceleration was broad based as the indexes for intermediate energy goods, materials for durable manufacturing, intermediate foods and feeds, materials for nondurable manufacturing, materials and components for construction, and containers all rose less than in May. Price advances for intermediate materials less foods and energy slowed to 1.3 percent in June from 2.0 percent in a month earlier. (See table B.)

The intermediate energy goods index moved up 5.0 percent in June after climbing 6.2 percent in the previous month. The index for diesel fuel rose 6.7 percent after jumping 11.2 percent in May. Prices for natural gas to electric utilities and residual fuels also advanced less than in May. The indexes for both commercial and industrial electric power turned down in June after rising in the prior month. By contrast, partially offsetting the deceleration in the intermediate energy goods index, prices for jet fuels advanced 8.5 percent after moving up 6.9 percent in May. The indexes

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

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2007								
June.....	1.9	0.7	0.3	3.6	-0.1	2.2	-0.3	15.5
July.....	0.7	2.0	0.4	4.2	1.1	-0.5	0.7	12.9
Aug.....	0.4	-2.9	-0.4	2.4	-1.6	-6.4	0.6	6.1
Sept.....	1.3	-0.5	0.1	4.1	2.7	-0.8	2.2	11.3
Oct.....	1.2	1.3	0.4	5.7	-0.2	8.2	1.5	26.8
Nov.....	1.4	10.4	0.8	7.9	2.9	12.3	-0.9	20.9
Dec.....	2.0	0.1	0.1	7.1	4.2	0.5	0.8	19.8
2008								
Jan.....	3.5	1.9	0.9	8.9	3.1	1.8	4.7	30.8
Feb.[1]	2.4	1.2	0.6	9.0	1.2	6.6	3.6	24.6
Mar.[1]	2.7	5.7	1.0	10.5	1.4	13.3	3.5	31.4
Apr.....	-0.6	0.5	1.2	10.5	-0.9	4.1	7.9	34.3
May.....	3.2	6.2	2.0	12.6	1.8	13.1	5.0	41.5
June.....	1.0	5.0	1.3	14.5	3.5	5.4	-0.2	45.5

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for February 2008 have been revised to reflect the availability of late reports and corrections by respondents.

for liquefied petroleum gas and home heating oil also rose more than in May. (See table 2.) The intermediate energy goods index advanced at a 48.9-percent SAAR from December 2007 to June 2008 after moving up at a 21.8-percent SAAR during the second half of 2007.

The increase in the index for materials for durable manufacturing slowed to 1.7 percent in June from 4.5 percent in the preceding month. The index for cold rolled steel sheet and strip rose 1.2 percent following a 10.9-percent advance in May. Prices for hot rolled steel bars, plates, and structural shapes and for semifinished steel mill products also increased less than a month earlier. The indexes for primary nonferrous metals, copper and brass mill shapes, nonferrous wire and cable, and refined lead turned down after advancing in the prior month. By contrast, the rise in the index for hot rolled steel sheet and strip accelerated to 19.9 percent in June from 12.4 percent in the previous month. The index for materials for durable manufacturing advanced at a 31.7-percent SAAR in the 6 months ended June 2008 after decreasing at a 6.4-percent SAAR in the second half of 2007.

The index for intermediate foods and feeds advanced 1.0 percent in June after moving up 3.2 percent in the prior month. The rise in the index for formula feeds (for poultry and livestock) slowed to 1.1 percent from 3.9 percent in May. Prices for shortening and cooking oils also increased less than a month earlier. The indexes for corn, cottonseed, and soybean cake and meal and for pork turned down after moving higher in May. Conversely, the index for fluid milk products advanced 3.5 percent in June following a 2.3-percent decrease in the preceding month. Prices for dry, condensed, and evaporated milk products also turned up after declining in May. The index for flour decreased less in June than in the previous month. Prices for natural, processed, and imitation cheese moved up more than in May. The index for intermediate foods and feeds advanced at a 27.3-percent SAAR for the 6 months ended June 2008 after climbing at a 14.9-percent SAAR in the previous 6-month period.

The rise in the index for materials for nondurable manufacturing slowed to 2.7 percent in June from 3.2 percent in the prior month. The index for primary basic organic chemicals advanced 3.4 percent following a 7.5-percent jump in May. Prices for basic inorganic chemicals, thermoplastic resins and materials, writing and printing papers, and newsprint also increased less than in the previous month. The index for paint colors turned down after climbing in May. By contrast, the index for fertilizer materials jumped 21.2 percent in June after advancing 5.9 percent in the preceding month. Prices for ethanol turned up after decreasing in May. The index for materials for nondurable manufacturing rose at a 27.4-percent SAAR in the first half of 2008 after increasing at an 11.2-percent SAAR in the second half of 2007.

The index for materials and components for construction moved up 1.5 percent in June after climbing 2.1 percent in the prior month. The rise in the index for structural, architectural, and pre-engineered metal products slowed to 1.7 percent from 3.2 percent in May. Prices for unfinished softwood lumber (not made from purchased materials) and for hot rolled steel bars, plates, and structural shapes also increased less than in the prior month. The indexes for nonferrous metals and unitary air conditioners turned down

after advancing in May. By contrast, the index for hot rolled steel sheet and strip surged 19.9 percent in June following a 12.4-percent rise a month earlier. Prices for switchgear and switchboard apparatus and for precast concrete products turned up after falling in May. The index for materials and components for construction increased at a 13.2-percent SAAR in the first half of 2008 after edging up at a 0.8-percent SAAR in the prior 6-month period.

The increase in the index for containers slowed to 0.3 percent in June from 0.5 percent in the preceding month. The index for barrels, drums, and pails advanced 0.6 percent after rising 2.5 percent in May. Prices for paper, plastic, and foil bags also increased less than in the prior month. The index for steel cans was unchanged in June following an advance a month earlier, and prices for wood boxes turned down after rising in May. By contrast, the index for paper boxes and containers advanced 0.3 percent after increasing 0.2 percent in the previous month. Prices for glass containers turned up in June, and the index for aluminum cans was unchanged following a May decline. During the first half of 2008, the index for containers climbed at a 5.5-percent SAAR after rising at a 4.3-percent SAAR in the second half of 2007.

Crude goods

The Producer Price Index for Crude Materials for Further Processing increased 3.7 percent in June following a 6.7-percent advance in May. Prices for crude energy materials rose less than they had in May. The index for crude nonfood materials less energy edged down after climbing in the prior month. By contrast, partially offsetting the deceleration in prices for crude goods, the index for crude foodstuffs and feedstuffs increased more than it had in May. (See table B.)

Prices for crude energy materials moved up 5.4 percent in June following a 13.1-percent jump a month earlier. The natural gas index rose 5.2 percent after surging 17.0 percent in May. The rate of increase in prices for crude petroleum also slowed from May to June, rising 11.1 percent and 4.4 percent, respectively. Conversely, the coal index climbed 14.4 percent following a 2.9-percent gain in May. (See table 2.) During the first half of 2008, the crude energy materials index advanced at a 132.7-percent SAAR after rising at a 27.4-percent SAAR in the previous 6-month period.

Prices for crude nonfood materials less energy inched down 0.2 percent in June after increasing 5.0 percent in the preceding month. The copper base scrap index declined 5.3 percent following a 1.3-percent gain in May. Prices for high grade wastepaper and for plant and animal fibers also turned down in June. The index for carbon steel scrap rose less than in the previous month. Prices for stainless and alloy steel scrap and for corrugated wastepaper fell more than they had in May. By contrast, gold ore prices advanced 2.9 percent in June subsequent to a 23.0-percent drop in the prior month. The index for soybeans also turned up in June. Prices for phosphates and pulpwood rose more than they had in May. From December 2007 to June 2008, the index for crude nonfood materials less energy increased at a 61.3-percent SAAR after advancing at a 10.1-percent SAAR in the prior 6-month period.

Prices for crude foodstuffs and feedstuffs climbed 3.5 percent following a 1.8-percent increase in May. The corn index jumped 12.2 percent following a 1.7-percent decline in the prior month. Prices for fluid milk moved up in June after no change a month earlier. The indexes for soybeans, ungraded chicken eggs, fresh vegetables (except potatoes), and sorghum turned up after falling in the previous month. Wheat prices fell less than they had in May. By contrast, prices for slaughter hogs decreased 3.4 percent after rising 18.1 percent in the preceding month. The indexes for slaughter steers and heifers and for slaughter broilers and fryers also turned down in June. The index for crude foodstuffs and feedstuffs increased at a 21.8-percent SAAR in the first half of 2008 subsequent to rising at a 19.7-percent SAAR in the second half of 2007.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The rise in the Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries slowed to 1.8 percent in June from 2.3 percent in the prior month. (Net output price indexes are not seasonally adjusted.) The index for the petroleum refining industry increased 5.8 percent after jumping 10.9 percent in May. Prices received by the industries for crude petroleum and natural gas extraction and for livestock slaughtering, as well as, for fabricated plastics for transportation products (excluding foam and reinforced plastics) also rose less than in the previous month. By contrast, partially offsetting the deceleration in the index for total mining, utilities, and manufacturing industries, the index for the electric power generation industry turned up 5.5 percent in June after decreasing 2.9 percent a month earlier. Prices received by fluid milk manufacturers also rose following May declines. The industry indexes for electric power distribution and phosphatic fertilizer manufacturing increased more than in the preceding month. For the first 6 months of 2008, the Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries increased at a 19.9-percent annualized rate compared with a 3.3-percent annualized rate of advance in the final half of 2007. In June 2008, the Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries was 116.3 (December 2006 = 100), 11.3 percent above its year-ago level.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries moved up 0.7 percent in June after increasing 1.3 percent a month earlier. (Trade indexes measure changes in margins received by wholesalers and retailers.) Higher margins received by merchant wholesalers of durable goods, gasoline stations, non-discount department stores, family clothing stores, specialty food stores, and jewelry stores outweighed lower margins received by merchant wholesalers of nondurable goods and grocery stores. For the first half of 2008, the Producer Price Index for the Net Output of Total Trade Industries increased at a 9.9-percent annualized rate after falling at a 1.0-percent annualized rate in the second half of 2007. In June 2008, the Producer Price

Index for the Net Output of Total Trade Industries was 108.9 (December 2006 = 100), 4.3 percent above its year-ago level.

Transportation and Warehousing Industries. The rise in the Producer Price Index for the Net Output of Total Transportation and Warehousing Industries accelerated to 2.3 percent in June from 1.7 percent in the previous month. The index for the scheduled passenger air transportation industry increased 5.8 percent after advancing 0.4 percent in May. Prices received by long-distance general freight truckers, deep sea freight transporters, and line-haul railroads also rose more than a month earlier. By contrast, the index for the U.S. Postal Service was unchanged in June after increasing 2.8 percent in the prior month. Prices received by the industries for couriers, local general freight trucking, and long distance specialized freight trucking of new goods advanced less than in May. From December 2007 to June 2008, the Producer Price Index for the Net Output of Total Transportation and Warehousing Industries climbed at a 16.4-percent annualized rate following a 3.7-percent annualized rate of increase in the second half of 2007. In June 2008, the Producer Price Index for the Net Output of Total Transportation and Warehousing Industries was 115.0 (December 2006 = 100), 9.8 percent above its year-ago level.

Traditional Service Industries. The Producer Price Index for the Net Output of Total Traditional Service Industries turned up 0.1 percent in June after decreasing 0.1 percent a month earlier. The industry index for non-casino hotels and motels rose 4.5 percent following a 1.5-percent decline in May. Prices received by investment bankers and securities dealers also turned up after decreasing in the previous month. The industry indexes for commercial banking, cellular and other wireless carriers, and offices of real estate agents and brokers declined less than in May. By contrast, the industry index for savings institutions turned down 2.7 percent after increasing 0.9 percent in the prior month. Prices received by portfolio managers rose less in June, and the industry index for offices of physicians (excluding mental health) was unchanged after rising in May. During the first half of 2008, the Producer Price Index for the Net Output of Total Traditional Service Industries edged up at a 0.4-percent annualized rate following a 0.8- percent annualized rate of increase from June to December 2007. In June 2008, the Producer Price Index for the Net Output of Total Traditional Service Industries was 102.0, (December 2006 = 100), 0.6 percent above its year-ago level.

Producer Price Indexes -- July 2008

The Producer Price Index for Finished Goods advanced 1.2 percent in July, seasonally adjusted. This increase followed a 1.8-percent jump in June and a 1.4-percent rise in May. At the earlier stages of processing, prices received by manufacturers of intermediate goods moved up 2.7 percent in July compared with a 2.1-percent gain in the prior month, and the index for crude materials for further processing climbed 4.2 percent subsequent to a 3.7-percent increase in June. (See table A.)

Among prices for finished goods, the index for energy goods rose 3.1 percent in July following a 6.0-percent jump in June. Price increases for finished consumer foods also slowed, from 1.5 percent in June to 0.3 percent in July. By contrast, partially offsetting the deceleration in finished goods prices, the index for finished goods other than foods and energy advanced 0.7 percent after edging up 0.2 percent in June.

Before seasonal adjustment, the Producer Price Index for Finished Goods moved up 1.4 percent in July to 185.0 (1982 = 100). From July 2007 to July 2008, the finished goods index advanced 9.8 percent. Over the same period, prices for finished energy goods jumped 28.0 percent, the index for finished goods other than foods and energy increased 3.5 percent, and prices for finished consumer foods rose 8.7 percent. For the 12-month period ended in July, the index for intermediate goods advanced 16.6 percent, and prices received by crude goods producers surged 51.2 percent.

Finished goods

The finished energy goods index increased 3.1 percent in July compared with a 6.0-percent advance in June. Home heating oil prices moved up 3.7 percent in July following a 12.4-percent jump in the previous month, and the gasoline index turned down 0.2 percent after rising 9.0 percent in June. Prices for diesel fuel increased less than they had a month earlier. Conversely, slightly counteracting the deceleration in finished energy goods prices, the index for residential electric power climbed 2.0 percent subsequent to a 0.8-percent gain in June. Prices for residential natural gas, asphalt, liquefied petroleum gas, and lubricating and similar oils also rose more than in the prior month. (See table 2.)

The index for finished consumer foods edged up 0.3 percent in July after jumping 1.5 percent in June. Higher prices for beef and veal, fluid milk products, soft drinks, bakery products, and boxed meat outweighed lower prices for fresh vegetables (except potatoes), eggs for fresh use, fresh fruits and melons, natural cheese (except cottage cheese), and frozen juices and ades.

The index for finished goods less foods and energy climbed 0.7 percent in July after increasing 0.2 percent a month earlier. Prices for light motor trucks moved up 0.8 percent subsequent to a 1.8-percent drop in June. The indexes for pharmaceutical preparations, consumer plastic products, and communication and related equipment also turned up in

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

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2007							
July	0.5	-0.1	2.2	0.2	4.2	0.7	0.3
Aug	-0.8	0.0	-4.2	0.1	2.3	-0.9	-3.5
Sept	0.5	1.1	1.2	0.1	4.4	0.0	0.9
Oct	0.5	1.3	1.1	0.1	6.1	0.6	4.0
Nov	2.6	-0.2	11.7	0.3	7.3	2.9	6.8
Dec	-0.5	1.3	-3.5	0.1	6.2	0.2	1.8
2008							
Jan	1.2	1.7	2.2	0.6	7.4	1.2	2.9
Feb	0.3	-0.6	1.0	0.4	6.5	0.9	3.9
Mar.[1]	0.9	1.4	2.5	0.1	6.7	2.4	6.7
Apr.[1]	0.3	-0.1	-0.2	0.6	6.5	0.7	4.6
May	1.4	0.8	4.9	0.2	7.2	2.9	6.7
June	1.8	1.5	6.0	0.2	9.2	2.1	3.7
July	1.2	0.3	3.1	0.7	9.8	2.7	4.2

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for March 2008 have been revised to reflect the availability of late reports and corrections by respondents.

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

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2007								
July	0.7	2.0	0.4	4.2	1.1	-0.5	0.7	12.9
Aug.	0.4	-2.9	-0.4	2.4	-1.6	-6.4	0.6	6.1
Sept.	1.3	-0.5	0.1	4.1	2.7	-0.8	2.2	11.3
Oct.	1.2	1.3	0.4	5.7	-0.2	8.2	1.5	26.8
Nov.	1.4	10.4	0.8	7.9	2.9	12.3	-0.9	20.9
Dec.	2.0	0.1	0.1	7.1	4.2	0.5	0.8	19.8
2008								
Jan.	3.5	1.9	0.9	8.9	3.1	1.8	4.7	30.8
Feb.	2.4	1.2	0.6	9.0	1.2	6.6	3.6	24.6
Mar.[1]	3.0	6.0	1.3	10.7	2.2	11.5	3.7	29.7
Apr.[1]	-0.9	0.1	0.9	10.5	-1.6	5.7	7.7	34.3
May	3.2	6.2	2.0	12.6	1.8	13.1	5.0	41.5
June	1.0	5.0	1.3	14.5	3.5	5.4	-0.2	45.5
July	4.0	4.3	2.0	16.6	0.1	6.9	3.4	51.2

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for March 2008 have been revised to reflect the availability of late reports and corrections by respondents.

July. Prices for turbine and turbine generator sets rose more than they had in the previous month. Conversely, the index for passenger cars increased 1.4 percent following a 2.2-percent gain in June. Pet food prices also rose less in July. The indexes for wood household furniture and for textbooks turned down after rising in the prior month.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components advanced 2.7 percent in July following a 2.1-percent increase in June. Prices for materials for nondurable manufacturing, intermediate food and feeds, and materials and components for construction rose more than they had in the previous month. By contrast, partially offsetting the acceleration in intermediate goods prices, the indexes for intermediate energy goods and materials for durable manufacturing increased less than they had in June. Excluding foods and energy, prices for intermediate goods moved up 2.0 percent in July after rising 1.3 percent a month earlier. (See table B.)

The index for materials for nondurable manufacturing climbed 5.4 percent in July compared with a 2.7-percent gain in the preceding month. Prices for basic organic chemicals moved up 6.9 percent in July following a 2.6-percent advance a month earlier. The indexes for plastic resins and materials, inedible fats and oils, paper, meats, and synthetic rubber also increased more than they had in June. Prices for alkalies and chlorine turned up in July. By contrast, the advance in the index for agricultural chemicals slowed to 7.9 percent from 14.2 percent in June. Prices for leather turned down in July. (See table 2.)

Prices for intermediate foods and feeds advanced 4.0 percent subsequent to a 1.0-percent increase in June. The formula feeds index climbed 8.3 percent after rising 1.1 percent in the previous month. Prices for meats and for shortening and cooking oils also increased more than they had a month earlier. The index for corn, cottonseed, and soybean cake and meal turned up in July. By contrast, the flour index moved down 7.8 percent following a 0.8-percent decrease in June. Prices for processed eggs also declined more compared with the preceding month. The indexes for natural, processed, and imitation cheese and for processed poultry turned down in July.

The index for materials and components for construction advanced 1.7 percent in July after rising 1.5 percent in the preceding month. The paving mixtures and blocks index increased 14.5 percent subsequent to a 6.3-percent advance a month earlier. Prices for asphalt felts and coatings and for plastic construction products also rose more than they had in June. The index for nonferrous wire and cable turned up in July, and prices for cast iron pressure and soil pipe and fittings advanced following no change in the prior month. By contrast, prices for steel mill products moved up 1.7 percent after jumping 8.1 percent in June. The index for non-farm prefabricated metal building systems also advanced less than it had a month earlier. Prices for softwood lumber and ready-mixed concrete turned down in July.

The intermediate energy goods index moved up 4.3 percent subsequent to a 5.0-percent increase a month earlier.

Diesel fuel prices advanced 2.6 percent following a 6.7-percent jump in June. The indexes for jet fuel and home heating oil also rose less than in the preceding month. Gasoline prices declined after climbing in June. By contrast, the index for electric power increased 1.3 percent compared with a 0.3-percent decline in the previous month. Price increases for residual fuels, utility natural gas, and asphalt accelerated in July.

Prices for materials for durable manufacturing moved up 1.5 percent following a 1.7-percent increase in June. Leading this deceleration, the steel mill products index advanced 1.7 percent subsequent to an 8.1-percent rise in the previous month. Prices for softwood lumber and for building paper and board turned down in July. By contrast, the index for primary nonferrous metals rose 3.2 percent in July after decreasing 5.8 percent a month earlier. Similarly, prices for copper and brass mill shapes, nonferrous wire and cable, and paints and allied products also turned up in July. The plastic resins and materials index advanced more than it had in the prior month.

Crude goods

The Producer Price Index for Crude Materials for Further Processing increased 4.2 percent in July following a 3.7-percent advance in June. Prices for crude energy materials rose more than in June. The index for crude nonfood materials less energy turned up after falling a month earlier. By contrast, partially offsetting the acceleration in crude goods prices, the index for crude foodstuffs and feedstuffs increased less in July than it had in the prior month. (See table B.)

The index for crude energy materials climbed 6.9 percent in July following a 5.4-percent rise a month earlier. The increase in the index for natural gas accelerated to 7.8 percent from 5.2 percent in June. Prices for crude petroleum advanced 6.7 percent following a 4.4-percent rise in the previous month. Conversely, the index for coal moved up 2.1 percent in July after jumping 14.4 percent in the prior month. (See table 2.)

The index for crude nonfood materials less energy turned up 3.4 percent in July after edging down 0.2 percent a month earlier. The index for nonferrous scrap climbed 5.0 percent following a 5.6-percent drop in June. Prices for wastepaper and for stainless and alloy steel scrap also turned up after falling in the previous month. The indexes for carbon steel scrap and gold ores advanced more than in June. Conversely, the rise in the index for phosphates slowed to 9.6 percent in July from 25.4 percent in the prior month. Prices for construction sand, gravel, and crushed stone, and for pulpwood turned down after increasing in June.

The index for crude foodstuffs and feedstuffs inched up 0.1 percent after advancing 3.5 percent in June. In July, higher prices for slaughter steers and heifers, soybeans, slaughter chickens, and slaughter cows and bulls slightly outweighed lower prices for wheat, corn, ungraded chicken eggs, and fresh vegetables, except potatoes.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries climbed 2.2 percent in July following a 1.8-percent advance in June. (Net output price indexes are not seasonally adjusted.) Prices received by the livestock slaughtering industry jumped 6.8 percent in July after increasing 0.7 percent a month earlier. The indexes for animal feed manufacturing (excluding pet food), natural gas distribution, and crude petroleum and natural gas extraction also moved up more than they had in June. Prices received by the industry for automobile, light truck, and utility vehicle manufacturing turned up in July. By contrast, partially offsetting the acceleration in the index for total mining, utilities, and manufacturing industries, the index for electric power distribution advanced 1.9 percent following a 3.3-percent rise in June. Prices received by the industries for phosphate fertilizer manufacturing and petroleum refining also increased less in July than they had in the preceding month. The index for cheese manufacturing declined after moving up in June. In July, the index for total mining, utilities, and manufacturing industries was 118.9 (December 2006 = 100), 12.9 percent above its year-ago level.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries climbed 1.1 percent in July following a 0.7-percent rise in June. (Trade indexes measure changes in margins received by wholesalers and retailers.) Margins received by wholesalers of nondurable goods edged up 0.2 percent in July after dropping 4.0 percent in the prior month. The margin indexes for grocery stores (excluding convenience stores), electronic shopping and mail-order houses, and tire dealers also turned up after falling in June. Margins received by gasoline stations with convenience stores and by pharmacies and drug stores increased more in July than they had a month earlier. By contrast, margins received by merchant wholesalers of durable goods climbed 1.3 percent following a 2.6-percent rise a month earlier. The margin index for non-discount department stores also advanced less than it had in June. Margins received by family clothing stores turned down in July. In July, the index for total trade industries was 110.1 (December 2006 = 100), 5.5 percent above its year-ago level.

Transportation and Warehousing Industries. The Producer Price Index for the Net Output of Total Transportation and Warehousing Industries rose 0.8 percent in July after climbing 2.3 percent in June. The increase in prices received by the scheduled passenger air transportation industry slowed to 0.5 percent in July from 5.8 percent in the previous month. The indexes for general freight trucking, line-haul railroads, deep sea freight transportation, and both local and long distance specialized freight trucking of new goods also advanced less than they had in June. Prices received by the scheduled freight air transportation industry turned down in July. By

contrast, the index for the couriers industry increased 2.4 percent following a 1.2-percent gain in June. Prices received by the industries for pipeline transportation of crude oil and for general warehousing and storage moved up in July after no change in the prior month. In July, the index for total transportation and warehousing industries was 115.9 (December 2006 = 100), 10.3 percent above its year-ago level.

Traditional Service Industries. The Producer Price Index for the Net Output of Total Traditional Service Industries edged down 0.2 percent in July after inching up 0.1 percent in June. Leading this downturn, prices received by the commercial banking industry dropped 5.5 percent in July following a 0.4-percent decline in the preceding month. Prices received by casino hotels also fell more than in June. The indexes for the securities, commodity contracts, and like activities industry sector and for the engineering services industry turned down in July. Conversely, the index for savings institutions rose 1.2 percent following a 2.7-percent decline in June. Prices received by the industries for software publishers, offices of certified public accountants, and real estate agents and brokers also turned up in July after falling in the previous month. The index for passenger car rental rose more than in June. In July, the index for total traditional service industries was 101.8 (December 2006 = 100), 0.4 percent above its year-ago level.

Producer Price Indexes – August 2008

The Producer Price Index for Finished Goods declined 0.9 percent in August, seasonally adjusted. This decrease followed advances of 1.2 percent in July and 1.8 percent in June. At the earlier stages of processing, prices received by manufacturers of intermediate goods fell 1.0 percent in August after rising 2.7 percent in the prior month, and the crude goods index dropped 11.9 percent following a 4.2-percent increase in July. (See table A.)

Leading the downturn in prices for finished goods, the index for energy goods fell 4.6 percent in August after climbing 3.1 percent in July. Prices for goods other than foods and energy advanced 0.2 percent following a 0.7-percent rise in the previous month. The index for consumer foods increased 0.3 percent in August, the same rate as in July.

Before seasonal adjustment, the Producer Price Index for Finished Goods decreased 1.6 percent in August to 182.1 (1982 = 100). From August 2007 to August 2008, prices for finished goods advanced 9.6 percent. Over the same period, the index for finished energy goods increased 27.4 percent, prices for finished goods other than foods and energy rose 3.6 percent, and the index for finished consumer foods climbed 9.1 percent. At the earlier stages of processing, prices received by producers of intermediate goods jumped 16.7 percent and the crude goods index surged 38.1 percent for the 12 months ended in August.

Finished goods

The index for finished energy goods declined 4.6 percent in August following a 3.1-percent advance in July. Prices for liquefied petroleum gas dropped 19.5 percent in August after rising 10.8 percent a month earlier. The indexes for residential natural gas, home heating oil, diesel fuel, and kerosene also turned down following increases in July. Gasoline prices fell more in August than they had in the prior month, while the index for residential electric power rose less than it had in July. Conversely, slightly counteracting the overall downturn in finished energy goods, prices for finished lubricants advanced 8.6 percent in August after moving up 5.4 percent in the preceding month. (See table 2.)

The index for finished goods other than foods and energy moved up 0.2 percent in August following a 0.7-percent jump in July. Prices for pharmaceutical preparations advanced 0.4 percent in August after rising 0.7 percent in the prior month. The indexes for light motor trucks, passenger cars, heavy motor trucks, and for medical, surgical, and personal aid devices fell after advancing in July. Prices for turbines and turbine generator sets were unchanged in August following a surge in the previous month. By contrast, the civilian aircraft index climbed 0.7 percent after rising 0.3 percent in July. Prices for pet food and for industrial trucks

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

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2007							
Aug.	-0.8	0.0	-4.2	0.1	2.3	-0.9	-3.5
Sept.	0.5	1.1	1.2	0.1	4.4	0.0	0.9
Oct.	0.5	1.3	1.1	0.1	6.1	0.6	4.0
Nov.	2.6	-0.2	11.7	0.3	7.3	2.9	6.8
Dec.	-0.5	1.3	-3.5	0.1	6.2	0.2	1.8
2008							
Jan.	1.2	1.7	2.2	0.6	7.4	1.2	2.9
Feb.	0.3	-0.6	1.0	0.4	6.5	0.9	3.9
Mar.	0.9	1.4	2.5	0.1	6.7	2.4	6.7
Apr.[1]	0.3	0.0	-0.1	0.5	6.4	1.0	4.7
May[1]	1.4	0.7	4.8	0.3	7.2	2.6	6.6
June	1.8	1.5	6.0	0.2	9.2	2.1	3.7
July	1.2	0.3	3.1	0.7	9.8	2.7	4.2
Aug.	-0.9	0.3	-4.6	0.2	9.6	-1.0	-11.9

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for April 2008 have been revised to reflect the availability of late reports and corrections by respondents.

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

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2007								
Aug.....	0.4	-2.9	-0.4	2.4	-1.6	-6.4	0.6	6.1
Sept.....	1.3	-0.5	0.1	4.1	2.7	-0.8	2.2	11.3
Oct.....	1.2	1.3	0.4	5.7	-0.2	8.2	1.5	26.8
Nov.....	1.4	10.4	0.8	7.9	2.9	12.3	-0.9	20.9
Dec.....	2.0	0.1	0.1	7.1	4.2	0.5	0.8	19.8
2008								
Jan.....	3.5	1.9	0.9	8.9	3.1	1.8	4.7	30.8
Feb.....	2.4	1.2	0.6	9.0	1.2	6.6	3.6	24.6
Mar.....	3.0	6.0	1.3	10.7	2.2	11.5	3.7	29.7
Apr.[1]	0.2	0.1	1.4	10.8	-0.5	6.3	10.1	34.5
May[1]	2.1	6.3	1.5	12.6	0.6	12.5	2.7	41.5
June.....	1.0	5.0	1.3	14.5	3.5	5.4	-0.2	45.5
July.....	4.0	4.3	2.0	16.6	0.1	6.9	3.4	51.2
Aug.....	-0.2	-8.2	1.7	16.7	-5.2	-19.4	-1.9	38.1

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for April 2008 have been revised to reflect the availability of late reports and corrections by respondents.

and tractors also moved up more than they had a month earlier.

The index for finished consumer foods increased 0.3 percent in August, the same as in July. In August, higher prices for meats, canned vegetables and vegetable juices, eggs for fresh use, Irish potatoes for consumer use, spices, and confectionery end products outweighed lower prices for fresh vegetables (excluding potatoes), packaged fluid milk and related products, fresh fruits and melons, and for shortening and cooking oils.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components declined 1.0 percent in August following a 2.7-percent increase in July. Prices for intermediate energy goods and for intermediate foods and feeds turned down after rising in July. The indexes for materials for both durable and nondurable manufacturing and for materials and components for construction advanced less than they had in the previous month. Excluding foods and energy, the intermediate materials index rose 1.7 percent after increasing 2.0 percent in July. (See table B.)

Prices for intermediate energy goods fell 8.2 percent in August after moving up 4.3 percent in July. The jet fuels index dropped 24.9 percent compared with a 6.5-percent increase a month earlier. Prices also turned down in August for diesel fuel, utility natural gas, residual fuels, liquefied petroleum gas, and heating oil. The index for gasoline fell more than in July. By contrast, slightly offsetting the downturn in intermediate energy goods prices, the index for finished lubricants advanced 8.6 percent in August following a 5.4-percent gain in the prior month. (See table 2.)

Prices for intermediate foods and feeds edged down 0.2 percent in August after rising 4.0 percent in July. The index for formula feeds decreased 1.7 percent following an 8.3-percent advance in the previous month. Prices for shortening and cooking oils and for fluid milk products also turned down after rising in July. The indexes for corn, cottonseed, and soybean cake and meal and for beef and veal increased less than in July. By contrast, flour prices advanced 1.5 percent in August after dropping 7.8 percent in the prior month. The indexes for pork and for refined sugar and byproducts rose more in August than a month earlier. Prices for natural cheese (except cottage cheese) fell less than in July.

The index for materials for durable manufacturing moved up 0.4 percent in August after climbing 1.5 percent in July. Prices for thermoplastic resins and materials increased 2.9 percent following an 8.7-percent advance in the prior month. The indexes for primary nonferrous metals, copper and brass mill shapes, secondary precious metals, and specialty glass turned down after rising in July. By contrast, prices for semifinished steel mill products advanced 5.2 percent in August after moving up 2.2 percent in the previous month. The index for prepared paint also increased more than it had in July. Prices for cold rolled steel sheet and strip fell less in August than a month earlier. The indexes for softwood lumber and refined lead turned up after declining in July.

The materials for nondurable manufacturing index advanced 5.2 percent in August following a 5.4-percent rise in

July. In August, higher prices for industrial chemicals, agricultural chemicals and chemical products, plastic resins and materials, non-corrugated paperboard, woodpulp, rubber and rubber products, and writing and printing papers outweighed lower prices for inedible fats and oils and for shortening and cooking oils.

The index for materials and components for construction increased 1.5 percent in August following a 1.7-percent rise in July. Prices for paving mixtures and blocks advanced 9.6 percent following a 14.5-percent jump in the prior month. Prices for cast iron pressure and soil pipe and fittings, plastic construction products, and nonferrous wire and cable also increased less in August. The indexes for custom roll form metal products and wiring devices turned down after rising in the preceding month. Conversely, softwood lumber prices advanced 1.1 percent in August following a 3.4-percent decline a month earlier. The indexes for architectural coatings; roofing asphalt, pitches, coatings, and cement; and gypsum products rose more than they had in July.

Crude goods

The Producer Price Index for Crude Materials for Further Processing fell 11.9 percent in August compared with a 4.2-percent advance in the previous month. This downturn was broad based, with prices for crude energy materials, foodstuffs and feedstuffs, and nonfood materials less energy all decreasing after rising in July. (See table B.)

Prices for crude energy materials dropped 19.4 percent following a 6.9-percent gain in July. A major contributor to this downturn was the natural gas index which dropped 23.9 percent in August compared with a 7.8-percent increase in the preceding month. Similarly, prices for crude petroleum fell 17.6 percent after moving up 6.7 percent in July. By contrast, partially offsetting the downturn in prices for crude energy materials, the coal index rose 2.7 percent subsequent to a 2.1-percent advance a month earlier. (See table 2.)

The crude foodstuffs and feedstuffs index moved down 5.2 percent in August after edging up 0.1 percent in the prior month. Prices for soybeans declined 21.8 percent compared with a 7.0-percent rise in July. The index for slaughter poultry also turned down in August. Prices for corn and fluid milk declined more than they had a month earlier. The index for slaughter steers and heifers increased less than it had in July. By contrast, the index for slaughter hogs climbed 20.1 percent following a 2.1-percent decrease a month earlier. Prices for wheat and ungraded chicken eggs also turned up in August. The fresh fruits and melons index declined less than it had in July.

The index for crude nonfood materials less energy fell 1.9 percent following a 3.4-percent advance in July. Leading this downturn, prices for iron and steel scrap fell 3.7 percent compared with a 5.2-percent increase in the previous month. Similarly, the indexes for nonferrous scrap; gold ores; soybeans; plant and animal fibers; and softwood logs, bolts, and timber also turned down in August. Conversely, prices for construction sand, gravel, and crushed stone advanced 1.3 percent after edging down 0.2 percent in July. The phosphates index increased more than it had a month earlier.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries turned down 1.4 percent after climbing 2.2 percent in July. (Net output price indexes are not seasonally adjusted.) The index for the petroleum refineries industry declined 11.4 percent in August after increasing 5.5 percent a month earlier. Prices received by natural gas distributors; oil and gas extractors; automotive, light truck, and utility vehicle manufacturers; as well as by complete swine feed producers also turned down after advancing in the prior month. The industry index for electric power distribution was unchanged in August after moving higher in the previous month, and prices received by livestock slaughterhouses rose less than in July. Conversely, partially offsetting the downturn in the index for total mining, utilities, and manufacturing industries, the increase in prices received by the electric power generation industry accelerated to 8.1 percent in August from 5.0 percent in the preceding month. In August, the index for total mining, utilities, and manufacturing industries was 117.2 (December 2006 = 100), 12.5 percent above its year-ago level.

Trade Industries. The advance in the Producer Price Index for the Net Output of Total Trade Industries accelerated to 2.1 percent in August from 1.1 percent in July. (Trade indexes measure changes in margins received by wholesalers and retailers.) The margin index for merchant wholesalers of nondurable goods jumped 7.9 percent in August after moving up 0.2 percent in the prior month. Margins received by merchant wholesalers of durable goods also climbed more than in July. The margin indexes for fuel dealers and women's clothing stores turned up in August after falling a month earlier. By contrast, the margin index for gasoline stations with convenience stores rose 5.0 percent following a 24.2-percent jump in July. Margins received by pharmacies and drug stores, grocery stores (excluding convenience stores), and non-discount department stores turned down in August after moving higher in the previous month. In August, the index for total trade industries was 112.4 (December 2006 = 100), 7.7 percent above its year- ago level.

Transportation and Warehousing Industries. The increase in the Producer Price Index for the Net Output of Total Transportation and Warehousing Industries slowed to 0.2 percent in August from 0.8 percent in July. The index for the couriers industry climbed 1.0 percent in August after rising 2.4 percent in the prior month. Prices received by the industries for scheduled passenger air transportation, long-distance specialized freight trucking of new goods, nonscheduled air passenger chartering, freight transportation arrangement, as well as, the general freight trucking industry group, turned down after advancing in July. Conversely, the industry index for scheduled freight air transportation turned up 11.9 percent in August after falling 5.6 percent a month earlier. Prices received by deep sea freight transporters increased more than in July. In August, the index for total transportation and warehousing industries was 116.1 (December 2006 = 100), 10.2 percent above its year-ago level.

Traditional Service Industries. The Producer Price Index for the Net Output for Total Traditional Service Industries turned up 0.7 percent in August after edging down 0.2 percent in July. The index for the commercial banking industry climbed 5.2 percent in August after declining 5.5 percent a month earlier. Prices received by the industries for casino hotels; cellular and other wireless carriers; and by the securities, commodity contracts, and like activities industry sector also turned up following July decreases. Conversely, the industry index for non-casino hotels and motels turned down 1.3 percent in August after advancing 4.1 percent in the preceding month. Prices received by the industries for passenger car rental, offices of real estate agents and brokers, and general medical and surgical hospitals also fell after rising in July. In August, the index for total traditional service industries was 102.5 (December 2006 = 100), 0.6 percent above its year-ago level.

Producer Price Indexes – September 2008

The Producer Price Index for Finished Goods decreased 0.4 percent in September, seasonally adjusted. This decline followed a 0.9-percent drop in August and a 1.2-percent increase in July. At the earlier stages of processing, prices received by producers of intermediate goods fell 1.2 percent after decreasing 1.0 percent a month earlier, and the decline in the crude goods index slowed to 7.9 percent in September from 11.9 percent in the preceding month. (See table A.)

The slower rate of decline in finished goods prices was led by the index for energy goods, which decreased 2.9 percent after falling 4.6 percent in August. Price advances for finished goods less foods and energy accelerated to 0.4 percent from 0.2 percent a month earlier. Conversely, the rise in the index for finished consumer foods slowed to 0.2 percent in September from 0.3 percent in the prior month.

During the third quarter of 2008, the finished goods index fell at a 0.4-percent seasonally adjusted annual rate (SAAR), after climbing at a 14.6-percent SAAR during the second quarter. Much of this downturn can be attributed to the index for finished energy goods, which decreased at a 16.7-percent SAAR for the 3 months ended in September after jumping at a 51.6-percent SAAR for the 3 months ended in June. Prices for finished consumer foods moved up at a 3.1-percent SAAR during the third quarter after rising at a 9.2-percent SAAR during the second quarter. Conversely, the index for finished goods less foods and energy advanced at a 5.4-percent SAAR for the 3 months ended in September after increasing at a 4.4-percent SAAR for the 3 months ended in June. At the earlier stages of processing, the intermediate goods index moved up at a 2.1-percent SAAR during the third quarter after surging at a 25.7-percent SAAR in the second quarter, and prices for crude goods decreased at a 48.9-percent SAAR for the 3 months ended in September after jumping at a 79.1-percent SAAR for the 3 months ended in June. (See summary table.)

Before seasonal adjustment, the Producer Price Index for Finished Goods fell 0.1 percent in September to 182.0 (1982 = 100). From September 2007 to September 2008, finished goods prices climbed 8.7 percent. Over the same period, the index for finished energy goods increased 22.4 percent, prices for finished consumer foods moved up 8.1-percent, and the index for finished goods less foods and energy advanced 4.0 percent. For the 12 months ended in September, prices received by manufacturers of intermediate goods rose 15.4 percent, and the crude goods index increased 26.0 percent.

Finished goods

The decline in the finished energy goods index slowed to 2.9 percent from 4.6 percent in August. The index for gasoline fell 0.5 percent in September after moving down 3.5 percent a month earlier. Prices for liquefied petroleum gas

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

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2007							
Sept.....	0.5	1.1	1.2	0.1	4.4	0.0	0.9
Oct.....	0.5	1.3	1.1	0.1	6.1	0.6	4.0
Nov.....	2.6	-0.2	11.7	0.3	7.3	2.9	6.8
Dec.....	-0.5	1.3	-3.5	0.1	6.2	0.2	1.8
2008							
Jan.....	1.2	1.7	2.2	0.6	7.4	1.2	2.9
Feb.....	0.3	-0.6	1.0	0.4	6.5	0.9	3.9
Mar.....	0.9	1.4	2.5	0.1	6.7	2.4	6.7
Apr.....	0.3	0.0	-0.1	0.5	6.4	1.0	4.7
May[1]	1.4	0.6	5.3	0.2	7.3	2.7	6.1
June[1]	1.7	1.6	5.4	0.3	9.2	2.0	4.1
July.....	1.2	0.3	3.1	0.7	9.8	2.7	4.2
Aug.....	-0.9	0.3	-4.6	0.2	9.6	-1.0	-11.9
Sept.....	-0.4	0.2	-2.9	0.4	8.7	-1.2	-7.9

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for May 2008 have been revised to reflect the availability of late reports and corrections by respondents.

Summary of December-to-December, 9-month, and 3-month seasonally adjusted annual rates of change in price indexes at selected stages of processing

Grouping	Percentage change 12 months ended December			Seasonally adjusted annual rate for			
	2005	2006	2007	9 months ended Sept. 2008	3 months ended Mar. 2008	3 months ended June 2008	3 months ended Sept. 2008
Finished goods	5.4	1.1	6.2	7.9	10.2	14.6	-0.4
Finished consumer foods	1.7	1.7	7.6	7.5	10.4	9.2	3.1
Finished energy goods	23.9	-2.0	17.8	16.7	25.7	51.6	-16.7
Finished goods less foods and energy	1.4	2.0	2.0	4.8	4.5	4.4	5.4
Finished consumer goods less foods and energy	1.6	1.8	2.4	5.1	5.0	4.9	5.3
Capital equipment	1.2	2.3	1.4	4.4	3.5	4.0	5.6
Intermediate materials, supplies, and components	8.6	2.8	7.1	15.2	19.3	25.7	2.1
Intermediate foods and feeds	2.4	4.7	17.2	22.0	42.2	14.0	12.1
Intermediate energy goods	26.2	-3.3	19.8	16.8	42.6	55.4	-28.2
Intermediate materials less foods and energy	4.8	4.5	3.3	14.6	11.7	17.9	14.2
Materials for nondurable manufacturing	8.9	1.2	12.8	29.8	24.1	30.8	34.7
Materials for durable manufacturing	5.9	12.5	1.7	17.9	27.8	35.8	-5.4
Materials and components for construction	6.1	4.3	2.0	14.4	7.2	19.5	16.9
Crude materials for further processing	21.1	-4.7	19.8	15.7	69.0	79.1	-48.9
Foodstuffs and feedstuffs	1.6	2.8	24.9	4.8	28.6	15.3	-22.5
Crude energy materials	42.2	-15.7	16.2	21.9	114.6	152.2	-66.5
Crude nonfood materials less energy	5.2	17.0	15.6	23.0	60.3	62.2	-28.4

"-" Data not available.

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.

and diesel fuel also decreased less than in the preceding month. The index for kerosene turned up in September after falling in the prior month. By contrast, partially offsetting the slowing declines in finished energy goods prices, the index for residential natural gas dropped 8.2 percent after moving down 5.0 percent in August. Prices for asphalt and finished lubricants rose less than in the previous month. The index for residential electric power turned down in September after advancing a month earlier. (See table 2.)

The increase in the index for finished goods less foods and energy accelerated to 0.4 percent from 0.2 percent in August. The index for light motor trucks turned up 1.0 percent after falling 1.9 percent in the previous month. Prices for passenger cars also rose after declining a month earlier. The index for pharmaceutical preparations advanced more in September than in the preceding month. By contrast, the index for pet food turned down 0.2 percent after increasing 3.3 percent in August. Prices for periodical circulation; motor homes built on purchased chassis; women's, girls', and infants' apparel; and office and store machines and equipment also fell after rising in the prior month.

The index for finished consumer foods climbed 0.2 percent after rising 0.3 percent in August. In September, higher prices for fresh and dry vegetables, snack chips, sausage and deli meats, and eggs for fresh use outweighed lower prices for beef and veal, natural cheese (except cottage cheese), fats and oils, and strawberries.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components fell 1.2 percent in September following a 1.0-percent decrease in the previous month. Prices for materials for both nondurable and durable manufacturing turned down in September. The index for materials and components for construction rose less than it had in August, while prices for intermediate foods and feeds declined more in September than they had a month earlier. Conversely, partially counteracting the faster rate of decrease in prices for intermediate goods, the index for intermediate energy foods fell less in September than in August. Excluding foods and energy, prices for intermediate goods moved down 0.3 percent in September after climbing 1.7 percent in the preceding month. (See table B.)

The index for materials for nondurable manufacturing dropped 2.9 percent in September following a 5.2-percent jump in the previous month. Leading this downturn, prices for basic organic chemicals fell 4.8 percent after increasing 6.3 percent in August. The indexes for plastic resins and materials, woodpulp, and meats also declined in September following increases in the prior month. Prices for agricultural chemicals and chemical products, non-corrugated paperboard, and writing and printing papers rose less than they had in August. Conversely, the index for medicinal and botanical chemicals advanced 10.9 percent in September after

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

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2007								
Sept.....	1.3	-0.5	0.1	4.1	2.7	-0.8	2.2	11.3
Oct.....	1.2	1.3	0.4	5.7	-0.2	8.2	1.5	26.8
Nov.....	1.4	10.4	0.8	7.9	2.9	12.3	-0.9	20.9
Dec.....	2.0	0.1	0.1	7.1	4.2	0.5	0.8	19.8
2008								
Jan.....	3.5	1.9	0.9	8.9	3.1	1.8	4.7	30.8
Feb.....	2.4	1.2	0.6	9.0	1.2	6.6	3.6	24.6
Mar.....	3.0	6.0	1.3	10.7	2.2	11.5	3.7	29.7
Apr.....	0.2	0.1	1.4	10.8	-0.5	6.3	10.1	34.5
May[1]	1.9	6.3	1.7	12.7	0.9	11.7	1.7	40.9
June[1]	1.2	4.9	1.1	14.5	3.2	6.2	0.8	45.5
July.....	4.0	4.3	2.0	16.6	0.1	6.9	3.4	51.2
Aug.....	-0.2	-8.2	1.7	16.7	-5.2	-19.4	-1.9	38.1
Sept.....	-0.9	-3.8	-0.3	15.4	-1.1	-11.7	-9.4	26.0

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for May 2008 have been revised to reflect the availability of late reports and corrections by respondents.

moving up 1.8 percent a month earlier. Prices for potassium and sodium compounds and for synthetic fibers also increased more than they had in August. (See table 2.) The index for materials for nondurable manufacturing climbed at a 34.7-percent SAAR for the 3 months ended in September after rising at a 30.8-percent SAAR for the 3 months ended in June.

The index for materials for durable manufacturing decreased 3.2 percent in September following a 0.4-percent advance in the previous month. Leading this downturn, prices for steel mill products dropped 3.6 percent after rising 2.2 percent in August. The indexes for aluminum mill shapes, plastic resins and materials, secondary aluminum, and basic organic chemicals also fell in September following increases a month earlier. Prices for primary nonferrous metals and for copper and brass mill shapes declined more than they had in August. The index for prepared paint rose less than in the prior month. Conversely, the synthetic fibers index climbed 3.7 percent in September after advancing 1.1 percent in the preceding month. Prices for adhesives and sealants also rose more than in August. Prices for materials for durable manufacturing declined at a 5.4-percent SAAR during the third quarter of 2008 after surging at a 35.8-percent SAAR during the second quarter.

The index for materials and components for construction rose 0.7 percent in September following a 1.5-percent gain in the prior month. Prices for paving mixtures and blocks moved up 3.1 percent after advancing 9.6 percent in August. The index for asphalt felts and coatings also increased less in September than it had a month earlier. Prices for steel mill products; nonferrous wire and cable; and metal doors, sash, and trim turned down after rising in August. The index for fabricated structural metal was unchanged in September following an increase in the preceding month. By contrast, prices for ready mixed concrete advanced 1.4 percent after moving down 0.3 percent in August. The index for custom roll-formed metal products also turned up in September. Prices for architectural and ornamental metalwork rose more than they had in August. The index for materials and components for construction climbed at a 16.9-percent SAAR for the 3 months ended in September after moving up at a 19.5-percent SAAR for the 3 months ended in June.

The index for intermediate foods and feeds fell 0.9 percent in September following a 0.2-percent decline in the previous month. Meat prices decreased 0.6 percent after increasing 4.4 percent in August. The index for flour and flour-base mixes and doughs also turned down in September. Prices for formula feeds, natural cheese (except cottage cheese), and shortening and cooking oils fell more than they had in August. By contrast, the processed eggs index jumped 12.8 percent in September following a 4.7-percent decline a month earlier. Prices for snack chips and for corn, cottonseed, and soybean cake and meal advanced more than they had in August. The index for packaged fluid milk and related products fell less than in the preceding month. The index for intermediate foods and feeds moved up at a 12.1-percent SAAR during the third quarter after rising at a 14.0-percent SAAR during the second quarter.

The index for intermediate energy goods fell 3.8 percent in September following an 8.2-percent decrease in the prior month. Jet fuel prices moved down 3.2 percent after dropping 24.9 percent in August. The indexes for diesel fuel, gasoline, natural gas to electric utilities, residual fuels, liquefied petroleum gas, and commercial natural gas also declined less in September than they had a month earlier. By contrast, prices for industrial electric power fell 1.4 percent following a 0.7-percent increase in August. The asphalt index

rose less in September than it had in the preceding month, while prices for commercial electric power were unchanged after advancing in August. The index for intermediate energy goods decreased at a 28.2-percent SAAR for the 3 months ended in September after jumping at a 55.4-percent SAAR for the 3 months ended in June.

Crude goods

The Producer Price Index for Crude Materials for Further Processing declined 7.9 percent in September following an 11.9-percent drop in the prior month. Prices for crude energy materials and for crude foodstuffs and feedstuffs fell less than they had in the previous month. By contrast, slightly counteracting the slower rate of decline in the crude goods index, prices for crude nonfood materials less energy decreased more than in August. (See table B.)

The index for crude energy materials fell 11.7 percent in September subsequent to a 19.4-percent decrease in the preceding month. Crude petroleum prices moved down 9.0 percent following a 17.6-percent drop in the previous month. The natural gas index declined 16.5 percent after tumbling 23.9 percent in August. By contrast, prices for coal rose 0.7 percent compared with a 2.7-percent increase a month earlier. (See table 2.) During the third quarter of 2008, the crude energy materials index decreased at a 66.5-percent SAAR after surging at a 152.2-percent SAAR in the second quarter.

Prices for crude foodstuffs and feedstuffs moved down 1.1 percent in September compared with a 5.2-percent decline in the preceding month. The corn index fell 1.9 percent after dropping 14.6 percent in August. The indexes for soybeans and for slaughter broilers and fryers also fell less than they had a month earlier. Prices for fresh and dry vegetables turned up in September, and the index for ungraded chicken eggs rose more than in August. By contrast, prices for slaughter hogs declined 10.8 percent subsequent to a 20.1-percent gain in August. The indexes for slaughter steers and heifers, wheat, slaughter cows and bulls, and alfalfa hay also turned down in September. The crude foodstuffs and feedstuffs index fell at a 22.5-percent SAAR during the third quarter of 2008 after rising at a 15.3-percent SAAR in the prior quarter.

The index for crude nonfood materials less energy declined 9.4 percent following a 1.9-percent decrease in August. Carbon steel scrap prices dropped 22.5 percent in September after falling 3.4 percent in the previous month. The index for aluminum base scrap also fell more than in August. The index for copper ores turned down in September, and prices for phosphates increased less than in the preceding month. By contrast, prices for plant and animal fibers increased 8.7 percent compared with a 1.5-percent decline in August. The indexes for corrugated wastepaper and for stainless and alloy steel scrap also turned up in September. Prices for soybeans and gold ores fell less than they had in August. For the 3 months ended September 2008, the index for crude nonfood materials less energy declined at a 28.4-percent SAAR after increasing at a 62.2-percent SAAR in the 3 months ended in June.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries moved down 0.5 percent compared with a 1.4-percent decrease in August. (Net output price indexes are not seasonally adjusted.) The industry index for petroleum refineries declined 0.9 percent after falling 11.4 percent a month earlier. Similarly, prices received by the industries for crude petroleum and natural gas extraction and for natural gas distribution also decreased less than they had in the prior month. The industry index for automotive, light truck, and utility vehicle manufacturing turned up in September, and prices received by medicinal and botanical manufacturers rose more than in August. By contrast, partially offsetting the slower rate of decline in the index for Total Mining, Utilities, and Manufacturing Industries, the index for the electric power generation industry fell 10.0 percent in September following an 8.1-percent gain in the preceding month. Prices received by the industries for livestock slaughtering and petrochemicals manufacturing also declined after rising a month earlier. The phosphatic fertilizer manufacturing industry index increased less than it had in August. For the 3 months ended September 2008, the total mining, utilities, and manufacturing industries index advanced at a 1.0-percent annual rate after rising at a 23.2-percent annual rate for the 3 months ended in June. In September, the index for total mining, utilities, and manufacturing industries was 116.6 (December 2006 = 100), 11.7 percent above its year-ago level.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries declined 1.2 percent in September subsequent to a 2.1-percent rise in August. (Trade indexes measure changes in margins received by wholesalers and retailers.) Leading this downturn, the margin index for merchant wholesalers of nondurable goods fell 5.7 percent after climbing 7.9 percent in the prior month. Margins received by merchant wholesalers of durable goods and fuel dealers also turned down in September. The margin indexes for gasoline stations with convenience stores and recreation vehicle dealers increased less than they had a month earlier. By contrast, the margin index for shoe stores advanced 7.5 percent following a 7.2-percent decrease in August. Margins received by office supplies and stationery stores and by family clothing stores also turned up in September. The margin index for pharmacies and drug stores was unchanged after declining in August and margins received by new car dealers fell less than they had a month earlier. During the third quarter of 2008, the total trade industries index increased at an 8.3-percent annual rate subsequent to rising at a 14.8-percent annual rate in the second quarter. In September, the index for total trade industries was 111.1 (December 2006 = 100), 7.0 percent above its year-ago level.

Transportation and Warehousing Industries. The Producer Price Index for Total Transportation and Warehousing Industries moved down 0.9 percent in September after edging

up 0.2 percent in August. The index for the scheduled air transportation industry group declined 2.2 percent compared with a 0.9-percent advance in the previous month. Prices received by the long distance general freight trucking industry group decreased more than in August. The industry indexes for couriers, deep sea freight transportation, and line-haul railroads increased less than they had a month earlier. Prices received by the industry for local trucking of specialized new freight were unchanged after advancing in August. By contrast, the industry index for Coastal and Great Lakes freight transportation rose 1.2 percent in September after falling 2.3 percent in the preceding month. Prices received by inland water freight transporters increased more than in August and the industry index for long distance specialized new freight trucking declined less in September than it had in the prior month. During the third quarter of 2008, the transportation and warehousing industries index was unchanged after rising at a 20.3-percent annual rate in the second quarter. In September, the index for total transportation and warehousing industries was 115.0 (December 2006 = 100), 10.0 percent above it year-ago level.

Traditional Service Industries. The Producer Price Index for Total Traditional Service Industries edged down 0.2 percent after rising 0.7 percent in August. Prices received by the accommodation industry group moved down 5.1 percent subsequent to a 0.3-percent decrease a month earlier. The indexes for the depository credit intermediation industry group and for the investment banking and securities dealing industry increased less than they had in the prior month. Prices received by software publishers and by cellular and wireless carriers turned down in September. The industry index for direct life insurance carriers was unchanged after rising in August. By contrast, the index for the general medical and surgical hospitals industry advanced 0.2 percent after edging down 0.1 percent in the preceding month. Prices received by the industry for offices of real estate agents and brokers were unchanged in September after falling in the prior month, and the portfolio management industry index fell less than in August. The index for total traditional service industries increased at a 1.2-percent annual rate during the third quarter of 2008 subsequent to rising at a 2.0-percent annual rate during the second quarter. In September, the index for total traditional service industries was 102.3 (December 2006 = 100), 0.1 percent above its year-ago level.

Producer Price Indexes – October 2008

The Producer Price Index for Finished Goods fell 2.8 percent in October, seasonally adjusted. This decrease followed a 0.4-percent decline in September and a 0.9-percent fall in August. At the earlier stages of processing, prices received by manufacturers of intermediate goods moved down 3.9 percent in October after declining 1.2 percent in September, and the crude goods index dropped 18.6 percent subsequent to a 7.9-percent decrease in the previous month. (See table A.)

Among finished goods in October, prices for energy goods fell 12.8 percent compared with a 2.9-percent decline a month earlier. The index for consumer foods edged down 0.2 percent following a 0.2-percent increase in the prior month. Prices for goods other than foods and energy rose 0.4 percent for the second consecutive month.

Before seasonal adjustment, the Producer Price Index for Finished Goods declined 2.6 percent in October to 177.3 (1982 = 100). For the 12 months ended in October, finished goods prices advanced 5.2 percent. Over the same period, prices for finished consumer foods climbed 6.5 percent, the index for finished energy goods increased 5.5 percent, and the index for finished goods other than foods and energy rose 4.4 percent. From October 2007 to October 2008, prices received by intermediate goods producers advanced 10.2 percent, while the crude goods index decreased 1.4 percent.

Finished goods

The index for finished energy goods moved down 12.8 percent in October following a 2.9-percent decline in September. Gasoline prices dropped 24.9 percent after falling 0.5 percent a month earlier. The indexes for liquefied petroleum gas, diesel fuel, and residential electric power also decreased more than in the prior month. Prices for asphalt and finished lubricants turned down in October. By contrast, partially offsetting the faster rate of decline in finished energy goods prices, the index for residential natural gas moved down 5.9 percent compared with an 8.2-percent decline in September. Prices for home heating oil also fell less than in the previous month. (See table 2.)

The index for finished consumer foods edged down 0.2 percent in October after rising 0.2 percent in September. Leading this downturn, meat prices decreased 5.6 percent subsequent to a 0.6-percent fall a month earlier. Prices for mayonnaise, salad dressings, and sandwich spreads; unprocessed finfish; and canned fruits and juices turned down in October. By contrast, the processed young chickens index increased 5.9 percent following a 0.6-percent decline in September. Prices for natural cheese (except cottage cheese) and melons also turned up in October. The indexes for fresh

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

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2007							
Oct.....	0.5	1.3	1.1	0.1	6.1	0.6	4.0
Nov.....	2.6	-0.2	11.7	0.3	7.3	2.9	6.8
Dec.....	-0.5	1.3	-3.5	0.1	6.2	0.2	1.8
2008							
Jan.....	1.2	1.7	2.2	0.6	7.4	1.2	2.9
Feb.....	0.3	-0.6	1.0	0.4	6.5	0.9	3.9
Mar.....	0.9	1.4	2.5	0.1	6.7	2.4	6.7
Apr.....	0.3	0.0	-0.1	0.5	6.4	1.0	4.7
May.....	1.4	0.6	5.3	0.2	7.3	2.7	6.1
June[1]	1.7	1.5	5.6	0.2	9.1	2.2	2.8
July[1]	1.2	0.3	2.9	0.8	9.8	2.5	5.5
Aug.....	-0.9	0.3	-4.6	0.2	9.6	-1.0	-11.9
Sept.....	-0.4	0.2	-2.9	0.4	8.7	-1.2	-7.9
Oct.....	-2.8	-0.2	-12.8	0.4	5.2	-3.9	-18.6

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for June 2008 have been revised to reflect the availability of late reports and corrections by respondents.

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

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2007								
Oct.....	1.2	1.3	0.4	5.7	-0.2	8.2	1.5	26.8
Nov.....	1.4	10.4	0.8	7.9	2.9	12.3	-0.9	20.9
Dec.....	2.0	0.1	0.1	7.1	4.2	0.5	0.8	19.8
2008								
Jan.....	3.5	1.9	0.9	8.9	3.1	1.8	4.7	30.8
Feb.....	2.4	1.2	0.6	9.0	1.2	6.6	3.6	24.6
Mar.....	3.0	6.0	1.3	10.7	2.2	11.5	3.7	29.7
Apr.....	0.2	0.1	1.4	10.8	-0.5	6.3	10.1	34.5
May.....	1.9	6.3	1.7	12.7	0.9	11.7	1.7	40.9
June[1]	1.1	4.8	1.4	14.7	2.7	3.8	0.5	43.6
July[1]	4.1	4.4	1.7	16.6	0.6	9.4	3.7	51.2
Aug.....	-0.2	-8.2	1.7	16.7	-5.2	-19.4	-1.9	38.1
Sept.....	-0.9	-3.8	-0.3	15.4	-1.1	-11.7	-9.4	26.0
Oct.....	-5.5	-10.6	-1.7	10.2	-11.1	-24.9	-17.0	-1.4

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for June 2008 have been revised to reflect the availability of late reports and corrections by respondents.

vegetables (except potatoes) and for sugar and confectionary products advanced more than they had a month earlier.

The index for finished goods other than foods and energy increased 0.4 percent in October, the same as in September. Price increases for light motor trucks, civilian aircraft, malt beverages, rubber and rubber products, consumer plastic products, and for commercial nonwood furniture and store fixtures were partially offset by price decreases for passenger cars, pharmaceutical preparations, and for electronic computers and computer equipment. In accordance with usual practice, most new-model-year passenger cars and light motor trucks were introduced into the PPI in October. (See "Report on Quality Changes for 2009 Model Vehicles," in this report.) In October, the index for passenger cars moved down 1.7 percent and light motor truck prices rose 2.6 percent. For the 12 months ended October 2008, the passenger cars index rose 2.4 percent and prices for light motor trucks advanced 2.6 percent.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components declined 3.9 percent in October after falling 1.2 percent in September. The indexes for intermediate energy goods, materials for nondurable manufacturing, intermediate foods and feeds, and materials for durable manufacturing also decreased more in October than they had a month earlier. Prices for materials and components for construction turned down after rising in September. (See table B.)

The index for intermediate energy goods dropped 10.6 percent in October after falling 3.8 percent in the prior month. Diesel fuel prices declined 16.4 percent following a 6.4-percent decrease in September. The indexes for gasoline, jet fuel, residual fuels, natural gas to electric utilities, commercial natural gas, and liquefied petroleum gas also fell more in October. By contrast, partially offsetting the faster rate of decline in the intermediate energy goods index, industrial electric power prices advanced 2.6 percent after decreasing 1.4 percent in September. The index for commercial electric power moved up after no change a month earlier. (See table 2.)

The index for materials for nondurable manufacturing decreased 4.6 percent in October following a 2.9-percent decline in the previous month. Prices for primary basic organic chemicals plunged 20.8 percent after moving down 7.4 percent in September. The indexes for fertilizer materials and synthetic fibers turned down in October. Prices for basic inorganic chemicals, medicinal and botanical chemicals, and synthetic rubber rose less than in the preceding month. The indexes for inedible fats and oils and for meats fell more than they had in September. By contrast, the index for cyclic intermediate chemicals and dyes was unchanged in October following a 2.2-percent decline a month earlier. Prices for woodpulp fell less than in September.

Prices for intermediate foods and feeds decreased 5.5 percent in October compared with a 0.9-percent decline in the prior month. The index for prepared animal feeds fell 8.6 percent after edging down 0.3 percent in the preceding month. Prices for meats, fats and oils, and fluid milk products also

decreased more than they had in September. The indexes for processed eggs and for mayonnaise, salad dressings, and sandwich spreads turned down in October. Conversely, the index for processed young chickens advanced 5.9 percent after falling 0.6 percent in September. Prices for natural cheese (except cottage cheese) also turned up in October. The indexes for sugar and confectionery products and for canned, cooked, smoked, and prepared poultry rose more than they had in September.

Prices for materials and components for construction declined 0.7 percent in October after increasing at the same rate in the preceding month. The index for paving mixtures and blocks fell 3.7 percent following a 3.1-percent September gain. Prices for structural, architectural, and pre-engineered metals products; ready-mix concrete; treated wood; cast iron pressure and soil pipe and fittings; and sheet metal products also turned down in October. The indexes for nonferrous wire and cable and for softwood lumber decreased more than they had a month earlier. Conversely, millwork prices rose 0.6 percent in October after inching up 0.1 percent in the prior month. Prices for gypsum products turned up after falling in September.

Prices for materials for durable manufacturing declined 4.1 percent in October after falling 3.2 percent in the preceding month. The index for hot rolled steel bars, plates, and structural shapes dropped 8.5 percent following a 4.4-percent decrease in September. Prices for nonferrous wire and cable, both hot and cold rolled steel sheet and strip, softwood lumber, and primary nonferrous metals also fell more in October than a month earlier. The index for synthetic fibers turned down after increasing in the previous month. By contrast, the rate of decline in prices for semifinished steel mill products slowed from 4.8 percent in September to 1.9 percent in October. The index for copper and brass mill shapes also fell less than it had in the prior month.

Crude goods

The Producer Price Index for Crude Materials for Further Processing dropped 18.6 percent in October following a 7.9-percent decline in September. The faster rate of decrease in crude goods prices was broad based: the indexes for energy goods, foodstuffs and feedstuffs, and nonfood materials less energy all fell more in October than they had in the prior month. (See table B.)

The index for crude energy goods decreased 24.9 percent in October after moving down 11.7 percent in September. Crude petroleum prices fell 26.0 percent subsequent to a 9.0-percent decline in the preceding month. The natural gas index also dropped more in October than it had in September – 29.1 percent and 16.5 percent, respectively. Coal prices advanced 0.4 percent in October following a 0.7-percent increase a month earlier. (See table 2.)

The index for crude foodstuffs and feedstuffs declined 11.1 percent in October after falling 1.1 percent in the preceding month. Prices for Irish potatoes for processing dropped 41.8 percent following a 258.7-percent surge in September. The indexes for ungraded chicken eggs and slaughter sows also turned down in October. Prices for corn, soybeans, wheat, and slaughter cattle decreased more than they had in September. By contrast, slightly counteracting the faster rate of decline in crude foodstuffs and feedstuffs prices, the index for slaughter chickens jumped 7.0 percent in October subsequent to a 1.0-percent drop in the prior month. Prices for fluid milk and for slaughter barrows and gilts decreased at slower rates than they had in September.

The index for crude nonfood materials less energy fell 17.0 percent in October subsequent to a 9.4-percent decline in the previous month. Prices for carbon steel scrap dropped 39.8 percent after decreasing 22.5 percent in September. The indexes for nonferrous scrap, wastepaper, soybeans, and grains also moved down more in October than they had a month earlier. Prices for raw cotton and phosphates turned down after rising in September. Conversely, the gold ores index increased 10.5 percent in October following a 6.0-percent decline in the prior month. Prices for copper ores fell less than in September, while the index for construction sand, gravel, and crushed stone rose more in October than it had a month earlier.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries dropped 3.4 percent after decreasing 0.5 percent in September. (Net output price indexes are not seasonally adjusted.) The industry index for petroleum refineries declined 22.6 percent in October after falling 0.9 percent a month earlier. Prices received by the industries for electric power distribution, crude petroleum and natural gas extraction, and livestock slaughtering also decreased more than in the prior month. Indexes for the phosphatic fertilizer and for the medicinal and botanical manufacturing industries, as well as, for potassium and sodium compounds (except bleaches, alkalies, and aluminum compounds) turned down after rising in September. By contrast, partially offsetting the faster rate of decline in the index for Total Mining, Utilities, and Manufacturing Industries, the rise in the index for automobile, light truck, and utility vehicle manufacturing accelerated to 7.6 percent in October from 0.1 percent in the preceding month. Prices received by the electric power generation industry turned up after declining in September. In October, the index for total mining, utilities, and manufacturing industries was 112.6 (December 2006 = 100), 7.5 percent above its year-ago level.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries turned up 2.8 percent following a 1.2-percent decrease in September. (Trade indexes measure changes in margins received by wholesalers and retailers.) About half of the upturn can be accounted for by the margin index for gasoline stations with convenience stores, whose increase accelerated to 46.1 percent in October from 0.4 percent in the prior month. Margins received by merchant wholesalers of both nondurable and durable goods, fuel dealers, department stores, specialty food stores, and supermarkets and other grocery stores turned up after declining a month earlier. Conversely, the margin index for family clothing stores turned down 4.8 percent after rising 1.9

percent in September. In October, the index for total trade industries was 114.2 (December 2006 = 100), 8.7 percent above its year-ago level.

Transportation and Warehousing Industries. The decline in the Producer Price Index for the Net Output of Total Transportation and Warehousing Industries slowed to 0.4 percent in October from 0.9 percent in the prior month. The index for the general freight trucking industry sector fell 0.6 percent following a 2.3-percent decrease in September. Prices received by the scheduled air transportation industry group turned up after declining in the prior month. Conversely, the industry index for couriers turned down 3.1 percent in October after rising 0.1 percent a month earlier. Prices received by line-haul railroads also fell after climbing in September. The industry indexes for freight transportation arrangement and long distance specialized freight trucking of new goods decreased more than in the preceding month. Prices received by the industry for local specialized freight trucking of new goods declined in October after no change in the previous month, and the index for inland water freight transportation rose less than in September. In October, the index for total transportation and warehousing industries was 114.5 (December 2006 = 100), 8.4 percent above its year-ago level.

Traditional Service Industries. The Producer Price Index for the Net Output of Total Traditional Service Industries turned up 0.3 percent in October after falling 0.2 percent a month earlier. The index for non-casino hotels and motels increased 3.5 percent following a 6.4-percent drop in September. Prices received by software publishers and savings institutions also turned up after decreasing in the previous month. The indexes for investment banking and securities dealing and for general medical and surgical hospitals rose more than in September. Conversely, the advance in the index for commercial banking slowed to 0.1 percent in October from 1.3 percent in the prior month. Prices received by portfolio managers and by securities brokers decreased more than in September. In October, the index for total traditional service industries was 102.6 (December 2006 = 100), 0.4 percent above its year-ago level.

Producer Price Indexes – November 2008

The Producer Price Index for Finished Goods fell 2.2 percent in November, seasonally adjusted. This decline followed decreases of 2.8 percent in October and 0.4 percent in September. At the earlier stages of processing, prices received by manufacturers of intermediate goods dropped 4.3 percent in November after falling 3.9 percent in the prior month, and the crude goods index declined 12.5 percent subsequent to an 18.6-percent decrease in October. (See table A.)

Among prices for finished goods, the index for energy goods fell 11.2 percent in November following a 12.8-percent drop in the preceding month. Prices for consumer foods were unchanged after declining 0.2 percent in October. By contrast, partially counteracting the slower rate of decrease in the finished goods index, prices for goods other than foods and energy advanced 0.1 percent in November compared with a 0.4-percent rise a month earlier.

Before seasonal adjustment, the Producer Price Index for Finished Goods fell 2.9 percent in November to 172.1 (1982 = 100). For the 12 months ended in November, prices for finished goods advanced 0.4 percent. Over the same period, the index for finished goods other than foods and energy rose 4.2 percent, and prices for finished consumer foods increased 6.7 percent. By contrast, the index for finished energy goods decreased 15.4 percent for the 12 months ended in November. At the earlier stages of processing, prices received by intermediate goods producers advanced 2.6 percent, while the crude goods index declined 19.4 percent.

Finished goods

The index for finished energy goods fell 11.2 percent in November subsequent to a 12.8-percent drop in October. Prices for residential natural gas decreased 4.6 percent in November after declining 5.9 percent a month earlier. The indexes for both unleaded premium and mid-premium gasoline and for kerosene also moved down less than they had in October. Prices for residential electric power turned up in November after falling in the prior month. By contrast, the home heating oil index decreased 23.3 percent in November following a 9.6-percent decline in the preceding month. Prices for liquefied petroleum gas and unleaded regular gasoline also fell more than they had in October. (See table 2.)

The index for finished consumer foods was unchanged in November following a 0.2-percent decline in the previous month. Prices for beef and veal increased 6.3 percent after decreasing 8.8 percent in October. The indexes for packaged fluid milk and related products and citrus fruits also turned up in November. By contrast, the index for processed young chickens declined 0.9 percent subsequent to a 5.9-percent advance in October. Prices for eggs for fresh use, natural cheese (except cottage cheese), and melons also turned down after rising a month earlier. The index for fresh vegetables (except potatoes) rose less in November than in the prior month.

The index for finished goods other than foods and energy inched up 0.1 percent in November following a 0.4-percent increase in the preceding month. Tire prices advanced

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

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2007							
Nov.	2.6	-0.2	11.7	0.3	7.3	2.9	6.8
Dec.	-0.5	1.3	-3.5	0.1	6.2	0.2	1.8
2008							
Jan.	1.2	1.7	2.2	0.6	7.4	1.2	2.9
Feb.	0.3	-0.6	1.0	0.4	6.5	0.9	3.9
Mar.	0.9	1.4	2.5	0.1	6.7	2.4	6.7
Apr.	0.3	0.0	-0.1	0.5	6.4	1.0	4.7
May	1.4	0.6	5.3	0.2	7.3	2.7	6.1
June	1.7	1.5	5.6	0.2	9.1	2.2	2.8
July[1]	1.2	0.3	3.4	0.6	9.9	2.7	4.0
Aug.[1]	-0.9	0.3	-5.0	0.4	9.6	-1.2	-10.6
Sept.	-0.4	0.2	-2.9	0.4	8.7	-1.2	-7.9
Oct.	-2.8	-0.2	-12.8	0.4	5.2	-3.9	-18.6
Nov.	-2.2	0.0	-11.2	0.1	0.4	-4.3	-12.5

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for July 2008 have been revised to reflect the availability of late reports and corrections by respondents.

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

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2007								
Nov.	1.4	10.4	0.8	7.9	2.9	12.3	-0.9	20.9
Dec.	2.0	0.1	0.1	7.1	4.2	0.5	0.8	19.8
2008								
Jan.	3.5	1.9	0.9	8.9	3.1	1.8	4.7	30.8
Feb.	2.4	1.2	0.6	9.0	1.2	6.6	3.6	24.6
Mar.	3.0	6.0	1.3	10.7	2.2	11.5	3.7	29.7
Apr.	0.2	0.1	1.4	10.8	-0.5	6.3	10.1	34.5
May	1.9	6.3	1.7	12.7	0.9	11.7	1.7	40.9
June	1.1	4.8	1.4	14.7	2.7	3.8	0.5	43.6
July[1]	4.6	4.6	2.0	17.0	0.3	6.6	3.4	49.0
Aug.[1]	-0.7	-8.4	1.3	16.7	-5.0	-17.3	-1.6	38.1
Sept.	-0.9	-3.8	-0.3	15.4	-1.1	-11.7	-9.4	26.0
Oct.	-5.5	-10.6	-1.7	10.2	-11.1	-24.9	-17.0	-1.4
Nov.	-2.4	-12.3	-2.3	2.6	-1.2	-18.7	-20.4	-19.4

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for July 2008 have been revised to reflect the availability of late reports and corrections by respondents.

0.1 percent after climbing 4.0 percent in October. The indexes for light motor trucks, consumer plastic products, malt beverages, power and distribution transformers, and for jewelry and jewelry products turned down in November. By contrast, passenger car prices fell 0.6 percent subsequent to a 1.7-percent decrease in October. The index for pharmaceutical preparations rose in November after declining in the prior month, and prices for soaps and synthetic detergents increased more than they had in October.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components decreased 4.3 percent in November after falling 3.9 percent in October. Prices for materials for both nondurable and durable manufacturing, intermediate energy goods, and materials and components for construction declined more in November than they had a month earlier. Conversely, partially offsetting the faster rate of decrease in intermediate materials prices, the index for intermediate foods and feeds fell less than it had in October. (See table B.)

The index for materials for nondurable manufacturing moved down 8.5 percent in November following a 4.6-percent decline in the prior month. Prices for basic inorganic chemicals decreased 4.9 percent compared with a 1.1-percent gain in October. The index for surface active agents also turned down after rising in the previous month. The indexes for plastic resins and materials and for agricultural chemicals and chemical products fell more than they had a month earlier. Prices for cyclic intermediate chemicals and dyes decreased after no change in the preceding month. By contrast, prices for primary basic organic chemicals moved down 15.5 percent following a 20.8-percent plunge a month earlier. The indexes for beef and veal and for writing and printing papers turned up in November. Prices for synthetic rubber advanced more than in the previous month. (See table 2.)

The index for intermediate energy goods fell 12.3 percent in November subsequent to a 10.6-percent decline a month earlier. Prices for residual fuels plummeted 34.5 percent following a 19.6-percent decrease in October. The indexes for heating oil, unleaded regular gasoline, liquefied petroleum gas, and diesel fuel also fell more in November than in the preceding month. Prices for industrial electric power edged down after advancing in the prior month. By contrast, the rate of decline in the natural gas to electric utilities index slowed to 1.4 percent following a 13.3-percent decrease in October. Prices for commercial natural gas, jet fuel, and unleaded premium gasoline also declined less than they had a month earlier.

Prices for materials for durable manufacturing moved down 6.2 percent in November compared with a 4.1-percent decrease in the preceding month. The steel mill products index fell 9.0 percent subsequent to a 4.2-percent decline in October. Similarly, prices for secondary nonferrous metals, copper and brass mill shapes, nonferrous wire and cable, and aluminum mill shapes also fell more than they had a month earlier. The index for non-marine OEM paint finishes turned down after rising in October. By contrast, the rate of decline in prices for unfinished softwood lumber (not made from purchased materials) slowed to 2.6 percent in November following a 9.6-percent decline in the prior month. The index

for synthetic fibers also declined less than it had in the prior month.

Prices for materials and components for construction declined 1.1 percent after decreasing 0.7 percent in October. The index for asphalt felts and coatings fell 1.5 percent following a 5.6-percent increase a month earlier. Prices for millwork, plastic products, and fabricated ferrous wire products also turned down in November. The indexes for steel mill products and for nonferrous wire and cable decreased more than they had in October. Conversely, prices for paving mixtures and blocks inched up 0.1 percent after moving down 3.7 percent in the prior month. The index for ready-mix concrete also turned up in November. Prices for unfinished softwood lumber (not made from purchased materials) and treated wood fell less than they had in October.

Prices for intermediate foods and feeds decreased 2.4 percent in November compared with a 5.5-percent decline in the prior month. The fats and oils index moved down 2.9 percent subsequent to an 11.0-percent drop in October. Flour prices also decreased less than they had a month earlier. Prices for corn, cottonseed, and soybean cake and meal; beef and veal; and packaged fluid milk and related products turned up in November. By contrast, the index for formula feeds fell 9.3 percent after declining 5.8 percent in the previous month. Prices for processed young chickens and natural cheese (except cottage cheese) turned down in November. The refined sugar and byproducts index rose less than it had in October.

Crude goods

The decline in the Producer Price Index for Crude Materials for Further Processing slowed to 12.5 percent in November from 18.6 percent in October. The indexes for crude foodstuffs and feedstuffs and for crude energy materials decreased less than in the prior month. Conversely, partially offsetting the slower rate of decline in crude material prices, the index for crude nonfood materials less energy fell more than in October. (See table B.)

The index for crude foodstuffs and feedstuffs moved down 1.2 percent in November following an 11.1-percent decrease in the preceding month. The decline in grains prices slowed to 4.1 percent from 22.3 percent in October. Prices for hay, hayseeds, and oilseeds; fluid milk; and slaughter cows and bulls also fell less than a month earlier. The index for slaughter steers and heifers turned up in November after declining in the preceding month, and prices for Irish potatoes for processing were unchanged after decreasing in October. By contrast, the index for slaughter hogs dropped 15.8 percent after moving down 9.3 percent in the prior month. Prices for slaughter chickens rose less in November than in the previous month. (See table 2.)

The decline in the index for crude energy materials slowed to 18.7 percent from 24.9 percent in October. The index for natural gas fell 10.9 percent after dropping 29.1 percent a month earlier. Conversely, prices for crude petroleum decreased 30.2 percent in November after moving down 26.0 percent in the previous month. The coal index turned down 0.5 percent after rising 0.4 percent in October.

The index for crude nonfood materials less energy fell 20.4 percent subsequent to a 17.0-percent decline in the previous month. The index for wastepaper dropped 57.1 percent in November after decreasing 10.6 percent a month earlier. Prices for copper ores; carbon steel scrap; raw cotton; copper base scrap; and logs, bolts, timber, and pulpwood also fell more than in October. The index for gold ores turned down after rising in the prior month. By contrast, the decline in the index for aluminum base scrap slowed to 17.6 percent in November from 22.0 percent a month earlier. Prices for soybeans turned up after falling in October.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries fell 4.0 percent in November after declining 3.4 percent in October. (Net output price indexes are not seasonally adjusted.) Prices received by manufacturers of automobiles, light trucks, and utility vehicles decreased 1.2 percent in November after rising 7.6 percent a month earlier. The industry indexes for electric power generation, poultry processing, and cheese manufacturing also turned down after increasing in October. Prices received by petroleum refineries declined more in November than they had in the prior month. By contrast, partially offsetting the faster rate of decline in the total mining, utilities, and manufacturing industries index, prices received by natural gas distributors increased 0.8 percent in November following a 6.2-percent drop in the preceding month. The industry indexes for electric power distribution, livestock slaughtering, and crude petroleum and natural gas extraction fell less than they had in October. Prices received by fluid milk manufacturers turned up in November. In November, the index for total mining, utilities, and manufacturing industries was 108.1 (December 2006 = 100), 1.2 percent above its year-ago level.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries decreased 3.2 percent in November compared with a 2.8-percent rise in October. (Trade indexes measure changes in margins received by wholesalers and retailers.) Margins received by gasoline stations with convenience stores plummeted 53.4 percent in November after jumping 46.1 percent a month earlier. The margin indexes for merchant wholesalers of durable goods, general merchandise stores, fuel dealers, and specialty food stores also turned down after increasing in October. Margins received by merchant wholesalers of nondurable goods and by pharmacies and drug stores rose less in November than they had in the preceding month. By contrast, the rise in the margin index for grocery stores accelerated to 4.7 percent from 0.2 percent in the prior month. Margins received by office supplies and stationery stores and by sporting goods stores turned up after declining in October. In November, the index for total trade industries was 110.6 (December 2006 = 100), 6.0 percent above its year-ago level.

Transportation and Warehousing Industries. The Producer Price Index for the Net Output of Total Transportation and Warehousing Industries declined 1.7 percent in November after falling 0.4 percent in October. Prices received by the industry for scheduled passenger air transportation moved down 3.4 percent in November compared with a 2.1-percent

increase in the previous month. The indexes for both the inland water and deep sea freight transportation industries also turned down after rising in October. The indexes for general freight trucking and for long distance specialized freight trucking of new goods declined more in November than they had in the preceding month. By contrast, prices received by couriers were unchanged after falling 3.1 percent in October. The industry indexes for freight transportation arrangement and local specialized freight trucking of new goods decreased less in November than they had a month earlier. In November, the index for total transportation and warehousing industries was 112.6 (December 2006 = 100), 5.7 percent above its year-ago level.

Traditional Service Industries. The Producer Price Index for the Net Output of Total Traditional Service Industries inched up 0.1 percent in November following a 0.3-percent gain in the previous month. Higher prices received by the industries for commercial banking, insurance carriers, and software publishers outweighed lower prices for portfolio management, investment banking and securities dealing, non-casino hotels and motels, lessors of nonresidential buildings, savings institutions, and for general medical and surgical hospitals. In November, the index for total traditional service industries was 102.7 (December 2006 = 100), 0.1 percent above its year-ago level.

Producer Price Indexes – December 2008

The Producer Price Index for Finished Goods fell 1.9 percent in December, seasonally adjusted. This decrease followed a 2.2-percent decline in November and a 2.8-percent drop in October. At the earlier stages of processing, prices received by producers of intermediate goods fell 4.2 percent in December after decreasing 4.3 percent in the prior month, and the crude goods index declined 5.3 percent following a 12.5-percent drop in November. (See table A.)

The slower rate of decrease in finished goods prices was led by the index for energy goods, which fell 9.3 percent in December after declining 11.2 percent in November. Prices for finished goods other than foods and energy rose 0.2 percent in December compared with a 0.1-percent increase in the preceding month. By contrast, partially offsetting the slower rate of decline in the finished goods index, prices for consumer foods moved down 1.5 percent following no change in November.

Before seasonal adjustment, the Producer Price Index for Finished Goods decreased 1.9 percent in December to 168.8 (1982 = 100). In 2008, finished goods prices fell 0.9 percent compared with a 6.2-percent advance in 2007. The 2008 downturn is mostly attributable to energy prices, which dropped 20.3 percent after rising 17.8 percent a year earlier. Price increases for finished consumer foods slowed to 3.7 percent in 2008 from 7.6 percent in 2007. Conversely, the index for finished goods other than foods and energy advanced 4.3 percent in 2008 following a 2.0-percent gain in the preceding year. At the earlier stages of processing, prices received by manufacturers of intermediate goods fell 1.7 percent in 2008 after rising 7.1 percent in the prior year, and the crude goods index dropped 25.0 percent following a 19.8-percent jump in 2007. (See summary table.)

Finished goods

The index for finished energy goods fell 9.3 percent in December after decreasing 11.2 percent in November. Prices for liquefied petroleum gas moved down 21.8 percent in December following a 33.4-percent drop a month earlier. The index for residential natural gas also declined less than it had in November, and prices for finished lubricants turned up in December. By contrast, partially counteracting the slower rate of decrease in the index for finished energy goods, prices for residential electric power increased 0.3 percent compared with a 1.4-percent advance in November. The indexes for kerosene, home heating oil, and diesel fuel fell more than in the prior month. Gasoline prices decreased 25.7 percent for the second consecutive month. (See table 2.)

The index for finished goods other than foods and energy increased 0.2 percent in December after edging up 0.1 percent in November. In December, higher prices for passenger cars, pharmaceutical preparations, light motor trucks, and civilian aircraft outweighed lower prices for consumer plastic products; storage units, files, and tables; alcoholic beverages; and power and distribution transformers.

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

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2007							
Dec.	-0.5	1.3	-3.5	0.1	6.2	0.2	1.8
2008							
Jan.	1.2	1.7	2.2	0.6	7.4	1.2	2.9
Feb.	0.3	-0.6	1.0	0.4	6.5	0.9	3.9
Mar.	0.9	1.4	2.5	0.1	6.7	2.4	6.7
Apr.	0.3	0.0	-0.1	0.5	6.4	1.0	4.7
May	1.4	0.6	5.3	0.2	7.3	2.7	6.1
June	1.7	1.5	5.6	0.2	9.1	2.2	2.8
July	1.2	0.3	3.4	0.6	9.9	2.7	4.0
Aug.[1]	-0.9	0.3	-4.8	0.5	9.7	-1.5	-12.3
Sept.[1]	-0.4	0.2	-3.0	0.4	8.7	-0.9	-6.0
Oct.	-2.8	-0.2	-12.8	0.4	5.2	-3.9	-18.6
Nov.	-2.2	0.0	-11.2	0.1	0.4	-4.3	-12.5
Dec.	-1.9	-1.5	-9.3	0.2	-0.9	-4.2	-5.3

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for August 2008 have been revised to reflect the availability of late reports and corrections by respondents.

Summary of December-to-December and 3-month seasonally adjusted annual rates of change in price indexes for selected stages of processing

Grouping	Percentage change 12 months ended December			Seasonally adjusted annual rate for 3 months ended			
	2006	2007	2008	Mar. 2008	June 2008	Sept. 2008	Dec. 2008
Finished goods	1.1	6.2	-0.9	10.2	14.6	-0.4	-24.3
Finished consumer foods	1.7	7.6	3.7	10.4	8.9	3.4	-6.4
Finished energy goods	-2.0	17.8	-20.3	25.7	52.5	-17.2	-75.7
Finished goods less foods and energy	2.0	2.0	4.3	4.5	3.9	5.9	2.9
Finished consumer goods less foods and energy	1.8	2.4	4.5	5.0	4.2	6.1	2.9
Capital equipment	2.3	1.4	4.0	3.5	4.0	5.6	2.9
Intermediate materials, supplies, and components	2.8	7.1	-1.7	19.3	26.7	1.2	-39.7
Intermediate foods and feeds	4.7	17.2	3.4	42.2	13.5	12.6	-37.1
Intermediate energy goods	-3.3	19.8	-19.8	42.6	54.9	-27.9	-74.7
Intermediate materials less foods and energy	4.5	3.3	3.2	11.7	19.5	12.8	-24.6
Materials for nondurable manufacturing	1.2	12.8	-3.6	24.1	37.4	28.3	-60.5
Materials for durable manufacturing	12.5	1.7	-5.5	27.8	33.8	-4.0	-51.4
Materials and components for construction	4.3	2.0	7.3	7.2	20.0	16.4	-11.4
Crude materials for further processing	-4.7	19.8	-25.0	69.0	70.1	-46.2	-79.4
Foodstuffs and feedstuffs	2.8	24.9	-14.3	28.6	13.3	-21.1	-52.1
Crude energy materials	-15.7	16.2	-33.5	114.6	129.9	-63.2	-89.2
Crude nonfood materials less energy	17.0	15.6	-24.3	60.3	60.8	-27.8	-82.5

"-" Data not available.

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 declined 1.5 percent in December after no change in November. Prices for fresh and dry vegetables dropped 14.9 percent compared with a 3.8-percent rise in the preceding month. The indexes for beef and veal, packaged fluid milk, and canned fruits and juices also turned down in December. Prices for citrus fruits increased less than in November, and the index for chewing gum was unchanged after rising in the previous month. By contrast, prices for natural cheese (except cottage) advanced 3.4 percent in December following a 5.0-percent decline in the prior month. The index for noncarbonated soft drinks also turned up after decreasing a month earlier. Prices for pork and eggs for fresh use fell less than they had in November.

Intermediate goods

Following a 4.3-percent drop in November, the Producer Price Index for Intermediate Materials, Supplies, and Components fell 4.2 percent in December. This decrease was broad based, with prices for energy goods, materials for both nondurable and durable manufacturing, materials and components for construction, and foods and feeds all declining in December. The index for intermediate goods excluding foods and energy posted a record decline for the third straight month in December — 3.0 percent. This index fell 2.3 percent in November and 1.7 percent in October. (See table B.)

The index for intermediate energy goods decreased 9.5 percent in December following a 12.3-percent drop in November. Price declines for utility natural gas slowed in December to 1.6 percent from 4.9 percent in the prior month. The indexes for residual fuel and liquefied petroleum gas also fell less than they had in November. Prices for industrial electric power and finished lubricants turned up in December. By contrast, partially offsetting the slower rate of decrease in the intermediate energy goods index, jet fuel prices declined 16.8 percent after moving down 11.6 percent in November. The indexes for diesel fuel and kerosene also fell more in December than they had in the previous month. Prices for commercial electric power rose less than in November. (See table 2.) The index for intermediate energy goods decreased 19.8 percent in 2008 after increasing at the same rate in 2007.

The index for materials for nondurable manufacturing dropped 9.1 percent in December following an 8.5-percent decline in November. In December, lower prices for basic organic chemicals, plastic resins and materials, phosphates, rubber and rubber products, inedible fats and oils, processed yarns and threads, and surface active agents outweighed higher prices for basic inorganic chemicals and knit gray fabrics. The index for materials for nondurable manufacturing decreased 3.6 percent in 2008 after climbing 12.8 percent in 2007.

The index for materials for durable manufacturing fell 7.2 percent in December following a 6.2-percent decline in November. Prices for cold rolled steel sheet and strip dropped 16.6 percent in December after moving down 5.4 percent a month earlier. The indexes for hot rolled steel sheet and strip,

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

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2007								
Dec.....	2.0	0.1	0.1	7.1	4.2	0.5	0.8	19.8
2008								
Jan.....	3.5	1.9	0.9	8.9	3.1	1.8	4.7	30.8
Feb.....	2.4	1.2	0.6	9.0	1.2	6.6	3.6	24.6
Mar.....	3.0	6.0	1.3	10.7	2.2	11.5	3.7	29.7
Apr.....	0.2	0.1	1.4	10.8	-0.5	6.3	10.1	34.5
May.....	1.9	6.3	1.7	12.7	0.9	11.7	1.7	40.9
June.....	1.1	4.8	1.4	14.7	2.7	3.8	0.5	43.6
July.....	4.6	4.6	2.0	17.0	0.3	6.6	3.4	49.0
Aug.[1]	-0.6	-8.0	0.6	16.3	-4.8	-20.4	-2.8	35.4
Sept.[1]	-1.0	-4.3	0.4	15.4	-1.3	-8.2	-8.2	26.0
Oct.....	-5.5	-10.6	-1.7	10.2	-11.1	-24.9	-17.0	-1.4
Nov.....	-2.4	-12.3	-2.3	2.6	-1.2	-18.7	-20.4	-19.4
Dec.....	-3.4	-9.5	-3.0	-1.7	-5.3	-6.0	-2.2	-25.0

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for August 2008 have been revised to reflect the availability of late reports and corrections by respondents.

plastic resins and materials, basic organic chemicals, semifinished steel mill products, and cold finished steel bars also decreased more than they had in November. Conversely, price declines for nonferrous wire and cable slowed to 2.9 percent in December from 10.8 percent in the preceding month. The indexes for primary nonferrous metals; hot rolled steel bars, plates, and structural shapes; and copper and brass mill shapes also fell less than they had in November. Prices for materials for durable manufacturing decreased 5.5 percent in 2008 following a 1.7-percent advance in 2007.

The index for materials and components for construction declined 1.2 percent in December after decreasing 1.1 percent in November. In December, lower prices for steel mill products, paving mixtures and blocks, plastic construction products, nonferrous wire and cable, fabricated structural metal, prefabricated wood buildings and components, and sheet metal products outweighed higher prices for architectural coatings and millwork. The index for materials and components for construction rose 7.3 percent in 2008 following a 2.0-percent increase in 2007.

Prices for intermediate foods and feeds fell 3.4 percent in December after declining 2.4 percent in November. The index for corn, cottonseed, and soybean cake and meal decreased 1.8 percent following a 9.1-percent advance in November. Prices for beef and veal and for packaged fluid milk and related products also turned down in December. The indexes for processed eggs, bulk fluid milk and cream, shortening and cooking oils, and flour fell more in December than they had in the prior month. Conversely, price declines for formula feeds slowed to 4.7 percent in December from 9.3 percent in November. The index for pork also decreased less than it had in the previous month, while prices for natural cheese (except cottage cheese) turned up in December. Prices for intermediate foods and feeds increased 3.4 percent in 2008 after climbing 17.2 percent in 2007.

Crude goods

The Producer Price Index for Crude Materials for Further Processing fell 5.3 percent in December after declining 12.5 percent in November. Prices for crude energy materials and crude nonfood materials less energy decreased less than they had in November. Conversely, partially offsetting the slower rate of decline in crude materials prices, the index for crude foodstuffs and feedstuffs fell at a faster rate compared with the prior month. (See table B.)

The index for crude energy materials decreased 6.0 percent in December after dropping 18.7 percent a month earlier. Coal prices edged down 0.3 percent subsequent to a 0.5-percent decline in November. Prices for natural gas advanced 14.7 percent in December following a 10.9-percent decrease in the previous month. By contrast, the crude petroleum index moved down 31.0 percent after falling 30.2 percent in the prior month. (See table 2.) In 2008, prices for crude energy materials declined 33.5 percent following a 16.2-percent advance in 2007.

The crude nonfood materials less energy index declined 2.2 percent in December subsequent to a 20.4-percent drop a month earlier. Nonferrous scrap prices moved down 9.2 percent following a 25.4-percent decrease in November. The indexes for iron and steel scrap, wastepaper, gold ores, and plant and animal fibers turned up after declining in the

prior month. By contrast, the phosphates index moved down 21.6 percent in December following a 7.6-percent decrease a month earlier. Prices for hides and skins also fell at faster rates compared with the previous month, and the index for soybeans turned down in December. The crude nonfood materials less energy index declined 24.3 percent in 2008 compared with a 15.6-percent gain in 2007.

Prices for crude foodstuffs and feedstuffs decreased 5.3 percent in December after moving down 1.2 percent in the preceding month. Leading this faster rate of decline, the slaughter cattle index fell 8.9 percent following a 2.4-percent increase in November. Prices for fresh vegetables (except potatoes) and soybeans also turned down in December. The indexes for fluid milk, corn, and wheat declined more than they had a month earlier. By contrast, prices for slaughter hogs advanced 4.6 percent after moving down 15.8 percent in November. The index for slaughter chickens rose more than it had a month earlier. Prices for Irish potatoes for processing increased following no change in the prior month, and the index for slaughter turkeys fell less than it had in November. In 2008, crude foodstuffs and feedstuffs prices moved down 14.3 percent following a 24.9-percent jump in 2007.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The decline in the Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries slowed to 2.8 percent from 4.0 percent in November. (Net output price indexes are not seasonally adjusted.) The index for the electric power generation, transmission, and distribution industry group fell 0.2 percent in December after moving down 2.8 percent a month earlier. Prices received by petroleum refineries and farm-feed manufacturers also decreased less than in November. The industry indexes for automobile, light truck, and utility vehicle manufacturing and for natural gas liquid extraction turned up after falling in the prior month. Prices received by pharmaceutical preparation manufacturers moved up more than in November. Conversely, partially offsetting the slower rate of decline in the total mining, utilities, and manufacturing industries index, prices received by phosphatic fertilizer manufacturers dropped 23.1 percent in December following a 6.5-percent decrease in the preceding month. The index for the fluid milk manufacturing industry turned down after rising in November. In December, the index for total mining, utilities, and manufacturing industries was 105.1 (December 2006 = 100). In 2008, the total mining, utilities, and manufacturing industries index fell 1.0 percent after rising 6.2 percent in 2007.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries turned up 0.5 percent in December after decreasing 3.2 percent a month earlier. (Trade indexes measure changes in margins received by wholesalers and retailers.) The margin index for gasoline stations with convenience stores increased 8.9 percent following a 53.4-percent drop in November. Margins received by merchant wholesalers of durable goods, non-discount department stores, fuel dealers, and family clothing stores also turned up after falling in the preceding month. The margin index for merchant wholesalers of nondurable goods increased more than in November. By contrast, the margin index for supermarkets turned down 2.1 percent in December after rising 4.8 percent in the prior month. Margins received by electronic shopping and mail-order houses also fell following advances in November. In December, the index for total trade industries was 111.1 (December 2006 = 100). In 2008, the total trade industries index rose 6.9 percent after increasing 3.9 percent in 2007.

Transportation and Warehousing Industries. The Producer Price Index for the Net Output of Total Transportation and Warehousing Industries fell 2.8 percent in December after decreasing 1.7 percent in the previous month. The industry index for couriers dropped 5.5 percent following no change in November. Prices received by scheduled air transporters, line-haul railroads, and local specialized freight truckers of new goods fell more than in the preceding month. The industry index for Coastal and Great Lakes freight transportation turned down after advancing in November. By contrast, the decline in the industry index for long distance specialized freight trucking of new goods slowed to 0.7 percent in December from 2.8 percent in the prior month. Prices received by long distance general freight truckers (less than truckload) also fell less than in November, and the industry index for deep sea freight transportation was unchanged after decreasing in the prior month. In December, the index for total transportation and warehousing industries was 109.5 (December 2006 = 100). In 2008, the total transportation and warehousing industries index increased 2.7 percent following a 6.6-percent rise in 2007.

Total Traditional Service Industries. The Producer Price Index for the Net Output of Total Traditional Service Industries turned down 0.8 percent in December after rising 0.1 percent in the prior month. The index for the commercial banking industry decreased 6.5 percent following a 2.8-percent advance in November. Prices received by securities brokers, software publishers, television broadcasters, and casino hotels also turned down after rising in the preceding month. Conversely, the industry index for lessors of nonresidential buildings turned up 0.7 percent in December after decreasing 2.0 percent a month earlier. Prices received by cellular and other wireless carriers and by general medical and surgical hospitals also increased after November declines. In December, the index for total traditional services industries was 101.9 (December 2006 = 100). In 2008, the total traditional services industries index inched up 0.1 percent after increasing 1.8 percent in 2007.

Producer Price Indexes – January 2009

The Producer Price Index for Finished Goods rose 0.8 percent in January, seasonally adjusted. This increase followed declines of 1.9 percent in December and 2.5 percent in November. At the earlier stages of processing, the decrease in prices for intermediate materials slowed to 0.7 percent from 4.2 percent in the prior month, and the index for crude materials declined 2.9 percent after dropping 5.3 percent in December. (See table A.)

The upturn in the index for finished goods was led by the index for energy goods, which increased 3.7 percent after falling 9.1 percent in December. Price declines for finished consumer foods slowed to 0.4 percent in January from 1.4 percent in the preceding month. The index for finished goods less foods and energy increased 0.4 percent following a 0.2-percent rise a month earlier.

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 0.9 percent in January to 170.3 (1982 = 100). From January 2008 to January 2009, the index for finished goods moved down 1.0 percent. Over the same period, prices for finished energy goods fell 18.4 percent. By contrast, partially offsetting the decrease in finished goods prices, the index for finished goods less foods and energy rose 4.2 percent and prices for finished consumer foods increased 1.8 percent. For the 12 months ended January 2009, the index for intermediate goods decreased 3.5 percent and prices for crude goods dropped 29.1 percent.

Finished goods

The index for finished energy goods turned up 3.7 percent in January after falling 9.1 percent a month earlier. The index for gasoline increased 15.0 percent after dropping 26.2 percent in the preceding month. Prices for liquefied petroleum gas, home heating oil, and kerosene also turned up after declining in December. The indexes for diesel fuel and residential natural gas fell less than in the prior month. Conversely, partially offsetting the upturn in finished energy goods prices, the rise in the index for residential electric power slowed to 0.3 percent from 0.5 percent in December. Prices for asphalt fell more than in the prior month. (See table 2.)

The decline in the index for finished consumer foods slowed to 0.4 percent in January from 1.4 percent in the prior month. The index for fluid milk products fell 0.6 percent following a 5.3-percent decrease in December. Prices for fresh vegetables (except potatoes), processed young chickens, eggs for fresh use, canned carbonated soft drinks, and raspberries turned up after declining a month earlier. Conversely, the index for natural cheese (except cottage cheese) dropped 18.6 percent following a 3.4-percent rise in the preceding month. Prices for pork also turned down in January and the index for beef and veal fell more than in December.

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

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2008							
Jan.....	0.9	1.5	1.3	0.5	7.4	1.1	2.8
Feb.....	0.4	-0.5	1.4	0.5	6.5	1.0	3.9
Mar.....	0.9	1.2	2.4	0.1	6.7	2.2	6.6
Apr.....	0.2	0.2	-0.4	0.5	6.4	1.0	4.7
May.....	1.5	0.7	5.2	0.3	7.3	2.5	6.0
June.....	1.3	1.2	4.3	0.2	9.1	2.0	2.7
July.....	1.3	0.6	3.8	0.6	9.9	2.8	3.9
Aug.....	-0.5	0.2	-3.4	0.5	9.7	-1.3	-12.0
Sept.....	-0.1	0.0	-1.3	0.4	8.8	-0.6	-7.3
Oct.....	-2.7	0.0	-12.8	0.4	5.2	-3.8	-17.2
Nov.....	-2.5	0.2	-12.4	0.1	0.4	-4.3	-12.6
Dec.....	-1.9	-1.4	-9.1	0.2	-0.9	-4.2	-5.3
2009							
Jan.....	0.8	-0.4	3.7	0.4	-1.0	-0.7	-2.9

NOTE: Some of the percent changes shown here and elsewhere in this release may differ from those previously reported because seasonal adjustment factors have been recalculated to reflect developments during 2008. In addition, indexes for September 2008 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 adjusted

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2008								
Jan.....	3.4	1.6	0.9	8.9	3.1	1.7	4.9	30.8
Feb.....	2.5	1.5	0.7	9.0	0.8	6.6	3.9	24.6
Mar.....	3.0	5.3	1.2	10.7	2.2	11.5	3.8	29.7
Apr.....	0.1	0.0	1.4	10.8	-0.6	6.3	10.2	34.5
May.....	1.9	5.6	1.6	12.7	0.5	11.6	1.7	40.9
June.....	1.1	4.1	1.4	14.7	2.2	3.8	0.5	43.6
July.....	4.7	4.9	2.0	17.0	0.1	6.6	3.4	49.0
Aug.....	-0.6	-7.1	0.6	16.3	-3.6	-20.4	-2.8	35.4
Sept.....	-2.1	-2.4	0.1	15.3	-1.3	-10.4	-9.7	24.2
Oct.....	-4.4	-11.0	-1.5	10.2	-10.6	-23.0	-15.6	-1.4
Nov.....	-2.4	-12.3	-2.2	2.6	-1.1	-18.6	-20.8	-19.4
Dec.....	-3.3	-9.8	-2.9	-1.7	-5.5	-5.9	-2.2	-25.0
2009								
Jan.....	-2.2	1.5	-1.1	-3.5	1.0	-8.1	0.1	-29.1

NOTE: Some of the percent changes shown here and elsewhere in this release may differ from those previously reported because seasonal adjustment factors have been recalculated to reflect developments during 2008. In addition, indexes for September 2008 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.

The rise in the index for finished goods less foods and energy accelerated to 0.4 percent in January from 0.2 percent in the previous month. The index for toys, sporting goods, and small arms turned up 4.4 percent after falling 0.8 percent in December. Prices for communication and related equipment, alcoholic beverages, and commercial furniture also increased after declining in the prior month. The index for consumer plastic products fell less in January, and prices for office and store machines and equipment rose after no change in December. By contrast, the advance in the index for passenger cars slowed to 0.3 percent from 1.5 percent in the prior month. Prices for soap and synthetic detergents turned down after rising in December.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components fell 0.7 percent in January following a 4.2-percent decrease in December. Prices for materials for durable manufacturing, intermediate foods and feeds, and materials and components for construction all declined less than they had a month earlier, while the indexes for intermediate energy goods and materials for nondurable manufacturing turned up in January. Excluding foods and energy, prices for intermediate goods moved down 1.1 percent compared with a 2.9-percent decrease in the prior month. (See table B.)

The index for materials for durable manufacturing moved down 3.5 percent in January following a 7.2-percent decrease in December. Prices for hot rolled steel sheet and strip fell 6.8 percent after dropping 23.9 percent in the prior month. Similarly, the indexes for cold rolled steel sheet and strip; hot rolled steel bars, plates, and structural shapes; copper and brass mill shapes; primary nonferrous metals; and thermoplastic resins and plastic materials also decreased less than a month earlier. Prices for cold finished steel bars turned up in January. By contrast, partially offsetting the slower rate of decline in prices for materials for durable manufacturing, the index for semifinished steel mill products moved down 13.8 percent subsequent to a 7.6-percent decrease in December. Prices for steel pipe and tube and for aluminum mill shapes also fell more in January than they had in the preceding month. (See table 2.)

The index for intermediate energy goods rose 1.5 percent in January after falling 9.8 percent a month earlier. Prices for liquefied petroleum gas climbed 20.2 percent compared with a 21.8-percent decrease in December. The indexes for gasoline, heating oil, and residual fuels also turned up in January. Prices for both diesel and jet fuel declined less than they had in December. By contrast, the electric power index fell 0.9 percent after advancing 0.6 percent in the prior month. Prices for natural gas to electric utilities and commercial natural gas also turned down in January.

The index for materials for nondurable manufacturing edged up 0.1 percent in January after decreasing 9.1 percent in December. Leading this upturn, prices for basic organic chemicals rose 0.7 percent in January following a 17.8-percent drop a month earlier. The indexes

for medicinal and botanical chemicals and for finished fabrics also turned up after falling in December. Prices for thermoplastic resins and plastic materials and for inedible fats and oils declined less in January than they had in the prior month. By contrast, the index for agricultural chemicals and chemical products moved down 14.5 percent subsequent to an 8.2-percent decrease in December. Prices for synthetic rubber also fell more than they had in the previous month. The index for knit gray fabrics rose less than a month earlier.

The intermediate foods and feeds index moved down 2.2 percent following a 3.3-percent decline in December. In January, falling prices for natural cheese (except cottage cheese), beef and veal, processed cheese and related products, fats and oils, processed eggs, bulk fluid milk and cream, and pork outweighed rising prices for processed young chickens.

The index for materials and components for construction moved down 0.7 percent after falling 1.2 percent in December. Prices for paving mixtures and blocks declined 6.2 percent in January subsequent to an 8.3-percent drop a month earlier. The index for sheet metal products also decreased less than in the prior month. The indexes for plastic construction products and for prefabricated wood buildings and components advanced after falling in December. Prices for ready-mixed concrete rose more than they had in the previous month. Conversely, the index for structural, architectural, and pre-engineered metal products decreased 2.6 percent compared with a 1.1-percent decline in December. Prices for treated wood products turned down in January, and the index for prepared paint rose less than in the preceding month.

Crude goods

The Producer Price Index for Crude Materials for Further Processing fell 2.9 percent in January following a 5.3-percent decline in December. In January, lower prices for crude energy materials outweighed higher prices for crude foodstuffs and feedstuffs and for crude nonfood materials less energy. (See table B.)

The index for crude energy materials decreased 8.1 percent in January after falling 5.9 percent in the previous month. Natural gas prices dropped 7.8 percent compared with a 14.7-percent increase in the preceding month. The coal index turned down 2.0 percent following a 0.5-percent gain in December. By contrast, partially offsetting the faster rate of decline in the crude energy materials index, prices for crude petroleum declined 12.5 percent in January after falling 31.0 percent a month earlier. (See table 2.)

The index for crude foodstuffs and feedstuffs advanced 1.0 percent following a 5.5-percent decrease in December. Slaughter cattle prices rose 1.1 percent in January subsequent to an 8.9-percent decline in the prior month. The indexes for corn, soybeans, and fresh vegetables (except potatoes) also turned up in January. Prices for slaughter barrows and gilts rose more than in December. By contrast, prices for slaughter chickens fell 7.2 percent following a 6.9-percent increase a month earlier. The indexes for Irish potatoes for processing and tree nuts also turned down after rising in December. Fluid milk prices decreased more than they had in the previous month.

The index for crude nonfood materials less energy edged up 0.1 percent in January subsequent to a 2.2-percent decline in December. The increase in iron and steel scrap prices accelerated to 21.9 percent from 13.8 percent in the preceding month. The index for gold ores also advanced more than it had a month earlier. Prices for corn, wheat, and soybeans for nonfood manufacturing turned up in January. By contrast, the index for hides and skins dropped 36.0 percent in January after decreasing 7.5 percent in December. Prices for raw cotton and for construction sand, gravel, and crushed stone turned down in January. The index for aluminum base scrap fell more than it had in December.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries inched up 0.1 percent in January following a 2.8-percent decrease in December. (Net output price indexes are not seasonally adjusted.) Most of this upturn can be traced to prices received by petroleum refineries, which advanced 8.1 percent in January after falling 26.4 percent in the prior month. The industry indexes for poultry processing and farm-feed manufacturing also increased following December declines. Prices received by petrochemical manufacturers decreased less in January than they had a month earlier, and the industry index for soft drink manufacturing climbed more than in December. By contrast, partially offsetting the upturn in the index for total mining, utilities, and manufacturing industries, prices received by cheese manufacturers fell 14.8 percent in January after rising 2.4 percent in the preceding month. The indexes for livestock slaughtering and for electric power generation, transmission, and distribution decreased more than they had in December. Prices received by pharmaceutical preparation manufacturers rose less than in the preceding month. In January, the index for total mining, utilities, and manufacturing industries was 105.2 (December 2006 = 100), 1.9 percent below its year-ago level.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries declined 0.3 percent in January following a 0.5-percent advance in the preceding month. (Trade indexes measure changes in margins received by wholesalers and retailers.) Leading this downturn, margins received by merchant wholesalers of nondurable goods fell 2.3 percent after rising 4.6 percent in December. The margin indexes for department stores, gasoline stations with convenience stores, and fuel dealers also decreased following increases in the prior month. Conversely, margins received by gasoline stations without convenience stores jumped 10.3 percent following a 21.0-percent decrease in the prior month. The margin indexes for home centers, electronic shopping and mail-order houses, supermarkets, and new car dealers also turned up in January after falling in December. Margins received by merchant wholesalers of durable goods rose more than they had in the previous month. In January, the index for total trade industries was 110.8 (December 2006 = 100), 5.3 percent above its year-ago level.

Transportation and Warehousing Industries. The Producer Price Index for the Net Output of Total Transportation and Warehousing Industries declined 0.8 percent in January following a 2.8-percent drop in December. Prices received by the air transportation industry group edged down 0.1 percent in January after falling 4.2 percent in the preceding month. The index for couriers and messengers also decreased less than it had in December. Prices received by the general freight trucking industry group and by the inland water freight transportation industry turned up in January. By contrast, the index for the line-haul railroad industry moved down 4.3 percent following a 2.5-percent decline in December. Prices received by the industry for local specialized freight trucking of new goods also decreased more in January than in the previous month. The indexes for deep sea freight transportation and freight transportation arrangement fell after no change in December. In January, the index for total transportation and warehousing industries was 108.6 (December 2006 = 100), 0.3 percent above its year-ago level.

Total Traditional Service Industries. The Producer Price Index for the Net Output of Total Traditional Service Industries advanced 0.4 percent in January following a 0.8-percent decline in December. Prices received by the industry for investment banking and securities dealing increased 7.0 percent after falling 2.0 percent a month earlier. The indexes for automotive equipment rental and leasing, software publishers, and offices of lawyers also turned up in January. Prices received by the depository credit intermediation industry group were unchanged following decreases in December. The index for direct health and medical insurance carriers rose more in January than it had in the prior month. Conversely, prices received by real estate agents and brokers fell 4.5 percent in January after declining 0.6 percent in December. Prices received by the industries for temporary help services moved down in January after rising in December. In January, the index for total traditional service industries was 102.3 (December 2006 = 100), unchanged from its year-ago level.

Producer Price Indexes -- February 2009

The Producer Price Index for Finished Goods advanced 0.1 percent in February, seasonally adjusted. This rise followed a 0.8-percent increase in January and a 1.9-percent decline in December. At the earlier stages of processing, prices received by manufacturers of intermediate goods decreased 0.9 percent in February after falling 0.7 percent in the previous month, and the index for crude materials declined 4.5 percent following a 2.9-percent decrease in January. (See table A.)

The slower rate of increase in finished goods prices was led by the index for energy goods, which rose 1.3 percent in February after climbing 3.7 percent in the preceding month. Capital equipment prices also moved up less, rising 0.1 percent after increasing 0.5 percent in January. The index for consumer foods fell 1.6 percent in February following a 0.4-percent decrease a month earlier. Conversely, partially offsetting the slower rate of increase in finished goods prices, the index for consumer goods other than foods and energy advanced 0.4 percent after rising 0.3 percent in the prior month. Following a 0.4-percent increase in January, the index for finished goods less foods and energy climbed 0.2 percent in February.

Before seasonal adjustment, the Producer Price Index for Finished Goods declined 0.1 percent in February to 170.1 (1982 = 100). From February 2008 to February 2009, the index for finished goods fell 1.3 percent. Over the same period, prices for finished energy goods decreased 18.4 percent. By contrast, the index for finished goods less foods and energy rose 4.0 percent and prices for finished consumer foods advanced 0.7 percent. At the earlier stages of processing, the intermediate goods index declined 5.2 percent and crude goods prices dropped 34.7 percent for the 12 months ended in February.

Finished goods

The increase in the index for finished energy goods slowed to 1.3 percent in February from 3.7 percent in January. More than half of this deceleration can be traced to gasoline prices, which moved up 8.7 percent in February following a 15.0-percent jump in the previous month. The indexes for liquefied petroleum gas, home heating oil, and kerosene turned down after advancing in January. Prices for residential natural gas and diesel fuel decreased more than they had in the prior month. Conversely, the index for residential electric power increased 0.8 percent in February after rising 0.3 percent a month earlier. Prices for asphalt and for lubricating and similar oils fell less than they had in January. (See table 2.)

The index for finished consumer foods decreased 1.6 percent in February following a 0.4-percent decline in the previous month. Prices for fresh and dry vegetables fell 4.1 percent after rising 6.6 percent in January. The indexes for eggs for fresh use, soft drinks, processed young chickens, and

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

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2008							
Feb.	0.4	-0.5	1.4	0.5	6.5	1.0	3.9
Mar.	0.9	1.2	2.4	0.1	6.7	2.2	6.6
Apr.	0.2	0.2	-0.4	0.5	6.4	1.0	4.7
May	1.5	0.7	5.2	0.3	7.3	2.5	6.0
June	1.3	1.2	4.3	0.2	9.1	2.0	2.7
July	1.3	0.6	3.8	0.6	9.9	2.8	3.9
Aug.	-0.5	0.2	-3.4	0.5	9.7	-1.3	-12.0
Sept.	-0.1	0.0	-1.3	0.4	8.8	-0.6	-7.3
Oct.[1]	-2.6	0.1	-12.8	0.5	5.2	-4.2	-16.1
Nov.[1]	-2.6	0.1	-12.4	-0.1	0.4	-4.0	-13.8
Dec.	-1.9	-1.4	-9.1	0.2	-0.9	-4.2	-5.3
2009							
Jan.	0.8	-0.4	3.7	0.4	-1.0	-0.7	-2.9
Feb.	0.1	-1.6	1.3	0.2	-1.3	-0.9	-4.5

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for October 2008 have been revised to reflect the availability of late reports and corrections by respondents.

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

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2008								
Feb.....	2.5	1.5	0.7	9.0	0.8	6.6	3.9	24.6
Mar.....	3.0	5.3	1.2	10.7	2.2	11.5	3.8	29.7
Apr.....	0.1	0.0	1.4	10.8	-0.6	6.3	10.2	34.5
May.....	1.9	5.6	1.6	12.7	0.5	11.6	1.7	40.9
June.....	1.1	4.1	1.4	14.7	2.2	3.8	0.5	43.6
July.....	4.7	4.9	2.0	17.0	0.1	6.6	3.4	49.0
Aug.....	-0.6	-7.1	0.6	16.3	-3.6	-20.4	-2.8	35.4
Sept.....	-2.1	-2.4	0.1	15.3	-1.3	-10.4	-9.7	24.2
Oct.[1]	-5.1	-10.7	-2.1	9.8	-10.5	-19.4	-17.9	0.1
Nov.[1]	-1.7	-12.6	-1.6	2.6	-1.1	-22.2	-18.5	-19.4
Dec.....	-3.3	-9.8	-2.9	-1.7	-5.5	-5.9	-2.2	-25.0
2009								
Jan.....	-2.2	1.5	-1.1	-3.5	1.0	-8.1	0.1	-29.1
Feb.....	-1.4	-2.0	-0.6	-5.2	-3.9	-8.5	1.5	-34.7

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for October 2008 have been revised to reflect the availability of late reports and corrections by respondents.

frozen specialties also turned down in February. Prices for fluid milk products decreased more than they had in the preceding month. Conversely, the index for beef and veal declined 0.3 percent in February following a 10.5-percent drop a month earlier. Prices for natural, processed, and imitation cheese and for pork also moved down less than they had in January.

The capital equipment index inched up 0.1 percent in February after rising 0.5 percent in the prior month. Civilian aircraft prices advanced 0.5 percent after climbing 1.0 percent in January. The indexes for communication and related equipment, commercial furniture, office and store machines and equipment, and for signs and advertising displays turned down in February following increases a month earlier. Prices for electronic computers fell more than they had in January, while the index for civilian ships was unchanged after rising in the prior month. By contrast, the index for light motor trucks advanced 1.3 percent in February following a 0.5-percent increase in the previous month. Prices for turbines and turbine generator sets also rose more than they had in January, while the index for power and distribution transformers turned up in February.

The index for finished consumer goods other than foods and energy moved up 0.4 percent in February after advancing 0.3 percent in January. In February, higher prices for cigarettes, light motor trucks, alcoholic beverages, household appliances, pet food, and apparel outweighed lower prices for consumer plastic products; toys, sporting goods, and small arms; and motor homes built on purchased chassis.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components fell 0.9 percent in February following a 0.7-percent decline in January. Prices for intermediate energy goods and materials for nondurable manufacturing turned down in February after rising a month earlier. By contrast, partially offsetting the faster rate of decrease in intermediate goods prices, the indexes for materials for durable manufacturing, intermediate foods and feeds, and materials and components for construction declined less than they had in January. Prices for intermediate materials less foods and energy moved down 0.6 percent in February compared with a 1.1-percent drop in the preceding month. (See table B.)

The index for intermediate energy goods decreased 2.0 percent in February after rising 1.5 percent in January. Diesel fuel prices fell 11.1 percent in February following a 2.8-percent decline in the prior month. The indexes for utility natural gas and jet fuels also fell more than in the previous month. The index for gasoline rose less than it had in January. Prices for liquefied petroleum gas, heating oil, and residual fuel turned down in February. By contrast, electric power prices increased 0.8 percent in February after decreasing 0.9 percent a month earlier. (See table 2.)

Prices for materials for nondurable manufacturing fell 0.8 percent in February following a 0.1-percent gain in January. The index for primary basic organic chemicals decreased 9.0 percent in February after climbing 2.1 percent in

the previous month. Prices for medicinal and botanical chemicals, carbon black, and finished knit fabrics also turned down after rising a month earlier. The index for inedible fats and oils declined more than it had in January. By contrast, prices for fertilizer materials increased 2.7 percent following a 25.0-percent drop in the prior month. The indexes for plastic resins and materials, basic inorganic chemicals, synthetic rubber, and paint colors also turned up in February.

The rate of decrease in prices for materials for durable manufacturing slowed to 2.6 percent in February from 3.5 percent in January. The index for semifinished steel mill products fell 8.2 percent after dropping 13.8 percent a month earlier. Prices for steel pipe and tube, aluminum mill shapes, and primary nonferrous metals also declined less in February than they had a month earlier. The indexes for basic inorganic chemicals, plastic resins and materials, and synthetic rubber turned up after falling in January. By contrast, prices for hot rolled steel sheet and strip declined 13.1 percent compared with a 6.8-percent decrease in January. The index for cold rolled steel sheet and strip also fell more in February than in the previous month.

The index for intermediate foods and feeds decreased 1.4 percent in February after falling 2.2 percent a month earlier. Prices for natural cheese (except cottage cheese) moved down 0.8 percent in February compared with an 18.6-percent decline in the preceding month. The indexes for beef and veal, pork, and processed cheese and related products also fell less than they had in January. Prices for wet-processed corn byproducts rose more than in the preceding month. Conversely, prices for fluid milk products decreased 9.7 percent in February following a 0.6-percent decline a month earlier. The indexes for corn, cottonseed, and soybean cake and meal and for shortening and cooking oils also fell more than they had in the prior month. Processed young chicken prices turned down after rising in January.

The index for materials and components for construction decreased 0.6 percent in February following a 0.7-percent decline in January. In February, falling prices for prefabricated metal buildings; fabricated structural metal; roofing asphalts, pitches, coatings, and cement; paving mixtures and blocks; sheet metal products; prefabricated structural wood members; and metal doors and frames (except storm doors) outweighed price increases for prepared asphalt and tar roofing and siding products and for basic inorganic chemicals.

Crude goods

The Producer Price Index for Crude Materials for Further Processing declined 4.5 percent in February subsequent to a 2.9-percent decrease in the previous month. Prices for crude foodstuffs and feedstuffs turned down after rising in January. The index for crude energy materials fell more than in the preceding month. By contrast, partially offsetting the faster rate of decline in the crude goods index, prices for crude nonfood materials less energy increased more than they had in January. (See table B.)

The index for crude foodstuffs and feedstuffs turned down 3.9 percent following a 1.0-percent gain in January. Leading this downturn, prices for slaughter hogs dropped 13.0 percent in February after climbing 11.1 percent a month earlier. The indexes for hay, hayseeds, and oilseeds; slaughter steers and heifers; fresh vegetables (except potatoes); slaughter cows and bulls; and wheat also turned down after increasing in the prior month. Corn prices rose less than in January. By contrast, the Irish potatoes for processing index advanced 27.0 percent compared with a 23.0-percent decrease in the previous month. Prices for slaughter chickens declined less than in January, and the index for slaughter lambs turned up in February after falling a month earlier. (See table 2.)

Prices for crude energy materials moved down 8.5 percent in February subsequent to an 8.1-percent decrease in the prior month. In February, a 17.8-percent decline in the index for natural gas more than offset a 2.5-percent increase in crude petroleum prices and a 2.2-percent advance in the coal index.

The increase in the index for crude nonfood materials less energy accelerated to 1.5 percent in February from 0.1 percent in the previous month. Nonferrous scrap prices led this faster rate of advance, increasing 4.2 percent following a 10.1-percent decline in January. The indexes for phosphates; corrugated wastepaper; and construction sand, gravel, and crushed stone also turned up after decreasing a month earlier. Prices for hides and skins fell less than in the prior month. By contrast, the index for carbon steel scrap decreased 3.8 percent after jumping 23.8 percent in January. Prices for wheat also turned down after rising in the previous month. The indexes for corn and soybeans rose less in February than in the preceding month.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries declined 0.4 percent in February after edging up 0.1 percent in January. (Net output price indexes are not seasonally adjusted.) Leading this downturn, the industry index for petroleum refineries moved down 1.6 percent following an 8.1-percent rise a month earlier. Prices received by soft drink manufacturers also turned down in February. The industry indexes for natural gas distribution, fluid milk manufacturing, and oil and gas well drilling fell more than they had in the prior month. By contrast, partially offsetting the downturn in the index for total mining, utilities, and manufacturing industries, prices received by manufacturers of phosphatic fertilizer increased 16.9 percent compared with a 26.8-percent decline a month earlier. Similarly, the index for the electric power generation, transmission, and distribution industry group also turned up in February. Prices received by the livestock slaughtering and cheese manufacturing industries decreased less than they had in the previous month. In February, the index for total mining, utilities, and manufacturing industries was 104.8 (December 2006 = 100), 3.0 percent below its year-ago level.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries moved up 0.9 percent after decreasing 0.3 percent in January. (Trade indexes measure changes in margins received by wholesalers and retailers.) Leading the February upturn, margins received by merchant wholesalers of nondurable goods climbed 6.3 percent subsequent to a 2.3-percent decline in the preceding month.

The margin indexes for gasoline stations with convenience stores, department stores, and pharmacies and drug stores also turned up in February. Conversely, the margin index for merchant wholesalers of durable goods fell 0.9 percent following a 0.8-percent gain in January. Margins received by supermarkets, new car dealers, electronic shopping and mail-order houses, and family clothing stores also turned down after rising a month earlier. In February, the index for total trade industries was 111.8 (December 2006 = 100), 6.4 percent above its year-ago level.

Transportation and Warehousing Industries. The decline in the Producer Price Index for the Net Output of Total Transportation and Warehousing Industries slowed to 0.5 percent in February from 0.8 percent in the previous month. Prices received by line-haul railroads fell 1.9 percent subsequent to a 4.3-percent decrease in January. The industry index for long distance general freight trucking (truckload) also declined less than it had a month earlier. Prices received by couriers and local specialized freight truckers of new goods turned up in February. The U.S. Postal Service index advanced following no change in the prior month. By contrast, prices received by the air transportation industry group fell 4.3 percent after edging down 0.1 percent in January. The industry indexes for long distance general freight trucking (less than truckload) and inland water freight transportation declined after rising a month earlier. In February, the index for total transportation and warehousing industries was 108.1 (December 2006 = 100), 0.2 percent below its year-ago level.

Traditional Service Industries. The Producer Price Index for the Net Output of Total Traditional Service Industries moved down 0.3 percent in February after increasing 0.4 percent in the previous month. The index for the depository credit intermediation industry group decreased 3.1 percent after no change in January. Prices received by investment bankers and security dealers, lessors of nonresidential buildings, and periodical publishers fell in February after advancing in the prior month. The industry index for direct health and medical insurance carriers was unchanged subsequent to a January rise. By contrast, the industry index for offices of real estate agents and brokers moved up 2.9 percent in February after falling 4.5 percent a month earlier. Prices received by portfolio managers and the temporary help services industry also turned up in February. The offices of physicians (except mental health) industry index increased more than it had in the previous month. In February, the index for total traditional service industries was 102.0 (December 2006 = 100), 0.5 percent below its year-ago level.

Producer Price Indexes – March 2009

The Producer Price Index for Finished Goods decreased 1.2 percent in March, seasonally adjusted. This decline followed a 0.1-percent advance in February and a 0.8-percent increase in January. At the earlier stages of processing, prices received by producers of intermediate goods fell 1.5 percent after decreasing 0.9 percent a month earlier, and the crude goods index declined 0.3 percent following a 4.5-percent drop in February. (See table A.)

Among finished goods, the index for energy goods turned down 5.5 percent in March after rising 1.3 percent in the preceding month. Prices for finished consumer goods less foods and energy inched up 0.1 percent following a 0.4-percent advance in February. The capital equipment index fell 0.2 percent in March after moving up 0.1 percent in the prior month. By contrast, partially offsetting the downturn in finished goods prices, the decline in the index for finished consumer foods slowed to 0.7 percent in March from 1.6 percent in the previous month. Excluding foods and energy, finished goods prices were unchanged following a 0.2-percent rise in February.

During the first quarter of 2009, the finished goods index declined at a 0.9-percent seasonally adjusted annual rate (SAAR), after falling at a 24.9-percent SAAR during the fourth quarter of 2008. This slower rate of decrease can be traced to prices for finished energy goods, which moved down at a 2.7-percent SAAR for the 3 months ended in March after dropping at a 76.7-percent SAAR for the 3 months ended in December. Conversely, the index for finished consumer foods decreased at a 10.1-percent SAAR for the 3 months ended in March after falling at a 4.8-percent SAAR for the 3 months ended in December. Prices for finished goods less foods and energy increased at a 2.6-percent SAAR during the first quarter of 2009 after rising at the same rate in the fourth quarter of 2008. At the earlier stages of processing, the intermediate goods index moved down at an 11.7-percent SAAR during the first quarter of 2009 after falling at a 39.7-percent SAAR during the fourth quarter of 2008, and prices for crude goods decreased at a 27.2-percent SAAR for the 3 months ended in March after dropping at a 78.0-percent SAAR for the 3 months ended in December. (See summary table.)

Before seasonal adjustment, the Producer Price Index for Finished Goods declined 0.7 percent in March to 168.9 (1982 = 100). From March 2008 to March 2009, finished goods prices fell 3.5 percent. Over the same period, the index for finished energy goods decreased 25.4 percent and prices for finished consumer foods moved down 1.1 percent. By contrast, the index for finished goods less foods and energy advanced 3.8 percent. For the 12 months ended in March, prices received by manufacturers of intermediate goods fell 8.9 percent, and the crude goods index dropped 39.0 percent.

Finished goods

The finished energy goods index declined 5.5 percent following a 1.3-percent increase in February. Most of this downturn can be attributed to gasoline prices, which fell 13.1

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

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2008							
Mar.....	0.9	1.2	2.4	0.1	6.7	2.2	6.6
Apr.....	0.2	0.2	-0.4	0.5	6.4	1.0	4.7
May.....	1.5	0.7	5.2	0.3	7.3	2.5	6.0
June.....	1.3	1.2	4.3	0.2	9.1	2.0	2.7
July.....	1.3	0.6	3.8	0.6	9.9	2.8	3.9
Aug.....	-0.5	0.2	-3.4	0.5	9.7	-1.3	-12.0
Sept.....	-0.1	0.0	-1.3	0.4	8.8	-0.6	-7.3
Oct.....	-2.6	0.1	-12.8	0.5	5.2	-4.2	-16.1
Nov.[1]	-2.7	-0.5	-12.4	0.0	0.4	-4.8	-13.1
Dec.[1]	-1.8	-0.8	-9.1	0.1	-0.9	-3.4	-6.1
2009							
Jan.....	0.8	-0.4	3.7	0.4	-1.0	-0.7	-2.9
Feb.....	0.1	-1.6	1.3	0.2	-1.3	-0.9	-4.5
Mar.....	-1.2	-0.7	-5.5	0.0	-3.5	-1.5	-0.3

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for November 2008 have been revised to reflect the availability of late reports and corrections by respondents.

Summary of December-to-December and 3-month seasonally adjusted annual rates of change in price indexes at selected stages of process

Grouping	Percentage change 12 months ended December			Seasonally adjusted annual rate for 3 months ended			
	2006	2007	2008	June 2008	Sept. 2008	Dec. 2008	Mar. 2009
Finished goods	1.1	6.2	-0.9	12.9	2.9	-24.9	-0.9
Finished consumer foods	1.7	7.6	3.7	8.9	3.2	-4.8	-10.1
Finished energy goods	-2.0	17.8	-20.3	42.3	-4.2	-76.7	-2.7
Finished goods less foods and energy	2.0	2.0	4.3	3.9	6.1	2.6	2.6
Finished consumer goods less foods and energy	1.8	2.4	4.5	4.2	6.3	2.7	3.4
Capital equipment	2.3	1.4	4.0	4.3	5.3	2.6	1.5
Intermediate materials, supplies, and components	2.8	7.1	-1.7	24.7	3.3	-39.7	-11.7
Intermediate foods and feeds	4.7	17.2	3.4	13.5	7.7	-33.8	-15.4
Intermediate energy goods	-3.3	19.8	-19.8	46.0	-18.4	-75.5	-24.8
Intermediate materials less foods and energy	4.5	3.3	3.2	19.2	11.6	-23.6	-7.7
Materials for nondurable manufacturing	1.2	12.8	-3.6	36.8	24.0	-58.8	-7.0
Materials for durable manufacturing	12.5	1.7	-5.5	32.9	-1.5	-52.6	-24.0
Materials and components for construction	4.3	2.0	7.3	20.0	14.9	-10.9	-6.4
Crude materials for further processing	-4.7	19.8	-25.0	68.5	-48.4	-78.0	-27.2
Foodstuffs and feedstuffs	2.8	24.9	-14.3	8.5	-18.0	-51.2	-17.8
Crude energy materials	-15.7	16.2	-33.5	130.2	-66.7	-87.9	-46.9
Crude nonfood materials less energy	17.0	15.6	-24.3	61.3	-32.0	-81.7	-0.4

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.

percent in March after rising 8.7 percent a month earlier. The index for residential electric power also turned down following an increase in February. Prices for liquefied petroleum gas, home heating oil, diesel fuel, kerosene, and lubricating and similar oils decreased more than they had in the preceding month. By contrast, partially offsetting the downturn in finished energy goods prices, the decline in the index for residential natural gas slowed to 2.4 percent from 3.6 percent in February. Prices for lubricating grease turned up in March. (See table 2.)

The index for finished consumer goods less foods and energy edged up 0.1 percent after rising 0.4 percent in February. The increase in prices for sanitary paper products slowed to 0.1 percent in March from 1.6 percent in the prior month. The indexes for light motor trucks; alcoholic beverages; women's, girls', and infants' apparel; and periodical circulation turned down after increasing in February. Conversely, prices for toys, sporting goods, and small arms rose 0.3 percent following a 2.6-percent decline in February. The indexes for motor homes built on purchased chassis and for surgical appliances and supplies also turned up in March. Prices for consumer plastic products fell less than they had in the preceding month. During the first quarter of 2009, the index for finished consumer goods less foods and energy increased at a 3.4-percent SAAR after rising at a 2.7-percent SAAR in the fourth quarter of 2008.

Capital equipment prices decreased 0.2 percent in March after edging up 0.1 percent a month earlier. The civilian aircraft index fell 1.4 percent following a 0.5-percent advance in February. Prices also turned down in March for light motor trucks, turbine and turbine generator sets, heavy motor trucks, and x-ray and electromedical equipment. The index for non-lithographic printing presses was unchanged after rising in the previous month. Conversely, prices for communication and related equipment were unchanged in March compared with a 0.8-percent decline a month earlier. The index for signs and advertising displays also was unchanged following a decrease in February. Prices for electronic computers fell less than they had in February. The indexes for nonwood furniture and store fixtures and for construction wheel and crawler tractors turned up after falling in the prior month. Prices for capital equipment increased at a 1.5-percent SAAR in the 3 months ended March 2009 after rising at a 2.6-percent SAAR in the 3 months ended December 2008.

Price declines for finished consumer foods slowed to 0.7 percent in March from 1.6 percent in February. The index for fluid milk products fell 2.8 percent in March after dropping 9.7 percent in the previous month. The index for eggs for fresh use also decreased less than in February. Prices for fresh vegetables (except potatoes), strawberries, shortening and cooking oils, and tree nuts turned up in March after falling a month earlier. By contrast, beef and veal prices dropped 3.9 percent after declining 0.3 percent in the preceding month. The pork index also decreased more than it had in February. Prices for bread rolls, muffins, bagels, and croissants were unchanged in March after rising in the prior month.

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

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2008								
Mar.....	3.0	5.3	1.2	10.7	2.2	11.5	3.8	29.7
Apr.....	0.1	0.0	1.4	10.8	-0.6	6.3	10.2	34.5
May.....	1.9	5.6	1.6	12.7	0.5	11.6	1.7	40.9
June.....	1.1	4.1	1.4	14.7	2.2	3.8	0.5	43.6
July.....	4.7	4.9	2.0	17.0	0.1	6.6	3.4	49.0
Aug.....	-0.6	-7.1	0.6	16.3	-3.6	-20.4	-2.8	35.4
Sept.....	-2.1	-2.4	0.1	15.3	-1.3	-10.4	-9.7	24.2
Oct.....	-5.1	-10.7	-2.1	9.8	-10.5	-19.4	-17.9	0.1
Nov.[1]	-2.6	-13.4	-2.4	1.7	-1.3	-20.1	-18.8	-18.8
Dec.[1]	-2.5	-9.0	-2.1	-1.7	-5.3	-8.3	-1.8	-25.0
2009								
Jan.....	-2.2	1.5	-1.1	-3.5	1.0	-8.1	0.1	-29.1
Feb.....	-1.4	-2.0	-0.6	-5.2	-3.9	-8.5	1.5	-34.7
Mar.....	-0.5	-6.3	-0.3	-8.9	-1.9	1.6	-1.6	-39.0

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for November 2008 have been revised to reflect the availability of late reports and corrections by respondents.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components fell 1.5 percent in March subsequent to a 0.9-percent decrease in the prior month. Prices for intermediate energy goods and for materials for nondurable manufacturing decreased more than they had a month earlier. By contrast, partially offsetting the faster rate of decline in intermediate goods prices, the indexes for materials for durable manufacturing, intermediate foods and feeds, and materials and components for construction fell less than they had in February. Prices for intermediate materials less foods and energy moved down 0.3 percent in March after declining 0.6 percent in the prior month. (See table B.)

The intermediate energy goods index fell 6.3 percent in March following a 2.0-percent decrease in the previous month. The electric power index moved down 0.3 percent after rising 0.8 percent in February. Gasoline prices also turned down in March. The indexes for diesel fuel, jet fuel, liquefied petroleum gas, and heating oil decreased more than they had a month earlier. By contrast, prices for natural gas to electric utilities declined 1.8 percent compared with a 6.4-percent drop in February. The index for industrial natural gas also decreased less than it had in the prior month, and prices for residual fuels turned up in March. (See table 2.) The intermediate energy goods index declined at a 24.8-percent SAAR from December 2008 to March 2009 after decreasing at a 75.5-percent SAAR during the final quarter of 2008.

The index for materials for nondurable manufacturing decreased 1.0 percent following a 0.8-percent decline in February. Prices for basic inorganic chemicals moved down 4.6 percent after rising 6.4 percent a month earlier. The index for rubber and rubber products also turned down in March. Prices for phosphates and for thermoplastic resins and plastic materials increased less than they had in February. By contrast, the basic organic chemicals index increased 1.5 percent compared with a 3.2-percent decline in the preceding month. Prices for nitrogenates, medicinal and botanical chemicals, and water treating compounds also turned up in March. The inedible fats and oils index declined less than it had a month earlier. The index for materials for nondurable manufacturing moved down at a 7.0-percent SAAR for the 3 months ended March 2009 after dropping at a 58.8-percent SAAR in the previous 3 month period.

Prices for materials for durable manufacturing moved down 0.7 percent in March subsequent to a 2.6-percent decrease in the preceding month. The cold rolled steel sheet and strip index fell 0.6 percent following a 5.8-percent decline a month earlier. Prices for primary nonferrous metals also fell at slower rates compared with February. The indexes for hot rolled steel sheet and strip and for semifinished steel mill products turned up in March. Conversely, the index for basic inorganic chemicals decreased 4.6 percent after rising 6.4 percent in February. Prices for synthetic rubber also turned down in March. The indexes for hot rolled steel bars, plates, and structural shapes and for steel pipe and tube decreased more than they had a month earlier. From December 2008 to March 2009, prices for materials for durable manufacturing declined at a 24.0-percent SAAR after falling at a 52.6-percent SAAR from September to December 2008.

Prices for intermediate foods and feeds moved down 0.5 percent in March following a 1.4-percent decrease in

February. The index for corn, cottonseed, and soybean cake and meal fell 1.9 percent subsequent to a 3.9-percent drop in the preceding month. The fluid milk products index also declined less than a month earlier. The indexes for shortening and cooking oils, processed eggs, and sugar and confectionary materials turned up in March. By contrast, the beef and veal index fell 3.9 percent after edging down 0.3 percent in the previous month. Prices for pork products also declined more than they had in February. The index for formula feeds moved down in March after rising a month earlier. The index for intermediate foods and feeds decreased at a 15.4-percent SAAR in the first quarter of 2009 after falling at a 33.8-percent SAAR in the final quarter of 2008.

Prices for materials and components for construction fell 0.3 percent in March following a 0.6-percent decline in the prior month. The plastic products index inched down 0.1 percent subsequent to a 0.9-percent decline in February. Prices for roofing asphalts, pitches, coatings, and cement also fell less than in the prior month. The indexes for prefabricated metal buildings, metal doors and frames (except storm doors), and prefabricated structural wood members turned up in March. By contrast, the index for prepared asphalt and tar roofing and siding products advanced 7.3 percent following a 10.5-percent gain a month earlier. Prices for paving mixtures and blocks and for softwood lumber decreased more than they had in February. The index for basic inorganic chemicals turned down in March. The index for materials and components for construction declined at a 6.4-percent SAAR in the first quarter of 2009 after moving down at a 10.9-percent SAAR in the prior quarter.

Crude goods

The Producer Price Index for Crude Materials for Further Processing fell 0.3 percent in March subsequent to a 4.5-percent decrease in February. The index for crude foodstuffs and feedstuffs declined less than in the previous month. Prices for crude energy materials turned up after falling in February. Conversely, slightly counteracting the slower rate of decline in the crude goods index, prices for crude nonfood materials less energy turned down after rising a month earlier. (See table B.)

The index for crude foodstuffs and feedstuffs moved down 1.9 percent following a 3.9-percent decrease in February. In March, falling prices for slaughter poultry; hay, hayseeds, and oilseeds; slaughter cattle; and rough rice more than offset rising prices for slaughter barrows and gilts, corn, strawberries, tree nuts, and milk eligible for fluid use. (See table 2.) The index for crude foodstuffs and feedstuffs declined at a 17.8-percent SAAR during the first quarter of 2009 after dropping at a 51.2-percent SAAR in the fourth quarter of 2008.

Prices for crude energy materials advanced 1.6 percent in March compared with an 8.5-percent decrease in the prior month. Leading this upturn, the increase in the index for crude petroleum accelerated to 30.0 percent from 2.5 percent in February. Price declines for natural gas slowed to 15.6 percent in March from 17.8 percent in the previous month. By contrast, coal prices rose 0.5 percent following a 2.2-percent gain a month earlier. During the first 3 months of 2009, the crude energy materials index fell at a 46.9-percent SAAR after plunging at an 87.9-percent SAAR in the last 3 months of 2008.

Prices for crude nonfood materials less energy turned down 1.6 percent in March subsequent to a 1.5-percent advance in February. The index for iron and steel scrap decreased 8.3 percent compared with a 2.6-percent decline in the previous month. Price increases decelerated in March for gold ores, phosphates, grains, and for construction sand, gravel, and crushed stone. The indexes for nonferrous scrap, ground or treated minerals and earths, and soybeans turned down after increasing in the preceding month. By contrast, prices for high-grade wastepaper decreased 4.2 percent in March following an 11.1-percent drop in the previous month. Prices for strawberries turned up after falling in February. For the 3 months ended March 2009, the crude nonfood materials less energy index moved down at a 0.4-percent SAAR after dropping at an 81.7-percent SAAR in the 3 months ended December 2008.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries fell 0.9 percent in March following a 0.4-percent decrease in February. (Net output price indexes are not seasonally adjusted.) This faster rate of decline can be traced primarily to prices received by petroleum refineries, which dropped 6.8 percent in March after moving down 1.6 percent in the prior month. The indexes for both electric power generation and distribution; automobile, light truck, and utility vehicle manufacturing; and aircraft manufacturing turned down after rising in February. Prices received by phosphatic fertilizer manufacturers increased less than they had in the previous month. By contrast, partially offsetting the faster rate of decline in the index for total mining, utilities, and manufacturing industries, the index for petrochemical manufacturing rose 11.5 percent in March following an 18.3-percent decrease a month earlier. Prices received by the industries for crude oil and natural gas extraction and for oil and gas well drilling services also moved up after falling in February. For the first 3 months of 2009, the total mining, utilities, and manufacturing industries index declined at a 4.5-percent annualized rate compared with a 33.8-percent annualized rate of decrease in the final quarter of 2008. In March, the index for total mining, utilities, and manufacturing industries was 103.9 (December 2006 = 100), 5.9 percent below its year-ago level.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries moved up 0.2 percent in March following a 0.9-percent advance in February. (Trade indexes measure changes in margins received by wholesalers and retailers.) Margins received by women's clothing stores rose 0.9 percent in March after jumping 9.5 percent a month earlier. The margin index for pharmacies and drug stores also increased less than it had in February. Margins received by merchant wholesalers of nondurable goods and gasoline stations with convenience stores turned down in March. Conversely, the margin index for supermarkets climbed 5.1 percent after declining 1.7 percent in February. Margins received by merchant wholesalers of durable goods,

automotive parts and accessories stores, and family clothing stores also moved up in March following decreases in the preceding month. The margin index for gasoline service stations fell less than it had in February. During the first quarter of 2009, the index for total trade industries rose at a 3.3-percent annualized rate, the same rate of increase as in the final quarter of 2008. In March, the index for total trade industries was 112.0 (December 2006 = 100), 6.5 percent higher than its year-ago level.

Transportation and Warehousing Industries. The Producer Price Index for the Net Output of Total Transportation and Warehousing Industries declined 1.3 percent in March after falling 0.5 percent in February. Prices received by the truck transportation industry group decreased 1.4 percent following a 0.2-percent advance in the prior month. The index for Coastal and Great Lakes freight transportation also turned down in March. Prices received by the couriers and messengers industry group increased less than they had in February. Prices received by the inland water freight transportation industry fell more in March than they had a month earlier, while the index for the U.S. Postal Service was unchanged after rising in the prior month. By contrast, the index for the scheduled air transportation industry group decreased 2.6 percent in March following a 4.4-percent drop in February. Prices received by line-haul railroads also declined less than in the preceding month. Prices received by the deep sea freight transportation industry were unchanged after falling in February, while the index for the nonscheduled air passenger chartering industry turned up in March. For the first 3 months of 2009, the total transportation and warehousing industries index decreased at a 9.8-percent annualized rate after dropping at an 18.1-percent annualized rate in the final 3 months of 2008. In March, the total transportation and warehousing industries index was 106.7 (December 2006 = 100), 2.8 percent lower than its year-ago level.

Total Traditional Service Industries. The Producer Price Index for the Net Output of Total Traditional Service Industries moved down 0.5 percent in March following a 0.3-percent decline in February. Prices received by the industry group for depository credit intermediation fell 5.7 percent compared with a 3.1-percent decline in the preceding month. The industry group index for securities, commodity contracts, and other financial investments and related activities also fell more than it had in February. Prices received by general medical and surgical hospitals and by offices of physicians (excluding metal health) increased less in March than in the prior month. The index for real estate agents and brokers was unchanged after rising in February. Conversely, prices received by direct health and medical insurance carriers advanced 1.4 percent in March following no change in the previous month. The indexes for lessors of nonresidential buildings and for non-casino hotels and motels turned up after falling in February. For the first 3 months of 2009, the total traditional service industries index decreased at a 1.6-percent annualized rate, the same rate of decline as in the final 3 months of 2008. In March, the index for total traditional service industries was 101.5 (December 2006 = 100), unchanged from its year-ago level.

Producer Price Indexes – April 2009

The Producer Price Index for Finished Goods increased 0.3 percent in April, seasonally adjusted. This rise followed a 1.2-percent decline in March and a 0.1-percent increase in February. At the earlier stages of processing, prices received by producers of intermediate goods moved down 0.5 percent following a 1.5-percent decrease a month earlier, and the crude goods index advanced 3.0 percent after declining 0.3 percent in March. (See table A.)

Among finished goods, prices for consumer foods rose 1.5 percent in April following a 0.7-percent decrease in the previous month. The index for finished energy goods edged down 0.1 percent subsequent to a 5.5-percent decline in March. Prices for finished goods other than foods and energy inched up 0.1 percent compared with no change a month earlier.

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 0.6 percent in April to 169.9 (1982 = 100). From April 2008 to April 2009, finished goods prices fell 3.7 percent. Over the same period, the finished energy goods index moved down 25.6 percent. By contrast, prices for finished goods less foods and energy advanced 3.4 percent and the index for finished consumer foods increased 0.2 percent. For the 12 months ended in April, prices received by manufacturers of intermediate goods declined 10.5 percent, and the crude goods index dropped 40.0 percent.

Finished goods

The index for finished consumer foods moved up 1.5 percent in April following a 0.7-percent decline in the prior month. Prices for eggs for fresh use climbed 43.7 percent compared with a 9.5-percent decrease a month earlier. Similarly, the indexes for beef and veal, packaged fluid milk and related products, pork, young chickens, and manufactured starch also turned up in April. Prices for fresh vegetables, except potatoes, increased more than they had in March. By contrast, partially offsetting the upturn in finished consumer foods prices, the index for cooked or smoked prepared poultry products moved down 4.6 percent in April following a 0.8-percent increase a month earlier. Prices for Irish potatoes for consumer use decreased more than they had in March. (See table 2.)

Prices for finished energy goods inched down 0.1 percent in April subsequent to a 5.5-percent decline in the preceding month. In April, falling prices for residential natural gas, residential electric power, and finished lubricants slightly outweighed rising prices for gasoline, diesel fuel, liquefied petroleum gas, home heating oil, asphalt, and kerosene.

The index for finished goods less foods and energy edged up 0.1 percent in April following no change in the

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

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2008							
Apr.	0.2	0.2	-0.4	0.5	6.4	1.0	4.7
May	1.5	0.7	5.2	0.3	7.3	2.5	6.0
June	1.3	1.2	4.3	0.2	9.1	2.0	2.7
July	1.3	0.6	3.8	0.6	9.9	2.8	3.9
Aug.	-0.5	0.2	-3.4	0.5	9.7	-1.3	-12.0
Sept.	-0.1	0.0	-1.3	0.4	8.8	-0.6	-7.3
Oct.	-2.6	0.1	-12.8	0.5	5.2	-4.2	-16.1
Nov.	-2.7	-0.5	-12.4	0.0	0.4	-4.8	-13.1
Dec.[1]	-1.8	-1.2	-9.1	0.3	-0.9	-4.1	-5.6
2009							
Jan.[1]	0.8	0.1	3.8	0.2	-1.0	-0.1	-3.4
Feb.	0.1	-1.6	1.3	0.2	-1.3	-0.9	-4.5
Mar.	-1.2	-0.7	-5.5	0.0	-3.5	-1.5	-0.3
Apr.	0.3	1.5	-0.1	0.1	-3.7	-0.5	3.0

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for December 2008 have been revised to reflect the availability of late reports and corrections by respondents.

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

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2008								
Apr.....	0.1	0.0	1.4	10.8	-0.6	6.3	10.2	34.5
May.....	1.9	5.6	1.6	12.7	0.5	11.6	1.7	40.9
June.....	1.1	4.1	1.4	14.7	2.2	3.8	0.5	43.6
July.....	4.7	4.9	2.0	17.0	0.1	6.6	3.4	49.0
Aug.....	-0.6	-7.1	0.6	16.3	-3.6	-20.4	-2.8	35.4
Sept.....	-2.1	-2.4	0.1	15.3	-1.3	-10.4	-9.7	24.2
Oct.....	-5.1	-10.7	-2.1	9.8	-10.5	-19.4	-17.9	0.1
Nov.....	-2.6	-13.4	-2.4	1.7	-1.3	-20.1	-18.8	-18.8
Dec.[1]	-3.8	-10.7	-2.4	-2.3	-5.6	-6.9	-1.5	-24.6
2009								
Jan.[1]	-0.8	3.4	-0.8	-3.5	1.3	-9.6	-0.2	-29.1
Feb.....	-1.4	-2.0	-0.6	-5.2	-3.9	-8.5	1.5	-34.7
Mar.....	-0.5	-6.3	-0.3	-8.9	-1.9	1.6	-1.6	-39.0
Apr.....	0.3	0.7	-0.9	-10.5	4.6	2.9	-0.6	-40.0

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for December 2008 have been revised to reflect the availability of late reports and corrections by respondents.

previous month. In April, higher prices for light motor trucks, pharmaceutical preparations, and consumer plastic products slightly outweighed lower prices for civilian aircraft, tobacco products, electronic computers, primary batteries, and non-wood commercial furniture.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components moved down 0.5 percent in April following a 1.5-percent decline in March. Excluding foods and energy, the index for intermediate goods decreased 0.9 percent after declining 0.3 percent a month earlier. In April, falling prices for materials for both durable and nondurable manufacturing, as well as for materials and components for construction, outweighed rising prices for intermediate energy goods and intermediate foods and feeds. (See table B.)

The index for materials for nondurable manufacturing fell 1.9 percent in April following a 1.0-percent decrease in March. Prices for industrial chemicals dropped 2.5 percent after no change in the preceding month. The indexes for thermoplastic resins, medicinal and botanical chemicals, and writing and printing papers turned down in April. Prices for agricultural chemicals and chemical products fell more than they had in March. By contrast, partially offsetting the faster rate of decline in the index for materials for nondurable manufacturing, the synthetic rubber index jumped 5.1 percent in April following a 12.8-percent decrease in the previous month. Prices for thermosetting resins, synthetic fibers, and inedible fats and oils also increased after falling in March. (See table 2.)

The index for materials for durable manufacturing fell 2.1 percent in April following a 0.7-percent decline in March. Leading this faster rate of decrease, prices for steel mill products dropped 6.9 percent in April after edging down 0.1 percent in the previous month. The index for primary nonferrous metals also fell more than it had in March. Prices for thermoplastic resins and original equipment automotive stampings turned down in April. Industrial chemical prices declined following no change in March. By contrast, the index for copper and brass mill shapes climbed 19.5 percent in April after advancing 0.8 percent a month earlier. Prices for nonferrous wire and cable also increased more than they had in March. The indexes for synthetic rubber and synthetic fiber turned up in April.

The index for materials and components for construction decreased 0.9 percent in April after falling 0.3 percent in March. Prices for prepared asphalt and tar roofing and siding products dropped 13.5 percent following a 7.3-percent rise in the prior month. The indexes for prefabricated metal buildings; metal doors, sash, and trim; plastic construction products; and millwork also turned down in April. Prices for steel mill products fell more than they had in March. Conversely, the index for nonferrous wire and cable advanced 8.3 percent after rising 1.1 percent in the preceding month. Softwood lumber prices turned up in April after falling a month earlier. The indexes for concrete products and sheet metal products decreased less than they had in March.

The index for intermediate energy goods increased 0.7 percent in April following a 6.3-percent decrease in the previous month. Diesel fuel prices surged 17.0 percent after dropping 17.2 percent in March. The indexes for gasoline, jet

fuel, liquefied petroleum gas, and heating oil also turned up in April. Prices for lubricating and similar oils fell less than they had in March. Conversely, the utility natural gas index decreased 7.2 percent in April following a 2.5-percent decline in the preceding month. Utility electric power prices also fell more than they had in March. The index for residual fuel turned down in April.

The index for intermediate foods and feeds advanced 0.3 percent in April after decreasing 0.5 percent a month earlier. Beef and veal prices rose 4.5 percent following a 3.9-percent decline in March. The indexes for pork; corn, cottonseed, and soybean cake and meal; fluid milk products; processed young chickens; and canned specialty foods also turned up in April. Conversely, prices for shortening and cooking oils fell 1.3 percent after rising 2.4 percent in March. The indexes for processed eggs, cooked or smoked prepared poultry products, and boxed meat also decreased in April following gains in the prior month.

Crude goods

The Producer Price Index for Crude Materials for Further Processing advanced 3.0 percent in April following a 0.3-percent decline in March. The index for crude foodstuffs and feedstuffs turned up after falling a month earlier. Price increases for crude energy materials accelerated from the previous month. The index for crude nonfood materials less energy fell less than in March. (See table B.)

Prices for crude foodstuffs and feedstuffs increased 4.6 percent subsequent to a 1.9-percent decrease in March. Leading this upturn, the index for slaughter steers and heifers climbed 9.0 percent in April after declining 1.8 percent in the preceding month. Prices for soybeans, slaughter broilers and fryers, slaughter cows and bulls, and unprocessed finfish also turned up in April. The indexes for fluid milk and fresh vegetables, except potatoes, rose more than in the prior month. By contrast, partially offsetting the upturn in the crude foodstuffs and feedstuffs index, prices for slaughter hogs turned down 5.7 percent after rising 10.8 percent in March. Prices for alfalfa hay declined more than in the previous month. (See table 2.)

The index for crude energy materials moved up 2.9 percent in April following a 1.6-percent gain a month earlier. The increase in coal prices accelerated to 3.9 percent from 0.5 percent in March. The index for natural gas declined 3.1 percent after dropping 15.6 percent in the prior month. Conversely, prices for crude petroleum rose 9.2 percent in April subsequent to a 30.0-percent increase in the previous month.

The index for crude nonfood materials less energy moved down 0.6 percent compared with a 1.6-percent decrease in March. In April, falling prices for iron and steel scrap; phosphates; gold ores; hides and skins; and logs, bolts, timber, and pulpwood more than offset rising prices for nonferrous scrap, copper ores, soybeans, high grade wastepaper, and corn.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries moved up 0.2 percent in April after falling 0.9 percent in March. (Net output price indexes are not seasonally adjusted.) Most of this upturn can be attributed to prices received by petroleum refineries, which advanced 11.5 percent after decreasing 6.8 percent in the prior month. The indexes for livestock slaughtering; automobile, light truck, and utility vehicle manufacturing; and fluid milk manufacturing also turned up in April. Prices received by pharmaceutical preparation manufacturers rose more than they had in March. By contrast, partially offsetting the upturn in the index for total mining, utilities, and manufacturing industries, the index for phosphatic fertilizer manufacturing dropped 38.6 percent in April after advancing 2.5 percent in the previous month. Prices received by manufacturers of cigarettes and petrochemicals also turned down after rising in March. The indexes for natural gas distribution and for gasoline engine and engine parts manufacturing fell more than they had in the prior month. In April, the Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries was 104.1 (December 2006 = 100), 6.9 percent below its year-ago level.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries declined 0.5 percent following a 0.2-percent gain in March. (Trade indexes measure changes in margins received by wholesalers and retailers.) Margins received by supermarkets fell 4.8 percent in April after advancing 5.1 percent in the previous month. The margin indexes for non-store retailers and women's clothing stores also turned down after rising in March. Margins received by non-discount department stores increased less than a month earlier. By contrast, the margin index for gasoline stations fell 5.1 percent after declining 12.1 percent in the prior month. Margins received by wholesalers of durable goods and new car dealers rose more than they had in March. The margin indexes for radio, television, and other electronic stores and for warehouse clubs and supercenters turned up after decreasing in the preceding month. In April, the Producer Price Index for the Net Output of Total Trade Industries was 111.4 (December 2006 = 100), 4.5 percent above its year-ago level.

Transportation and Warehousing Industries. The Producer Price Index for the Net Output of Total Transportation and Warehousing Industries rose 0.4 percent in April compared with a 1.3-percent decline in March. Prices received by the scheduled air transportation industry group increased 1.3 percent following a 2.6-percent decrease in the previous month. The industry indexes for both local and long distance trucking of specialized new freight, inland water freight transportation, and line-haul railroads also turned up in April. Prices received by the general freight trucking industry group fell less than in March. By contrast, prices received by couriers decreased 1.1 percent after edging up 0.1 percent in the preceding month. The industry index for nonscheduled air passenger chartering also turned down in April following an increase a month earlier, and prices received by the freight transportation arrangement industry fell more than they had in March. In April, the Producer Price Index for the Net Output for Total Transportation and Warehousing Industries was

107.1 (December 2006 = 100), 3.1 percent below its year-ago level.

Traditional Service Industries. The Producer Price Index for the Net Output of Total Traditional Service Industries increased 0.5 percent in April after falling at the same rate in March. The index for the depository credit intermediation industry group advanced 2.8 percent following a 5.7-percent decrease a month earlier. Prices received by the securities, commodity contracts, and other financial investments and related activities industry group; direct life insurance carriers; and the temporary help services industry also turned up in April. Conversely, the advance in the index for the direct health and medical insurance carriers industry slowed to 0.4 percent in April from 1.4 percent in the preceding month. Prices received by office of lawyers also rose less than in March. The industry indexes for non-casino hotels and motels and for lessors of nonresidential buildings turned down after rising a month earlier. In April, the Producer Price Index for the Net Output of Total Traditional Service Industries was 102.0 (December 2006 = 100), 0.1 percent below its year-ago level.

Producer Price Index – May 2009

The Producer Price Index for Finished Goods increased 0.2 percent in May, seasonally adjusted. This rise followed a 0.3-percent advance in April and a 1.2-percent decrease in March. At the earlier stages of processing, prices received by producers of intermediate goods rose 0.3 percent following a 0.5-percent decline a month earlier, and the crude goods index climbed 3.6 percent after rising 3.0 percent in April. (See table A.)

In May, a 2.9-percent increase in finished energy goods prices more than offset a 1.6-percent decline in the index for finished consumer foods and a 0.1-percent decrease in prices for finished goods other than foods and energy.

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 0.5 percent in May to 170.8 (1982 = 100). From May 2008 to May 2009, finished goods prices decreased 5.0 percent. Over the same period, the finished energy goods index fell 27.3 percent and prices for finished consumer foods declined 2.1 percent. By contrast, partially offsetting the decrease in finished goods prices, the index for finished goods less foods and energy increased 3.0 percent. At the earlier stages of processing, prices received by manufacturers of intermediate goods moved down 12.5 percent for the 12 months ended May 2009, and the crude goods index decreased 41.1 percent.

Finished goods

The index for finished energy goods turned up 2.9 percent in May after decreasing 0.1 percent in the preceding month. Gasoline prices rose 13.9 percent following a 2.6-percent increase in April. The indexes for residential natural gas, residential electric power, and finished lubricants fell less than they had in the prior month. Prices for liquefied petroleum gas advanced more than in April. Conversely, the rise in the index for diesel fuel slowed to 4.5 percent in May from 17.0 percent a month earlier. Prices for home heating oil and kerosene also increased less than in April. (See table 2.)

Prices for finished consumer foods fell 1.6 percent in May following a 1.5-percent advance in the prior month. The index for eggs for fresh use declined 27.0 percent after jumping 43.7 percent in April. Prices for fresh vegetables (except potatoes), raspberries, pork, soft drinks, and canned specialties also turned down in May. The index for natural cheese (except cottage cheese) fell more than in the previous month. By contrast, prices for beef and veal rose 9.2 percent in May after increasing 4.5 percent a month earlier. Prices for cooked or smoked prepared poultry products declined less than they had in April, and the index for fats and oils turned up in May.

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

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2008							
May.....	1.5	0.7	5.2	0.3	7.3	2.5	6.0
June.....	1.3	1.2	4.3	0.2	9.1	2.0	2.7
July.....	1.3	0.6	3.8	0.6	9.9	2.8	3.9
Aug.....	-0.5	0.2	-3.4	0.5	9.7	-1.3	-12.0
Sept.....	-0.1	0.0	-1.3	0.4	8.8	-0.6	-7.3
Oct.....	-2.6	0.1	-12.8	0.5	5.2	-4.2	-16.1
Nov.....	-2.7	-0.5	-12.4	0.0	0.4	-4.8	-13.1
Dec.....	-1.8	-1.2	-9.1	0.3	-0.9	-4.1	-5.6
2009							
Jan.[1]	0.9	0.1	4.1	0.2	-0.9	-0.2	-1.5
Feb.[1]	0.1	-1.6	1.0	0.2	-1.3	-0.8	-6.4
Mar.....	-1.2	-0.7	-5.5	0.0	-3.5	-1.5	-0.3
Apr.....	0.3	1.5	-0.1	0.1	-3.7	-0.5	3.0
May.....	0.2	-1.6	2.9	-0.1	-5.0	0.3	3.6

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for January 2009 have been revised to reflect the availability of late reports and corrections by respondents.

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

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2008								
May	1.9	5.6	1.6	12.7	0.5	11.6	1.7	40.9
June	1.1	4.1	1.4	14.7	2.2	3.8	0.5	43.6
July	4.7	4.9	2.0	17.0	0.1	6.6	3.4	49.0
Aug	-0.6	-7.1	0.6	16.3	-3.6	-20.4	-2.8	35.4
Sept	-2.1	-2.4	0.1	15.3	-1.3	-10.4	-9.7	24.2
Oct	-5.1	-10.7	-2.1	9.8	-10.5	-19.4	-17.9	0.1
Nov	-2.6	-13.4	-2.4	1.7	-1.3	-20.1	-18.8	-18.8
Dec	-3.8	-10.7	-2.4	-2.3	-5.6	-6.9	-1.5	-24.6
2009								
Jan.[1]	-1.5	2.8	-0.8	-3.6	0.9	-5.2	1.3	-27.7
Feb.[1]	-0.8	-1.4	-0.6	-5.2	-3.5	-12.7	-0.1	-34.7
Mar	-0.5	-6.3	-0.3	-8.9	-1.9	1.6	-1.6	-39.0
Apr	0.3	0.7	-0.9	-10.5	4.6	2.9	-0.6	-40.0
May	1.3	2.0	-0.2	-12.5	0.4	5.3	6.7	-41.1

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for January 2009 have been revised to reflect the availability of late reports and corrections by respondents.

The index for finished goods less foods and energy edged down 0.1 percent in May following a 0.1-percent increase in the prior month. Prices for pharmaceutical preparations declined 0.3 percent after rising 1.3 percent in April. The indexes for perfume, cologne, and toilet water and for household laundry equipment and parts also turned down after advancing a month earlier. Prices for light motor trucks were unchanged subsequent to increases in April. By contrast, the increase in the index for newspaper circulation accelerated to 2.9 percent in May from 0.3 percent in the previous month. Prices for cigarettes and electronic computers were unchanged after declining in April. The indexes for apparel and other fabricated textile products and for non-wood commercial furniture turned up after falling in the preceding month.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components moved up 0.3 percent in May following a 0.5-percent decline in April. The indexes for intermediate energy goods and for intermediate foods and feeds increased more than in the previous month. Prices for materials for both nondurable and durable manufacturing, as well as for materials and components for construction, declined less than in April. Excluding foods and energy, the index for intermediate goods moved down 0.2 percent in May subsequent to a 0.9-percent decrease in the prior month. (See table B.)

The index for intermediate energy goods advanced 2.0 percent in May after rising 0.7 percent in April. Prices for liquefied petroleum gas climbed 8.6 percent compared with a 5.0-percent gain a month earlier. The increase in the index for gasoline also accelerated in May. Prices for utility natural gas, industrial electric power, and finished lubricants declined less than they had in the previous month. Conversely, partially offsetting the acceleration in the intermediate energy goods index, the increase in the index for diesel fuel slowed to 4.5 percent from 17.0 percent in April. Prices for heating oil also rose less than in the preceding month. The index for jet fuel turned down in May, and prices for commercial electric power fell more than in April. (See table 2.)

Prices for materials for nondurable manufacturing moved down 0.3 percent in May following a 1.9-percent decrease in the previous month. The index for phosphates declined 2.0 percent after dropping 31.6 percent in April. Prices for primary basic organic chemicals and for medicinal and botanical chemicals turned up in May after falling a month earlier. The indexes for thermoplastic resins and basic inorganic chemicals declined less than in the preceding month. By contrast, prices for synthetic fibers decreased 5.3 percent compared with a 6.6-percent increase in April. The indexes for thermosetting resins, synthetic rubber, and nitrogenates turned down as well.

The index for materials for durable manufacturing declined 0.6 percent in May subsequent to a 2.1-percent decrease in April. Prices for hot rolled steel sheet and strip

moved down 4.9 percent following a 13.2-percent drop in the prior month. Prices for hot rolled steel bars, plates, and structural shapes; steel pipe and tube; and basic inorganic chemicals also fell less in May. The index for primary nonferrous metals turned up after declining in April. By contrast, the index for copper and brass mill shapes advanced 0.8 percent compared with a 19.5-percent jump in April. Prices for nonferrous wire and cable also increased less than in the previous month. The indexes for synthetic fibers and unfinished softwood lumber (not made from purchased materials) turned down in May after rising a month earlier.

Prices for materials and components for construction inched down 0.1 percent compared with a 0.9-percent drop in April. The index for prefabricated metal buildings moved down 0.7 percent in May following a 6.2-percent decline in the previous month. The indexes for plastic construction products and for steel pipe and tube also declined less in May. Prices for prepared asphalt and tar roofing and siding products, paving mixtures and blocks, and ready-mixed concrete rose after falling a month earlier. By contrast, prices for nonferrous wire and cable advanced 2.0 percent subsequent to an 8.3-percent gain in April. The index for fabricated structural metal fell more than in the prior month. Prices for unfinished softwood lumber (not made from purchased materials) and for architectural and ornamental metalwork turned down in May.

The increase in the index for intermediate foods and feeds accelerated to 1.3 percent in May from 0.3 percent in the previous month. Prices for prepared animal feeds advanced 3.5 percent after rising 0.2 percent in April. The index for beef and veal also increased more than a month earlier. Prices for fats and oils and for flour turned up in May after falling in the preceding month. The index for cooked or smoked prepared poultry products declined less than it had in the prior month. By contrast, prices for pork dropped 4.3 percent following a 2.5-percent increase in April. The index for natural cheese (except cottage cheese) fell more in May than in the preceding month. Prices for bulk fluid milk and cream were unchanged after climbing in April, and the index for soft drinks turned down subsequent to an increase in the prior month.

Crude goods

The Producer Price Index for Crude Materials for Further Processing increased 3.6 percent in May after rising 3.0 percent in April. Prices for crude nonfood materials less energy moved up after declining a month earlier, and the index for crude energy materials advanced more than it had in April. By contrast, partially offsetting the acceleration in prices for crude goods, the index for crude foodstuffs and feedstuffs increased less in May than it had in the prior month. (See table B.)

The index for crude nonfood materials less energy rose 6.7 percent in May after declining 0.6 percent in April. Leading this upturn, prices for carbon steel scrap climbed 20.6 percent compared with a 12.6-percent decrease in the previous month. The indexes for gold ores, hides and skins, and wheat also turned up in May. Prices for corn, copper ores, and aluminum base scrap increased more than they had a month earlier. The phosphates index declined less than it had in April. Conversely, the index for copper base scrap moved up 7.5 percent subsequent to a 29.5-percent surge in the prior month. Prices for raspberries turned down in May after rising a month earlier. (See table 2.)

Prices for crude energy materials moved up 5.3 percent following a 2.9-percent increase in April. Leading this acceleration, the crude petroleum index surged 18.6 percent in May following a 9.2-percent rise in the prior month. By contrast, prices for natural gas declined 5.7 percent subsequent to a 3.1-percent decrease a month earlier. The coal index advanced 2.0 percent compared with a 3.9-percent increase in April.

The index for crude foodstuffs and feedstuffs moved up 0.4 percent in May following a 4.6-percent advance in the preceding month. Soybean prices rose 9.8 percent after climbing 16.7 percent a month earlier. Prices for slaughter cattle, fluid milk, fresh vegetables (except potatoes), raspberries, and ungraded chicken eggs turned down in May. The index for slaughter barrows and gilts fell more than in the preceding month. Conversely, corn prices increased 10.7 percent following a 1.5-percent advance in April. The index for slaughter chickens also rose more than it had in the prior month. Prices for wheat turned up in May.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries increased 1.1 percent in May following a 0.2-percent rise in April. (Net output price indexes are not seasonally adjusted.) Prices received by petroleum refineries climbed 13.9 percent in May after advancing 11.5 percent in the prior month. The index for the livestock slaughtering industry also rose more than it had in April. Prices received by the industries for electric power generation, transmission, and distribution; poultry and livestock feed manufacturing; and gasoline engine and engine parts manufacturing turned up in May. The indexes for natural gas distribution and phosphatic fertilizer manufacturing fell less than they had in April. By contrast, partially offsetting the faster rate of increase in prices received by mining, utilities, and manufacturing industries, the index for pharmaceutical preparation manufacturing declined 0.4 percent in May following a 1.7-percent rise a month earlier. Prices received by producers of automobiles, light trucks, and utility vehicles and by soft drink manufacturers also decreased after advancing in April. In May, the index for total mining, utilities, and manufacturing industries was 105.2 (December 1986 = 100), 8.0 percent below its year-ago level.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries fell 0.9 percent in May following a 0.5-percent decline in April. (Trade indexes measure changes in margins received by wholesalers and retailers.) Leading this faster rate of decrease, margins received by merchant wholesalers of durable goods dropped 1.2 percent after rising at the same rate in April. The margin indexes for general merchandise stores, family clothing stores, pharmacies and drug stores, new car dealers, and for radio, television, and other electronics stores also turned down in May. Conversely, margins received by supermarkets climbed

0.8 percent following a 4.8-percent decline in April. The margin indexes for electronic shopping and mail-order houses and for gasoline stations with convenience stores also turned up in May. Margins received by women's clothing stores decreased less than they had in April. In May, the index for total trade industries was 110.4 (December 1986 = 100), 3.2 percent above its year-ago level.

Transportation and Warehousing Industries. The Producer Price Index for the Net Output of Total Transportation and Warehousing Industries fell 0.7 percent in May after advancing 0.4 percent in April. Leading this downturn, prices received by the scheduled air transportation industry group dropped 6.1 percent in May following a 1.3-percent increase in the previous month. The indexes for local specialized freight trucking of new goods and inland water transportation of freight also declined after rising in April. By contrast, prices received by the United States Postal Service moved up 2.9 percent in May after no change a month earlier. The index for couriers was unchanged after falling in April. Prices received by the general freight trucking industry group and the nonscheduled air passenger chartering industry turned up in May. The index for line-haul railroads increased more than it had in April. In May, the index for total transportation and warehousing industries was 106.3 (December 1986 = 100), 5.7 percent below its year-ago level.

Traditional Service Industries. The Producer Price Index for the Net Output of Total Traditional Service Industries rose 0.5 percent in May, the same as in April. In May, higher prices received by the depository credit intermediation industry group, telecommunication carriers, general medical and surgical hospitals, the accommodation sector, investment bankers and securities dealers, insurance carriers, and the portfolio management industry outweighed lower prices received by the temporary help services industry and by management consultants. In May, the index for total traditional service industries was 102.5 (December 1986 = 100), 0.5 percent above its year-ago level.

Producer Price Indexes – June 2009

The Producer Price Index for Finished Goods rose 1.8 percent in June, seasonally adjusted. This advance followed increases of 0.2 percent in May and 0.3 percent in April. At the earlier stages of processing, prices received by producers of intermediate goods climbed 1.9 percent in June after moving up 0.3 percent in the preceding month, and the crude goods index increased 4.6 percent following a 3.6-percent rise in May. (See table A.)

The June acceleration in finished goods prices was broad based. The index for energy goods jumped 6.6 percent after advancing 2.9 percent in the prior month, prices for consumer foods increased 1.1 percent following a 1.6-percent drop in May, and the index for goods other than foods and energy rose 0.5 percent in June after edging down 0.1 percent in the previous month.

From June 2008 to December 2008, finished goods prices fell 6.2 percent, seasonally adjusted. By contrast, from December 2008 to June 2009, the finished goods index increased 2.1 percent. During the first 6 months of 2009, the finished goods index climbed at a 4.2-percent seasonally adjusted annual rate (SAAR) after declining at a 12.1-percent SAAR during the second half of 2008. This upturn is attributable to prices for finished energy goods, which increased at an 18.8-percent SAAR from December 2008 to June 2009 after falling at a 52.9-percent SAAR in the 6 months ended December 2008. By contrast, the index for finished goods other than foods and energy advanced at a 2.0-percent SAAR for the 6 months ended in June after rising at a 4.7-percent SAAR during the prior 6-month period. Prices for finished consumer foods moved down at a 2.3-percent SAAR during the first half of 2009 after decreasing at a 1.8-percent SAAR during the second half of 2008. Earlier in the production chain, the intermediate goods index declined at a 1.6-percent SAAR from December 2008 to June 2009 after falling at a 22.1-percent SAAR during the latter half of 2008, and prices for crude goods increased at a 5.2-percent SAAR for the 6 months ended in June after dropping at a 66.0-percent SAAR for the 6 months ended December 2008. (See summary table.)

Before seasonal adjustment, the Producer Price Index for Finished Goods rose 1.9 percent in June to 174.1 (1982 = 100). From June 2008 to June 2009, finished goods prices declined 4.6 percent. Over the same period, the index for finished energy goods fell 25.2 percent and prices for finished consumer foods decreased 2.2 percent. By contrast, partially offsetting the overall decline in finished goods prices, the index for finished goods other than foods and energy increased 3.3 percent for the 12 months ended in June. At the earlier stages of processing, prices received by manufacturers of intermediate goods moved down 12.5 percent and the crude

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

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2008							
June	1.3	1.2	4.3	0.2	9.1	2.0	2.7
July	1.3	0.6	3.8	0.6	9.9	2.8	3.9
Aug.	-0.5	0.2	-3.4	0.5	9.7	-1.3	-12.0
Sept.	-0.1	0.0	-1.3	0.4	8.8	-0.6	-7.3
Oct.	-2.6	0.1	-12.8	0.5	5.2	-4.2	-16.1
Nov.	-2.7	-0.5	-12.4	0.0	0.4	-4.8	-13.1
Dec.	-1.8	-1.2	-9.1	0.3	-0.9	-4.1	-5.6
2009							
Jan.	0.9	0.1	4.1	0.2	-0.9	-0.2	-1.5
Feb.[1]	-0.1	-1.6	0.9	0.1	-1.4	-0.8	-6.1
Mar.[1]	-1.1	-0.7	-5.3	0.1	-3.5	-1.5	-0.6
Apr.	0.3	1.5	-0.1	0.1	-3.7	-0.5	3.0
May	0.2	-1.6	2.9	-0.1	-5.0	0.3	3.6
June	1.8	1.1	6.6	0.5	-4.6	1.9	4.6

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for February 2009 have been revised to reflect the availability of late reports and corrections by respondents.

Summary of December-to-December, 6-month, and 3-month seasonally adjusted annual rates of change in price indexes at selected stages of processing

Grouping	Percentage change 12 months ended December			Seasonally adjusted annual rate for			
	2006	2007	2008	6 months ended Dec. 2008	6 months ended June 2009	3 months ended Mar. 2009	3 months ended June 2009
Finished goods	1.1	6.2	-0.9	-12.1	4.2	-0.9	9.5
Finished consumer foods	1.7	7.6	3.2	-1.8	-2.3	-8.5	4.2
Finished energy goods	-2.0	17.8	-20.3	-52.9	18.8	-2.4	44.7
Finished goods less foods and energy	2.0	2.0	4.5	4.7	2.0	1.9	2.1
Finished consumer goods less foods and energy	1.8	2.4	4.6	4.6	2.9	3.1	2.7
Capital equipment	2.3	1.4	4.3	4.6	0.8	0.3	1.3
Intermediate materials, supplies, and components	2.8	7.1	-2.3	-22.1	-1.6	-9.4	6.8
Intermediate foods and feeds	4.7	17.2	2.0	-17.8	0.2	-10.7	12.5
Intermediate energy goods	-3.3	19.8	-21.4	-57.0	12.7	-18.9	56.4
Intermediate materials less foods and energy	4.5	3.3	2.9	-8.2	-4.8	-6.6	-3.0
Materials for nondurable manufacturing	1.2	12.8	-5.2	-30.9	4.5	-0.6	9.9
Materials for durable manufacturing	12.5	1.7	-5.1	-31.0	-17.4	-25.5	-8.4
Materials and components for construction	4.3	2.0	7.5	1.5	-5.4	-6.9	-3.9
Crude materials for further processing	-4.7	19.8	-24.6	-66.0	5.2	-28.7	55.2
Foodstuffs and feedstuffs	2.8	24.9	-14.5	-37.1	-0.4	-16.8	19.1
Crude energy materials	-15.7	16.2	-32.5	-79.3	2.1	-50.1	108.7
Crude nonfood materials less energy	17.0	15.6	-24.1	-64.5	17.5	-1.6	40.3

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.

goods index dropped 40.0 percent from June 2008 to June 2009.

Finished goods

The index for finished energy goods climbed 6.6 percent in June following a 2.9-percent advance in May. Gasoline prices jumped 18.5 percent after rising 13.9 percent in the preceding month. The indexes for home heating oil, liquefied petroleum gas, diesel fuel, and kerosene also advanced more in June than they had a month earlier. Prices for residential natural gas turned up after falling in May. By contrast, the index for residential electric power decreased 0.9 percent in June following a 0.3-percent decline in the prior month. Prices for finished lubricants also fell more than they had in May. (See table 2.)

The index for finished consumer foods increased 1.1 percent in June after falling 1.6 percent in May. More than half of this upturn can be traced to prices for fresh and dry vegetables, which surged 21.8 percent following a 20.9-percent drop in the previous month. The indexes for eggs for fresh use; bottled carbonated soft drinks; bakery products; and natural, processed, and imitation cheese also turned up in June. Prices for processed young chickens rose more than in the preceding month. By contrast, prices for beef and veal decreased 2.9 percent following a 9.2-percent advance in May. The indexes for finfish and shellfish, fluid milk products, and melons also turned down in June.

The index for finished goods other than foods and energy increased 0.5 percent in June after inching down 0.1 percent in May. Accounting for most of this upturn, prices for light motor trucks climbed 3.4 percent following no change in the previous month, and the index for passenger cars rose 2.0 percent in June after edging up 0.1 percent in May. Prices for pharmaceutical preparations, cosmetics and toilet preparations, and soaps and synthetic detergents advanced after falling in the prior month. Conversely, the index for agricultural chemicals and chemical products decreased 14.8 percent in June following a 0.1-percent increase in May. Prices for tobacco products also turned down in June. Prices for electronic computers declined after no change a month earlier, while the index for newspaper circulation rose less than it had in May.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components advanced 1.9 percent in June following a 0.3-percent increase in the prior month. Prices for intermediate energy goods rose more than they had in May. The indexes for materials for both nondurable and durable manufacturing turned up in June. Prices for materials and

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

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2008								
June.....	1.1	4.1	1.4	14.7	2.2	3.8	0.5	43.6
July.....	4.7	4.9	2.0	17.0	0.1	6.6	3.4	49.0
Aug.....	-0.6	-7.1	0.6	16.3	-3.6	-20.4	-2.8	35.4
Sept.....	-2.1	-2.4	0.1	15.3	-1.3	-10.4	-9.7	24.2
Oct.....	-5.1	-10.7	-2.1	9.8	-10.5	-19.4	-17.9	0.1
Nov.....	-2.6	-13.4	-2.4	1.7	-1.3	-20.1	-18.8	-18.8
Dec.....	-3.8	-10.7	-2.4	-2.3	-5.6	-6.9	-1.5	-24.6
2009								
Jan.....	-1.5	2.8	-0.8	-3.6	0.9	-5.2	1.3	-27.7
Feb.[1]	-0.8	-1.2	-0.7	-5.2	-3.3	-12.1	-0.3	-34.5
Mar.[1]	-0.5	-6.6	-0.2	-8.9	-2.1	0.9	-1.5	-39.0
Apr.....	0.3	0.7	-0.9	-10.5	4.6	2.9	-0.6	-40.0
May.....	1.3	2.0	-0.2	-12.5	0.4	5.3	6.7	-41.1
June.....	1.3	8.9	0.4	-12.5	-0.4	10.9	2.6	-40.0

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for February 2009 have been revised to reflect the availability of late reports and corrections by respondents.

components for construction were unchanged after edging lower in May, and the intermediate foods and feeds index climbed at the same rate in June as in the prior month. Excluding foods and energy, prices for intermediate materials rose 0.4 percent following a 0.2-percent decline a month earlier. (See table B.)

The intermediate energy goods index advanced 8.9 percent in June after increasing 2.0 percent in the previous month. Jet fuel prices jumped 26.7 percent after decreasing 1.0 percent in May. The indexes for residual fuel and commercial natural gas also turned up after falling in the preceding month. Prices for diesel fuel, gasoline, and heating oil rose more in June. The commercial electric power index decreased less than in May. Conversely, partially offsetting the acceleration in the intermediate energy goods index, prices for industrial electric power declined 2.0 percent after moving down 0.9 percent in May. The index for natural gas to electric utilities rose less than in the prior month. (See table 2.) The intermediate energy goods index advanced at a 12.7-percent SAAR from December 2008 to June 2009 after decreasing at a 57.0-percent SAAR during the second half of 2008.

Prices for materials for nondurable manufacturing moved up 4.6 percent in June following a 0.3-percent decline in the prior month. The index for basic organic chemicals advanced 7.1 percent compared with a 0.5-percent gain in May. Prices for synthetic fibers, plastic resins and materials, and synthetic rubber turned up after falling in the previous month. The indexes for paperboard and for writing and printing papers decreased less than they had in May. By contrast, prices for agricultural chemicals and chemical products dropped 14.8 percent in June after edging up 0.1 percent in the preceding month. The indexes for rock salt and for fats and oils also turned down following increases in May. The index for materials for nondurable manufacturing rose at a 4.5-percent SAAR in the first half of 2009 after decreasing at a 30.9-percent SAAR in the second half of 2008.

Prices for materials for durable manufacturing increased 0.5 percent in June following a 0.6-percent decline in the preceding month. The index for hot rolled steel bars, plates, and structural shapes rose 2.5 percent after falling 1.3 percent in May. Prices for semifinished steel mill products, softwood lumber, synthetic fibers, and titanium mill shapes also turned up in June. The index for copper and brass mill shapes rose more than in the prior month, while prices for cold rolled steel sheet and strip decreased less than in May. By contrast, the rise in the index for primary nonferrous metals slowed to 4.2 percent in June from 8.2 percent in the previous month. Prices for aluminum mill shapes also rose less than they had in May. The index for materials for durable manufacturing declined at a 17.4-percent SAAR in the 6 months ended June 2009 after falling at a 31.0-percent SAAR in the second half of 2008.

Prices for materials and components for construction were unchanged after edging down 0.1 percent in the prior month. In June, price increases for asphalt felts and coatings, ready-mixed concrete, nonferrous metals, softwood lumber, and millwork were offset by falling prices for structural, architectural, and pre-engineered metal products; treated wood and contract wood preserving; non-farm prefabricated metal building systems; paving mixtures and blocks; and unitary air conditioners. The index for materials and components for construction decreased at a 5.4-percent SAAR in the first half of 2009 after moving up at a 1.5-percent SAAR in the prior 6-month period.

The intermediate foods and feeds index advanced 1.3 percent for the second consecutive month. In June, higher prices for prepared animal feeds, processed young chickens, flour and flour base mixes and doughs, bulk fluid milk and cream, and bottled carbonated soft drinks outweighed lower prices for beef and veal, shortening and cooking oils, and pork. The index for intermediate foods and feeds edged up at a 0.2-percent SAAR for the 6 months ended June 2009 after decreasing at a 17.8-percent SAAR from June to December 2008.

Crude goods

The Producer Price Index for Crude Materials for Further Processing increased 4.6 percent in June compared with a 3.6-percent gain in May. Prices for crude energy materials advanced more than they had in the previous month. By contrast, partially offsetting the acceleration in prices for crude goods, the index for crude nonfood materials less energy increased less than in May, and prices for crude foodstuffs and feedstuffs turned down in June after rising a month earlier. (See table B.)

The index for crude energy materials rose 10.9 percent in June subsequent to a 5.3-percent advance in the prior month. Leading this acceleration, prices for natural gas moved up 3.5 percent following a 5.7-percent drop in May. In June, the increase in the crude petroleum index accelerated to 20.3 percent from 18.6 percent in the preceding month. Conversely, coal prices advanced 1.7 percent compared with a 2.0-percent rise in May. (See table 2.) From December 2008 to June 2009, the index for crude energy materials increased at a 2.1-percent SAAR after falling at a 79.3-percent SAAR in the prior 6-month period.

The increase in the index for crude nonfood materials less energy slowed to 2.6 percent in June from 6.7 percent in the prior month. Prices for carbon steel scrap moved up 0.5 percent subsequent to a 20.6-percent climb in May. Increases in the indexes for copper ores, nonferrous scrap, corn, and wheat also decelerated from the previous month. Phosphates prices fell more in June, and the pulpwood index turned down after rising in May. By contrast, the increase in the index for gold ores accelerated to 5.7 percent from 2.5 percent in May. Wastepaper prices also increased more than in the preceding month. During the first half of 2009, the crude nonfood materials less energy index advanced at a 17.5-percent SAAR after dropping at a 64.5-percent SAAR in the previous 6-month period.

Prices for crude foodstuffs and feedstuffs moved down 0.4 percent in June following a 0.4-percent advance in the previous month. The index for unprocessed finfish declined 39.5 percent subsequent to a 5.0-percent increase in May. Prices for slaughter poultry and corn increased less than in the preceding month. The indexes for Irish potatoes for processing, slaughter cows and bulls, and slaughter steers and heifers decreased more in June than they had a month earlier. By contrast, prices for fresh vegetables (except potatoes) jumped 36.1 percent after falling 26.4 percent in May. The index for slaughter barrows and gilts declined less in June than in the previous month, and prices for hay, hayseeds, and oilseeds advanced more than in May. The index for crude foodstuffs and feedstuffs decreased at a 0.4-percent SAAR in the first half of 2009 after falling at a 37.1-percent SAAR in the second half of 2008.

Net output price indexes

Mining, Utilities, and Manufacturing Industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries advanced 1.7 percent in June after moving up 1.1 percent in the prior month. (Net output price indexes are not seasonally adjusted.) The industry index for petroleum refineries climbed 17.9 percent subsequent to a 13.9-percent jump a month earlier. Prices received by distributors of electric power and by the crude petroleum and natural gas extraction industry also rose more than they had in May. The indexes for automobile, light truck, and utility vehicle manufacturing; natural gas distribution; and pharmaceutical preparation manufacturing turned up in June. By contrast, partially offsetting the acceleration in the index for total mining, utilities, and manufacturing industries, the industry index for livestock slaughtering inched up 0.1 percent in June after advancing 6.2 percent a month earlier. Prices received by manufacturers of phosphatic fertilizer declined at faster rates compared with the previous month. For the first 6 months of 2009, the Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries increased at a 4.0-percent annualized rate compared with an 18.8-percent annualized rate of decline in the final half of 2008. In June, the index for total mining, utilities, and manufacturing industries was 107.0 (December 2006 = 100), 8.1 percent below its year-ago level.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries moved up 1.2 percent in June compared with a 0.9-percent decline a month earlier. (Trade indexes measure changes in margins received by wholesalers and retailers.) Margins received by merchant wholesalers of nondurable goods increased 1.8 percent subsequent to a 2.0-percent decline in the preceding month. The margin indexes for merchant wholesalers of durable goods, women's clothing stores, new car dealers, and discount department stores also turned up in June. Margins received by gasoline stations with convenience stores rose more than in the previous month. By contrast, the margin index for non-discount department stores fell 6.5 percent following no change in May. Margins received by electronic shopping and mail-order houses and by furniture stores turned down in June. For the first half of 2009, the Producer Price Index for the Net Output of Total Trade Industries increased at a 0.4-percent annualized rate after rising at a 5.6-percent annualized rate in the second half of 2008. In June, the index for total trade industries was 111.7 (December 2006 = 100), 2.9 percent above its year-ago level.

Transportation and Warehousing Industries. The Producer Price Index for the Net Output of Transportation and Warehousing Industries edged up 0.3 percent in June following a 0.7-percent decrease in the previous month. Leading this upturn, the index for the scheduled passenger air transportation industry increased 2.9 percent after declining 7.0 percent in May. Prices received by the industries for local specialized freight trucking of new goods and freight transportation arrangement also turned up in June. The index

for couriers moved up subsequent to no change a month earlier. By contrast, the index for the U.S. Postal Service was unchanged in June after increasing 2.9 percent in the prior month. Prices received by transporters of both scheduled air and deep sea freight declined faster than in May. The Coastal and Great Lakes freight transportation index turned down in June, and prices received by the industry for long-distance general freight trucking (by the truckload) rose less than in May. From December 2008 to June 2009, the Producer Price Index for the Net Output of Transportation and Warehousing Industries decreased at a 5.9-percent annualized rate following an 8.8-percent annualized rate of decline in the second half of 2008. In June, the index for transportation and warehousing industries was 106.6 (December 2006 = 100), 7.4 percent below its year-ago level.

Traditional Service Industries. The Producer Price Index for the Net Output of Total Traditional Service Industries edged down 0.1 percent in June following a 0.5-percent gain a month earlier. The index for the depository credit intermediation industry group decreased 1.7 percent compared with a 3.2-percent advance in May. Similarly, prices received by investment bankers and securities dealers, cellular and other wireless carriers, and casino hotels also turned down in June. The industry index for management consulting services fell more than in the prior month. Conversely, the industry index for portfolio management climbed 5.2 percent after increasing 1.1 percent in May. Prices received by non-casino hotels and motels also rose more than a month earlier. The industry indexes for passenger car rental and temporary help services turned up in June. During the first half of 2009, the Producer Price Index for the Net Output of Total Traditional Service Industries moved up at a 0.6-percent annualized rate following a 0.2-percent annualized rate of increase from June to December 2008. In June 2009, the index for total traditional service industries was 102.4, (December 2006 = 100), 0.4 percent above its year-ago level.

Producer Price Indexes – July 2009

The Producer Price Index for Finished Goods declined 0.9 percent in July, seasonally adjusted. This decrease followed advances of 1.8 percent in June and 0.2 percent in May. At the earlier stages of processing, prices received by manufacturers of intermediate goods moved down 0.2 percent in July after rising 1.9 percent in the prior month, and the crude goods index fell 4.5 percent following a 4.6-percent increase in June. (See table A.)

The downturn in finished goods prices was broad based. The index for energy goods fell 2.4 percent in July after climbing 6.6 percent a month earlier, prices for consumer foods decreased 1.5 percent following a 1.1-percent advance in the previous month, and the index for goods other than foods and energy edged down 0.1 percent compared with a 0.5-percent rise in June.

Before seasonal adjustment, the Producer Price Index for Finished Goods decreased 0.9 percent in July to 172.6 (1982 = 100). From July 2008 to July 2009, prices for finished goods fell 6.8 percent, the index for intermediate goods decreased 15.1 percent, and crude goods prices dropped 44.8 percent, all of which are record 12-month declines. Over the same period within finished goods, the index for energy goods fell 29.7 percent, prices for consumer foods moved down 4.2 percent, and the index for goods other than foods and energy rose 2.6 percent.

Finished goods

The index for finished energy goods moved down 2.4 percent in July following a 6.6-percent advance in June. Leading this downturn, gasoline prices decreased 10.2 percent after surging 18.5 percent a month earlier. The indexes for home heating oil, diesel fuel, and kerosene also turned down in July. Prices for liquefied petroleum gas increased less than in the prior month. Conversely, partially offsetting the downturn in the finished energy goods index, prices for residential electric power advanced 0.7 percent subsequent to a 0.9-percent decline in June. The index for residential natural gas rose at a faster rate compared with the previous month, and prices for lubricating and similar oils turned up in July after falling in the preceding month. (See table 2.)

The index for finished consumer foods decreased 1.5 percent in July following a 1.1-percent rise a month earlier. Prices for fresh and dry vegetables declined 11.7 percent compared with a 21.8-percent gain in June. The indexes for processed young chickens, eggs for fresh use, flour and flour base mixes and doughs, and bottled carbonated soft drinks also turned down in July. Prices for beef and veal fell more than they had in June. By contrast, prices for citrus fruits climbed 31.6 percent subsequent to a 9.2-percent decline a month earlier. The indexes for noncarbonated soft drinks and fluid milk products also turned up in July.

Prices for finished goods other than foods and energy edged down 0.1 percent in July following a 0.5-percent advance in June. The light motor trucks index declined 0.7 percent after rising 3.4 percent in the prior month. Prices for passenger cars and for communication and related equipment also turned down in July. By contrast, the pharmaceutical preparations index increased 1.2 percent compared with a 0.8-percent advance in the preceding month. Prices for civilian

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

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2008							
July	1.3	0.6	3.8	0.6	9.9	2.8	3.9
Aug.	-0.5	0.2	-3.4	0.5	9.7	-1.3	-12.0
Sept.	-0.1	0.0	-1.3	0.4	8.8	-0.6	-7.3
Oct.	-2.6	0.1	-12.8	0.5	5.2	-4.2	-16.1
Nov.	-2.7	-0.5	-12.4	0.0	0.4	-4.8	-13.1
Dec.	-1.8	-1.2	-9.1	0.3	-0.9	-4.1	-5.6
2009							
Jan.	0.9	0.1	4.1	0.2	-0.9	-0.2	-1.5
Feb.	-0.1	-1.6	0.9	0.1	-1.4	-0.8	-6.1
Mar.[1]	-0.9	-0.8	-4.7	0.1	-3.4	-1.5	-0.4
Apr.[1]	0.2	1.5	-0.7	0.1	-3.7	-0.5	2.9
May	0.2	-1.6	2.9	-0.1	-5.0	0.3	3.6
June	1.8	1.1	6.6	0.5	-4.6	1.9	4.6
July	-0.9	-1.5	-2.4	-0.1	-6.8	-0.2	-4.5

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for March 2009 have been revised to reflect the availability of late reports and corrections by respondents.

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

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2008								
July.....	4.7	4.9	2.0	17.0	0.1	6.6	3.4	49.0
Aug.....	-0.6	-7.1	0.6	16.3	-3.6	-20.4	-2.8	35.4
Sept.....	-2.1	-2.4	0.1	15.3	-1.3	-10.4	-9.7	24.2
Oct.....	-5.1	-10.7	-2.1	9.8	-10.5	-19.4	-17.9	0.1
Nov.....	-2.6	-13.4	-2.4	1.7	-1.3	-20.1	-18.8	-18.8
Dec.....	-3.8	-10.7	-2.4	-2.3	-5.6	-6.9	-1.5	-24.6
2009								
Jan.....	-1.5	2.8	-0.8	-3.6	0.9	-5.2	1.3	-27.7
Feb.....	-0.8	-1.2	-0.7	-5.2	-3.3	-12.1	-0.3	-34.5
Mar.[1]	-0.8	-5.5	-0.5	-8.9	-1.7	0.5	-0.9	-38.9
Apr.[1]	0.6	-0.4	-0.6	-10.5	4.2	3.2	-1.1	-40.0
May.....	1.3	2.0	-0.2	-12.5	0.4	5.3	6.7	-41.1
June.....	1.3	8.9	0.4	-12.5	-0.4	10.9	2.6	-40.0
July.....	-2.0	-1.4	0.2	-15.1	-6.1	-6.2	2.9	-44.8

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for March 2009 have been revised to reflect the availability of late reports and corrections by respondents.

aircraft declined at a slower rate than in June. The indexes for plastic products; tools, dies, jigs, fixtures, and individual molds; and sporting and athletic goods turned up in July.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components declined 0.2 percent in July subsequent to a 1.9-percent advance in June. Prices for intermediate energy goods and intermediate foods and feeds turned down after rising in the previous month. The index for materials for nondurable manufacturing increased less than it had in June, and prices for materials and components for construction fell in July after no change in the prior month. By contrast, slightly offsetting the downturn in the index for intermediate materials, supplies, and components, the index for materials for durable manufacturing increased more than it had in June. Excluding foods and energy, prices for intermediate materials moved up 0.2 percent in July following a 0.4-percent advance a month earlier. (See table B.)

The index for intermediate energy goods decreased 1.4 percent in July following an 8.9-percent increase in the preceding month. Diesel fuel prices dropped 8.0 percent after rising 14.6 percent in June. The indexes for gasoline, jet fuel, residual fuels, heating oil, and natural gas to electric utilities also turned down after advancing in the prior month. Conversely, prices for electric power moved up 1.1 percent in July subsequent to a 0.6-percent decline a month earlier. The index for finished lubricants also turned up after falling in the preceding month. Prices for commercial natural gas rose more than in June. (See table 2.)

Prices for materials for nondurable manufacturing advanced 1.4 percent in July compared with a 4.6-percent rise in the previous month. The index for primary basic organic chemicals moved up 3.4 percent following a 16.0-percent jump in June. Prices for inedible fats and oils, synthetic rubber, tire cord fabric, and unprocessed filament yarns turned down in July after increasing in the prior month. Conversely, prices for fertilizer materials rose 4.6 percent in July subsequent to a 20.1-percent drop a month earlier. The indexes for woodpulp and finished knit fabrics also turned up after declining in June. Prices for plastic resins and materials increased more in July than in the preceding month, while the index for non-corrugated paperboard fell less than in June.

Prices for intermediate foods and feeds fell 2.0 percent subsequent to a 1.3-percent gain in June. Leading this downturn, the prepared animal feeds index decreased 3.3 percent in July after rising 5.3 percent in the previous month. Prices for processed young chickens, flour and flour base mixes and doughs, natural cheese (except cottage cheese), and processed cheese also turned down after rising a month earlier. The indexes for beef and veal and for shortening and cooking oils fell more than they had in June. By contrast, the cooked or smoked poultry products index turned up 3.6 percent following a 1.7-percent decline a month earlier. Processed egg prices also increased in July after falling in the prior month.

The index for materials and components for construction moved down 0.3 percent in July compared with no change in June. The index for prepared asphalt and tar roofing and siding products fell 4.7 percent subsequent to a 6.1-percent increase a month earlier. Prices for ready-mixed concrete, nonferrous wire and cable, and millwork also turned down in July after rising in the previous month. The indexes for metal doors and frames (except storm doors) and for paving mixtures and blocks fell more than they had in June. By contrast, the index for treated wood rose 4.1 percent subsequent to a 2.9-percent decline in the prior month. Prices for unfinished softwood lumber (not made from purchased materials) rose more than in June, and the index for non-farm prefabricated metal building systems was unchanged in July after decreasing in the prior month.

Prices for materials for durable manufacturing climbed 0.6 percent compared with a 0.5-percent advance in June. In July, rising prices for both cold and hot rolled steel sheet and strip; unfinished softwood lumber (not made from purchased materials); thermoplastics resins and materials; primary nonferrous metals; aluminum mill shapes; and hot rolled steel bars, plates, and structural shapes more than offset declining prices for copper and brass mill shapes and for steel pipe and tube.

Crude goods

The Producer Price Index for Crude Materials for Further Processing turned down 4.5 percent in July after rising 4.6 percent in the previous month. Prices for crude energy materials fell after increasing in June and the index for crude foodstuffs and feedstuffs declined more than in the prior month. By contrast, partially offsetting the downturn in crude materials prices, the index for crude nonfood materials less energy rose more than in June. (See table B.)

The index for crude energy materials turned down 6.2 percent in July after rising 10.9 percent a month earlier. Prices for crude petroleum fell 15.9 percent following a 20.3-percent advance in June. The index for coal declined 1.4 percent in July after increasing 1.7 percent in the preceding month. By contrast, price advances for natural gas accelerated to 5.0 percent from 3.5 percent in June. (See table 2.)

The index for crude foodstuffs and feedstuffs fell 6.1 percent in July following a 0.4-percent decrease in the previous month. The index for hay, hayseeds, and oilseeds turned down 14.1 percent after rising 6.2 percent in June. Prices for corn, slaughter poultry, fresh vegetables (except potatoes), and wheat also declined after advancing in the prior month. Conversely, the index for slaughter steers and heifers turned up 2.0 percent in July after falling 3.7 percent in the prior month. Prices for slaughter barrows and gilts and for Irish potatoes for processing also rose following June declines.

The advance in the index for crude nonfood materials less energy accelerated to 2.9 percent in July from 2.6 percent in the preceding month. The index for carbon steel scrap jumped 20.6 percent following a 0.5-percent increase in June. Prices for aluminum base scrap also rose more than a month earlier. The index for phosphates turned up in July after falling in the previous month. Conversely, prices for grains fell 17.9 percent after advancing 4.1 percent in June. The indexes for gold ores and soybeans also turned down after increasing in the prior month. Prices for iron ore fell in July after no change in the preceding month, and the index for copper base scrap rose less than in June.

Net output price indexes

Mining, utilities, and manufacturing industries. The Producer Price Index for the Net Output of Total Mining, Utilities, and Manufacturing Industries fell 0.5 percent in July after rising 1.7 percent in June. (Net output price indexes are not seasonally adjusted.) Prices received by petroleum refineries dropped 5.2 percent in July following a 17.9-percent surge in the previous month. The industry indexes for automobile, light truck, and utility vehicle manufacturing; crude petroleum and natural gas extraction; livestock slaughtering; animal feed manufacturing; and poultry processing also turned down after advancing in June. Prices received by electric power distributors increased less in July than they had a month earlier. By contrast, partially offsetting the downturn in mining, utilities, and manufacturing industries prices, the index for the electric power generation industry advanced 4.0 percent following a 0.4-percent rise in June. Prices received by the phosphatic fertilizer and by the plastic material and resin manufacturing industries climbed after decreasing in the prior month. In July, the index for total mining, utilities, and manufacturing industries was 106.5 (December 2006 = 100), 10.4 percent below its year-ago level.

Trade Industries. The Producer Price Index for the Net Output of Total Trade Industries decreased 0.4 percent in July following a 1.2-percent increase in June. (Trade indexes measure changes in margins received by wholesalers and retailers.) Margins received by merchant wholesalers of durable goods declined 1.8 percent after rising 1.2 percent in the preceding month. The margin indexes for women's clothing stores, discount department stores, new car dealers, and supermarkets also turned down in July. Margins received by gasoline stations with convenience stores advanced less than in June. By contrast, margins received by warehouse clubs and supercenters jumped 7.8 percent in July compared with a 3.1-percent drop in the prior month. The margin indexes for fuel dealers and non-discount department stores also turned up after falling in June. In July, the index for total trade industries was 111.3 (December 2006 = 100), 2.0 percent above its year-ago level.

Transportation and Warehousing Industries. The Producer Price Index for the Net Output of Total Transportation and Warehousing Industries increased 1.2 percent in July following a 0.3-percent advance in June. Leading this acceleration, prices received by the scheduled air transportation industry group climbed 4.7 percent after moving up 0.3 percent in the previous month. The industry index for long-distance general freight trucking (by the truckload) also rose more in July than it had a month earlier. Prices received by the industries for both deep sea and for Coastal and Great Lakes freight transportation turned up in July. The index for pipeline transportation of crude petroleum products advanced after no change in June. By contrast, prices received by the specialized freight trucking industry

group edged down 0.1 percent following a 1.7-percent jump in the previous month. The indexes for inland water freight transportation and local general freight trucking also turned down in July. Prices received by line-haul railroads increased less than they had in June. In July, the index for total transportation and warehousing industries was 107.9 (December 2006 = 100), 7.0 percent below its year-ago level.

Traditional Service Industries. The Producer Price Index for the Net Output of Total Traditional Service Industries was unchanged in July after inching down 0.1 percent in the preceding month. In July, higher prices received by non-casino hotels and motels, direct property and casualty insurers, offices of physicians, savings institutions, and the automotive equipment rental and leasing industry group were offset by lower prices received by commercial banks, the industry group for security and commodity contract intermediaries and brokerages, software publishers, and cable networks. In July, the index for total traditional service industries was 102.4 (December 2006 = 100), 0.2 percent above its year-ago level.

Producer Price Indexes – August 2009

The Producer Price Index for Finished Goods advanced 1.7 percent in August, seasonally adjusted. This increase followed a 0.9-percent decline in July and a 1.8-percent advance in June. In August, at the earlier stages of processing, prices received by manufacturers of intermediate goods rose 1.8 percent and the crude goods index moved up 3.8 percent. On an unadjusted basis, prices for finished goods fell 4.3 percent from August 2008 to August 2009, following a record 6.8 percent 12-month decline in July. (See table A.)

Stage-of-Processing Analysis

Finished goods

In August, over ninety percent of the finished goods increase was the result of higher energy prices, which moved up 8.0 percent. The indexes for finished goods less foods and energy and for finished consumer foods also contributed to the advance in finished goods prices, rising 0.2 percent and 0.4 percent, respectively.

Finished energy: The index for finished energy goods climbed 8.0 percent in August, the largest monthly increase since a 10.2-percent rise in November 2007. About eighty-five percent of the August advance can be attributed to higher gasoline prices, which surged 23.0 percent. Rising prices for home heating oil and liquefied petroleum gas also contributed to the increase in the finished energy goods index. (See table 2.)

Finished core: Prices for finished goods less foods and energy rose 0.2 percent in August after edging down 0.1 percent a month earlier. Accounting for over half of this increase, the light motor trucks index moved up 0.8 percent. Higher prices for passenger cars also were a major factor in the advance in the finished core index.

Finished foods: Prices for finished consumer foods moved up 0.4 percent in August following a 1.5-percent decline in July. Almost half of this increase can be attributed to higher prices for fresh fruits and melons, which rose 5.9 percent.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components advanced 1.8 percent after falling 0.2 percent in July. Accounting for about eighty percent of the August increase, prices for intermediate energy goods rose 7.1 percent. Prices for intermediate materials less foods and energy gained 0.6 percent and the index for intermediate foods and feeds moved up 0.3 percent. For the 12 months ending in August, the decline in intermediate goods prices slowed to 12.3 percent from a record decrease of 15.1 percent from July 2008 to July 2009. (See table B.)

Intermediate energy: The index for intermediate energy goods increased 7.1 percent after decreasing 1.4 percent in July. A major contributor to the August increase was diesel fuel prices, which rose 15.9 percent. Higher prices for gasoline and lubricating oil base stocks also had a significant impact on the intermediate energy goods index. (See table 2.)

Intermediate core: Prices for intermediate materials less foods and energy climbed 0.6 percent, the third consecutive monthly increase. Accounting for over half of the gain in August, the steel mill products index increased 6.8 percent. Rising prices for primary basic organic chemicals also had a considerable effect on the intermediate core index.

Intermediate foods: The index for intermediate foods and feeds advanced 0.3 percent after declining 2.0 percent in July. A 6.1-percent increase in the index for corn, cottonseed, and soybean cake and meal accounted for nearly all of the increase in intermediate foods and feeds prices

Chart 1. Monthly percent changes in the Producer Price Index for Finished Goods, seasonally adjusted: August 2008 – August 2009

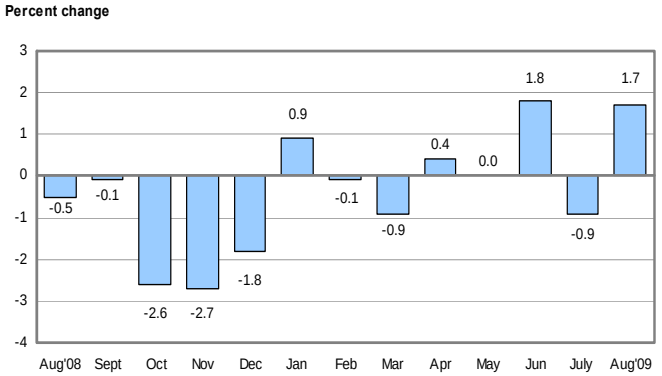


Chart 2. 12-month percent changes in the Producer Price Index for Finished Goods, not seasonally adjusted: August 2008 – August 2009

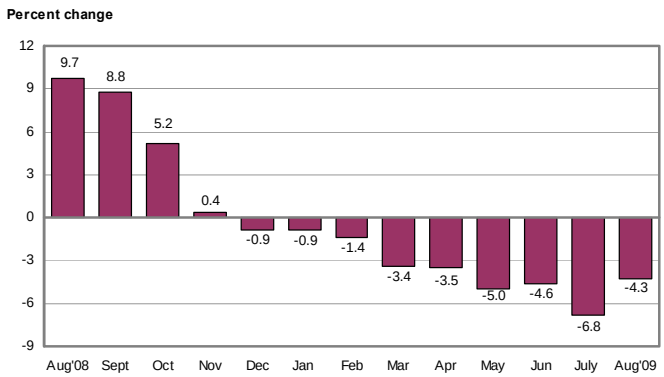


Chart 3. Monthly percent changes in the Producer Price Index for Intermediate Goods, seasonally adjusted: August 2008 – August 2009

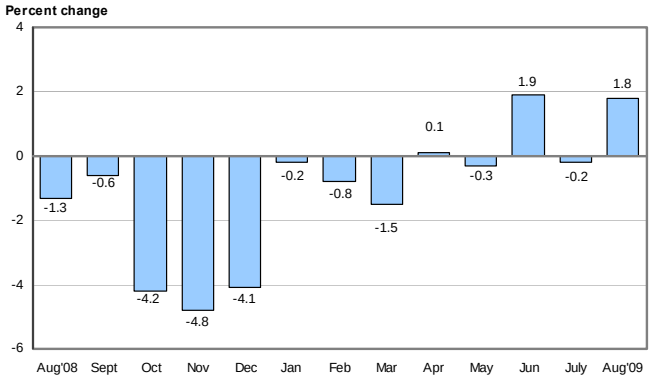


Chart 4. 12-month percent changes in the Producer Price Index for Intermediate Goods, not seasonally adjusted: August 2008 – August 2009

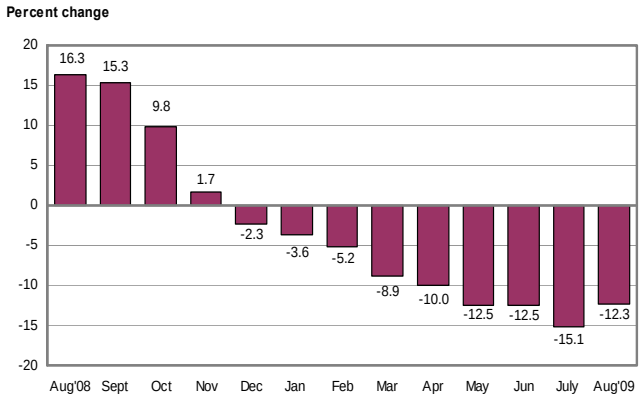


Table A. Monthly and 12-month percent changes in selected stage-of-processing price indexes, seasonally adjusted

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2008							
Aug.....	-0.5	0.2	-3.4	0.5	9.7	-1.3	-12.0
Sept.....	-0.1	0.0	-1.3	0.4	8.8	-0.6	-7.3
Oct.....	-2.6	0.1	-12.8	0.5	5.2	-4.2	-16.1
Nov.....	-2.7	-0.5	-12.4	0.0	0.4	-4.8	-13.1
Dec.....	-1.8	-1.2	-9.1	0.3	-0.9	-4.1	-5.6
2009							
Jan.....	0.9	0.1	4.1	0.2	-0.9	-0.2	-1.5
Feb.....	-0.1	-1.6	0.9	0.1	-1.4	-0.8	-6.1
Mar.....	-0.9	-0.8	-4.7	0.1	-3.4	-1.5	-0.4
Apr.[1]	0.4	1.5	0.4	0.1	-3.5	0.1	2.3
May[1]	0.0	-1.6	1.7	-0.1	-5.0	-0.3	4.1
June.....	1.8	1.1	6.6	0.5	-4.6	1.9	4.6
July.....	-0.9	-1.5	-2.4	-0.1	-6.8	-0.2	-4.5
Aug.....	1.7	0.4	8.0	0.2	-4.3	1.8	3.8

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for April 2009 have been revised to reflect the availability of late reports and corrections by respondents.

Crude goods

The Producer Price Index for Crude Materials for Further Processing advanced 3.8 percent in August. For the 3 months ending in August, crude material prices increased 3.7 percent after rising 6.1 percent from February to May. In August, monthly increases of 6.9 percent in the index crude energy materials and 6.0 percent for prices of crude nonfood materials less energy outweighed a 0.8-percent decline in the index for crude foodstuffs and feedstuffs. (See table B.)

Crude energy: The index for crude energy materials increased 6.9 percent in August, and 11.2 percent from May to August. By comparison, for the 3-month period ended in May, prices for crude energy materials rose 9.3 percent. In August, the monthly increase in the crude energy materials index was entirely the result of crude petroleum prices, which jumped 19.6 percent. (See table 2.)

Crude core: The index for crude nonfood materials less energy rose 6.0 percent in August. This index moved up 12.0 percent in the most recent 3-month period, as compared with a 4.5-percent advance in the previous 3-month period. Accounting for about forty-five percent of the monthly August increase, iron and steel scrap prices rose 13.5 percent**.** An increase in the nonferrous scrap index also contributed significantly to the monthly crude core advance.

Chart 5. Monthly percent changes in the Producer Price Index for Crude Materials, seasonally adjusted: August 2008 – August 2009

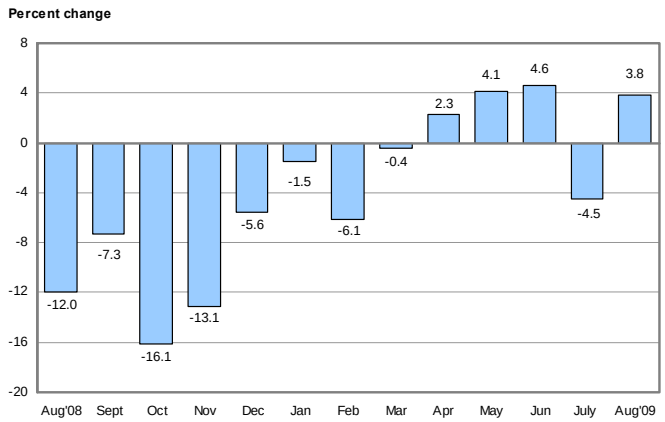


Chart 6. 12-month percent changes in the Producer Price Index for Crude Materials, not seasonally adjusted: August 2008 – August 2009

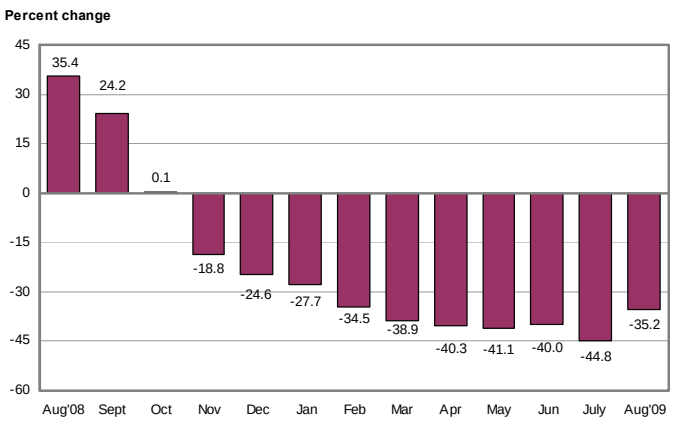


Table B. Monthly and 12-month percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2008								
Aug.....	-0.6	-7.1	0.6	16.3	-3.6	-20.4	-2.8	35.4
Sept.....	-2.1	-2.4	0.1	15.3	-1.3	-10.4	-9.7	24.2
Oct.....	-5.1	-10.7	-2.1	9.8	-10.5	-19.4	-17.9	0.1
Nov.....	-2.6	-13.4	-2.4	1.7	-1.3	-20.1	-18.8	-18.8
Dec.....	-3.8	-10.7	-2.4	-2.3	-5.6	-6.9	-1.5	-24.6
2009								
Jan.....	-1.5	2.8	-0.8	-3.6	0.9	-5.2	1.3	-27.7
Feb.....	-0.8	-1.2	-0.7	-5.2	-3.3	-12.1	-0.3	-34.5
Mar.....	-0.8	-5.5	-0.5	-8.9	-1.7	0.5	-0.9	-38.9
Apr.[1]	0.6	1.9	-0.5	-10.0	4.0	1.2	0.6	-40.3
May[1]	1.3	-0.3	-0.4	-12.5	0.5	7.5	4.9	-41.1
June.....	1.3	8.9	0.4	-12.5	-0.4	10.9	2.6	-40.0
July.....	-2.0	-1.4	0.2	-15.1	-6.1	-6.2	2.9	-44.8
Aug.....	0.3	7.1	0.6	-12.3	-0.8	6.9	6.0	-35.2

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for April 2009 have been revised to reflect the availability of late reports and corrections by respondents.

Services Analysis

Total Trade Industries: The Producer Price Index for the Net Output of Total Trade Industries decreased 0.3 percent in August, the second consecutive monthly decline. (Trade indexes measure changes in margins received by wholesalers and retailers.) The August decline was led by a 16.9-percent drop in the margin index for gasoline stations. Lower margins received by supermarkets and fuel dealers also contributed to the decrease in the total trade industries index.

Transportation and Warehousing Industries: The Producer Price Index for the Net Output of Total Transportation and Warehousing Industries moved up 0.7 percent in August, its third consecutive monthly increase. Over half of the August advance can be traced to a 2.2-percent rise in prices received by the scheduled air transportation industry group. The industry indexes for local general freight trucking and couriers also increased in August.

Traditional Service Industries: The Producer Price Index for the Net Output of Total Traditional Service Industries rose 0.5 percent in August, its first monthly increase since May. About seventy percent of the August increase can be attributed to a 4.1-percent rise in prices received by the depository credit intermediation industry group. The industry indexes for securities brokerages and for direct health and medical insurance carriers also moved up in August.

Producer Price Indexes – September 2009

The Producer Price Index for Finished Goods declined 0.6 percent in September, seasonally adjusted. This decrease followed a 1.7-percent rise in August and a 0.9-percent decline in July. In September, at the earlier stages of processing, prices received by manufacturers of intermediate goods moved up 0.2 percent and the crude goods index fell 2.1 percent. On an unadjusted basis, from September 2008 to September 2009, prices for finished goods fell 4.8 percent, the tenth consecutive month of year-over-year declines. (See table A.)

Stage-of-Processing Analysis

Finished goods

In September, over ninety percent of the finished goods decrease was the result of lower energy prices, which moved down 2.4 percent. The indexes for finished goods less foods and energy and for finished consumer foods also contributed to the decline in finished goods prices, both edging down 0.1 percent.

Finished energy: The index for finished energy goods fell 2.4 percent in September compared with an 8.0-percent surge a month earlier. Almost eighty percent of the decrease can be attributed to gasoline prices, which moved down 5.4 percent. Falling prices for home heating oil and residential natural gas also contributed to the decline in the finished energy goods index. (See table 2.)

Finished core: Prices for finished goods less foods and energy edged down 0.1 percent in September following a 0.2-percent increase in August. Leading the decline, the index for light motor trucks moved down 1.4 percent. Lower prices for pet food also impacted the finished core index.

Finished foods: Prices for finished consumer foods inched down 0.1 percent in September after rising 0.4 percent in August. The index for eggs for fresh use, which declined 9.8 percent, led the decrease in finished consumer food prices.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components moved up 0.2 percent in September, its second consecutive monthly increase. This advance can be attributed to prices for intermediate materials less foods and energy, which rose 0.9 percent. By contrast, the index for intermediate energy goods fell 2.1 percent, and prices for intermediate foods and feeds declined 0.5 percent. On a 12-month basis, the intermediate goods index fell 11.7 percent in September. This was the second consecutive month of slowing year-over-year declines after a record 15.1-percent drop for the 12-months ended July 2009. (See table B.)

Intermediate core: Prices for intermediate materials less foods and energy climbed 0.9 percent in September, their fourth consecutive monthly increase. Accounting for about a quarter of the September advance, the index for primary basic organic chemicals rose 8.1 percent. Higher prices for hot rolled steel sheet and strip and for primary nonferrous metals also were factors in the intermediate core increase. (See table 2.)

Chart 1. Monthly percent changes in the Producer Price Index for Finished Goods, seasonally adjusted: September 2008 – September 2009

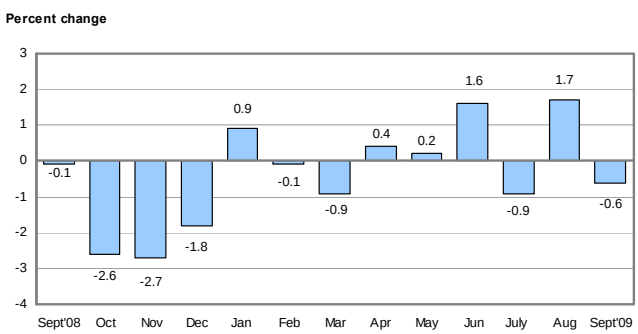


Chart 2. 12-month percent changes in the Producer Price Index for Finished Goods, not seasonally adjusted: September 2008 – September 2009

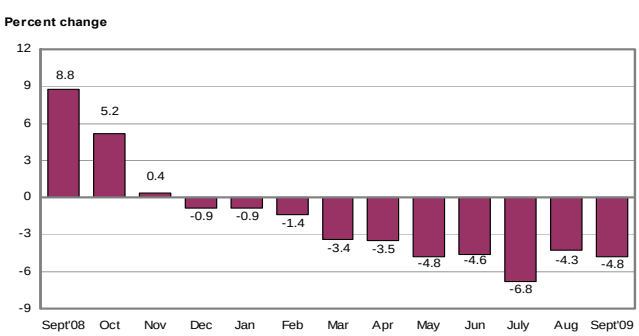


Chart 3. Monthly percent changes in the Producer Price Index for Intermediate Goods, seasonally adjusted: September 2008 – September 2009

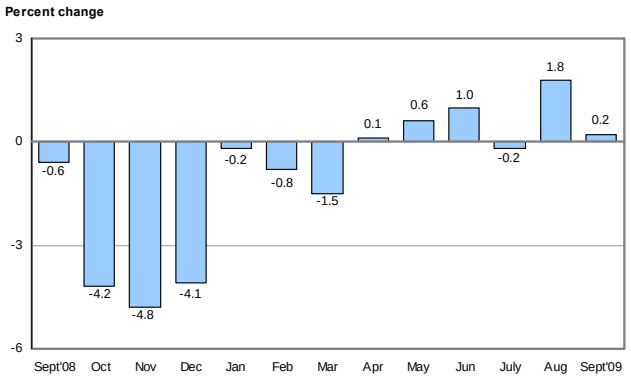


Chart 4. 12-month percent changes in the Producer Price Index for Intermediate Goods, not seasonally adjusted: September 2008 – September 2009

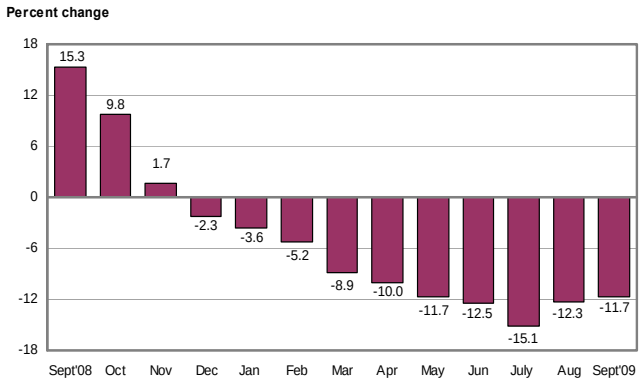


Table A. Monthly and 12-month percent changes in selected stage-of-processing price indexes, seasonally adjusted

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2008							
Sept.....	-0.1	0.0	-1.3	0.4	8.8	-0.6	-7.3
Oct.....	-2.6	0.1	-12.8	0.5	5.2	-4.2	-16.1
Nov.....	-2.7	-0.5	-12.4	0.0	0.4	-4.8	-13.1
Dec.....	-1.8	-1.2	-9.1	0.3	-0.9	-4.1	-5.6
2009							
Jan.....	0.9	0.1	4.1	0.2	-0.9	-0.2	-1.5
Feb.....	-0.1	-1.6	0.9	0.1	-1.4	-0.8	-6.1
Mar.....	-0.9	-0.8	-4.7	0.1	-3.4	-1.5	-0.4
Apr.....	0.4	1.5	0.4	0.1	-3.5	0.1	2.3
May[1]	0.2	-1.5	2.7	-0.1	-4.8	0.6	3.5
June[1]	1.6	1.1	5.6	0.5	-4.6	1.0	5.2
July.....	-0.9	-1.5	-2.4	-0.1	-6.8	-0.2	-4.5
Aug.....	1.7	0.4	8.0	0.2	-4.3	1.8	3.8
Sept.....	-0.6	-0.1	-2.4	-0.1	-4.8	0.2	-2.1

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for May 2009 have been revised to reflect the availability of late reports and corrections by respondents.

Crude goods

The Producer Price Index for Crude Materials for Further Processing declined 2.1 percent in September. In the third quarter of 2009, crude material prices dropped 3.0 percent after rising 11.5 percent during the second quarter. In September, monthly decreases of 5.4 percent in the index for crude energy materials and 1.9 percent for prices of crude foodstuffs and feedstuffs outweighed a 3.6-percent increase in the index for crude nonfood materials less energy. (See table B.)

Crude energy: The index for crude energy materials declined 5.4 percent in September and 5.1 percent from June to September. By comparison, for the 3-month period ended in June, prices jumped 20.6 percent. Accounting for most of the monthly September decrease, the natural gas index fell 13.8 percent. Lower prices for both crude petroleum and coal also contributed to the decline in the crude energy materials index. (See table 2.)

Crude foods: The index for crude foodstuffs and feedstuffs fell 1.9 percent in September. This index moved down 8.6 percent in the most recent 3-month period, compared with a 4.1-percent advance in the previous 3-month period. In September, a 19.0-percent drop in soybean prices led the decline in the crude foodstuffs and feedstuffs index. Falling slaughter poultry prices also were a factor in this decrease.

Chart 5. Monthly percent changes in the Producer Price Index for Crude Materials, seasonally adjusted: September 2008 – September 2009

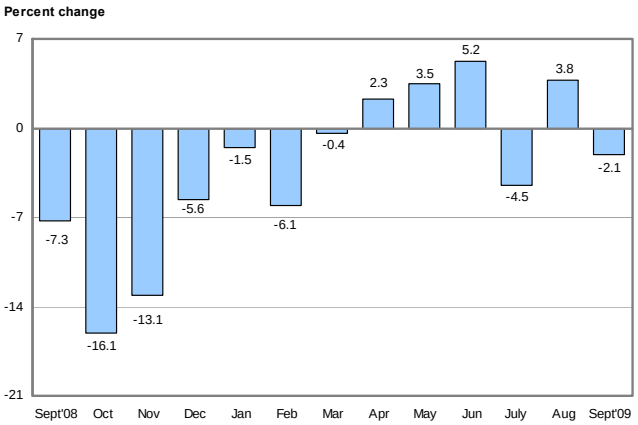


Chart 6. 12-month percent changes in the Producer Price Index for Crude Materials, not seasonally adjusted: September 2008 – September 2009

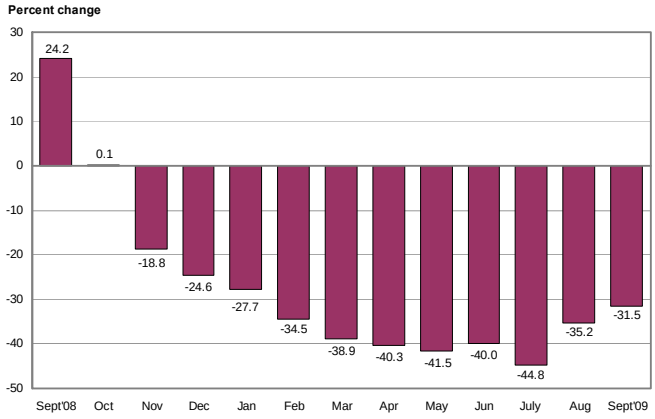


Table B. Monthly and 12-month percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2008								
Sept.....	-2.1	-2.4	0.1	15.3	-1.3	-10.4	-9.7	24.2
Oct.....	-5.1	-10.7	-2.1	9.8	-10.5	-19.4	-17.9	0.1
Nov.....	-2.6	-13.4	-2.4	1.7	-1.3	-20.1	-18.8	-18.8
Dec.....	-3.8	-10.7	-2.4	-2.3	-5.6	-6.9	-1.5	-24.6
2009								
Jan.....	-1.5	2.8	-0.8	-3.6	0.9	-5.2	1.3	-27.7
Feb.....	-0.8	-1.2	-0.7	-5.2	-3.3	-12.1	-0.3	-34.5
Mar.....	-0.8	-5.5	-0.5	-8.9	-1.7	0.5	-0.9	-38.9
Apr.....	0.6	1.9	-0.5	-10.0	4.0	1.2	0.6	-40.3
May[1]	1.3	3.6	-0.2	-11.7	0.4	6.1	4.7	-41.5
June[1]	1.3	4.7	0.1	-12.5	-0.3	12.3	2.8	-40.0
July.....	-2.0	-1.4	0.2	-15.1	-6.1	-6.2	2.9	-44.8
Aug.....	0.3	7.1	0.6	-12.3	-0.8	6.9	6.0	-35.2
Sept.....	-0.5	-2.1	0.9	-11.7	-1.9	-5.4	3.6	-31.5

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for May 2009 have been revised to reflect the availability of late reports and corrections by respondents.

Services Analysis

Total trade industries: The Producer Price Index for the Net Output of Total Trade Industries fell 0.2 percent in September, its third consecutive monthly decline. (Trade indexes measure changes in margins received by wholesalers and retailers.) The September decrease was led by a 1.2-percent drop in margins received by wholesale trade industries. The margin indexes for both discount department stores and for electronic shopping and mail-order houses also fell in September, contributing to decreasing margins received by total trade industries.

Transportation and warehousing industries: The Producer Price Index for the Net Output of Total Transportation and Warehousing Industries turned down 0.7 percent in September after increasing in each of the previous three months. About two-thirds of the decrease can be traced to a 3.2-percent drop in prices received by the industry for scheduled passenger air transportation. The industry indexes for local general freight trucking and for specialized freight trucking of new goods also declined in September.

Traditional service industries: The Producer Price Index for the Net Output of Total Traditional Service Industries fell 0.2 percent in September, its first decline since March. Leading the September decrease, prices received by the industry for non-casino hotels and motels dropped 9.4 percent. The industry indexes for commercial banking, software publishers, and cellular and other wireless carriers also fell in September.

Producer Price Indexes – October 2009

The Producer Price Index for Finished Goods advanced 0.3 percent in October, seasonally adjusted. This increase followed a 0.6-percent decline in September and a 1.7-percent rise in August. In October, at the earlier stages of processing, prices received by manufacturers of intermediate goods moved up 0.3 percent and the crude goods index increased 5.4 percent. On an unadjusted basis, from October 2008 to October 2009, prices for finished goods fell 1.9 percent, the eleventh consecutive month of year-over-year declines. (See table A.)

Stage-of-Processing Analysis

Finished goods

The October increase in the index for finished goods can be attributed to higher prices for energy and food, both of which moved up 1.6 percent. By contrast, prices for finished goods other than foods and energy declined 0.6 percent.

Finished energy: The index for finished energy goods advanced 1.6 percent in October compared with a 2.4-percent drop in the previous month. Almost half of the increase can be traced to the gasoline index, which climbed 1.9 percent. Rising prices for residential electric power and liquefied petroleum gas also contributed to the advance in the finished energy goods index. (See table 2.)

Finished foods: Finished consumer food prices rose 1.6 percent in October after edging down 0.1 percent a month earlier. Accounting for about half of the increase, the index for fresh and dry vegetables jumped 24.2 percent. Higher prices for fresh fruits and melons also contributed to the advance in the finished consumer foods index.

Finished core: In October, the index for finished goods less foods and energy moved down 0.6 percent, its second consecutive decrease. Lower prices for light motor trucks and passenger cars led the October decline, falling 5.2 percent and 0.5 percent, respectively. In accordance with usual practice, most new-model-year passenger cars and light motor trucks were introduced into the PPI in October. (See Report on Quality Changes for 2010 Model Vehicles, in this report.)

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components moved up 0.3 percent in October, its third straight monthly advance. The October rise can be traced to higher prices for intermediate energy goods, which climbed 2.3 percent. By contrast, the indexes for both intermediate goods less foods and energy and for intermediate foods and feeds decreased 0.2 percent. On a 12-month basis, prices for intermediate goods fell 7.5 percent in October. This is the third consecutive month of slowing year-over-year declines following a record 15.1-percent drop for the 12 months ended July 2009. (See table B.)

Intermediate energy: The index for intermediate energy goods advanced 2.3 percent in October after falling 2.1 percent in September. About one-fifth of this increase can be traced to a 5.5-percent rise in diesel fuel prices. Higher prices for natural gas to electric utilities and commercial electric power also contributed to the advance in the intermediate energy goods index. (See table 2.)

Chart 1. Monthly percent changes in the Producer Price Index for Finished Goods, seasonally adjusted: October 2008 – October 2009

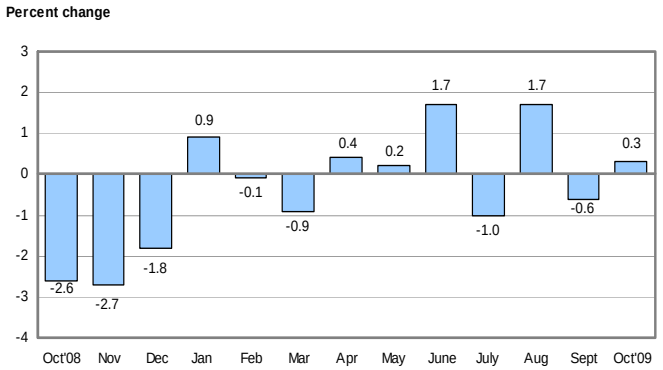


Chart 2. 12-month percent changes in the Producer Price Index for Finished Goods, not seasonally adjusted: October 2008 – October 2009

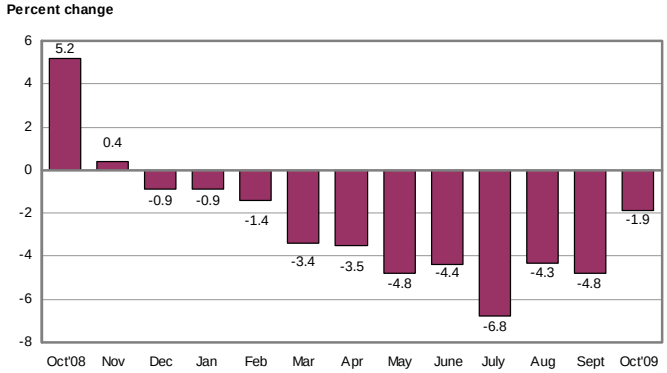


Chart 3. Monthly percent changes in the Producer Price Index for Intermediate Goods, seasonally adjusted: October 2008 – October 2009

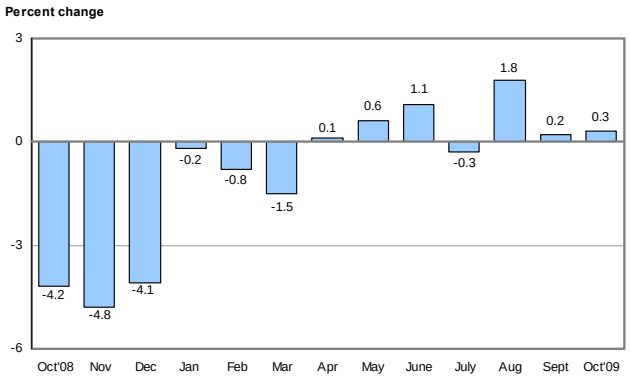


Chart 4. 12-month percent changes in the Producer Price Index for Intermediate Goods, not seasonally adjusted: October 2008 – October 2009

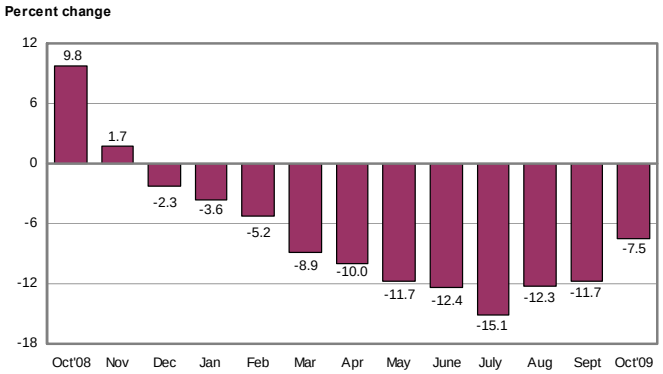


Table A. Monthly and 12-month percent changes in selected stage-of-processing price indexes, seasonally adjusted

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2008							
Oct.....	-2.6	0.1	-12.8	0.5	5.2	-4.2	-16.1
Nov.....	-2.7	-0.5	-12.4	0.0	0.4	-4.8	-13.1
Dec.....	-1.8	-1.2	-9.1	0.3	-0.9	-4.1	-5.6
2009							
Jan.....	0.9	0.1	4.1	0.2	-0.9	-0.2	-1.5
Feb.....	-0.1	-1.6	0.9	0.1	-1.4	-0.8	-6.1
Mar.....	-0.9	-0.8	-4.7	0.1	-3.4	-1.5	-0.4
Apr.....	0.4	1.5	0.4	0.1	-3.5	0.1	2.3
May.....	0.2	-1.5	2.7	-0.1	-4.8	0.6	3.5
June[1]	1.7	1.1	6.6	0.4	-4.4	1.1	4.7
July[1]	-1.0	-1.6	-3.3	-0.1	-6.8	-0.3	-3.9
Aug.....	1.7	0.4	8.0	0.2	-4.3	1.8	3.8
Sept.....	-0.6	-0.1	-2.4	-0.1	-4.8	0.2	-2.1
Oct.....	0.3	1.6	1.6	-0.6	-1.9	0.3	5.4

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for June 2009 have been revised to reflect the availability of late reports and corrections by respondents.

Crude goods

The Producer Price Index for Crude Materials for Further Processing increased 5.4 percent in October after falling 2.1 percent in September. For the 3-month period ending in October, crude material prices rose 7.1 percent after advancing 4.1 percent in the 3 months ending in July. The monthly October rise was broad based, with prices for crude energy materials jumping 8.3 percent, the index for crude foodstuffs and feedstuffs moving up 5.2 percent, and prices for crude nonfood materials less energy increasing 0.5 percent. (See table B.)

Crude energy: The index for crude energy materials increased 8.3 percent in October. From July to October, this index rose 9.5 percent, compared with an 11.8-percent rise in the 3 months ending in July. Accounting for about sixty percent of the monthly October increase, the natural gas index moved up 16.3 percent. Higher prices for both crude petroleum and coal also contributed to the advance in the crude energy materials index. (See table 2.)

Crude foods: The index for crude foodstuffs and feedstuffs increased 5.2 percent in October. This index moved up 2.4 percent in the most recent 3-month period compared with a 6.0-percent decline in the previous 3-month period. In October, a 9.0-percent rise in the grains index led the advance in the crude foodstuffs and feedstuffs index. Higher prices for slaughter poultry were also a factor in this increase.

Crude core: The index for crude nonfood materials less energy rose 0.5 percent in October, and 10.4 percent for the 3 months ending in October. Similarly, for the 3 months ending in July, prices climbed 10.8 percent. A major contributor to the monthly October increase was the gold ores index, which rose 5.4 percent.

Table B. Monthly and 12-month percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2008								
Oct.....	-5.1	-10.7	-2.1	9.8	-10.5	-19.4	-17.9	0.1
Nov.....	-2.6	-13.4	-2.4	1.7	-1.3	-20.1	-18.8	-18.8
Dec.....	-3.8	-10.7	-2.4	-2.3	-5.6	-6.9	-1.5	-24.6
2009								
Jan.....	-1.5	2.8	-0.8	-3.6	0.9	-5.2	1.3	-27.7
Feb.....	-0.8	-1.2	-0.7	-5.2	-3.3	-12.1	-0.3	-34.5
Mar.....	-0.8	-5.5	-0.5	-8.9	-1.7	0.5	-0.9	-38.9
Apr.....	0.6	1.9	-0.5	-10.0	4.0	1.2	0.6	-40.3
May.....	1.3	3.6	-0.2	-11.7	0.4	6.1	4.7	-41.5
June[1]	1.1	4.6	0.2	-12.4	-0.4	10.5	3.5	-40.3
July[1]	-1.8	-1.3	0.2	-15.1	-6.0	-4.6	2.2	-44.8
Aug.....	0.3	7.1	0.6	-12.3	-0.8	6.9	6.0	-35.2
Sept.....	-0.5	-2.1	0.9	-11.7	-1.9	-5.4	3.6	-31.5
Oct.....	-0.2	2.3	-0.2	-7.5	5.2	8.3	0.5	-14.1

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for June 2009 have been revised to reflect the availability of late reports and corrections by respondents.

Chart 5. Monthly percent changes in the Producer Price Index for Crude Materials, seasonally adjusted: October 2008 – October 2009

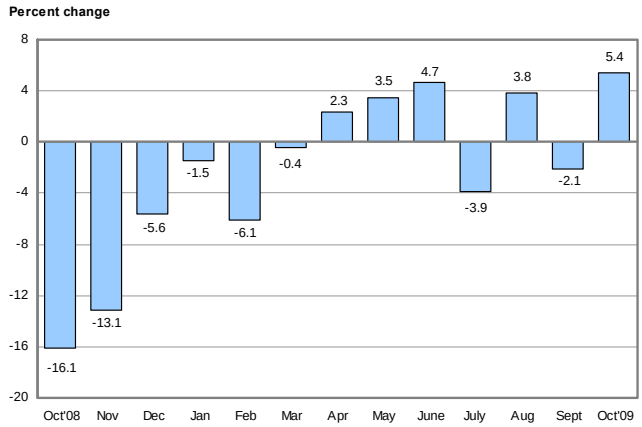
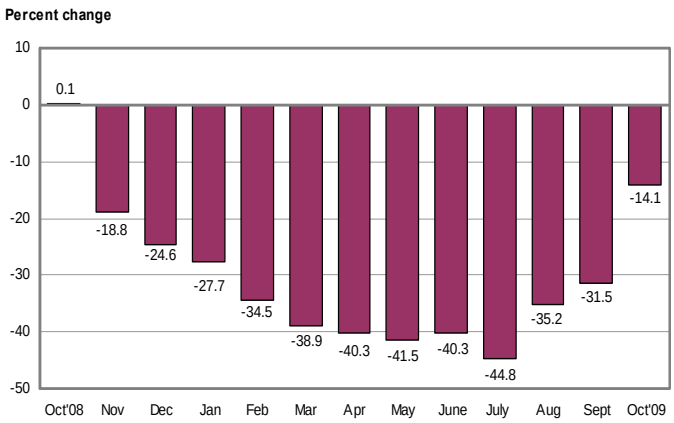


Chart 6. 12-month percent changes in the Producer Price Index for Crude Materials, not seasonally adjusted: October 2008 – October 2009



Services Analysis

Trade industries: The Producer Price Index for the Net Output of Total Trade Industries was unchanged in October after falling in each of the previous three months. (Trade indexes measure changes in margins received by wholesalers and retailers.) In October, higher margins received by merchant wholesalers of nondurable goods and new car dealers were offset by lower margins received by merchant wholesalers of durable goods and gasoline stations with convenience stores.

Transportation and warehousing industries: The Producer Price Index for the Net Output of Total Transportation and Warehousing Industries moved up 0.6 percent in October following a 0.7-percent decline in September. About two-thirds of this advance can be attributed to a 2.8-percent increase in prices received by the industry for scheduled passenger air transportation. The industry indexes for couriers and line-haul railroads also rose in October.

Traditional service industries: The Producer Price Index for the Net Output of Total Traditional Service Industries advanced 0.5 percent in October after declining 0.2 percent in September. Leading this upturn, prices received by the commercial banking industry moved up 2.0 percent. The industry indexes for general medical and surgical hospitals and for investment banking and securities dealing also advanced in October.

Producer Price Indexes – November 2009

The Producer Price Index for Finished Goods rose 1.8 percent in November, seasonally adjusted. This increase followed a 0.3-percent advance in October and a 0.6-percent decrease in September. In November, at the earlier stages of processing, prices received by manufacturers of intermediate goods climbed 1.4 percent, and the crude goods index rose 5.7 percent. On an unadjusted basis, prices for finished goods moved up 2.4 percent for the 12 months ended November 2009, their first 12-month increase since November 2008. (See table A.)

Stage-of-Processing Analysis

Finished goods

About three-fourths of the November advance in the finished goods index can be traced to higher prices for energy goods, which jumped 6.9 percent. The indexes for finished goods less foods and energy and for finished consumer foods also contributed to the finished goods increase, both rising 0.5 percent.

Finished energy: The index for finished energy goods climbed 6.9 percent in November after advancing 1.6 percent a month earlier. About sixty percent of the broad-based November rise can be attributed to a 14.2-percent surge in gasoline prices. Increases in the indexes for liquefied petroleum gas and home heating oil also were major factors in the finished energy goods advance. (See table 2.)

Finished core: The index for finished goods less foods and energy moved up 0.5 percent in November, its largest increase since a 0.5-percent gain in October 2008. Leading the November advance, the index for light motor trucks jumped 4.2 percent. Higher cigarette prices also contributed to the rise in the finished core index.

Finished foods: The index for finished consumer foods advanced 0.5 percent in November, its second consecutive monthly increase. Over sixty percent of the November rise can be traced to higher prices for fresh and dry vegetables, which climbed 8.7 percent.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components rose 1.4 percent in November, its fourth straight monthly advance. Accounting for about three-fourths of the broad-based November increase, prices for intermediate energy goods climbed 5.4 percent. The indexes for both intermediate goods less foods and energy and for intermediate foods and feeds also contributed to this advance, rising 0.3 and 0.7 percent, respectively. On a 12-month basis, prices for intermediate goods fell 1.6 percent in November. This is the fourth consecutive month of slowing year-over-year declines following a record 15.2-percent drop for the 12 months ended July 2009. (See table B.)

Intermediate energy: The index for intermediate energy goods rose 5.4 percent in November, its second consecutive monthly increase. A major factor in the November advance was an 18.8-percent surge in jet fuel prices. The indexes for gasoline and liquefied petroleum gas also contributed significantly to higher intermediate energy goods prices. (See table 2).

Intermediate core: Prices for intermediate materials less foods and energy increased 0.3 percent in November, their fifth increase in the last six months. The index for basic organic chemicals led the November advance, rising 4.3 percent. Higher prices for medicinal and botanical chemicals also were a factor in the intermediate core increase.

Intermediate foods: The index for intermediate foods and feeds moved up 0.7 percent in November following two consecutive monthly declines. About forty percent of this advance can be attributed to prices for pork, which climbed 6.4 percent.

Chart 1. Monthly percent changes in the Producer Price Index for Finished Goods, seasonally adjusted: November 2008 – November 2009

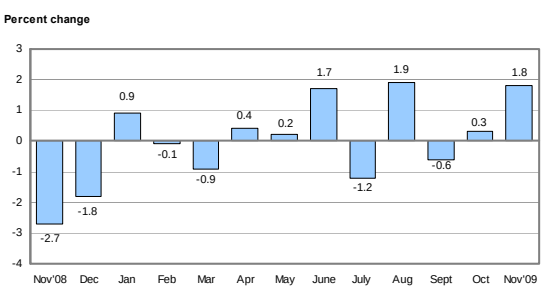


Chart 2. 12-month percent changes in the Producer Price Index for Finished Goods, not seasonally adjusted: November 2008 – November 2009

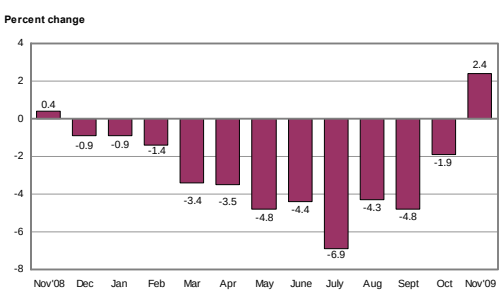


Chart 3. Monthly percent changes in the Producer Price Index for Intermediate Goods, seasonally adjusted: November 2008 – November 2009

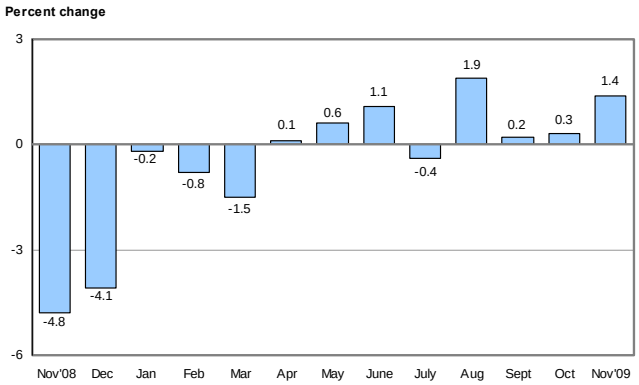


Chart 4. 12-month percent changes in the Producer Price Index for Intermediate Goods, not seasonally adjusted: November 2008 – November 2009

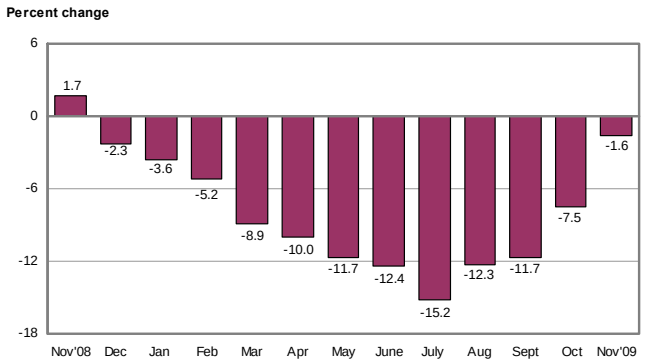


Table A. Monthly and 12-month percent changes in selected stage-of-processing price indexes, seasonally adjusted

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2008							
Nov.....	-2.7	-0.5	-12.4	0.0	0.4	-4.8	-13.1
Dec.....	-1.8	-1.2	-9.1	0.3	-0.9	-4.1	-5.6
2009							
Jan.....	0.9	0.1	4.1	0.2	-0.9	-0.2	-1.5
Feb.....	-0.1	-1.6	0.9	0.1	-1.4	-0.8	-6.1
Mar.....	-0.9	-0.8	-4.7	0.1	-3.4	-1.5	-0.4
Apr.....	0.4	1.5	0.4	0.1	-3.5	0.1	2.3
May.....	0.2	-1.5	2.7	-0.1	-4.8	0.6	3.5
June.....	1.7	1.1	6.6	0.4	-4.4	1.1	4.7
July[1]	-1.2	-1.5	-3.8	-0.2	-6.9	-0.4	-3.9
Aug.[1]	1.9	0.3	8.6	0.3	-4.3	1.9	3.7
Sept.....	-0.6	-0.1	-2.4	-0.1	-4.8	0.2	-2.1
Oct.....	0.3	1.6	1.6	-0.6	-1.9	0.3	5.4
Nov.....	1.8	0.5	6.9	0.5	2.4	1.4	5.7

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for July 2009 have been revised to reflect the availability of late reports and corrections by respondents.

Crude goods

The Producer Price Index for Crude Materials for Further Processing increased 5.7 percent in November. For the 3-month period ending in November, crude material prices rose 9.1 percent after advancing 4.4 percent in the 3 months ending in August. In November, monthly increases of 12.2 percent in the index for crude energy materials and 2.6 percent for prices of crude foodstuffs and feedstuffs outweighed a 0.8-percent decrease in the index for crude nonfood materials less energy. (See table B.)

Crude energy: The index for crude energy materials increased 12.2 percent in November. From August to November, this index rose 15.0 percent compared with a 12.6-percent rise in the 3 months ending in August. Accounting for about two-thirds of the monthly November increase, the index for natural gas jumped 25.5 percent. Higher prices for both crude petroleum and coal also contributed to the advance in the crude energy materials index. (See table 2.)

Crude foods: Prices for crude foodstuffs and feedstuffs rose 2.6 percent in November. This index moved up 5.8 percent in the most recent 3-month period compared with a 7.1-percent decline in the previous 3-month period. In November, over sixty percent of the monthly increase in the crude foods index can be attributed to a 25.6-percent surge in prices for slaughter hogs. An advance in the fluid milk index also was a significant factor in the rise for crude foodstuffs and feedstuffs.

Table B. Monthly and 12-month percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2008								
Nov.	-2.6	-13.4	-2.4	1.7	-1.3	-20.1	-18.8	-18.8
Dec.	-3.8	-10.7	-2.4	-2.3	-5.6	-6.9	-1.5	-24.6
2009								
Jan.	-1.5	2.8	-0.8	-3.6	0.9	-5.2	1.3	-27.7
Feb.	-0.8	-1.2	-0.7	-5.2	-3.3	-12.1	-0.3	-34.5
Mar.	-0.8	-5.5	-0.5	-8.9	-1.7	0.5	-0.9	-38.9
Apr.	0.6	1.9	-0.5	-10.0	4.0	1.2	0.6	-40.3
May	1.3	3.6	-0.2	-11.7	0.4	6.1	4.7	-41.5
June	1.1	4.6	0.2	-12.4	-0.4	10.5	3.5	-40.3
July[1]	-1.8	-2.0	0.2	-15.2	-6.0	-4.4	2.0	-44.8
Aug.[1]	0.2	7.8	0.5	-12.3	-0.8	6.6	6.2	-35.2
Sept.	-0.5	-2.1	0.9	-11.7	-1.9	-5.4	3.6	-31.5
Oct.	-0.2	2.3	-0.2	-7.5	5.2	8.3	0.5	-14.1
Nov.	0.7	5.4	0.3	-1.6	2.6	12.2	-0.8	4.7

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for July 2009 have been revised to reflect the availability of late reports and corrections by respondents.

Chart 5. Monthly percent changes in the Producer Price Index for Crude Materials, seasonally adjusted: November 2008 – November 2009

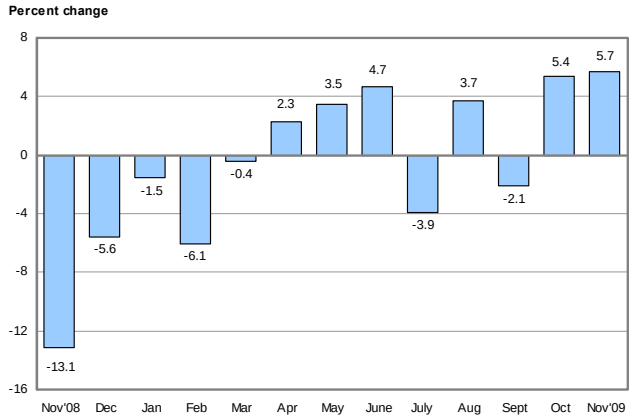
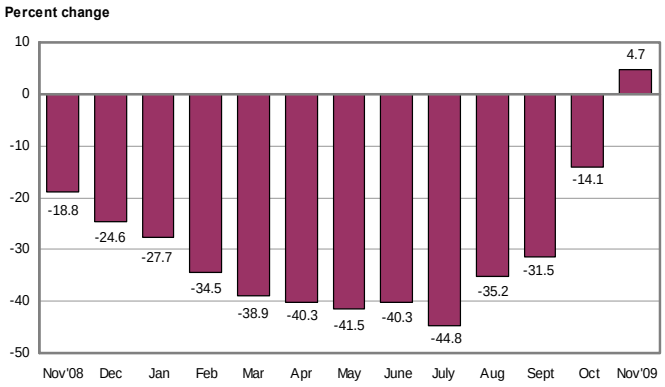


Chart 6. 12-month percent changes in the Producer Price Index for Crude Materials, not seasonally adjusted: November 2008 – November 2009



Services Analysis

Trade industries: The Producer Price Index for the Net Output of Total Trade Industries moved up 1.3 percent in November after no change in the previous month. (Trade indexes measure changes in margins received by wholesalers and retailers.) The November increase was led by a 36.5-percent rise in the margin index for gasoline stations. Higher margins received by merchant wholesalers of durable goods and general merchandise stores also contributed to the advance in the total trade industries index.

Transportation and warehousing industries: The Producer Price Index for the Net Output of Total Transportation and Warehousing Industries rose 0.5 percent in November, its second consecutive monthly increase. About seventy percent of the November advance can be traced to a 1.8-percent rise in prices received by the air transportation industry group. The indexes for long-distance general freight trucking (by the truckload) and specialized freight trucking also moved up in November.

Traditional service industries: The Producer Price Index for the Net Output of Total Traditional Service Industries declined 0.1 percent in November after advancing 0.5 percent in October. Two-thirds of this decline can be attributed to prices received by general and medical surgical hospitals, which fell 0.5 percent. The industry indexes for non-casino hotels and motels and for passenger car rental also decreased in November.

Producer Price Indexes – December 2009

The Producer Price Index for Finished Goods moved up 0.2 percent in December. This rise followed a 1.8-percent advance in November and a 0.3-percent increase in October. At the earlier stages of processing, prices received by producers of intermediate goods rose 0.5 percent and the crude goods index moved up 1.0 percent. On an unadjusted basis, prices for finished goods advanced 4.4 percent in 2009, after falling 0.9 percent in 2008. (See table A.)

Stage of Processing Analysis

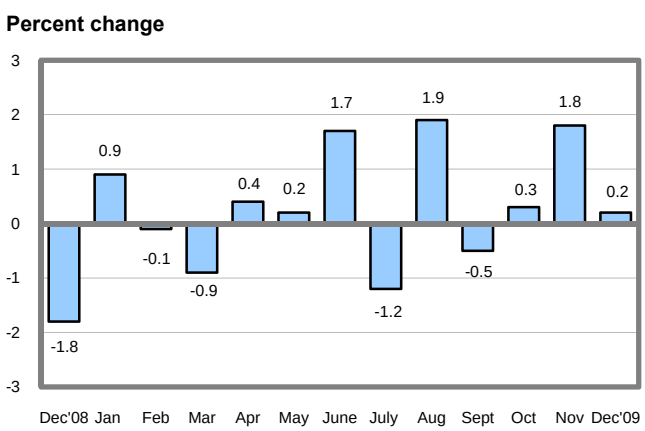
Finished goods

In December, the increase in the index for finished goods was driven by higher prices for consumer foods, which moved up 1.4 percent. By contrast, prices for energy goods declined 0.4 percent. The index for finished goods less foods and energy was unchanged.

Finished foods: The index for finished consumer foods rose 1.4 percent in December, its third consecutive monthly increase. Accounting for one-fifth of the December advance, the index for pork climbed 9.4 percent. Higher prices for processed poultry and fresh vegetables (except potatoes) also had a significant impact on the finished consumer foods index. (See table 2.)

Finished energy: Prices for finished energy goods decreased 0.4 percent in December after increasing in each of the prior two months. Leading this decline, the gasoline index fell 3.2 percent. Lower prices for residential natural gas also were a factor in the December finished energy goods decrease.

Chart 1. Monthly percent changes in the Producer Price Index for Finished Goods, seasonally adjusted: December 2008 – December 2009



Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components moved up 0.5 percent in December, its fifth straight monthly increase. Accounting for about three-quarters of the broad-based December advance, prices for intermediate goods less foods and energy rose 0.5 percent. Additionally, the indexes for intermediate foods and feeds and for intermediate energy goods increased 1.6 percent and 0.2 percent, respectively. In 2009, prices for intermediate goods climbed 3.0 percent, after falling 2.3 percent in 2008. (See table B.)

Intermediate core: The index for intermediate materials less foods and energy advanced 0.5 percent in December, its second consecutive monthly increase. Prices for primary basic organic chemicals accounted for about a quarter of the December rise, moving up 3.1 percent. The indexes for plastic resins and materials and for nonferrous wire and cable also contributed to higher intermediate core prices. (See table 2.)

Intermediate foods: The index for intermediate foods and feeds rose 1.6 percent in December, its second straight monthly advance. A major contributor to the December increase was a 4.3-percent climb in prices for natural, processed, and imitation cheese. The index for pork also was a factor in rising prices for intermediate foods.

Intermediate energy: The intermediate energy goods index increased 0.2 percent in December, its third consecutive monthly advance. Contributing significantly to the December rise, prices for liquefied petroleum gas moved up 7.1 percent.

Chart 2. 12-month percent changes in the Producer Price Index for Finished Goods, not seasonally adjusted: December 2008 – December 2009

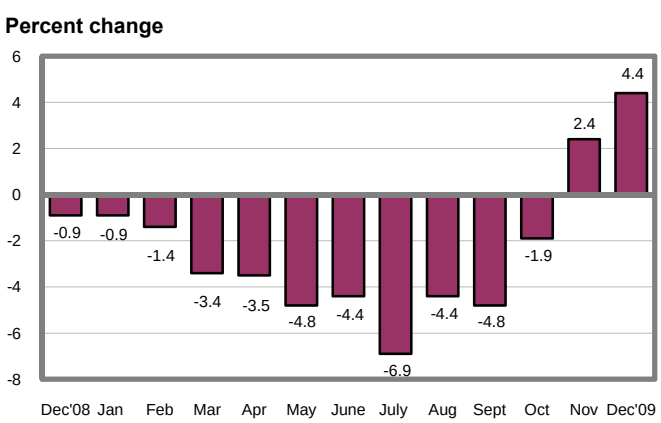


Chart 3. Monthly percent changes in the Producer Price Index for Intermediate Goods, seasonally adjusted: December 2008 – December 2009

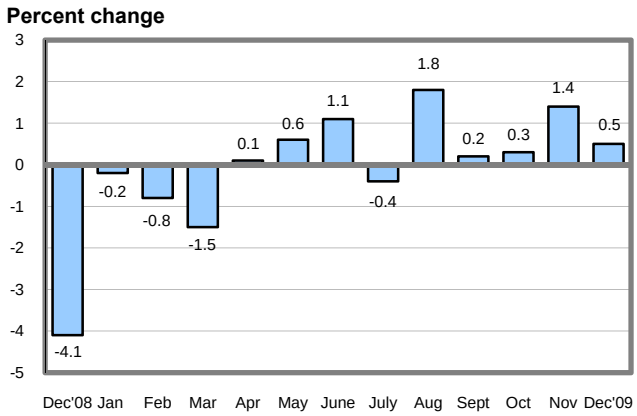


Chart 4. 12-month percent changes in the Producer Price Index for Intermediate Goods, not seasonally adjusted: December 2008 – December 2009

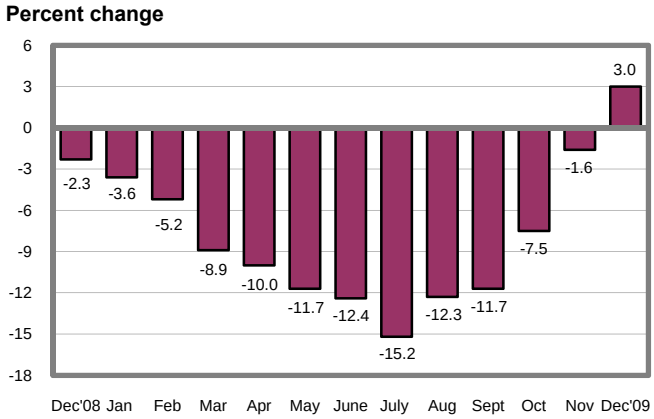


Table A. Monthly and 12-month percent changes in selected stage-of-processing price indexes, seasonally adjusted

Month	Finished goods					Intermediate goods	Crude goods
	Total	Foods	Energy	Except foods and energy	Change in finished goods from 12 months ago (unadj.)		
2008							
Dec.....	-1.8	-1.2	-9.1	0.3	-0.9	-4.1	-5.6
2009							
Jan.....	0.9	0.1	4.1	0.2	-0.9	-0.2	-1.5
Feb.....	-0.1	-1.6	0.9	0.1	-1.4	-0.8	-6.1
Mar.....	-0.9	-0.8	-4.7	0.1	-3.4	-1.5	-0.4
Apr.....	0.4	1.5	0.4	0.1	-3.5	0.1	2.3
May.....	0.2	-1.5	2.7	-0.1	-4.8	0.6	3.5
June.....	1.7	1.1	6.6	0.4	-4.4	1.1	4.7
July.....	-1.2	-1.5	-3.8	-0.2	-6.9	-0.4	-3.9
Aug.[1]	1.9	0.3	8.1	0.3	-4.4	1.8	4.0
Sept.[1]	-0.5	-0.1	-2.0	-0.1	-4.8	0.2	-2.4
Oct.....	0.3	1.6	1.6	-0.6	-1.9	0.3	5.4
Nov.....	1.8	0.5	6.9	0.5	2.4	1.4	5.7
Dec.....	0.2	1.4	-0.4	0.0	4.4	0.5	1.0

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for August 2009 have been revised to reflect the availability of late reports and corrections by respondents.

Crude goods

The Producer Price Index for Crude Materials for Further Processing increased 1.0 percent in December. For the 3-month period ending in December, crude material prices rose 12.6 percent after declining 2.4 percent in the 3 months ending in September. In December, monthly increases of 3.8 percent in the index for crude foodstuffs and feedstuffs and 5.0 percent for prices of crude nonfood materials less energy outweighed a 2.8-percent decrease in the index for crude energy materials. (See table B.)

Crude foods: Prices for crude foodstuffs and feedstuffs rose 3.8 percent in December. This index jumped 12.1 percent in the most recent 3-month period compared with an 8.5-pecent decline in the previous 3-month period. Accounting for about forty percent of the monthly December increase, the fluid milk index moved up 10.8 percent. Higher prices for slaughter barrows and gilts and for soybeans also contributed to the advance in the crude foodstuffs and feedstuffs index. (See table 2.)

Crude core: The index for crude nonfood materials less energy moved up 5.0 percent in December, and 4.8 percent for the 3 months ending in December. For the 3 months ending in September, crude core prices climbed 12.3 percent. In December, over half of the monthly increase can be attributed to a 12.7-percent jump in prices for iron and steel scrap. An advance in the nonferrous metal ores index also was a significant factor in the rise in prices for crude nonfood materials less energy.

Table B. Monthly and 12-month percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted

Month	Intermediate goods				Crude goods			
	Foods	Energy	Except foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Except foods and energy	Change in crude goods from 12 months ago (unadj.)
2008								
Dec.....	-3.8	-10.7	-2.4	-2.3	-5.6	-6.9	-1.5	-24.6
2009								
Jan.....	-1.5	2.8	-0.8	-3.6	0.9	-5.2	1.3	-27.7
Feb.....	-0.8	-1.2	-0.7	-5.2	-3.3	-12.1	-0.3	-34.5
Mar.....	-0.8	-5.5	-0.5	-8.9	-1.7	0.5	-0.9	-38.9
Apr.....	0.6	1.9	-0.5	-10.0	4.0	1.2	0.6	-40.3
May.....	1.3	3.6	-0.2	-11.7	0.4	6.1	4.7	-41.5
June.....	1.1	4.6	0.2	-12.4	-0.4	10.5	3.5	-40.3
July.....	-1.8	-2.0	0.2	-15.2	-6.0	-4.4	2.0	-44.8
Aug.[1]	-0.2	7.6	0.6	-12.3	-0.5	6.5	6.9	-35.0
Sept.[1]	-0.1	-1.8	0.9	-11.7	-2.3	-5.3	2.9	-31.5
Oct.....	-0.2	2.3	-0.2	-7.5	5.2	8.3	0.5	-14.1
Nov.....	0.7	5.4	0.3	-1.6	2.6	12.2	-0.8	4.7
Dec.....	1.6	0.2	0.5	3.0	3.8	-2.8	5.0	12.3

1 Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for August 2009 have been revised to reflect the availability of late reports and corrections by respondents.

Chart 5. Monthly percent changes in the Producer Price Index for Crude Materials, seasonally adjusted: December 2008 – December 2009

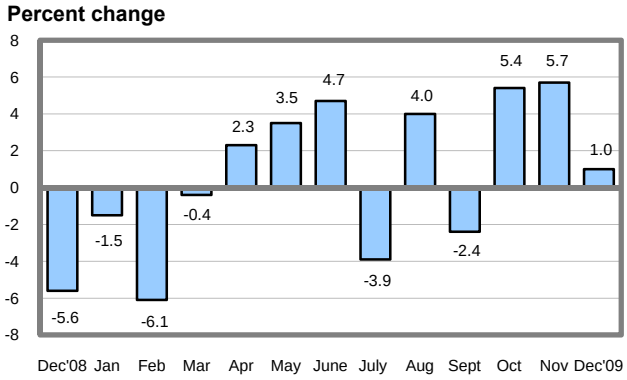
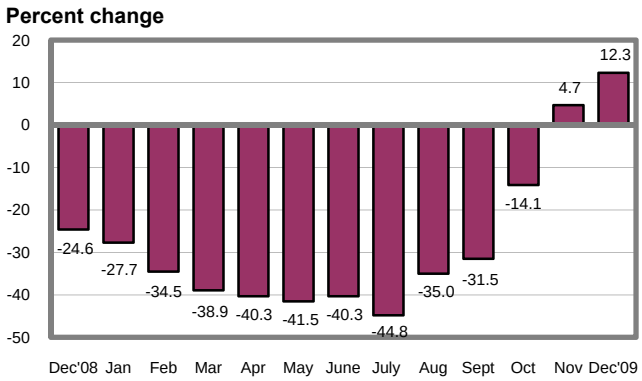


Chart 6. 12-month percent changes in the Producer Price Index for Crude Materials, not seasonally adjusted: December 2008 – December 2009



Services Analysis

Trade industries: The Producer Price Index for the Net Output of Total Trade Industries declined 0.6 percent in December after rising 1.3 percent in November. (Trade indexes measure changes in margins received by wholesalers and retailers.) Accounting for about forty percent of the December decrease, margins received by clothing and clothing accessories stores fell 5.5 percent. Lower margins received by warehouse clubs and supercenters, as well as by merchant wholesalers of nondurable goods, also contributed to the decline in the total trade industries index. In December 2009, the total trade industries index was unchanged from its year-ago level.

Transportation and warehousing industries: The Producer Price Index for the Net Output of Total Transportation and Warehousing Industries climbed 0.5 percent in December, its third consecutive monthly increase. About eighty-five percent of the advance can be traced to a 2.1-percent rise in prices received by the air transportation industry group. The indexes for courier services and transportation support activities also moved up in December. In 2009, the total transportation and warehousing industries index edged down 0.3 percent.

Traditional service industries: The Producer Price Index for the Net Output of Total Traditional Service Industries advanced 0.2 percent in December after inching down 0.1 percent in November. Most of the December rise can be traced to a 1.4-percent jump in prices received by general medical and surgical hospitals. The industry indexes for portfolio managers and nursing care facilities also moved up in December. In 2009, the total traditional service industries index increased 1.2 percent.