



Economic News Release



Producer Price Index News Release summary

Transmission of material in this release is embargoed until 8:30 a.m. (ET), Thursday, January 13, 2022

USDL 22-0020

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PRODUCER PRICE INDEXES - DECEMBER 2021

The Producer Price Index for final demand increased 0.2 percent in December, seasonally adjusted, the U.S. Bureau of Labor Statistics reported today. This rise followed advances of 1.0 percent in November and 0.6 percent in October. (See table A.) On an unadjusted basis, final demand prices moved up 9.7 percent in 2021, the largest calendar-year increase since data were first calculated in 2010.

In December, the advance in the final demand index can be traced to a 0.5-percent increase in prices for final demand services. Conversely, the index for final demand goods decreased 0.4 percent.

Prices for final demand less foods, energy, and trade services rose 0.4 percent in December following a 0.8-percent increase in November. In 2021, the index for final demand less foods, energy, and trade services moved up 6.9 percent, following a 1.3-percent advance in 2020.

Final Demand

Final demand services: Prices for final demand services rose 0.5 percent in December following a 0.9-percent increase in November. Over half of the broad-based advance in December is attributable to margins for final demand trade services, which moved up 0.8 percent. (Trade indexes measure changes in margins received by wholesalers and retailers.) Prices for final demand services less trade, transportation, and warehousing and for final demand transportation and warehousing services rose 0.2 percent and 1.7 percent, respectively.

Product detail: Over a quarter of the December increase in the index for final demand services can be attributed to margins for fuels and lubricants retailing, which rose 13.0 percent. The indexes for airline passenger services, food retailing, machinery and vehicle wholesaling, machinery and equipment parts and supplies wholesaling, and traveler accommodation services also moved higher. In contrast, margins for automobile and automobile parts retailing decreased 2.7 percent. The indexes for deposit services (partial) and for health, beauty, and optical goods retailing also declined. (See table 2.)

Final demand goods: The index for final demand goods moved down 0.4 percent in December, the first decrease since falling 2.8 percent in April 2020. Leading the December decline, prices for final demand energy dropped 3.3 percent. The index for final demand foods fell 0.6 percent. Conversely, prices for final demand goods less foods and energy advanced 0.5 percent.

Product detail: A major factor in the December decrease in prices for final demand goods was the index for gasoline, which moved down 6.1 percent. Prices for meats, gas fuels, fresh and dry vegetables, diesel fuel, and primary basic organic chemicals also declined. In contrast, the index for ethanol increased 6.4 percent. Prices for residential electric power and for chicken eggs also moved higher.

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

Month	Total final demand	Final demand less foods, energy, and trade	Final demand goods				Final demand services				Change in final demand from 12 months ago (unadj.)	Change in final demand less foods, energy, and trade from 12 mo. ago (unadj.)
			Total	Foods	Energy	Less foods and energy	Total	Trade	Transportation and warehousing	Other		
2020												
Dec.	0.3	0.4	0.9	-1.4	4.9	0.5	0.0	-0.7	-0.2	0.4	0.8	1.3
2021												
Jan.	1.2	1.0	1.6	1.6	5.1	0.8	1.0	0.8	0.7	1.2	1.6	1.9
Feb.	0.7	0.4	1.6	1.4	6.2	0.5	0.3	0.2	0.8	0.2	3.0	2.3

Footnotes

(1) Some of the figures shown above and elsewhere in this release may differ from those previously reported because data for August 2021 through November 2021 have been revised to reflect the availability of late reports and corrections by respondents.

Month	Total final demand	Final demand less foods, energy, and trade	Final demand goods				Final demand services				Change in final demand from 12 months ago (unadj.)	Change in final demand less foods, energy, and trade from 12 mo. ago (unadj.)
			Total	Foods	Energy	Less foods and energy	Total	Trade	Transportation and warehousing	Other		
Mar.	0.8	0.6	1.5	0.6	5.0	0.8	0.3	0.2	1.4	0.4	4.1	3.1
Apr.	1.0	0.8	0.7	1.8	-1.2	1.0	1.2	2.3	3.6	0.4	6.5	4.8
May	0.9	0.5	1.5	2.7	1.2	1.1	0.6	1.7	0.2	0.2	7.0	5.3
June	0.9	0.6	1.2	0.8	2.9	1.0	0.6	0.9	1.6	0.3	7.6	5.6
July	0.9	0.8	0.7	-1.3	2.4	0.8	1.0	1.7	2.5	0.5	8.0	6.0
Aug.(1)	0.9	0.4	0.9	2.3	0.6	0.6	0.9	2.2	0.9	0.2	8.7	6.2
Sept.(1)	0.4	0.3	1.1	2.1	2.1	0.5	0.1	0.1	-1.2	0.3	8.8	6.0
Oct.(1)	0.6	0.3	1.3	-0.3	5.5	0.6	0.2	0.7	0.9	-0.2	8.9	6.2
Nov.(1)	1.0	0.8	1.1	1.3	2.0	0.8	0.9	1.2	2.7	0.6	9.8	6.9
Dec.	0.2	0.4	-0.4	-0.6	-3.3	0.5	0.5	0.8	1.7	0.2	9.7	6.9

Footnotes

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Intermediate Demand by Commodity Type

Within intermediate demand in December, prices for processed goods moved down 0.3 percent, the index for unprocessed goods dropped 5.6 percent, and prices for services advanced 0.8 percent. (See tables B and C.)

Processed goods for intermediate demand: The index for processed goods for intermediate demand fell 0.3 percent in December, the first decline since moving down 3.5 percent in April 2020. Leading the December decrease in prices for processed goods for intermediate demand, the index for processed energy goods dropped 4.1 percent. Prices for processed foods and feeds moved down 0.5 percent. Conversely, the index for processed materials less foods and energy rose 0.7 percent. In 2021, prices for processed goods for intermediate demand surged 24.4 percent, the largest calendar-year increase since jumping 28.9 percent in 1974.

Product detail: A major factor in the December decline in prices for processed goods for intermediate demand was the index for diesel fuel, which dropped 5.9 percent. Prices for utility natural gas, gasoline, primary basic organic chemicals, liquefied petroleum gas, and meats also moved down. In contrast, the index for softwood lumber rose 24.4 percent. Prices for ethanol and for dairy products also increased.

Unprocessed goods for intermediate demand: Prices for unprocessed goods for intermediate demand fell 5.6 percent in December, the first decline after eight consecutive increases. Leading the decrease in the index for unprocessed goods for intermediate demand, prices for unprocessed energy materials dropped 13.1 percent. The index for unprocessed nonfood materials less energy declined 2.0 percent. Conversely, prices for unprocessed foodstuffs and feedstuffs rose 2.8 percent. In 2021, the index for unprocessed goods for intermediate demand surged 38.0 percent, the largest calendar-year increase since data were first calculated in 1948.

Product detail: Sixty percent of the December decrease in prices for unprocessed goods for intermediate demand can be traced to the index for crude petroleum, which fell 16.4 percent. The indexes for natural gas, nonferrous metals, raw milk, carbon steel scrap, and fresh fruits and melons also moved down. In contrast, prices for slaughter poultry rose 17.7 percent. The indexes for grains and for phosphates also increased.

Table B. Monthly and 12-month percent changes in selected intermediate demand price indexes for goods by commodity type, seasonally adjusted

Month	Processed goods for intermediate demand					Unprocessed goods for intermediate demand				
	Total	Foods and feeds	Energy goods	Less foods and energy	Total, change from 12 months ago (unadj.)	Total	Foodstuffs and feedstuffs	Energy materials	Nonfood materials less energy	Total, change from 12 months ago (unadj.)
2020										
Dec.	1.4	-0.6	2.6	1.4	1.5	2.1	-3.6	6.5	5.3	1.3
2021										
Jan.	1.8	0.9	1.9	1.8	3.4	5.3	2.7	5.4	8.6	7.9

Footnotes

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Month	Processed goods for intermediate demand					Unprocessed goods for intermediate demand				
	Total	Foods and feeds	Energy goods	Less foods and energy	Total, change from 12 months ago (unadj.)	Total	Foodstuffs and feedstuffs	Energy materials	Nonfood materials less energy	Total, change from 12 months ago (unadj.)
Feb.	2.9	2.2	6.7	2.0	7.1	11.9	2.4	33.6	-0.6	29.2
Mar.	3.5	1.5	7.9	2.6	12.4	-4.2	1.6	-13.5	1.9	34.8
Apr.	1.9	2.8	-2.8	3.0	18.7	2.0	8.7	-4.8	2.2	59.2
May	2.9	3.0	3.8	2.7	22.3	7.2	5.0	8.3	8.9	57.8
June	1.8	1.8	1.1	2.0	23.0	1.8	-0.8	5.6	0.5	52.9
July	1.6	-1.0	3.4	1.4	23.1	2.9	-1.9	9.7	0.5	56.0
Aug.(1)	0.9	1.5	-0.6	1.2	23.0	1.9	4.4	0.2	1.5	52.5
Sept.(1)	1.1	1.6	2.1	0.8	23.7	2.7	0.9	7.9	-2.2	48.5
Oct.(1)	2.4	-1.0	7.2	1.6	25.7	5.8	-3.1	18.0	-1.6	55.7
Nov.(1)	1.6	0.0	3.5	1.3	26.5	2.1	1.4	1.7	3.9	49.3
Dec.	-0.3	-0.5	-4.1	0.7	24.4	-5.6	2.8	-13.1	-2.0	38.0

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Services for intermediate demand: The index for services for intermediate demand rose 0.8 percent in December, the largest advance since climbing 1.2 percent in June. Leading the broad-based increase in December, margins for trade services for intermediate demand jumped 1.4 percent. Prices for services less trade, transportation, and warehousing for intermediate demand and for transportation and warehousing services for intermediate demand also moved higher, rising 0.4 percent and 1.6 percent, respectively. In 2021, the index for services for intermediate demand advanced 8.0 percent, the largest calendar-year increase since data were first calculated in 2010.

Product detail: One-fifth of the December rise in prices for services for intermediate demand is attributable to margins for machinery and equipment parts and supplies wholesaling, which advanced 2.6 percent. The indexes for loan services (partial), arrangement of freight and cargo transportation, gross rents for retail properties, television advertising times sales, and fuels and lubricants retailing also moved higher. Conversely, prices for deposit services (partial) fell 4.3 percent. The indexes for building materials, paint, and hardware wholesaling and for air mail and package delivery services (excluding USPS) also declined.

Table C. Monthly and 12-month percent changes in selected intermediate demand price indexes for services by commodity type, seasonally adjusted

Month	Services for intermediate demand				
	Total	Trade	Transportation and warehousing	Other	Total, change from 12 months ago (unadj.)
2020					
Dec.	0.7	2.4	-0.3	0.4	2.1
2021					
Jan.	1.1	1.3	0.5	1.2	3.0
Feb.	0.3	0.1	1.2	0.1	3.6
Mar.	0.6	1.2	0.9	0.5	4.3
Apr.	1.3	2.7	2.3	0.6	7.3
May	0.6	2.1	0.9	0.1	8.4
June	1.2	2.4	2.0	0.6	9.3
July	0.6	1.1	0.7	0.5	9.5
Aug.(1)	0.4	2.0	0.8	-0.2	9.0
Sept.(1)	0.4	-1.2	2.5	0.5	8.2
Oct.(1)	0.0	0.5	0.5	-0.3	7.5
Nov.(1)	0.3	-1.0	0.9	0.7	7.9
Dec.	0.8	1.4	1.6	0.4	8.0

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Intermediate Demand by Production Flow

Stage 4 intermediate demand: Prices for stage 4 intermediate demand increased 0.6 percent in December after climbing 1.0 percent in November. In December, the index for total services inputs to stage 4 intermediate demand moved up 0.7 percent, and prices for total goods inputs rose 0.4

percent. (See table D.) Advances in the indexes for machinery and equipment parts and supplies wholesaling; softwood lumber; biological products (including diagnostics); gross rents for retail properties; loan services (partial); and warehousing, storage, and related services outweighed declining prices for gasoline, meats, and deposit services (partial). In 2021, the index for stage 4 intermediate demand moved up 12.4 percent, after rising 2.4 percent in 2020.

Stage 3 intermediate demand: Prices for stage 3 intermediate demand rose 0.4 percent in December following a 0.8-percent advance in November. In December, the index for total services inputs to stage 3 intermediate demand moved up 0.8 percent, while prices for total goods inputs were unchanged. Increases in the indexes for arrangement of freight and cargo transportation, slaughter poultry, grains, softwood lumber, slaughter cattle, and temporary help services outweighed falling prices for diesel fuel, raw milk, and deposit services (partial). In 2021, the index for stage 3 intermediate demand jumped 20.2 percent, after inching down 0.1 percent in 2020.

Stage 2 intermediate demand: The index for stage 2 intermediate demand declined 2.3 percent in December, the largest decrease since a 4.4-percent drop in April 2020. In December, prices for total goods inputs to stage 2 intermediate demand fell 5.8 percent. In contrast, the index for total services inputs advanced 1.3 percent. Decreases in prices for crude petroleum, gas fuels, primary basic organic chemicals, deposit services (partial), nonferrous scrap, and carbon steel scrap outweighed increases in the indexes for fuels and lubricants retailing, ethanol, and loan services (partial). In 2021, prices for stage 2 intermediate demand rose 21.2 percent, after moving up 1.4 percent in 2020.

Stage 1 intermediate demand: Prices for stage 1 intermediate demand edged up 0.1 percent in December following a 1.2-percent increase in November. In December, the index for total services inputs to stage 1 intermediate demand rose 0.6 percent. Conversely, prices for total goods inputs fell 0.3 percent. In December, advances in the indexes for airline passenger services, ethanol, agricultural chemicals and chemical products, grains, and machinery and equipment parts and supplies wholesaling outweighed decreases in the indexes for diesel fuel; utility natural gas; primary basic organic chemicals; and building materials, paint, and hardware wholesaling. In 2021, prices for stage 1 intermediate demand increased 17.5 percent, following a 2.6-percent rise in 2020.

Table D. Monthly percent changes in selected intermediate demand price indexes by production flow, seasonally adjusted

Month	Stage 4 intermediate demand			Stage 3 intermediate demand			Stage 2 intermediate demand			Stage 1 intermediate demand		
	Total	Goods inputs	Services inputs	Total	Goods inputs	Services inputs	Total	Goods inputs	Services inputs	Total	Goods inputs	Services inputs
2020												
Dec.	0.9	0.7	1.1	1.1	1.7	0.7	1.8	3.9	0.3	2.8	4.2	1.1
2021												
Jan.	1.4	1.5	1.3	1.8	1.9	1.5	2.6	4.9	0.9	1.7	2.3	1.2
Feb.	0.8	1.5	0.3	2.2	4.2	0.5	5.4	12.4	0.2	1.6	3.1	0.2
Mar.	1.4	2.1	0.8	2.4	4.5	0.6	-1.5	-3.9	0.6	2.2	3.7	0.9
Apr.	1.5	1.7	1.2	3.0	4.9	1.3	0.4	-0.5	1.2	1.7	1.9	1.7
May	1.2	2.2	0.5	2.2	3.6	0.9	3.0	6.4	0.2	2.7	4.0	1.3
June	1.3	1.5	1.1	1.6	1.7	1.4	2.1	3.1	1.3	1.5	1.6	1.5
July	0.9	0.9	1.0	0.9	1.4	0.5	2.2	4.2	0.5	1.4	2.1	0.8
Aug.(1)	0.7	0.9	0.5	1.1	1.9	0.3	0.7	0.9	0.5	0.8	1.1	0.5
Sept.(1)	0.4	0.7	0.1	1.1	1.2	1.0	2.1	3.5	0.9	0.1	0.6	-0.4
Oct.(1)	0.6	1.3	0.1	1.0	1.8	0.2	3.7	7.9	-0.1	1.1	2.5	-0.3
Nov.(1)	1.0	1.5	0.5	0.8	1.3	0.1	1.0	1.5	0.5	1.2	2.1	0.2
Dec.	0.6	0.4	0.7	0.4	0.0	0.8	-2.3	-5.8	1.3	0.1	-0.3	0.6

Footnotes

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The Producer Price Index for January 2022 is scheduled to be released on Tuesday, February 15, 2022 at 8:30 a.m. (ET).

Recalculated Seasonal Adjustment Factors and Relative Importance Figures to be Available on February 11, 2022

Each year with the release of PPI data for January, seasonal adjustment factors and relative importance figures are recalculated to reflect price movements from the just-completed calendar year. The following seasonal information will be available on February 11, 2022 (2 workdays prior to the release of PPI data for January 2022 on February 15, 2022):

- * Direct seasonal factors for PPI commodity indexes for the year 2022,
- * Recalculated seasonal factors for the last 5 years (2017-2021) for PPI commodity indexes,
- * Recalculated seasonal factors for the last 5 years (2017-2021) for PPI Final Demand-Intermediate Demand indexes,
- * Recalculated seasonal index data for the last 5 years (2017-2021) for Final Demand-Intermediate Demand and commodity indexes. This revision to seasonally adjusted indexes for the previous 5 years will be posted to the PPI database on the BLS website.

In addition, the following relative importance tables, which include values for December 2021, will be available on February 11, 2022:

- * Final demand by individual commodities
- * Final demand by component series
- * Individual commodities of intermediate demand by commodity type
- * Component series of intermediate demand by commodity type
- * Individual commodities of intermediate demand by production flow
- * Component series of intermediate demand by production flow
- * Commodities, all levels
- * Wherever-provided services and construction

This information will be available on the PPI website at www.bls.gov/ppi or by contacting the PPI Section of Index Analysis and Public Information at ppi-info@bls.gov or (202) 691-7705.

Coronavirus (COVID-19) Impact on December 2021 Producer Price Index Data

For each month from March 2020 to December 2021, BLS has published a summary of the impact of the pandemic on the Producer Price Index news release and data. The impact summary for December is available at www.bls.gov/covid19/producer-price-indexes-covid19-impacts-december-2021.htm. Beginning with publication of January 2022 data in February 2022, this month-specific impact summary will be discontinued. However, information related to the impact of the pandemic will continue to be available at www.bls.gov/covid19/effects-of-covid-19-pandemic-on-producer-price-index.htm.

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