



Manufacturing Survey

Tenth District Manufacturing Activity Declined Moderately in April

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Regional factory activity declined moderately in April. However, District firms' expectations for activity over the next six months continued to stay positive.

Factory Activity Declined Moderately

Tenth District manufacturing activity declined moderately in April, while expectations for future activity remained positive (Chart 1, Tables 1 & 2). Price indexes increased versus last month but decreased from the previous year and are not expected to change significantly over the next six months.

The month-over-month composite index was -10 in April, down from 0 in March and February (Tables 1 & 2). The composite index is an average of the production, new orders, employment, supplier delivery time, and raw materials inventory indexes. The decline was driven more by nondurable goods plants, especially printing, plastics, paper, and food manufacturing. All month-over-month indexes declined, except for the raw materials prices, finished product prices, average employee workweek, and supplier delivery time indexes. Materials inventory and capital expenditures indexes increased on a year-over-year basis, while all other annual indexes fell, with the composite index declining from 6 to -2. The future composite index stayed at 3 in April. Expectations for activity in six months remained similar to last month, except for a decrease in materials inventory and an uptick in supplier delivery time, which turned positive for the first time since October 2022.

Special Questions

This month contacts were asked special questions about job openings and financing. In April, a majority of firms reported the number of job openings has stayed the same or changed only slightly from the beginning of the year (Chart 2). Additionally, most firms that have sought financing for desired short-term uses have reported no difficulty obtaining credit (Chart 3).

Selected Manufacturing Comments

"We need an incentive for people to work. We have 10% increases or more in the cost of materials. We have 7% increases in cost of labor when available. We have raised prices 5% - can't do more. Hard to make money this way."

“Inflation still a big problem in our little corner of the world. Some commodities are better and some are still a problem. We likely are looking at another round of significant price increases in the short to medium term.”

“We are seeing a little slow down of sales on certain types of consumer products, so have become a little conservative in our production plans for 2023 and the first quarter of 2024.”

“Labor availability is the biggest challenge we are facing.”

“Inflation is killing my business - everything is up and hard to get my price increases passed along to customers. Employees are very hard to find.”

“Continued focus on improving operations in effort to grow without increasing number of employees.”

“We are starting to see relief with supply chain availability. Labor market continues to be tight for unskilled and skilled workers. Wages had somewhat stabilized and younger employees are more apt to move than older ones.”

“We are seeing some softening in our industry. The size and frequency of new orders from current customers seems lower and new business orders are definitely smaller based on the scale of the new customer's operations and typical requirements.”

Survey Data

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