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WORLD WOOL PROSPECTS

Summary

European wool textile industries reported further improvement in May and the early part of June. The further price advances at London and in Southern Hemisphere markets stimulated business generally. Increased orders to manufacturers resulted in a further improvement in mill activity in continental European wool centers.

Prices of wool in the Boston market are now at the highest level since August 1934. Sales of wool in the Boston market in the first half of June were very small compared with the unusually heavy turnover in May. Wool prices, however, remained very near the peak of the May advance and business again increased sharply after the middle of June. The heavy trading at Boston in May was based on the large volume of goods business booked in recent months and not covered by stocks of raw wool. The heavy sales in May greatly reduced stocks of unsold wool in the Boston market and orders are now being taken at Boston for new clip wool to be graded and delivered when available.

United States mills consumed 204,000,000 pounds, (greasy shorn basis) of apparel class wool from January 1 to April 27, 1935. Consumption for this period was higher than in the same months of any year since 1929. It was exceeded however, in periods of equal length in 1931 and 1933. Mill activity was reported to be well maintained in May. The request for bids for additional government supplies of wool goods has improved the wool manufacturing outlook. Awarding of the contracts, however, may be postponed until some provision is made by Congress with respect to hours and labor provisions to be required on government work.

Raw wool stocks in public warehouses at the principal ports of the United Kingdom and in railway and canal depots in Yorkshire at the end of April were 50,000,000 pounds smaller than at the end of April 1934 and were also considerably smaller than in April 1933. Stocks of tops in commission combing establishments of the four principal European wool manufacturing countries are running considerably lower than for the corresponding period of the 3 previous years.

The increased demand for wool in recent months has greatly reduced the heavy stocks of a few months ago in Southern Hemisphere countries. While apparent supplies on May 31 were considerably larger than on the same date of last year when supplies were unusually small, they were only 10 percent larger than the average on that date of the preceding 5 years. With the exception of New Zealand, stocks on hand at the end of the 1934-35 season in Southern Hemisphere countries, are not expected to exceed the average for the 5 years 1929-1933.

A reduction of 7 percent in the coming (1935-36) Australian wool clip is in prospect according to a preliminary estimate of the Australian wool selling brokers and producers. Decreases are also in prospect in the United States, the United Kingdom and France. The expected increase in the Union of South Africa will probably not be sufficiently large to offset the decreases in the four countries above mentioned which produce about 48 percent of the world production exclusive of Russia and China.

The Market Situation

United States

The increased trading in the Boston wool market during the first half of May resulted in sharp advances in prices and heavy sales of wool during the latter part of the month, reports R. L. Burrus of the Boston Office of the Bureau of Agricultural Economics in his report on the Boston wool market for the month ended June 15. The intensity of activity and the swiftness of the price rise for a period of about 2 weeks was of unusual proportions, states Mr. Burrus. The activity was based on the large volume of goods business booked in recent months and not covered by stocks of raw wool. As the covering movement got under way stocks of unsold wool in the market were quickly reduced and repeated mark-ups were made and established in rapid succession.

The trend in activity changed late in May, and total sales in the first half of June were very small compared with the May turnover. The price advance was halted by the curtailment of sales but quotations remained very near the peak of the advance.

Advances in prices of wool at Boston from the April low point ranged from about 12 to 17 percent on the bulk of the fine wools to 25 to 30 percent on 48s, 50s (1/4 blood) wools with a rise of as much as 30-35 percent in some extreme cases. The demand on 1/4 blood wools was so great in May that all spot offerings were absorbed and orders were taken for future delivery from new clip wools. Strictly combing Ohio and similar 48s, 50s that had been quoted early in April at 23 cents in the grease advanced to 30-31 cents late in May. Prices of most Ohio and similar fleece wools in the Boston market the early part of June were at the highest levels since August and September 1934.

Orders were taken by Boston houses in May for all grades from fine to 1/4 blood Ohio and similar bright fleeces to be graded and delivered from the new clips, when available, at 30-31 cents a pound in the grease. Scattered transactions were slightly above this range on medium wools.

Spot original bag clips of bulk 64s and finer Territory wools were more nearly adequate for the demand than was the case on other grades. Average to good French combing 64s and finer in original bags brought as high as 70 cents scoured basis while short French combing sold at 63-66 cents. Original wools containing strictly combing staple sold up to 72-73 cents scoured basis in a few transactions.

Territory wools were sold to some extent to be graded and delivered from the new clip when available. This business took place on the medium grades, on 1/2 blood and on choice staple fine. Prices on graded strictly combing territory wools at the peak of the advance were 73-75 cents scoured basis on 64s and finer; 67-70 cents on 58s, 60s; 62-64 cents on 56s and 58-60 cents on 48s, 50s. Texas wools were ordered for future delivery as spot offerings largely disappeared before the end of May. Late business was transacted at around 73-75 cents scoured basis, delivered east for choice 12-months wool and at 70-72 cents for average clips.

American buying in foreign markets was reported by cables to Boston concerns late in May when it was estimated that good to choice combing 64s to 70s Australian wool was costing 85-90 cents scoured basis landed Boston, duty paid. Some buying was done in Australia and New Zealand but the largest weight of business done by United States buyers abroad was in South American low crossbred wools.

Pulled wools and noils shared in the increased demand. Prices of scoured pulled wools were advanced 3 to 7 cents a pound and prices of fine noils advanced from 50-54 cents in April to 54-57 cents the latter part of May.

Demand for wool tops continued heavy until late in May and prices made sharp advanced before business slackened. Average oil combed 64s tops brought 92 cents at the peak of the movement but the bulk of the sales were at 87-90 cents. Sales on other grades the early part of June were mainly at 85-88 cents on 60s; 75-78 cents on 56s, and 65-68 cents on 50s for small lots. Deliveries of tops against old contracts have been good throughout the past month. There has been no let-up in deliveries such as was noted in new business.

United States mill consumption of wool increased in April. Statistics released by the Bureau of the Census show that the weekly average consumption of apparel class wool in the 4 weeks ended April 27 was 5,454,000 pounds, scoured basis, compared with 4,621,000 pounds in March and the high level for the year thus far of 5,549,000 pounds reached in January. Consumption of apparel class wool on a grease basis, from January 1 to April 27 was 153,800,000 pounds of shorn wool, greasy shorn basis and 31,700,000 pounds of pulled wool, greasy pulled basis. Total consumption of apparel class wool on a greasy shorn basis was 204,300,000 pounds. Consumption in the first 4 months of 1935 was higher than in the same months of any year since 1929. It was exceeded, however, in periods of equal length in 1931 and 1933.

Consumption of carpet wool increased steadily from January through April. Total consumption for the first 4 months of 1935 was 39,490,000 pounds of shorn wool, greasy shorn basis and 1,718,000 pounds of pulled wool, greasy pulled basis. The consumption of carpet wool on a scoured basis from January to April was 28,751,000 pounds.

Mill activity in the wool manufacturing industry was believed to have been well maintained in May and the early part of June with mills busy on existing contracts. Spot business in the goods market was reported to be very slow in the first half of June but further government contracts for wool goods were expected to be awarded in the near future.

Receipts of domestic wool at Boston reported to the Boston Grain and Flour Exchange in the first 2 months of the current season beginning April 1 were 24,400,000 pounds compared with 14,900,000 in the same months of 1934 when shipments were unusually small. Average receipts for the April - May period in the 5 years 1929 to 1933 were 25,234,000 pounds.

Arrivals of wool at Boston increase rapidly in May and June and usually reach a peak in July. Imports of wool for consumption from January to May of this year were 8,178,000 pounds of combing and clothing wool and 56,894,000 pounds of carpet wool. In the first 5 months of 1934 imports were 13,873,000 pounds of combing and clothing wool and 45,631,000 pounds of carpet wool.

United Kingdom.

Prices of wool and semi-manufactures on the English market in May showed a further advance from the March low point and average prices for the month were generally at the highest level since August 1934. The Weekly Wool Chart (Bradford) index number for raw wool prices for May was 69 (English currency basis- July 1914=100) compared with the March low of 62 and with 86 in May 1934. The index for tops advanced to 76 in May compared with 68 in March and 95 in May 1934, while the index for yarns was 95 in May, 88 in March, and 110 in May 1934.

Quotations for tops and yarn in the Bradford market were reported still to be below replacement costs in May and early June. This condition is not unusual, however, when wool prices are advancing rapidly. Quotations for 64s, average tops at Bradford were 56.7 cents a pound on June 6 (current rate of exchange) compared with 46.5 cents at the low point in March. Yarns 2/48s made from 64s tops had increased to 82.5 cents on June 6 compared with 71.2 cents in March. The advance on crossbred tops was about equal to that on merinos. Fifties tops were 30.9 cents a pound at Bradford on June 6 compared with 25.7 cents on March 7. Worsted medium 2/32s yarns, however, had advanced to only 42.3 cents on June 6 compared with 38.6 in March.

New business on the Bradford market in tops and yarns at current prices was reported to be rather slow in May and the early part of June. Combers reported however, that there was a heavy consumption of merino tops and deliveries were being taken very freely. A slight increase in demand for crossbred qualities is believed due to some substitution of lower qualities in connection with the "fixed price" trade in piece goods, according to the Wool Record and Textile World, Bradford.

The Ministry of Labour reports that 14.5 percent of insured workers in the woolen and worsted industry were registered as unemployed on May 20, the same percentage as reported for April 15. While improved activity was reported in the worsted combing and spinning sections there was a slight decline in the weaving section of the worsted industry. All sections of the woolen industry reported increased activity in May.

Imports of wool into the United Kingdom have increased rapidly since the early part of 1935 and for the first 5 months of the year were only slightly below the average imports for that period in the 5 years 1930 to 1934. Reexports of wool from January to May, however, were somewhat below the average of recent years. Approximately 380,000,000 pounds of imported wool were retained in the first 5 months of 1935 compared with 352,000,000 in the first 5 months of 1934 and an average of 363,000,000 pounds in the 5 years 1930 to 1934.

The Weekly Wool Chart, Bradford, estimates that the consumption of imported wool by the English manufacturing industry in the first 5 months of 1935 was slightly larger than in the same months of 1934 and was more than 25 percent greater than the average consumption for that period in the 5 years 1930 to 1934. The Imperial Economic Committee of the United Kingdom reports that stocks of raw wool held in London at the end of April were 1,000,000 pounds higher than at the end of March and were about the same as a year ago. Stocks in public warehouses at other ports, however, and at railway and canal depots in Yorkshire are still considerably lower than for the corresponding period of the two previous years. The stocks at railway and canal depots in Yorkshire are believed to more accurately reflect the condition of commercial stocks in the United Kingdom wool industry. Total stocks at all centers at the end of April were 165,000,000 pounds compared with 133,000,000 at the end of March, 215,000,000 at the end of April, 1934, and 207,000,000 at the end of April, 1933.

The Continental European Wool Situation in May 1/

Continued improvement in the position of the continental European wool textile industries was reported during the month of May. The further price advances overseas, at the London auctions and in continental futures markets stimulated business generally, and the increased orders received by manufacturers encouraged a continuation of the recent upward trend in plant activity. Import buying of raw material and semi-manufactured products by Germany and Italy was handicapped by the trade restrictions in effect in both countries, but actual imports during the first several months of the current year throughout the Continent have shown a considerable pick-up over the latter part of 1934, when an abnormal reduction in imports was everywhere evident.

Stocks of tops in commission combing establishments of France, Germany, Belgium and Italy declined in May and stocks in all countries were considerably smaller than at the end of May for the three preceding years (1932 to 1934). Total stocks of merino tops reported from the four countries amounted to 22,985,000 pounds at the end of May compared

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1/ Conditions in the continental European wool centers were reported by L. V. Steere, Agricultural Attache at Berlin.

with 24,844,000 pounds at the end of April and 30,705,000 pounds in May 1934. Stocks of crossbred tops were 26,512,000 pounds at the end of May compared with 28,032,000 pounds at the end of April and 35,856,000 pounds in May 1934.

France

Active trading in noils and washed wool and a fair business in tops was again reported from Roubaix-Tourcoing during May, with noils in particularly active demand. On the other hand, export sales were restricted by the unsatisfactory functioning of the currency clearing system in effect for trading with certain countries.

Mill occupation has been generally increased as a result of the rising tendency of new orders for spinners and weavers, though knitters, as usual at this time of the year, were experiencing slackening business.

The unusually low importation of wool into France in the second half of 1934 has been followed by a considerable pick-up in the first several months of 1935. This increase, as in most of the important countries of the Continent, has been much more than seasonal.

Belgium

All sections of the wool textile industry in Belgium continue to report an encouraging improvement in current sales and mill occupation since April.

Trading in wool and noils was particularly active, with prices firm and export sales increased. Top-makers, worsted spinners, weavers, and hat-makers have returned to approximately normal occupation, and worsted spinners, in some cases have even resorted to night shifts.

Italy

Active business in domestic wool at rising prices and active trading in noils was registered in Italy during May. Demand for imported wool and tops on the other hand, was somewhat restricted as a result of newly introduced import buying restrictions. Nevertheless, the wool situation, as in other countries, was fairly favorable, and operations in the mills, following a slight recession in April, are reported to be rising again in continuation of a movement evident since the end of 1934.

Germany

The reports indicate that German wool textile mills continued to do a fairly active business in May, and that the new orders booked for yarns and fabrics were satisfactory in volume. Mill operations accordingly remained on fair levels. Trading in noils and wool as well as tops reflected a keen demand. Import buying, however, continued to be restricted as a result of the limited number of import permits.

Imports of wool into Germany during the first several months of 1935 and particularly during April have shown an appreciable pick-up as compared with the last part of 1934. The efforts of Germany to acquire wool from abroad under the special agreement with South Africa and the clearing agreements with Argentina and Uruguay now appear to be reflected in the official import statistics.

Supply Situation

A reduction of 7 percent in the coming (1935-36) Australian wool clip is in prospect according to the preliminary estimate of the Australian wool selling brokers and producers. At the present time, therefore, there are indications of reductions in production in Australia, the United States, United Kingdom and France in 1935. These four countries produce about 48 percent of world production exclusive of Russia and China.

The expected increase in the Union of South Africa will probably not be sufficiently large to offset the decreases in Australia, the United States and the other countries mentioned. No reliable estimates are as yet available for Argentina and Uruguay.

The main shearing season in the Southern Hemisphere does not begin until October and weather and feed conditions during the winter season (June-August) may affect the situation materially before that time. Conditions in May (late fall) appeared slightly less favorable for carrying sheep successfully through the winter in parts of Australia and Argentina. The Queensland drought appears to have extended into Northern New South Wales and rain was urgently needed in mid-May in parts of Buenos Aires Province, Argentina, especially south of Bahia Blanca. In other countries of the Southern Hemisphere prospects for wintering sheep appear satisfactory.

The increase in demand for wool in recent months, especially for South American wool, has helped disposals. The heavy stocks of a few months ago are now much reduced and although apparent supplies on May 31 were considerably larger than the reduced stocks of last year they are only 10 percent larger than those on that date of the preceding 5 years. With the exception of New Zealand, stocks on hand at the end of the 1934-35 season are not expected to exceed greatly the average for the 5 years 1929-1933.

Australia

The preliminary estimate of the 1935-36 Australian wool clip issued at the combined conference of Australian growers and wool selling brokers early in June was 2,930,000 bales or approximately 937,000,000 pounds converted to a grease basis. This is a decrease of about 7 percent compared with the Provisional estimate of 1,010,000,000 pounds for 1933-34, and is smaller than for any year since 1930 when it was officially estimated at 912,000,000 pounds. A decrease in the coming clip was to be expected, as sheep numbers at the beginning of 1935 were unofficially estimated to be smaller than for the past 5 or 6 years owing to poor lambing in 1934 and the drought in Queensland.

The Queensland drought continued to be severe through May and appeared to be spreading to other areas in the Southwest and the northern inland districts of New South Wales. In southern New South Wales and in the other states conditions seem to be satisfactory although in most areas more rain is needed.

Stocks of 1934-35 clip wool on hand at selling centers at the end of May were reduced to only 56,000,000 pounds and were only 6 percent above the quantity on hand at the same date of 1934 and about 3 percent above average stocks at that date of the 5-year period 1930-1934.

Receipts for the first 11 months of the season up to May 31 amounted to 860,400,000 pounds grease and scoured wool combined, an increase of 8 percent above the same period of the 1933-34 season but only 6 percent above average for that period of the 5 preceding seasons. Disposal for the first 11 months of this season amounted to 804,300,000 pounds and were 8 percent above a year earlier. Disposals from the beginning of the season to theend of each month were smaller this season than last through March. Heavy sales in April and May, however, have brought about a change in the situation and the total is now considerably larger than for the comparable period a year ago.

The distribution of Australian wool exports by countries for the first 10 months of the current season is now available. The total quantity was approximately 746,000,000 pounds and was about 4 percent smaller than for the corresponding period a year ago. The quantities taken by the important countries are as follows in millions of pounds, with percentage of last year in parentheses: United Kingdom, 316 (131); Japan, 154 (91); Holland and Belguim, 128 (122); France, 70 (101); Germany and Austria, 28 (23); Italy, 17 (29). The United States and Canada took only 5,000,000 pounds which was about 69 percent of last season's takings.

New Zealand

Very satisfactory weather conditions were reported for New Zealand in mid-autumn (March). The warmth and lack of wind led to rapid growth of vegetation and a good supply of winter feed is assured. Even in the Southland District of South Island, which experienced the worst drought since 1915 last summer (December-February), conditions had improved to such an extent that by the first of May the outlook for winter feed was satisfactory and no difficulty is expected provided the winter season is normal. Owing to the high price of sheep many farmers in this district have not stocked up to the usual extent and consequently will be able to winter their sheep without trouble.

The heavy export of ewes during recent seasons has resulted in an increasing shortage and farmers wishing to replenish their flocks with young sheep have been unable to fulfill their requirements at reasonable prices.

The latest estimate of the 1934-35 New Zealand clip is 775,000 bales compared with only 754,000 bales in 1933-34, an increase of 3 percent. In pounds, the current clip may be estimated at approximately 307,000,000 pounds grease equivalent compared with 301,000,000 pounds a year ago. No estimate is as yet available of the coming clip.

It appears that the carryover of New Zealand wool on June 30 will be larger than it was a year ago. Last season the carryover on June 30 was officially estimated at 44,712,000 pounds grease and scoured wool combined or 49,800,000 pounds changed to a grease equivalent. Last year, however, the carryover was much below the preceding 5-year average.

Statistics are now available showing the distribution of wool exports by countries for the first 10 months of the season. Of the total quantity of 178,000,000 pounds exported, 109,000,000 pounds or 71 percent went to the United Kingdom.

Union of South Africa

The 1934-35 short wool clip (fall shorn) was somewhat larger than expected early in April, according to information received from Vice Consul R. Borden Reams. The quality is also reported to be better than it was last year. The short wool clip was expected to be finished by the end of May and it was confidently expected that the clip would be readily disposed of.

Stocks of all unsold wool at ports of the Union of South Africa had been reduced to only 5,000,000 pounds by the end of May, according to a cable received by the Bureau of Agricultural Economics. Last year on the same date stocks amounted to 25,000,000 pounds, whereas the average quantity reported on that date of the 5 years 1929 to 1933 was 12,000,000 pounds.

Receipts of wool at ports for the 11 months of the 1934-35 season up to May 31, amounting to 199,000,000 pounds, were 26 percent smaller than for the same period of the 1933-34 season and 33 percent below the preceding 5-year average for that period. During the past 2 seasons there has been a heavy reduction in wool production in the Union below the record clip of 316,000,000 pounds produced in 1932-33. The latest estimate of the 1934-35 clip is still 205,000,000 pounds. This estimate is subject to revision when the final returns are made. Present conditions indicate that the coming clip, i.e., that shorn during the last few months of 1935, will be somewhat larger than that of 1934-35, which was the smallest since 1924.

Latest reports are to the effect that livestock were in good condition in mid-autumn (May 1) and that winter feed was assured. Soaking rain which fell toward the end of March and during April in all provinces of the Union improved grazing and the condition of stock. The rain was followed by cold weather in the north which caused some mortality but not of a serious nature.

Exports of wool amounted to 225,000,000 pounds grease equivalent, for the first 11 months of the season up to May 31. Last season for the same period exports amounted to 237,000,000 pounds compared with the preceding 5-year average of 289,000,000 pounds. Germany has been the Union's best purchaser this season according to figures for the first 10 months, taking 32 percent of the total, whereas France took 20 percent and the United Kingdom 19 percent. During the same period a year ago the United Kingdom was the largest purchaser, taking 25 percent of the total, whereas Germany and France took about the same quantity, each taking about 24 percent of the total. The United States had only taken 174,000 pounds up to the end of April compared with a little over a million pounds last season for the same period. A recent report says that the South African government has agreed to extend the period of the agreement with Germany until November 30. It is believed that Germany has already taken the quota of wool agreed upon but that South Africa has not as yet received a sufficient quantity of manufactured goods from Germany to pay for the wool.

Argentina

Pasturage in Argentina deteriorated considerably in May (late fall) and rain was needed generally. In that part of Buenos Aires Province bordering on the Atlantic Coast pasturage was so scarce that some stock had to be moved. This condition was especially noticeable south of Bahia Blanca. Notwithstanding the poor condition of pastures, however, sheep were still reported to be in good condition, although in some sections of the province they were being fed on wheat and oats stubble or on corn leaves.

In the southern or Patagonian district of Argentina where fine crossbred wool predominates, weather in mid-autumn was reported favorable to sheep and wool with the exception of the territory in the vicinity of Santa Cruz, where rain was urgently needed. Sheep there were already in below average condition and in the event of a severe winter, heavy losses were expected unless conditions improved. In the other parts of Santa Cruz Province sheep were reported to be in good condition. The whole province of Santa Cruz has approximately 6,880,000 or about 15 percent of the total number of sheep in Argentina.

Apparent supplies of wool in Argentina at the end of May 1935 exceeded those at the same date a year ago, when they were unusually low, by about 61 percent. Compared with the preceding 5-year average, however, the increase was only 19 percent. The Argentine wool season does not end until September 30. Total supplies for disposal during the season, i.e., production plus carryover, were estimated to be 12 percent in excess of a year ago.

Sales for the 8 months ended May 29 reached approximately 278,000,000 pounds or about the same as for the same period a year earlier. United States buyers competed keenly in May for the first time this season, showing interest especially in coarse crossbreds. During May large purchases of Southern territory wools were made on English and French account. There was also a strong demand for all classes of coarse crossbred wools. Entre Rios and Corrientes fine crossbreds wools were also in better demand, though medium crossbred wools from the Province of Buenos Aires and the Pampa remained steady with only a moderate demand at nominal prices.

That part of the Southern territory wools produced in the Puerto Deseado district of Santa Cruz Province this season amounted to 12,139,000 pounds compared with 15,179,000 pounds in 1932-33 and 13,719,000 pounds in 1931-32. The quality produced in this district is fine crossbred, 56s - 60s, and prices ranged from 14.77 to 16.98 cents per pound, United States currency, in May. Special fine crossbreds from Corrientes brought 22.15 cents and medium crossbreds 17.72 cents. Entre Rios fine crossbred sold at 19.20 cents and medium crossbred at 15.51 cents. Fine crossbred wools from Santa Cruz and Rio Gallegos sold at prices varying from 14.03 to 18.02 cents according to quality.

Prices of wool of the Province of Buenos Aires in May ranged from 8.12 cents per pound for coarse crossbred hoggets wool and second clip to 16.69 cents for good fine crossbred, according to Gibson Brothers Report for May 1935. About 40 percent of the wool grown in Argentina is coarse crossbred and 90 percent of this is grown in the Province of Buenos Aires where prices for that type ranged from 8.86 cents for inferior sorts to 11.81 cents for super or special. Last year the average price of all wool sold at Central Produce Market, Buenos Aires, in May was 14 cents a pound compared with 8 cents in May 1933, and only 5 cents in May 1931.

Exports of wool from Argentina for the first 8 months of the season, i.e., October 1, 1934 to May 31, 1935, were approximately 250,166,000 pounds, a decrease of 6 percent compared with the same period a year earlier. During the 3 months November-January exports from Argentina were much smaller than for the same months a year earlier, but since then have been larger than a year earlier, exports for May showing an increase of 72 percent.

Uruguay

Late autumn weather was generally favorable to sheep. There was plenty of grazing available and sheep were reported to be in good condition. So far no reliable estimate of the 1935-36 wool clip is available.

Apparent supplies of wool on May 31 were about 3 times as large as on the same date a year earlier, the quantity being estimated at about 40,000,000 pounds. Disposals in recent months have been much better than earlier in the season, as over two-thirds of the estimated available supplies for the season had been sold by May 31, with less than a third to be sold in the last 4 months. The United States took only 1,333,000 pounds during the first 8 months of the 1934-35 season compared with 5,015,000 a year earlier.

Owing to the fact that monthly exports since January have been much larger than for the same months last year, total exports for the 8 months ended May 31 were only 11 percent smaller than for the same period a year ago. Last season, however, as a result of local exchange conditions, much wool was reported smuggled into Brazil and later exported in bond through Uruguay as Brazilian wool. Of the 82,000,000 pounds of wool shipped from Uruguay up to May 31, 1935, Germany took 25,000,000 pounds or 30 percent; Italy, 19,000,000 pounds or 23 percent; and the United Kingdom, only 16,000,000 pounds or 19 percent. Last season of the 92,344,000 pounds exported during the corresponding period, the United Kingdom was the principal purchaser taking 28,000,000 pounds or 30 percent, Germany 24,000,000 pounds or 26 percent, and Italy only 9,000,000 pounds or 2 percent.