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CONTACT: Sarah Dickson

(405) 827-7294

Sarah.Dickson@kc.frb.org

Tenth District Manufacturing Activity Grew Further in April
Federal Reserve Bank of Kansas City Releases April Manufacturing Survey

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

“Regional manufacturing activity continued to expand, but raw materials prices increased sharply,” said Cowley. “Almost all firms reported higher transportation costs in the last two months, but most are passing through only 0-20% of energy-related cost increases to customers.”

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, while expectations for future activity rose slightly from last month (Chart 1, Tables 1 & 2). Raw materials prices increased sharply this month, while fewer firms reported increasing their finished product prices.

Factory Activity Grew Further

The month-over-month composite index was 10 in April, down from 11 in March and up from 5 in February (Tables 1 & 2). The composite index is an average of the production, new orders, employment, supplier delivery time, and raw materials inventory indexes. Durable manufacturing activity declined, while nondurable manufacturing activity increased further, driven primarily by food manufacturing. The month-over-month indexes were all positive except for new orders for exports and employee count. Most year-over-year indexes were positive except for backlog of orders, employment indexes, and materials inventory. Expectations for future activity continued to rise with the composite index increasing from 16 to 18, as expectations for production and new orders rose further.

Special Questions

This month, contacts were asked special questions about changes in energy costs and ability to pass through energy-related costs. Almost all (93%) of firms reported that they have experienced higher transportation costs in the last two months, 7% experienced no change in transportation costs, 43% of firms experienced higher heating (natural gas) costs, 53% experienced no change in their heating costs, and 4% experienced lower heating costs. Over a third (38%) of firms experienced higher electricity costs in the last two months, while 62% of firms experienced no change in their electricity costs (Chart 2). Firms were also asked about their ability to pass on higher energy-related cost increases to their customers. Over two-thirds of firms that have experienced higher energy related costs will pass on 0-20% of their higher energy related costs, 3% will pass on 21-40% of their costs, 8% will pass on 41-60% of their costs, 4% will pass on 61-80%, 8% will pass on 81-100%, 1% of firms will pass on more than 100% of their higher energy related costs, and 6% of firms have had to decrease prices (Chart 3).

Selected Manufacturing Comments

“We have seen past-due invoices / late payments / bad debt expense rise in 2026 above normal levels.”

“The uncertainty in the business environment continues, making it difficult to formulate long-term plans. Most of our efforts are being put into managing the short-term timeframe.”

“We are considering a blanket price increase mid-year to account for increases in RM and transportation.”

“This month was down compared to last month because last month was an all-time record. This month was more of an average month.”

“Very tough business environment.”

“Our inventory is decreasing, but it is due to supply chain constraints not because we are trying to lower inventory. We can't get it into the warehouse fast enough. Our inbound capacity is underutilized right now. It is going out faster than we can replenish it.”

“International demand has dropped off rapidly.”

“Our costs are up again due to market instability. We cannot increase them again without losing customers.”

Table 1. Summary of Tenth District Manufacturing Conditions, April 2026

Plant Level Indicators	April vs. March (percent)*					April 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				11	10				6				16	18	
Production	35	44	21	14	10	41	26	33	8	41	46	13	28	31	
Volume of shipments	41	36	23	18	15	41	22	37	5	39	44	17	22	29	
Volume of new orders	37	41	22	15	12	43	25	32	11	38	49	14	24	27	
Backlog of orders	27	50	24	3	2	30	35	35	-5	25	54	21	4	8	
Number of employees	18	62	19	-1	2	28	33	39	-12	32	47	21	11	18	
Average employee workweek	18	72	9	9	7	18	61	21	-3	16	72	12	4	5	
Prices received for finished product	35	61	4	31	25	67	23	10	57	57	36	7	50	46	
Prices paid for raw materials	74	26	0	74	63	91	6	3	88	73	24	3	71	67	
Capital expenditures						28	50	22	6	24	54	22	2	5	
New orders for exports	6	85	10	-4	-3	12	78	11	1	16	75	10	6	8	
Supplier delivery time	23	75	2	21	20	31	59	10	21	22	71	7	15	9	
Inventories: Materials	30	49	21	8	8	31	37	32	-1	23	59	18	5	4	
Inventories: Finished goods	23	61	16	7	11	28	45	27	1	20	62	18	3	0	

*Percentage may not add to 100 due to rounding.

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

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

Note: The April survey was open for a six-day period from April 15-20, 2026 and included 109 responses from plants in Colorado, Kansas, Nebraska, Oklahoma, Wyoming, northern New Mexico, and western Missouri.

Chart 1. Manufacturing Composite Indexes

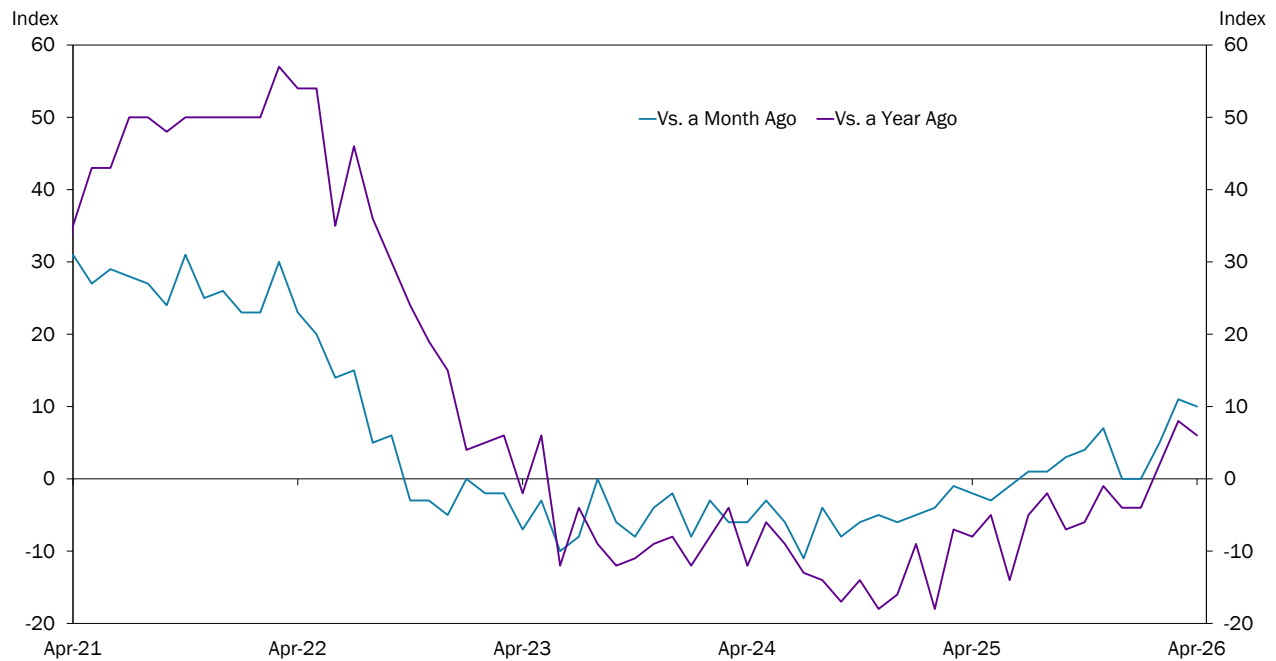


Chart 2. Special Question: How have your firm's energy costs in the following areas changed in the last two months?

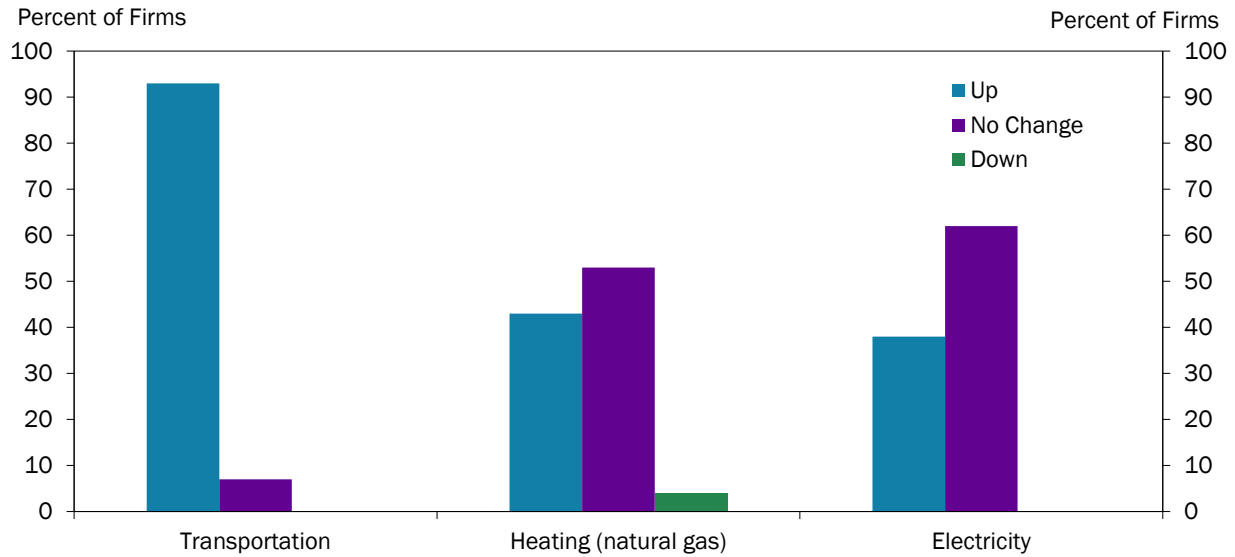


Chart 3. Special Question: If your firm has experienced higher energy-related costs, what share of those cost increases are you passing on to customers in the form of higher prices?

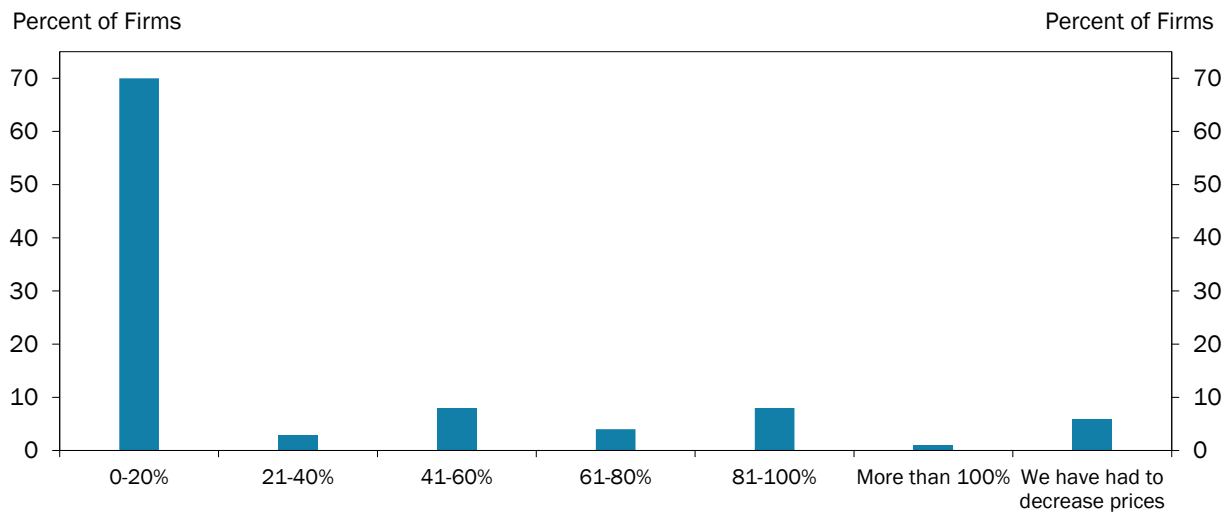


Table 2
Historical Manufacturing Survey Indexes

	Apr'25	May'25	Jun'25	Jul'25	Aug'25	Sep'25	Oct'25	Nov'25	Dec'25	Jan'26	Feb'26	Mar'26	Apr'26
Versus a Month Ago (seasonally adjusted)													
Composite Index	-2	-3	-1	1	1	3	4	7	0	0	5	11	10
Production	-3	-8	3	-1	-1	3	10	14	-3	-2	10	11	10
Volume of shipments	0	-6	6	3	5	6	11	16	0	-2	11	20	15
Volume of new orders	-9	-7	-2	2	4	1	0	-2	-2	0	7	15	12
Backlog of orders	-19	-20	-12	-28	-14	-11	-2	-7	-5	-11	8	13	2
Number of employees	-9	-3	-4	-9	0	6	0	10	-4	0	-6	7	2
Average employee workweek	-6	-7	-4	-6	2	2	-3	1	3	4	6	7	7
Prices received for finished product	28	17	20	18	20	16	18	14	24	19	18	19	25
Prices paid for raw materials	42	35	48	45	42	40	40	36	41	44	42	37	63
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	-10	-18	-10	-14	-14	-9	-5	-4	-5	-6	0	-4	-3
Supplier delivery time	14	2	5	7	7	4	9	13	7	8	7	18	20
Inventories: Materials	-4	1	-5	8	-6	-1	-1	-1	1	-4	6	3	8
Inventories: Finished goods	3	0	1	5	-2	1	1	2	2	4	10	4	11
Versus a Year Ago (not seasonally adjusted)													
Composite Index	-8	-5	-14	-5	-2	-7	-6	-1	-4	-4	2	8	6
Production	-13	-15	-19	-17	-1	-7	-3	-3	-8	-5	4	8	8
Volume of shipments	-19	-16	-22	-10	0	-7	-7	-1	-5	-9	4	17	5
Volume of new orders	-19	-8	-24	-10	-3	-11	-14	-3	2	-7	3	16	11
Backlog of orders	-28	-29	-25	-19	-13	-14	-26	-12	-21	-18	-2	9	-5
Number of employees	-14	-6	-16	-14	-6	-11	-12	5	-7	-11	-6	-7	-12
Average employee workweek	-12	-18	-23	-11	-2	-12	-10	-6	-10	-8	-4	2	-3
Prices received for finished product	66	63	62	58	61	55	52	50	58	54	58	52	57
Prices paid for raw materials	76	67	75	67	69	74	71	64	68	67	81	72	88
Capital expenditures	-2	2	-4	-3	4	5	4	9	14	4	8	5	6
New orders for exports	-17	-12	-15	-13	-21	-19	-14	-11	-12	-9	5	-9	1
Supplier delivery time	5	-2	-6	1	1	-3	6	5	3	9	8	14	21
Inventories: Materials	3	6	-4	16	-1	-2	-6	-9	-10	-6	4	7	-1
Inventories: Finished goods	-2	-3	-2	4	-5	-4	-1	2	4	4	-1	-3	1
Expected in Six Months (seasonally adjusted)													
Composite Index	5	7	9	9	11	8	14	9	10	7	15	16	18
Production	5	10	20	17	21	19	33	17	13	16	24	26	31
Volume of shipments	12	11	16	13	16	14	28	15	9	16	30	27	29
Volume of new orders	3	11	17	10	14	11	11	13	12	17	14	23	27
Backlog of orders	-17	-10	-2	-5	1	-4	3	-1	-2	-9	-1	6	8
Number of employees	3	1	7	5	9	11	10	11	17	3	22	15	18
Average employee workweek	-14	-7	-8	0	3	4	10	5	5	2	7	8	5
Prices received for finished product	58	46	46	45	42	36	38	32	39	47	37	40	46
Prices paid for raw materials	67	50	63	63	61	59	61	61	59	62	56	61	67
Capital expenditures	-11	17	8	-2	1	4	5	1	9	5	13	8	5
New orders for exports	-12	-8	-7	-8	-8	-9	-8	-6	-4	-9	7	1	8
Supplier delivery time	7	-1	3	5	1	2	16	5	5	6	11	13	9
Inventories: Materials	10	14	0	6	8	-2	0	-3	2	-9	3	0	4
Inventories: Finished goods	-1	-1	-4	8	3	3	3	0	7	6	3	3	0