

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

CB04-133

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

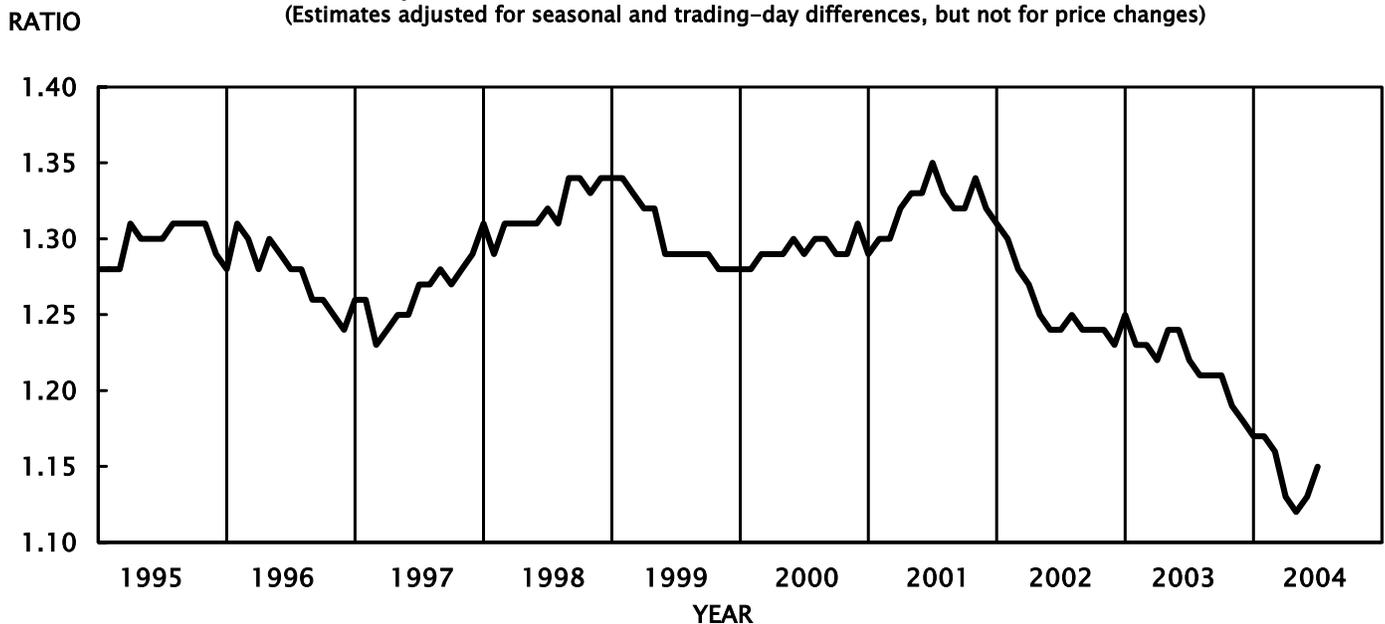
Sales. June 2004 sales of merchant wholesalers, after adjustment for seasonal variations and trading-day differences but not for price changes, were \$269.7 billion, virtually unchanged (+/-0.7%) from the revised May level, but were up 14.0 percent (+/-1.2%) from the June 2003 level. The May preliminary estimate was revised downward \$0.6 billion or 0.2 percent. June sales of durable goods increased 0.5 percent (+/-1.0%) from last month, and were up 18.1 percent (+/-1.3%) from a year ago. June sales of nondurable goods decreased 0.6 percent (+/-0.8%) from last month, but were up 10.3 percent (+/-1.7%) from last year. Compared to last month, sales of chemicals and allied products were up 3.1 percent, while sales of farm products raw materials decreased 4.8 percent.

Inventories. Total inventories of merchant wholesalers, after adjustment for seasonal variations but not for price changes, were \$309.5 billion at the end of June, up 1.1 percent (+/-0.3%) from last month, and were up 7.1 percent (+/-1.5%) from a year ago. The May preliminary estimate was revised upward \$0.7 billion or 0.2 percent. End-of-month inventories of durable goods increased 1.4 percent (+/-0.5%) from May, and were up 8.6 percent (+/-1.2%) from last year. Inventories of computer and computer peripheral equipment and supplies increased 5.0 percent from last month and inventories of metals and minerals, except petroleum increased 2.7 percent. End-of-month inventories of nondurable goods increased 0.6 percent (+/-0.7%) from May, and were up 5.0 percent (+/-3.0%) from last year. Inventories of paper and paper products increased 4.8 percent from last month and petroleum and petroleum products were up 4.2 percent.

Inventories/Sales Ratio. The June inventories/sales ratio for merchant wholesalers, based on seasonally adjusted data, was 1.15. The June 2003 ratio was 1.22.

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/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 July is scheduled to be released September 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		
		Monthly total			Percent change			Monthly total			Percent change			Ratios		
		Jun. 2004 (p)	May 2004 (r)	Jun. 2003 (r)	Jun./ May	May/ Apr.	Jun. 04/ Jun. 03	Jun. 2004 (p)	May 2004 (r)	Jun. 2003 (r)	Jun./ May	May/ Apr.	Jun. 04/ Jun. 03	Jun. 2004 (p)	May 2004 (r)	Jun. 2003 (r)
Adjusted²																
42	U.S. Total	269,728	269,823	236,636	0.0	0.3	14.0	309,463	306,229	288,886	1.1	1.4	7.1	1.15	1.13	1.22
421	Durable	133,014	132,303	112,634	0.5	0.0	18.1	188,221	185,675	173,386	1.4	1.9	8.6	1.42	1.40	1.54
4211	Automotive	20,185	19,986	18,464	1.0	-0.4	9.3	27,281	27,071	25,558	0.8	1.2	6.7	1.35	1.35	1.38
4212	Furniture	4,075	4,165	3,738	-2.2	2.9	9.0	5,957	5,891	5,638	1.1	-0.4	5.7	1.46	1.41	1.51
4213	Lumber	9,844	9,897	7,009	-0.5	1.1	40.4	9,987	9,973	7,515	0.1	6.4	32.9	1.01	1.01	1.07
4214	Prof. equip.	22,742	22,374	20,776	1.6	0.6	9.5	24,993	24,597	23,831	1.6	1.9	4.9	1.10	1.10	1.15
42143	Comp. equip.	10,489	10,333	8,989	1.5	-0.2	16.7	7,695	7,329	7,301	5.0	1.2	5.4	0.73	0.71	0.81
4215	Metals	10,803	10,647	7,282	1.5	-2.5	48.4	17,659	17,203	13,272	2.7	5.2	33.1	1.63	1.62	1.82
4216	Electrical	20,792	21,009	17,293	-1.0	3.9	20.2	23,646	23,526	22,039	0.5	1.4	7.3	1.14	1.12	1.27
4217	Hardware	6,042	5,940	5,450	1.7	0.3	10.9	10,658	10,584	10,320	0.7	2.1	3.3	1.76	1.78	1.89
4218	Machinery	22,326	22,098	19,057	1.0	-1.1	17.2	46,169	45,068	45,223	2.4	1.1	2.1	2.07	2.04	2.37
4219	Misc. Durable	16,205	16,187	13,565	0.1	-3.0	19.5	21,871	21,762	19,990	0.5	0.9	9.4	1.35	1.34	1.47
422	Nondurable	136,714	137,520	124,002	-0.6	0.5	10.3	121,242	120,554	115,500	0.6	0.7	5.0	0.89	0.88	0.93
4221	Paper	6,834	6,807	6,386	0.4	1.2	7.0	6,857	6,544	6,307	4.8	0.3	8.7	1.00	0.96	0.99
4222	Drugs	23,847	23,893	21,674	-0.2	1.0	10.0	30,708	30,521	30,913	0.6	1.5	-0.7	1.29	1.28	1.43
4223	Apparel	7,423	7,469	7,048	-0.6	1.5	5.3	11,615	11,905	12,520	-2.4	-0.2	-7.2	1.56	1.59	1.78
4224	Groceries	35,226	35,111	34,980	0.3	-0.8	0.7	22,817	22,796	21,405	0.1	0.9	6.6	0.65	0.65	0.61
4225	Farm products	11,374	11,950	10,335	-4.8	-5.4	10.1	12,649	13,091	10,483	-3.4	-3.8	20.7	1.11	1.10	1.01
4226	Chemicals	5,638	5,468	5,195	3.1	-0.8	8.5	5,885	5,850	5,985	0.6	0.3	-1.7	1.04	1.07	1.15
4227	Petroleum	23,268	23,580	17,378	-1.3	6.2	33.9	5,098	4,893	4,438	4.2	2.5	14.9	0.22	0.21	0.26
4228	Alcohol	7,280	7,412	6,962	-1.8	2.2	4.6	7,800	7,650	7,484	2.0	0.6	4.2	1.07	1.03	1.07
4229	Misc. Nondur.	15,824	15,830	14,044	0.0	-1.3	12.7	17,813	17,304	15,965	2.9	2.9	11.6	1.13	1.09	1.14
Not Adjusted														Sales to date		
														2004		2003
42	U.S. Total	282,503	266,043	240,136	6.2	-3.0	17.6	307,050	302,505	286,825	1.5	0.0	7.1	1,590,924	1,401,626	
421	Durable	142,542	129,510	116,810	10.1	-4.3	22.0	190,052	186,952	174,867	1.7	1.4	8.7	774,404	659,332	
4211	Automotive	21,416	19,426	18,852	10.2	-8.7	13.6	27,145	27,098	25,405	0.2	-1.1	6.8	118,476	108,159	
4212	Furniture	4,214	4,023	3,802	4.7	-1.5	10.8	6,034	5,885	5,706	2.5	1.2	5.7	23,725	21,450	
4213	Lumber	10,937	10,293	7,507	6.3	-0.7	45.7	10,297	10,312	7,748	-0.1	6.5	32.9	56,472	40,102	
4214	Prof. equip.	24,834	21,076	21,919	17.8	-1.6	13.3	24,918	24,253	23,736	2.7	0.0	5.0	132,797	122,472	
42143	Comp. equip.	11,769	9,579	9,681	22.9	-1.9	21.6	7,757	7,248	7,323	7.0	-2.5	5.9	60,998	53,089	
4215	Metals	11,764	10,498	7,559	12.1	-9.2	55.6	17,924	17,375	13,418	3.2	5.7	33.6	62,409	43,744	
4216	Electrical	21,811	20,190	17,639	8.0	1.0	23.7	23,859	23,667	22,171	0.8	2.1	7.6	117,475	99,429	
4217	Hardware	6,694	6,011	5,859	11.4	-3.5	14.3	10,839	10,785	10,495	0.5	2.6	3.3	35,677	32,683	
4218	Machinery	24,246	22,518	20,162	7.7	-5.5	20.3	47,231	45,924	46,218	2.8	0.8	2.2	132,741	111,822	
4219	Misc. Durable	16,626	15,475	13,511	7.4	-6.7	23.1	21,805	21,653	19,970	0.7	0.5	9.2	94,632	79,471	
422	Nondurable	139,961	136,533	123,326	2.5	-1.8	13.5	116,998	115,553	111,958	1.3	-2.1	4.5	816,520	742,294	
4221	Paper	7,196	6,528	6,482	10.2	-2.0	11.0	6,919	6,616	6,351	4.6	0.1	8.9	39,707	38,011	
4222	Drugs	24,539	22,674	21,349	8.2	-4.7	14.9	30,278	29,270	30,511	3.4	-1.8	-0.8	139,971	124,640	
4223	Apparel	7,482	6,603	6,689	13.3	-3.8	11.9	11,894	11,655	12,808	2.1	2.9	-7.1	43,711	41,632	
4224	Groceries	35,860	36,059	35,190	-0.6	1.5	1.9	22,589	22,386	21,212	0.9	0.6	6.5	210,417	205,583	
4225	Farm products	10,703	10,779	9,219	-0.7	-12.5	16.1	9,752	10,983	8,103	-11.2	-17.9	20.4	71,378	58,534	
4226	Chemicals	6,061	5,397	5,356	12.3	-5.5	13.2	5,932	5,914	6,033	0.3	1.5	-1.7	33,866	31,651	
4227	Petroleum	23,757	24,122	17,448	-1.5	3.3	36.2	4,894	4,546	4,274	7.7	1.2	14.5	139,059	114,650	
4228	Alcohol	8,001	7,449	7,282	7.4	3.4	9.9	7,925	7,658	7,611	3.5	-0.1	4.1	41,507	39,109	
4229	Misc. Nondur.	16,362	16,922	14,311	-3.3	-3.6	14.3	16,815	16,525	15,055	1.8	-1.2	11.7	96,904	88,484	

^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	1.1	1.6	1.1	1.6	0.4	0.2	0.7	0.9	1.1	1.0	0.7
421	Durable	1.2	1.6	1.2	1.6	0.6	0.3	0.8	0.7	1.1	1.1	1.0
4211	Automotive	3.3	4.1	3.4	4.1	1.2	0.7	1.2	1.5	3.4	3.1	0.8
4212	Furniture	7.1	8.9	6.9	8.5	1.9	0.9	2.6	2.7	7.5	6.2	2.0
4213	Lumber	5.4	6.8	5.3	6.6	1.2	0.9	3.3	2.5	6.4	4.1	4.0
4214	Prof. equip.	5.1	6.7	5.1	6.8	1.2	0.7	2.1	2.1	3.9	4.9	2.7
42143	Comp. equip.	8.1	9.0	8.1	8.9	2.1	1.3	3.8	3.2	7.8	8.0	4.1
4215	Metals	7.6	10.3	7.5	10.2	1.9	0.7	3.8	2.3	7.2	6.3	4.2
4216	Electrical	3.6	4.8	3.5	4.8	1.1	0.6	2.0	1.6	3.7	3.4	1.9
4217	Hardware	8.0	10.4	8.0	10.5	1.2	0.6	1.6	1.5	7.7	7.9	0.9
4218	Machinery	4.0	3.5	4.0	3.4	1.8	0.5	2.1	1.0	3.8	3.7	1.3
4219	Misc. Durable	4.0	7.7	4.1	7.7	1.7	0.9	2.7	2.3	3.9	4.2	2.2
422	Nondurable	1.9	2.4	1.9	2.4	0.5	0.4	1.0	1.8	1.7	1.7	0.8
4221	Paper	4.8	3.7	4.8	3.7	1.1	0.6	1.3	1.6	4.7	4.2	0.8
4222	Drugs	5.7	5.4	5.7	5.5	1.3	0.5	1.5	1.8	5.2	5.3	0.9
4223	Apparel	5.1	4.9	5.2	4.8	2.0	0.9	2.4	2.5	4.7	4.4	1.9
4224	Groceries	3.6	8.2	3.6	8.2	0.9	0.8	1.3	1.8	3.2	3.5	0.8
4225	Farm products	7.6	9.1	7.7	9.1	2.2	2.1	3.1	3.7	7.4	7.2	2.5
4226	Chemicals	4.8	6.9	4.8	6.9	1.0	0.9	1.7	2.1	4.7	4.1	1.4
4227	Petroleum	7.2	8.8	7.2	8.9	1.0	1.5	2.1	2.8	7.5	6.9	1.9
4228	Alcohol	4.1	5.2	4.0	5.2	1.0	0.7	1.1	1.3	4.4	4.1	0.7
4229	Misc. Nondur.	8.4	8.8	8.3	8.8	2.0	0.8	4.5	4.7	8.5	6.6	4.2

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
		Jul.	Jun.r	May r	Apr.	Mar.	Jun.r	Jul.	Jun.r	May r	Apr.	Mar.	Jun.r
42	U.S. Total ¹	0.991	1.045	0.987	1.017	1.077	1.014	0.996	0.991	0.989	1.003	1.008	0.992
421	Durable	0.994	1.065	0.974	1.016	1.085	1.033	1.015	1.007	1.006	1.012	1.006	1.007
4211	Automotive	0.995	1.061	0.972	1.060	1.101	1.021	0.987	0.995	1.001	1.024	1.030	0.994
4212	Furniture	0.993	1.034	0.966	1.009	1.064	1.017	1.028	1.013	0.999	0.983	0.979	1.012
4213	Lumber	1.064	1.111	1.040	1.059	1.070	1.071	1.013	1.031	1.034	1.033	1.037	1.031
4214	Prof. equip.	0.980	1.092	0.942	0.963	1.104	1.055	1.022	0.997	0.986	1.004	0.987	0.996
42143	Comp. equip.	0.976	1.122	0.927	0.943	1.103	1.077	1.047	1.008	0.989	1.027	0.980	1.003
4215	Metals	1.024	1.089	0.986	1.058	1.078	1.038	1.020	1.015	1.010	1.005	1.011	1.011
4216	Electrical	0.999	1.049	0.961	0.989	1.074	1.020	1.019	1.009	1.006	0.999	0.980	1.006
4217	Hardware	1.017	1.108	1.012	1.052	1.077	1.075	1.016	1.017	1.019	1.014	1.015	1.017
4218	Machinery	0.990	1.086	1.019	1.066	1.109	1.058	1.029	1.023	1.019	1.022	1.016	1.022
4219	Misc. Durable	0.970	1.026	0.956	0.994	1.094	0.996	1.008	0.997	0.995	0.999	0.984	0.999
422	Nondurable	0.985	1.022	0.994	1.015	1.068	0.990	0.969	0.966	0.961	0.986	1.012	0.967
4221	Paper	0.979	1.053	0.959	0.990	1.082	1.015	1.002	1.009	1.011	1.013	0.999	1.007
4222	Drugs	0.961	1.029	0.949	1.005	1.087	0.985	0.990	0.986	0.959	0.991	1.020	0.987
4223	Apparel	1.001	1.008	0.884	0.932	1.171	0.949	1.046	1.024	0.979	0.950	0.956	1.023
4224	Groceries	1.028	1.018	1.027	1.004	1.055	1.006	0.987	0.990	0.982	0.985	0.997	0.991
4225	Farm products	0.863	0.941	0.902	0.975	1.064	0.892	0.732	0.771	0.839	0.983	1.098	0.773
4226	Chemicals	1.009	1.075	0.987	1.037	1.092	1.031	1.014	1.008	1.011	0.999	1.001	1.008
4227	Petroleum	0.971	1.021	1.023	1.052	1.071	1.004	0.970	0.960	0.929	0.941	0.991	0.963
4228	Alcohol	1.040	1.099	1.005	0.993	1.015	1.046	1.015	1.016	1.001	1.009	0.986	1.017
4229	Misc. Nondur.	0.979	1.034	1.069	1.095	1.095	1.019	0.950	0.944	0.955	0.994	1.036	0.943

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>.