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Tenth District Manufacturing Activity Grew Further in November

Federal Reserve Bank of Kansas City Releases November Manufacturing Survey

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

"Regional factory activity increased moderately in November," said Cowley. "Employment growth ticked up this month, while price growth cooled."

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.

The views expressed are those of the authors and do not necessarily reflect the positions of the Federal Reserve Bank of Kansas City or the Federal Reserve System.

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TENTH DISTRICT MANUFACTURING SUMMARY

Tenth District manufacturing activity grew further, and expectations for future activity remained positive (Chart 1, Tables 1 & 2). Price growth for finished products and raw materials eased slightly from last month.

Factory Activity Grew Further

The month-over-month composite index was 8 in November, up from 6 in October and 4 in September (Tables 1 & 2). The composite index is an average of the production, new orders, employment, supplier delivery time, and raw materials inventory indexes. Both durable and nondurable manufacturing activity increased. Growth in the nondurable manufacturing sector was driven primarily by food and printing manufacturing, while growth in the durable manufacturing sector was driven by machinery and furniture manufacturing. Most month-over-month indexes increased. The employment and shipment indexes grew moderately, however, the order backlog and material inventories indexes decreased slightly. The year-over-year indexes were mixed but most showed increases from last month, except supplier delivery time and material inventories. Expectations for future activity eased somewhat but remained positive, with the composite index decreasing from 14 to 9. However, expectations for the new orders and employment indexes increased from last month's levels.

Special Questions

This month, contacts were asked special questions about changes in employment and wages. Half of firms expect to leave employment unchanged, 35% expect to increase employment, and 15% expect to decrease employment (Chart 2). Approximately a third of firms (34%) reported they will be increasing wages and salaries for existing employees by a similar amount as in the past few years, while 3% of firms plan to increase wages and salaries more than in the past few years for only selected job categories, 12% plan to increase more than in the past few years for most job categories, 29% plan to increase for existing employees by less than in the past few years, 2% of firms plan to leave wages and salaries unchanged for most existing employees, 1% of firms are cutting wages for some employees, and 1% do not plan to make any of the provided changes to wages and salaries (Chart 3).

Selected Manufacturing Comments

“Our business is heavily reliant on imported good (food) that cannot be grown in the US. We are currently growing due to our stronger financial position compared to competitors. Our position in the industry is also more reliant than some of our competitors on grocery and retail business, rather than food service. As consumers face challenging economic conditions, they tend to eat at home more, which also helps our business.”

“We lost orders from customers because they would not absorb any cost increases, nor pass them on to the end user. As a result, we had to do significant and painful layoffs - the first since the pandemic.

“Our volume is higher than last month, but it is much lower than twelve months ago. Our products are very seasonal.”

“Very hard to find quality skilled workers that are interested in working versus just checking the application mark for their unemployment benefits.”

“Operating costs continue to rise.”

“Seeing stress signs of our customers being able to make payments on time.”

“Labor market is OK - particularly for unskilled labor. Thousands of times better than it was 3-5 years ago. Quality is still a crapshoot. You are going to pay for skilled labor - but - it is available/accessible. Generally turnover is lower - more appreciation for "current" job at-the-moment. Largest question marks we face are uncertainty on cost of goods, impacts of tariffs, pricing/margin pressures and overhead costs particularly as it relates to costs associated with insurance, benefits and "support" manufacturing costs”

Table 1. Summary of Tenth District Manufacturing Conditions, November, 2025

	November vs. October (percent)*					November vs. Year Ago (percent)*				Expected in Six Months (percent)*				
Plant Level Indicators	Increase	No Change	Decrease	Diff Index^	SA Index*^	Increase	No Change	Decrease	Diff Index^	Increase	No Change	Decrease	Diff Index^	SA Index*^
Composite Index				5	8				-1				10	9
Production	35	42	23	12	18	38	22	41	-3	41	41	19	22	17
Volume of shipments	42	36	23	19	22	39	22	40	-1	42	37	22	20	17
Volume of new orders	29	39	32	-3	-2	36	25	39	-3	38	40	22	16	13
Backlog of orders	20	45	35	-15	-4	27	33	40	-12	23	53	24	-1	0
Number of employees	21	66	13	8	11	37	31	32	5	29	56	15	13	13
Average employee workweek	11	77	11	0	1	17	60	23	-6	16	71	12	4	5
Prices received for finished product	18	75	7	11	13	62	25	12	50	40	54	6	34	30
Prices paid for raw materials	36	59	5	31	36	75	13	11	64	63	34	3	60	57
Capital expenditures						30	49	21	9	25	49	25	0	0
New orders for exports	7	81	13	-6	-3	11	68	21	-11	9	76	15	-6	-6
Supplier delivery time	15	81	4	11	15	21	63	16	5	13	75	11	2	6
Inventories: Materials	21	57	23	-2	-1	26	38	36	-9	15	68	17	-2	-5
Inventories: Finished goods	26	53	21	5	3	30	43	28	2	21	61	18	3	-2

*Percentage may not add to 100 due to rounding.

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

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

Note: The November survey was open for a six-day period from November 12-17, 2025 and included 106 responses from plants in Colorado, Kansas, Nebraska, Oklahoma, Wyoming, northern New Mexico, and western Missouri.

Chart 1. Manufacturing Composite Indexes

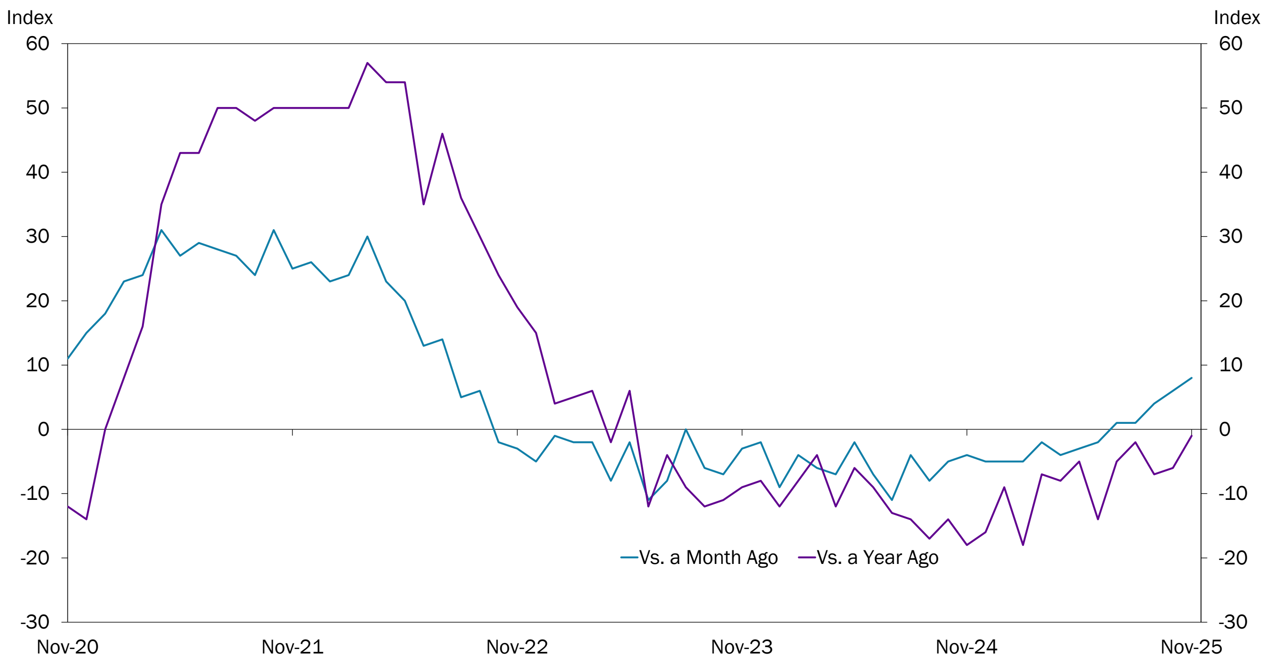

Chart 2. Special Question: Do you expect your firm to increase employment, leave employment unchanged, or decrease employment over the next twelve months?

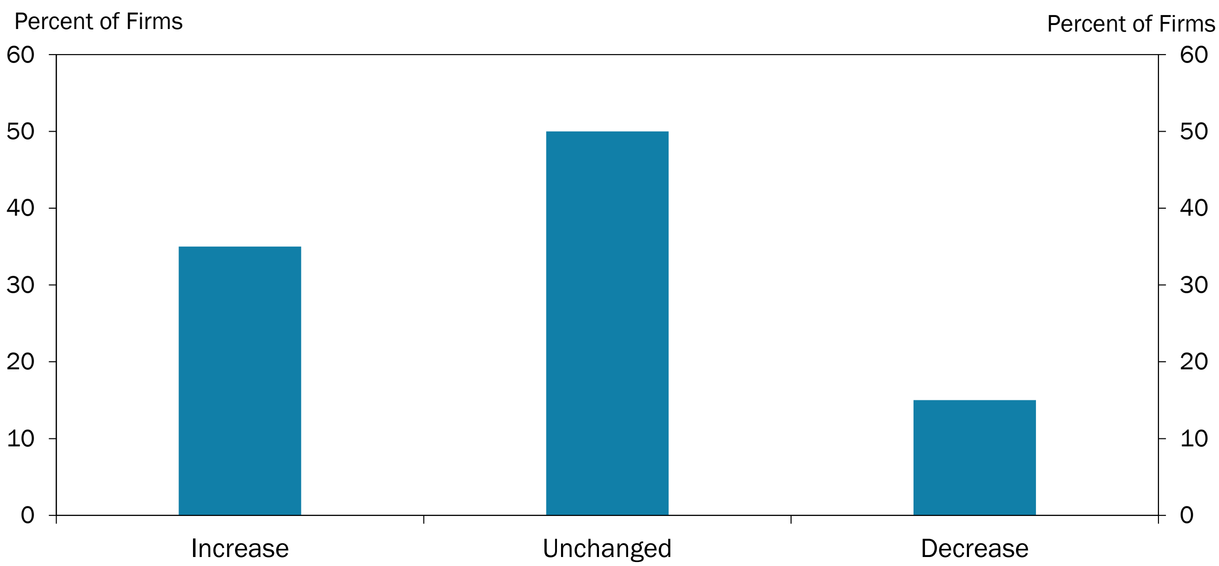

Chart 3. Special Question: Which of the following best describes your use of changes in wages and salaries of existing employees?

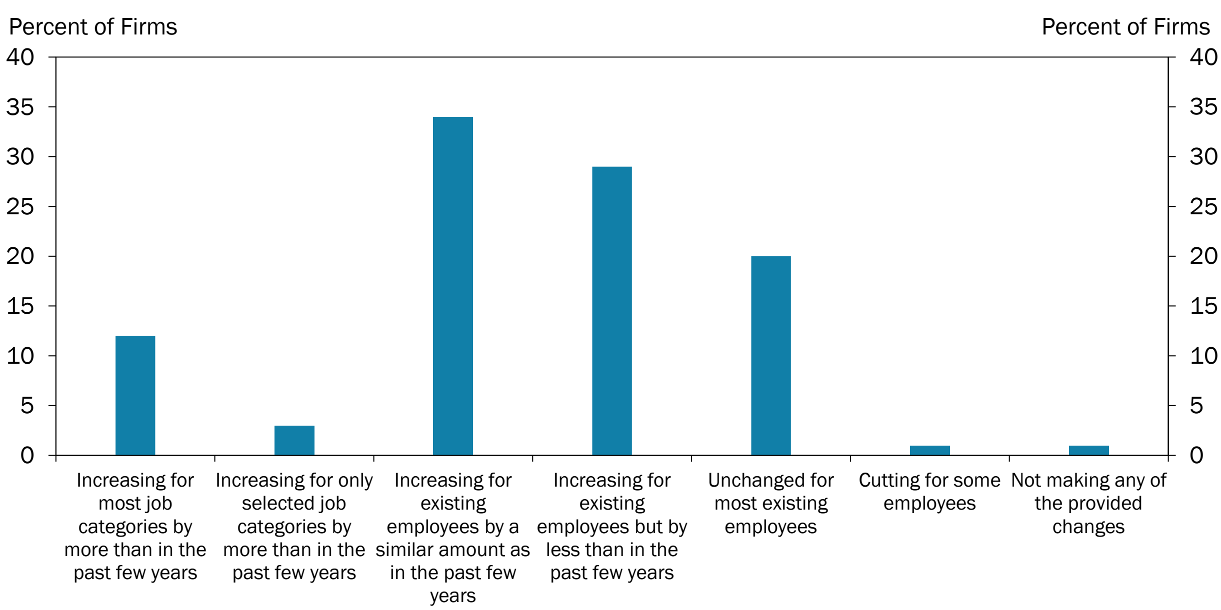

Table 2
Historical Manufacturing Survey Indexes

	Nov'24	Dec'24	Jan'25	Feb'25	Mar'25	Apr'25	May'25	Jun'25	Jul'25	Aug'25	Sep'25	Oct'25	Nov'25
Versus a Month Ago													
(seasonally adjusted)													
Composite Index	-4	-5	-5	-5	-2	-4	-3	-2	1	1	4	6	8
Production	-5	-6	-9	-13	1	-5	-10	5	-3	0	4	15	18
Volume of shipments	-2	-12	-6	-11	-4	-2	-10	8	3	6	7	15	22
Volume of new orders	-10	-16	-6	-7	-12	-11	-9	-2	2	5	2	1	-2
Backlog of orders	-16	-22	-19	-12	-6	-20	-23	-11	-30	-15	-13	1	-4
Number of employees	0	1	1	-14	-4	-11	3	-8	-11	0	7	1	11
Average employee workweek	-9	-10	1	-9	6	-6	-9	-5	-9	3	3	-3	1
Prices received for finished product	6	8	14	17	15	29	17	21	18	21	13	19	13
Prices paid for raw materials	8	18	18	38	42	42	34	51	47	43	40	41	36
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	n/a
New orders for exports	-6	-6	-3	-6	-9	-10	-21	-10	-15	-15	-9	-4	-3
Supplier delivery time	1	-3	-1	5	-1	13	0	5	7	7	4	11	15
Inventories: Materials	-4	0	-11	2	4	-5	3	-9	8	-7	1	0	-1
Inventories: Finished goods	6	5	2	2	-8	5	0	1	6	-3	2	1	3
Versus a Year Ago													
(not seasonally adjusted)													
Composite Index	-18	-16	-9	-18	-7	-8	-5	-14	-5	-2	-7	-6	-1
Production	-14	-21	-9	-28	-9	-13	-15	-19	-17	-1	-7	-3	-3
Volume of shipments	-10	-24	-9	-22	-18	-19	-16	-22	-10	0	-7	-7	-1
Volume of new orders	-10	-30	-15	-22	-12	-19	-8	-24	-10	-3	-11	-14	-3
Backlog of orders	-27	-29	-19	-30	-24	-28	-29	-25	-19	-13	-14	-26	-12
Number of employees	-12	-1	-6	-18	-9	-14	-6	-16	-14	-6	-11	-12	5
Average employee workweek	-16	-18	-23	-27	-10	-12	-18	-23	-11	-2	-12	-10	-6
Prices received for finished product	44	37	41	46	46	66	63	62	58	61	55	52	50
Prices paid for raw materials	27	41	34	52	67	76	67	75	67	69	74	71	64
Capital expenditures	7	5	1	-1	3	-2	2	-4	-3	4	5	4	9
New orders for exports	-9	-3	-1	-7	-17	-17	-12	-15	-13	-21	-19	-14	-11
Supplier delivery time	-30	-17	-6	-6	-2	5	-2	-6	1	1	-3	6	5
Inventories: Materials	-24	-13	-9	-16	-3	3	6	-4	16	-1	-2	-6	-9
Inventories: Finished goods	-8	0	-11	-3	-5	-2	-3	-2	4	-5	-4	-1	2
Expected in Six Months													
(seasonally adjusted)													
Composite Index	10	17	15	14	10	6	5	9	8	11	7	14	9
Production	22	40	28	30	24	4	8	19	14	20	18	33	17
Volume of shipments	22	31	23	28	20	9	9	15	11	15	13	28	17
Volume of new orders	16	35	30	27	20	3	8	16	8	14	9	10	13
Backlog of orders	2	2	-5	-2	-7	-19	-11	-2	-5	3	-5	4	0
Number of employees	14	19	10	12	0	1	-2	7	4	10	12	12	13
Average employee workweek	-2	7	11	2	-3	-16	-10	-10	-1	4	4	13	5
Prices received for finished product	30	32	30	47	39	59	46	48	48	45	36	39	30
Prices paid for raw materials	33	35	48	60	57	71	51	64	64	61	58	62	57
Capital expenditures	15	8	20	9	13	-10	18	9	-4	-3	4	4	0
New orders for exports	-7	0	0	-5	-5	-13	-7	-7	-8	-9	-9	-9	-6
Supplier delivery time	-1	-4	4	6	7	8	-3	3	5	0	1	17	6
Inventories: Materials	-3	-4	2	-5	0	12	16	-1	8	11	-3	-2	-5
Inventories: Finished goods	-6	8	-2	-6	-9	0	0	-4	9	4	3	3	-2