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MONTHLY WHOLESALE TRADE: SALES AND INVENTORIES June 2006

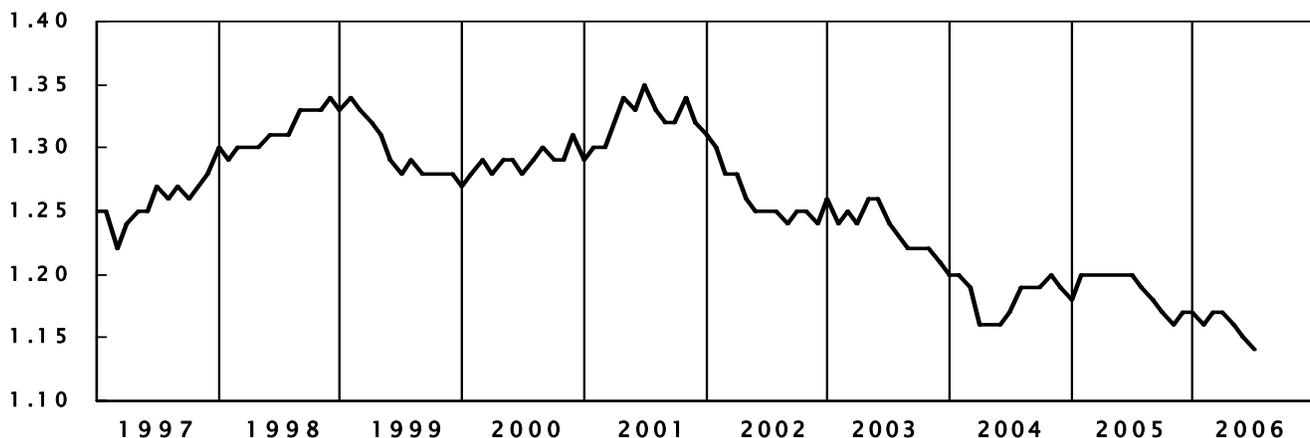
Sales. The U.S. Census Bureau announced today that June 2006 sales of merchant wholesalers, except manufacturers' sales branches and offices, after adjustment for seasonal variations and trading-day differences but not for price changes, were \$331.1 billion, up 1.4 percent (+/-0.5%) from the revised May level and were up 13.5 percent (+/-1.0%) from the June 2005 level. The May preliminary estimate was revised upward \$0.9 billion or 0.3 percent. June sales of durable goods increased 0.2 percent (+/-0.8%)* from last month and were up 10.8 percent (+/-1.2%) from a year ago. Sales of metals and minerals, except petroleum, increased 2.6 percent from last month, while sales of hardware, and plumbing and heating equipment and supplies decreased 2.0 percent. June sales of nondurable goods increased 2.6 percent (+/-0.8%) from last month and were up 16.1 percent (+/-1.5%) from last year. Sales of apparel, piece goods, and notions grew 6.7 percent from last month and sales of petroleum and petroleum products increased 6.1 percent.

Inventories. Total inventories of merchant wholesalers, except manufacturers' sales branches and offices, after adjustment for seasonal variations but not for price changes, were \$378.9 billion at the end of June, up 0.8 percent (+/-0.3%) from last month and were up 8.1 percent (+/-1.0%) from a year ago. The May preliminary estimate was revised upward \$0.2 billion or 0.1 percent. End-of-month inventories of durable goods increased 0.5 percent (+/-0.5%)* from May and were up 8.4 percent (+/-1.3%) from last June. Inventories of metals and minerals, except petroleum, were up 2.8 percent and inventories of lumber and other construction materials increased 2.3 percent from last month. End-of-month inventories of nondurable goods increased 1.1 percent (+/-0.5%) from May and were up 7.4 percent (+/-1.2%) compared to last June. Inventories of drugs and druggists' sundries grew 3.0 percent from last month and inventories of grocery and related products increased 2.6 percent.

Inventories/Sales Ratio. The June inventories/sales ratio for merchant wholesalers, except manufacturers' sales branches and offices, based on seasonally adjusted data, was 1.14. The June 2005 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 in BW/05-A Current Business Reports.

Monthly Inventories/Sales Ratios of Merchant Wholesalers, Except Manufacturers' Sales Branches and Offices: 1997 to 2006 (Estimates adjusted for seasonal and trading-day differences, but not for price changes)



Monthly Wholesale Trade for July is scheduled to be released September 7, 2006 at 10:00 a.m. EDT.

For information, visit the Census Bureau's Web site at <<http://www.census.gov/whl>>. This report is also available the day of issue through the Department of Commerce's STAT-USA (202-482-1986).

* The 90 percent confidence interval includes zero. The Census Bureau does not have sufficient statistical evidence to conclude that the actual change is different from zero.

Table 1. Estimates of Monthly Sales, Inventories, and Inventories/Sales Ratios of Merchant Wholesalers, Except Manufacturers' Sales Branches and Offices

[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			Percent change			Monthly			Percent change			Ratios		
		Jun. 2006 (p)	May 2006 (r)	Jun. 2005 (r)	Jun./ May	May/ Apr.	Jun. 06/ Jun. 05	Jun. 2006 (p)	May 2006 (r)	Jun. 2005 (r)	Jun./ May	May/ Apr.	Jun. 06/ Jun. 05	Jun. 2006 (p)	May 2006 (r)	Jun. 2005 (r)
Adjusted²																
42	U.S. Total	331,052	326,407	291,648	1.4	1.9	13.5	378,890	376,048	350,654	0.8	0.9	8.1	1.14	1.15	1.20
423	Durable	160,675	160,335	144,956	0.2	2.6	10.8	239,506	238,196	220,929	0.5	0.8	8.4	1.49	1.49	1.52
4231	Automotive	26,625	26,879	24,124	-0.9	2.8	10.4	36,844	37,072	34,579	-0.6	-1.8	6.6	1.38	1.38	1.43
4232	Furniture	5,524	5,548	5,138	-0.4	0.8	7.5	8,057	7,997	7,485	0.8	3.0	7.6	1.46	1.44	1.46
4233	Lumber	11,713	11,677	10,861	0.3	-0.1	7.8	16,460	16,096	14,499	2.3	0.7	13.5	1.41	1.38	1.33
4234	Prof. equip.	26,791	26,590	25,164	0.8	0.3	6.5	30,128	30,530	28,854	-1.3	2.0	4.4	1.12	1.15	1.15
42343	Comp. equip.	13,598	13,276	12,944	2.4	-0.7	5.1	10,446	10,709	10,373	-2.5	2.1	0.7	0.77	0.81	0.80
4235	Metals	12,991	12,660	10,849	2.6	5.2	19.7	21,070	20,499	19,705	2.8	3.1	6.9	1.62	1.62	1.82
4236	Electrical	23,631	23,635	21,894	0.0	3.8	7.9	29,368	29,445	27,601	-0.3	0.9	6.4	1.24	1.25	1.26
4237	Hardware	7,785	7,944	6,915	-2.0	2.7	12.6	14,472	14,275	12,649	1.4	0.7	14.4	1.86	1.80	1.83
4238	Machinery	26,763	26,472	24,427	1.1	-0.2	9.6	61,331	60,492	54,006	1.4	1.5	13.6	2.29	2.29	2.21
4239	Misc. Durable	18,852	18,930	15,584	-0.4	9.3	21.0	21,776	21,790	21,551	-0.1	-0.7	1.0	1.16	1.15	1.38
424	Nondurable	170,377	166,072	146,692	2.6	1.2	16.1	139,384	137,852	129,725	1.1	1.0	7.4	0.82	0.83	0.88
4241	Paper	8,153	8,125	7,221	0.3	2.8	12.9	7,411	7,422	7,279	-0.1	-0.6	1.8	0.91	0.91	1.01
4242	Drugs	31,268	31,093	27,218	0.6	2.7	14.9	30,845	29,952	29,219	3.0	1.0	5.6	0.99	0.96	1.07
4243	Apparel	10,798	10,120	9,714	6.7	0.0	11.2	15,359	15,294	15,725	0.4	-0.6	-2.3	1.42	1.51	1.62
4244	Groceries	36,950	36,365	35,397	1.6	-1.2	4.4	25,234	24,596	23,051	2.6	0.3	9.5	0.68	0.68	0.65
4245	Farm products	10,159	10,131	8,876	0.3	1.2	14.5	12,115	11,861	11,308	2.1	2.9	7.1	1.19	1.17	1.27
4246	Chemicals	7,725	7,697	7,252	0.4	2.1	6.5	8,709	8,572	8,073	1.6	0.1	7.9	1.13	1.11	1.11
4247	Petroleum	38,193	35,991	26,429	6.1	2.7	44.5	10,883	10,891	8,015	-0.1	6.8	35.8	0.28	0.30	0.30
4248	Alcohol	8,426	8,177	8,019	3.0	0.3	5.1	9,359	9,491	8,632	-1.4	1.2	8.4	1.11	1.16	1.08
4249	Misc. Nondur.	18,705	18,373	16,566	1.8	0.8	12.9	19,469	19,773	18,423	-1.5	0.0	5.7	1.04	1.08	1.11
Not Adjusted																
Sales to date																
2006																
2005																
42	U.S. Total	344,579	339,086	303,694	1.6	9.7	13.5	377,490	372,495	349,037	1.3	-0.2	8.2	1,912,252	1,718,480	
423	Durable	170,955	165,831	153,941	3.1	11.1	11.1	240,958	239,027	222,087	0.8	0.4	8.5	939,225	855,657	
4231	Automotive	28,063	27,927	25,330	0.5	8.7	10.8	36,697	37,072	34,406	-1.0	-3.4	6.7	158,867	141,584	
4232	Furniture	5,795	5,676	5,344	2.1	9.8	8.4	8,105	7,973	7,530	1.7	5.1	7.6	32,413	29,153	
4233	Lumber	12,709	12,553	11,838	1.2	9.8	7.4	16,987	16,708	14,963	1.7	0.4	13.5	71,225	64,680	
4234	Prof. equip.	28,961	26,191	27,555	10.6	10.4	5.1	29,917	30,011	28,652	-0.3	1.2	4.4	155,766	146,081	
42343	Comp. equip.	15,012	12,864	14,497	16.7	8.1	3.6	10,342	10,473	10,321	-1.3	-0.2	0.2	78,515	76,856	
4235	Metals	13,991	13,445	11,554	4.1	13.1	21.1	21,196	20,683	19,784	2.5	3.4	7.1	74,640	67,306	
4236	Electrical	24,836	24,131	22,923	2.9	13.3	8.3	29,603	29,651	27,794	-0.2	1.7	6.5	136,505	128,175	
4237	Hardware	8,540	8,460	7,530	0.9	13.2	13.4	14,602	14,446	12,763	1.1	0.7	14.4	45,834	40,663	
4238	Machinery	29,038	28,272	26,112	2.7	8.4	11.2	62,619	60,976	55,140	2.7	1.0	13.6	159,651	141,965	
4239	Misc. Durable	19,022	19,176	15,755	-0.8	15.8	20.7	21,232	21,507	21,055	-1.3	-1.7	0.8	104,324	96,050	
424	Nondurable	173,624	173,255	149,753	0.2	8.4	15.9	136,532	133,468	126,950	2.3	-1.1	7.5	973,027	862,823	
4241	Paper	8,422	8,344	7,459	0.9	14.5	12.9	7,404	7,429	7,272	-0.3	0.2	1.8	47,334	42,529	
4242	Drugs	31,893	31,995	27,735	-0.3	12.5	15.0	30,907	28,874	29,161	7.0	-2.3	6.0	181,555	158,260	
4243	Apparel	10,938	9,624	9,908	13.7	5.2	10.4	15,589	14,805	15,977	5.3	1.0	-2.4	60,229	55,657	
4244	Groceries	37,800	38,620	36,353	-2.1	8.3	4.0	24,805	24,055	22,682	3.1	-0.8	9.4	218,163	208,278	
4245	Farm products	9,428	10,151	8,193	-7.1	7.1	15.1	10,649	10,971	9,827	-2.9	-8.0	8.4	58,147	53,645	
4246	Chemicals	8,212	8,043	7,702	2.1	11.1	6.6	8,779	8,641	8,130	1.6	0.2	8.0	46,043	42,958	
4247	Petroleum	38,384	36,963	26,218	3.8	5.1	46.4	10,469	10,074	7,726	3.9	8.9	35.5	203,822	153,853	
4248	Alcohol	9,505	9,011	8,989	5.5	20.5	5.7	9,434	9,538	8,710	-1.1	0.3	8.3	47,030	44,654	
4249	Misc. Nondur.	19,042	20,504	17,196	-7.1	3.0	10.7	18,496	19,081	17,465	-3.1	-3.8	5.9	110,704	102,989	

^p Preliminary estimate. ^r Revised estimate.

¹ For a full description of the NAICS codes used in this table, see the 2002 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/mwts/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	1.5	1.6	1.5	1.6	0.3	0.2	0.6	0.6	1.5	1.4	0.5
423	Durable	1.4	1.9	1.4	1.9	0.5	0.3	0.7	0.8	1.4	1.4	0.4
4231	Automotive	3.3	4.4	3.3	4.5	1.0	0.8	1.6	1.8	3.2	3.2	1.4
4232	Furniture	7.3	9.8	7.3	9.8	1.7	0.6	2.4	1.4	7.1	7.1	2.0
4233	Lumber	5.8	7.2	5.8	7.2	1.3	0.8	1.8	2.0	5.7	5.8	1.1
4234	Prof. equip.	4.2	6.4	4.2	6.4	1.2	0.5	2.5	2.3	4.2	4.6	1.6
42343	Comp. equip.	8.9	10.4	9.0	10.4	1.8	1.0	4.0	3.5	8.9	9.9	1.9
4235	Metals	6.6	11.4	6.6	11.4	1.5	0.7	2.5	2.1	6.5	6.7	1.5
4236	Electrical	4.3	7.2	4.3	7.3	1.2	0.7	1.7	1.5	4.3	4.8	1.2
4237	Hardware	7.0	8.7	7.0	8.7	1.1	0.5	1.8	2.3	7.0	6.7	1.2
4238	Machinery	5.1	4.4	5.1	4.3	1.5	0.5	1.8	1.2	5.1	4.7	0.9
4239	Misc. Durable	4.5	7.8	4.5	7.8	1.7	0.6	2.7	1.8	4.6	4.3	2.3
424	Nondurable	2.6	2.4	2.6	2.4	0.5	0.3	0.9	0.7	2.7	2.3	0.8
4241	Paper	6.6	6.0	6.5	6.0	1.2	0.6	1.7	1.5	6.5	5.4	1.2
4242	Drugs	6.1	5.7	6.0	5.7	0.9	0.5	1.5	0.8	6.1	5.4	1.2
4243	Apparel	7.1	5.3	6.8	5.2	1.5	0.7	2.7	1.7	7.0	5.6	2.1
4244	Groceries	4.2	7.3	4.2	7.3	0.8	0.8	1.3	1.7	4.4	4.4	0.8
4245	Farm products	7.1	8.9	7.0	9.0	2.0	1.7	2.3	3.0	6.9	6.9	1.5
4246	Chemicals	5.0	5.6	5.0	5.7	1.0	0.5	2.0	1.5	5.2	5.1	1.3
4247	Petroleum	10.2	11.6	10.1	11.7	0.8	1.3	1.8	2.7	9.9	9.9	1.5
4248	Alcohol	5.8	5.6	5.8	5.6	1.1	0.6	1.9	1.2	6.0	5.5	1.3
4249	Misc. Nondur.	8.0	9.3	8.0	9.3	1.8	0.9	2.4	1.9	9.0	9.6	2.0

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 <http://www.census.gov/mwts/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 sampling frame conducted under the same survey conditions. This error occurs because only a subset of the entire sampling frame is measured in a sample survey. Standard errors and coefficients of variation (CV), 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 statistical evidence to conclude at the 90 percent confidence level that the change is different from zero and therefore the change is not statistically significant. Estimated changes shown in the text are statistically significant unless otherwise noted. For a monthly total, 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 nonsampling error is not measured directly, the Census Bureau employs quality control procedures throughout the process to minimize this type of 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					
		2006					2005	2006					2005
		Jul.	Jun.r	May r	Apr.	Mar.	Jun.r	Jul.	Jun.r	May r	Apr.	Mar.	Jun.r
42	U.S. Total ¹	0.958	1.042	1.039	0.962	1.072	1.041	0.999	0.994	0.989	1.003	1.005	0.994
423	Durable	0.955	1.064	1.034	0.955	1.086	1.060	1.012	1.004	1.003	1.009	1.001	1.004
4231	Automotive	0.956	1.054	1.039	0.982	1.107	1.050	1.003	0.996	1.000	1.017	1.014	0.995
4232	Furniture	0.962	1.049	1.023	0.939	1.054	1.040	1.023	1.006	0.997	0.977	0.978	1.006
4233	Lumber	1.003	1.085	1.075	0.978	1.066	1.090	1.016	1.032	1.038	1.042	1.037	1.032
4234	Prof. equip.	0.952	1.081	0.985	0.895	1.106	1.095	1.012	0.993	0.983	0.991	0.975	0.993
42343	Comp. equip.	0.952	1.104	0.969	0.890	1.102	1.120	1.015	0.990	0.978	1.000	0.980	0.995
4235	Metals	0.963	1.077	1.062	0.988	1.085	1.065	1.014	1.006	1.009	1.006	1.005	1.004
4236	Electrical	0.963	1.051	1.021	0.935	1.072	1.047	1.022	1.008	1.007	0.999	0.983	1.007
4237	Hardware	0.971	1.097	1.065	0.966	1.045	1.089	1.004	1.009	1.012	1.012	1.017	1.009
4238	Machinery	0.959	1.085	1.068	0.983	1.093	1.069	1.022	1.021	1.008	1.013	1.010	1.021
4239	Misc. Durable	0.907	1.009	1.013	0.956	1.102	1.011	0.995	0.975	0.987	0.997	0.986	0.977
424	Nondurable	0.960	1.019	1.042	0.972	1.063	1.019	0.978	0.978	0.967	0.990	1.013	0.976
4241	Paper	0.942	1.033	1.027	0.922	1.073	1.033	0.993	0.999	1.001	0.993	0.978	0.999
4242	Drugs	0.928	1.020	1.029	0.939	1.083	1.019	0.993	1.002	0.964	0.997	1.021	0.998
4243	Apparel	0.980	1.013	0.951	0.904	1.115	1.020	1.040	1.015	0.968	0.952	0.953	1.016
4244	Groceries	0.999	1.023	1.062	0.969	1.044	1.027	0.981	0.983	0.978	0.989	0.995	0.984
4245	Farm products	0.837	0.928	1.002	0.947	1.059	0.923	0.834	0.879	0.925	1.035	1.159	0.869
4246	Chemicals	0.962	1.063	1.045	0.960	1.086	1.062	1.008	1.008	1.008	1.007	1.004	1.007
4247	Petroleum	0.980	1.005	1.027	1.003	1.053	0.992	0.989	0.962	0.925	0.907	1.002	0.964
4248	Alcohol	0.969	1.128	1.102	0.917	1.012	1.121	1.011	1.008	1.005	1.014	0.985	1.009
4249	Misc. Nondur.	0.970	1.018	1.116	1.092	1.065	1.038	0.941	0.950	0.965	1.003	1.025	0.948

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 who sell goods on their own account and include such businesses as wholesale merchants or jobbers, industrial distributors, exporters, and importers. Sales offices and branches maintained by manufacturing, refining, or mining firms for the purpose of marketing their products are not covered in this report. Also excluded is NAICS Industry Group 4251: Wholesale Electronic Markets and Agents and Brokers.

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 31% of the total sales estimate and 33% 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>.