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Producer Price Indexes -- August 1998

The Producer Price Index for Finished Goods declined 0.4 percent in August, seasonally adjusted, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. This drop followed a 0.2-percent advance in July and 0.1-percent decrease in June. The index for finished goods other than foods and energy fell 0.1 percent, following two consecutive increases. Prices received by producers of intermediate goods fell 0.3 percent in August, after showing no change in July. The crude goods index declined 2.7 percent, following a 1.8-percent drop in the previous month. (See table A.)

Among finished goods in August, the indexes for finished energy goods and finished consumer foods decreased, after increasing one month ago. Prices for finished consumer goods excluding foods and energy were unchanged, following an increase in July. The index for capital equipment fell 0.3 percent, after a small rise in the previous month.

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

Month	Total	Foods	Energy	Finished goods	Except foods and energy	Change in finished goods from 12 months ago (unadj.)	Inter-mediate goods	Crude goods

Aug.	0.2	-0.1	0.9	0.1	-0.2	0.1	0.4
Sept.	0.4	0	1.1	0.4	0	0.2	1.3
Oct.	0	0.7	-0.5	-0.1	-0.3	-0.1	4.6
Nov.	-0.2	-0.3	-0.4	-0.1	-0.7	0.2	1.6
Dec.	-0.2	0	-0.6	-0.1	-1.2	-0.2	-5.6

1998

Jan.	-0.6	-0.4	-3.7	0	-1.7	-0.6	-5.8
Feb.	-0.1	0.2	-1.8	0.1	-1.5	-0.3	-1.9
Mar.	-0.1	-0.3	-2.3	0.5	-1.5	-0.4	-1.2
Apr.	r0.2	r0.5	0.1	r0.1	r-0.9	r0.1	r1.3
May	r-0.1	r-0.4	0.8	r-0.2	-0.9	r-0.2	r-0.7
June	-0.1	0.1	-1.7	0.2	-0.8	-0.3	-1.4
July	0.2	0.4	0.3	0.1	-0.3	0	-1.8
Aug.	-0.4	-0.4	-2.3	-0.1	-0.8	-0.3	-2.7

r=revised. Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for April 1998 have been revised to reflect the availability of late reports and corrections by respondents.

For the first eight months of 1998, the Producer Price Index for Finished Goods declined at a 1.4-percent seasonally adjusted annual rate (SAAR). This compares with a 1.2-percent decrease during all of 1997. Over the past eight months, the index for finished goods other than foods and energy rose at a 1.2-percent SAAR, after showing no change in 1997. Prices for intermediate materials, supplies, and components fell at a 3.1-percent SAAR from December 1997 to August 1998, following a 0.8-percent decrease last year. The index for crude materials declined at a 19.5-percent SAAR during the first eight months of 1998. This contrasts with an 11.3-percent drop during 1997.

Before seasonal adjustment, the Producer Price Index for Finished Goods moved down 0.2 percent in August to 130.6 (1982=100). From August 1997 to August 1998, the finished goods index decreased 0.8 percent. Over the past 12 months, prices for finished energy goods declined 10.3 percent. By contrast, prices for finished goods other than foods and energy increased 1.0 percent, and the index for finished consumer foods rose 0.1 percent. Prices received by domestic producers of intermediate goods fell 2.1 percent during the 12 months ended in August, and the index for crude materials decreased 12.0 percent during the same period.

Finished goods

The index for finished energy goods declined 2.3 percent in August,

following a 0.3-percent advance in July. Prices for gasoline fell 8.5 percent, after a 1.3-percent drop a month ago. The index for home heating oil also fell more than in the previous month. Prices for residential electric power decreased, following an increase in the prior month. The index for finished lubricants rose less than in July. On the other hand, prices for residential natural gas increased 1.0 percent, after a 0.4-percent increase in July.

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	Excluding foods and energy	Change in intermediate goods from 12 months ago (unadj.)	Foods	Energy	Excluding foods and energy	Change in crude goods from 12 months ago (unadj.)
1997								
Aug.	-0.4	0.6	0.0	-0.2	-0.4	0.8	1.3	-7.3
Sept.	1.1	0.6	0.1	-0.6	-0.3	4.4	-0.7	-3.9
Oct.	-2.4	0.6	-0.1	-0.4	1.1	11.5	-0.1	1.3
Nov.	1.6	0	0.1	-0.2	-0.1	4.6	-0.4	-0.1
Dec.	-0.6	-1.5	0	-0.8	0	-13.2	-1.6	-11.3
1998								
Jan.	-3.6	-2.9	-0.1	-1.7	-3.4	-11.2	-1.9	-19.5
Feb.	-0.3	-1.7	-0.1	-1.8	-0.7	-4.3	-0.3	-13.8
Mar.	-1.5	-2.2	0	-1.8	0.3	-2.9	-1.4	-7.6
Apr.	r-0.9	r0.6	-0.1	-1.6	r0.2	r4.5	r-1.1	r-7.0
May	r0.3	r-0.5	-0.1	-1.6	r-1.0	r-1.0	r0.3	-9.2
June	-0.4	-1.7	-0.1	-1.9	0.1	-3.9	-0.5	-8.0
July	0.2	0.4	0	-1.7	-2.8	-0.6	-1.8	-9.3
Aug.	-0.9	-1.5	-0.1	-2.1	-1.1	-5.1	-2.0	-12.0

r=revised. Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for April 1998 have been revised to reflect the availability of late reports and corrections by respondents.

The index for finished consumer foods declined 0.4 percent in August, following a 0.4-percent advance in July. Prices for fresh and dry

vegetables fell 20.6 percent, after a 21.3-percent rise in the prior month. The indexes for processed young chickens and for processed fruits and vegetables increased less than in the previous month. Prices for beef and veal and for shortening and cooking oils fell more than a month ago. The index for soft drinks was unchanged, after advancing in the prior month. By contrast, prices for pork increased 0.9 percent, following a 10.9-percent decline in July. The index for eggs for fresh use rose, after falling last month. Prices for dairy products rose more than in the previous month.

The index for finished consumer goods other than foods and energy was unchanged in August, following a 0.3-percent advance in July. Prices for passenger cars fell 1.7 percent, after a 0.8-percent rise in the prior month. The indexes for prescription drugs, sanitary papers and health products, men's and boys' apparel, and household appliances decreased, after increasing a month ago. By contrast, prices for tobacco products advanced 2.8 percent, after showing no change in July. The index for girls', children's, and infants' apparel rose, after falling in the previous month.

The index for capital equipment declined 0.3 percent in August, following a 0.1-percent advance in July. Prices for light motor trucks fell 0.1 percent, after a 0.7-percent rise in the prior month. The indexes for communication and related equipment, heavy motor trucks, and for office and store machines and equipment also turned down, after increasing a month ago. Prices for electronic computers and civilian aircraft decreased more than in the previous month. By contrast, the index for commercial furniture advanced 0.1 percent, following a 0.1-percent decline in July. Prices for tools, dies, jigs, fixtures, and industrial molds also turned up after falling in the prior month. The indexes for x-ray and electromedical equipment fell less than one month earlier.

Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components dropped 0.3 percent in August, after showing no change in July. Prices for intermediate energy goods and intermediate foods and feeds declined, after rising last month. Conversely, the index for durable manufacturing materials rose, after falling a month earlier. Prices for nondurable manufacturing materials decreased at the same rate as in the previous month, and prices for construction materials increased at the same rate as in July. The index for intermediate goods excluding foods and energy fell 0.1 percent in August, after showing no change in the prior month. (See table B.)

The index for intermediate energy materials dropped 1.5 percent in August, after increasing 0.4 percent in July. Prices for gasoline decreased 8.5 percent, following a 1.3-percent decline a month ago. The indexes for residual fuel and diesel fuel also fell more than in the previous month. Prices for commercial electric power turned down after advancing in the prior month. The index for jet fuels decreased, after showing no change in July. By contrast, prices for natural gas to electric utilities rose 0.8 percent, following a 0.3-percent gain in July. The index for liquefied petroleum gas fell less than in the previous month.

The index for intermediate foods and feeds declined 0.9 percent, after increasing 0.2 percent in July. Prices for prepared animal feeds declined 2.5 percent, following a 1.7-percent rise a month ago. The index for natural, processed, and imitation cheese also turned down, after increasing in the prior month. Prices for flour, beef and veal, and crude vegetable oils decreased more than in the previous month. The index for mayonnaise, salad dressing, and sandwich spreads rose less than in the prior month. By contrast, the index for fluid milk products turned up 5.0 percent in August, following a 2.2-percent decline last month. Prices for pork and for dry, condensed, and evaporated milk products rose, after falling in July.

The index for durable manufacturing materials turned up 0.1 percent, following a 0.3-percent decrease a month ago. Prices for aluminum mill shapes advanced 0.2 percent, after falling 1.3 percent in July. The indexes for aluminum, copper and brass mill shapes, and copper cathode and refined copper fell less than in the prior month. Prices for plywood increased more than in the previous month. On the other hand, the index for hot rolled sheet and strip fell 0.7 percent, after rising 0.8 percent in July. Prices for flat glass and prepared paint also declined, after advancing a month ago.

The index for materials of nondurable manufacturing declined 0.4 percent, following a similar decrease in July. Price decreases for basic organic chemicals, woodpulp, paperboard, and nitrogenates more than offset the price increases for plastic resin and materials, lubricating oil base stock, processed yarns, and threads, and leather.

The index for materials and components for construction rose 0.2 percent in August, after increasing 0.2 percent in the previous month. August price increases for plywood, softwood lumber, air conditioning and refrigeration equipment, asphalt felts and coatings, and cement outweighed price declines for nonferrous wire and cable, fabricated structural metal products, and gypsum products.

Crude Goods

The Producer Price Index for Crude Materials for Further Processing decreased 2.7 percent in August, seasonally adjusted, following a 1.8-percent decline in July. Prices for crude energy materials and basic industrial materials fell more than a month ago. By contrast, the index for crude foodstuffs and feedstuffs decreased less than in July. (See table B.)

Prices for crude energy materials fell 5.1 percent in August, following a 0.6-percent drop in the prior month. The index for crude petroleum turned down 15.5 percent, after increasing 7.4 percent in the previous month. By contrast, prices for coal turned up 0.3 percent, following a 3.3-percent decline in July. The index for natural gas fell less than a month ago.

Prices for crude foodstuffs and feedstuffs fell 1.1 percent, following a 2.8-percent decrease in July. The index for slaughter cattle declined 1.0 percent, after dropping 7.1 percent in the previous month. Prices for alfalfa hay also fell less than a month ago. The indexes for slaughter hogs and for fresh fruits and melons turned up, after falling in July. Prices for slaughter broilers and fryers rose more than in the previous month. By contrast, corn prices declined 5.1 percent, following a 0.4-percent increase last month. The indexes for soybeans, fresh vegetables (except potatoes), and raw cane sugar also turned down, after rising in July. Prices for wheat fell more than in the previous month, and the index for fluid milk rose less than a month ago.

The index for crude nonfood materials less energy fell 2.0 percent, following a 1.8-percent decline in July. Prices for iron and steel scrap declined 7.4 percent in August, after falling 3.6 percent in July. The index for raw cotton turned down 2.4 percent, after increasing 7.7 percent in the previous month. By contrast, price declines for aluminum base scrap slowed from 9.0 percent in July to 1.5 percent in August. Prices for copper ore and cattle hides turned up, after decreasing a month earlier.

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

Mining. The Producer Price Index for the net output of total domestic mining industries fell 3.5 percent in August, following a 0.6-percent decrease in July. (Net output price indexes are not seasonally adjusted.) The index for the oil and gas extraction industry group declined 5.1 percent, after showing no change in the prior month. Prices for construction sand and gravel rose less than in the previous month. The

indexes for rock salt mining industry fell, after rising a month ago. By contrast, prices for the coal mining industry group rose 0.2 percent, after declining 2.5 percent in the previous month. Prices for the lead and zinc ores and the copper ores industries also advanced, after decreasing in the prior month. In August, the Producer Price Index for the net output of total domestic mining industries stood at 68.2 (December 1984=100), 15.0 percent below its year-ago level.

Manufacturing. The Producer Price Index for the net output of total domestic manufacturing industries fell 0.2 percent, after showing no change in July. Prices decreased for the paper and allied products, chemicals and allied products, transportation, and electrical and electronic machinery equipment industry groups, after rising in the prior month. The index for the petroleum refining industry group fell more than in the previous month. By contrast, prices for the tobacco manufactures industry group rose 3.5 percent, after showing no change in July. The index for the printing and publishing industry group rose, after falling a month ago. Prices for the food and kindred products and the lumber and wood products industry groups rose more than in the previous month. In August, the Producer Price Index for the net output of the total domestic manufacturing sector stood at 126.0 (December 1984=100), which is 1.1 percent below its year-ago level.

Other. Among other industries in August, price increases for passenger car rental (without drivers), deep sea foreign transportation of freight, telephone communications, real estate agents and managers, and advertising agencies offset price decreases for operators of nonresidential buildings, property and casualty insurance, hotels and motels, and radio broadcasting.

Producer Price Index data for September 1998 will be released on Thursday, October 15, at 8:30 a.m. (E.D.T.)

Information in this news release will be made available to sensory impaired individuals upon request. Voice phone: 202-606-7828; TDD phone: 202-606-5897; TDD Message Referral phone: 1-800-326-2577.

Table 1. Producer price indexes and percent changes by stage of processing
(1982=100)

Grouping	Relative importance	Unadjusted index			Unadjusted percent change to Aug. 1998 from:		Seasonally adjusted percent change from:			
		Dec.	Apr.	July	Aug.	Aug.	July	May to	June to	July to
		1997 1/	1998 2/	1998 2/	1998 2/	1997	1998	June	July	Aug.
Finished goods.....	100.000	130.4	130.9	130.6	-0.8	-0.2	-0.1	0.2	-0.4	
Finished consumer goods.....	74.755	128.5	129.4	129.1	-.9	-.2	-.1	.3	-.5	
Finished consumer foods.....	23.199	133.8	134.6	135.0	.1	.3	.1	.4	-.4	
Crude.....	1.761	132.3	127.9	120.9	3.1	-5.5	-4.4	7.2	-7.0	
Processed.....	21.438	133.9	135.2	136.1	0	.7	.4	0	.1	
Finished consumer goods, excluding foods.....	51.556	126.0	127.0	126.4	-1.3	-.5	-.2	.3	-.6	
Nondurable goods less foods.....	35.297	121.5	123.3	122.7	-1.7	-.5	-.2	.2	-.6	
Durable goods.....	16.259	133.0	132.0	131.3	-.8	-.5	0	.2	-.4	
Capital equipment.....	25.245	137.7	137.2	136.7	-.7	-.4	0	.1	-.3	
Manufacturing industries.....	6.590	137.8	137.9	137.8	.2	-.1	.1	0	-.1	
Nonmanufacturing industries.....	18.655	137.6	136.9	136.3	-1.0	-.4	-.1	.1	-.3	
Intermediate materials, supplies, and components.	100.000	123.3	123.4	123.1	-2.1	-.2	-.3	0	-.3	
Materials and components for manufacturing.....	47.584	126.9	126.1	126.0	-1.8	-.1	-.2	-.2	-.2	
Materials for food manufacturing.....	3.500	121.7	122.6	123.3	.3	.6	-.6	-.5	-.1	
Materials for nondurable manufacturing.....	16.157	128.2	127.2	126.7	-2.3	-.4	-.1	-.4	-.4	
Materials for durable manufacturing.....	10.575	130.0	127.7	127.8	-4.1	.1	-.8	-.3	.1	
Components for manufacturing.....	17.352	126.0	125.9	125.8	-.3	-.1	0	0	-.1	
Materials and components for construction.....	13.519	147.0	147.0	147.3	.1	.2	-.1	.2	.2	
Processed fuels and lubricants.....	13.015	80.1	82.6	81.7	-9.2	-1.1	-1.8	.5	-1.6	
Manufacturing industries	4.844	84.9	87.7	86.7	-6.1	-1.1	-.4	.2	-1.2	
Nonmanufacturing industries.....	8.171	77.2	79.5	78.6	-11.2	-1.1	-2.6	.5	-1.8	
Containers.....	3.784	141.0	141.6	140.7	5.5	-.6	-.1	.1	-.6	
Supplies.....	22.098	135.1	135.0	134.7	-.8	-.2	.1	.1	-.2	
Manufacturing industries.....	4.941	140.7	140.7	140.6	.8	-.1	0	-.1	-.1	
Nonmanufacturing industries.....	17.157	132.5	132.5	132.0	-1.4	-.4	.2	.2	-.3	
Feeds.....	1.618	101.7	101.2	98.0	-23.1	-3.2	-.1	1.9	-3.2	
Other supplies.....	15.539	136.3	136.3	136.2	1.0	-.1	.1	.1	0	
Crude materials for further processing.....	100.000	100.3	97.1	94.6	-12.0	-2.6	-1.4	-1.8	-2.7	
Foodstuffs and feedstuffs.....	42.088	105.8	103.8	103.0	-7.7	-.8	.1	-2.8	-1.1	
Nonfood materials.....	57.912	92.9	88.9	85.4	-15.4	-3.9	-2.5	-1.1	-3.8	

Nonfood materials except fuel 3/.....		33.172	88.4	85.2	80.3	-21.5	-5.8	-3.9	.6	-5.6
Manufacturing 3/.....		31.843	80.3	77.5	72.8	-22.3	-6.1	-3.9	.6	-6.1
Construction.....		1.329	203.6	192.1	192.2	-4.8	.1	-1.6	-.7	.6
Crude fuel 4/.....		24.740	91.8	86.9	85.6	-3.7	-1.5	-.8	-3.2	-1.5
Manufacturing industries.....		2.039	89.8	85.0	83.4	-4.5	-1.9	-2.4	-2.4	-1.9
Nonmanufacturing industries.....		22.701	93.6	88.6	87.3	-3.5	-1.5	-.8	-3.3	-1.5
Special groupings										
Finished goods, excluding foods.....	5/	76.801	129.2	129.8	129.2	-1.1	-.5	-.2	.2	-.5
Intermediate materials less foods and feeds.....	6/	94.882	123.8	123.9	123.6	-1.7	-.2	-.3	0	-.2
Intermediate foods and feeds.....	6/	5.118	115.6	116.1	115.6	-7.2	-.4	-.4	.2	-.9
Crude materials less agricultural products 3/ 7/..	8/	55.307	92.5	87.9	84.5	-15.8	-3.9	-2.8	-1.2	-3.9
Finished energy goods.....	5/	13.585	74.7	76.9	75.5	-10.3	-1.8	-1.7	.3	-2.3
Finished goods less energy.....	5/	86.415	140.9	141.0	140.9	.7	-.1	.1	.3	-.1
Finished consumer goods less energy.....	5/	61.170	142.0	142.4	142.5	1.3	.1	.1	.4	-.1
Finished goods less foods and energy.....	5/	63.216	143.5	143.4	143.2	1.0	-.1	.2	.1	-.1
Finished consumer goods less foods and energy....	5/	37.971	147.3	147.4	147.4	2.1	0	.3	.3	0
Consumer nondurable goods less foods and energy..	5/	21.712	158.2	159.2	159.8	4.2	.4	.4	.3	.4
Intermediate energy goods.....	6/	13.123	79.9	82.3	81.4	-9.3	-1.1	-1.7	.4	-1.5
Intermediate materials less energy.....	6/	86.877	133.0	132.5	132.4	-1.0	-.1	-.1	-.1	-.2
Intermediate materials less foods and energy.....	6/	81.759	134.1	133.6	133.5	-.5	-.1	-.1	0	-.1
Crude energy materials 3/.....	8/	36.418	72.7	68.8	65.3	-18.1	-5.1	-3.9	-.6	-5.1
Crude materials less energy.....	8/	63.582	116.4	113.8	112.5	-8.8	-1.1	-.1	-2.5	-1.4
Crude nonfood materials less energy 4/.....	8/	21.494	147.6	143.4	140.3	-10.9	-2.2	-.5	-1.8	-2.0

1/ Comprehensive relative importance figures are initially computed after the publication of December indexes and are recalculated after final December indexes are available. The first-published and final December relative importances initially appear, respectively, in the release tables containing January and May data.

2/ The indexes for April 1998 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision four months after original publication.

3/ Includes crude petroleum.

4/ Excludes crude petroleum.

5/ Percent of total finished goods.

6/ Percent of total intermediate materials.

7/ Formerly titled "Crude materials for further processing, excluding crude foodstuffs and feedstuffs, plant and animal fibers, oilseeds, and leaf tobacco."

8/ Percent of total crude materials.

Table 2. Producer price indexes and percent changes for selected commodity groupings by stage of processing (1982=100 unless otherwise indicated)

Commodity code	Grouping	Unadjusted index			Unadjusted percent change to Aug. 1998 from:		Seasonally adjusted percent change from:		
		Apr. 1998	July 1998	Aug. 1998	Aug. 1997	July 1998	May to June	June to July	July to Aug.
		1998 1/	1998 1/	1998 1/	1997	1998	June	July	Aug.
	FINISHED GOODS.....	130.4	130.9	130.6	-0.8	-0.2	-0.1	0.2	-0.4
	FINISHED CONSUMER GOODS.....	128.5	129.4	129.1	-.9	-.2	-.1	.3	-.5
	FINISHED CONSUMER FOODS.....	133.8	134.6	135.0	.1	.3	.1	.4	-.4
01-11	Fresh fruits and melons 2/.....	90.3	88.7	90.2	9.5	1.7	-1.1	-1.0	1.7
01-13	Fresh and dry vegetables 2/.....	167.8	146.6	116.4	-11.6	-20.6	-9.0	21.3	-20.6
01-71-07	Eggs for fresh use (Dec. 1991=100).....	83.6	80.8	91.3	3.8	13.0	20.3	-9.8	8.9
02-11	Bakery products 2/.....	175.7	175.6	176.0	1.1	.2	-.1	-.1	.2
02-13	Milled rice 2/.....	122.4	123.8	123.4	-1.9	-.3	1.5	-.2	-.3
02-14-02	Pasta products (June 1985=100) 2/.....	122.7	122.1	123.2	-.3	.9	.4	0	.9
02-21-01	Beef and veal.....	99.2	99.5	100.8	-3.5	1.3	-2.6	-.1	-.7
02-21-04	Pork.....	96.1	100.8	104.8	-20.8	4.0	7.0	-10.9	.9
02-22-03	Processed young chickens.....	119.8	132.7	136.7	12.0	3.0	3.2	5.3	.8
02-22-06	Processed turkeys.....	91.3	94.2	94.3	-5.4	.1	3.4	1.2	-.6
02-23	Finfish and shellfish.....	185.8	180.0	180.4	8.2	.2	-3.7	1.1	1.3
02-3	Dairy products.....	131.4	135.3	139.4	10.6	3.0	.6	1.3	2.2
02-4	Processed fruits and vegetables 2/.....	125.3	126.4	126.5	.5	.1	-.2	.5	.1
02-55	Confectionery end products 2/.....	168.1	168.8	169.4	.5	.4	.1	.2	.4
02-62	Soft drinks.....	135.3	134.7	134.8	1.4	.1	.5	.4	0
02-63-01	Roasted coffee 2/.....	150.1	143.5	142.0	-15.2	-1.0	-1.9	-2.4	-1.0
02-76	Shortening and cooking oils 2/.....	142.6	141.5	137.3	1.1	-3.0	-.8	-.2	-3.0
	FINISHED CONSUMER GOODS EXCLUDING FOODS.....	126.0	127.0	126.4	-1.3	-.5	-.2	.3	-.6
02-61	Alcoholic beverages.....	135.0	134.9	134.9	-.7	0	.4	0	0
03-81-01	Women's apparel 2/.....	121.9	121.1	121.0	.2	-.1	-.1	-.2	-.1
03-81-02	Men's and boys' apparel.....	133.0	133.6	133.5	.4	-.1	.1	.5	-.1
03-81-03	Girls', children's, and infants' apparel 2/.....	122.2	116.4	122.4	-.2	5.2	0	-4.5	5.2
03-82	Textile housefurnishings 2/.....	123.3	122.8	122.8	.4	0	0	-.4	0
04-3	Footwear.....	144.7	144.4	145.0	.5	.4	.3	-.2	.4
05-41	Residential electric power (Dec. 1990=100).....	108.4	115.2	113.9	-1.8	-1.1	-.9	1.1	-1.1
05-51	Residential gas (Dec. 1990=100).....	114.1	112.6	113.9	.4	1.2	-2.8	.4	1.0

05-71	Gasoline.....	54.0	55.5	51.5	-30.1	-7.2	0	-1.3	-8.5
05-73-02-01	Fuel oil No. 2.....	51.2	45.5	43.5	-29.4	-4.4	-8.1	-1.0	-7.0
06-35	Pharmaceutical preps, ethical (Prescription).....	326.0	334.5	331.8	21.3	-.8	3.2	1.7	-.6
06-36	Pharmaceutical preps,proprietary (Over-counter).....	184.0	184.7	184.5	.1	-.1	.4	.2	-.2
06-71	Soaps and synthetic detergents 2/.....	126.2	126.2	126.2	-.1	0	-.1	.2	0
06-75	Cosmetics and other toilet preparations 2/.....	132.4	133.7	133.7	2.6	0	.9	.1	0
07-12	Tires, tubes, tread, etc 2/.....	94.2	94.0	93.8	-1.1	-.2	.4	-.2	-.2
09-15-01	Sanitary papers and health products 2/.....	145.0	147.0	146.1	-1.2	-.6	-.4	2.2	-.6
09-31-01	Newspaper circulation 2/.....	202.7	202.7	202.7	.4	0	.1	0	0
09-32-01	Periodical circulation.....	192.3	193.6	193.7	3.2	.1	.3	.1	.4
09-33	Book publishing 2/.....	204.6	203.5	204.5	3.2	.5	0	-.8	.5
12-1	Household furniture 2/.....	147.9	148.1	148.4	1.4	.2	0	.1	.2
12-3	Floor coverings 2/.....	128.2	127.7	128.0	-.4	.2	-.5	0	.2
12-4	Household appliances 2/.....	108.7	109.2	108.9	-.7	-.3	.5	.5	-.3
12-5	Home electronic equipment 2/.....	76.8	76.8	76.8	.9	0	0	0	0
12-62	Household glassware 2/.....	163.1	163.0	163.0	.7	0	0	-.1	0
12-64	Household flatware 2/.....	139.0	138.3	138.3	-.1	0	-.9	-.6	0
12-66	Lawn and garden equip., ex. tractors 2/.....	131.6	131.5	131.6	-.8	.1	.1	-.1	.1
14-11-01	Passenger cars.....	132.2	130.1	127.3	-2.1	-2.2	.3	.8	-1.7
15-11	Toys, games, and children's vehicles.....	124.6	124.2	124.4	-.7	.2	.1	-.1	.3
15-12	Sporting and athletic goods 2/.....	126.2	126.3	126.2	.7	-.1	.1	.2	-.1
15-2	Tobacco products 2/.....	271.0	278.7	286.4	15.6	2.8	.1	0	2.8
15-5	Mobile homes 2/.....	153.4	154.0	154.5	1.2	.3	.1	0	.3
15-94-02	Jewelry, platinum, & karat gold 2/.....	128.3	127.8	127.7	-.7	-.1	-.1	0	-.1
15-94-04	Costume jewelry and novelties 2/.....	139.5	139.5	139.5	-1.0	0	-.1	0	0
	CAPITAL EQUIPMENT.....	137.7	137.2	136.7	-.7	-.4	0	.1	-.3
11-1	Agricultural machinery and equipment 2/.....	150.5	148.9	149.2	.1	.2	.1	.1	.2
11-2	Construction machinery and equipment.....	145.0	145.3	145.4	2.3	.1	.1	.1	.2
11-37	Metal cutting machine tools 2/.....	160.0	159.8	160.2	2.0	.3	-.2	0	.3
11-38	Metal forming machine tools 2/.....	157.4	158.1	158.1	2.1	0	-.1	.4	0
11-39	Tools, dies, jigs, fixtures, and ind. molds 2/.....	138.9	138.6	138.7	.2	.1	0	-.1	.1
11-41	Pumps, compressors, and equipment.....	148.7	149.0	149.1	1.6	.1	.2	.3	.1
11-44	Industrial material handling equipment 2/.....	131.0	131.2	131.4	1.0	.2	.1	.1	.2
11-51	Electronic computers (Dec. 1990=100) 2/.....	26.0	24.5	23.4	-26.2	-4.5	-1.2	-1.6	-4.5
11-62	Textile machinery 2/.....	153.1	153.1	152.4	0	-.5	0	0	-.5
11-64	Paper industries machinery (June 1982=100).....	159.8	160.1	160.2	1.7	.1	.1	.1	.2
11-65	Printing trades machinery 2/.....	140.0	143.3	143.3	3.3	0	2.1	0	0
11-74	Transformers and power regulators 2/.....	130.7	130.6	130.6	.5	0	-.1	-.3	0
11-76	Communication & related equip. (Dec. 1985=100) 2/...	114.4	114.6	114.3	.1	-.3	-.2	.2	-.3
11-79-05	X-ray and electromedical equipment 2/.....	106.7	106.4	106.1	-1.0	-.3	-.4	-.6	-.3
11-91	Oil field and gas field machinery 2/.....	125.6	125.8	125.7	2.2	-.1	-.1	.1	-.1
11-92	Mining machinery and equipment 2/.....	142.1	142.2	142.3	1.0	.1	0	-.1	.1
11-93	Office and store machines and equipment 2/.....	112.4	112.7	112.4	-.2	-.3	.1	.1	-.3

05-42	Commercial electric power.....	125.7	136.5	136.3	-1.3	-0.1	-1.2	1.2	-0.2
05-43	Industrial electric power.....	126.4	134.3	134.5	-.1	.1	.2	.5	.3
05-52	Commercial natural gas (Dec. 1990=100).....	106.2	103.9	104.0	.3	.1	-3.3	1.6	1.1
05-53	Industrial natural gas (Dec. 1990=100).....	103.3	100.6	100.1	-.5	-.5	-2.6	1.6	0
05-54	Natural gas to electric utilities (Dec. 1990=100)....	76.4	74.6	74.2	-13.6	-.5	4.6	.3	.8
05-72-03	Jet fuels.....	47.3	43.1	43.2	-27.6	.2	-9.3	0	-2.4
05-73-03	No. 2 Diesel fuel.....	50.0	44.1	44.1	-29.0	0	-9.6	-1.1	-4.8
05-74	Residual fuel 2/.....	49.3	44.3	37.1	-33.0	-16.3	4.4	-2.0	-16.3
06-1	Industrial chemicals 2/.....	122.3	121.8	121.2	-4.3	-.5	-.2	.1	-.5
06-21	Prepared paint.....	154.8	155.3	155.2	1.8	-.1	.1	.2	-.2
06-22	Paint materials 2/.....	143.6	144.1	143.8	.8	-.2	-.1	.4	-.2
06-31	Medicinal and botanical chemicals 2/.....	135.2	135.2	135.2	1.3	0	1.4	0	0
06-4	Fats and oils, inedible 2/.....	111.2	114.4	115.3	-5.3	.8	4.4	-12.5	.8
06-51	Mixed fertilizers.....	115.8	115.8	115.6	1.9	-.2	.5	.9	.4
06-52-01	Nitrogenates.....	110.9	110.9	106.7	-17.6	-3.8	3.5	1.6	-1.4
06-52-02	Phosphates 2/.....	111.2	113.3	113.9	3.5	.5	.9	0	.5
06-53	Other agricultural chemicals.....	149.2	149.4	150.2	1.5	.5	.5	-.2	.7
06-6	Plastic resins and materials 2/.....	130.7	125.6	126.1	-8.2	.4	-1.3	-1.6	.4
07-11-02	Synthetic rubber 2/.....	117.4	117.2	117.5	-.5	.3	-.1	-.2	.3
07-21	Plastic construction products 2/.....	127.4	125.4	125.4	-2.9	0	-1.2	-.6	0
07-22	Unsupported plastic film, sheet, & other shapes.....	128.6	127.7	127.7	-3.4	0	-.8	-.5	.2
07-26	Plastic parts and components for manufacturing 2/...	117.2	116.9	117.0	-.2	.1	-.2	-.1	.1
08-11	Softwood lumber 2/.....	193.4	181.2	183.7	-12.1	1.4	-5.7	2.5	1.4
08-12	Hardwood lumber 2/.....	179.8	179.1	178.3	1.5	-.4	.3	-.2	-.4
08-2	Millwork 2/.....	171.0	170.9	170.8	-.4	-.1	0	-.2	-.1
08-3	Plywood 2/.....	152.4	157.0	166.9	3.3	6.3	-.7	4.3	6.3
09-11	Woodpulp 2/.....	121.5	129.3	123.3	-7.1	-4.6	1.0	4.2	-4.6
09-13	Paper.....	146.9	145.4	145.1	-.1	-.2	-.3	-.5	-.1
09-14	Paperboard.....	155.2	151.9	151.1	5.1	-.5	.3	-1.5	-1.1
09-15-03	Paper boxes and containers 2/.....	154.7	156.1	154.6	10.3	-1.0	-.1	0	-1.0
09-2	Building paper and board 2/.....	131.0	133.8	138.6	9.1	3.6	-.2	1.9	3.6
09-37	Commercial printing (June 1982=100) 2/.....	151.8	152.2	152.4	2.6	.1	.1	0	.1
10-15	Foundry and forge shop products.....	135.2	135.2	135.1	.7	-.1	.1	.1	0
10-17	Steel mill products 2/.....	115.4	114.9	114.6	-1.7	-.3	.1	.1	-.3
10-22	Primary nonferrous metals 2/.....	113.1	104.0	103.1	-19.2	-.9	-2.0	-3.4	-.9
10-25-01	Aluminum mill shapes 2/.....	144.2	139.1	139.4	-5.9	.2	-2.2	-1.3	.2
10-25-02	Copper and brass mill shapes 2/.....	158.4	150.3	149.8	-16.3	-.3	-2.8	-1.3	-.3
10-26	Nonferrous wire and cable 2/.....	142.5	141.4	140.7	-5.2	-.5	.3	-.2	-.5
10-3	Metal containers 2/.....	108.6	108.5	108.5	.6	0	-.3	-.1	0
10-4	Hardware.....	146.9	147.2	147.2	.9	0	0	.4	-.2
10-5	Plumbing fixtures and brass fittings.....	175.8	175.4	175.1	.1	-.2	-.2	.2	-.1
10-6	Heating equipment.....	153.4	153.2	153.2	.3	0	.3	-.4	0
10-7	Fabricated structural metal products.....	141.9	143.0	142.9	1.5	-.1	.2	-.1	-.1
10-88	Fabricated ferrous wire products (June 1982=100) 2/..	130.0	130.4	130.4	1.4	0	.2	-.1	0
10-89	Other misc. metal products 2/.....	126.5	126.4	126.3	0	-.1	-.2	0	-.1

11-45	Mechanical power transmission equipment.....	157.3	157.5	157.5	1.8	0	.1	.1	.2
11-48	Air conditioning and refrigeration equipment.....	133.7	133.7	134.8	1.5	.8	0	0	.8
11-49-02	Metal valves, ex.fluid power (Dec. 1982=100) 2/.....	156.4	156.6	156.7	1.6	.1	.1	.1	.1
11-49-05	Ball and roller bearings.....	164.7	165.2	165.4	1.0	.1	.5	0	.3
11-71	Wiring devices.....	154.3	154.9	154.6	.1	-.2	.7	0	-.1
11-73	Motors, generators, motor generator sets.....	145.7	145.2	145.2	.3	0	0	-.3	.1
11-75	Switchgear, switchboard, etc., equipment.....	148.1	147.9	147.9	1.5	0	.5	.1	0
11-78	Electronic components and accessories 2/.....	100.4	100.3	99.8	-3.1	-.5	-.2	-.1	-.5
11-94	Internal combustion engines.....	140.4	141.1	141.3	.8	.1	.1	.2	.2
11-95	Machine shop products 2/.....	136.3	136.8	136.4	.8	-.3	.6	.2	-.3
13-11	Flat glass 2/.....	106.8	107.9	105.9	-2.4	-1.9	.1	.7	-1.9
13-22	Cement.....	145.4	147.8	148.1	5.1	.2	.7	1.2	.2
13-3	Concrete products.....	139.5	141.4	141.4	3.9	0	.9	.2	.2
13-6	Asphalt felts and coatings 2/.....	99.0	99.7	100.2	-.2	.5	-.2	.3	.5
13-7	Gypsum products 2/.....	172.0	179.9	178.1	5.4	-1.0	1.1	2.3	-1.0
13-8	Glass containers 2/.....	125.9	125.5	125.5	0	0	-1.0	.7	0
14-12	Motor vehicle parts 2/.....	114.8	114.5	114.4	-.7	-.1	-.1	.1	-.1
14-23	Aircraft engines & engine parts (Dec. 1985=100).....	137.2	137.7	137.8	1.8	.1	.4	.2	0
14-25	Aircraft parts & aux.equip.,nec (June 1985=100) 2/..	142.2	141.7	141.9	.6	.1	0	.3	.1
15-42	Photographic supplies 2/.....	129.0	129.0	129.0	-.7	0	0	0	0
15-6	Medical/surgical/personal aid devices.....	143.0	143.1	143.0	-.1	-.1	-.3	.2	.2
	CRUDE MATERIALS FOR FURTHER PROCESSING.....	100.3	97.1	94.6	-12.0	-2.6	-1.4	-1.8	-2.7
	CRUDE FOODSTUFFS AND FEEDSTUFFS.....	105.8	103.8	103.0	-7.7	-.8	.1	-2.8	-1.1
01-21	Wheat 2/.....	92.6	83.9	76.7	-25.7	-8.6	-8.5	-.7	-8.6
01-22-02-05	Corn.....	98.4	89.8	80.2	-23.2	-10.7	-4.9	.4	-5.1
01-31	Slaughter cattle.....	98.4	89.6	89.6	-7.9	0	.7	-7.1	-1.0
01-32	Slaughter hogs.....	57.7	57.2	58.0	-38.2	1.4	4.2	-22.8	.8
01-41-02	Slaughter broilers/fryers.....	138.0	172.1	184.1	17.5	7.0	6.8	4.4	6.8
01-42	Slaughter turkeys.....	99.9	109.6	118.8	-2.5	8.4	2.2	3.8	4.8
01-6	Fluid milk.....	101.4	107.0	114.2	21.9	6.7	3.2	5.4	4.2
01-83-01-31	Soybeans 2/.....	107.8	109.6	93.7	-24.7	-14.5	-4.9	4.6	-14.5
02-52-01-01	Cane sugar,raw 2/.....	117.5	119.3	118.4	0	-.8	.1	1.0	-.8
	CRUDE NONFOOD MATERIALS.....	92.9	88.9	85.4	-15.4	-3.9	-2.5	-1.1	-3.8
01-51-01-01	Raw cotton.....	101.2	121.8	116.6	-3.2	-4.3	7.5	7.7	-2.4
01-92-01-01	Leaf tobacco 2/.....	99.6	(3)	93.8	-.3	(3)	(3)	(3)	(3)
04-11	Cattle hides 2/.....	152.2	162.3	166.4	-10.6	2.5	18.4	-9.5	2.5
05-1	Coal 2/.....	95.2	93.5	93.8	-1.7	.3	4.7	-3.3	.3
05-31	Natural gas 2/.....	90.1	84.1	82.1	-5.7	-2.4	-3.5	-2.9	-2.4
05-61	Crude petroleum 2/.....	38.1	36.1	30.5	-44.4	-15.5	-12.3	7.4	-15.5

08-5		Logs, timber, etc.....		217.3	203.4	204.1	-5.0	.3	-1.6	-1.2	1.0
09-12		Wastepaper 2/.....		153.7	147.2	143.8	-25.2	-2.3	-1.5	-.5	-2.3
10-11		Iron ore 2/.....		95.2	95.6	95.6	.4	0	0	-.3	0
10-12		Iron and steel scrap 2/.....		184.1	175.5	162.6	-15.2	-7.4	-1.1	-3.6	-7.4
10-21		Nonferrous metal ores (Dec. 1983=100) 2/.....		70.8	66.5	67.4	-18.9	1.4	-3.7	-1.2	1.4
10-23-01		Copper base scrap 2/.....		124.9	114.4	110.9	-29.0	-3.1	-4.3	-6.9	-3.1
10-23-02		Aluminum base scrap.....		176.8	149.3	148.8	-24.9	-.3	-3.7	-9.0	-1.5
13-21		Construction sand, gravel, and crushed stone.....		152.4	153.4	153.5	3.3	.1	-.1	.6	.3

1/ The indexes for April 1998 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision four months after original publication.

2/ Not seasonally adjusted.

3/ Not available.

Table 3. Producer price indexes for selected commodity groupings (1982=100 unless otherwise indicated)

Commodity code	Grouping	Unadjusted index 1/		
		April 1998	July 1998	Aug. 1998
	Finished Goods (1967=100).....	365.8	367.5	366.4
	All commodities.....	124.9	124.8	124.2
	MAJOR COMMODITY GROUPS			
	Farm products and processed foods and feeds....	122.8	122.9	122.5
01	Farm products.....	106.5	105.0	102.6
02	Processed foods and feeds.....	130.8	131.8	132.3
	Industrial commodities.....	125.3	125.1	124.5
03	Textile products and apparel.....	123.2	122.8	123.0
04	Hides, skins, leather, and related products..	147.5	149.4	150.3
05	Fuels and related products and power 2/.....	75.8	76.5	74.8
06	Chemicals and allied products 2/.....	144.9	145.0	144.6
07	Rubber and plastic products.....	122.9	122.5	122.3
08	Lumber and wood products.....	182.5	177.9	179.4
09	Pulp, paper, and allied products.....	172.2	172.0	171.7
10	Metals and metal products.....	129.6	127.9	127.3
11	Machinery and equipment.....	125.1	125.0	124.8
12	Furniture and household durables.....	131.2	131.3	131.4
13	Nonmetallic mineral products.....	134.9	136.1	136.1
14	Transportation equipment.....	141.3	140.3	139.6

15	Miscellaneous products.....	154.7	155.7	156.6
	Industrial commodities less fuels and related products and power.....	139.5	139.0	138.8
	OTHER COMMODITY GROUPINGS			
01-1	Fruits and melons, fresh and dry vegetables, and tree nuts.....	128.4	119.0	108.0
01-2	Grains.....	99.8	91.4	82.8
01-3	Slaughter livestock.....	87.9	81.8	82.1
01-4	Slaughter poultry.....	128.5	156.7	167.8
01-5	Plant and animal fibers.....	101.5	120.9	115.8
01-7	Chicken eggs.....	99.5	95.2	107.7
01-8	Hay, hayseeds, and oilseeds.....	131.7	130.3	115.9
01-83	Oilseeds.....	118.1	120.5	104.6
01-9	Other farm products.....	148.6	'N.A.'	139.8
02-1	Cereal and bakery products.....	157.8	157.2	156.7
02-2	Meats, poultry, and fish.....	112.3	114.9	116.5
02-22	Processed poultry.....	117.2	124.9	127.3
02-5	Sugar and confectionery.....	133.9	134.6	134.7
02-6	Beverages and beverage materials.....	138.1	137.2	137.1
02-63	Packaged beverage materials.....	145.7	140.1	138.9
02-7	Fats and oils.....	142.9	138.2	132.8
03-81	Apparel.....	126.5	126.0	126.3
04-4	Other leather and related products.....	145.1	145.1	144.9
05-3	Gas fuels 2/.....	81.8	75.9	74.1
05-4	Electric power.....	126.3	135.1	134.5
05-7	Refined petroleum products.....	52.7	51.6	49.0
06-3	Drugs and pharmaceuticals.....	243.4	247.5	246.4
06-5	Agricultural chemicals and products.....	129.0	129.7	129.3
06-7	Other chemicals and allied products.....	134.3	134.9	134.8
07-1	Rubber and rubber products.....	115.4	115.2	115.4
07-11	Rubber, except natural rubber.....	116.8	116.6	116.8
07-13	Miscellaneous rubber products.....	138.5	138.5	138.9
07-2	Plastic products.....	129.7	129.2	128.8
08-1	Lumber.....	187.2	178.5	180.1
09-1	Pulp, paper, and products, excluding building paper and board.....	148.1	148.1	147.0
09-15	Converted paper and paperboard products.....	152.3	153.5	152.4
10-1	Iron and steel.....	125.5	124.2	122.8
10-2	Nonferrous metals.....	127.2	121.1	120.6
10-25	Nonferrous mill shapes.....	139.1	134.1	134.1
11-3	Metalworking machinery and equipment.....	147.2	147.3	147.3

11-4	General purpose machinery and equipment.....	146.7	147.0	147.4
11-6	Special industry machinery.....	158.7	159.4	159.3
11-7	Electrical machinery and equipment.....	121.2	121.3	120.9
11-9	Miscellaneous machinery and equipment.....	131.7	132.2	132.0
12-6	Other household durable goods.....	151.0	151.4	151.5
13-2	Concrete ingredients.....	147.3	148.8	148.9
14-1	Motor vehicles and equipment.....	131.7	130.1	129.0
15-1	Toys, sporting goods, small arms, etc.....	132.4	132.5	132.5
15-4	Photographic equipment and supplies.....	116.3	115.4	116.3
15-9	Other miscellaneous products.....	134.6	134.7	134.5

1/ Data for April 1998 have been revised to reflect the availability of late reports and corrections by respondents. All data are subject to revision four months after original publication.

2/ Prices of some items in this grouping are lagged 1 month.

Table 4. Producer price indexes for the net output of major industry groups, not seasonally adjusted

Industry code	Industry 1/	Index base	Index			Percent change to Aug. 1998 from:	
			Apr. 1998 2/	July 1998 2/	Aug. 1998 2/	Aug. 1997	July 1998
	Total mining industries.....	12/84	74.1	70.7	68.2	-15.0	-3.5
10	Metal mining.....	12/84	76.6	73.3	73.9	-14.5	.8
12	Coal mining.....	12/85	90.7	89.5	89.7	-2.1	.2
13	Oil and gas extraction.....	12/85	72.3	68.3	64.8	-18.7	-5.1
14	Mining and quarrying of non-metallic minerals, except fuels.....	12/84	132.2	132.4	132.8	2.8	.3
	Total manufacturing industries.....	12/84	126.2	126.2	126.0	-1.1	-.2
20	Food and kindred products.....	12/84	125.5	126.6	127.4	-.9	.6
21	Tobacco manufactures.....	12/84	231.0	238.0	246.4	17.7	3.5
22	Textile mill products.....	12/84	119.1	118.8	118.7	-.1	-.1
23	Apparel and other finished products made from fabrics and similar materials.....	12/84	124.7	124.9	124.9	1.1	0
24	Lumber and wood products, except furniture..	12/84	158.5	156.6	158.0	-1.0	.9
25	Furniture and fixtures.....	12/84	139.4	139.5	139.6	.9	.1
26	Paper and allied products.....	12/84	137.0	137.1	136.2	2.6	-.7
27	Printing, publishing, and allied industries.	12/84	174.0	173.5	173.8	2.9	.2
28	Chemicals and allied products.....	12/84	149.8	149.9	149.6	1.6	-.2
29	Petroleum refining and related products.....	12/84	67.9	66.3	63.6	-25.4	-4.1

30	Rubber and miscellaneous plastic products...	12/84	122.5	122.0	121.8	-1.1	-.2
31	Leather and leather products.....	12/84	137.1	137.2	137.4	.4	.1
32	Stone, clay, glass, and concrete products...	12/84	128.7	129.9	129.9	1.9	0
33	Primary metal industries.....	12/84	122.6	121.0	120.7	-3.6	-.2
34	Fabricated metal products, except machinery and transportation equipment.....	12/84	128.6	128.9	128.9	.8	0
35	Machinery, except electrical.....	12/84	117.8	117.5	117.4	-.8	-.1
36	Electrical and electronic machinery, equipment, and supplies.....	12/84	110.5	110.6	110.3	-.7	-.3
37	Transportation equipment.....	12/84	133.8	132.8	131.9	-.7	-.7
38	Measuring and controlling instruments; photographic, medical, optical goods; watches, clocks.....	12/84	126.3	126.5	126.5	.6	0
39	Miscellaneous manufacturing industries.....	12/85	129.6	129.8	129.8	.5	0
	Services industries						
40	Railroad transportation.....	12/96	101.7	101.8	101.8	1.1	0
42	Motor freight transportation and warehousing	06/93	110.9	111.8	111.8	2.3	0
43	United states postal service.....	06/89	132.3	132.3	132.3	0	0
44	Water transportation.....	12/92	102.2	104.3	108.3	3.4	3.8
45	Transportation by air.....	12/92	124.3	124.7	124.2	-1.0	-.4
46	Pipe lines, except natural gas.....	12/86	99.3	99.2	99.2	.5	0
80	Health services.....	12/94	107.4	107.6	107.7	1.4	.1
81	Legal services.....	12/96	106.0	106.2	106.3	3.7	.1

1/ Indexes in this table are derived from the net-output-weighted industry price indexes. Because of differences in coverage and aggregation methodology, they will generally not match the movements of similarly-titled indexes which are derived from traditional commodity groupings.

2/ The indexes for April 1998 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision four months after original publication.

3/ Not available.

Table 5. Producer price indexes by stage of processing, seasonally adjusted
(1982=100)

Grouping	Index 1/					
	Mar. 1998	Apr. 1998	May 1998	June 1998	July 1998	Aug. 1998
Finished goods.....	130.4	130.6	130.5	130.4	130.7	130.2
Finished consumer goods.....	128.5	128.9	128.7	128.6	129.0	128.4
Finished consumer foods.....	133.7	134.4	133.8	133.9	134.5	134.0
Crude.....	131.3	133.4	124.2	118.7	127.3	118.4

Processed.....	133.9	134.4	134.6	135.1	135.1	135.3
Finished consumer goods, excluding foods.....	126.1	126.4	126.4	126.1	126.5	125.8
Nondurable goods less foods.....	121.7	122.1	122.4	122.1	122.4	121.7
Durable goods.....	132.8	132.8	132.2	132.2	132.5	132.0
Capital equipment.....	137.7	137.6	137.4	137.4	137.5	137.1
Manufacturing industries.....	137.9	137.7	137.8	138.0	138.0	137.8
Nonmanufacturing industries.....	137.6	137.5	137.2	137.1	137.2	136.8
Intermediate materials, supplies, and components.....	123.6	123.7	123.5	123.1	123.1	122.7
Materials and components for manufacturing.....	126.9	126.9	126.8	126.5	126.2	126.0
Materials for food manufacturing.....	121.3	122.3	123.9	123.2	122.6	122.5
Materials for nondurable manufacturing.....	128.5	128.1	128.0	127.9	127.4	126.9
Materials for durable manufacturing.....	129.7	129.9	129.1	128.1	127.7	127.8
Components for manufacturing.....	125.9	125.9	125.9	125.9	125.9	125.8
Materials and components for construction.....	146.6	146.9	146.9	146.7	147.0	147.3
Processed fuels and lubricants.....	81.6	82.1	81.7	80.2	80.6	79.3
Manufacturing industries.....	85.9	86.6	85.5	85.2	85.4	84.4
Nonmanufacturing industries.....	78.8	79.3	79.3	77.2	77.6	76.2
Containers.....	141.6	141.1	141.8	141.6	141.7	140.8
Supplies.....	135.4	135.0	134.7	134.8	135.0	134.7
Manufacturing industries.....	140.4	140.7	140.8	140.8	140.7	140.6
Nonmanufacturing industries.....	133.0	132.4	132.0	132.2	132.5	132.1
Feeds.....	106.9	101.6	99.4	99.3	101.2	98.0
Other supplies.....	136.2	136.2	136.1	136.2	136.3	136.3
Crude materials for further processing.....	99.2	100.5	99.8	98.4	96.6	94.0
Foodstuffs and feedstuffs.....	106.4	106.6	105.5	105.6	102.6	101.5
Nonfood materials.....	90.7	92.6	92.2	89.9	88.9	85.5
Nonfood materials except fuel 2/.....	87.1	87.8	88.1	84.7	85.2	80.4
Manufacturing 2/.....	79.1	79.8	80.1	77.0	77.5	72.8
Construction.....	199.9	199.7	198.8	195.6	194.2	195.3
Crude fuel 3/.....	88.5	91.8	90.5	89.8	86.9	85.6
Manufacturing industries.....	86.8	89.8	89.2	87.1	85.0	83.4
Nonmanufacturing industries.....	90.2	93.6	92.3	91.6	88.6	87.3
Special groupings						
Finished goods, excluding foods.....	129.3	129.4	129.4	129.2	129.5	128.9
Intermediate materials less foods and feeds.....	124.0	124.1	123.9	123.5	123.5	123.2
Intermediate foods and feeds.....	117.0	116.0	116.4	115.9	116.1	115.0
Crude materials less agricultural products 2/.....	89.9	92.3	91.7	89.1	88.0	84.6
Finished energy goods.....	75.7	75.8	76.4	75.1	75.3	73.6
Finished goods less energy.....	140.6	140.9	140.6	140.7	141.1	140.9
Finished consumer goods less energy.....	141.7	142.2	141.8	142.0	142.5	142.4

Finished goods less foods and energy.....	143.2	143.4	143.1	143.4	143.6	143.5
Finished consumer goods less foods and energy....	146.8	147.2	146.9	147.3	147.7	147.7
Consumer nondurable goods less foods and energy..	157.4	158.0	158.1	158.8	159.2	159.8
Intermediate energy goods.....	81.3	81.8	81.4	80.0	80.3	79.1
Intermediate materials less energy.....	133.0	132.9	132.8	132.7	132.6	132.4
Intermediate materials less foods and energy.....	134.1	134.0	133.9	133.7	133.7	133.6
Crude energy materials 2/.....	69.6	72.7	72.0	69.2	68.8	65.3
Crude materials less energy.....	117.0	116.7	116.0	115.9	113.0	111.4
Crude nonfood materials less energy 3/.....	148.0	146.3	146.8	146.1	143.4	140.5

1/ All seasonally adjusted indexes are subject to change up to five years after original publication due to the recalculation of seasonal factors each January. The indexes for April 1998 have been recalculated to incorporate late reports and corrections by respondents.

2/ Includes crude petroleum.

3/ Excludes crude petroleum.

Technical Notes

Brief Explanation of Producer Price Indexes

Producer price indexes (PPI) measure average changes in prices received by domestic producers of commodities in all stages of processing. Most of the information used in calculating the indexes is obtained through the systematic sampling of nearly every industry in the manufacturing and mining sectors of the economy. The PPI program also includes some information from other sectors--agriculture, fishing, forestry, services, and gas and electricity. Because producer price indexes are designed to measure only the change in prices received for the output of domestic industries, imports are not included. The sample currently contains about 3,200 commodities and 80,000 quotations per month.

There are three primary systems of indexes within the PPI program: (1) Stage of processing indexes; (2) commodity indexes; and (3) indexes for the net output of industries and their products. The stage-of-processing structure (tables 1 and 2) organizes products by class of buyer and degree of processing. The commodity structure (tables 2 and

3) organizes products by similarity of end-use or material composition. The entire output of various industries is sampled to derive price indexes for the net output of industries and their products (table 4).

Within the stage-of-processing system, finished goods are commodities that will not undergo further processing and are ready for sale to the final demand user, either an individual consumer or business firm. Consumer foods include unprocessed foods such as eggs and fresh vegetables, as well as processed foods such as bakery products and meats. Other finished consumer goods include durable goods such as automobiles, household furniture, and appliances, and nondurable goods such as apparel and home heating oil. Capital equipment includes producer durable goods such as heavy motor trucks, tractors, and machine tools.

The stage-of-processing category for intermediate materials, supplies, and components consists partly of commodities that have been processed but require further processing. Examples of such semifinished goods include flour, cotton yarn, steel mill products, and lumber. The intermediate goods category also encompasses nondurable, physically complete items purchased by business firms as inputs for their operations. Examples include diesel fuel, belts and belting, paper boxes, and fertilizers.

Crude materials for further processing are products entering the market for the first time that have not been manufactured or fabricated and that are not sold directly to consumers. Crude foodstuffs and feedstuffs include items such as grains and livestock. Examples of crude nonfood materials include raw cotton, crude petroleum, coal, hides and skins, and iron and steel scrap.

Producer price indexes for the net output of industries and their products are grouped according to the Standard Industrial Classification (SIC) and the Census product code extension of the SIC. Industry price indexes are compatible with other economic time series organized by SIC codes, such as data on employment, wages, and productivity. Table 4 lists indexes for the net output of major mining and manufacturing industry groups at the 2-digit level.

Producer price indexes are based on selling prices reported by establishments of all sizes selected by probability sampling, with the probability of selection proportionate to size. Individual items and transaction terms from these firms are also chosen by probability proportionate to size. BLS strongly encourages cooperating

companies to supply actual transaction prices at the time of shipment to minimize the use of list prices. Prices are normally reported by mail questionnaire for the Tuesday of the week containing the 13th.

Price data are provided on a voluntary and confidential basis; no one but sworn BLS employees are allowed access to individual company price reports. All producer price indexes are routinely subject to revision once, 4 months after original publication, to reflect the availability of late reports and corrections by respondents.

Net output values of shipments are used as weights for industry indexes. Net output values refer to the value of shipments from establishments in one industry to establishments classified in another industry. However, weights for commodity price indexes are based on gross shipment values, including shipment values between establishments within the same industry. As a result, broad commodity grouping indexes such as the all commodities index are affected by the multiple counting of price change at successive stages of processing, which can lead to exaggerated or misleading signals about inflation. Stage-of-processing indexes partially correct this defect, but industry indexes consistently correct for this at all levels of aggregation. Therefore, industry and stage-of-processing indexes are more appropriate than broad commodity groupings for economic analysis of general price trends.

Weights for most traditional commodity groupings of the PPI, as well as all indexes (such as stage-of-processing indexes) calculated from traditional commodity groupings, currently reflect 1987 values of shipments as reported in the Census of Manufactures and other sources. From January 1987 through December 1991, PPI weights were derived from 1982 shipment values. Industry indexes shown in table 4 are also now calculated with 1987 net output weights.

Effective with publication of January 1988 data, many important PPI series (including stage-of-processing groupings and most commodity groups and individual items) were placed on a new reference base, 1982=100, to coincide with the reference year of the shipment weights. From 1971 through 1987, the standard reference base for most PPI series was 1967=100. Except for rounding differences, the shift to the new reference base did not alter any changes to previously published percent changes for affected PPI series. (See "Calculating Index Changes," below.) The new reference base is not used for indexes with a base later

than December 1981, nor for indexes for the net output of industries and their products.

For further information on the underlying concepts and methodology of the Producer Price Index, see chapter 16, "Producer Prices," in BLS Handbook of Methods (September 1992), Bulletin 2414. Reprints are available from the Bureau of Labor Statistics on request.

Calculating Index Changes

Movements of price indexes from one month to another are usually expressed as percent changes rather than as changes in index points because index point changes are affected by the level of the index in relation to its base period, while percent changes are not. The box shows the computation of index point and percent changes.

Percent changes for 3-month and 6-month periods can be expressed as annual rates that are computed according to the standard formula for compound growth rates. These data indicate what the percent change would be if the rate for a given 3- or 6-month span were maintained for a 12-month period.

Index Point Change

Finished Goods Price Index	107.5
Less previous index	104.0
Equals index point change	3.5

Index Percent Change

Index point change	3.5
Divided by the previous index	104.0
Equals	0.034
Result multiplied by 100	0.034 x 100
Equals percent change	3.4

Each index measures price changes from a reference period which equals 100.0 (1982 or some later month). An increase of 5.5 percent from the reference period in the Finished Goods Price Index, for example, is shown as 105.5. This change can also be expressed in dollars as follows: "Prices received by domestic producers of a systematic sample of finished goods have risen from \$100 in 1982 to

\$105.50 to-day." Likewise, a current index of 90.0 would indicate that prices received by producers of finished goods today are 10 percent lower than they were in 1982.

Seasonally Adjusted and Unadjusted Data

Because price data are used for different purposes by different groups, the Bureau of Labor Statistics publishes seasonally adjusted as well as unadjusted changes each month.

Seasonally adjusted data are preferred for analyzing general price trends in the economy because they eliminate the effect of changes that normally occur at about the same time and in about the same magnitude every year—such as price movements resulting from normal weather patterns, regular production and marketing cycles, model changeovers, seasonal discounts, and holidays. For these reasons, seasonally adjusted data more clearly reveal underlying cyclical trends.

Unadjusted data are of primary interest to users who need information which can be related to actual dollar values of transactions. Individuals requiring this information include marketing specialists, purchasing agents, budget and cost analysts, contract specialists, and commodity traders. It is the unadjusted data that are generally cited in escalating long-term contracts such as purchasing agreements or real estate leases. (See *Escalation and Producer Price Indexes: A Guide for Contracting Parties*, BLS Report 807, September 1991, available on request from BLS.)

For more information, see "Appendix A: Seasonal Adjustment Methodology at BLS," in the *BLS Handbook of Methods* (September 1992), Bulletin 2414.