

**FOR IMMEDIATE RELEASE**

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**Tenth District Manufacturing Activity Rose Slightly in February**  
*Federal Reserve Bank of Kansas City Releases February Manufacturing Survey*

**KANSAS CITY, Mo.** – The Federal Reserve Bank of Kansas City released the February Manufacturing Survey today. According to Cortney Cowley, assistant vice president and Oklahoma City Branch executive, the survey revealed that Tenth District manufacturing rose slightly, while expectations for future activity ticked up.

“Regional manufacturing activity increased from last month and is up modestly year-over-year for the first time since May 2023,” said Cowley. “Price growth cooled slightly from last month, but nearly half of firms reported changing prices more often than last year.”

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).

*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 rose slightly, and expectations for future activity ticked up (Chart 1, Tables 1 & 2). Although still positive, growth in indexes for the price of finished products and the price of raw materials eased slightly from last month.

## Factory Activity Rose Slightly

The month-over-month composite index was 5 in February, up from 0 in January and 0 in December (Tables 1 & 2). The composite index is an average of the production, new orders, employment, supplier delivery time, and raw materials inventory indexes. Nondurable manufacturing activity declined further, while durable manufacturing activity edged higher, driven by primary metal and electrical equipment manufacturing. The month-over-month indexes were all positive except for the employment index, which fell modestly. The production and new orders indexes grew moderately. Most year-over-year indexes were positive except for those tracking employment, backlog of orders, and finished goods inventory. Expectations for future activity ticked up with the composite index increasing from 7 to 15, as expectations for employment edged higher.

## Special Questions

This month, contacts were asked special questions about their ability to pass through prices and their frequency of price changes. Nearly one third (30%) of firms reported that they are currently able to pass through 0-20% of the higher costs from inputs and labor, 10% of firms are able to pass through 20-40%, 15% are able to pass through 40-60%, 13% can pass through 60-80%, 28% can pass through 80-100%, and 4% of firms had to decrease prices. One third of firms reported that they will be able to pass through 0-20% of higher costs in the next 12 months, 11% of firms will be able to pass through 20-40%, 9% will be able to pass through 40-60%, 14% will pass through 60-80%, 29% will pass through 80-100%, 1% will be able to pass through more than 100%, and 3% of firms had to decrease prices (Chart 2). Firms were also asked about price changes compared with last year. Almost half of firms (46%) reported no change in the frequency of price changes compared with last year, 12% reported they are changing their prices much more often than last year, 36% are changing somewhat more often, 4% are changing somewhat less often, and 2% of firms are changing prices much less often. (Chart 3).

## Selected Manufacturing Comments

“Customers are becoming very price/cost sensitive.”

“Labor and supply issues (and uncertainty) are impacting us.”

“Labor retention appears to be stabilizing. We are seeing the increase in productivity.”

“There is still a good share of uncertainty in the market. Companies seem hesitant to commit to any long-term purchases.”

“Lack of skilled labor is still the top threat to be able to grow company.”

“Data center activity is high.”

“Plenty of uncertainty yet also incredible opportunities.”

“We are investing in AI technology to reduce the response time.”

**Table 1. Summary of Tenth District Manufacturing Conditions, February 2026**

Plant Level Indicators	February vs. January (percent)*					February vs. Year Ago (percent)*					Expected in Six Months (percent)*				
	Increase	No Change	Decrease	Diff Index <sup>A</sup>	SA Index <sup>AA</sup>	Increase	No Change	Decrease	Diff Index <sup>A</sup>	Increase	No Change	Decrease	Diff Index <sup>A</sup>	SA Index <sup>AA</sup>	
Composite Index				7	5				2				16	15	
Production	32	46	23	9	10	39	26	35	4	48	31	21	27	24	
Volume of shipments	33	44	23	10	11	39	26	35	4	50	31	19	32	30	
Volume of new orders	35	45	19	16	7	38	28	35	3	42	35	23	19	14	
Backlog of orders	35	48	18	17	8	30	38	32	-2	27	49	25	2	-1	
Number of employees	13	72	15	-2	-6	28	37	35	-6	37	49	14	23	22	
Average employee workweek	19	69	13	6	6	17	62	21	-4	19	68	12	7	7	
Prices received for finished product	25	68	7	18	18	66	25	9	58	42	50	8	35	37	
Prices paid for raw materials	44	54	2	42	42	84	13	3	81	63	32	4	59	56	
Capital expenditures						24	60	16	8	29	56	15	14	13	
New orders for exports	9	83	7	2	0	16	73	11	5	17	75	8	8	7	
Supplier delivery time	14	81	5	9	7	19	71	11	8	18	74	8	10	11	
Inventories: Materials	22	61	17	5	6	30	44	26	4	23	56	21	2	3	
Inventories: Finished goods	20	67	13	6	10	21	56	22	-1	22	58	20	3	3	

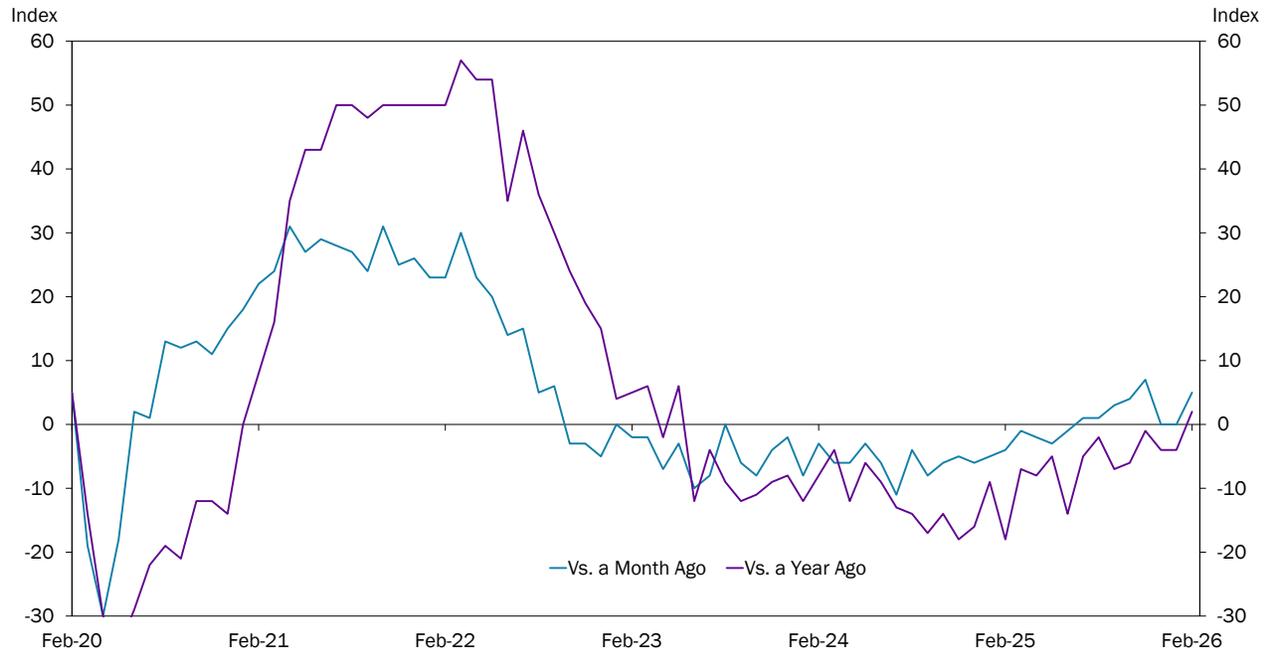
\*Percentage may not add to 100 due to rounding.

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

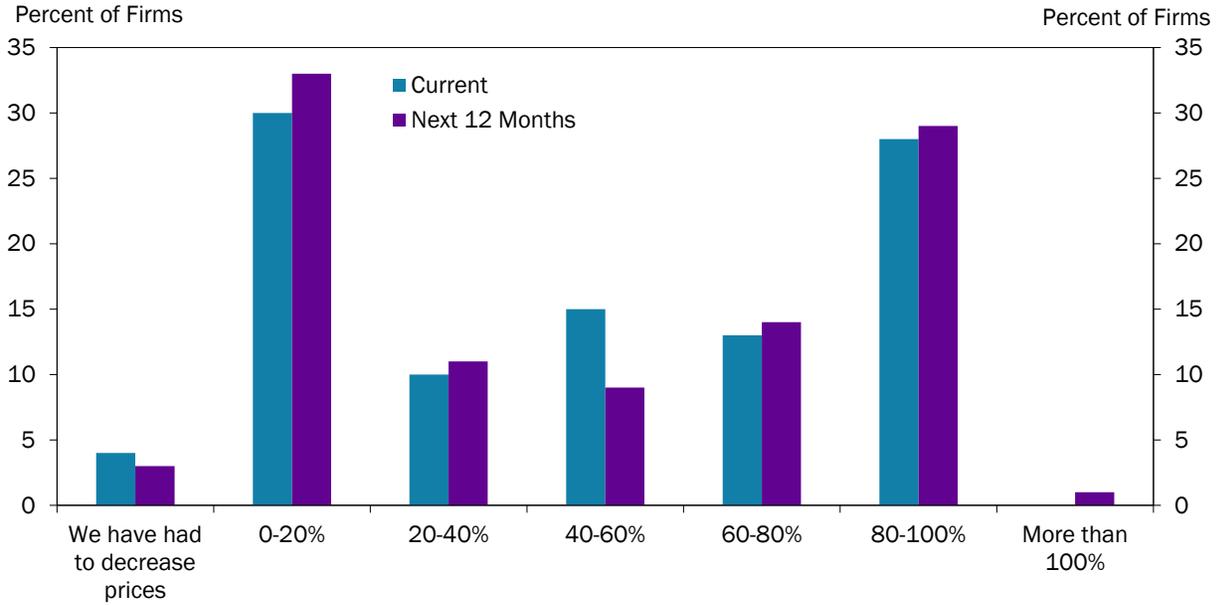
<sup>AA</sup>Seasonally Adjusted Diffusion Index. The month vs. month and expected-in-six-months diffusion indexes are seasonally adjusted using Census X-13.

Note: The February survey was open for a six-day period from February 18-23, 2026 and included 113 responses from plants in Colorado, Kansas, Nebraska, Oklahoma, Wyoming, northern New Mexico, and western Missouri.

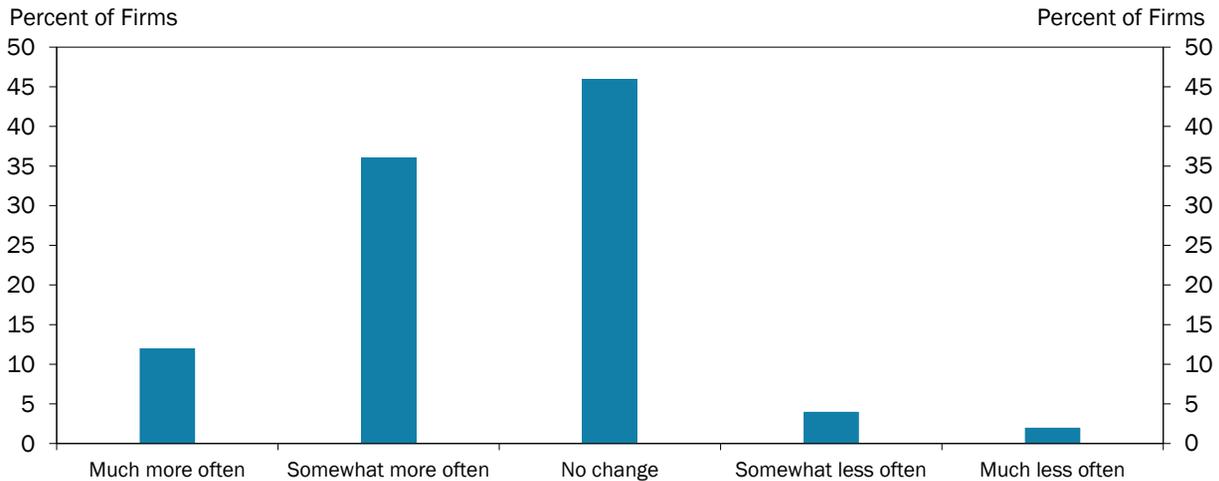
**Chart 1. Manufacturing Composite Indexes**



**Chart 2. Special Question: If your firm is facing higher costs, what share of those increases are you able to pass through to customers in the form of higher prices and what share do you expect to pass through in the next 12 months?**



**Chart 3. Special Question: How much more or less frequently is your firm changing prices compared to last year?**



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

	Feb'25	Mar'25	Apr'25	May'25	Jun'25	Jul'25	Aug'25	Sep'25	Oct'25	Nov'25	Dec'25	Jan'26	Feb'26
<b>Versus a Month Ago</b> (seasonally adjusted)													
Composite Index	-4	-1	-2	-3	-1	1	1	3	4	7	0	0	5
Production	-9	1	-3	-8	3	-1	-1	3	10	14	-3	-2	10
Volume of shipments	-8	-2	0	-6	6	3	5	6	11	16	0	-2	11
Volume of new orders	-6	-8	-9	-7	-2	2	4	1	0	-2	-2	0	7
Backlog of orders	-13	-8	-19	-20	-12	-28	-14	-11	-2	-7	-5	-11	8
Number of employees	-11	-3	-9	-3	-4	-9	0	6	0	10	-4	0	-6
Average employee workweek	-7	6	-6	-7	-4	-6	2	2	-3	1	3	4	6
Prices received for finished product	17	15	28	17	20	18	20	16	18	14	24	19	18
Prices paid for raw materials	39	41	42	35	48	45	42	40	40	36	41	44	42
Capital expenditures	n/a												
New orders for exports	-7	-9	-10	-18	-10	-14	-14	-9	-5	-4	-5	-6	0
Supplier delivery time	3	1	14	2	5	7	7	4	9	13	7	8	7
Inventories: Materials	1	3	-4	1	-5	8	-6	-1	-1	-1	1	-4	6
Inventories: Finished goods	2	-3	3	0	1	5	-2	1	1	2	2	4	10
<b>Versus a Year Ago</b> (not seasonally adjusted)													
Composite Index	-18	-7	-8	-5	-14	-5	-2	-7	-6	-1	-4	-4	2
Production	-28	-9	-13	-15	-19	-17	-1	-7	-3	-3	-8	-5	4
Volume of shipments	-22	-18	-19	-16	-22	-10	0	-7	-7	-1	-5	-9	4
Volume of new orders	-22	-12	-19	-8	-24	-10	-3	-11	-14	-3	2	-7	3
Backlog of orders	-30	-24	-28	-29	-25	-19	-13	-14	-26	-12	-21	-18	-2
Number of employees	-18	-9	-14	-6	-16	-14	-6	-11	-12	5	-7	-11	-6
Average employee workweek	-27	-10	-12	-18	-23	-11	-2	-12	-10	-6	-10	-8	-4
Prices received for finished product	46	46	66	63	62	58	61	55	52	50	58	54	58
Prices paid for raw materials	52	67	76	67	75	67	69	74	71	64	68	67	81
Capital expenditures	-1	3	-2	2	-4	-3	4	5	4	9	14	4	8
New orders for exports	-7	-17	-17	-12	-15	-13	-21	-19	-14	-11	-12	-9	5
Supplier delivery time	-6	-2	5	-2	-6	1	1	-3	6	5	3	9	8
Inventories: Materials	-16	-3	3	6	-4	16	-1	-2	-6	-9	-10	-6	4
Inventories: Finished goods	-3	-5	-2	-3	-2	4	-5	-4	-1	2	4	4	-1
<b>Expected in Six Months</b> (seasonally adjusted)													
Composite Index	13	11	5	7	9	9	11	8	14	9	10	7	15
Production	28	24	5	10	20	17	21	19	33	17	13	16	24
Volume of shipments	25	19	12	11	16	13	16	14	28	15	9	16	30
Volume of new orders	24	19	3	11	17	10	14	11	11	13	12	17	14
Backlog of orders	-3	-7	-17	-10	-2	-5	1	-4	3	-1	-2	-9	-1
Number of employees	10	3	3	1	7	5	9	11	10	11	17	3	22
Average employee workweek	2	-2	-14	-7	-8	0	3	4	10	5	5	2	7
Prices received for finished product	46	42	58	46	46	45	42	36	38	32	39	47	37
Prices paid for raw materials	59	59	67	50	63	63	61	59	61	61	59	62	56
Capital expenditures	10	11	-11	17	8	-2	1	4	5	1	9	5	13
New orders for exports	-5	-5	-12	-8	-7	-8	-8	-9	-8	-6	-4	-9	7
Supplier delivery time	5	6	7	-1	3	5	1	2	16	5	5	6	11
Inventories: Materials	-3	1	10	14	0	6	8	-2	0	-3	2	-9	3
Inventories: Finished goods	-3	-7	-1	-1	-4	8	3	3	3	0	7	6	3