

For Wire Transmission 10:00 a.m. ET November 9, 2004

CB04-207

**MONTHLY WHOLESALE TRADE: SALES AND INVENTORIES
SEPTEMBER 2004**

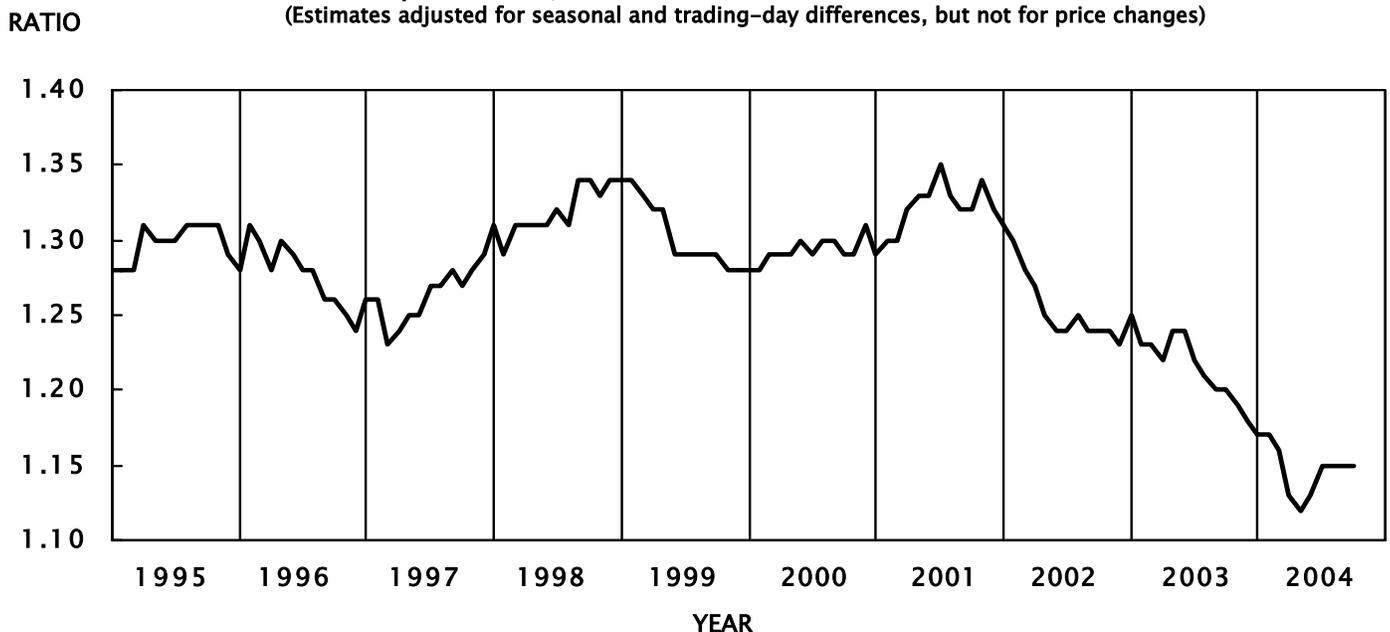
Sales. September 2004 sales of merchant wholesalers, after adjustment for seasonal variations and trading-day differences but not for price changes, were \$276.9 billion, up 0.6 percent (+/-0.7%) from the revised August level, and were up 14.5 percent (+/-1.3%) from the September 2003 level. The August preliminary estimate was revised downward \$0.6 billion or -0.2 percent. September sales of durable goods decreased 0.1 percent (+/-1.0%) from last month, but were up 16.7 percent (+/-1.8%) from a year ago. Compared to last month, sales of lumber and other construction materials were down 2.2 percent. September sales of nondurable goods increased 1.3 percent (+/-0.8%) from last month, and were up 12.5 percent (+/-1.7%) from last year. Sales of petroleum and petroleum products increased 4.7 percent from last month and sales of beer, wine, and distilled alcoholic beverages increased 4.2 percent.

Inventories. Total inventories of merchant wholesalers, after adjustment for seasonal variations but not for price changes, were \$319.3 billion at the end of September, up 0.5 percent (+/-0.5%) from last month, and were up 9.8 percent (+/-1.3%) from a year ago. The August preliminary estimate was revised upward \$0.5 billion or 0.1 percent. End-of-month inventories of durable goods increased 1.0 percent (+/-0.5%) from August, and were up 14.2 percent (+/-1.3%) from last year. Inventories of metals and minerals, except petroleum increased 2.6 percent from last month and inventories of lumber and other construction materials increased 2.0 percent. End-of-month inventories of nondurable goods decreased 0.3 percent (+/-0.7%) from August, but were up 3.3 percent (+/-2.3%) from last year. Inventories of farm products raw materials decreased 5.9 percent from last month and inventories of petroleum and petroleum products were down 2.7 percent.

Inventories/Sales Ratio. The September inventories/sales ratio for merchant wholesalers, based on seasonally adjusted data, was 1.15. The September 2003 ratio was 1.20.

Data in this report are based on a sample and, therefore, are subject to sampling and nonsampling error. A discussion of the reliability of the estimates and general survey methodology appears later in this report and in BW/03-A Current Business Reports.

Monthly Inventories/Sales Ratios of Merchant Wholesalers: 1995 to 2004
(Estimates adjusted for seasonal and trading-day differences, but not for price changes)



Monthly Wholesale Trade for October is scheduled to be released December 9, 2004 at 10:00 a.m.

Address inquiries concerning this report to Service Sector Statistics Division, U.S. Census Bureau, Washington, DC 20233, or call Nancy Piesto, (301) 763-2747.

This report is available on day of issue through the Department of Commerce's STAT-USA website; for information, call (202) 482-1986. The data are also available on the internet - <http://www.census.gov/whl>.

Table 1. Estimates of Monthly Sales, Inventories, and Inventories/Sales Ratios of Merchant Wholesalers

[Total sales and inventory estimates are shown in millions of dollars. Estimates are based on data from the Monthly Wholesale Trade Survey.]

NAICS ¹ code	Kind of Business	Sales						Inventories						Inventories/Sales Ratios		
		Monthly total			Percent change			Monthly total			Percent change			Ratios		
		Sep. 2004 (p)	Aug. 2004 (r)	Sep. 2003 (r)	Sep./ Aug.	Aug./ Jul.	Sep. 04/ Sep. 03	Sep. 2004 (p)	Aug. 2004 (r)	Sep. 2003 (r)	Sep./ Aug.	Aug./ Jul.	Sep. 04/ Sep. 03	Sep. 2004 (p)	Aug. 2004 (r)	Sep. 2003 (r)
Adjusted²																
42	U.S. Total	276,851	275,213	241,798	0.6	1.0	14.5	319,301	317,681	290,808	0.5	1.1	9.8	1.15	1.15	1.20
421	Durable	135,157	135,320	115,821	-0.1	0.7	16.7	197,059	195,082	172,520	1.0	1.9	14.2	1.46	1.44	1.49
4211	Automotive	20,086	19,932	18,528	0.8	1.2	8.4	28,201	28,383	24,568	-0.6	1.6	14.8	1.40	1.42	1.33
4212	Furniture	4,325	4,257	3,808	1.6	2.3	13.6	6,055	6,059	5,627	-0.1	0.9	7.6	1.40	1.42	1.48
4213	Lumber	10,104	10,329	7,924	-2.2	3.0	27.5	10,596	10,390	7,635	2.0	1.8	38.8	1.05	1.01	0.96
4214	Prof. equip.	22,459	22,527	21,136	-0.3	-2.5	6.3	25,634	25,581	24,158	0.2	1.9	6.1	1.14	1.14	1.14
42143	Comp. equip.	10,229	10,282	9,101	-0.5	-6.0	12.4	7,887	7,849	7,139	0.5	2.9	10.5	0.77	0.76	0.78
4215	Metals	11,685	11,737	7,575	-0.4	3.6	54.3	19,870	19,372	13,211	2.6	5.0	50.4	1.70	1.65	1.74
4216	Electrical	20,581	20,618	17,752	-0.2	0.9	15.9	23,938	23,853	22,063	0.4	0.4	8.5	1.16	1.16	1.24
4217	Hardware	6,140	6,092	5,606	0.8	0.7	9.5	11,251	11,083	10,178	1.5	2.0	10.5	1.83	1.82	1.82
4218	Machinery	23,292	23,294	19,649	0.0	0.6	18.5	47,372	47,182	44,615	0.4	1.4	6.2	2.03	2.03	2.27
4219	Misc. Durable	16,485	16,534	13,843	-0.3	0.7	19.1	24,142	23,179	20,465	4.2	2.4	18.0	1.46	1.40	1.48
422	Nondurable	141,694	139,893	125,977	1.3	1.3	12.5	122,242	122,599	118,288	-0.3	-0.2	3.3	0.86	0.88	0.94
4221	Paper	7,000	6,873	6,402	1.8	0.6	9.3	7,408	7,321	6,287	1.2	2.2	17.8	1.06	1.07	0.98
4222	Drugs	24,923	24,484	22,074	1.8	0.0	12.9	30,993	31,064	31,352	-0.2	0.4	-1.1	1.24	1.27	1.42
4223	Apparel	7,422	7,376	7,235	0.6	1.1	2.6	12,484	12,203	12,093	2.3	2.8	3.2	1.68	1.65	1.67
4224	Groceries	35,808	35,841	35,118	-0.1	2.2	2.0	22,738	22,771	22,279	-0.1	-0.7	2.1	0.63	0.64	0.63
4225	Farm products	10,639	10,634	10,037	0.0	-3.7	6.0	10,322	10,969	11,176	-5.9	-5.9	-7.6	0.97	1.03	1.11
4226	Chemicals	5,911	5,916	5,219	-0.1	3.0	13.3	6,147	6,045	5,901	1.7	1.3	4.2	1.04	1.02	1.13
4227	Petroleum	26,031	24,867	18,555	4.7	2.8	40.3	6,001	6,166	4,842	-2.7	0.6	23.9	0.23	0.25	0.26
4228	Alcohol	7,515	7,215	6,903	4.2	0.3	8.9	7,766	7,930	7,573	-2.1	0.8	2.5	1.03	1.10	1.10
4229	Misc. Nondur.	16,445	16,687	14,434	-1.5	2.4	13.9	18,383	18,130	16,785	1.4	-1.3	9.5	1.12	1.09	1.16
Not Adjusted																
Sales to date																
2004 2003																
42	U.S. Total	282,059	281,701	247,100	0.1	4.5	14.1	316,898	314,087	288,043	0.9	0.3	10.0	2,424,516	2,129,996	
421	Durable	140,327	139,437	120,840	0.6	4.0	16.1	197,019	196,023	172,355	0.5	0.9	14.3	1,188,152	1,009,661	
4211	Automotive	19,443	20,091	18,065	-3.2	3.3	7.6	27,496	27,021	23,978	1.8	-2.2	14.7	177,530	163,202	
4212	Furniture	4,554	4,568	4,067	-0.3	10.9	12.0	6,206	6,253	5,773	-0.8	1.0	7.5	36,967	33,320	
4213	Lumber	10,832	11,475	8,399	-5.6	8.8	29.0	10,501	10,390	7,566	1.1	0.1	38.8	89,301	64,561	
4214	Prof. equip.	24,750	22,144	23,059	11.8	-3.8	7.3	25,788	25,990	24,303	-0.8	1.6	6.1	202,831	186,800	
42143	Comp. equip.	11,692	10,046	10,230	16.4	-7.6	14.3	7,871	8,069	7,132	-2.5	2.1	10.4	93,611	80,936	
4215	Metals	11,989	12,547	7,795	-4.4	8.3	53.8	20,009	19,604	13,290	2.1	5.0	50.6	98,526	67,131	
4216	Electrical	21,610	21,113	18,853	2.4	3.9	14.6	24,225	24,282	22,350	-0.2	0.3	8.4	180,456	153,381	
4217	Hardware	6,269	6,451	5,836	-2.8	5.0	7.4	11,274	11,183	10,188	0.8	1.4	10.7	54,559	49,938	
4218	Machinery	23,851	24,249	20,494	-1.6	5.2	16.4	47,088	47,843	44,258	-1.6	0.2	6.4	203,970	171,550	
4219	Misc. Durable	17,029	16,799	14,272	1.4	6.0	19.3	24,432	23,457	20,649	4.2	2.5	18.3	144,012	119,778	
422	Nondurable	141,732	142,264	126,260	-0.4	5.0	12.3	119,879	118,064	115,688	1.5	-0.7	3.6	1,236,364	1,120,335	
4221	Paper	7,315	7,155	6,690	2.2	7.0	9.3	7,386	7,321	6,243	0.9	1.6	18.3	60,849	57,432	
4222	Drugs	25,446	24,141	22,758	5.4	2.1	11.8	30,745	29,790	31,101	3.2	-2.6	-1.1	213,054	190,860	
4223	Apparel	8,201	8,033	7,908	2.1	11.0	3.7	13,008	12,850	12,589	1.2	3.7	3.3	67,222	64,459	
4224	Groceries	35,915	36,880	35,083	-2.6	2.8	2.4	22,693	22,748	22,234	-0.2	0.4	2.1	319,370	312,467	
4225	Farm products	9,916	9,709	9,686	2.1	1.7	2.4	7,855	7,876	8,628	-0.3	-7.2	-9.0	100,548	85,507	
4226	Chemicals	5,976	6,099	5,287	-2.0	5.1	13.0	6,147	6,027	5,889	2.0	-0.7	4.4	51,732	47,554	
4227	Petroleum	25,120	25,439	17,887	-1.3	8.1	40.4	6,121	6,160	4,915	-0.6	3.5	24.5	213,359	169,698	
4228	Alcohol	7,447	7,554	6,772	-1.4	1.7	10.0	7,945	7,851	7,740	1.2	-1.8	2.6	63,985	61,029	
4229	Misc. Nondur.	16,396	17,254	14,189	-5.0	9.5	15.6	17,979	17,441	16,349	3.1	-0.5	10.0	146,245	131,329	

p Preliminary estimate. r Revised estimate.

¹ For a full description of the NAICS codes used in this table, see the 1997 NAICS manual or <http://www.census.gov/epcd/www/naics.html>.² Estimates are adjusted for seasonal variation and, in the case of sales, also for trading-day differences. See Table 3 for the seasonal adjustment factors used. Cumulative seasonally adjusted sales estimates are not tabulated.Note: Estimates have not been adjusted for price changes. Table 2 provides estimated measures of sampling variability. Additional information on confidentiality protection, sampling error, nonsampling error, sample design, and definitions may be found at <http://www.census.gov/svsd/www/mwtsreliability.html>.

Table 2. Estimated Measures of Sampling Variability of Monthly Wholesale Sales and Inventory Estimates

[Estimates are shown as percents and are based on data from the Monthly Wholesale Trade Survey.]

NAICS code	Kind of Business	Median coefficient of variation for monthly total				Median standard error for percent change				Coefficient of variation for total		Standard error for percent change
		Preliminary estimates		Final estimates		Ratio of two consecutive months		Current month to current month last year		Sales to date		Current year sales to date
		Sales	Inv.	Sales	Inv.	Sales	Inv.	Sales	Inv.	Current year	Previous year	to previous year sales to date
42	U.S. Total	1.3	1.6	1.2	1.6	0.4	0.3	0.8	0.8	1.1	1.0	0.6
421	Durable	1.2	1.6	1.2	1.6	0.6	0.3	1.1	0.8	1.1	1.1	1.1
4211	Automotive	3.3	4.0	3.3	4.0	1.1	0.7	1.2	1.5	3.4	3.2	0.8
4212	Furniture	7.5	9.5	7.4	9.4	1.9	1.0	2.6	2.8	7.4	6.3	2.0
4213	Lumber	6.3	7.1	5.9	6.9	1.3	1.0	4.6	4.8	7.5	4.2	4.9
4214	Prof. equip.	4.8	6.3	4.9	6.3	1.4	0.9	3.1	2.2	4.2	5.0	3.2
42143	Comp. equip.	8.3	10.0	8.3	9.3	2.3	1.5	4.8	3.1	8.5	8.1	4.7
4215	Metals	7.3	10.4	7.7	10.4	1.9	0.8	4.9	2.5	7.2	6.7	4.3
4216	Electrical	3.6	4.9	3.6	4.8	1.1	0.7	2.1	1.7	3.6	3.4	1.5
4217	Hardware	7.8	9.9	7.9	10.2	1.2	0.6	1.4	1.9	7.5	7.9	0.8
4218	Machinery	4.2	3.6	4.2	3.6	1.6	0.6	2.2	1.0	4.0	3.8	1.2
4219	Misc. Durable	4.0	7.8	4.0	7.7	1.4	1.0	2.8	2.4	3.9	4.1	2.1
422	Nondurable	1.9	2.5	1.9	2.4	0.5	0.4	1.0	1.4	1.8	1.7	0.7
4221	Paper	4.9	4.0	4.8	3.8	1.2	0.6	1.3	1.6	4.8	4.3	0.9
4222	Drugs	5.2	5.4	5.4	5.4	1.1	0.4	1.4	1.7	5.1	5.2	0.8
4223	Apparel	5.1	4.9	5.2	4.9	1.9	0.8	2.4	3.2	5.1	4.7	1.8
4224	Groceries	3.4	8.2	3.4	8.2	0.9	0.9	1.2	1.3	3.2	3.3	0.9
4225	Farm products	8.1	9.1	7.7	9.1	2.1	2.1	3.3	3.5	7.8	7.3	2.3
4226	Chemicals	4.8	6.9	4.8	6.9	1.1	1.0	1.8	2.2	4.7	4.1	1.2
4227	Petroleum	7.4	9.7	7.3	9.6	1.1	1.5	2.3	2.7	8.0	7.1	2.0
4228	Alcohol	4.5	5.2	4.4	5.2	1.0	0.7	1.0	1.2	4.4	4.2	0.6
4229	Misc. Nondur.	8.6	9.0	8.6	9.0	1.8	0.8	4.5	4.1	8.4	6.5	4.0

Note: Estimated measures of sampling variability are based on estimates unadjusted for seasonal variation or trading-day differences.

Medians are based on estimates for the most recent 12 months. Additional information on confidentiality protection, sampling error, nonsampling error, sample design, and definitions may be found at www.census.gov/svsd/www/mwtsreliability.html.

Reliability of the Estimates

Because the estimates presented in this report are based on a sample survey, they may contain sampling error and nonsampling error.

Sampling error is the difference between the estimate and the result that would be obtained from a complete enumeration of the population conducted under the same survey conditions. This error occurs because only a subset of the entire population is measured in a sample survey. Standard errors and coefficients of variation, as given in Table 2 of this report, are estimated measures of sampling variation.

The margin of sampling error, as used on page 1, gives a range about the estimate which is a 90-percent confidence interval. If, for example, the percent change estimate is +1.2 percent and its estimated standard error is 0.9 percent, then the margin of sampling error is $\pm 1.645 \times 0.9$ percent or ± 1.5 percent, and the 90 percent confidence interval is -0.3 percent to +2.7 percent. If the interval contains 0, then one does not have sufficient evidence to conclude at the 90 percent confidence level that the estimated change was different from zero. For monthly totals, the median estimated coefficient of variation (CV) is given. The resulting confidence interval is the estimated value $\pm 1.645 \times CV \times$ (the estimated value). The Census Bureau recommends that individuals using estimates in this report incorporate this information into their analyses, as sampling error could affect the conclusions drawn from the estimates.

Nonsampling error encompasses all other factors that contribute to the total error of a sample survey estimate. This type of error can occur because of nonresponse, insufficient coverage of the universe of wholesale businesses, mistakes in the recording and coding of data, model error, and other errors of collection, response, coverage, or processing. Although not directly measured, precautionary steps are taken to minimize the effects of nonsampling error.

Table 3. Seasonal Adjustment Factors for Monthly Wholesale Sales and Inventory Estimates

[Seasonal adjustment factors are computed using the Census Bureau's X-12 ARIMA program and are based on data from the Monthly Wholesale Trade Survey.]

NAICS code	Kind of Business	Sales						Inventories					
		2004					2003	2004					2003
		Oct.	Sep.r	Aug.r	Jul.	Jun.	Sep.r	Oct.	Sep.r	Aug.r	Jul.	Jun.	Sep.r
42	U.S. Total ¹	1.007	1.021	1.022	0.989	1.045	1.024	1.010	0.991	0.987	0.995	0.990	0.991
421	Durable	1.013	1.042	1.031	0.994	1.065	1.044	0.999	0.999	1.003	1.013	1.005	0.998
4211	Automotive	1.001	0.968	1.008	0.987	1.067	0.975	1.006	0.975	0.952	0.989	0.991	0.976
4212	Furniture	1.038	1.053	1.073	0.990	1.033	1.068	1.009	1.025	1.032	1.031	1.008	1.026
4213	Lumber	1.030	1.072	1.111	1.052	1.110	1.060	0.962	0.991	1.000	1.017	1.030	0.991
4214	Prof. equip.	0.973	1.102	0.983	0.997	1.087	1.091	1.014	1.006	1.016	1.019	0.997	1.006
42143	Comp. equip.	0.977	1.143	0.977	0.994	1.111	1.124	1.013	0.998	1.028	1.036	1.006	0.999
4215	Metals	1.000	1.026	1.069	1.023	1.084	1.029	0.988	1.007	1.012	1.012	1.008	1.006
4216	Electrical	1.049	1.050	1.024	0.994	1.053	1.062	1.002	1.012	1.018	1.019	1.007	1.013
4217	Hardware	1.026	1.021	1.059	1.015	1.107	1.041	0.985	1.002	1.009	1.015	1.015	1.001
4218	Machinery	0.974	1.024	1.041	0.996	1.080	1.043	0.983	0.994	1.014	1.027	1.023	0.992
4219	Misc. Durable	1.052	1.033	1.016	0.965	1.018	1.031	1.026	1.012	1.012	1.011	0.995	1.009
422	Nondurable	1.007	1.003	1.013	0.983	1.023	1.004	1.028	0.982	0.964	0.971	0.964	0.982
4221	Paper	1.020	1.045	1.041	0.978	1.051	1.045	1.005	0.997	1.000	1.006	1.002	0.993
4222	Drugs	0.996	1.021	0.986	0.966	1.024	1.031	1.016	0.992	0.959	0.989	0.986	0.992
4223	Apparel	1.068	1.105	1.089	0.992	1.015	1.093	1.001	1.042	1.053	1.044	1.021	1.041
4224	Groceries	0.993	1.003	1.029	1.023	1.023	0.999	1.027	0.998	0.999	0.988	0.988	0.998
4225	Farm products	1.066	0.932	0.913	0.864	0.941	0.965	1.104	0.761	0.718	0.728	0.778	0.772
4226	Chemicals	0.989	1.011	1.031	1.010	1.071	1.013	0.991	1.000	0.997	1.017	1.005	0.998
4227	Petroleum	0.994	0.965	1.023	0.973	1.019	0.964	0.985	1.020	0.999	0.971	0.961	1.015
4228	Alcohol	0.992	0.991	1.047	1.032	1.104	0.981	1.064	1.023	0.990	1.016	1.015	1.022
4229	Misc. Nondur.	0.940	0.997	1.034	0.967	1.029	0.983	1.017	0.978	0.962	0.955	0.938	0.974

r Revised.

¹Adjusted sales and inventory estimates for detailed kind-of-business levels in Table 1 are computed by dividing each unadjusted estimate by the seasonal adjustment factor for the corresponding kind of business and month. Adjusted estimates for broad kind-of-business levels are obtained by summing adjusted estimates at the appropriate detailed levels. Seasonal factors shown for broad kind-of-business levels may be used to approximate adjusted estimates at these levels, but the resulting estimates may differ slightly from the published estimates.

Note: The seasonal adjustment factors shown are estimates derived from a model that uses sample survey data as input. Therefore, these estimates may contain sampling error and nonsampling error. Additional information on the general form of the model and the X-12 ARIMA program may be found at <http://www.census.gov/srd/www/x12a/>.

Description of the Survey

The U.S. Census Bureau conducts the Monthly Wholesale Trade Survey (MWTS) to provide national estimates of monthly sales, end-of-month inventories, and inventory-to-sales ratios by kind of business for wholesale firms located in the United States. Specifically, the MWTS covers wholesale merchants (those that take title to the goods they sell) such as distributors, jobbers, and import/export merchants as defined by the 1997 North American Industry Classification System (NAICS).

The MWTS sample was selected using a stratified, one-stage design with strata defined by kind of business (e.g., Automotive, Furniture, Lumber, etc.) and annual sales size. The sample includes firms of all sizes and is updated on a quarterly basis to account for new wholesale firms, deaths, and other changes to the wholesale universe. Each month, questionnaires are mailed to a probability sample of approximately 4,000 employer firms. Data for nonresponding firms are imputed based on data for similar-sized firms classified in the same kind of business. Approximately 28% of the total sales estimate and 31% of the total end-of-month inventory estimate is based on imputed data. Monthly sales and inventory estimates are obtained by summing weighted data (either reported or imputed). The monthly estimates are benchmarked to annual survey estimates and are adjusted for seasonal variation and trading-day differences. Individuals who use estimates in this report to create new estimates should cite the Census Bureau as the source of only the original estimates. Additional information on the MWTS can be found on the Census Bureau website at:

<http://www.census.gov/econ/www/retmenu.html#WHOL>.