

## Producer Price Indexes -- October 2004

The Bureau of Labor Statistics of the U.S. Department of Labor reported today that the seasonally adjusted Producer Price Index for Finished Goods advanced 1.7 percent in October. This gain followed a 0.1percent rise in September and a 0.1-percent decrease in August. At the earlier stages of processing, prices received by the manufacturers of intermediate goods went up 0.9 percent, after increasing 0.1 percent in the prior month. The index for crude materials turned up 4.3 percent in October, compared with a decline of 4.2 percent in September. (See table A.)

Table A. Monthly and annual percent changes in selected stage-of-processing price indexes, seasonally adjusted

| Month | Finished goods |  |  |  |  | Intermediate goods | Crude goods |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Total | Foods | Energy | Except foods and energy | Change in finished goods from 12 months ago (unadj.) |  |  |
| 2003 |  |  |  |  |  |  |  |
| Oct. | 0.6 | 2.0 | -0.4 | 0.5 | 3.4 | 0.3 | 2.8 |
| Nov. | -. 1 | -. 3 | -. 7 | 0 | 3.4 | 0 | 0 |
| Dec. | . 2 | . 2 | 1.4 | -. 1 | 4.0 | . 4 | 3.4 |
| 2004 |  |  |  |  |  |  |  |
| Jan. | . 6 | -1.3 | 4.7 | . 3 | 3.3 | . 9 | 4.1 |
| Feb. | . 1 | . 4 | . 3 | -. 1 | 2.1 | 1.0 | 1.5 |
| Mar. | . 6 | 1.5 | . 6 | . 3 | 1.5 | . 8 | 1.6 |
| Apr. | . 7 | 1.3 | 1.8 | . 1 | 3.7 | 1.4 | 1.8 |
| May | . 6 | 1.5 | 1.3 | . 2 | 4.9 | 1.0 | 3.2 |
| June | r -. 2 | r - . 4 | r -1.7 | r. 3 | 4.0 | r. 5 | r. 7 |
| July | . 1 | r -1.9 | r 2.4 | r. 2 | 4.0 | r. 7 | r -. 7 |
| Aug. | -. 1 | -. 2 | . 2 | -. 1 | 3.4 | 1.0 | -. 7 |
| Sept. | . 1 | . 1 | -. 9 | . 3 | 3.3 | . 1 | -4.2 |
| Oct. | 1.7 | 1.6 | 6.8 | . 3 | 4.4 | . 9 | 4.3 |

$\mathrm{r}=$ revised. Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for June 2004 have been revised to reflect the availability of late reports and corrections by respondents.

Among finished goods, prices for energy goods turned up 6.8 percent in October, following a 0.9 percent decline in September. The finished consumer foods index rose 1.6 percent, compared with a $0.1-$ percent increase in the prior month. By contrast, prices for finished goods other than foods and energy advanced 0.3 percent in October, the same rate of increase as in September.

Before seasonal adjustment, the Producer Price Index for Finished Goods increased 2.2 percent in October to $151.9(1982=100)$. From October 2003 to October 2004, prices for finished goods advanced 4.4 percent. Over the same period, prices for finished energy goods went up 17.2 percent, the index for finished goods other than foods and energy climbed 1.8 percent, and the index for finished consumer foods rose 2.5 percent. Prices for intermediate goods moved up 9.0 percent during the 12 -month period ended October 2004, and the crude goods index jumped 15.7 percent.

## Finished goods

The index for finished energy goods advanced 6.8 percent in October, after decreasing 0.9 percent a month earlier. Prices for gasoline climbed 17.3 percent, following a 0.7-percent rise in September. The indexes for residential electric power, residential natural gas, liquefied petroleum gas, and home heating oil turned up in October, following decreases in the previous month.

Table B. Monthly and annual percent changes in selected price indexes for intermediate goods and crude goods, seasonally adjusted

| Month | Intermediate goods |  |  |  | Crude goods |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Foods | Energy | Except foods and energy | Change in intermediate goods from 12 months ago (unadj.) | Foods | Energy <br> (unadj.) | Except foods and energy | Change in crude goods from 12 months ago (unadj.) |
| 2003 |  |  |  |  |  |  |  |  |
| Oct. | 2.7 | -0.2 | 0.3 | 3.4 | 8.5 | -2.8 | 3.0 | 22.6 |
| Nov. | 2.6 | -1.3 | . 1 | 3.4 | -. 6 | -1.3 | 4.3 | 18.0 |
| Dec. | -. 3 | 1.4 | . 2 | 3.9 | . 3 | 7.0 | 3.0 | 19.5 |
| 2004 |  |  |  |  |  |  |  |  |
| Jan. | -1.3 | 2.9 | . 6 | 3.9 | -6.8 | 15.3 | 3.7 | 16.1 |
| Feb. | 1.3 | . 7 | . 9 | 2.8 | 4.3 | -2.8 | 6.1 | 12.0 |
| Mar. | 2.5 | . 4 | . 8 | 1.5 | 6.9 | -3.7 | 2.8 | . 5 |
| Apr. | 4.7 | 1.8 | 1.1 | 5.4 | 3.3 | 3.8 | -4.3 | 21.6 |
| May | 2.8 | 1.5 | . 8 | 7.2 | 2.1 | 8.4 | -5.2 | 23.6 |
| June | r -2.0 | r 1.6 | r. 3 | r 7.0 | -2.9 | r 4.6 | r -. 5 | r 19.4 |
| July | r -1.5 | r 1.5 | r .7 | 7.6 | -4.8 | r -. 9 | r 8.8 | 22.2 |
| Aug. | -5.2 | 2.7 | 1.0 | 8.1 | -4.6 | -. 1 | 4.5 | 22.4 |
| Sept. | -1.7 | -1.9 | . 7 | 8.4 | -2.1 | -6.6 | -2.5 | 14.2 |
| Oct. | -1.9 | 4.3 | . 3 | 9.0 | -. 8 | 7.9 | 5.4 | 15.7 |

$\mathrm{r}=$ revised. Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for June 2004 have been revised to reflect the availability of late reports and corrections by respondents.

Prices for finished consumer foods rose 1.6 percent in October, compared with a 0.1 -percent gain in the preceding month. A 34.2-percent upsurge in October's fresh and dry vegetables index followed a 12.1-percent increase in September and led the acceleration in the finished consumer foods index. Prices for beef and veal, pork, soft drinks, dairy products, and processed fruits and vegetables rose in October, compared with decreases in the prior month. The index for processed young chickens fell less in October than it did in September. By contrast, price increases slowed from 23.1 percent in September to 11.3 percent in October for fresh fruits and melons. The indexes for bakery products and eggs for fresh use turned down, after increasing in the previous month.

Prices for finished consumer goods other than foods and energy advanced 0.2 percent in October, after rising 0.4 percent in the previous month. The index for passenger cars decreased 1.3 percent, compared with a 1.1-percent gain in September. For the 12 months ended in October 2004, passenger car prices increased 1.1 percent. In accordance with usual practice, most new model year passenger cars and light trucks were introduced into the PPI in October. (See Report on Quality Changes for 2005 Model Vehicles, USDL 04-2351.) Prices for book publishing and pharmaceutical preparations also turned down in October. The indexes for mobile homes; women's, girls', and infants' apparel; and soaps and synthetic detergents moved up at a slower pace in October than they did in the prior month. Alternatively, prices for light motor trucks posted a 2.7percent gain, after edging up 0.2 percent in September. From October 2003 to October 2004, prices for light motor trucks increased 0.3 percent. Household furniture prices rose more in October than they did in the prior month. The index for men's and boys' apparel increased, after showing no change in the previous month.

The capital equipment index moved up 0.4 percent in October, the same rate of increase as in September. In October, rising prices for light motor trucks, construction machinery, civilian aircraft, agricultural machinery, and integrating and measuring instruments outweighed decreasing prices for passenger cars, heavy motor trucks, electronic computers, metal cutting machine tools, and textile machinery.

## Intermediate goods

The Producer Price Index for Intermediate Materials, Supplies, and Components advanced 0.9 percent in October, following a 0.1 -percent gain in September. This acceleration was primarily due to prices for intermediate energy goods, which climbed in October after falling in the preceding month. By contrast, the indexes for materials for durable manufacturing and for materials and components for construction turned down, after rising in September. Prices for materials for nondurable manufacturing went up at a slower rate in October than they did a month earlier, while the index for intermediate foods and feeds decreased at a faster pace over the same period. Excluding foods and energy, price increases for intermediate goods slowed from a 0.7 -percent rate in September to a 0.3-percent rate in October. (See table B.)

The index for intermediate energy goods jumped 4.3 percent in October, following a 1.9-percent decline in September. Jet fuel prices increased 17.2 percent, after moving down at a 12.5 -percent rate in the prior month. The indexes for diesel fuel, commercial natural gas, home heating oil, and liquefied petroleum gases also turned up in October, following decreases in the previous month. Gasoline prices climbed 17.3 percent, compared with a 0.7-percent gain in September, while prices for industrial natural gas fell at a slower pace than they did in the preceding month. On the other hand, the index for industrial electric power dropped 2.4 percent, after inching down at a 0.1 -percent rate in September. Prices for natural gas to electric utilities also declined at a quicker pace in October, while the index for commercial electric power turned down, following a September rise.

The index for materials for durable manufacturing moved down at a 0.3 -percent rate in October, compared with a 1.5-percent gain in September. Much of this downturn can be traced to prices for aluminum mill shapes, which fell 6.6 percent following a 6.4 -percent rise in the prior month. The indexes for cold rolled steel sheet and strip, building paper and board, plywood, and hardwood lumber also decreased in October, after increasing a month earlier. Cement prices advanced at a slower rate than they did in September. By contrast, the index for primary nonferrous metals surged 7.6 percent, following a 0.7 -percent decline in the previous month. Prices for copper and brass mill shapes also turned up in October, while the index for semifinished steel mill products rose at a faster pace than it did in September.

Price increases for materials for nondurable manufacturing slowed to a 0.9 -percent rate in October, after advancing 1.7 percent in September. The index for primary basic organic chemicals rose 0.2 percent, compared with a 4.1-percent increase in the preceding month. Prices for plastic resins and materials, paper, synthetic rubber, and phosphates also moved up less than they did in September. The index for inedible fats and oils fell more in October than it did in the prior month, while paperboard prices turned down, after climbing in September. Conversely, the index for intermediate basic organic chemicals increased 6.3 percent, following a 1.2-percent decline in the previous month. Prices for gray fabrics, paint materials, and finished fabrics also turned up in October. The nitrogenates index increased more than it did in September.

Prices for materials and components for construction inched down at a 0.1 -percent rate, after increasing 0.7 percent in September. The softwood lumber index dropped 9.4 percent in October, compared with a 0.1percent decrease a month earlier. Prices for plywood, building paper and board, asphalt felts and coatings, wiring devices, and gypsum products moved down, following September gains. The indexes for concrete products and plastic construction products advanced at a slower pace than they did in the preceding month. By contrast, prices for nonferrous wire and cable climbed 2.7 percent, after falling 0.8 percent in September. The indexes for fabricated structural metal products, architectural coatings, and steel mill products rose more in October than they did in the previous month.

Prices for intermediate foods and feeds fell 1.9 percent in October, slightly more than the 1.7-percent decrease registered in September. The index for prepared animal feeds dropped 5.7 percent, following a 3.0percent decline in the preceding month. Prices for natural, processed, and imitation cheese and shortening and cooking oils also decreased at a faster rate in October than they did a month earlier. The indexes for flour, butter, and liquid milk products turned down, after rising in September. Conversely, beef and veal prices increased 3.2 percent in October, compared with a 1.0-percent decline in the prior month. The indexes for pork and packaged fluid milk also moved up, after falling in September. Prices for processed young chickens went down less in October than they did in the previous month.

## Crude goods

The Producer Price Index for Crude Materials for Further Processing advanced 4.3 percent in October, after falling 4.2 percent in September. Prices for crude energy materials and crude nonfood materials less energy turned up, after decreasing in the prior month. The index for crude foodstuffs and feedstuffs fell less rapidly in October than it did a month earlier. (See table B.)

Subsequent to a 6.6-percent drop in September, prices for crude energy materials moved up 7.9 percent in October. The natural gas index increased 2.7 percent, following a 12.4-percent decline in September. Crude petroleum prices jumped 18.4 percent, after slipping 0.3 percent in the prior month. By contrast, a 1.9-percent decline in the coal index was preceded by a 2.9 -percent gain in September.

Prices for basic industrial materials climbed 5.4 percent, after decreasing 2.5 percent in September. Leading this upturn, the index for iron and steel scrap advanced 15.4 percent in October, following an 8.7percent decline in the previous month. Prices for nonferrous metal ores, copper base scrap, aluminum base scrap, and wastepaper also turned up in October. Conversely, the raw cotton index decreased 12.3 percent, following an 11.7-percent rise in September. Prices for hides and skins also turned down, after increasing in the prior month. The indexes for leaf tobacco and phosphates advanced less quickly in October than they did in September.

The index for crude foodstuffs and feedstuffs declined 0.8 percent, following a 2.1 -percent drop in September. Falling prices for corn, soybeans, slaughter cattle, wheat, and slaughter turkeys outweighed price increases for fresh and dry vegetables, slaughter broilers and fryers, slaughter hogs, fresh fruits and melons, and fluid milk.

## Net output price indexes for mining, manufacturing, and services industries

Mining. The Producer Price Index for the Net Output of Total Mining Industries turned up 6.8 percent in October, following a 5.3-percent decline in the previous month. (Net output price indexes are not seasonally adjusted.) Most of this upturn can be attributed to prices received by the industries for crude petroleum and natural gas extraction and for natural gas liquid extraction. The industry index for crude petroleum and natural gas extraction jumped 11.6 percent, after decreasing 4.6 percent in the prior month, while prices received by the industry for natural gas liquid extraction advanced 4.9 percent, following a 13.9-percent drop in September. The industry indexes for coal mining support activities and potash, soda, and borate mineral mining also moved up, after falling a month earlier. Prices received by the industries for oil and gas well drilling and for gold ore mining increased at a faster rate in October than they did in the preceding month. By contrast, the industry index for bituminous coal and lignite surface mining declined 3.0 percent in October, compared with a 5.8percent rise a month earlier. Prices received by the industries for oil and gas operations support activities and construction sand and gravel mining increased less than they did in September. In October, the Producer Price Index for the Net Output of Total Mining Industries was 158.9 (December 1984=100), 29.5 percent above its year-ago level.

Manufacturing. The Producer Price Index for the Net Output of Total Manufacturing Industries increased 1.7 percent in October, after rising 0.3 percent in the preceding month. Prices received by the industry group for petroleum and coal products manufacturing went up 11.2 percent, following a 2.1-percent gain in September. The industry group index for plastics and rubber products manufacturing also advanced at a quicker pace than it did in the prior month. Prices received by the industry groups for transportation equipment and furniture and related products manufacturing increased, after showing no change a month earlier. The industry group index for food manufacturing fell less than it did in September, while prices received by the industry group for textile mills turned up. On the other hand, the rate of increase in the industry group index for chemical manufacturing slowed from 1.4 percent in September to 0.9 percent in October. Prices received by the industry groups for nonmetallic mineral product manufacturing and primary metal manufacturing also advanced at a slower rate than they did in September, while the industry group index for printing and related support activities turned down. In October, the Producer Price Index for the Net Output of Total Manufacturing Industries was 146.5 (December 1984=100), 6.0 percent above its year-ago level.

Services. Among services industries, prices received by the industry for scheduled passenger air transportation advanced 0.8 percent in October, compared with a 3.4-percent decline in the prior month. The industry indexes for investment banking and securities dealing, software publishers, casino hotels, cable networks, and temporary help services also turned up, after falling in September. Prices received by the hotels (except casino hotels) and motels industry declined less than they did in the previous month. Alternatively, the industry index for portfolio management turned down 1.4 percent in October, after posting a 2.9-percent increase in the preceding month. Prices received by the industry for television broadcasting also declined, following gains in September. The industry group index for offices of real estate agents and brokers decreased, after showing no change in the prior month. Prices received by the deep sea freight transportation industry showed no change, after rising a month earlier, while the industry index for nonresidential property managers fell more in October than it did in September.
*****
Producer Price Index data for November 2004 are scheduled to be released on Friday, December 10, 2004, at 8:30 a.m. (EST).

## Technical Note

## Brief Explanation of Producer Prices Indexes

The Producer Price Index (PPI) of the Bureau of Labor Statistics (BLS) is a family of indexes that measure the average change over time in the prices received by domestic producers of goods and services. PPIs measure price change from the perspective of the seller. This contrasts with other measures, such as the Consumer Price Index (CPI). CPIs measure price change from the purchaser's perspective. Sellers' and purchasers' prices can differ due to government subsidies, sales and excise taxes, and distribution costs.

More than 8,000 PPIs for individual products and groups of products are released each month. PPIs are available for the products of virtually every industry in the mining and manufacturing sectors of the U.S. economy. New PPIs are gradually being introduced for the products of industries in the trade, finance, and services sectors of the economy.

More than 100,000 price quotations per month are organized into three sets of PPIs: (1) Stage-of-processing indexes; (2) commodity indexes; and (3) indexes for the net output of industries and their products. The stage-of-processing structure organizes products by class of buyer and degree of fabrication. The commodity structure organizes products by similarity of end use or material composition. The entire output of various industries is sampled to derive price indexes for the net output of industries and their products.

## Stage-of-Processing Indexes

Within the stage-of-processing system, finished goods are commodities that will not undergo further processing and are ready for sale to the final-demand user, either an individual consumer or business firm. Consumer foods include unprocessed foods such as eggs and fresh vegetables, as well as processed foods such as bakery products and meats. Other finished consumer goods include durable goods such as automobiles, household furniture, and appliances, as well as nondurable goods such as apparel and home heating oil. Capital equipment includes producer durable goods such as heavy motor trucks, tractors, and machine tools.

The stage-of-processing category for intermediate materials, supplies, and components consists partly of commodities that have been processed but require further processing. Examples of such semifinished goods include flour, cotton yarn, steel mill products, and lumber. The intermediate goods category also encompasses nondurable, physically complete items purchased by business firms as inputs for their operations. Examples include diesel fuel, belts and belting, paper boxes, and fertilizers.

Crude materials for further processing are products entering the market for the first time that have not been manufactured or fabricated and that are not sold directly to consumers. Crude foodstuffs and feedstuffs include items such as grains and livestock. Examples of crude nonfood materials include raw cotton, crude petroleum, coal, hides and skins, and iron and steel scrap.

## Commodity Indexes

The commodity classification structure of the PPI organizes products by similarity of end use or material composition, disregarding industry of origin. Fifteen major commodity groupings (2-digit commodity codes) make up the All Commodities Index. Each major commodity grouping includes (in descending order of aggregation) subgroups (3-digit), product classes (4-digit), subproduct classes (6-digit), and individual items (8-digit). Nearly all 8-digit commodities under the traditional commodity coding system are now derived from corresponding industry-classified product indexes. In such instances, movements in the traditional commodity price indexes and corresponding percent changes will be virtually identical to their industry-based counterparts, even if their index levels differ.

## Industry Net-Output Price Indexes

PPIs for the net output of industries and their products are grouped according to the North American Industry Classification System (NAICS). Prior to the release of January 2004, industry-based PPIs were published according to the Standard Industrial Classification (SIC) system. Industry price indexes are compatible with other economic time series organized by industry, such as data on employment, wages, and productivity. Table 5 of the PPI Detailed Report includes data for NAICS industries and industry groups (3-, $4-, 5$-, and 6 -digit codes); Census product classes ( 7 - and 8 -digits), products ( 9 -digits), and more detailed subproducts (11digits); and, for some industries, indexes for other sources of revenue.

Indexes may represent one of three kinds of product indexes. Every industry has primary product indexes to show changes in prices received by establishments classified in the industry for products made primarily, but not necessarily exclusively, by that industry. The industry classification of an establishment is determined by which products comprise a plurality of its total shipment value. In addition, most industries have secondary product indexes that show changes in prices received by establishments classified in the industry for products chiefly made in some other industry. Finally, some industries have miscellaneous receipts indexes to show price changes in other sources of revenue received by establishments within the industry that are not derived from sales of their products, for example, resales of purchased materials, or revenues from parking lots owned by a manufacturing plant.

## Data Collection

PPIs are based on selling prices reported by establishments of all sizes selected by probability sampling, with the probability of selection proportionate to size. Individual items and transaction terms from these firms are also chosen by probability proportionate to size. The BLS strongly encourages cooperating companies to supply actual transaction prices at the time of shipment to minimize the use of list prices. Prices submitted by survey respondents are effective on the Tuesday of the week containing the 13th day of the month. This survey is conducted primarily through the mail.

Price data are provided on a voluntary and confidential basis; only sworn BLS employees are allowed access to individual company price reports. BLS publishes price indexes instead of unit dollar prices. All PPIs are subject to revision 4 months after original publication to reflect the availability of late reports and corrections by respondents.

BLS periodically updates the PPI sample of survey respondents to better reflect current conditions when the structure, membership, technology, or product mix of an industry shifts significantly and to spread reporting burden among smaller firms. Results of these resampling efforts are incorporated into the PPI with the release of data for January and July.

As part of an ongoing effort to expand coverage to sectors of the economy other than mining and manufacturing, an increasing number of service sector industries have been introduced into the PPI. The following list of recently introduced industries includes the month and year in which an article describing the industry's content appeared in the PPI Detailed Report.

| Title | Code | PPI Detailed <br> Report Issue |
| :--- | :---: | ---: |
|  | SIC |  |
| Wireless telecommunications | 4812 | July 1999 |
| Telephone communications, except radio telephone | 4813 | July 1995 |
| Television broadcasting | 4833 | July 2002 |
| Grocery stores | 5411 | July 2000 |
| Meat and fish (seafood) markets | 5421 | July 2000 |
| Fruit and vegetable markets | 5431 | July 2000 |
| Candy, nut, and confectionery stores | 5441 | July 2000 |
| Retail bakeries | 5461 | July 2000 |
| Miscellaneous food stores | 5499 | July 2000 |
| New car dealers | 5511 | July 2000 |
| Gasoline service stations | 5541 | January 2002 |
| Boat dealers | 5551 | January 2002 |
| Recreational vehicle dealers | 5561 | January 2002 |
| Miscellaneous retail | 59 | January 2001 |
| Security brokers, dealers, and investment bankers | 6211 | January 2001 |
| Investment advice | 6282 | January 2003 |
| Life insurance carriers | 6311 | January 1999 |
| Property and casualty insurance | 6331 | July 1998 |
| Insurance agencies and brokerages | 6412 | January 2003 |
| Operators and lessors of nonresidential buildings | 6512 | January 1996 |
| Real estate agents and managers | 6531 | January 1996 |
| Prepackaged software | 7372 | January 1998 |
| Data processing services | 7374 | January 2002 |
| Home health care services | 8082 | January 1997 |
| Legal services | 8111 | January 1997 |
| Engineering design, analysis, and consulting services | 8711 | January 1997 |
| Architectural design, analysis, and consulting services | 8712 | January 1997 |
| Premiums for property and casualty insurance | 9331 | July 1998 |
|  |  |  |


|  | NAICS |  |
| :--- | :---: | ---: |
| Furniture and home furnishings stores | 442 | January 2004 |
| Electronics and appliance stores | 443 | January 2004 |
| Building material and garden equipment and supplies dealers | 444 | January 2004 |
| Clothing and clothing accessories stores | 448 | January 2004 |
| Sporting goods, hobby, book, and music stores | 451 | January 2004 |
| General merchandise stores | 452 | January 2004 |
| Miscellaneous store retailers | 453 | January 2004 |
| Direct Health and Medical Insurance Carriers | 524114 | July 2004 |

## Weights

Weights for most traditional commodity groupings of the PPI, as well as weights for commodity-based aggregate indexes calculated using traditional commodity groupings, such as stage-of-processing indexes, currently reflect 1997 values of shipments as reported in the Census of Manufactures and other sources. From January 1996 through December 2001, PPI weights were derived from 1992 shipment values. Industry indexes also are now calculated with 1997 net output weights. This periodic update of the value weights used to calculate the PPI is done to more accurately reflect changes in production and marketing patterns in the economy. Net output values of shipments are used as weights for industry indexes. Net output values refer to the value of shipments from establishments within the industry to buyers outside the industry. However, weights for commodity price indexes are based on gross shipment values, including shipment values between establishments within the same industry. As a result, broad commodity grouping indexes, such as the PPI for All Commodities, are affected by the multiple counting of price change at successive stages of processing, which can lead to exaggerated or misleading signals about inflation. Stage-of-processing indexes partially correct this defect, but industry indexes consistently correct for this at all levels of aggregation. Therefore, industry and stage-of-processing indexes are more appropriate than broad commodity groupings for economic analysis of general price trends.

## Price Index Reference Base

Effective with publication of January 1988 data, many important PPI series (including stage-of-processing groupings and most commodity groups and individual items) were placed on a new reference base, 1982=100. From 1971 through 1987, the standard reference base for most PPI series was $1967=100$. Except for rounding differences, the shift to the new reference base did not alter any previously published percent changes for affected PPI series. (See "Calculating Index Changes," below.) The 1982 reference base is not used for commodity indexes with a base later than December 1981 or for industry net output indexes and their products.

For further information on the underlying concepts and methodology of the Producer Price Index, see chapter 14, "Producer Prices," in BLS Handbook of Methods (April 1997), Bulletin 2490. This document can be downloaded from the BLS Web site at (http://www.bls.gov/opub/hom/homch14_itc.htm), and reprints are available on request.

## Calculating Index Changes

Each PPI measures price changes from a reference period which equals 100.0 . An increase of 5.5 percent from the reference period in the Finished Goods Price Index, for example, is shown as 105.5. This change also can be expressed in dollars, as follows: Prices received by domestic producers of a sample of finished goods have risen from $\$ 100$ in 1982 to $\$ 105.50$. Likewise, a current index of 90.0 would indicate that prices received by producers of finished goods are 10 percent lower than they were in 1982.

Movements of price indexes from one month to another are usually expressed as percent changes, rather than as changes in index points. Index point changes are affected by the level of the index in relation to its base period, whereas percent changes are not. The following example shows the computation of index point and percent changes.

## Index point change

| Finished Goods Price Index | 107.5 |
| :--- | ---: |
| Less previous index | 104.0 |
| Equals index point change | 3.5 |
| Index percent change |  |
| Index point change |  |
| Divided by the previous index | 104.5 |
| Equals | 0.034 |
| Result multiplied by 100 | $0.034 \times 100$ |
| Equals percent change | 3.4 |

## Seasonally Adjusted and Unadjusted Data

Because price data are used for different purposes by different groups, BLS publishes seasonally adjusted and unadjusted changes each month. Seasonally adjusted data are preferred for analyzing general price trends in the economy, because these data eliminate the effect of changes that normally occur at about the same time, and in about the same magnitude, every year-such as price movements resulting from normal weather patterns, regular production and marketing cycles, model changeovers, seasonal discounts, and holidays. For these reasons, seasonally adjusted data more clearly reveal underlying cyclical trends. Unadjusted data are of primary interest to users who need information that can be related to actual dollar values of transactions. Individuals requiring this information include marketing specialists, purchasing agents, budget and cost analysts, contract specialists, and commodity traders. It is the unadjusted data that are generally cited when escalating long-term contracts such as purchasing agreements or real estate leases. (See Escalation and Producer Price Indexes: A Guide for Contracting Parties, BLS Report 807, September 1991, available on request from the BLS.)

In 1998, the PPI implemented the X-12-ARIMA Seasonal Adjustment Method; prior to that year the PPI employed the X-11 method. Each year, the seasonal status of most commodity indexes is re-evaluated to reflect more recent price behavior. Industry net output indexes are not seasonally adjusted. For time series that exhibit seasonal pricing patterns, new seasonal factors are estimated and applied to the unadjusted data for the previous 5 years. These updated seasonally adjusted indexes replace the most recent 5 years of seasonal data.

Seasonal factors may be applied to series using either a direct or aggregative method. Generally, commodity indexes are seasonally adjusted using direct seasonal adjustment, which produces a more complete elimination of seasonal movements than the aggregative method. However, the direct seasonal adjustment process may not yield figures that possess additive consistency. Thus, a seasonally adjusted index for a broad category that is directly adjusted may not be logically consistent with all seasonally adjusted indexes for its components. Seasonal movements for stage-of-processing indexes are derived indirectly through an aggregative method that combines movements of a wide variety of subproduct class (6-digit) series.

Seasonally adjusted indexes can become problematic when previously stable and predictable price patterns abruptly change. If the new pattern persists, the seasonal adjustment method will eventually reflect it adequately; if these patterns keep shifting, however, seasonally adjusted data will become chronically troublesome. This problem occurs relatively infrequently for farm and food-related products but has more often affected manufactured products such as automobiles and steel.

Since January 1988, the PPI has used Intervention Analysis Seasonal Adjustment methods to enhance the calculation of seasonal factors. With this technique, outlier values that may distort the seasonal pattern are removed from the data prior to applying the standard seasonal factor estimation procedure. For example, a possible economic cause for large price movements for petroleumbased products might have been the Persian Gulf War. In this case, intervention techniques allowed for better estimates of seasonally adjusted data. On the whole, very few series have required intervention. Out of nearly 900 seasonally adjusted series, only 16 interventions were performed in 1997.

For more information relating to seasonal adjustment methods, see (1) "Appendix A: Seasonal Adjustment Methodology at BLS," in the BLS Handbook of Methods (April 1997), Bulletin 2490 and (2) "Summary of Changes to the PPI's Seasonal Adjustment Methodology" in the January 1995 issue of Producer Price Indexes.

## Producer Price Index Data Via the Internet

In 1995, the BLS began posting PPI series, news releases, and technical information to both a World Wide Web (WWW) site and a file transfer protocol (FTP) site. During the years following the introduction of PPI Internet services, usage of these sites eclipsed more traditional methods of data dissemination, such as subscriptions to the PPI Detailed Report. There were more than 1.6 million accesses of PPI series over the Internet during the 12 months ended December 31, 2003.

## Retrieving PPI data from the PPI Website

PPI data can be obtained from the WWW address (http://www.bls.gov/ppi). Scrolling down the page to the "Get Detailed Statistics" header reveals the following 5 methods of data retrieval:

- Most Requested Series is a form-based application that allows the user to quickly obtain PPI time series data by selecting from two separate lists (commodity and industry) of the most commonly requested time series, including the All Commodities Index and the stage-of-processing indexes (for example, Finished Goods). Within each list, any one-or all-of the time series shown can be selected. A user can modify the date range and output options after executing the query, using the reformat button above the data output table.
- Create Customized Tables is a form-based query application designed for users unfamiliar with the PPI coding structure. It guides a user through the PPI classification system by listing index titles and does not require knowledge of commodity or industry codes. Data retrieved are based on a query formulated by selecting data characteristics from lists provided. Two options are available to create customized tables, depending on a user's browser capability. The one-screen option is a JavaScript application that uses a single screen to guide a user through the available time series data. The second option is a multiple screen, nonJava-based application. Both methods allow a user to browse the PPI coding structure and select multiple series codes. Using the one-screen option, users can modify the date range and output options after executing the query using the reformat button above the data output table.
- Series Report is a form-based application that uses formatted PPI time series identifiers (commodity or industry codes) as input in extracting data according to a specified set of date ranges and output options. This application provides the most efficient path for those users who are familiar with the format of PPI time series identifiers. Up to 300 indexes can be extracted at one time.

There are three basic formats for creating a unique PPI time series identifier. For commodity and stage-of-processing indexes, enter a "wpu" prefix (not seasonally adjusted) or a "wps" prefix (seasonally adjusted) in combination with a commodity-based code to create a series identifier.

## Commodity code

wps063
wpu063803
wpusop3000

## Will provide data for:

Drugs and pharmaceuticals, seasonally adjusted
Pharmaceutical preparations, cardiovascular system
Finished goods, not seasonally adjusted

For a current industry-based price index organized according to the North American Industry Classification System (NAICS), enter the prefix "pcu" followed by the industry-product code. The series identifier for products primary to an industry include 12 numeric digits, the six-digit industry code is repeated, and up to seven additional digits of product detail. Dashes are used as place holders for higher-level industry group codes.

```
Industry-product code,
Current NAICS series
pcu325---325---
pcu336110336110
pcu6211111621111411
```


## Will provide data for:

Chemical manufacturing, not seasonally adjusted Automobile and light duty motor vehicle manufacturing Offices of physicians, one and two physician practices and single specialty group practices, general/family practice

To identify a discontinued industry-product code based on the Standard Industrial Classification (SIC), enter a "pdu" prefix and "\#" between the fourth and fifth characters of the product code. A series identifier for the discontinued dataset uses underscores as placeholders to complete a reference to an SIC industry group code of less than four digits. (All PPI industry-based indexes organized by SIC were discontinued with the introduction of the NAICS.) In all cases, no spaces are permitted.

```
Industry-product code,
Discontinued SIC series
pdu28_#
pdu331_#
pdu3711#111
```


## Will provide data for:

Chemicals and allied products, not seasonally adjusted Blast furnaces, steel works, and rolling and finishing mills, not seasonally adjusted Passenger cars

- Flat Files and the FTP server are best suited for those users requiring access to either a large volume of time series data or other PPI-related documentation (such as, seasonal factor and relative importance tables). The FTP site can be accessed at (ftp://ftp.bls.gov) or directly from the links on the "Get Detailed Statistics" page or the PPI homepage. Data and documentation available for download include:
- NAICS Current Series
- SIC Discontinued Series
- Commodity Series
- Special Requests
- Latest News Release


## Directory:

/pub/time.series/pc
/pub/time.series/pd
/pub/time.series/wp
/pub/special.requests/ppi
/pub/news.release/ppi.txt

The FTP site maintains files to help with searches and downloads. These files are centrally located in the /pub/doc directory. Within this directory, go to the overview.txt file for an overview relating to all BLS data available through the FTP site. For commodity-based PPI data (which appear in tables $1,2,3,6,7$, and 8 of the PPI monthly detailed report and tables 1,2 , 3 , and 5 of the monthly news release), the program help file is wp.txt. For current industry-based PPI data based on the NAICS (which appear in tables 4,5 , and 9 of the monthly PPI report and table 4 of the monthly news release), the file is pc.txt. For industry-based SIC time series that have been discontinued, go to pd.txt. (These and other help files are also maintained within each of the five directories listed above.)

## Other Sources of PPI Data

PPI data can also be accessed via the BLS homepage (http://www.bls.gov). After clicking the "Get Detailed Statistics" link at the top of the homepage a chart appears listing all of the available BLS programs. The following four methods are available for PPI data: Most requested statistics, create customized tables (one screen or multiple screens), and flat files. Additional sources of BLS data also are accessible from this page including: Economic news releases, series report, and economy at a glance.

## Additional information

The PPI homepage (http://www.bls.gov/ppi) contains additional information regarding PPI data and methodology. The top section of the homepage provides PPI news releases, both current and archived, as well as general PPI information. The "Tables Created by BLS" section found beneath the statistics section provides relative importance and seasonal factor tables. The remaining sections offer special notices and publications pertaining to PPI methodology and applications.

For questions or comments regarding PPI data classification, methodology, or data availability on the Internet, call or e-mail the Section of Index Analysis and Public Information directly at (202) 691-7705 or ppi-info@bls.gov. Data also can be obtained by calling the national fax-on-demand service at (202) 691-6325. This service enables customers to request faxes of BLS data 24 hours a day, 7 days a week.

Table 1. Producer price indexes and percent changes by stage of processing
(1982=100)


[^0]4/ Excludes crude petroleum.
5/ Percent of total finished goods.
6/ Percent of total intermediate materials.
7/ Formerly titled "Crude materials for further processing, excluding crude foodstuffs and feedstuffs, plant and animal fibers, oilseeds, and leaf tobacco. 8/ Percent of total crude materials.

Table 2. Producer price indexes and percent changes for selected commodity groupings by stage of processing
(1982=100 unless otherwise indicated)

| Commodity code | Grouping | Unadjusted index |  |  | \| Unadjusted\| percent\|change to\|Oct. 2004 from: |  | ISeasonally adjusted \|percent change from: |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |  |  |
|  |  |  | $\begin{aligned} & \text { I } \\ & \text { \| Sept. } \\ & / \mid 2004 \text { 1/ } \end{aligned}$ | $\mid$loct.12004$1 / \mid$ |  |  |  | Sept. <br> 2004 | - | I |  |
|  |  |  |  |  | \|July tol | Aug. tols Sept. \| |  |  | Sept.to Oct. |
|  |  | une <br> 004 1/ |  |  | Aug. |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  | - |  |  |
|  | \| FINISHED GOODS. | 152.0 | 152.0 | 155.5 | 5.2 | 2.3 | -. 1 | 0 | 2.1 |
|  | FINISHED CONSUMER FOOD | 155.0 | 152.2 | 154.7 | 2.5 | 1.6 |  |  | 1.6 |
| 01-11 |  | 99.9 | 116.2 | 129.3 | 43.5 | 11.3 | -1.2 | 23.1 | 11.3 |
| 01-13 | Fresh fruits and melons $2 / \%$ Fresh and dry vegetables 21 | 94.7 | 131.1 | 175.9 | 27.6 | 34.2 | 31.8 | 12.1 | 34.2 |
| 01-71-07 |  | 94.6 | 77.5 | 73.7 | -38.2 | -4.9 | -13.0 | 2.7 | -11.1 |
| 02-11 |  | 195.9 | 196.5 | 196.4 | . 6 | -. 1 | , | . 3 | -. 1 |
| 02-13 |  | 147.9 | 129.6 | 124.6 | 8.3 | -3.9 | -. 9 | -11.1 | -3.9 |
| 02-14-02 |  | 128.2 | 126.4 | 126.9 | 0 | . 4 | 0 | 0 | 4 |
| 02-21-01 | Beef and veal 2/............................................ Pork. | \| 154.8 | 136.6 | 141.0 | -14.6 | 3.2 | -3.2 | -1.0 | 3.2 |
| 02-21-04 |  | \| 139.8 | 133.1 | 140.0 | 15.8 | 5.2 | 1.7 | -. 4 | 4.9 |
| 02-22-03 | Processed young chick | \| 151.1 | 131.2 | 124.5 | -1.0 | -5.1 | -7.1 | -8.3 | -2.8 |
| 02-22-06 | Processed turkeys. | \| 112.5 | 109.2 | 108.0 | 10.7 | -1.1 | . 6 | -1.4 | -1.7 |
| 02-23 | Finfish and shellf | \| 189.9 | 205.1 | 202.8 | 6.5 | -1.1 | 5.3 | -1.1 | -. 8 |
| 02-3 | Dairy products. | \| 170.0 | 154.6 | 154.3 | 4.4 | -. 2 | -4.1 | -1.6 | . 2 |
| 02-4 | Processed fruits and vegetable | \| 134.3 | 134.7 | 136.8 | 2.1 | 1.6 | . 3 | -. 1 | 1.6 |
| 02-55 | Confectionery end products 21 | \| 187.3 | 190.1 | 191.0 | 3.3 | . 5 | . 1 | 1.4 | . 5 |
| 02-62 | Soft drinks $2 /$. | \| 159.3 | 156.4 | 158.8 | 3.3 | 1.5 | . 9 | -1.3 | 1.5 |
| 02-63-01 | Roasted coffee $2 /$ | 129.7 | 129.3 | 129.8 | 1.5 | . 4 | . 2 | -. 1 | . 4 |
| 02-78 | Shortening and cooking oils | 204.9 | 195.4 | 185.4 | 8.2 | -5.1 | 3.0 | -3.3 | -5.1 |
|  | FInISHED Consumer goods excluding foods | 150.5 | 151.5 | 155.5 | 6.4 | 2.6 | -. 1 | 0 | 2.3 |
| 02-61 | \| Alcoholic beverages.......................... | . 150.9 | 153.1 | 153.1 | 2. | 0 | 1.3 | 0 | -. 3 |
| 03-81-06 |  | . 99.6 | 100.3 | 100.4 | (3) | . 1 | . 2 | . 6 | . 1 |
| 03-81-07 | Men's and boys' apparel (Dec. 2003=100) $2 /$ | 99.4 | 99.5 | 100.1 | (3) | . 6 | 0 | 0 | . 6 |
| 03-82 | Textile housefurnishings $2 /$ | \| 123.4 | 123.1 | 123.4 | . 8 | . 2 | -. 2 | 0 | . 2 |
| 04-3 | Footwear 2/ <br> Residential electric power (Dec. $1990=100$ ) | \| 146.1 | 146.3 | 146.3 | . 2 | 0 | . 1 | 0 | 0 |
| 05-41 |  | \| 122.3 | 124.0 | 123.5 | 2.0 | -. 4 | . 5 | -. 1 | 2.3 |
| 05-51 | Residential electric power (Dec. 1990=100)..... Residential gas (Dec. 1990=100) Gasoline. | \| 182.8 | 180.6 | 183.7 | 8.2 | 1.7 | 1.1 | -2.3 | 1.0 |
| 05-71 |  | \| 129.1 | 130.7 | 149.2 | 45.3 | 14.2 | -5.0 |  | 17.3 |
| 05-73-02-01\| | \| $\begin{aligned} & \text { Gasoline.................................... } \\ & \text { Home heating oil and distiliates.......... }\end{aligned}$ | \| 108.7 | 131.9 | 156.6 | 66.4 | 18.7 | 7.8 | -2.7 | 17.9 |
| 06-38 | Pharmaceutical preparations (June 2001=100) $2 \%$. | \| 112.3 | 113.1 | 113.0 | 4.1 | -. 1 | . 4 | . 1 | -. 1 |
| 06-71 \| | \| Soaps and synthetic detergents $2 / \ldots \ldots \ldots \ldots$. . . | \| 132.4 | 133.9 | 134.0 | 1.3 | . 1 | 0 | 1.1 | . 1 |
| 06-75 \| | \| Cosmetics and other toilet preparations $2 / \ldots \ldots$. | \| 139.7 | 140.3 | 140.5 | -. 1 | . 1 | -. 8 | 0 | . 1 |
| 07-12 |  | \| 103.1 | 103.0 | 103.3 | 4.7 | . 3 | -. 1 | -. 6 | . 3 |
| 09-15-01 | Tires, tubes, tread, etc $2 / \ldots \ldots \ldots \ldots \ldots \ldots \ldots \ldots$ | \| 148.0 | 149.2 | 149.9 | -. 3 | . 5 | -. 3 | . 4 | . 5 |
| 09-31-01 | Sanitary paper products $2 /$ Newspaper circulation $2 /$.. | \| 233.6 | 233.9 | 234.0 | . 7 | 0 | 0 | . 5 |  |
| 09-32-01 | Newspaper circulation $2 /$ Periodical circulation.. | 223.1 | 223.1 | 223.1 | 1.7 | 0 | 0 | . 3 | 4 |
| 09-33 | Book publishing. | 252.1 | 253.3 | 253.3 | 3.6 | 0 | 0 | . 5 | . 2 |
| 12-1 | Household furniture................................ . . . . . | \| 160.5 | 161.0 | 161.7 | 2.1 | . 4 | . 4 | 1 | . 3 |
| 12-3 | Household furniture. <br> Floor coverings 2/ <br> Household appliances $2 /$ | \| 136.6 | 138.3 | 139.4 | 3.3 | . 8 | 1.2 | -. 6 | . 8 |
| 12-4 \| |  | \| 101.6 | 101.3 | 101.5 | -. 5 |  | -. 4 | . | . 2 |
| 12-5 \| |  | 65.4 | 63.7 | 63.2 | -6.0 | -. 8 | 0 | -. 8 | . 8 |
| 12-62 \| | Home electronic equipme Household glassware.... | \| 171.4 | 171.4 | 172.1 | 1.8 | 4 | -1.6 | 1.7 | . 2 |
| 12-64 | Household flatware | 145.4 | 145.4 | 145.4 | . 1 | 0 | 0 | 0 |  |
| 12-66 | Lawn and garden equip., ex. tractors $2 / . . .$. Passenger cars. | \| 134.6 | 135.0 | 134.7 | 1.1 | -. 2 | . 4 | . 1 | -. 2 |
| 14-11-01 |  | 132.4 | 129.0 | 135.1 | 1.1 | 4.7 | -1.2 | 1.1 | -1.3 |
| 15-11 |  | \| 124.7 | 126.1 | 125.9 | 1.1 | -. 2 | 1.3 | 0 | -. 2 |
| 15-12 \| |  | . 123.0 | 124.9 | 125.0 | 1.1 | . 1 | . 2 | 1.3 |  |
| 15-2 \| |  | . 433.1 | 433.5 | 433.4 | 1 | 0 | -. 1 | 0 | 0 |
| 15-5 | Mobile homes ................... | . (3) | 193.3 | 194.2 | 12.3 | . 5 | . 1 | 2.6 | . 4 |
| 15-94-04 |  | 134.9 | 135.4 | 136.1 | 2.4 | . 5 | -. 1 | . 1 | . 5 |
|  |  | 147.5 | 147.8 | 147.8 | 1.7 | 0 | 0 | 0 | 0 |
|  | Costume jewelry and novelties $2 / . . .$. | 141.1 | 141.3 | 143.5 | 1. | 1.6 | -. 1 | . 4 | . 4 |
| 11-1 | Agricultural machinery and equipment 2/ | 165.3 | 166.4 | 168.9 | 4.3 | 1.5 | -. 1 | . 2 | 1.5 |
| 11-2 | Construction machinery and equipment $2 /$. | \| 157.1 | 159.4 | 163.7 | 6.7 | 2.7 | . 2 | . 2 | 2.7 |
| 11-37 | Metal cutting machine tools $2 / .$. | . 151.3 | 152.0 | 151.4 | . 6 | -. 4 | . 3 | . 1 | -. 4 |
| 11-38 | Metal forming machine tools 2/... | \| 172.7 | 172.3 | 172.7 | 2.9 | . 2 | 0 | -. 1 | . 2 |
| 11-39 | Tools, dies, jigs, fixtures, and ind. molds | . 139.2 | 139.3 | 139.5 |  | . 1 | . 1 | . 1 | . 1 |
| 11-41 | Pumps, compressors, and equipment. | \| 166.8 | 168.7 | 169.3 | 3.5 | . 4 | . 4 | . 5 | - |
| 11-44 | Industrial material handling equipment $2 /$ | . 143.8 | 145.0 | 145.9 | 5.6 | . 6 | . 1 | . 3 | . 6 |
| 11-51 | Electronic computers (Dec. 1998=100) $2 /$ | 30.2 | 29.0 | 28.9 | -11.6 | -. 3 | -1.7 | -2.0 | -. 3 |
| 11-62 | Textile machinery $2 / . .$. . . | . 157.9 | 160.1 | 159.2 | 1.0 | -. 6 | 0 | 1.4 | -. 6 |
| 11-64 | Paper industries machinery (June 1982=100) | .\| 174.0 | 174.2 | 174.9 | 2.7 | . 4 | . 1 | 0 | . 4 |
| 11-65 | Printing trades machinery $2 / \ldots \ldots$. | . 143.0 | 143.9 | 143.8 | . 2 | -. 1 | 0 | . 1 | -. 1 |
| 11-74 | Transformers and power regulators $2 /$. | .\| 134.7 | 136.8 | 139.9 | 5.9 | 2.3 | . 4 | . 4 | 2.3 |
| 11-76 | Communication \& related equip. (Dec. 1985=100) | . 103.1 | 103.6 | 103.7 | -1.1 | . 1 | . 2 | . 7 | . 1 |
| 11-79-05 | x -ray and electromedical equipment $2 / \ldots$ | . 197.3 | 96.8 | 96.9 | -2.9 | . 1 | -. 9 | . 3 | . 1 |
| 11-91 | Oil field and gas field machinery . | . 144.1 | 143.6 | 143.7 | 2.2 | . 1 | . 3 | . 3 | 1.3 |
| 11-92 | Mining machinery and equipment $2 / \ldots \ldots$. | . 163.7 | 164.4 | 166.5 | 7.1 | 1.3 | -. 1 | . 1 | 1.3 |
| 11-93 | Office and store machines and equipment $2 /$ | . 113.9 | 113.7 | 115.0 | 1.9 | 1.1 | . 1 | . 1 | 1.1 |
| 12-2 \| | \| Commercial furniture $2 /$. | . 164.6 | 166.7 | 167.1 | 2.8 | . 2 | 1.0 | -. 1 | . 2 |
| 14-11-05 | Light motor trucks. | . 150.0 | 144.9 | 159.3 | . 3 | 9.9 | -2.5 | . 2 | 2.7 |
| 14-11-06 | Heavy motor trucks 2/.. | . 155.3 | 157.3 | 156.2 | 1.1 | -. 7 | . 8 | . 6 | -. 7 |
| 14-14 | Truck trailers $2 /$. | . 148.4 | 150.0 | 151.0 | 8.1 | . 7 | . 3 | . 7 | . 7 |
| 14-21-02 | Civilian aircraft (Dec. 1985=100) | . 188.2 | 194.0 | 195.8 | 6.1 | . 9 | 1.4 | 0 | . 9 |
| $14-31$$14-4$ | Ships (Dec. 1985=100) 21. | . 172.5 | 175.5 | 175.6 | 7.8 | . 1 | 0 | 2.5 | . 1 |
|  | Railroad equipment 2/.. | .\| 143.7 | 145.2 | 145.6 | 6.1 | . 3 | . 8 | -. 1 | . 3 |
|  | \|INTERMEDIATE MATERIALS, SUPPLIES, AND Compd | . 142.8 | 145.3 | 146.2 | 9.0 | . 6 | 1.0 | . 1 | . 9 |
|  |  |  |  |  | 9.0 |  |  |  | .9 |
|  | intermediate foods and feeds. | . 144.9 | 133.8 | 131.2 | -. 5 | -1.9 | -5.2 | -1.7 | -1.9 |
| 02-12-03 | Flour 2/. | . 129.4 | 132.0 | 129.8 | 8.1 | -1.7 | -3.1 | 5.6 | -1.7 |
| 02-53 | Refined sugar and byproducts $2 /$ | . 121.8 | 121.3 | 121.8 |  | . 4 | . 6 | -. 2 | . 4 |
| 02-54 | Confectionery materials $2 /$. | . 125.1 | 124.7 | 124.4 | 1.9 | -. 2 | -. 6 | -1.1 | -. 2 |
| 02-72$02-9$ | Crude vegetable oils $2 / \ldots$ | . (3) | (3) | (3) | (3) | (3) | (3) | (3) | (3) |
|  | Prepared animal feeds $2 /$ | . 132.9 | 118.2 | 111.5 | -3.5 | -5.7 | -10.1 | -3.0 | -5.7 |
|  |  |  |  |  |  |  |  |  |  |
|  | INTERMEDIATE MATERIALS LESS FOODS AND FEEDS............ | . 142.8 | 146.0 | 147.0 | 9.5 | . 7 | 1.3 | . 2 | 1.0 |
| 03-1 | Synthetic fibers 2/ <br> Processed yarns and threads $2 /$ <br> Gray fabrics $2 /$. <br> Finished fabrics $2 /$. <br> Industrial textile products $2 /$ <br> Leather $2 /$. <br> Liquefied petroleum gas 2/ | . 106.1 | 107.1 | 107.5 | 1.4 | . 4 | -. 2 | . 5 | . 4 |
| 03-2 |  | . 109.0 | 109.5 | 110.0 | 6.4 | . 5 | -. 2 | . 2 | . 5 |
| 03-3 |  | . 113.7 | 113.5 | 113.8 | 2.2 | . 3 | -. 1 | -1.1 | . 3 |
| 03-4 |  | . 120.8 | 120.8 | 121.1 | 0 | . 2 | . 1 | -. 2 | . 2 |
| 03-83-03 |  | . 132.0 | 132.0 | 132.3 | 1.6 | . 2 | 0 | 0 | . 2 |
| 04-2 |  | . 220.9 | 219.4 | 219.7 | . 5 | . 1 | 0 | -. 5 | . 1 |
| 05-32 |  | .\| 178.3 | 200.8 | 230.4 | 51.0 | 14.7 | 13.9 | -7.4 | 14.7 |

See footnotes at end of table.

Table 2. Producer price indexes and percent changes for selected commodity groupings by stage of processing - Continued
(1982=100 unless otherwise indicated)


Table 3. Producer price indexes for selected commodity groupings
(1982=100 unless otherwise indicated)


[^1] publication.

2/ Prices of some items in this grouping are lagged 1 month.

Table 4. Producer price indexes for the net output of selected industries and industry groups, not seasonally adjusted


See footnotes at end of table.

Table 4. Producer price indexes for the net output of selected industries and industry groups, not seasonally adjusted--Continued

$\overline{1 /}$ Indexes in this table are derived from the net-output-weighted industry price indexes. Because of differences in coverage and aggregation methodology, they will generally not match the movements of similarly titled indexes which are derived from traditional commodity groupings.
2/ The indexes for June 2004 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.
3/ Not available.
Note: NAICS 2002 replaced the SIC system beginning with the release of PPI data for January 2004.

Table 5. Producer price indexes by stage of processing, seasonally adjusted
(1982=100)


1/ All seasonally adjusted indexes are subject to change up to 5 years after original publication due to the recalculation of seasonal factors each January. The indexes for June 2004 have been recalculated to incorporate late reports and corrections by respondents.
2/ Includes crude petroleum.
3/ Excludes crude petroleum.


[^0]:    1/ Comprehensive relative importance figures are initially computed after the publication of December indexes and are recalculated after final December indexes are available.
    2/ The indexes for June 2004 have been recalculated to incorporate late reports and corrections by respondents. All indexes are subject to revision 4 months after original publication.
    3/ Includes crude petroleum.

[^1]:    1/ Data for June 2004 have been revised to reflect the availability of late reports and corrections by respondents. All data are subject to revision 4 months after original

