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# WORLD WOOL PROSPECTS

## Summary

Consumption of wool by United States mills since November has been higher than at any time since 1933, but stocks of wool in this country are still relatively large. Domestic wool production in 1935 will be reduced somewhat. Shearing of the new clip is now under way in the Western States and large offerings of this wool will be available in the next few months. At the same time, dealers are said to be carrying a much larger proportion of the remaining supplies of old clip wool than is usual at this season of the year. The large stocks of wool still to be marketed from Southern Hemisphere countries and the recent decline in the pound sterling, will tend to prevent any marked improvement in wool prices in the next few months.

The high rate of wool consumption reported for January and the heavy movement of wool in the Boston market in recent weeks confirm last month's statement that the carry-over of 1934 clip will not be as burdensome as had been expected earlier.

The Farm Credit Administration will continue with a wool and mohair marketing plan for the 1935 clip somewhat similar to the plan followed for the 1933 and 1934 clips. However, growers who are borrowers from units of the Farm Credit Administration may use their own discretion this year as to whether they will sell for cash or consign their wool and mohair to approved dealers.

The sharp reductions in quotations on spot territory wools in Boston in February brought prices of similar grades of territory wools and eastern

grown fleece wools into a more normal relationship. The unusual price situation which has prevailed in the Boston market since the early months of 1934 is shown in the figure at the end of this release. See also page 4 of text.

Wool prices in foreign markets showed a moderate decline in February and the early part of March. The favorable developments which have prevailed in the continental European wool industry since September were halted during February. While manufacturing activity appears to have undergone little change the renewed decline in prices of wool and wool products on world markets was reported to have had an unfavorable effect on business activity in European wool centers.

Apparent supplies 1/ of wool in the five most important wool producing countries of the Southern Hemisphere on March 1 are estimated to be approximately 50 percent larger than on the same date a year ago when they were unusually small. The increase in supplies compared with the same date of the 5 preceding years was 24 percent.

Exports from the same five countries from the beginning of the season up to February 28 amounted to 972,000,000 pounds and were 24 percent smaller than for the same period a year ago and 13 percent smaller than the average for this period of the preceding five seasons.

Interest is now centered in production prospects for the spring wool clip in Northern Hemisphere countries which is now being shorn. As previously stated, present prospects indicate a decrease in the United States clip which will be smaller than for the past 4 years and will probably not differ greatly from that of 1929 when production of shorn wool amounted to 328,000,000 pounds. It does not seem likely that European production will be much different from that of last year, when it was smaller than for the preceding 4 years.

1/ Carry-over plus production minus exports for season up to February 28 and wool sold but not yet shipped, and relatively small quantities entering domestic consumption in the different countries not taken into account.

Wool production in 24 countries reporting for 1934 is now estimated at 2,860,000,000 pounds, an increase of 1 percent above 1933, but 2 percent below the record year, 1932. (See World Wool production tables, pages 17 to 19.

## The Market Situation

### United States

The irregular movement of wool prices which has prevailed in the domestic market in recent months is expected to continue during the next few months. While there may be some further weakness in prices of some grades, changes are expected to be small. The United States average farm price of wool as of February 15 was 18.1 cents a pound compared with 18.8 cents on January 15 and 25.4 cents on February 15, 1934. The rapid advance in farm prices of wool which began in April 1933 reached a peak in March 1934 when an average price of 26.9 cents was reported. Since then, prices have declined slowly, but farm prices still average about 150 percent above the low point of 7.0 cents a pound reported in July 1932.

Announcement of the wool and mohair marketing plan for 1935 has recently been made by Governor Myers of the Farm Credit Administration. The plan for the present season will be similar to that followed for the 1933 and 1934 clips. However, some changes in regulation have been made and it is expected that these will permit greater flexibility in marketing.

Growers who are borrowers from units of the Farm Credit Administration (regional agricultural credit corporations, production credit associations, etc.,) may this year use their own discretion as to whether they will sell for cash or consign their wool but the Farm Credit Administration will recommend to its borrowers that they consign their wool to approved consignees in order to promote orderly marketing. Under the 1933 and 1934 plans all borrowers were required to consign their wool to consignees approved by the Farm Credit Administration. Borrowers who do not elect to sell must again consign their wool to approved consignees. "These consignees agree to market this wool and mohair ratably and equitably both as to price and quantity, with other wool or mohair which they handle", states H. B. Embach, Chairman of the Advisory Committee.

"Consignees are approved by the Wool and Mohair Advisory Committee of the Farm Credit Administration. They are reputable and financially responsible dealers, including the National Wool Marketing Corporation, or other recognized wool cooperatives. Consignees agree to market all wool or mohair consigned to them in accordance with the rules and regulations of the Wool and Mohair Advisory Committee. These regulations are substantially the same as applied to the two former clips."

It is reported that the new plan of marketing does away with the fixing or approval of a schedule of basic prices below which dealers who were signors of the plan could not sell. Sales and prices must be reported regularly as had been the practice previously.

The unusual price situation which has prevailed in the Boston wool market since the early months of 1934 is shown in the figure at the end of this release. Under normal conditions the spread between prices of territory wools and eastern grown fleece wools of similar grade is fairly constant. Beginning in the spring of 1934, however, quotations on spot, graded territory wools in the Boston market, the bulk of which was held by dealers operating under the Wool Advisory Committee, did not follow the declines in prices of eastern fleece wools. This resulted in a gradual widening in the spread between quotations on these two types of wool at Boston. A similar spread was also reported between Boston spot prices of territory wools and prices of similar wools sold in the Western States.

The sharp reductions in quotations on spot territory wools in Boston in August 1934 and February 1935 brought prices of similar grades of territory and eastern grown wools into a more normal relationship and reduced prices of territory wools at Boston to ranges within which similar western wools, handled direct from the country, had been selling. In both instances the reductions recommended by the advisory committee followed periods in which Boston spot prices on territory wools had been largely nominal while prices on eastern wools had declined due to weak domestic demand for wool and to declines in prices in foreign markets.

A marked increase in sales followed the downward revision of asking prices on western grown wools in the Boston market in February. The volume of sales for the month ended March 16 was the largest of any period of equal length since early in the fall of 1933, according to R.L. Burrus of the Boston office of the Bureau of Agricultural Economics. Prices of western wools have remained steady since the adjustment of quotations on February 18, but prices of fleece wools have shown a further small decline averaging about 1 cent a pound in the grease.

Recent demand in the Boston market has centered chiefly on territory wools, particularly short wools of the finer grades. Lines which moved in comparatively large quantities included bulk average French combing 64s and finer territory original bag wools at 60-63 cents scoured basis; clothing and short French combing of similar grade at 58-60 cents; average 12 months Texas at 60-63 cents; 8 months Texas wools at 55-57 cents and fall Texas wools at around 50 cents a pound, scoured basis.

The better style wools moved more freely in the past month and sales of graded territory wools were heavier than for a long time. Fine (64s, 70s, 80s) sold at 65-67 cents a pound scoured basis for strictly combing, 63-65 cents for French combing and 58-60 cents for clothing, graded 58s, 60 (1/2 blood) territory wools brought 63-65 cents scoured basis for strictly combing, 61-63 cents for French combing and 57-59 cents for clothing. Demand for the medium and low grades of territory wools was restricted to scattered lots of limited size.

Ohio and similar fleece wools sold in moderate quantities in the recent movement with the largest sales on wools of medium grade. Fine Ohio delaine or strictly combing 64s and finer brought 26-27 cents in the grease, similar 58s, 60s were 27-28 cents, 56s (3/8 blood) were 26-27 cents and 48s, 50s (1/4 blood) were $23\frac{1}{2}$ - 24 cents a pound in the grease.

Very little business was transacted in the Boston market on spot foreign wools suitable for clothing purposes. Irregularity of prices in foreign markets made it possible to place some orders for wools at the limits named by users for specialty purposes in this country.

The demand for scoured shorn and pulled wools has been good particularly for the medium grades. Wool noils have had a fairly good demand. Prices on good quality fine noils have ranged from 48 to 53 cents a pound and 3/8 blood from 40 to 45 cents depending on character.

Business in wool tops has been fairly good but prices have declined slightly in the last month. Part of the decline, however, was a result of a decline in combing charges. Prices of 60s and 64s to 60s ranged from 78 to 83 cents depending upon staple and character. Demand was limited on 56s at 52-57 cents a pound. Deliveries attained a very good volume in March.

Mill activity in the United States wool industry has been maintained at a relatively high level since November. The Bureau of the Census reports that the weekly average consumption of apparel class wool (formerly called combing and clothing wool) in January was 9,840,000 pounds of shorn wool, grease shorn basis, and 2,018,000 pounds of pulled wool, grease pulled basis. This compares with a weekly average in December of 8,182,000 pounds of shorn and 1,502,000 pounds of pulled wool. Weekly average consumption in the 30 weeks, July 1934 to January 1935 inclusive was 6,014,000 pounds of shorn wool and 1,202,000 pounds of pulled wool, both in grease equivalent. Consumption was at a very low level during the first 3 months of this period. These figures inaugurate a new series of consumption reports published by the Bureau of the Census. The data cover the raw wool consumption of all manufacturers in the United States known to use raw wool.

Imports of wool remain small and in view of the ample supplies of domestic wool available no material increase in imports of apparel class wool is expected in 1935. Imports for consumption in the first 2 months of 1935 were 3,776,000 pounds of combing and clothing wool and 16,593,000 pounds of carpet wool. Imports in the same months of 1934 were 6,339,000 pounds of combing and clothing wool and 15,607,000 pounds of carpet wool.

The high rate of wool consumption reported for January and the heavy movement of wool in the Boston market in recent weeks confirm last month's statement that the carry-over of 1934 clip will not be as burdensome as had been expected earlier. However, dealers are reported to be carrying a much larger proportion of the remaining supplies of the 1934 clip than is usual at this season of the year. Receipts of new clip wool usually begin to arrive on the Boston market in considerable volume in May, and reach a maximum during July.

Receipts of domestic wool at Boston reported in the first 11 months of the 1934-35 season (April to February) were only 178,730,000 pounds compared with 251,283,000 pounds in the same months of 1933-34 and an average of 220,450,000 pounds for that period in the five seasons 1928-29 to 1932-33. Receipts in the first 11 months of the season generally average about 98 percent of the years total.

United Kingdom

The second series of 1935 London wool auctions opened March 12. Prices at the opening reflected the declines which had taken place in Southern Hemisphere markets and in Bradford since the close of the previous London series on February 5. As compared with the February close, prices (in English currency) of merinos were down 5 percent, fine crossbreds 10 percent, medium crossbreds $7\frac{1}{2}$ percent, and low crossbreds 5 percent. Slipes were mostly $7\frac{1}{2}$ to 10 percent below February prices and scoured crossbreds 10 to 15 percent lower. Because of the decline in the exchange value of the British pound prices in American currency showed slightly larger declines. At the end of the first week, average 70s were quoted at 37.9 cents a pound, clean costs (current rate of exchange) 56s at 25.0 cents and 46s at 15.5 cents a pound. Demand improved somewhat in the second week of the sales. Russian buyers were reported to be buying merino wools, chiefly Victoria free warp 64s and 70s at 44.7 and 40.9 cents a pound clean costs which was fully equal to the January level and was well above the price which English buyers could offer. Best greasy crossbred wools also were in demand and prices on these wools advanced above the low point of the series. The original schedule called for sales to March 29 but the date was later changed to March 26 and many wools intended for the final week were withdrawn. Prices of crossbred wools, at the close of the sales were generally 5 to 10 percent below February prices, but prices of good merino wools were fully up to the February levels. At current rate of exchange, average quality 70s were about 38.9 cents a pound, clean cost, at the close of the series on March 26, 56s were 24.9 cents and 46s were 14.9 cents.

The Bradford market was quiet in February. The heavy purchases for German account in January were sharply curtailed when permits for future purchases were withheld by the German Government. Prices of tops and yarns declined slightly during February. New business in tops was slow but combers were still fairly busy on old contracts. The falling off in demand from Germany has been felt principally by the crossbred section of the industry. The Weekly Wool Chart (Bradford) index number for raw wool prices in February was 63 (English currency basis, July 1914 = 100) compared with 64 in January and 98 in February 1934. The corresponding index for tops was 69 in February compared with 71 in January and 106 in February 1934. The index for yarns declined two points in January to 90 compared with 120 in February 1934. The index of wool prices on a <u>gold basis</u> was 38 in February, only one point higher than the low point established in June 1932. The Wool Chart states, however, that the gold value of merino wool in England touched a new low point in modern history at the end of February. The index for tops declined to 41 (gold basis) which established a new low for the series for recent years while the yarn index equalled the previous low of 54. It should be noted, however, that all of the important surplus wool producing countries have depreciated their currencies in recent years.

Net imports of foreign and colonial wool into the United Kingdom in the first 2 months of 1935 were about 124,000,000 pounds compared with net imports of 189,000,000 pounds in the same months of 1934. Consumption of such wool in January and February of last year was estimated by the Weekly Wool Chart at 112,000,000 pounds and consumption in January and February of this year was believed to be about the same as last year, so the increase in stocks of wool in January and February 1935 was only about

12,000,000 pounds compared with about 77,000,000 pounds a year ago. The first quarter of the year is the period of heaviest imports in the United Kingdom and stocks generally increase considerably during these months.

The Ministry of Labour reports that 16.3 percent of insured workers in the woolen and worsted industry were registered as unemployed on February 25 compared with 17 percent on January 28 and 10.9 percent on February 19, 1934. Improved activity was reported in all departments of the woolen section, and in the combing department of the worsted section. Other departments of the worsted section reported a decline in activity.

Southern Hemisphere

The wool markets of the Southern Hemisphere have been considerably affected by the quota and permit systems which have governed German and Italian purchases during the present selling season. Since these restrictions were adopted because of exchange difficulties purchases by these countries are now chiefly dependent on some form of trade agreement with the producing countries. Thus far Germany has effected special arrangements for exchange transactions with Uruguay, Argentina and the Union of South Africa. It should be noted, however, that credit agreements were also made by Germany with Belgium and the United Kingdom and purchases of Australian and New Zealand wool and tops and noils are possible through English and Belgian firms.

The Wool Record and Textile World, Bradford, reports that the artificial method of regulating German trade with the Union of South Africa, Argentina and Uruguay has created a false idea of wool values in those countries, and the markets are strongly influenced by the high prices paid by German buyers who have obtained import permits. This is particularly noticeable in South American countries, where, under the influence of a spurt of German buying, sellers regard the prices obtained as constituting a basis for the transaction of business with other countries and are reluctant to operate at the lower prices offered by buyers from other countries. Likewise in the South African market, although Germany is buying quite freely the demand is spasmodic and sales from day to day depend to a large extent on the volume of permits available. The Australian markets on the other hand are believed to reflect world demand and prices.

English operators have been the chief purchasers in the Australian markets during the present season. In March, however, Japan and France became more active than they had been in earlier months. Prices of good quality wools at the opening of the fifth series of sales at Sydney on March 11 showed a decline of 5 percent as compared with the preceding series which closed February 21. Prices remained very firm through the last 2 weeks of March. The average price of greasy wool over all Australian selling centers was 15.3 cents a pound (current rate of exchange) in February compared with 16.1 cents in January and 31.2 cents in February 1934. The average price of greasy wool for the first 8 months (July-February) of the present selling season was 9.58 pence a pound compared with 16.05 pence for the same months of the 1933-34 season. At average rates of exchange the prices for July to February 1934-35 and 1933-34 would be about 15.7 cents and 25.8 cents a pound respectively.

## The Continental European Wool Situation in February 1935 1/

The somewhat more favorable developments registered in the continental European wool industry since September 1934 were halted during the month of February and at the beginning of March. The renewed decline in international wool and wool products prices was an important influence acting unfavorably on business activity in the wool industry, and customers showed generally a waiting attitude in the face of downward quotations. This decline was intensified at the beginning of March, at least as far as the Continent is concerned, by the renewed decline in exchange value of the English pound.

Nevertheless, a fair volume of trading was reported from the continental markets. This was particularly the case with regard to noils and also with top export business in France. Foreign purchases by Germany and Russia continued to be reported and, as a result of the increased buying possibilities in recent months, stocks of top and washed wool in Germany continued their upward January movement through February.

Occupation of the continental wool industry appears to have undergone little change in the month of February. The worsted mills section was favored by relatively good demand for worsted yarn for knitting mills.

### France

Relatively favorable trading in tops for export was reported from Roubaix-Tourcoing throughout February. Noils and washed wool were moderately active, but this activity declined considerably at the beginning of March. New orders received by worsted spinning mills, notably from the knitting factories, were on favorable levels over most of February, with a noticeable decline at the end of the month and at the beginning of March, because of the continued downward tendencies in wool and wool products prices. Occupation of the industry was largely unchanged.

### Belgium

Trading on the Belgian market was rather quiet during February and at the beginning of March. Some business in washed wools continued to be concluded with Germany and Russia. It is reported, however, in regard to Germany that balances accumulated by Belgian reporters within the clearing agreement are already rather large and proved a deterrent to new business. Occupation of the industry is unchanged, and worsted spinners continued to be favored by new orders and relatively higher machinery activity.

### Italy

Trading on the Italian market continued quiet during February, but the previous active demand for noils was maintained and prices remained firm. Declining overseas prices made buyers reluctant to purchase so that general business, both in wool and wool products including yarns and weavings, was rather limited. Occupation of the industry did not show significant changes; improvement in mill activity toward the end of last year is indicated in the following table.

1/ Conditions in the continental European wool centers were reported by G. P. Boals, Assistant Agricultural Attaché at Berlin.

Occupation of the Italian wool industry

(Active machinery in percent of machinery in place)

| End of month | Worsted spinners 1932-33 | Worsted spinners 1933-34 | Woolen spinners 1932-33 | Woolen spinners 1933-34 | Weavers 1932-33 | Weavers 1933-34 |
|---|---|---|---|---|---|---|
| Oct. | 81.8 | 89.8 | 69.5 | 73.2 | 63.5 | 70.5 |
| Dec. | 84.3 | 89.4 | 69.9 | 72.5 | 67.1 | 73.5 |
| Feb. | 84.1 | 89.3 | 66.0 | 72.0 | 66.5 | 71.7 |
| Apr. | 84.0 | 87.4 | 70.3 | 71.8 | 66.4 | 63.6 |
| May | 85.5 | 101.5 | 72.7 | 72.9 | 69.4 | 67.7 |
| June | 88.2 | 84.2 | 74.8 | 76.6 | 71.0 | 70.8 |
| July | 88.4 | 83.6 | 75.6 | 77.8 | 71.9 | 69.2 |
| Aug. | 88.7 | 78.1 | 75.4 | 75.8 | 72.1 | 65.8 |
| Sept. | 88.9 | 77.9 | 74.9 | 74.0 | 70.2 | 62.9 |
| Oct. | 89.8 | 77.6 | 73.2 | 73.0 | 70.5 | 62.8 |
| Nov. | 90.4 | 78.6 | 78.1 | 75.9 | 71.2 | 69.3 |
| Dec. | 89.4 | 78.4 | 72.5 | 77.2 | 73.5 | 71.2 |

Germany

A good volume of busines in top, noils and washed wool was reported from Germany during February and at the beginning of March. Speculative buying, however, is at a minimum and most acquisitions are for current or near-at-hand needs.

New business in yarns and fabrics as well as knitted goods continued on relatively favorable levels although the influx of new orders is reported somewhat reduced. Occupation of the mills is being well maintained, and the execution of old orders would make possible a high rate of activity for several months ahead. Whether or not the present high levels can be maintained will depend on raw material supplies; however, these have improved during the past 2 months. Purchases of wool, top and noils in foreign countries under existing clearing and special agreements (Uruguay, Argentina, South Africa, Belgium) have increased present supplies considerably, and through February stocks of top and washed wool continued their upward tendency especially noted in the previous month.

The erection of factories producing artificial fibres to be used as admixtures to wool is now being pushed energetically, and it may be expected that increased supplies of such fibres will gradually make for an increase in the use of mixtures. At the Leipzig Spring Fair, held from March 3 to March 9, 1935, artificial fibres were given a prominent place in the textile exhibition and mixed wool and artificial fibre fabrics were displayed in a number of very attractive exhibits. Whether these artificial fibres will replace wool to any considerable degree in German textile consumption, of course, can not be estimated.

## Supply Situation

### United States

Although there was a slight improvement in range and sheep conditions in the Western States as of March 1, owing to favorable weather in February, conditions still continue worse than they have been for years. Sheep are only in fair condition and there is a short supply of both feed and moisture.

On March 1, the condition of sheep in the 14 western range states for which sheep condition figures are available was 78 percent of normal compared with 76 percent on February 1 and 85 percent on March 1, 1934, according to the Western Livestock and Range Report of the Division of Crop and Livestock Estimates. The average condition for the 10 years preceding was 88 percent. Sheep conditions for the 9 months July 1 to March 31 averaged only 75 percent of normal during 1934-35 compared with 83 percent for the same period last season.

In California and Arizona sheep have made good gains and slight gains have been made in part of the Texas sheep section. Range conditions on March 1 averaged 61 percent of normal compared with only 59 percent on February 1 and 77 percent last March. Conditions from July 1 to March 1 averaged only 58 percent of normal, whereas last season conditions averaged 75 percent.

As a result of the poor sheep and range conditions during 1934 and early 1935 the spring wool clip is expected to be smaller than for some years and may not differ greatly from that of 1929.

The official revised estimate for 1934, including pulled wool was 418,158,000 pounds compared with 428,921,000 pounds in 1933. The production of shorn wool alone in 1934 was estimated at 357,658,000 pounds, a reduction of 2 percent as compared with the 1933 clip. The number of sheep shorn in 1934 was 45,192,000 compared with 44,769,000 in 1933 and 44,431,000 in 1932. The average weight of fleece was estimated at 7.91 pounds in 1934 compared with 8.15 pounds in 1933.

The quantity of pulled wool produced is included at its washed weight in the official estimates. If it is converted to a grease equivalent total production in 1934 approximated 438,000,000 pounds compared with 450,321,000 pounds in 1933.

The 1934 estimate does not include wool from the skins of the 3,607,000 ewes bought by the Agricultural Adjustment Administration and slaughtered for food or condemned or killed.

The early spring lamb crop of 1935 in the principal early lambing areas is a little smaller than it was a year ago according to the Early Spring Lamb Crop Report of the Division of Crop and Livestock Estimates. The decrease is estimated at between 1 and 2 percent. The condition of early lambs on March 1 averaged a little better than in 1934 at the same date. Texas and Missouri are the only States where the weather has not been favorable.

Canada

Wool production in Canada in 1934 is officially estimated at 19,544,000 pounds, an increase of 1 percent above 1933. In 1930 production reached 21,016,000 pounds, which was the largest clip on record. Last year 14,250,000 pounds were obtained from 1,900,000 sheep shorn and 5,294,000 pounds from 1,524,000 lambs shorn. The average value per pound of wool in 1934 was 10 cents, the same as in 1933. In 1928 the average price was 26 cents.

Sheep numbers in Canada in June 1934 reached 3,421,000, an increase of 1 percent above 1933. Sheep numbers increased each year from 2,685,000 in 1924 to 3,696,000 in 1930. During the 5-year period 1928 to 1932 the number averaged 3,600,000.

The number of sheep and lambs slaughtered in inspected plants from July 1, 1934 to January 31, 1935, amounted to 658,044, a decrease of 1 percent as compared with 1933-34. Slaughter in inspected establishments constituted about 46 percent of the total for the 5 years ended in 1934.

United Kingdom

Lambing was reported to be in full swing in England and Wales by March 1. Excellent weather prevailed and lambs appeared to be very healthy and strong. Last year the lamb crop was estimated at 8,610,000, a decrease of 3 percent as compared with 1933. The total number of sheep and lambs in England and Wales was estimated at 16,518,000 on June 1, 1934, a decrease of 9 percent as compared with 1933. Sheep numbers in the United Kingdom (England and Wales, Scotland and Northern Ireland) numbered approximately 24,952,000 in 1934. Numbers have been declining since 1932 when they reached 27,203,000.

There was a decrease in the wool clip of England and Wales in 1934 for the first time since 1930. Production increased from 79,000,000 pounds in 1930 to 90,000,000 pounds in 1933.

Irish Free State

Prospects are favorable for a good lamb crop in Irish Free State in 1935. Flocks are reported to be in good health and condition and lambing was progressing favorably according to latest reports.

Germany

It appears from recent census figures showing the distribution of sheep by farms that small sheep flocks which probably originated during the World War have been liquidated, states Vice Consul, C. T. Zawadzki. The 1933 census showed that there was a total of 3,900,600 sheep on 168,052 farms, exclusive of those under 1 acre. In 1925 there were 5,800,000 sheep on 430,000 farms. Wool production in Germany has declined from about 50,000,000 pounds in 1925 to only 30,000,000 in 1934.

Australia

It seems probable that sheep numbers in Australia at the beginning of 1935 were smaller than at the beginning of 1934. Lambing during 1934 was reported as having been unsatisfactory, the decrease being estimated at between 20 and 25 percent as compared with 1933. At the same time the number of fat sheep marketed was large. The slaughter of sheep for export during the 12 months ended August 31, 1934 amounted to 2,049,787, an increase of 7 percent above a year earlier, whereas the number of lambs killed was 4,684,000, an increase of 15 percent.

Although the number of sheep shorn in 1934 was probably smaller than in 1933 wool production is estimated to have been larger owing to an increased weight of fleece. It is now estimated that production reached approximately 1,010,000,000 pounds. This estimate is based on receipts of current clip wool at selling centers during the first 8 months of the season and an average percentage of total production going through the hands of the National Council of Wool Selling Brokers for the past 10 years.

The number of sheep in New South Wales on March 31, 1934, as officially estimated, was 52,104,000, a decrease of 3 percent as compared with 1933. These estimates as of March are used with the January 1 estimates for all Australia. Official estimates of sheep numbers are now available for the five principal Australian States which produce 98 percent of the sheep in that country. These five States had about 108,000,000 sheep at the beginning of 1934 compared with 111,000,000 in 1933. An estimate based on these figures for total Australia would place numbers on January 1, 1934 at 110,000,000, a decrease of 3 percent as compared with 1933.

Stocks of wool on hand at selling centers in Australia on February 28 were large, amounting to 254,000,000 pounds of old and new clip wool. Of this quantity 246,000,000 pounds represented current clip wool. This quantity was over 3 times as large as the small quantity on hand last season at the same time and was 31 percent greater than at the same date of the preceding 5 seasons. Stocks were even larger in 1930, however, the quantity of new clip wool remaining on hand on February 28 of that year amounting to 266,000,000 pounds.

Australian wool sellers appear optimistic concerning the clearance of the clip before June 30, despite heavy stocks at present. This optimism is based on the assumption that sufficient orders will be forthcoming from European consuming countries to reduce stocks considerably before the season ends. In 1930 stocks had been reduced by 233,000,000 pounds between February 28 and June 30, and amounted to only 32,810,000 pounds by June 30, the end of the season.

After arrangements were made between Germany and the Union of South Africa it was thought that some orders would be transferred to Australia as prices were on a higher level in South Africa but so far improved demand from this source had not developed according to latest reports.

It is also reported that a Russian firm is placing large orders in England for machinery, steel and wool, which may lead to a keen demand for the types of wool used in Russian mills. Prior to the war Russia was an active buyer of scoured wool in London. After the war a company opened offices in Sydney and large quantities of wool were purchased there, a preference being shown for scoured. Most of the wools bought were suitable for clothing purposes.

Japan's purchases of Australian wool have decreased substantially this season owing to unremunerative domestic prices for woolen goods. It is estimated that Japan's total purchases for the season will amount to about 155,000,000 pounds compared with 170,000,000 pounds last season and 199,000,000 pounds in 1932-33.

Up to February 28, receipts of wool at Australian selling centers have amounted to 787,000,000 pounds, an increase of 9 percent above those for the corresponding period last season when a larger proportion than usual was shipped directly overseas. The average for the preceding 5 seasons for the same period was 787,000,000 pounds.

Disposals so far this season have been 541,000,000 pounds or only 69 percent of receipts. Last year 90 percent of receipts had been disposed of by February 28 whereas the average for the preceding 5-year period was 75 percent.

Exports for the 8 months ended February 28, 1935 amounted to 557,000,000 pounds, a decrease of 17 percent compared with a year earlier and 4 percent as compared with the preceding 5-year period. Exports from Australia by countries of destination up to January 31, show a falling-off to all countries. The decreases were as follows for the 7-month period ended January 31 in order of importance of purchases: United Kingdom, 4 percent; Japan, 21 percent; Holland and Belgium, 1 percent; France, 12 percent; Germany 80 percent; Italy 76 percent.

New Zealand

New Zealand experienced a very dry spring and summer (October - February) but toward the end of February rain was general in all parts, except the North Canterbury and Marlborough districts where a few scattered showers fell. December was the hottest month ever recorded in New Zealand. The rain will have a favorable effect on pastures which were parched and brown. Winter (June - August) feed in Southland and Canterbury is expected to be short owing to the drought.

It seems probable that the 1934-35 New Zealand wool clip will reach at least 307,000,000 pounds. The number of sheep as of April 30, 1934 was estimated at 28,649,038, or 3 percent above 1933 and it is estimated that the lamb crop in 1934 reached 15,680,000, an increase of 1 percent above the corresponding estimate for 1933.

Although slaughter of sheep and lambs for export from May 1934 to December 1934 amounted to 4,077,800 and was 7 percent greater than in the same period of 1933, this increase in slaughter was not sufficient to offset the increase in the number of sheep and lambs on hand and it seems probable that on January 1, 1935 they probably exceeded those of a year ago by about 2 percent. The New Zealand wool clip is shorn during the last few months of the calendar year.

The New Zealand wool selling season is drawing to a close, with most of the good wools sold except those that are being held indefinitely. Sales so far this season, i.e., up to March 15, have been approximately 41,280,000 pounds less than for the same period a year ago with most of the left over wools stored in the country as growers have been reluctant to part with their wool at current prices.

Exports of wool from New Zealand for the 8-month period ended February 28 amounted to 112,000,000 pounds, a decrease of 38 percent as compared with the same period of 1933-34 and 17 percent as compared with the same period of the preceding 5-year average.

Union of South Africa

The December rain was plentiful in most of the densely populated sheep areas, i.e., throughout Natal, Orange Free State and Transvaal. With the exception of the Transkei, and the northeastern districts of Cape Province and Bechuanaland, conditions in the remainder of Cape Province were dry, hot, and windy during the month.

These widespread rains of December were followed by dry weather in January, especially in certain parts of the Transvaal. However, in February general and soaking rain fell over a wide area and should be of great benefit to grazing land. It is also stated that the locust menace is now fairly well under control. The Union Government has increased expenditures for locust control for the current fiscal year by £ 1,200,000 to £ 1,400,000.

At the end of December grazing in parts of Cape Province, the southwestern districts, South Coast, and Karroo was plentiful though dry, and stock in good condition. In the Transkei and northeastern districts of Cape Province, prospects were very favorable for summer (June-August) grazing, stock and pasture land being in excellent condition. Similar conditions prevail in Orange Free State and the Natal.

It is officially estimated that during 1933, the year of the prolonged drought, the total number of sheep and goats lost was 7,451,000, whereas for the five preceding seasons such losses averaged 4,245,000. In 1933 of the total number of 7,451,000 sheep and goats lost, 6,739,000 or 90 percent consisted of sheep. The number of wooled sheep on August 31, 1934, are unofficially estimated at 40,000,000 compared with 42,000,000 in 1933 and 45,000,000 in 1932. Census figures were discontinued in 1930 but are being resumed this year, according to reports and probably will be available shortly.

Wool production for 1934-35 is still estimated at 245,000,000 pounds compared with 274,000,000 pounds in 1933-34. Receipts at ports for the 8 months ended February 28 amounted to only 163,000,000, a decrease of 29 percent as compared with 1933-34, and 39 percent as compared with the record quantity of 266,000,000 pounds received in the same period of 1932-33. Exports have been of small volume during the first 8 months of the 1934-35 season, amounting to only 131,000,000 pounds grease and scoured wool combined, compared with 171,000,000 pounds during the corresponding period of 1933-34 and 197,000,000 pounds for the same period of the preceding five seasons.

Whereas it is estimated that there was only an 11 percent decrease in production, there has been a 29 percent decrease in receipts at ports. This indicates production may be even lower than estimated or that farmers are holding for higher prices as in other Southern Hemisphere countries, -- probably the latter.

Stocks of unsold wool at ports at the end of February amounted to 27,000,000 pounds, and were 2,000,000 pounds less than at the same date of 1934. The average for the same date of the preceding 5 years was 28,000,000 pounds.

Argentina

Weather conditions in the Province of Buenos Aires, Argentina were unseasonable practically throughout January, according to reports. About 33 percent of the total number of sheep in Argentina are located in this province, according to the 1930 census. The month was characterized by extremely unsettled and, at times, almost wintry conditions. By the end of the month, however, the weather had become warmer and the last day was the hottest in 79 years in certain parts of the province. During February the heat continued, and grazing was beginning to be affected by it. However, pasture was still plentiful, according to latest reports, and in some districts had been benefitted by rain.

Wool has moved slowly in Argentina during the current season, so far. Receipts at Central Produce market, where between one fourth and one third of the Argentine clip is marketed, amounted to only 47,000,000 pounds for the first 4 months of the season to January 31. This is a decrease of 23 percent compared with the fairly heavy receipts during the same period a year ago, and a decrease of 21 percent compared with the preceding 5-year average for the corresponding period.

Sales at the same market for the period under review amounted to approximately 40,000,000 pounds so far this season, a decrease of 28 percent compared with a year ago, but were only 21 percent below the 5-year average for the period. Stocks at Central Produce market on January 31 amounted to about 13,000,000 pounds and were a little over twice as large as at the same time a year ago but only about 2,000,000 pounds above the 5-year average for that period.

Exports of wool for the 5-month period ended February 28 amounted to about 128,000,000 pounds grease and scoured wool combined, a decrease of 23 percent compared with the same period last year when exports were unusually large. However, they were about 10 percent smaller than the preceding 5-year average.

Of the total quantity exported, Germany took 42,000,000 pounds compared with only 25,000,000 pounds for the same period a year ago, and the United Kingdom, 40,000,000 compared with 56,000,000 for the same period a year ago. Exports to France during the corresponding period so far this season amounted to 14,000,000 pounds compared with 24,000,000 a year ago, whereas Italy this season took 13,000,000 compared with 16,000,000 a year ago. Exports to the United States amounted to about 10,000,000 pounds this year and were only slightly less than the same period a year ago. German purchases of Argentine wool this season are expected to be between 88,000,000 pounds and 132,000,000 pounds according to the trade agreement.

Statistics showing the exports of grease wool according to the different types of wool show that of the 110,000,000 pounds exported in that condition during the first 5 months of this season 36 percent was coarse crossbred and 35 percent was fine crossbred. Last season for the same period the quantity of grease wool exported was 156,848,000 pounds, 42 percent of which was coarse crossbred and 29 percent fine crossbred. This season so far merino has constituted 9 percent of the total, whereas last year it constituted only 6 percent.

Argentine growers as well as those in other Southern Hemisphere countries are reported to be holding their wool rather than accept the prices offered. This season the Argentine Government is assisting growers in an unofficial way to hold their wool until more remunerative prices are obtainable. One report indicates that growers accepting such assistance must not sell their wool below the production cost, while another states that they must not sell it at less than the lowest rates prevailing last season.

Uruguay

Grazing conditions were reported as good toward the end of the summer months (December - February) and as a result the sheep flocks are in satisfactory condition.

Notwithstanding the estimated increase in the 1934-35 Uruguayan wool clip of 10 percent to 115,000,000 pounds, the movement of wool so far has been considerably slower than it was last season.

Exports for the 5-month period ended February 28 amounted to 44,000,000 pounds and were only about 53 percent of the quantity shipped out during the same period a year ago. February exports amounted to only 10,000,000 pounds compared with 14,000,000 in January. Despite the trade agreement made with Germany, exports of wool to that country for the first 5 months of the season amounted to only about 12,000,000 pounds compared with about 22,000,000 pounds last year for the same period. The heaviest purchaser of Uruguayan wool so far during the current season is Italy which has taken about 13,000,000 pounds compared with about 8,000,000 pounds a year ago. Exports to the United Kingdom for the same period this season have been only about 8,000,000 pounds, whereas last season exports to that country for the corresponding period reached 26,000,000 pounds. So far, only about 598,000 pounds of Uruguayan wool have come to the United States this season, whereas a year ago exports to this country amounted to about 5,000,000 pounds.

In anticipation of further orders from Germany for wools to be purchased under the trade agreement, prices have been maintained at a level well above bids of British purchasers.

Stocks of wool at Montevideo at the end of February probably were in the neighborhood of 35,000,000 pounds, and were at least twice as large at the same period a year ago but about the same as on February 28, 1931.

Wool: Estimated production in specified countries reporting for 1934 and estimated world totals, 1930-1933

(For table giving all countries, see Foreign Crops and Markets, June 25,1934)

| Countries | 1930 | 1931 | 1932 | 1933 | 1934 prel. |
|---|---|---|---|---|---|
| | Million pounds | Million pounds | Million pounds | Million pounds | Million pounds |
| Southern Hemisphere: | | | | | |
| Australia | 912.1 | 1,006.6 | 1,061.7 | 975.6 | 1/ 1,010.0 |
| New Zealand 2/ 3/ | 271.1 | 282.8 | 288.4 | 300.5 | 4/ 307.0 |
| Peru 2/ | 10.3 | 8.8 | 10.0 | 11.9 | - |
| Chile | 26.7 | 26.3 | 4/ 25.9 | 2/ 25.7 | 2/ 28.7 |
| Brazil | 30.0 | 30.2 | 28.6 | 4/ 25.7 | |
| Argentina 5/ | 334.0 | 364.0 | 340.0 | 348.0 | 366.0 |
| Uruguay 2/ | 152.6 | 6/ 106.0 | 6/ 110.2 | 6/ 104.7 | 7/ 115.0 |
| Union of South Africa | 8/ 305.0 | 8/ 306.0 | 8/ 316.3 | 274.0 | 245.0 |
| Total 6 Southern Hemisphere countries reporting to 1934 | 2,001.5 | 2,091.7 | 2,142.5 | 2,028.5 | 2,071.7 |
| Northern Hemisphere: | | | | | |
| North America | | | | | |
| United States - | | | | | |
| Shorn | 350.3 | 372.2 | 345.4 | 364.7 | 357.7 |
| Pulled 9/ | 61.9 | 66.1 | 67.1 | 64.2 | 60.5 |
| Total | 412.2 | 438.3 | 412.5 | 428.9 | 418.2 |
| Canada | 21.0 | 20.4 | 20.5 | 19.3 | 19.5 |
| Europe | | | | | |
| United Kingdom (England and Wales, Scotland and Northern Ireland) 10/ | 111.0 | 113.0 | 119.0 | 120.0 | 110.0 |
| Irish Free State | 10/ 18.9 | 10/ 19.3 | 10/ 19.6 | 10/ 19.6 | 10/ 17.0 |
| Norway | 5.2 | 5.5 | 5.7 | 4/ 5.8 | 6.0 |
| Sweden | 1.9 | 1.8 | 1.8 | 4/ 1.7 | --- |
| Denmark | 0.9 | 0.9 | (0.9) | 4/ 0.9 | --- |
| France | 45.2 | 44.1 | 43.2 | 43.0 | 4/ 42.4 |
| Spain 11/ | (66.0) | 66.1 | 4/ 70.0 | --- | --- |
| Italy 11/ | 47.9 | 44.0 | 10/ 42.0 | --- | --- |
| Germany | 4/ 30.6 | 4/ 30.8 | 4/ 30.8 | 30.0 | 4/ 29.8 |
| Czechoslovakia 11/ | 3.7 | 2.7 | 2.3 | 2.0 | 2.1 |
| Hungary | 13.0 | 12.8 | 8.8 | 4/ 8.0 | 4/ 8.0 |
| Yugoslavia 4/ | 28.0 | 28.8 | 30.5 | 30.8 | 31.1 |
| Greece | 4/ 12.2 | 14.6 | 14.9 | 16.0 | 15.6 |
| Rumania 11/ | 63.6 | 65.1 | 62.7 | 62.4 | --- |
| Lithuania | 3.2 | 3.6 | 3.8 | 3.8 | --- |
| Latvia | 3.3 | 3.3 | 3.6 | 4/ 4.1 | 4/ 6.5 |
| Estonia | 1.5 | 1.5 | 1.7 | 4/ 1.9 | --- |
| Poland 4/ | 9.6 | 9.8 | 9.5 | 9.6 | 4/ 9.6 |
| Total 13 European countries reporting to 1934 | 280.7 | 284.7 | 287.9 | 288.9 | 278.1 |

Continued -

Wool: Estimated production in specified countries reporting for 1934 and estimated world totals, 1930 to 1933 - Continued
(For table giving all countries, see Foreign Crops and Markets, June 25, 1934)

| Countries | 1930 | 1931 | 1932 | 1933 | 1934 |
|---|---|---|---|---|---|
| NORTHERN HEMISPHERE, Cont'd. | Million pounds | Million pounds | Million pounds | Million pounds | Million pounds |
| Africa and Asia 12/ | | | | | |
| Algeria | 49.3 | 28.1 | 39.3 | 4/ 39.3 | 4/ 41.2 |
| Morocco | 19.9 | 4/ 17.2 | 4/ 19.6 | 4/ 20.1 | --- |
| Tunis 4/ | 4.4 | 5.3 | 4.4 | 5.2 | 4/ 5.5 |
| Egypt 4/ | 4.5 | 5.0 | 5.4 | 5.4 | --- |
| Turkey | 14.1 | 14.8 | 10.2 | 14.0 | 13/ 12.0 |
| Iraq 2/ | 4/ 18.2 | 4/ 18.6 | 4/ 14.6 | 14.6 | 13.4 |
| Total 19 Northern Hemisphere countries reporting to 1934 | 799.9 | 810.2 | 789.4 | 810.2 | 787.9 |
| Total all countries reporting to 1934 (24) 14/ | 2,801.4 | 2,901.9 | 2,931.9 | 2,838.7 | 2,859.6 |
| Total all countries reporting to 1933 (34) 14/ | 2,937.2 | 3,036.0 | 3,066.4 | 2,972.5 | |
| Estimated world total, excluding Russia & China 15/ | 3,286.0 | 3,387.0 | 3,412.0 | 16/ 3,310.0 | |
| Russia | 306.2 | 17/ 212.0 | 17/ 142.0 | 17/ 138.0 | 17/ 142.0 |
| China 18/ | 78.0 | 78.0 | 78.0 | 78.0 | |

Division of Statistical and Historical Research. This table includes wool shorn during the calendar year in the Northern Hemisphere and that shorn during the season beginning July 1 or October 1 of the given calendar year in the Southern Hemisphere, the bulk being shorn during the last 6 months of the given calendar year. Pulled wool is included in the total for most important countries at its grease equivalent. Figures in parenthesis are interpolated.
1/Estimate based on receipts of current clip wool into store for first 8 months of 1934-35 season. Statistics for the preceding 10 seasons show that about 78 percent of the total quantity produced went through the hands of the National Council of Wool Selling Brokers of Australia during the first 8 months of the season. 2/Estimates based on exports alone or exports, stocks, and domestic consumption and any other available information. 3/Years 1930-31 to 1933-34 from Monthly Abstract of New Zealand Statistics, August 1934. The estimates of Dalgety and Company formerly used are as follows in millions of pounds, with scoured wool included at its scoured weight; 1930, 265.7; 1931, 265.5; 1932, 265.5; 1933, 262.7. 4/Estimates based on sheep numbers at date nearest shearing and other available data. 5/Estimates of the Buenos Aires branch of the First National Bank of Boston based on exports, stocks, and domestic consumption except that production for 1931 and 1932 has been revised upward provisionally to take care of excess exports. 1934 estimate cabled by Assistant Agricultural Commissioner C. L. Luedtke. 6/Estimates supplied by Assistant Agricultural Commissioner C. L. Luedtke. 7/Provisional estimate. Reports of increase range from 5 to 15 percent. 8/Estimates furnished by former Agricultural Attache' C. C. Taylor. 9/Published as reported by pulleries and is mostly washed. The United States Bureau of the Census considers 1 pound of pulled wool the equivalent of 1-1/3 pounds of grease. 10/Estimates of the Imperial Economic Committee. 11/Revisions based on recent census figures of wool production or of sheep numbers. 12/Estimates for Asiatic countries rough approximations only.

Notes continued -

Wool: Estimated production in specified countries reporting for 1934 and estimated world totals, 1930 to 1933 - Continued

NOTES Cont'd.

13/Prospects of a 15 to 20 percent reduction in 1934 due to losses of sheep in Roumelia and Anatolia. 14/Comparable totals for number of countries indicated in parenthesis. 15/Totals subject to revision.
16/Estimate based on production in 34 countries as compared with 1932.
17/Estimate based on sheep numbers and average yield as derived from official estimates for recent years. The USSR program called for 353,000,000 pounds in 1931 according to the Economic Handbook of the Soviet Union but this estimate appears much too large considering the decrease in sheep numbers.
18/ Unofficial estimate based on sheep numbers in 1932. Owing to poor marketing conditions in recent years exports of sheep's wool not a reliable index of production.

Canada: Number of sheep shorn and wool produced in Canada 1930-1934

| Year | Sheep shorn | | | Wool produced | | |
|---|---|---|---|---|---|---|
| | Sheep | Lambs | Total | Sheeps wool | Lambs wool | Total |
| | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds |
| 1930 | 2,017 | 1,682 | 3,699 | 15,126 | 5,890 | 21,016 |
| 1931 | 1,933 | 1,675 | 3,608 | 14,500 | 5,865 | 20,365 |
| 1932 | 1,984 | 1,663 | 3,647 | 14,880 | 5,638 | 20,518 |
| 1933 | 1,880 | 1,509 | 3,389 | 14,098 | 5,170 | 19,268 |
| 1934 | 1,900 | 1,524 | 3,424 | 14,250 | 5,294 | 19,544 |

Division of Statistical and Historical Research. Compiled from Monthly Bulletin Agricultural Statistics, March 1932-33, December 1934.

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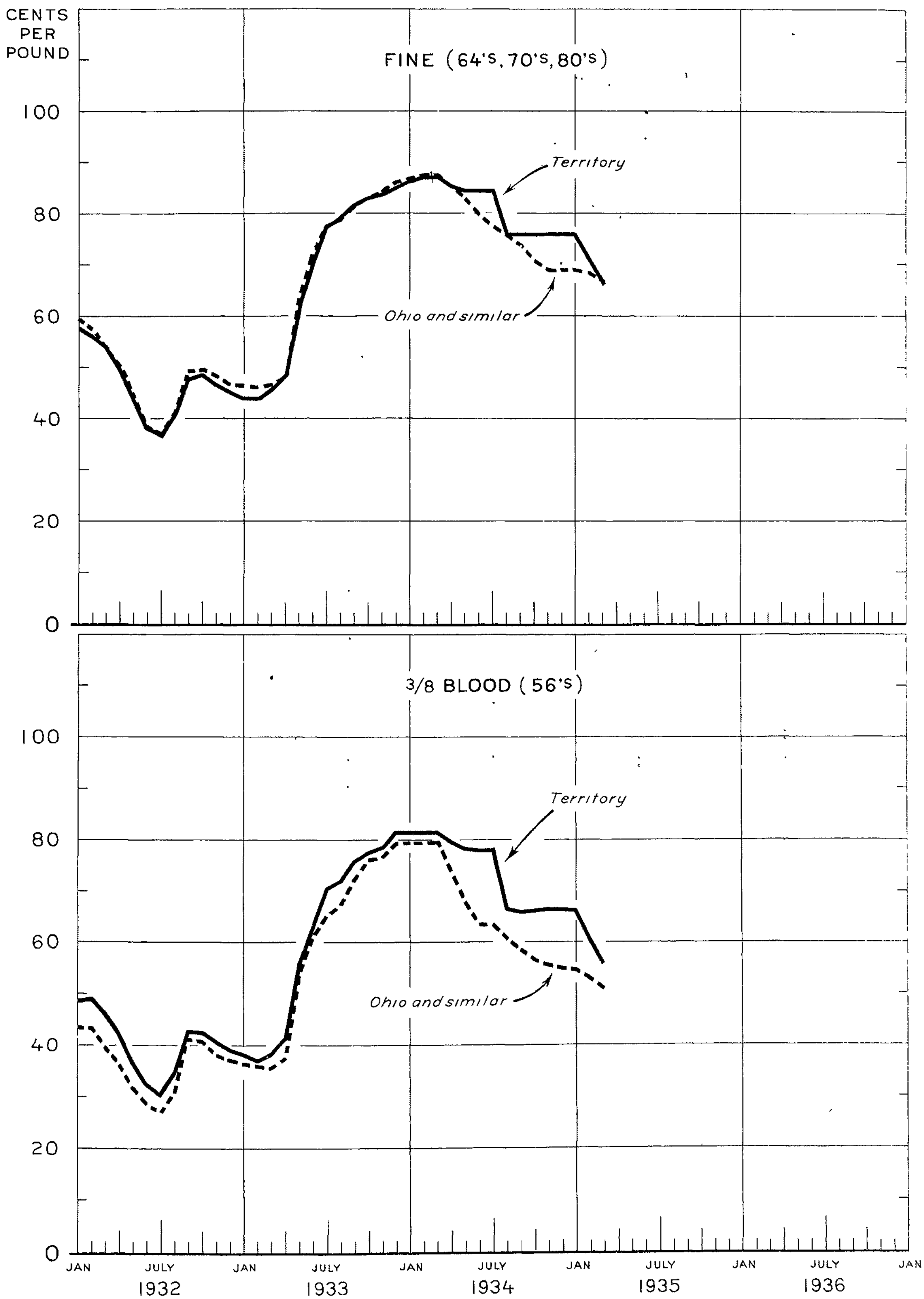
## WOOL, STRICTLY COMBING, SCOURED BASIS: AVERAGE PRICE OF SPECIFIED GRADES, BOSTON, 1932 TO DATE

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