UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

WOOL-49 May 31, 1932

WORLD WOOL PROSPECTS

Summary

Trading in the Boston wool market remained unusually slow during the past month. Quotations were largely nominal but were considerably lower than in April. The general lack of business reflected the low consumption and machinery activity during March and April and to the middle of May no indications of improvement had been reported. Interest in foreign wool is also negligible and imports of combing and clothing wool for the first four months of the year were only 11,091,000 pounds compared with 23,495,000 pounds in that period of 1931 and 40,469,000 pounds in 1930.

Conditions in the Bradford market continue to reflect the uncertainty in manufacturing centers where it is hoped that the Tariff Advisory Committee may be convinced of a need for higher rates than the present ones of 20 per cent on tissues and 10 per cent on yarns. New business is reported to be scarce, but work is continuing on current contracts. Trade returns for May are anxiously awaited as they are expected to give some indication of the effect of the new tariff rates on imports from continental countries. Prices at the opening of the fourth series of London sales on May 24 were mostly 5 to 10 per cent below the close of the previous series on April 22 but greasy merino wools remained unchanged except Cape wools which were par to 5 per cent lower. Offerings consisted mainly of ordinary wools.

The renewed price declines on wool, tops and noils caused the continental wool industry to operate very cautiously throughout April. Activity remained largely unchanged at the previous rather low levels though further curtailment occurred in some places. Trading was limited during the month.

Prospects for winter feed conditions in the important Southern Hemisphere countries appear to be fairly favorable. Recent heavy rains have improved conditions considerably in New Zealand where rain was badly needed. Conditions in the Union of South Africa and in Australia, with the exception of parts of Queensland are very favorable. In South American countries conditions so far appear to be about normal.

In the United States, on the contrary, both sheep and range conditions in the western range States on May 1 continued to be considerably below normal although there was some improvement over the preceding month.

Apparent available supplies1/ of wool on May 1 in 42/ Southern Hemisphere countries are estimated at 8 per cent above the same date of 1931 but 15 per cent below the same date of 1930 when they were unusually high.

Exports from these 4 countries for the current season up to May 1 aggregated approximately 1,246,000,000 pounds, a decrease of 4 per cent compared with the corresponding period of 1930-31, but 16 per cent above 1929-30. Australia and New Zealand have shipped out more wool so far during the current season whereas exports from the South American countries are below last season's totals for the corresponding period. Data for the Union of South Africa were available up to May 1 (See details up to April 2 under individual country).

Domestic Situation

Boston wool market April 21 - May 23

The character of activity in the wool market has not changed materially during the past month. Scattered small lots for immediate requirements or for testing purposes, especially of the new clip, have comprised about the only business on wool for the past month. Types of wool suitable for woolen manufacture have received the broadest attention for immediate purposes. Sales of greasy worsted wools were very small and infrequent.

1/ Apparent supply estimated by taking carry-over plus estimated production minus exports from beginning of season to April 1.
2/ Australia, New Zealand, Argentina, Uruguay.

A very small movement of medium quality (56s and 48s, 50s) Fleeces was apparently in anticipation of business with the bathing suit trade. This movement, however, was very limited and indicated a reluctance of spinners of knitting yarns to substantially add to stocks. Most of the sales were of carload lots of the early wools from Indiana, Michigan, Ohio and other States of Fleece wool sections, and consisted of country packed wools with rejects out. Such lots usually contain both 56s and 48s,50s qualities of Combing and Clothing staple together and the bulk of the few small sales recently reported were at 12-13¢ in the grease. Even at this range of prices, outlets were extremely limited and sales did not appear to be the result of actual needs. With some owners firm at 14¢ on similar offerings and a few willing to sell at 13¢, an occasional buyer was willing to risk small purchases, especially if a slight concession was obtainable.

It was the opinion of many observers that any prices below 13¢ on good wools, of the packing described, were on offerings of a distress nature. Reports from trade members described the growers' ideas of price too high to warrant offering spot wools freely on the Boston market at less than 14¢, grease basis, country pack. The current ideas of value on good bright Ohio and similar wools, put up as Boston houses usually grade these wools, are at this writing 15-16¢, in the grease, or 26-28¢, scoured basis, for Strictly Combing 48s,50s and 16-17¢, in the grease, or 30-32¢, scoured basis, for Strictly Combing 56s. Other grades of Fleeces were inactive and ideas of values suffered a further easing during the past month.

Immediate needs occasioned scattered, very small purchases of odd lots of Territory and other western wools. Some inquires from manufacturers were received from time to time, but most of them simply showed a desire to keep in touch with the market. The sales consummated were at the ideas of value current at the moment, but on the whole the volume would ordinarily have been considered of little significance in determining values. The decline in nominal values seemed to result from the generally depressed atmosphere pervading the market, occasioned by the long absence of mill demand and by the lack of hopefulness in the early revival of trading due to the stagnant goods market.

Recent transactions in Texas have offered the strongest support to current ideas of wool values of any development in the past month. At Kerrville, Texas, an accumulation of around 3,000,000 pounds of the new wools was taken over by Boston houses. The prices realized on these particular wools are always of more than passing interest to members of the trade, and in some past years the prices have effected a considerable clarification of the ideas of values. Sometimes a transaction of this proportion at a time of uncertainty serves to stimulate a revival of buying, but it is too soon yet to draw any conclusions of that kind, as the absence of buying appears to be predicated upon a lack of demand for goods, at least to a greater extent upon this factor than upon a knowledge of current market values on wool.

The range of 8-11¢, grease basis, reported to have been paid outright for the Kerrville wools, has as yet had no material effect upon the demand for wool. Possibly, confidence in the current asking prices of 40-42¢, scoured basis, for good twelve months spot Texas wools has been strengthened a little, but this range of prices remains untested by recent sales. Sales of limited volume were closed at prices in this range early in May.

Spot foreign wools had practically no outlet in the past month except in foreign markets, and disposal through foreign channels was sought as over 1,000,000 pounds of greasy Combing Australian, New Zealand and South African wools held in bond at Boston were shipped to London during late April and early May.

Early May reports that a fair volume of business had been booked by a limited number of mills on dress goods served only to stimulate passing hopefulness. As a result of this goods business, a little business was transacted on scoured Clothing shorn and pulled wools, but the demand was not very extensive either in duration or in the number of wool houses that had an opportunity to participate. Most lines of pulled wools moved in very small quantities only, and, while there was a rather better distribution of these wools than of worsted types, the aggregate volume was far too small to maintain prices.

Wool noils were not as active as during the previous month, yet values of noils held up fairly well. A slight easing was noted in asking prices, but the trend was much firmer than in any other line of raw wools suitable for Clothing purposes. The continued low rate of activity of combs kept the production of noils down to a very small poundage which tended to preserve a fairly good balance between supply and demand.

The market on wool tops has shown no improvement in the past month. A few spinners made inquiries but they were not interested in placing contracts. Orders were confined to immediate needs and were filled largely from odd lots or from stocks of topmakers' regular types. Sales were extremely small and prices were irregularly lower. The volume of business was generally considered too limited to give values a fair test. Deliveries on old contracts were inclined to slacken, specification being smaller in some cases while in others unfilled orders were completed without contracts being renewed.

Consumption and imports

There have been no indications of an increase in wool consumption during the past two months to correspond with the improvement of the first half of 1931. The consumption of combing and clothing wool by manufacturers reporting to the Bureau of the Census in March was only 22,972,000 pounds (grease equivalent) and was the smallest monthly total reported since June 1924. Reported consumption in February was approximately 28,533,000 pounds and in March 1931, was 30,895,000 pounds. Reports on market conditions at Boston and declines in employment indicate a further reduction for April and no improvement was reported during the first half of May.

Consumption of combing and clothing wool during the first quarter of 1932 was 67,622,000 pounds (as reported; grease, scoured and pulled added together) compared with 73,258,000 pounds in the first quarter of 1931. The decline was largely in fine wools grading 64s, 70s, 80s of which 28,417,000 pounds were reported consumed in the first quarter of 1932 and 35,247,000 in 1931. Consumption of carpet wool has also been much smaller this year than in the same period last year, the decline for the first quarter being 8,000,000 pounds.

With wool prices so low there is little interest in foreign wools of combing and clothing grade which must pay a duty of 34 cents a pound clean content. Although the first four months of the year are normally the period of heaviest importation the imports for the first four months of 1932 have averaged only slightly more than 3,000,000 pounds monthly. Total imports from January to April 1932 were 11,091,000 pounds compared with 23,495,000 pounds in 1931 and 40,469,000 pounds in 1930. Imports into Boston, New York and Philadelphia during the first two weeks of May were less than 500,000 pounds.

Foreign Situation

United Kingdom

The fourth series of London wool sales for the 1932 season opened on May 24. Prices for greasy merino wools were largely unchanged as compared with the close of the previous series on April 22 while quotations on other wools were 5 to 10 per cent below the April level. Greasy Cape wools were par to 5 per cent lower while scoured Cape wools were down 10 per cent. Greasy crossbreds were 7½ per cent and scoured crossbreds 10 per cent below April. Slipes were 5 to 10 per cent lower. The offerings were largely of ordinary wools and withdrawals were heavy on the opening day. Offerings of 125,000 bales were expected for the series with New Zealand offering almost 50 per cent of this total or 55,550 bales.

The Bradford wool market continues to reflect the uncertainty of the manufacturing industry. The new tariff of 20 per cent on tissues and 10 per cent on yarns was a keen disappointment to manufacturers who had been hopeful of a 33-1/3 per cent tariff. Since the Tariff Advisory Committee has intimated the possibility of an upward revision in the event of convincing evidence from the trade that the new rates ought to be altered most manufacturers are disposed to continue with current contracts and wait for such adjustment in the tariff position as may be given in the near future. New business is rather scarce and more spinners are reported to have gone on short-time some being able to run only three days a week. Some of the principal firms working on Botany counts have received orders which will keep them busy for several weeks and current demand is expected to be sufficient to absorb most of this years supply of merino wool. There is not a great deal of business in tops. Prices for wool, tops and yarn at Bradford have declined during the past month.

British trade figures for April give further evidence of the restrictive nature of the former 50 per cent duties on imports of yarns and tissues. Statistics for May are eagerly awaited as they are expected to afford the first definite information on the effect of the lowering of the tariff rates. Competition between English and continental mills for future orders is expected to be keen.

Bradford conditioning house figures for the first four months of the year show great improvement over those of last year and strongly indicate the recent improvement in trade. The quantity of tops passed from January to April of this year was 20,293,000 pounds compared with 15,327,000 pounds in the same period last year. There was also an improvement in the amount of wools and yarns conditioned as compared with last year.

France

A general uncertainty in business was apparent in France prior to the elections, reports Agricultural Attache' Steere. The announcement of the British tariff on the other hand, had a favorable effect on business sentiment as it dissipated uncertainty and apparently turned out to be less hampering than expected. Business in tops was limited during April, and at slightly lower prices. Business in noils was quite irregular for while some restriction was observed, there were improved purchases by woolen spinners during the first half of the month. Sales, however, were made at declining prices. The low prices for washed wool resulted in a moderate amount of business in ordinary and medium fine types and sales remained fairly regular throughout the month.

Occupation in French spinning and weaving mills remained unchanged in April as compared with March. New business in yarns was quite restricted at the beginning of April but later showed a fair revival mostly for the domestic market.

Germany

Early April trading in wool, tops and noils in Germany was rather quiet with the industry proceeding with great caution. Around the middle of the month buying interest for short merino and fine crossbred tops revived somewhat, but later quietness again prevailed. Prices continue to decline and this has proved discouraging to industry.

Belgium

During the first half of April, trading in tops, noils and washed wool proved very restricted, with reports from the industry generally unfavorable. It is indicated that there was little new business, and even further restrictions in activity. No betterment of the industrial situation was evident during the second half of the month, but somewhat improved trading set in in noils.

Italy

The easier tendency of wool prices in primary markets caused transactions in wool and tops on the Italian market to remain restricted during the fore part of April. On the other hand, sales of fine crossbred tops were somewhat improved at the rather low prices prevailing.

Continued stagnant business for wool was experienced during the second half of the month, as it became more certain that the industry is rather well supplied with top wool on the basis of present sales possibilities. Fine crossbred tops, however, remained in relatively satisfactory demand though tops of ordinary type continued neglected.

The situation of the industry as a whole during April was largely unchanged. End of February activity in the worsted spinning mills was 82.2 per cent, as compared with 85.3 per cent at the end of January; end of February activity of the woolen spinners was 57.9 per cent against 60.4 at the end of January, and for weavers 64.8 per cent against 66.5.

Czechoslovakia

Occupation among the worsted spinners in Czechoslovakia has recently tended downward, and some second shift activity has been done away with. A fairly active seasonal demand for worsted fabrics, however, has added to the bookings of weavers who are still supplied with orders for some time, though an early seasonal slackening is foreseen. Czechoslovakian exports of woolen goods are suffering materially from British tariffs and currency depreciation in various countries.

Japan

The increased takings of wool by Japan, due in part to style changes in that country, represent a new market to be considered in the worlds demand for wool. This increased demand from Japan has recently helped to relieve the situation caused by continued high world wool production and decreased mill consumption in other countries, and, if the demand continues to increase as at present, Japan should be an important factor in the future world wool market.

Since pre-war times Japan has risen to a prominent position as a wool importer and producer of woolen goods reports Owen L. Dawson, American Agricultural Commissioner at Shanghai. Japans domestic demand has increased measurably in recent years due to changing standards as a result of contacts with western nations. Part of the changing national custom shows itself in a distinct tendency toward foreign style clothes and different styles in native dress. This has resulted in an increased consumption of wool of about 5 to 10 per cent annually compared with an increased population of about 1-1/2 per cent annually.

Home production of raw wool in Japan is so small as to be relatively insignificant and moreover is not of clothing type. Thus the increase in net imports of wool is a measure of the increased mill consumption of the country. Efforts to increase the number of sheep in Japan have not been very successful and encouragement toward sheep improvement in Manchuria and Mongolia as a potential supply of wool for Japan has thus far produced no important results. Furthermore, the large annual increase in Japan's demand makes it seem doubtful whether any improvement that can be made in China as a source of wool supply would affect Japan's imports from Southern Hemisphere countries, at least for some time to come.

Imports of raw wool and tops (raw wool equivalent) into Japan have increased from approximately 29,000,000 pounds annually for the years 1912-1914 to 189,000,000 pounds in 1931, an increase of 160,000,000 pounds. Imports of wool piece goods which averaged 14,000,000 square yards annually for the years 1912-1914 increased to 36,000,000 square yards in 1924 but with the rapid expansion of the Japanese wool textile industry imports had dropped to 7,000,000 pounds in 1931.

The rapid expansion of wool manufacturing in Japan in recent years makes it quite evident that the demand from that country will be exerted directly in the primary markets rather than through increased takings of manufactured products from Northern Hemisphere countries. Trade figures of the United Kingdom already show large declines in takings of wool piece goods by the Far Eastern Markets. Annual production of wool piece goods (not including blankets and silk-wool mixtures) in Japan had increased from an average of 71,000,000 yards for the years 1912-1914 to 216,000,000 yards in 1930 and a heavy increase over the previous year is reported for 1931. Not only is Japan now able to supply most of her own requirements of wool manufactures (except for certain high quality clothes which will probably be supplied by England and continental European countries for some time) but exports from Japan to other Far Eastern countries are increasing in importance.

The woolen industry of Japan is divided into two divisions, the first devoting itself to the weaving of heavy goods such as woolen cloths and serges and the second to light cloths. Home consumption in the latter group has possibly reached its highest level and may show a decline in the near future as this material is used chiefly for kimonos and the nation is turning steadily to foreign clothes. Consumption of this material in Japan proper increased from 54,000,000 yards in 1912 to 171,000,000 in 1927 but by 1930 the consumption had declined to 150,000,000 yards. Consumption of wool cloths and serges (the heavier goods) was estimated at 10,000,000 yards in 1912 and at 30,000,000 yards in 1930.

The number of establishments for the production of wool textiles in Japan proper as reported by the Japanese Woolen Industrial Association increased from 734 in 1922 to 924 in 1929. The total number of power looms in these establishments in 1922 was 11,812 and there were 6,645 hand looms. The number of power looms was reported increased to 27,005 in 1927 but had declined to 20,585 in 1929. The number of hand looms in use fell steadily during the entire period reported and in 1929 only 704 hand looms were in use.

Favorable conditions in the industry and low wool prices in 1931 are encouraging the mills to expand their capacity and some mills are planning to add a considerable number of spindles. There is some apprehension that the industry may suffer from over-production as it did a short time ago and that curtailment measures may be needed such as were instituted in cotton spinning and other industries. Japan not only has an advantage in cost in supplying her own manufactures of wool but tariff protection is also provided and is an important factor in the lower priced class of goods.

Wool: Price per pound in some important markets, specified dates 1931 and 1932

Market and description	1931		1932			
	May		April		May	
	Date	Price	Date	Price	Date	Price
		Cents		Cents		Cents
Boston						
Territory, strictly combing scoured basis	Week ended		Week ended		Week ended	
64's, 70's 80's	5/23	63.5	4/23	50.0	5/21	44.0
56's	"	48.0	"	42.5	"	36.0
46's	"	34.0	"	33.0	"	28.5
London						
U.S. standards scoured basis						
70's ordinary	5/15	40.6	4/22	26.5	5/27	24.6
56's "	"	26.4	"	20.3	"	18.9
46's carding	"	16.7	"	9.7	"	8.5
Bradford						
Scoured wool						
64's	5/22	39.5	4/25	27.0	5/26	23.8
50's	"	20.3	"	12.3	"	10.4
Germany						
German A/AA 1/ clean scoured	5/1	40.0	4/15	32.4	5/15	31.3
Cape fine 6-8 mo.washed	"	40.6	"	30.3	"	29.2

Compiled from Weekly Market News reports of the Boston office of the Bureau of Agricultural Economics and reports from Agricultural Attache at London and Berlin.

1/ Corresponds to grades 66/70 in the English system.

Wool tops: Price per pound in England, France and Germany, specified dates 1931 and 1932

Market and description	1931 May Date	1931 May Price	1932 April Date	1932 April Price	1932 May Date	1932 May Price
		Cents		Cents		Cents
Bradford						
64's	5/22	48.7	4/25	33.9	5/26	32.3
50's	"	27.4	"	18.5	"	17.7
Roubaix						
Australian merino 64's warp	5/7	58.8	4/9	43.5	5/13	42.7
" crossbred 56's	"	46.6	"	34.7	"	33.8
Argentine crossbred 56's	"	42.6	"	31.1	"	30.2
Germany						
Dry combed						
Australian 70's	5/1	54.7	4/15	41.1	5/15	40.0
Buenos Aires 50's	"	30.9	"	23.8	"	22.7

Compiled from reports of Agricultural Attache's at London and Berlin.

Wool: Imports into the United States, specified periods, 1931 and 1932

Class	1931 Jan. 1-Apr. 30	1931 Apr.	1932 Jan. 1-Apr. 30	1932 Mar.	1932 Apr.
	1000 pounds	1000 pounds	1000 pounds	1000 pounds	1000 pounds
Combing	20,194	8,121	7,551	1,874	1,100
Clothing	3,301	1,687	3,540	1,389	572
Total	23,495	9,808	11,091	3,263	1,672
Carpet	38,214	11,363	21,930	3,138	2,513
Total all wools	61,709	21,171	33,021	6,401	4,185

Compiled from official records of the Bureau of Foreign and Domestic Commerce.

Wool: Consumption in the United States by grades, for specified periods, 1931-1932 1/

Grades (Official standards of the United States)	1931 Jan. 1- Mar. 31	1931 Mar.	1932 Jan. 1- Mar. 31	1932 Feb.	1932 Mar.
	1000 pounds	1000 pounds	1000 pounds	1000 pounds	1000 pounds
Combing and clothing wool					
64s, 70s and 80s	35,247	12,426	28,417	10,704	7,230
58s and 60s	13,310	4,382	14,081	5,104	4,246
56s	11,740	4,504	10,527	3,305	3,433
48s and 50s	9,131	3,432	10,576	3,552	3,167
36s, 40s, 44s and 46s	3,830	1,649	4,022	1,360	1,270
Total combing and clothing wools	73,258	26,393	67,623	24,025	19,346
Carpet wools	25,410	9,303	17,441	5,646	6,108
Total all wools	98,668	35,696	85,064	29,671	25,454

Compiled from "Wool Consumption Reports" issued by the Bureau of the Census.
1/ These are the totals of grease, scoured, and pulled wool as published by the Bureau of the Census and have not been reduced to a grease basis.

United Kingdom: Trade in Foreign and Colonial wool and woolen and worsted tissues specified periods 1931 and 1932

Item and unit	1931 Jan. 1- Apr. 30	1931 Apr.	1932 Jan. 1- Apr. 30	1932 Mar.	1932 Apr.
	Thousands	Thousands	Thousands	Thousands	Thousands
Wool - pounds					
Imports	416,850	131,590	414,380	121,990	100,700
Re-exports	109,340	45,420	120,150	27,710	36,400
Net imports	307,510	86,170	294,230	94,280	64,300
Tissues - sq. yds.					
Imports	14,415	4,322	1,592	531	233
Exports	30,808	4,997	28,857	6,554	6,259

Compiled from Trade and Navigation of the United Kingdom and cabled reports from Agricultural Attache' Foley at London.

Wool, tops and yarn: Amount passing through conditioning houses in England, France and Belgium, specified periods, 1931 and 1932

Location and class	1931			1932		
	Jan. 1-Apr. 30	Mar.	Apr.	Jan. 1-Apr. 30	Mar.	Apr.
	1000 pounds	1000 pounds	1000 pounds	1000 pounds	1000 pounds	1000 pounds
Bradford -						
Wool..........	2,670	836	826	3,146	807	668
Tops..........	15,327	4,659	3,508	20,293	5,236	4,246
Yarn..........	405	93	105	565	105	169
Roubaix -						
Wool..........	1,157	489	172	853	185	161
Tops..........	18,915	6,135	4,385	13,519	3,541	3,428
Yarn..........	4,890	1,272	1,254	2,853	739	802
Tourcoing -						
Wool..........	10,949	3,153	2,899	6,598	1,631	1,876
Tops..........	28,563	9,264	6,314	20,437	4,967	5,051
Yarn..........	6,369	1,744	1,682	4,072	970	1,259
Mazamet -						
Wool..........	19,325	7,423	3,873	15,589	3,915	3,915
Verviers -						
Wool..........	8,117	2,780	1,788	7,209	1,841	1,627
Tops..........	1,329	494	313	1,213	284	346
Yarn..........	1,894	496	514	1,312	494	245

Compiled from reports from Agricultural Attache' Steere at Berlin and Consul Edwards at Bradford.

World Wool Supply Situation

United States

Fleeces from sheep shorn on western ranges are reported as generally lighter than last year. Losses of old ewes continued heavy during April with some loss of young ewes on winter ranges and in moving from winter ranges, according to the Western Livestock and Range Report for May 1.

In Texas, however, conditions are generally good following heavy rains which relieved the dry situation. The condition of sheep and lambs in the 17 western range States on May 1, 1932 was 81 per cent of normal compared with 79 per cent in April, 90 per cent in May a year ago and the 5-year average of 90 per cent.

Range conditions on May 1 were 81 per cent of normal compared with 84 per cent last May and the 5-year average of 86 per cent. New feed has made a late start and the short feed and thin ewes has adversely affected the percentage of lambs marked in most northern areas. The Texas lamb crop is also reported as not as heavy as was expected earlier.

These 17 western range States support approximately 75 per cent of the sheep in the United States and produce 79 per cent of the shorn wool.

In the native sheep States 1/ weather was about normal in the early lambing areas and the development of the early lambs was average or better for the month.

Russia

Although Russia has more sheep than any other country of the world, the larger proportion is of the unimproved type. In 1931 the number in that country was estimated at 125 million, a considerable increase above 1930, but still below the number in 1928 when 133,500,000 were reported in that country. The sheep industry suffered a setback in 1930 when as a result of difficulties in carrying out the collectivization policy many sheep were slaughtered by the peasants who were opposed to the movement.

The following information is summarized from an article entitled "Sheep Breeding in U.S.S.R." published in the Economic Review of Soviet Russia, May 1, 1932. At the present time it is expected that the collective farms, now embracing over 60 per cent of the peasant households will play the leading role in raising the level of sheep breeding in the country as a whole. Only about one-fifth of the sheep, even of those peasants who have joined collective farms, have become the property of the collective farms. The remainder are still cared for in primitive fashion by the separate peasant households. Only during the past year has a start been made toward placing these sheep under collective farms and organizing special collective farms devoted primarily to sheep breeding.

1/ Roughly those States east of the Rocky Mountains with the exception of Texas, western North and South Dakota, Nebraska and Kansas.

A decree of the Council of Peoples Commissars on March 26 instructed the local authorities to cease all attempts to force members of collective farms to collectivize their cows and small livestock. The further development of collective stock farms is to proceed on a basis of purchasing animals with funds belonging to the collectives, according to the Economic Review of the Soviet Union, April 15, 1932. At the same time an appeal was made to organize aid for those members without cows or small livestock to enable them to purchase such stock and raise animals for their personal needs. The decree states that the major task is to see that each collective farmer has his own cow and poultry.

In 1916 there were 5 million head of fine wool sheep in Russia but by 1922 the number had been reduced to 340,000. In 1931, however, the number had increased to 1,500,000 and by 1933 or 1934 it is expected that the pre-war level will be reached. In order to satisfy the requirements of the domestic market for the finer grades of wool, it will be necessary to increase the number of pure bred and grade merinos to approximately 25 million head. At present the domestic output furnishes only about 15 per cent of the demand for fine and medium wool and about 60 per cent of the demand for coarse wool. Even with the expenditure of 26 million dollars annually on imported wool the requirements of the industry are not met, according to the Economic Review of Soviet Russia.

The State farms have been the pioneers in the matter of scientific sheep breeding and they supplied the collective farms with 3,000 merino rams in 1930 and 45,000 in 1931. The Union first began the importation of pure bred stock in 1926 and by the end of 1930 had imported about 150,000 head of which over half were merinos from Germany. About 11,000 were imported from the United States, 10,000 of which were Rambouillets.

Although the State and collective farms have only a small proportion of the total number of sheep in Russia they have been carrying on important work in increasing the herds of the better breeds and improving the common, coarse-wooled, native stock by cross-breeding with merino rams. Such cross-breeding was carried out in 1929-30 to the extent of 1.8 million head on State farms and 1 million on collective farms. The State sheep-breeding trust "Ovtsevod" had on January 1, 1930, 62 ranches with an area of 7.9 million acres and 1.1 million head whereas a year later it had 115 ranches, with an area of 32.6 million acres of land and 2.7 million sheep. By January 1, 1932, the number had increased to 4.8 million head and is expected to total 7.3 million by the first of next year. The number of sheep on commercial collective sheep ranches was 4.1 million last January and is expected to reach 9 million by the end of the year. By 1933 the State sheep ranches were expected to have 2 million pure bred merinos and 1.5 million grades and the collective ranches 2 million pure bred and grade merinos, according to the plan.

Wool production in Russia was estimated at 311 million pounds in 1930, a reduction of 21 per cent compared with 1929, according to the publication of the State Planning Board entitled "Planned Economy for 1930". Although Russia has the largest number of sheep of any country it stands about third as a wool producing country, production for the five years 1926-1930 being estimated at 363 million pounds compared with 364 million pounds in the United States and 920 million pounds in Australia. This is due to the fact that sheep breeding formerly was carried on in a pri itive fashion by individual peasants, and most of the stock was of an inferior coarse wooled type. The common native breed produces on an average only 3.3 pounds of wool while the better breeds give as high as 11 or 13 pounds. One State farm in the North Caucasus produced an average of 16 pounds of wool per head in 1930, states the Economic Review.

While wool is the chief product of the sheep industry, other important products are meat, sheep skins and Karakul. Mutton now constitutes 20 per cent of the meat supply of Russia.

The "shuba" or sheep skin coat is an important item in the wardrobe of the Russians while karakul is not only in demand for domestic use but also for export. In 1931 there were 2.5 million karakul sheep in Russia compared with 5 million before the war and the value of exports during the last few years have averaged about 8 million dollars annually.

Australia

The clip to be shorn during the last part of the year 1932 is expected to be unusually good both in quality and average weight per fleece, according to Agricultural Commissioner E. C. Paxton, stationed at Sydney. A preliminary estimate of the clip will be issued at the meeting of the growers and brokers arranged for June 10 at Adelaide.

The grazing season has been very favorable in practically all districts since the last shearing time. In parts of Queensland, however, anxiety is being expressed at the passing of most of the wet season without any general rain. It was expected in that State that a larger percentage than usual of autumn lambs would be lost as well as a number of the ewes. Queensland at the beginning of 1931 carried 22,542,000 sheep or a little over one-fifth of the total number in Australia, which was estimated at 106,953,000 at that date. For Australia as a whole, the 1931-32 lamb crop is reported as larger than last year.

The number of sheep to be shorn in Australia, as a whole, therefore, is not expected to differ greatly from the number shorn in 1931-32.

Apparent available supplies 1/ on May 1 are estimated at 1 per cent below the same date of 1931 and are also below the quantities available at the same date of the two preceding years. Although stocks at selling centers on May 1 were considerably above the average they were only about half the quantity on hand at the same date of 1930. Receipts up to May 1 amounted to 823 million pounds or 15 per cent above 1930-31 and 10 per cent above the 5-year average. Disposals estimated at 740 million pounds exceeded those of last year for the same period by 10 per cent and the 5-year average by 8 per cent. Stocks at selling centers reached 83 million pounds compared with 43 million pounds last year and 167 million pounds in 1930. The 5-year average 1926-27 to 1930-31 was 61.5 million pounds. Exports up to May 1 are estimated at 772 million pounds, an increase of 5 per cent above the same period of 1930-31.

Mr. Paxton states that receipts into store for the season with about approximate the original estimate issued by the growers and brokers at their joint meeting in June 1931. Movement to market has been earlier this season than last and it is believed that a much smaller percentage of the clip was in producers hands on May 1 than at the same time last year.

1/ Carry-over from preceding year plus estimated production minus exports from beginning of season to May 1. No deduction made for comparatively small quantities sold for domestic consumption and sold but not yet shipped.

New Zealand

The drought, particularly in the South Island, has been broken by flood rains. Parts of North Island are still short of feed but the position generally has greatly improved. Prospects for the coming winter are therefore better and there is now a fair chance of ewes entering the winter in average condition. Should a hard winter be experienced, however, graziers and lamb breeders will have difficulty as there is no reserve of fodder on hand.

Although apparent available supplies 1/ on hand in New Zealand on May 1 were estimated at about 13 per cent below the quantity available at the same time last year when they were unusually heavy they were considerably heavier than at the same date of the years 1929 and 1930.

During the regular selling season i.e., November 1 to April 30, offerings at selling centers amounted to 194 million pounds, an increase of 22 per cent above 1930-31 and 11 per cent above the average for the three years 1928-29 to 1930-31. Sales for the same period amounted to 153 million pounds in 1931-32, an increase of 9 per cent above 1930-31 and 1 per cent above the 3-year average.

It is not expected that the carry-over of wool will be as heavy as it was at the end of last season owing to the fact that a much larger proportion than usual of the North Island clip has been shipped to London.

Exports of sheep and lamb carcasses for the period since the last shearing, i.e., September 1 to February 29, are estimated at 4,096,000, an increase of 3 per cent above 1930-31. Fewer sheep carcasses were exported but about 281,000 more lamb carcasses.

1/ Carry-over from preceding year plus estimated production minus exports from beginning of season to May 1. No deduction made for comparatively small quantities sold for domestic consumption and sold but not yet shipped.

Union of South Africa

The short wools of the six months' clip are now arriving at markets. They represent so small a proportion of the total clip, however, that receipts for the first three-fourths of the season, up to March 31, gives a fair indication of the total size of the 1931-32 clip according to Agricultural Attaché C. C. Taylor.

Judging by conditions in the Union at the beginning of April, when the short wool season begins, it seems probable that the 1931-32 clip 1/ will not reach the 335 million pounds officially forecast in August. Mr. Taylor states that the clip may fall 25 million pounds below that estimate. Even with the aid of the 25 per cent subsidy, it will not pay to ship locks to ports. Locks usually account for about 10 per cent of the total clip. Last year this was equally true according to Mr. Taylor, and the accumulations of locks and inferior wools are now being destroyed so that they will probably not even appear in the statistics of wool receipts. Therefore, wool production, i. e. the quantity actually to reach market this season, will probably be in the neighborhood of 310 million pounds compared with about 295 million pounds last year. It is stated that the estimate of 305 million pounds for last year included an estimate of about 10,000,000 pounds for locks and that these are now being destroyed.

Receipts into store from July 1 to April 2 this season are estimated at 254 million pounds, an increase of 7 per cent above the same period of 1930-31. Last year receipts from April 4 to June 27 amounted to 33 million pounds whereas the year before, a season of widespread short shearing such as the present, about 45 million pounds was received during this period. The short wool clip this year is estimated at from 17 to 35 million pounds and will constitute the bulk of the receipts during the last few months of the season.

Stocks at ports on April 1 this year totaled about 63 million pounds of sold and unsold wool compared with only 23 million last year at the same date. Stocks of unsold wool are estimated at 49 million pounds or over three times as large as at the same period of 1931. Demand during the last two weeks has been sufficiently strong to encourage the hope that these stocks will be reduced to normal size by the end of the season. In addition the 25 per cent export subsidy extends only until that date. Exports for the season up to April 2 amounted to 212 million pounds, a decrease of 5 per cent below exports for the same period of 1930-31.

1/ Season from July 1 to June 30.

Weather conditions have been generally favorable to the autumn lamb crop with the exception of unimportant areas in north central Transvaal and north western Cape where drought continues.

This is the principal lambing season and also the end of the rainy season in all the wool producing areas excepting around Cape Town.

Argentina and Uruguay

Apparent available supplies 1/ of wool on May 1 in Argentina and Uruguay were estimated at approximately 42 per cent above the same date last year but only 4 per cent above the same date of 1930. The large increase in available supplies is due to the heavy falling-off in exports during the current season. Last year exports for the same period were unusually large.

Argentina

For the seven months of the current season total sales of Argentine wool are unofficially estimated at approximately 202 million pounds, a decrease of 20 per cent compared with the same period of 1930-31 but 1 per cent above the corresponding period of 1929-30.

Exports for the first seven months of the season, i. e. up to May 1, amounted to only 206 million pounds compared with 247 million pounds for the same period of 1930-31 and an average of 225 million pounds for the seven months of the two preceding seasons.

Receipts at Central Produce Market up to April 6 amounted to 71,198,000 pounds compared with 81,980,000 for the same period last season, while stocks at that market on April 6 were 8,549,000 pounds compared with 5,474,000 pounds at the same date of 1931.

Uruguay

The dry weather during the first few months of 1932 were very beneficial to sheep and they are now in a more satisfactory condition.

Wool exports for the first seven months of the season up to May 1 aggregated only 63 million pounds compared with 135 million pounds for the same period of 1930-31 and an average of 104 million pounds for the two years preceding that.

(Table giving production figures was published in World Wool Prospects, April 30, 1932).

1/ Carryover plus estimated production minus exports from beginning of season to May 1. No deduction made for domestic consumption or wool sold but not yet exported.

Movement in primary markets for new season 1931-32 with comparisons

Country	Item and period	1930-31	1931-32
	Receipts at selling centers	Million lbs.	Million lbs.
Australia	July 1 -- May 1 1/	716.5	823.2
New Zealand	Nov. 1 -- May 1	2/ 159.8	2/ 194.4
Argentina	At Central Produce Market		
	July 1 --Apr. 6	82.0	71.2
Union of South Africa ..	July 1 -- Apr. 2	236.9	253.6
Uruguay	Oct. 1 -- Nov. 30	50.8	48.5
	Disposals at selling centers		
Australia	July 1 -- May 1 1/	673.5	740.5
New Zealand	Nov. 1 -- May 1	144.5	158.1
Union of South Africa ..	Oct. 1 -- Apr. 2	3/	4/ 101.0
Port Elizabeth only ..	Oct. 1 -- Apr. 2	5/ 39.8	4/ 35.3
	Exports		
Australia	July 1 -- May 1	736.6	771.7
New Zealand	July 1 -- May 1	180.5	205.4
Argentina	Oct. 1 -- May 1	123.7	140.4
Uruguay	Oct. 1 -- May 1	135.6	62.9
Union of South Africa ..	July 1 -- Apr. 2	221.9	211.6
	Stocks at selling centers		
Australia	May 1 1/	43.2	82.7
Argentina	Apr. 6	5.4	8.5
Union of South Africa ..	Apr. 1 - unsold wool	15.3	49.1

Division of Statistical and Historical Research. For later estimates for some countries see text. Compiled as follows: Australia: Receipts, stocks and disposals - Estimates of National Council of Wool Selling Brokers of Australia - Latest figures cabled by Agricultural Commissioner Paxton. Exports-Dalgety and Company estimate. New Zealand: Offerings and sales, Trade Commissioner Julian B. Foster and weekly trade reports. Exports - Dalgety and Company. Argentina: Receipts and stocks at Central Produce Market - Review of the River Plate - Latest monthly export figures Assistant Agricultural Commissioner C. L. Luedtke. Uruguay: Receipts at Montevideo - The Anglo South American Bank, Ltd., December 1931. Exports - Assistant Agricultural Commissioner C. L. Luedtke. Union of South Africa: Receipts and exports - Latest report Agricultural Attache Taylor - Stocks - Monthly Bulletin - Union of South Africa - Official.

1/ Clip of season designated only.
2/ Offerings at selling centers used as no figures given for receipts.
3/ Data unavailable.
4/ Sold at public auction many bids privately accepted after each sale sometimes at a compromise figure.
5/ March 31, 1931.

Australia: Wool receipts and disposals July 1 - May 1 and stocks on March 1, 1926-27 to 1931-32 1/

Season	Receipts July 1- May 1	Disposals July 1 - May 1	Stocks May 1
	Million pounds	Million pounds	Million pounds
1926-27	751.3	726.1	25.3
1927-28	715.9	684.9	30.6
1928-29	800.1	758.8	41.3
1929-30	748.8	581.8	167.0
1930-31	716.5	673.3	43.2
1931-32 2/	823.2	740.5	82.7

1/ Current season's clip only.
2/ Used average weight per bale for months July 1-April 1.

New Zealand: Offerings and sales at selling centers, November 1 to April 30 1931-32 with comparisons

Season	Nov. 1 to Apr. 30 1/	
	Offerings	Sales
	Million pounds	Million pounds
1928-29	201.6	189.4
1929-30	163.5	136.9
1930-31	159.8	144.5
1931-32	194.4	158.1

Division of Statistical and Historical Research. Compiled from Annual Reports of Department of New Zealand Meat Producer's Board and Daily News Record May 12, 1932.

1/ Official selling season.

Uruguay: Wool exports, October 1 - May 1, 1930-31 and 1931-32

Country	Oct. 1 - May 1	
	1930-31	1931-32
	1,000 pounds	1,000 pounds
United States	6,064	571
England	39,589	14,239
Germany	31,524	16,747
Italy	13,704	10,930
France	22,172	9,649
Belgium	12,769	5,019
Other	9,826	5,739
Total	135,648	62,894

Compiled from report by American Consul General Leslie E. Reed, May 6, 1932. Average weight of 992 pounds used in converting bales to pounds.

Argentina: Wool exports, October 1-May 1, 1930-31 and 1931-32

Country	Oct. 1 - May 1	
	1930-31	1931-32
	1,000 pounds	1,000 pounds
United States	19,860	11,484
England	81,423	69,009
France	41,701	43,866
Germany	52,016	31,991
Belgium	30,359	21,334
Italy	13,517	23,233
Japan	3,307	909
Other	5,098	3,815
Total	247,281	205,641

Compiled from report by Assistant Agricultural Commissioner Charles L. Luedtke, Buenos Aires. Average weight of 926 pounds used in converting bales to pounds.

Russia: Number of sheep during the years 1922 to 1931

Year	Number	Year	Number
	Millions		Millions
1922	74.2	1927	126.8
1923	78.2	1928	133.5
1924	101.3	1929	132.7
1925	114.0	1930	111.6
1926	121.0	1931	125.0

Division of Statistical and Historical Research. Compiled from the Economic Review of the Soviet Union.

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