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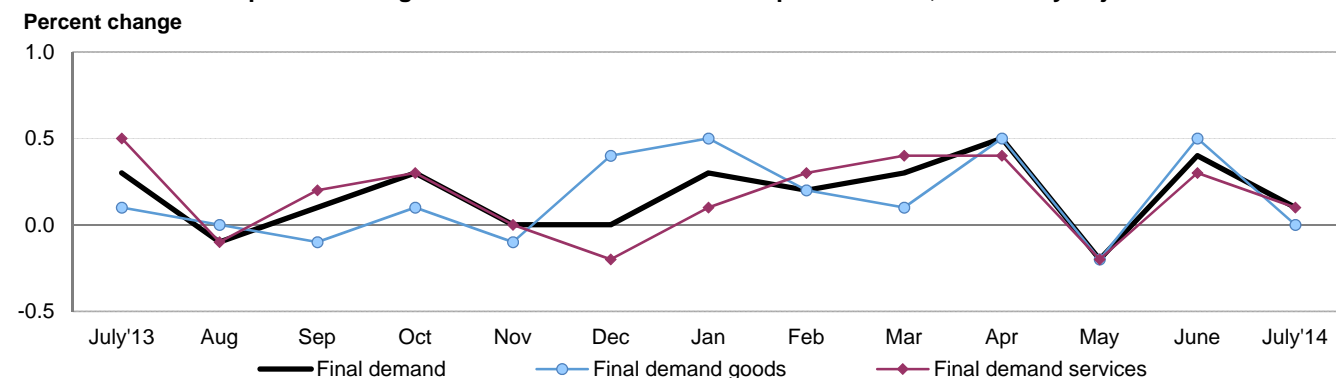
## PRODUCER PRICE INDEXES – JULY 2014

The Producer Price Index for final demand rose 0.1 percent in July, seasonally adjusted, the U.S. Bureau of Labor Statistics reported today. This increase followed a 0.4-percent advance in June and a 0.2-percent decline in May. On an unadjusted basis, the index for final demand climbed 1.7 percent for the 12 months ended in July. (See table A.)

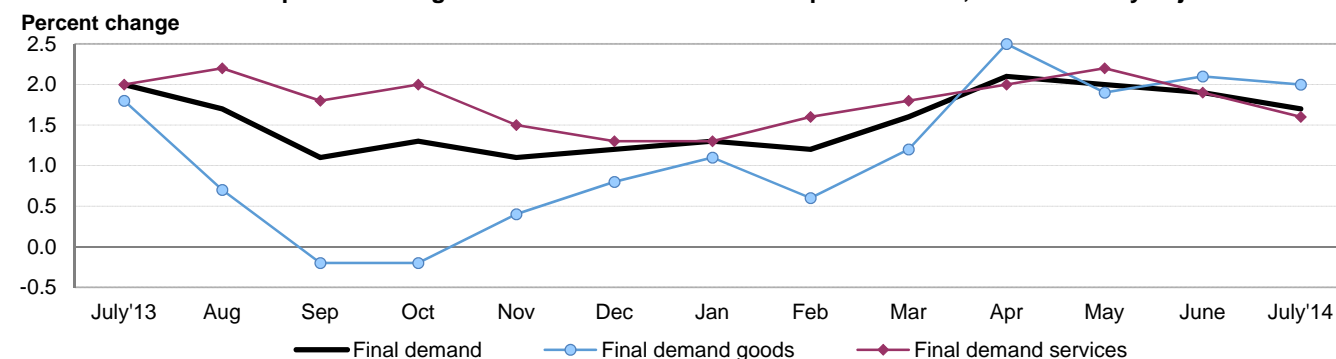
In July, the 0.1-percent increase in final demand prices can be traced to the index for final demand services, which also rose 0.1 percent. Prices for final demand goods were unchanged.

Within intermediate demand, prices for processed goods advanced 0.1 percent, the index for unprocessed goods dropped 2.7 percent, and prices for services moved up 0.3 percent. (See tables B and C.)

**Chart 1. One-month percent changes in selected PPI final demand price indexes, seasonally adjusted**



**Chart 2. Twelve-month percent changes in selected PPI final demand price indexes, not seasonally adjusted**



**Table A. Monthly and 12-month percent changes in selected final demand price indexes, seasonally adjusted**

Month	Total final demand	Final demand goods				Final demand services				Change in final demand from 12 months ago (unadj.)
		Total	Foods	Energy	Less foods and energy	Total	Trade	Transportation and warehousing	Other	
<b>2013</b>										
July.....	0.3	0.1	0.3	-0.1	0.0	0.5	1.0	0.7	0.0	2.0
Aug.....	-0.1	0.0	-0.6	0.7	0.0	-0.1	-0.6	0.1	0.2	1.7
Sept.....	0.1	-0.1	-0.7	0.2	0.0	0.2	0.4	-0.1	0.1	1.1
Oct.....	0.3	0.1	0.3	0.0	0.0	0.3	0.2	0.3	0.3	1.3
Nov.....	0.0	-0.1	-0.2	-0.6	0.1	0.0	0.2	-0.5	0.1	1.1
Dec.....	0.0	0.4	-0.2	1.2	0.4	-0.2	-1.0	1.6	0.1	1.2
<b>2014</b>										
Jan.....	0.3	0.5	0.7	0.6	0.5	0.1	0.0	-0.9	0.2	1.3
Feb.....	0.2	0.2	0.7	-0.3	0.2	0.3	0.6	-0.4	0.1	1.2
Mar. <sup>1</sup> .....	0.3	0.1	1.3	-0.2	-0.1	0.4	0.6	0.4	0.3	1.6
Apr. <sup>1</sup> .....	0.5	0.5	2.3	-0.2	0.3	0.4	0.8	0.6	0.2	2.1
May.....	-0.2	-0.2	-0.2	-0.2	0.0	-0.2	-0.5	0.9	-0.1	2.0
June.....	0.4	0.5	-0.2	2.1	0.1	0.3	0.2	0.3	0.3	1.9
July.....	0.1	0.0	0.4	-0.6	0.2	0.1	0.2	0.5	0.0	1.7

<sup>1</sup> Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for March 2014 have been revised to reflect the availability of late reports and corrections by respondents.

## **Final Demand**

*(Final demand includes goods, services, and construction which are sold for personal consumption, capital investment, government purchases, and export. See table 4 for product detail.)*

**Final demand services:** The index for final demand services inched up 0.1 percent in July after rising 0.3 percent in the prior month. Leading the July increase, the index for final demand transportation and warehousing services moved up 0.5 percent. Margins for final demand trade services advanced 0.2 percent. (Trade indexes measure changes in margins received by wholesalers and retailers.) The index for final demand services less trade, transportation, and warehousing was unchanged.

**Product detail:** In July, prices for truck transportation of freight climbed 0.7 percent. Margins for automotive fuels and lubricants retailing and for apparel, footwear, and accessories retailing increased. The indexes for portfolio management and passenger car rental also moved higher. In contrast, margins for machinery and equipment wholesaling fell 1.7 percent in July. The indexes for loan services (partial); apparel wholesaling; and health, beauty, and optical goods retailing also decreased. (See table 4.)

**Final demand goods:** Prices for final demand goods were unchanged in July after moving up 0.5 percent in June. In July, a 0.2-percent rise in the index for final demand goods less foods and energy and a 0.4-percent increase in prices for final demand foods offset a 0.6-percent decline in the index for final demand energy.

*Product detail:* In July, among prices for final demand goods, the index for pharmaceutical preparations rose 1.0 percent. Prices for meats, processed poultry, residential electric power, and light motor trucks also moved higher. Conversely, gasoline prices fell 2.1 percent in July. The indexes for soybeans, fresh and dry vegetables, grains, and gold and platinum jewelry also decreased.

**Special grouping, Final demand less foods, energy, and trade:** Prices for final demand less foods, energy, and trade services rose 0.2 in July following a 0.2-percent advance in June and no change in May. (The index for final demand less foods, energy, and trade services represents about two-thirds of final demand.)

**Special grouping, Finished goods:** Prices for finished goods inched up 0.1 percent in July after a 0.7-percent advance in June. (The finished goods index represents about two-thirds of final demand goods, through the exclusion of the weight for government purchases and exports. The finished goods index represents about one-quarter of overall final demand.) The July increase was led by prices for finished consumer foods, which climbed 1.0 percent. The index for finished goods less foods and energy edged up 0.1 percent. In contrast, prices for finished consumer energy goods declined 0.7 percent. Within finished goods, rising prices for meats, residential electric power, processed poultry, pharmaceutical preparations, and light motor trucks outweighed falling prices for gasoline, fresh and dry vegetables, residential natural gas, and gold and platinum jewelry.

### **Intermediate Demand**

*(Intermediate demand includes goods, services, and maintenance and repair construction sold to businesses, excluding capital investment. BLS publishes two parallel treatments of intermediate demand, each constructed from the identical set of commodity price indexes. The first treatment organizes commodities according to commodity type, and the second organizes commodities using a stage-based, production flow model. See the technical note for more information.)*

### **Intermediate Demand by Commodity Type**

**Processed goods for intermediate demand:** The index for processed goods for intermediate demand edged up 0.1 percent in July following a 0.4-percent increase in June. Leading the July advance, prices for processed materials less foods and energy rose 0.3 percent. Also contributing, but to a lesser extent, the index for processed foods and feeds moved up 0.4 percent. Conversely, prices for processed energy goods declined 0.3 percent. For the 12 months ended in July, prices for processed goods for intermediate demand rose 1.6 percent, the largest 12-month advance since a 2.9-percent increase in March 2012. (See table B.)

*Product detail:* Accounting for over three-quarters of the July increase in the index for processed goods for intermediate demand, prices for primary basic organic chemicals moved up 3.9 percent. The indexes for meats, nonferrous metals, diesel fuel, and electric power also advanced. In contrast, gasoline prices moved down 2.1 percent in July. The indexes for natural gas to electric utilities, prepared animal feeds, and ethanol also declined. (See table 5.)