

**FOR IMMEDIATE RELEASE**

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**Tenth District Manufacturing Activity Was Mostly Unchanged in August**  
*Federal Reserve Bank of Kansas City Releases August Manufacturing Survey*

**KANSAS CITY, Mo.** – The Federal Reserve Bank of Kansas City released the August Manufacturing Survey today. According to Cortney Cowley, assistant vice president and Oklahoma City Branch executive, the survey revealed that Tenth District manufacturing activity was mostly unchanged and expectations for future activity remained expansionary.

“Regional factory activity continued to edge up slightly in August, and expectations for future activity remained positive,” said Cowley. “Volume of shipments and new orders increased modestly, while production and employment remained relatively flat.”

The Federal Reserve Bank of Kansas City serves the Tenth Federal Reserve District, encompassing the western third of Missouri; all of Kansas, Colorado, Nebraska, Oklahoma and Wyoming; and the northern half of New Mexico. As part of the nation’s central bank, the Bank participates in setting national monetary policy, supervising and regulating numerous commercial banks and bank holding companies, and providing financial services to depository institutions. More information is available online at [www.kansascityfed.org](http://www.kansascityfed.org).

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# TENTH DISTRICT MANUFACTURING SUMMARY

Tenth District manufacturing activity was mostly unchanged, and expectations for future activity remained expansionary (Chart 1, Tables 1 & 2). Price increases for raw materials eased modestly this month, while finished product prices edged up slightly.

## Factory Activity Was Mostly Unchanged

The month-over-month composite index was 1 in August, unchanged from 1 in July and up slightly from -2 in June (Tables 1 & 2). The composite index is an average of the production, new orders, employment, supplier delivery time, and raw materials inventory indexes. The durable manufacturing sector was mostly flat, while nondurable manufacturing activity declined slightly driven by printing activities and paper and chemical manufacturing. Most month-over-month indexes were positive, except for the backlog of orders, new export orders, and inventories. Production ticked up from -3 to 0 and the employment index increased modestly from -11 to 0. Most year-over-year indexes were negative, but most were higher than last month. Production, backlogs, and employee workweek indexes increased slightly, while the employment index declined moderately. Expectations for future activity remained positive, with the composite index rising from 8 to 11, as firms anticipate an improvement in production and new orders.

## Special Questions

This month, contacts were asked special questions about changes in purchasing activity and product demand expectations. Approximately 36% of firms reported customers' purchase volumes decreased slightly compared to last quarter, 9% reported a significant decrease, 17% reported no change, 34% reported a slight increase, and 3% reported a significant increase in purchase volumes. Compared to last quarter, over a third (34%) of firms reported customer purchases/services decreased slightly, 13% reported a significant decrease, 27% reported no change, 24% reported a slight increase, and 2% reported they increased significantly (Chart 2). For the remainder of 2025, almost half of firms (46%) expect demand for their products will be slightly higher than the prior quarter and 2% expect it will be significantly higher, 18% expect no change, while 22% expect it will be slightly lower, and 12% expect it will be significantly lower (Chart 3).

## Selected Manufacturing Comments

“Business is better, although many of the things affecting us are singular opportunities to our capabilities and are not indicative of a broad-based improvement in the industrial economy. Agricultural and automotive products are still weak.”

“Uncertainty has been the most heard word to describe our machine manufacturing industry.”

“We will increase head count this quarter by 10 employees. Next quarter we will add 5 additional heads.”

“Taking much longer to be paid.”

“Demand is very sporadic. Some customer demand is up and some is down. There is no consistency or ability to easily predict. We deal with food, and overall retail demand on the discount side is higher than traditional. However, we are seeing a slight uptick across the board as it seems more people are eating at home. There is also softness in markets that deal with the food service, but this is a small part of our business.”

“Supply of raw material is down significantly YTD. If we had more supply, we could easily sell more at current higher prices.”

“There's just an overall slight drop off in orders for our products and the people who are ordering are being very cautious not to carry too much inventory.”

“Business has been very slow YTD.”

**Table 1. Summary of Tenth District Manufacturing Conditions, August 2025**

Plant Level Indicators	August vs. July (percent)*					August vs. Year Ago (percent)*				Expected in Six Months (percent)*				
	Increase	No Change	Decrease	Diff Index^A	SA Index^AA	Increase	No Change	Decrease	Diff Index^A	Increase	No Change	Decrease	Diff Index^A	SA Index^AA
Composite Index				1	1				-2				10	11
Production	30	39	31	-1	0	40	19	41	-1	42	34	24	19	20
Volume of shipments	34	38	28	6	6	42	17	42	0	38	35	27	11	15
Volume of new orders	38	28	34	4	5	38	21	41	-3	36	39	25	11	14
Backlog of orders	19	48	33	-14	-15	25	37	38	-13	25	46	28	-3	3
Number of employees	20	58	21	-1	0	33	28	39	-6	31	48	21	10	10
Average employee workweek	21	62	17	5	3	22	53	24	-2	20	60	19	1	4
Prices received for finished product	22	74	5	17	21	66	29	5	61	47	49	5	42	45
Prices paid for raw materials	44	52	4	40	43	77	14	9	69	64	32	4	60	61
Capital expenditures						31	41	27	4	25	50	25	-1	-3
New orders for exports	4	77	19	-15	-15	6	66	28	-21	9	69	21	-12	-9
Supplier delivery time	13	84	3	10	7	17	68	16	1	11	81	9	2	0
Inventories: Materials	17	59	24	-8	-7	28	43	29	-1	26	55	18	8	11
Inventories: Finished goods	18	63	19	-1	-3	24	48	29	-5	20	60	20	0	4

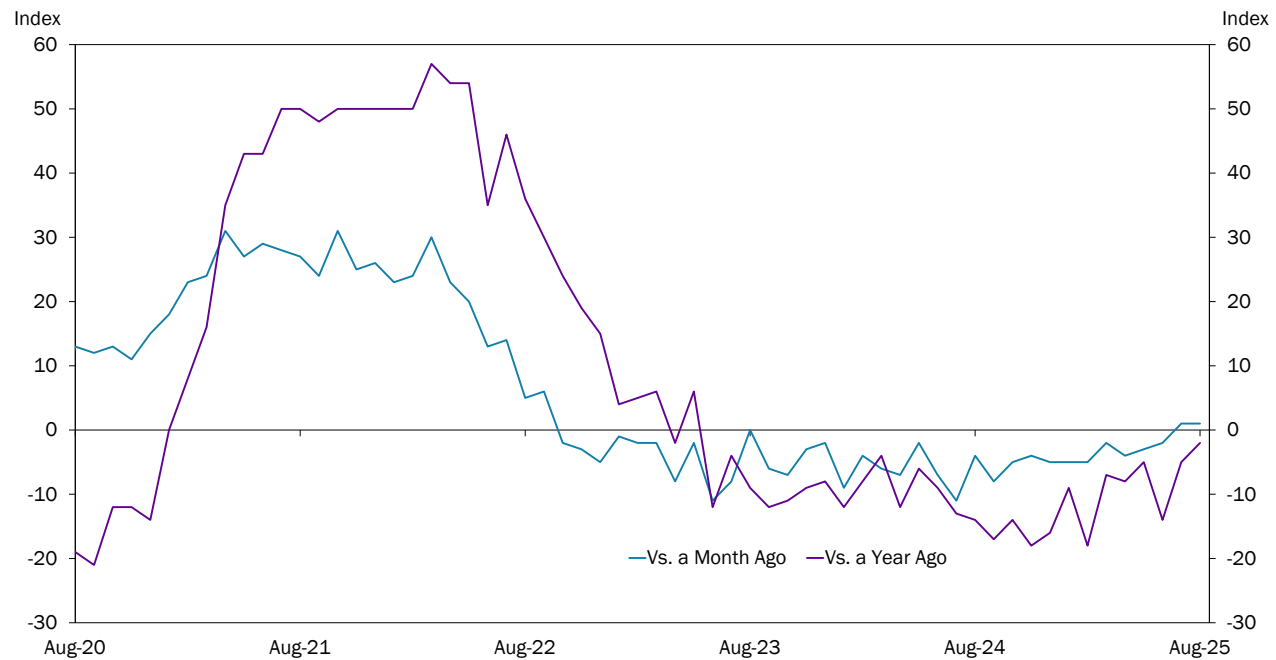
\*Percentage may not add to 100 due to rounding.

<sup>^</sup>Diffusion Index. The diffusion index is calculated as the percentage of total respondents reporting increases minus the percentage reporting declines.

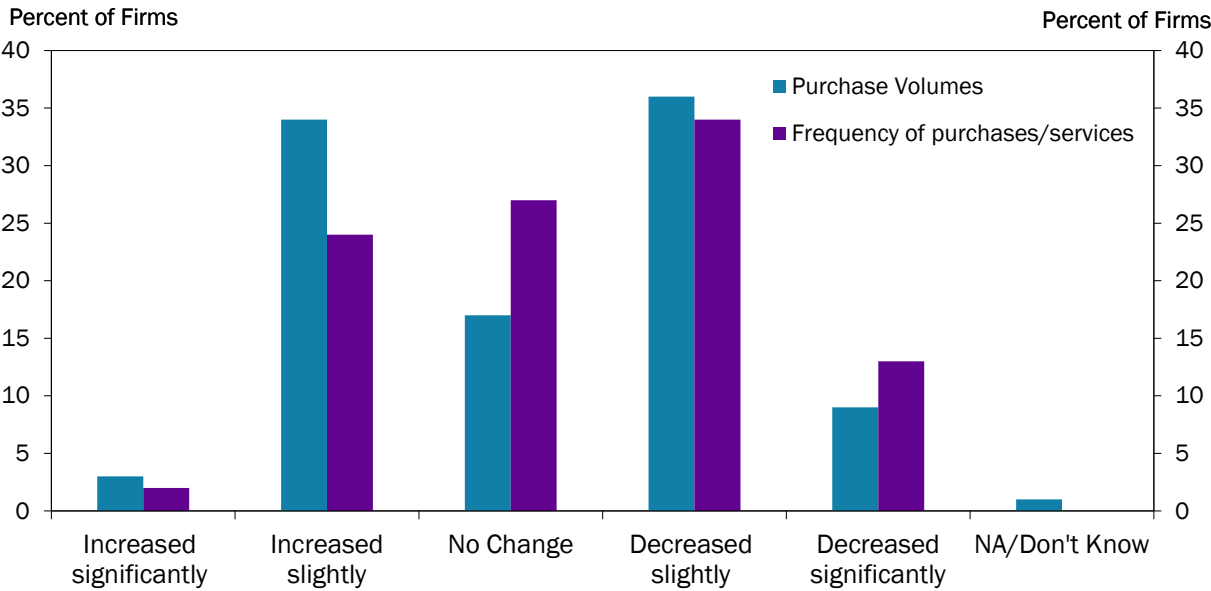
<sup>^^</sup>Seasonally Adjusted Diffusion Index. The month vs. month and expected-in-six-months diffusion indexes are seasonally adjusted using Census X-13.

Note: The August survey was open for a six-day period from August 20-25, 2025 and included 103 responses from plants in Colorado, Kansas, Nebraska, Oklahoma, Wyoming, northern New Mexico, and western Missouri.

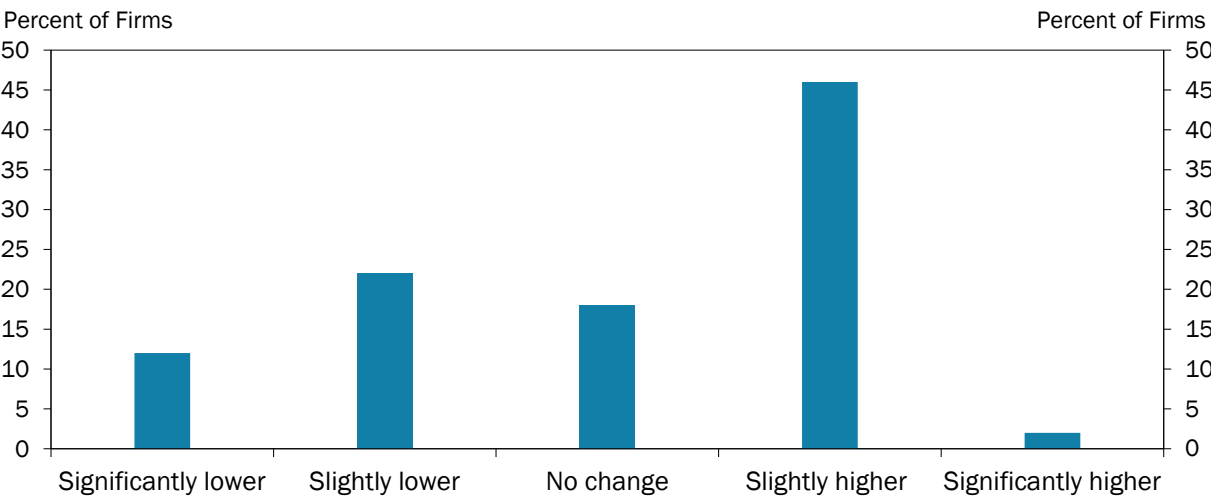
**Chart 1. Manufacturing Composite Indexes**



**Chart 2. Special Question: Compared to the last quarter, how have your customers' purchase volumes and frequency of purchases/services changed?**



**Chart 3. Special Question: What are your expectations for demand for your firm's products for the remainder of 2025 compared to the prior quarter?**



**Table 2**  
**Historical Manufacturing Survey Indexes**

	Aug'24	Sep'24	Oct'24	Nov'24	Dec'24	Jan'25	Feb'25	Mar'25	Apr'25	May'25	Jun'25	Jul'25	Aug'25
Versus a Month Ago (seasonally adjusted)													
Composite Index	-4	-8	-5	-4	-5	-5	-5	-2	-4	-3	-2	1	1
Production	2	-14	-2	-5	-6	-9	-13	1	-5	-10	5	-3	0
Volume of shipments	-3	-10	5	-2	-12	-6	-11	-4	-2	-10	8	3	6
Volume of new orders	-12	-14	-9	-10	-16	-6	-7	-12	-11	-9	-2	2	5
Backlog of orders	-20	-30	-15	-16	-22	-19	-12	-6	-20	-23	-11	-30	-15
Number of employees	-6	-9	-2	0	1	1	-14	-4	-11	3	-8	-11	0
Average employee workweek	-9	-13	-8	-9	-10	1	-9	6	-6	-9	-5	-9	3
Prices received for finished product	6	-5	9	6	8	14	17	15	29	17	21	18	21
Prices paid for raw materials	17	14	16	8	18	18	38	42	42	34	51	47	43
Capital expenditures	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
New orders for exports	2	-2	-1	-6	-6	-3	-6	-9	-10	-21	-10	-15	-15
Supplier delivery time	-2	-3	-1	1	-3	-1	5	-1	13	0	5	7	7
Inventories: Materials	-1	2	-10	-4	0	-11	2	4	-5	3	-9	8	-7
Inventories: Finished goods	4	5	-2	6	5	2	2	-8	5	0	1	6	-3
Versus a Year Ago (not seasonally adjusted)													
Composite Index	-14	-17	-14	-18	-16	-9	-18	-7	-8	-5	-14	-5	-2
Production	-18	-24	-14	-14	-21	-9	-28	-9	-13	-15	-19	-17	-1
Volume of shipments	-18	-22	-6	-10	-24	-9	-22	-18	-19	-16	-22	-10	0
Volume of new orders	-21	-30	-18	-10	-30	-15	-22	-12	-19	-8	-24	-10	-3
Backlog of orders	-29	-36	-32	-27	-29	-19	-30	-24	-28	-29	-25	-19	-13
Number of employees	-9	-7	-5	-12	-1	-6	-18	-9	-14	-6	-16	-14	-6
Average employee workweek	-16	-17	-17	-16	-18	-23	-27	-10	-12	-18	-23	-11	-2
Prices received for finished product	34	30	37	44	37	41	46	46	66	63	62	58	61
Prices paid for raw materials	37	41	30	27	41	34	52	67	76	67	75	67	69
Capital expenditures	1	-1	1	7	5	1	-1	3	-2	2	-4	-3	4
New orders for exports	-6	-8	-8	-9	-3	-1	-7	-17	-17	-12	-15	-13	-21
Supplier delivery time	-13	-13	-16	-30	-17	-6	-6	-2	5	-2	-6	1	1
Inventories: Materials	-9	-10	-17	-24	-13	-9	-16	-3	3	6	-4	16	-1
Inventories: Finished goods	-1	-5	-2	-8	0	-11	-3	-5	-2	-3	-2	4	-5
Expected in Six Months (seasonally adjusted)													
Composite Index	8	8	6	10	17	15	14	10	6	5	9	8	11
Production	20	20	25	22	40	28	30	24	4	8	19	14	20
Volume of shipments	13	13	20	22	31	23	28	20	9	9	15	11	15
Volume of new orders	12	12	13	16	35	30	27	20	3	8	16	8	14
Backlog of orders	-6	-9	-7	2	2	-5	-2	-7	-19	-11	-2	-5	3
Number of employees	16	17	14	14	19	10	12	0	1	-2	7	4	10
Average employee workweek	4	-3	0	-2	7	11	2	-3	-16	-10	-10	-1	4
Prices received for finished product	24	32	33	30	32	30	47	39	59	46	48	48	45
Prices paid for raw materials	38	33	37	33	35	48	60	57	71	51	64	64	61
Capital expenditures	-5	10	3	15	8	20	9	13	-10	18	9	-4	-3
New orders for exports	0	4	6	-7	0	0	-5	-5	-13	-7	-7	-8	-9
Supplier delivery time	-3	-2	-6	-1	-4	4	6	7	8	-3	3	5	0
Inventories: Materials	-4	-5	-14	-3	-4	2	-5	0	12	16	-1	8	11
Inventories: Finished goods	-1	-8	-5	-6	8	-2	-6	-9	0	0	-4	9	4