News Release

Federal Reserve Bank of Kansas City

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Tenth District manufacturing activity fell only slightly in April, and firms generally expect stable conditions in the months ahead. Price indexes in the survey continued to ease, with several indexes at historically low levels.

A summary of the April survey is attached to this press release. Results from past surveys and release dates for future surveys can be found at: http://www.kc.frb.org/mfgsurv/mfgmain.htm. For further information about the survey, contact Tim Todd, Public Affairs Department, (816) 881-2308.

The Tenth Federal Reserve District encompasses Colorado, Kansas, Nebraska, Oklahoma, Wyoming, northern New Mexico, and western Missouri.

Survey of Tenth District Manufacturing

Tenth District manufacturing activity fell only slightly in April, and firms generally expect stable conditions in the months ahead. Price indexes in the survey continued to ease, with several indexes at historically low levels.

The net percentage of firms reporting month-over-month increases in production in April was -6, up from -21 in March and -24 in February (Tables 1 & 2, Chart). Production indexes increased at both durable and non-durable-goods producing plants, with the largest increases reported from chemicals, machinery, and food manufacturers. Most other month-over-month indexes showed similar improvements but still remained in negative territory. The shipments index increased from -15 to -6, and the new orders and order backlog indexes also rose marginally. The employment index climbed from -41 to -23, while the new orders for exports index remained unchanged. Both inventory indexes edged up slightly.

The year-over-year factory indexes generally improved slightly over last month’s all-time survey lows, but still remained quite negative. The production index was unchanged at -62, but the shipments, new orders, order backlog, and employment indexes all rose slightly. The capital expenditures index rebounded from its lowest level in survey history, and the new orders for exports index also increased. The raw materials inventory index climbed from -44 to -34, and the finished goods inventory index also moved upward.

The majority of future factory activity indexes posted marked improvements for the second straight month, though most remained slightly negative. The future production index rose from -13 to -1, and the future shipments, new orders, and order backlog indexes also strengthened. The future employment index increased from -37 to -22, while the future new orders for exports index remained basically unchanged. The future capital expenditures index continued to rise and both future inventory indexes improved somewhat.

Price indexes eased further in April, with most indexes at or near all-time survey lows. The month-over month finished goods price index fell to its lowest level in survey history, while the raw materials index remained basically unchanged. The year-over-year finished goods price index fell into negative territory for the first time in over five years, and the raw materials price index decreased from -12 to -16. The future finished goods price index fell marginally from -7 to -9, and the future raw materials index declined to a new historical low.

Table1

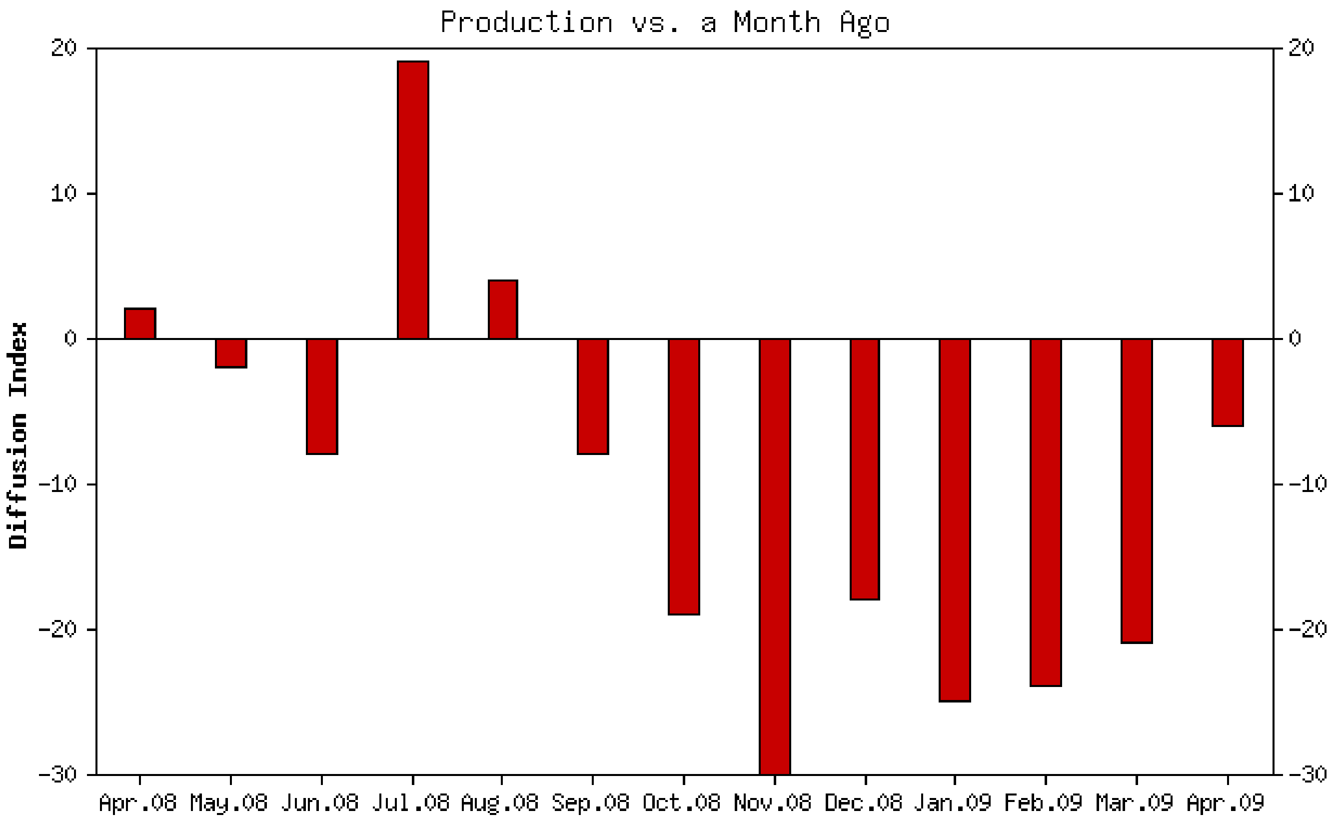
Summary of Tenth District Manufacturing Conditions, April 2009

Plant Level Indicators	April vs. March (percent)[1] Increase	No Change	Decrease	Diff Index[2]	SA Index[3]	April vs. Year Ago (percent)[1] Increase	No Change	Decrease	Diff Index[2]	Expected in Six Months (percent)[1] Increase	No Change	Decrease	Diff Index[2]	SA Index[3]
Production	34	32	32	2	-6	13	9	75	-62	36	29	32	3	-1
Volume of shipments	36	29	33	3	-6	14	9	74	-60	37	25	34	3	-1
Volume of new orders	33	32	30	3	-10	14	14	67	-53	39	25	30	8	4
Backlog of orders	16	40	38	-22	-30	7	22	64	-56	25	37	31	-6	-9
Number of employees	14	49	33	-18	-23	9	17	70	-60	19	37	37	-18	-22
Average employee workweek	15	58	25	-9	-16	6	35	55	-49	19	49	28	-8	-12
Prices received for finished product	3	72	22	-18	-19	27	33	36	-8	18	54	25	-7	-9
Prices paid for raw materials	7	59	31	-24	-28	29	22	45	-16	21	48	28	-7	-12
Capital expenditures						11	32	54	-42	17	46	34	-17	-15
New orders for exports	6	60	19	-13	-15	7	48	29	-22	11	59	15	-4	-4
Supplier delivery time	6	77	10	-3	-5	9	63	22	-13	7	76	13	-6	-5
Inventories:														
Materials	11	51	34	-22	-27	16	30	51	-34	10	51	36	-25	-27
Finished goods	11	59	23	-11	-15	18	40	38	-20	11	53	30	-18	-19

[1]Percentage may not add to 100 due to rounding.
[2]Diffusion Index. The diffusion index is calculated as the percentage of total respondents reporting increases minus the percentage reporting declines.
[3]Seasonally Adjusted Diffusion Index. The month vs. month and expected-in-six-months diffusion indexes are seasonally adjusted using Census X-12.
Note: The April survey included 127 responses from plants in Colorado, Kansas, Nebraska, Oklahoma, Wyoming, northern New Mexico, and western Missouri.

Table2
Historical Manufacturing Survey Indexes

	Apr'08	May'08	Jun'08	Jul'08	Aug'08	Sep'08	Oct'08	Nov'08	Dec'08	Jan'09	Feb'09	Mar'09	Apr'09
Versus a Month Ago (seasonally adjusted)													
Production	2	-2	-8	19	4	-8	-19	-30	-18	-25	-24	-21	-6
Volume of shipments	5	2	-10	20	1	-7	-16	-37	-14	-22	-20	-15	-6
Volume of new orders	-1	-1	-4	16	3	-12	-17	-34	-25	-23	-28	-16	-10
Backlog of orders	-4	-1	-11	-1	-6	-15	-20	-35	-27	-38	-35	-32	-30
Number of employees	0	0	-9	2	0	-7	-10	-18	-31	-40	-40	-41	-23
Average employee workweek	1	-1	-3	4	4	-7	-18	-24	-21	-34	-27	-23	-16
Prices received for finished product	22	28	31	28	27	20	5	0	-4	-12	-17	-15	-19
Prices paid for raw materials	59	63	63	60	51	40	6	-11	-12	-26	-27	-29	-28
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	16	7	15	3	4	-4	-11	-14	-16	-11	-15	-15
Supplier delivery time	7	5	13	7	7	3	0	-6	-4	-6	-4	-5	-5
Inventories: Materials	2	0	-2	-3	1	-3	-6	-8	-17	-23	-24	-29	-27
Inventories: Finished goods	10	0	-1	4	-4	0	-7	1	-1	-9	-20	-19	-15
Versus a Year Ago (not seasonally adjusted)													
Production	-5	-7	-10	7	1	-1	-22	-35	-40	-51	-62	-62	-62
Volume of shipments	0	-4	-10	5	4	-3	-14	-31	-30	-45	-60	-63	-60
Volume of new orders	0	-5	-7	0	5	-5	-22	-45	-44	-50	-61	-68	-53
Backlog of orders	-8	-6	-8	-7	-4	-8	-26	-40	-34	-49	-53	-62	-56
Number of employees	0	-4	-6	-6	-10	-7	-22	-29	-38	-44	-53	-64	-60
Average employee workweek	-11	-9	-11	-6	-5	-13	-24	-36	-31	-44	-50	-55	-49
Prices received for finished product	56	61	69	61	68	64	60	37	37	18	8	1	-8
Prices paid for raw materials	87	95	88	91	90	86	72	39	20	9	-4	-12	-16
Capital expenditures	10	11	11	17	10	10	6	-10	-8	-25	-33	-45	-42
New orders for exports	10	22	22	22	10	8	-3	-8	-12	-19	-24	-25	-22
Supplier delivery time	21	10	19	11	12	4	0	-10	-3	-10	-10	-14	-13
Inventories: Materials	7	3	-6	14	5	8	-1	-5	-11	-22	-32	-44	-34
Inventories: Finished goods	5	0	-5	8	-1	0	-6	0	-3	-14	-25	-25	-20
Expected in Six Months (seasonally adjusted)													
Production	17	11	17	12	29	3	-1	-21	-14	-10	-30	-13	-1
Volume of shipments	15	15	16	11	26	0	0	-18	-20	-10	-27	-9	-1
Volume of new orders	14	18	14	9	28	5	-3	-17	-13	-13	-18	-8	4
Backlog of orders	0	3	4	0	13	0	0	-20	-16	-28	-21	-20	-9
Number of employees	9	6	3	7	5	0	-5	-23	-23	-26	-38	-37	-22
Average employee workweek	-1	-2	-5	-2	-3	-4	-6	-9	-17	-30	-28	-17	-12
Prices received for finished product	42	45	44	54	50	26	21	5	10	-7	-11	-7	-9
Prices paid for raw materials	76	75	76	68	72	51	27	-4	0	-6	-4	-8	-12
Capital expenditures	10	12	13	16	6	13	-1	-18	-21	-21	-33	-24	-15
New orders for exports	17	19	23	15	10	8	-1	-1	-7	-11	-8	-3	-4
Supplier delivery time	9	8	6	2	5	2	-3	-4	-5	-9	-5	-11	-5
Inventories: Materials	-4	-3	2	-2	-6	-7	-12	-17	-30	-26	-38	-31	-27
Inventories: Finished goods	0	-9	-5	-10	-9	-6	-8	-12	-20	-13	-38	-24	-19



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