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WORLD WOOL PROSPECTS

Summary

Prices at the first 1936 series of London wool auctions which opened January 14 fully confirmed the higher prices established at Bradford and in Southern Hemisphere markets in the early part of January. Prices of merino wools were generally 5 percent higher, in British currency, than at the close of the previous series on December 6. Prices of crossbred wools showed an advance of 5 to 10 percent.

The upward trend in wool prices in the domestic market was stimulated by an unexpected pickup in trade late in December. Although buying declined somewhat during the first half of January, wool prices continued to advance. The available supply of domestic wool in the Boston market is small. In view of the improved demand and firm prices in foreign markets and the necessity for increased imports by the United States in the next few months, domestic prices are likely to continue near the present level during the early months of 1936 at least.

Stocks of apparel class wool in the United States exclusive of all wool held by growers, reported to the Bureau of the Census as of December 31 were 113,337,000 pounds, scoured basis, compared with 169,999,000 pounds reported on December 31 1934, a reduction of 33 percent. The stocks on December 31, 1935 were 193,983,000 pounds of shorn wool, greasy shorn basis, and 38,802,000 pounds of pulled wool, greasy pulled basis.

Consumption of wool by United States mills continues at an unusually high level. Consumption of apparel class wool on a scoured basis in the first 11 months of 1935 was 276,163,000 pounds compared with 145,400,000 pounds in the same months of 1934. The consumption in 1935 was the largest since 1923. While consumption in 1936 is not expected to equal the 1935 total, unfilled orders are large and machinery activity is expected to remain high through the early months of this year.

Consumption of wool, particularly merino wool, has been exceptionally heavy in the United Kingdom for many months. Total consumption for 1935 was the highest in recent years. Wool imports for the past 3 years have not kept pace with the increased consumption. Consequently there has been a marked reduction in the heavy supplies of wool which accumulated during the period of low activity, 1929-1932.

While the position of the continental European wool industry at the end of 1935 appeared fairly satisfactory, prospects for the new year are dampened by the unfavorable situation in Italy and the probability of declining wool consumption in Germany.

Apparent supplies of wool for disposal in the five principal producing countries of the Southern Hemisphere on January 1, 1936 were at least 14 percent smaller than a year ago and 3 percent below the average quantity on that date in the 5 years, 1930-1934. Exports from the same countries for the season up to January 1, amounted to 682,000,000 pounds compared with 559,000,000 pounds for the same period last season and the preceding 5-year average of 735,000,000 pounds.

As a result of spring rains in many of the dry areas, weather and feed conditions were about normal in most of the important countries of the Southern Hemisphere in early summer (December). In the United States feed conditions are now much better than at the same time a year ago.

Whereas the total number of sheep and lambs on January 1, 1935 was the lowest in years the good range and sheep conditions in the Western Range States since last July may have resulted in an increase in stock sheep numbers.

The Market Situation

United States.- The upward trend in wool prices in the domestic market was stimulated by an unexpected pick-up in trade late in December. Although buying declined somewhat during the first half of January, wool prices continued to advance. The available supply of domestic wool in the Boston market is small and even a moderate volume of sales results in an appreciable decline in the market supply. A persistent demand under such conditions is very favorable for a rise in prices even though that demand is not large, reports R. L. Burrus of the Boston office of the Bureau of Agricultural Economics.

Ohio and similar fleece wools advanced 1 - 2 cents a pound in the grease, in the month ended January 18. Sales of Ohio and Similar wool of strictly combing length were made at the following prices in mid-January; Fine (64s, 70s, 80s) 33-35 cents in the grease, 58s, 60s, (1/2 blood) 34-35 cents, 56s (3/8 blood) and 48s, 50s (1/2 blood)40 cents. Supplies of all of these types are very restricted.

The chief demand for graded territory wools in recent weeks has been on 58s, 60s, and finer grades. Only scattered sales were made in the lower grades. These sales indicated a rising price tendency on all grades finer than 46s. Advances ranged mostly 3-7 cents a pound scoured basis, the advances being greatest on 64s and finer. Quotations on strictly combing length the middle of January were 87-89 cents for 64s, 70s, 80s, 75-80 cents for 56s and 59-62 cents for 46s, all on a scoured basis. Prices of ungraded bulk 64s and finer territory wools sold in original bags, advanced at about the same rate as the graded wools, the greatest advances having taken place on the shortest staple types. Original lines running bulk strictly combing sold at about 87 cents scoured basis the middle of January compared with the range 82-83 cents a month ago.

Few Texas wools have been offered recently in twelve months lines. Sales were closed on good 12-month wools in December at 83-85 cents scoured basis, but later nominal quotations were 85-87 cents. Small sales of Fall Texas wools were reported at 73-75 cents scoured basis.

Demand has improved on woolen wools and prices have recently made strong advances especially on the finer scoured pulled wools. One factor in the advance in prices of the finer grades of pulled wool was the longer staple of recent production. Aside from this factor, however, demand has been strong enough by itself to lift prices.

Demand for tops increase in the latter part of December and prices were advanced. Average 64s oil combed tops which sold at $1.02 - $1.04 in mid-December had advanced to $1.08 - $1.10 by the middle of January. Oil combed 60s advanced from $1.01 - $1.02 to $1.07 - $1.09. Deliveries of tops on old contracts declined seasonally, late in December but increased after the turn of the year.

Stocks of apparel class wool exclusive of all wool held by growers reported to the Bureau of the Census as of December 31 were 113,337,000 pounds scoured basis, compared with 156,689,000 pounds reported on September 28, a reduction of 28 percent. Stocks reported on December 31 were 33 percent smaller than on the same date in 1934. Stocks of apparel class wool reported on December 31, 1935, were equivalent to 193,983,000 pounds of shorn wool, greasy shorn basis, and 38,802,000 pounds of pulled wool, greasy pulled basis. In addition, dealers, manufacturers, and topmakers held 20,897,000 pounds of tops and 11,927,000 pounds of noil. Stocks of raw wool held by dealers on December 31 were less than half as large as a year earlier, while stocks held by manufacturers were slightly larger than in December 1934. Stocks of carpet wool showed little change the end of December as compared with September.

Stocks of raw wool, top and noil held by dealers, topmakers and manufacturers in the United States, scoured basis, 1934 and 1935

Stocks	1934	1935	
	Dec. 31	Sept. 28	Dec. 31
	1,000 pounds	1,000 pounds	1,000 pounds
Apparel class:			
Raw wool, total	1/ 169,999	1/ 156,689	113,337
Dealers	121,030	77,445	51,784
Manufacturers and topmakers	1/ 48,969	1/ 79,244	61,553
Top total	1/ 22,322	1/ 20,330	20,897
Dealers	829	854	1,018
Topmakers	5,429	5,355	6,527
Manufacturers	1/ 15,949	1/ 13,901	12,862
Top exchange	1/ 115	220	490
Noil total	1/ 10,073	1/ 9,798	11,927
Carpet class:			
Raw wool total	2/	1/ 35,367	35,595
Dealers	2/	1/ 3,080	3,337
Manufacturers	2/	1/ 32,287	32,258
Top and noil total	1/ 386	475	511

Compiled from Bureau of the Census Quarterly Wool Stock Reports. December 1935 statistics believed to include over 94 percent of the total raw wool, top, and noil stocks held by all dealers, topmakers, and manufacturers; September, 97 percent; December 1934, 96 percent.
1/ Revised.
2/ Not available on scoured basis.

Consumption of apparel class wool by United States mills showed some seasonal decline in November. For the 4 weeks ended November 23 the Bureau of the Census reports that the weekly average rate of consumption of apparel class wool by United States mills was 6,882,000 pounds, scoured basis, compared with 7,391,000 pounds in October and 4,400,000 pounds in November 1934. Consumption on a scoured basis in the first 11 months of 1935 was larger than in any year since 1923. Consumption of apparel wool from January to November was 514,231,000 pounds of shorn wool, greasy shorn basis, and 85,074,000 pounds of pulled wool, greasy pulled basis. On a grease basis this is the largest consumption for any year for which statistics are available (since 1918). While a further seasonal decline in consumption was expected in December, unfilled orders are large and machinery activity continues high.

Consumption of carpet class wool by United States mills from January to November was 124,605,000 pounds of shorn wool, greasy shorn basis, and 5,542,000 pounds of pulled wool, greasy pulled basis. Consumption of carpet wool was the greatest since 1929.

The Approach of domestic wool prices to the import parity in recent months has been reflected in the past few weeks by increased trading in spot foreign wools in Boston. Sales have thus far been mostly small and somewhat scattered as to grades, but apparel wools from most of the important foreign wool-producing countries have been involved in recent transactions. Prices of spot foreign wools have tended to strengthen.

Imports of wool by the United States have increased sharply in the last few months. Imports of combing and clothing wool were 5,315,000 pounds in December compared with 4,370,000 in November and 1,536,000 in December 1934. The December imports were greater than for any month since October 1933. For the entire year 1935 imports of such wool were 28,957,000 pounds compared with 23,156,000 pounds in 1934. Imports of carpet class wool in 1935 were 171,504,000 pounds compared with 85,187,000 pounds in the previous year.

Receipts of domestic wool reported at Boston from January - December 1935 were about 227,000,000 pounds compared with 184,000,000 pounds in 1934 and an average of 237,000,000 pounds in the 5 years, 1929 to 1933.

<u>United Kingdom</u> .- The first series of London wool auctions for 1936 opened January 14. The opening quotations for the series fully confirmed the higher prices established at Bradford and Southern Hemisphere markets in the early part of January. Prices of merinos were generally 5 percent higher, in British currency, than at the close of the previous series on December 6. Prices of crossbred wools showed an advance of 5 to 10 percent with the finer wools showing the greatest advance. Prices in British currency are now generally at the highest level since May 1934.

Average quotations, clean basis, top and noil in oil, at current rate of exchange, on January 24 were 55.6 cents for 70s, 33.3 cents for 56s, and 21.8 cents for 46s. At the close of the previous series on December 6 prices on a similar basis were 53.4 cents for 70s, 30.8 cents for 56s, and 20.5 cents for 46s.

Germany, Austria, Czechoslovakia, Russia, and Great Britain shared in the purchasing of merino wools during the first 2 weeks of the series while Great Britain, France, and Belgium were the principal buyers of crossbred wools. Withdrawals were reported to be light in view of the high reserve prices placed on merino wools. Only about 95,100 bales were available for this series, a decrease of approximately 29,000 bales compared with the quantity available for the corresponding series last year.

The Weekly Wool Chart (Bradford) index numbers for raw wool, tops and yarn remained practically unchanged in December as compared with November but were well above those of December 1934. For the entire year 1935, however, all groups showed a decline compared with 1934. The annual average for raw wool in 1935 was 72 (English currency basis, July 1914 =100) compared with 79 in 1934. The index for tops was 78 in 1935 and 87 in 1934 while the yarn index was 97 in 1935 and 104 in 1934.

United Kingdom: Net imports, consumption and surplus of imported wool, 1927 - 1935

Year	Net imports	Estimated consumption	Surplus 1/
	Million pounds	Million pounds	Million pounds
1927	476	495	- 19
1928	442	455	- 13
1929	483	451	32
1930	495	417	78
1931	592	445	147
1932	600	495	105
1933	601	612	- 11
1934	531	601	- 70
1935	606	709	-103

Compiled from the Weekly Wool Chart, Bradford. Consumption and surplus figures are unofficial trade estimates. Consumption estimates are by Mallett and Company. They are based on machinery activity, employment, etc., and are approximate only. Consumption of English wool is not included.

1/ A minus sign indicates consumption exceeded net imports.

Consumption of wool, particularly merino wool, has been exceptionally heavy for many months in the United Kingdom. The total consumption for 1935 was the highest for any recent year. Wool imports for the past 3 years have not kept pace with the increased consumption. Consequently there has been a marked reduction of the heavy supplies of wool which accumulated during the period of low activity, 1929 to 1932.

Unofficial estimates published by Malletts Weekly Wool Chart indicate a decline in stocks of about 103,000,000 pounds in 1935, following declines of 70,000,000 pounds and 11,000,000 pounds in 1934 and 1933 respectively. The table on page 6 shows the net imports, estimated consumption and surplus or deficit of imported wool 1927 to 1935 based on Malletts estimates.

A slight improvement in activity was reported in the worsted spinning and weaving sections of the British wool industry in December while a decline was reported in the woolen sorting section. The British Ministry of Labour reports that 7.9 percent of insured workers in the woolen and worsted industry were registered as unemployed on December 16, compared with 8.2 percent on November 25 and 13.9 percent in December 1934. Unemployment in the English wool manufacturing industry in the last few months has been lower than at any time since the early part of 1928.

Imports of wool into the United Kingdom in 1935 were 864,200,000 pounds compared with 788,500,000 pounds in 1934 and an average of 822,900,000 pounds in the 5 years 1929-1933. Reexports of wool were 283,400,000 pounds in 1935. This includes foreign wool scoured or otherwise treated in the United Kingdom and wool pulled from imported skins. The quantity of foreign wool retained was 580,800,000 pounds compared with 519,700,000 pounds in 1934 and an average of 503,800,000 pounds in the 5 years 1929-1933. However, as previously stated, consumption of imported wool was greatly above average and was larger than the quantity of wool retained.

Exports of wool manufactures from the United Kingdom in 1935 show a further increase as compared with 1934. The greatest increase in exports was in tops, due to the large demand from German buyers. Top exports were 55,900,000 pounds in 1935 compared with 41,700,000 pounds in 1934 and an average of 34,400,000 pounds in the 5 years 1929-1933. Exports of woolen and worsted tissues in 1935 were 7.5 percent larger than in 1934 and were 3.4 percent larger than the 1929-1933 average. Exports of yarn were slightly smaller than in 1934 but were about equal to the 5-year average.

The following table shows the trade of the United Kingdom in wool and manufactures of wool.

United Kingdom: Trade in wool and manufactures of wool, 1929 - 1935

Item	1929	1930	1931	1932	1933	1934	1935 1/
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Wool -							
Imports	813.9	782.3	848.2	918.3	952.0	788.5	864.2
Reexports 2/	342.8	296.2	271.8	324.5	360.1	268.8	283.4
Retained	471.1	486.1	576.4	593.8	591.9	519.7	580.8
Domestic exports	39.8	24.7	28.2	35.5	60.4	45.8	56.1
Tops -							
Exports	32.7	28.8	28.0	41.8	45.8	41.7	55.9
Imports 3/	1.7	2.1	1.5	.8	1.1	.8	1.0
Net exports	31.0	26.7	26.5	41.0	44.7	40.9	54.9
Yarns -							
Exports	46.7	37.3	34.9	38.0	43.4	42.9	40.9
Imports 3/	20.0	18.6	18.5	.8	.7	.9	1.5
Net exports	26.7	18.7	16.4	37.2	42.7	42.0	39.4
	Million sq.yds.	Million sq.yds.	Million sq.yds.	Million sq.yds.	Million sq.yds.	Million sq.yds.	Million sq.yds.
Tissues 4/ -							
Exports	155.5	113.8	86.1	81.8	94.2	102.2	109.9
Imports 3/	33.8	35.2	48.6	6.6	6.5	4.2	4.4
Net exports	121.7	78.6	37.5	75.2	87.7	98.0	105.5

Division of Statistical and Historical Research. Compiled from Trade and Navigation of the United Kingdom. Preliminary source . Accounts Relating to Trade and Navigation of the United Kingdom.

1/ Preliminary
2/ Includes imported wool, scoured or otherwise treated in the United Kingdom, and wool pulled from imported skins.
3/ Excludes reexports.
4/ "Other" woolen and worsted tissues. Does not include plushes and pile fabrics, damasks, tapestries, blankets or flannels and delaines.

The Continental European Wool Situation in December 1935. 1/

The year 1935 finished fairly well for most of the European wool textile industry, except in Italy where war-conditions difficulties were noticeable. France, which had experienced a fair revival for several months past, reported a satisfactory volume of mill business and occupation during December, and conditions in Belgium have remained very satisfactory since the revival began following devaluation of the currency last spring. Conditions in Germany have likewise continued fairly satisfactory and, though the industry now seems somewhat apprehensive in regard to future raw material supplies, actual shortage of raw material has not been reported thus far. Furthermore, existing agreements should assure relatively more favorable supplies of raw materials than seems to be assured in the case of cotton. It is true, however, that this year's increased foreign foodstuffs and feedstuffs requirements should affect unfavorably Germany's capacity to buy wool from abroad. In the case of Argentina, Germany's requirements and actual purchase of frozen meat, fats and linseed will tend to reduce her capacity to take wool from that country, unless the latter should be able to increase its takings of German goods.

Difficulties in Italy have continued and it is very probable that this country will continue to reduce its takings of foreign wool. This situation results not only because of the foreign exchange situation and general import restrictions, but also because of the actual and prospective further decline in consumer purchasing power in Italy.

Stocks of merino tops in commission combing establishments of Germany, France, and Belgium at the end of December were 2,352,000 pounds larger than on November 30 due to increases in the stocks of all countries. Stocks of crossbred tops on the other hand, showed a very slight decline, due to a reduction of 320,000 pounds in the stocks held by French combers. Stocks of both merino and crossbred tops at the end of 1935 were smaller than a year earlier. Stocks of merino tops in the three countries combined were 17,088,000 pounds at the end of December compared with 14,736,000 pounds in November and 19,563,000 pounds at the end of 1934. Stocks of crossbred tops were 24,987,000 pounds in December, 25,031,000 pounds in November and 28,464,000 pounds in December 1934. Reports for Italy have been discontinued but stocks in that country are believed to be very low.

France.- Trading in tops and noils was fairly active during the first half of December, but holiday quietness prevailed in the second half and at the beginning of January. The latter is a period which is also normally under the influence of stocktaking activities. Mill sales, on the other hand, continued fairly active over most of December and occupation of the mills was also satisfactory on both new and old orders.

1/ Reported by L. V. Steere, Agricultural Attache at Berlin.

Belgium.- Favorable conditions continued to be reported from the Belgian wool center of Verviers. Trading in the holiday period was seasonably quiet, but occupation of the mills was generally satisfactory.

Italy.- Conditions in the Italian wool textile industry apparently continued their downward movement during December. Import restrictions as well as reduced consumption, due to declining purchasing power, are tending to further reduce mill occupation. The current military requirements can serve only partially to offset the otherwise unfavorable influences.

According to a ministerial decree of December 21, published in the Gazzetta Ufficiale of December 23, exportation of wool and wool waste from Italy is prohibited.

Germany.- Developments during the month of December in the German wool textile industry were not particularly significant. Current demand for yarns and cloth continued satisfactory. Trading in wool, tops and noils was also fairly active although hampered to some extent by scarcity of material. The effects of the new spinning material law (described in the December issue of World Wool Prospects) are of course not as yet known since it came into force only January 1, 1936. It is now the belief of the industry, however, that demand for raw supplies in the coming year will be less favorable than during the past year. One of the reasons is the increased requirements of Germany, this year, for foodstuffs and feedstuffs to be imported from abroad. These necessary imports cannot but reduce significantly Germany's buying capacity for other goods and materials, since an appreciable increase in German exports is still unlikely to occur. In the case of wool supplies from Argentina in particular, it must be noted that Germany is now buying considerable quantities of frozen meat, linseed and perhaps also lard from that country, so that she may have to reduce her takings of wool.

A recent article in the Berlin "Textil-Zeitung" indicates that the share of German commission combers in total German top production (and of commission comber stocks in total German top stocks) is now likely to amount to 75 percent. This compares, according to official production statistics, with 50 percent for 1925, 56 percent for 1928 and 75 percent for 1933 2/. Stocks of tops reported by commission combers at the end of December were 8,038,000 pounds compared with 11,766,000 pounds at the end of 1934 and 19,048,000 pounds at the end of 1933.

2/ Textil-Zeitung, January 8, 1936.

Supply Situation

Weather and feed conditions were approaching normal in most of the important countries of the Southern Hemisphere by early summer (December). Where conditions had become very dry during the winter months rains had relieved the situation to a great extent by late spring.

The only areas where rain was still badly needed were in South Western Queensland and New South Wales, Australia, and Orange Free State and the Natal in the Union of South Africa. Australia, Argentina, and Uruguay appear to have made good recovery from the unusually dry conditions of last fall and winter (March-August). While the spring season was delayed by cold dry weather in New Zealand, latest reports state that prospects are now good as a result of recent rains.

In the United States weather and feed conditions are now much better than at the same time a year ago. The 1936 sheep estimate will be published about February 14. Whereas the total number of sheep and lambs on January 1, 1935 was the lowest in years, the favorable conditions of ranges and sheep in the Western States since last July will tend to cause an increase in stock sheep. It seems probable, therefore, that the number to be shorn in 1936 may be larger than in 1935.

Apparent supplies of wool for disposal in the five principal producing countries of the Southern Hemisphere on January 1, 1936 was at least 14 percent smaller than a year ago and 3 percent below the average quantity on that date of the 5 years 1930-1934.

Exports from the same countries for the season up to January 1 have been considerably larger than they were a year ago. The quantity shipped amounted to 682,000,000 pounds, compared with 559,000,000 pounds for the same period last season and a preceding 5-year average of 735,000,000 pounds.

United States.- Sheep and lambs continued to be in very good condition during December although winter sheep range has been very much restricted as a result of lack of stock water, states the Western Livestock and Range Report of the Division of Crop and Livestock Estimates of the Bureau of Agricultural Economics. Recent snow and rain has helped widen the grazing area but there are prospects of a shortage of early spring pasture in much of the range country unless heavy precipitation is received.

Parts of Washington and Oregon are dry. The snow covering on western ranges is mostly light except in some higher areas where heavy coverings are reported. Arizona, California and New Mexico have good range grass with some early growth due to recent rain or snow.

On January 1, 1936, the condition of sheep was 89 percent of normal compared with only 76 percent a year ago and the average for the 10 years 1925-1934 of 87.5 percent. Since July 1 the condition has been consistently much better than in 1934-35 and also about 1 point better than in the same period of 1929-30, 1930-31 and 1932-33. The condition of western ranges on January 1 was reported as 79 percent of normal compared with only 60 percent a year ago and a 10-year average of 79.5 percent.

Australia.- At the beginning of December (early summer) pastoral conditions in Australia as a whole were reported as good, except in the southwest of Queensland and western New South Wales. More rain is needed. Stock was reported to be in good condition.

It was estimated by the National Council of Wool Selling Brokers of Australia in June and confirmed in November that production would reach about 2,930,000 bales or approximately 948,000,000 pounds, converting all to a grease basis by assuming that about 5 percent was in a scoured condition. Of the above quantity, approximately 91 percent or 863,000,000 pounds were expected to go through Australian brokers' hands and 9 percent or 85,000,000 pounds to be shipped directly overseas for sale.

This pre-season estimate of the Australian wool selling brokers and growers is necessarily of a provisional nature but at any rate it gives an indication of whether the clip will be larger or smaller than that of the preceding season. The actual increase or decrease is difficult to estimate until final official returns for the preceding season are made.

Judged by the average quantity of the total clip going through brokers' hands in the first 6 months of the past 10 years the coming clip will be nearer 985,000,000 pounds than the 948,000,000 pounds estimated in June or about 4 percent below the 1934-35 clip.

Receipts of current season wool into selling centers for the first 6 months of this season amounted to approximately 719,000,000 pounds, a decrease of 3 percent as compared with a year ago but 1 percent above the preceding 5-year average for that period. Monthly receipts exceeded those of last season for the months of September and October but have been smaller for the other 4 months than they were a year ago.

Disposals for the first 6 months of this season up to December 31, including loss by fire of about 6,500,000 pounds, totaled 433,000,000 pounds, an increase of 27 percent above the same period of 1934-35 and 12 percent above the average for the 6-month period of the years 1929 to 1933. This season so far disposals of new clip wool have constituted 60 percent of receipts. Last season only 46 percent of receipts had been sold or shipped by January 1 and the average for the same period of the preceding 5 seasons was 54 percent.

Stocks of Australian wool of the current clip on hand at selling centers on January 1 is estimated at 286,000,000 pounds, a decrease of 28 percent compared with a year earlier and about 7 percent below the preceding 5-year average stocks on that date. Stocks of old wool from the preceding clip, 1933-34, has been reduced to about 1,000,000 pounds, whereas last season there were about 12,000,000 pounds of 1932-33 wool still remaining on hand on January 1, 1935.

Exports of wool from Australia during the first 6 months of the new season amounted to 442,000,000 pounds, according to Dalgety and Company, compared with 380,000,000 pounds a year earlier and an average of 450,000,000 for the same period of the 5 years 1929 to 1933. Exports for the first 5 months of the season reached approximately 320,000,000 pounds according to records of H. Dawson and Sons, Ltd., showing countries of destination. The quantity shipped to the various countries was as follows in millions of pounds with percentage of preceding season's exports for same period given in parentheses: United Kingdom, 120 (106); Japan, 81 (168); Holland/Belgium, 53 (120); France, 32 (153): Germany and Austria, 14 (123). The United States and Canada took a small quantity or 6,000,000 pounds which was about 8 times as much as a year ago. The above figures show that exports to Japan showed the largest percentage as well as largest actual increase above a year ago, the increase amounting to 31,000,000 pounds. Italy has taken only about 2,000,000 pounds of wool from Australia so far this season compared with 7,000,000 pounds for the same period a year ago.

German and Italian import restrictions have been the cause of large declines in Australian wool exports to those countries which as yet have not made any special barter agreements with Australia. Exports to Italy for the first 5 months of the season have fallen from 26,000,000 pounds in 1933 to only 2,000,000 in the same period of 1935, whereas exports to Germany and Austria during the same period declined from 192,000,000 pounds to 45,000,000 pounds.

New Zealand.- The rain of late October and November was above normal and pastures have recovered to a great extent from the dry condition of early spring. Prospects for the 1935-36 summer season are now reported as good.

Spring weather (September, October, November) was delayed about a month in the South Island of New Zealand by continued cold and dry weather which lasted until late October. Pasturage did not start to develop until early November. Meanwhile stock had lost condition and early lambs were fairly scarce. Conditions were not much better in the Hawkes Bay district of North Island. In Wellington and West Coast provinces the weather was much warmer and lambs were making good headway.

Wool disposals in New Zealand have been much heavier so far this season than a year ago. Apparent supplies for the season were estimated at 359,000,000 pounds, an increase of 10 percent above 1934-35 but 1 percent below the preceding 5-year average. It is officially estimated that by the beginning of November the carry-over had been reduced to 43,000,000 pounds, grease equivalent, from 87,300,000 pounds reported on June 30.

Exports for the first 6 months of the season up to December 31 amounted to 62,790,000 pounds, compared with 39,000,000 pounds last season for the same period and an average of 57,000,000 pounds for the same period of the years 1929-1933.

The quantities taken by the principal countries for the first 5 months of this season in thousands of pounds and the percentages of the preceding season were as follows: United Kingdom, including "option Continent", 28,000 (147); Australia, 1,542 (159), mostly for transshipment to Japan; Japan, 485 (150); France, 539 (264); all countries, 36,861 (171). The largest increase in exports during this period was to Belgium, the quantity increasing from 8,000 pounds in the first 5 months of 1934-35 to 924,000 pounds in the same period of the current season.

The number of ewes mated in New Zealand in 1935 was the largest on record or 17,812,000. This was an increase of 1 percent above 1934 and 2 percent above the preceding 5-year average. The estimated number of lambs, however, was smaller than in 1934 owing principally to adverse weather conditions. The number estimated in 1935 was 15,374,000, a decrease of 2 percent compared with the actual number docked in 1934, but 3 percent above the preceding 5-year average. The estimated percentage of lambs born to ewes mated was only 86.31 in 1935, which was the lowest percentage since 1930. The number of breeding ewes constituted about 61 percent of the total number of sheep and lambs on hand in 1935, or the same percentage as in 1934. In 1933, however, the percentage was as high as 62 percent.

Union of South Africa.- The Transvaal and Orange Free State are still dry in certain parts. October rain improved conditions but was insufficient, and the complete restoration of pasturage depends upon the rainfall during the next few months.

The Union wool clip has moved into marketing centers earlier than usual. Almost 60 percent of total estimated supplies had reached ports by January 1, compared with only 44 percent a year ago, and an average of about 52 percent for the preceding 4 years for which statistics are available. Receipts at ports for the first 6 months of the season so far aggregated 139,000,000 pounds compared with 104,000,000 pounds a year earlier and a preceding 4-year average of 160,000,000 pounds. This season the estimate of receipts includes all arrivals whether by rail or by road. Receipts by road, however, are stated to be only a very small percentage of the total. Sales at auctions have exceeded those of last season and also the average.

Exports of grease and scoured wool combined for the first 6 months of the season totaled 105,000,000 pounds, an increase of 54 percent above the same period of 1934. In the same period of the 5 years 1929 to 1933 exports reached 127,000,000 pounds for the corresponding period. This season about 45 percent of the season's supply had been shipped by January 1, whereas last season only 29 percent had been shipped by that date and in the 5 years 1929-1933, only 41 percent.

Statistics of exports of grease wool by countries of destination up to November 30 were as follows in millions of pounds, with percentage of preceding year given in parentheses; France, 20.2 (146); United Kingdom, 19.6 (180); Germany, 8.8 (363); Belgium, 6.3 (115); all countries, 61.1 (141).

Stocks of unsold wool at selling centers on January 1, 1936 were only 15,000,000 pounds compared with 50,000,000 pounds at the same date of 1935 and an average of 37,000,000 on January 1 of the years 1930-1934.

The average export price of grease wool December 1935 was 20 cents a pound compared with 14 cents a year ago and 23 cents in December 1933.

Argentina.-The smaller total supplies available, that is, production plus carry-over, for the current season appear to be reflected in the reduced receipts at Central Produce market near Buenos Aires where one fourth of the Argentine wool clip has been marketed in recent years. During the season just past 89,000,000 pounds or 23 percent of the total apparent supplies were sold at that market, and also the percentage was the same during the 5 seasons 1929-30 to 1933-34.

Receipts of wool at Central Produce market, near Buenos Aires, during the first 3 months of the season, up to December 31, amounted to 36,000,000 pounds, a decrease of 5 percent compared with the same period of 1934-35. Average receipts for this period of the 5 years 1929-1933 amounted to 51,000,000 pounds. Stocks at Central Produce market on December 27 amounted to approximately 14,000,000 pounds or about 1,000,000 less than at the same time a year ago. The average for that date of the 5 years 1929 to 1933 was 12,000,000 pounds.

Exports for the 3 months ended December 31 totaled 41,000,000 pounds, a decrease of 20 percent compared with the same period of 1934 and 37 percent below the preceding 5-year average for the same period. Delayed shearing and the inactivity of German and American buyers in December are partly responsible for the 20 percent decrease in exports during the first 3 months of the season.

Weather conditions in most of the important sheep raising districts of Argentina have greatly improved as a result of much needed rain which has been received in the south of the Province of Buenos Aires where the bulk of the coarse crossbred sheep are found. Conditions in Patagonia were excellent, according to latest reports. The spring lamb crop in this section, where lambing takes place in September and October, was accomplished satisfactorily.

Uruguay.- It appears that approximately 62 percent of Uruguay's smaller quantity of wool for disposal this season has already been received at Montevideo. Last year only about 41 percent of the total available supplies for the season had been received at Montevideo by that date owing principally to the fact that part of the Uruguayan clip did not go to Montevideo as usual but was smuggled into Brazil and later exported in bond through Montevideo as Brazilian wool owing to unfavorable exchange conditions early in the season.

Receipts of wool in Montevideo during December amounted to 38,000,000 pounds and were unusually large. Last year only 24,000,000 pounds were received during that month. Receipts for the first 3 months of the new season up to the end of December reached 73,000,000 pounds compared with only 58,000,000 pounds a year ago.

The market was inactive during the first part of the month but in the last half there was increasing interest in coarse crossbreds. Small quantities of merino wools offered were acquired by local manufacturers. The local market was expected to show greater activity after the holidays. At the end of December the price of merino wool ranged from 24 to 35 cents per pound, fine crossbred ranged from 27 to 34 cents per pound, medium crossbred no sales, and coarse crossbred, from 20 to 22 cents per pound. Last season the prices at the same time were as follows: merino(6.90 to 7.80 pesos per 10 kg.) 25 to 28 cents per pound, fine crossbred (6.60 to 7.60 pesos per 10 kg.) 24 to 28 cents per pound, and medium and coarse crossbreds no sales.

Exports of wool from Uruguay during the month of December were approximately 19,000,000 pounds or over twice as large as during the same month a year ago but only about half as large as in December 1933. The United Kingdom, Germany and the United States were the chief countries of destination, the United Kingdom taking about 5,000,000 pounds and the United States and Germany a little over 4,000,000 pounds each. The United States has been the chief purchaser during the first quarter of the new season, i.e., October to December 31, taking in all 7,682,000 pounds against only 228,000 pounds a year earlier and 4,606,000 in the same period of 1933. Takings by the United Kingdom reported at 7,455,000 are almost twice as large as those of a year ago while German purchases amounting to 6,090,000 pounds are over 2,000,000 pounds smaller. Italy took 3,027,000 pounds or only a little less than during the same period of 1934. France took about four times as much as in the same period of 1934, the total amounting to 2,325,000 pounds.