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WORLD WOOL PROSPECTS

Summary

Present prospects indicate little change in world wool supplies, i.e., production plus carry-over in 1936-37 as compared with 1935-36. As yet, very few estimates of wool production in 1936 have been received but such indications as are now available point to a probable slight increase in world production offset by a reduction in stocks carried over from 1935-36 in practically all countries with the exception of Japan.

Supplies for disposal in the Southern Hemisphere countries, which produce over 60 percent of the world total excluding Russia and China, are expected to show a slight reduction as compared with 1935-36, when they were smaller than the average for the 5 preceding seasons. In the Northern Hemisphere production in 1936 in the United States, the United Kingdom and Canada was not expected to show much change as compared with 1935 whereas a small increase was indicated for continental Europe and some countries of the Near East.

Exports of wool from Australia, New Zealand and the Union of South Africa for the season ended June 30, 1935-36 amounted to 1,357,000,000 pounds. This was an increase of 5 percent compared with 1934-35 but was about the same as the average for the 5 seasons 1929-30 to 1933-34. The marketing season in Argentina and Uruguay does not close until September 30, but stocks are reported to be low in both of these countries and it seems probable that exports in the last 3 months of the season will show a reduction as compared with a year ago.

Wool prices in the domestic market have shown little change since the beginning of June. In view of the decrease in domestic mill consumption compared with last year and the uncertain outlook for the foreign market a rather slow market for domestic wool during the remainder of the year appears likely. It seems fairly certain that mill consumption for the total year 1936 will be considerably below the high consumption of last year.

Prices at the opening of the fourth series of 1936 wool sales at London on July 7 were mostly 5 percent below prices at the close of the previous series on May 15, reflecting the declines reported from Bradford and Southern Hemisphere markets in the interval between the London sales. Strong demand from German and Russian buyers resulted in some improvement during the series and at the close of the sales on July 17 prices for greasy and scoured merinos and greasy medium and low crossbreds were equal to or slightly higher than the closing prices of the May series.

The outlook for the opening of the new selling season in Australia on August 31 is somewhat uncertain because of the unsettled conditions in continental Europe and the refusal of Japanese buyers to bid at recent sales in Australia. The threatened boycott by Japan is in protest against higher Australian tariff rates on certain Japanese manufactures. In recent years Japan's purchases of Australian wool have been exceeded only by those of the United Kingdom.

Stocks of apparel class wool held by dealers and manufacturers in the United States on June 27 were 146,430,000 pounds, scoured basis, an increase of 2 percent as compared with the same date in 1935. On a greasy basis, however, stocks reported on June 27 were 8 percent smaller than in June 1935. The difference on a scoured and greasy basis is due largely to the increase in stocks of low shrinkage, foreign wool and pulled wool and the sharp decline in stocks of high shrinkage fine wools as compared with last year. The stocks on June 27 of this year represented 252,797,000 pounds of shorn wool, greasy shorn basis and 41,170,000 pounds of pulled wool, greasy pulled basis, compared with 289,093,000 pounds and 30,382,000 pounds respectively on the same date in 1935.

A further seasonal decline in employment was reported in the wool manufacturing industry of the United Kingdom in June but the percentage of unemployed continues well below figures for the corresponding months of all years since 1928. The usual seasonal increase in stocks of raw wool was reported in the United Kingdom in the first half of 1936 but the surplus of imports over consumption so far in 1936 appears to be much smaller than the average for the last 5 years.

Conditions in the continental European wool industry continued very unsettled throughout most of June. At the end of the month, however, it appeared that difficulties incident to the strike of textile workers in France and Belgium were rapidly subsiding. In Germany and Italy on the other hand the difficulty of obtaining raw materials continued to hamper the wool industry.

Market Situation

United States .- The market for domestic wool at Boston in the month ended July 17, was much less active than during the preceding month, according to a report from J. J. Window of the Boston Office of the Bureau of Agricultural Economics. Wool supplies for current mill operations were being steadily replenished by arrivals of wools which had been nought before they reached Boston. However, some new business, was transacted.

Graded Ohio wools were sold in relatively small quantities in the last month and prices were unchanged. Prices were slightly lower on country graded medium fleeces offered from the Middle West but this situation was not general as some holders refused to make concessions.

Graded territory wools, like graded Ohio wools, were not very active and prices were mostly unchanged. Price ranges widened slightly, the changes being on the low side as some concessions were available. Most of the sales were of fine and 1/2 blood grades. Quotations for graded fine staple territory wool averaged 89 cents a pound, scoured basis, the middle of July compared with 75.5 cents a year earlier. Combing 3/8 blood (56s) averaged 76.5 cents the middle of July, 77 cents a month earlier and 62.5 cents a year earlier and low 1/4 blood (46s) remained unchanged from the previous month at 63.5 cents the middle of July compared with 51.5 cents in July 1935.

The greater part of the trading in domestic wools at Boston in the last month was in fine western grown wools sold in original bags. Prices on such wools declined slightly when trading was restricted. The decline was quite moderate but was slightly greater on territory wools than on Texas lines. Average to good French combing length fine territory wools in original bags sold in moderate quantities at 83-85 cents scoured basis the middle of July. This type of wool sold quite readily early in June at 85-87 cents scoured basis. Prices of short fine wools and wools of inferior character dropped to about 80 cents after reaching a peak of 83-85 cents early in June.

Foreign apparel class coarse crossbred wools sold at firm prices in Boston during the last month. Trading in medium crossbreds and fine merino wools was very light and prices in some cases were slightly lower than a month ago.

Trading in woolen wools declined after the middle of June and was very quiet until the middle of July when some activity was reported. Prices on late sales of scoured pulled wools were slightly lower than in early June. Prices of fine noils dropped from a range of 68-72 cents to 66-70 cents the early part of July.

New orders for tops were very small in the month ended July 17 and prices declined from the peak reached in the previous month. Average staple oil combed 64s tops similar to those sold in May and June at a peak of \$1.08 - \$1.10 sold in small lots early in July at \$1.05 - \$1.07. A few lots of fair size were reported to have been moved at \$1.02 - \$1.03. Prices of 60s eased from \$1.05 - \$1.07 to \$1.02 - \$1.05. Resistance to further declines in prices of these grades was evident as inquiry became more frequent. Very little interest was shown in 56s and 50s grade tops, recent quotations being lower than a month ago at 88-93 cents for 56s and 82-85 cents for 50s.

Receipts of domestic wool at Boston from April to June were 78,000,000 pounds, compared with 66,000,000 pounds in the same months of last season and an average of 68,000,000 pounds for those months in the 5 years, 1930-34. The new domestic clip has moved out of growers' hands very rapidly in the last 3 months and most of such wool has been sold with only a small proportion consigned for later sale. It is reported that a considerable amount of the current clip is going directly to the mills. Arrivals of domestic wool at Boston usually reach a peak in July.

Imports of apparel wool into the United States showed an increase in June. Imports for consumption were 9,062,000 pounds in June compared with 7,052,000 pounds in May and 1,448,000 pounds in June 1935. Imports for the first 6 months of 1936 were 61,788,000 pounds compared with only 9,626,000 pounds in 1935. An additional 4,321,000 pounds of wool not finer than 40s (now classed as apparel wool) was included with the carpet wool imports for 1935.

Imports of carpet wool in June continued the decline reported in May. Imports for consumption were 8,143,000 pounds compared with 9,801,000 pounds in May and 14,335,000 pounds in June 1935. Imports for the first half of the year were 62,486,000 pounds compared with 71,229,000 pounds in the same months of 1935.

Stocks of foreign apparel wool in bonded customs warehouses declined during May for the first time since last September. Stocks of apparel wool reported at the end of May were 31,609,000 pounds compared with 32,498,000 pounds a month earlier and 12,887,000 pounds a year earlier. Stocks in bonded warehouses remain larger than at any time since the first half of 1930.

Stocks of apparel wool held by dealers and manufacturers reporting to the Bureau of the Census as of June 27 were 146,430,000 pounds scoured basis, compared with 105,096,000 pounds on March 28 and 143,488,000 pounds on June 29, 1935. Of the total stocks held on June 27 about 75 percent was domestic wool compared with 89 percent in June 1935. In March of this year only 58 percent of the total stocks was domestic wool. Stocks of foreign wool held on June 27 were slightly smaller than those reported in March but were more than twice as large as stocks of foreign wool reported in June 1935. Dealers' stocks of raw wool on June 27 were much larger than on March 28, due to heavy purchasing of the new clip since April but dealers' stocks were about 9,000,000 pounds smaller than in June 1935. Stocks held by manufacturers and topmakers on June 27 were 9 percent larger than on March 28 and were 20 percent larger than in June 1935. (See following tables.) The stocks of apparel wool reported on June 27 were equivalent to 252,797,000 pounds of shorn wool, greasy shorn basis and 41,170,000 pounds of pulled wool, greasy pulled basis compared with 289,093,000 pounds and 30,382,000 pounds respectively on the same date in 1935. Stocks of carpet wool were larger on June 27 than a year earlier.

Stocks of raw wool, tops and noils, held by dealers, topmakers and manufacturers in the United States, scoured basis, June 27, 1936 with comparisons

Item	1935 June 29	1936 Mar. 28	1936 June 27
	1,000 pounds	1,000 pounds	1,000 pounds
Apparel class:			
Raw wool, total	1/ 143,488	1/ 105,096	146,430
Dealers	85,500	41,156	76,794
Domestic....................	77,039	22,050	62,652
Foreign on hand	8,461	19,106	13,255
Foreign afloat			887
Manufacturers - topmakers	1/ 57,988	1/ 63,940	69,636
Domestic	1/ 50,694	1/ 38,423	47,641
Foreign on hand	1/ 7,294	1/ 25,517	21,971
Foreign afloat			24
Carpet class:			
Raw wool, total	1/ 30,129	1/ 38,853	34,175
Dealers	1/ 2,823	1/ 3,139	2,227
On hand	1/ 2,823	1/ 3,139	1,825
Afloat			402
Manufacturers	1/ 27,306	1/ 35,714	31,948
On hand	1/ 27,306	1/ 35,714	29,702
Afloat			2,246
Tops and noils:			
Tops	1/ 17,673	1/ 24,272	22,257
Noils	1/ 9,619	1/ 11,990	10,956

Compiled from Bureau of the Census Quarterly Wool Stock Reports, June 27,1936. The statistics for June 27, 1936, are believed to include over 96 percent of the total stocks held by and afloat to all dealers, topmakers, and manufacturers in the United States on that date; for March 1936, 97 percent; and for June 1935, 97 percent.

1/ Revised total.

Stocks of apparel class wool held by dealers, manufacturers, and topmakers in the United States, scoured basis, by origin, 1934 to date

Date	Stocks held by -		Origin		
	Dealers	Manufacturers and topmakers	Domestic	Foreign	Total
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
1934 -					
Mar. 31 1/					
June 30	118,329	57,963	140,754	27,962	2/ 176,292
Sept.29	142,090	50,255	162,233	23,996	2/ 192,345
Dec. 31	115,141	48,974	143,127	20,988	164,115
1935 -					
Mar. 30.........	83,287	51,498	115,216	19,239	2/ 134,785
June 29.........	85,500	57,988	127,733	15,755	143,488
Sept.28.........	77,445	79,244	137,264	18,838	156,689
Dec. 31.........	51,784	61,553	84,401	28,936	113,337
1936 -					
Mar. 28.........	41,156	63,940	60,473	44,623	105,096
June 27.........	76,794	69,636	110,293	36,137	146,430

Compiled from Wool Stocks Reports, Bureau of the Census.
1/ Not available.
2/ Revised totals. Since the revised figures are not available by origin the total of domestic and foreign does not equal revised total.

After declining from October to April United States mill consumption of apparel class wool corrected for seasonal changes, showed a slight increase from April to May. The rate of consumption for May, however, was about 30 percent smaller than in May 1935. Consumption of apparel wool averaged 4,323,000 pounds, scoured basis, a week in the 4 weeks ended May 30 compared with a weekly average of 4,118,000 pounds in April and 6,317,000 pounds in May 1935.

Consumption on a grease basis in the first 5 months of this year was about 13 percent smaller than in the same months of 1935. This decline is somewhat smaller in clean wool equivalent owing to the greater consumption of light shrinkage foreign wool this year compared with last year. It seems fairly certain that mill consumption for the year 1936 will be considerably below the high consumption of last year.

Statistics on machinery activity in the United States wool industry for the 4 weeks ended May 30, indicate that the slightly higher rate of wool consumption in May above that of April was chiefly due to increased activity of woolen spindles. Activity declined in all other sections of the industry but the declines in the worsted combs and the broad looms sections were very slight. Activity of worsted combs averaged 94,000 hours a week in the May period compared with 95,000 hours in April and 150,000 hours in May 1935. Worsted spindles averaged 64,509,000 hours weekly activity in May, 67,530,000 hours in April, and 78,236,000 in May 1935. Average woolen spindles activity increased to 85,503,000 hours in May from 80,837,000 in April and was also larger than in May 1935 when the weekly average was 78,476,000 hours.

United Kingdom.- The fourth series of London wool sales for 1936 opened July 7. Prices at the opening were mostly 5 percent below prices at the close of the previous series on May 15, reflecting the declines reported from Bradford and Southern Hemisphere markets in the interval between the London series. Strong demand from Russia, Germany, Czechoslovakia and the Balkans for combing wools resulted in some improvement in prices as the sales progressed.

At the close of the series on July 17 prices of greasy merinos were fully equal to prices quoted at the close of the May series while prices of scoured merinos were 5 percent higher than in May. Prices of greasy medium and low crossbred wools were also 5 percent higher than at the close of the May series. Prices of all other wools were about 5 percent lower than in May with some sliped wool 10 percent lower.

The strong demand for combing wools from Russian, German and Balkan buyers was the chief feature of the series. England bought chiefly clothing types. French and Belgian buyers were not very active at this series, due probably to the unsettled conditions in the textile industries of those countries.

About 90,000 bales were available for the July series this year compared with 131,500 bales a year ago and 100,000 bales in 1934. Sales during the series amounted to 72,000 bales. English buyers took 42,000 bales and continental European buyers 30,000 bales. The United States was a seller at this series.

A general recession has occurred in wool prices at London since the second series in March. However, the decline has not been large and prices are still considerably higher than at the July series of auctions in 1935. The price of 70s merino wool increased rapidly from 38 cents a pound in March 1935 to 60 cents in March 1936 and the price of this wool was about 57 cents a pound at the July series in 1936. Crossbred 56s did not rise in the same proportion, corresponding prices being 25 cents in March 1935; 34 cents in March 1936; and about 32 cents at the July sales.

Prices of wool and semi-manufactures at Bradford continued to decline in June. The price of 64s average tops declined from 68.3 cents a pound in March to 66.9 cents in late June and to 64.9 cents in early July.

The price of 50s tops declined from 34.2 cents in March to 31.4 cents in the early part of July. Yarn prices have also declined in the last few months.

The Weekly Wool Chart index number for prices of raw wool was 84 in June (English currency basis, July 1914 = 100) compared with 86 in May and 73 in June 1935. The index for prices of tops also declined 2 points from 93 in May to 91 in June compared with 79 in June 1935 whereas the index for wool yarns was 106 in June, 108 a month earlier and 96 a year earlier.

The wool market at Bradford was seasonally quiet during June. The unsettled condition of the industry in European countries resulted in uncertainty regarding the outlook for raw wool prices at the London sales. Manufacturers were willing to buy only enough wool and semi-manufactures for their immediate requirements. Dealers offered slight concessions in prices to buyers offering definite business but were not ready to make sharp price reductions for the purpose of obtaining new orders. Following the favorable opening at the London sales the situation in the Bradford market showed marked improvement.

Stocks of raw wool at public warehouses in the principal ports of the United Kingdom and in railway and canal depots in Yorkshire at the end of May were about 10,000,000 pounds larger than a month earlier. While exact figures are not available for earlier years, the stocks were believed to be somewhat smaller than at the same date in the 3 previous years, 1933-35. The principal increase in May as compared with April was in stocks held in railway and canal depots in Yorkshire and was probably due entirely to seasonal factors. While these figures do not cover all stocks in the United Kingdom the Imperial Economic Committee states that stocks in railway and canal depots in Yorkshire may be considered to indicate roughly the trend of stocks in the hands of manufacturers.

Activity in the wool textile industry of the United Kingdom declined seasonally in June. The percentage of unemployment in the woolen and worsted industry, according to the British Ministry of Labour was 11.1 percent on June 22 compared with 9.9 percent on May 25 and 14.4 percent in June 1935. While unemployment has increased somewhat in the last 2 months, an increase is usual at this season of the year and the percentage unemployed continues well below the figures for the corresponding months of all years since 1928.

Imports of wool into the United Kingdom showed a sharp seasonal decline in June but were considerably larger than in June 1935. Retained imports of wool in the first 6 months of 1936 amounted to 432,000,000 pounds compared with 386,000,000 pounds in the first half of last year and an average of about 390,000,000 pounds for those months in the 5 years, 1930-34.

The Weekly Wool Chart of Bradford estimates that the surplus of imports over consumption of foreign wool in the United Kingdom in the first half of 1936 was about 52,000,000 pounds which was about equal to the surplus for the first half of 1935. In the 5 years, 1930-34 however, the surplus of imports over consumption averaged about 140,000,000 pounds for the first half of the year.

Exports of woolen and worsted tissues were 56,300,000 square yards in the first 6 months of 1936 compared with 51,000,000 square yards in the same months of 1935. Exports so far in 1936 have been larger than those of the same months in every year since 1930. Exports of tops in the first half of 1936 were 17 percent smaller than in the first half of 1935 when exports were unusually heavy, but were larger than the average for the same months in the 5 years, 1930-34. Exports of yarns in the first half of this year were smaller than in the same months of the 2 previous years.

France.- The French wool textile industry was completely disorganized during most of June by the strike of textile workers in all the important districts and the occupation of the mills by the striking workers, according to a report from Agricultural Attache L. V. Steere. Work was resumed late in the month after the workers had obtained a 10 percent increase in wages, the promise that the 40-hour week will be gradually applied, and that paid vacations will be introduced. Manufacturing costs, as a result, have been materially increased and the final effect of these measures on the French industry is somewhat uncertain.

Following the resumption of work in a majority of the manufacturing establishments, orders were placed on a fairly large scale. Fears regarding the devaluation of the franc have resulted in the placing of some fairly heavy orders and in the accumulation of stocks of both finished and semi-manufactured materials. Prices of wool and semi-manufactures of wool declined during June in French markets in line with declines at other wool centers.

Imports of raw wool into France in the first 4 months of 1936 were about 14 percent larger than in the same months of 1935. Although imports have increased considerably since 1934 the French imports are still much smaller than in the 5 years, 1929-33. Exports of semi-manufactures and manufactures of wool have continued to decline in 1936. Exports of tops from January to April were about 24 percent smaller than in the same months of 1935 while exports of yarns declined 35 percent and exports of tissues declined 20 percent.

Stocks of tops in French commission combing establishments declined in June after increasing steadily since December. Stocks of merino tops were 11,770,000 pounds on June 30, compared with 13,353,000 pounds on May 31, and 13,865,000 pounds at the end of June 1935. Stocks of crossbred tops were 15,207,000 pounds at the end of June compared with 15,637,000 pounds a month earlier and 16,382,000 pounds a year earlier.

Germany.- Prices of wool in Germany have been firm on the whole in recent months, but they have been very irregular with great differences in quotations depending upon the source of supply, the time of purchase, and the nature of the transactions, according to a report from Agricultural Attache' Steere at Berlin. Although supplies of imported wool continue low, the quantity of raw material available appears to be sufficient to keep mills going without serious curtailment if substitute materials are used in the mixtures. Woolen spinners are reported to be quite satisfactorily employed but worsted spinners are working under a greater handicap with respect to raw material supplies.

The Wool Record and Textile World of Bradford reports that despite the serious shortage of raw wool in Germany as indicated in official import figures and private reports, textile retail turnover in Germany up to last April was 11.6 percent greater than in the previous year. The Wool Record states that while part of this expansion of retail turnover on the one hand and contraction of supplies of raw material on the other can be accounted for by the shrinkage of textile exports, part of it is attributable to the increased use of synthetic fibers in goods destined for the home market. Manufacturers who are in need of wool to cover export business are given preferential treatment in obtaining raw wool supplies.

Retained imports of wool in Germany in the first 5 months of this year were about 30 percent smaller than in the same months of 1935 and about 45 percent smaller than imports for those months in 1934. Imports of tops into Germany which were unusually heavy in 1935 declined sharply in 1936. Imports from January to May 1936 were only 5,000,000 pounds compared with imports of 22,000,000 pounds in the same months of 1935, and 16,000,000 pounds from January to May 1934.

Germany's substantial import balance in wool yarns declined from 27,000,000 in 1928 to 8,000,000 pounds in 1935 and for the first 5 months of 1936 exports exceeded imports, showing an export balance of 442,000 pounds compared with the import balance of 6,857,000 pounds for the first 5 months of 1935. Exports of wool piece goods from Germany in the first 5 months of this year were 5,100,000 pounds compared with exports of 2,800,000 pounds in the same months of 1935 and 4,800,000 pounds for the same period of 1934.

Stocks of tops in commission combing establishments of Germany increased slightly in June after declining steadily for the first 5 months of the year. Stocks reported on June 30 were only 3,895,000 pounds compared with 3,659,000 pounds a month earlier and 10,950,000 pounds a year earlier. Stocks so far in 1936 have been smaller than in any previous year since 1925 when statistics first became available.

Belgium.- The wool textile industry in Belgium was rather quiet during the first half of June. The worsted spinning section was well employed on export orders but conditions in the weaving section were less satisfactory. After the middle of the month the strikes in the metal working industry of the country and of workers at the Port of Antwerp extended to the textile industry. The strike brought about an almost complete standstill in business until the beginning of July when an agreement ended the dispute and gave hope of a rapid return to more normal conditions.

Net imports of wool into Belgium in the first 4 months of this year were about 75 percent larger than in the same months of 1935, and were as large as net imports for the entire year 1934. Exports of wool tops were slightly larger than imports in the first 5 months of 1936 and the export balance in wool yarns and wool tissues showed a substantial increase over that of 1935.

Stocks of tops in commission combing establishments of Belgium increased slightly during June. Combined stocks of merino and crossbred tops were 7,403,000 pounds compared with 7,266,000 in June 1935.

Supply Situation

Present prospects indicate not much change in world wool supplies, i.e., production plus carry-over, in 1936-37 as compared with 1935-36. As yet very few estimates of wool production in 1936 have been reported but such indications as are now available point to a probable slight increase in world production, offset by a reduction in stocks carried over from 1935-36 in practically all countries, except Japan.

Supplies for disposal in Southern Hemisphere countries, which produce over 60 percent of the world total excluding Russia and China are expected to show a slight reduction as compared with 1935-36 when they were smaller than the average for the 5 preceding seasons. Wool production in the Southern Hemisphere will probably show a slight increase above the low point reached in 1935, but stocks carried over from 1935-36 are considerably lower than a year ago.

Australian wool production in 1936, now estimated at approximately 983,000,000 pounds, does not show much change from last season's estimate used by this Bureau which is based on the relation of the season's receipts to final official estimates of production for the 10-year period 1924-33. Other unofficial estimates of production in 1935 range from 902,000,000 pounds to 963,000,000 pounds.

In the Northern Hemisphere production in 1936 in the United States, the United Kingdom and Canada was not expected to show much change as compared with 1935 whereas a small increase was indicated for Europe excluding the United Kingdom and some countries of the Near East. Stocks of raw wool in Northern Hemisphere countries, with the exception of Japan, are now smaller than for the same date last year.

Exports of wool from Australia, New Zealand and the Union of South Africa, where the season closed on June 30, amounted to 1,357,000,000 pounds and showed an increase of 5 percent as compared with 1934-35 but were about the same as the average for the 5 seasons 1929-30 to 1933-34. There was a reduction of 5 percent in exports from Australia and a decrease of 3 percent in exports from the Union of South Africa. In New Zealand, however, exports were 55 percent above those of 1934-35 and the large carry-over almost entirely disposed of. The season in Argentina and Uruguay does not close until September 30 but stocks are reported to be low in both of these countries and it seems probable that shipments in the last 3 months of the season will show a reduction as compared with a year ago.

Australia.- Although the late fall months (April - May) were rather dry in Australia, widespread rain fell in the latter part of May and June. An official report issued in mid-June (beginning of winter) stated that conditions are now generally satisfactory except in the northern pastoral areas of the interior of Western Australia. Queensland has had excellent rain except in the Southeast, and all districts in New South Wales have had rainfall. Victoria has had general rain which has assured fairly favorable conditions.

Supplies of wool for disposal in Australia during the season beginning July 1, 1936 are provisionally estimated at 1,006,000,000 pounds grease equivalent, a decrease of about 2,000,000 pounds as compared with the preceding season. This estimate is based on the pre-shearing estimate of production and stocks carried over at selling centers, and will be revised as the season advances. An increase of about 3,000,000 pounds in expected production has been offset by a 5,000,000 pound reduction in stocks carried over. A reduction of 2,000,000 pounds in Australian supplies is such a small percentage of the total that it is justifiable to say that supplies are about the same as in 1935-36 but 3 percent smaller than the average for the 5 preceding seasons 1930-31 to 1933-34.

Wool production in 1936, i.e., the clip to be marketed during the season beginning July 1, 1936, appears to be about the same as that of 1935. Information received since the last issued of World Wool Prospects makes it seem probable that wool production in Australia in 1936 will be approximately 983,000,000 pounds, grease equivalent, or about the same as it was in 1935-36. This figure has been obtained by converting the pre-shearing estimate, which was reported in bales of grease and scoured wool combined, to a grease equivalent and multiplying by the average grease weight of a bale for the 5 preceding seasons. Last year's clip is still provisionally estimated at 980,000,000 pounds. This estimate is based on the percentage of total production received at Australian selling centers in the 10-year period 1924-25 to 1933-34.

The quantity of wool of the 1935-36 clip received at selling centers for the entire season ended June 30, 1936 amounted to 838,000,000 pounds of grease and scoured wool combined, a decrease of 5 percent compared with receipts in the 1934-35 season, but about 1 percent above receipts for the 5 seasons 1929-30 to 1933-34. The only other year when receipts approximated those of the 1935-36 season was in 1928-29 when they amounted to 834,000,000 pounds. That year wool production was officially estimated at 968,000,000 pounds, 86 percent of which went through Australian brokers' hands.

In the season just closed disposals of current clip wool at selling centers of Australia amounted to 816,000,000 pounds of grease and scoured wool combined. This includes about 7,000,000 pounds destroyed by fire. Last year disposals amounted to 857,000,000 pounds compared with 792,000,000 pounds, the average for the preceding 5 seasons.

Stocks of wool at selling centers at the end of the season June 30, 1936 amounted to 22,438,000 pounds compared with 26,103,000 pounds a year ago and a preceding 5-year average on that date of 34,000,000 pounds. It was reported in a letter from the Australian correspondent to the New Zealand Stock and Station Journal that sheep numbers in 1935 (probably December 31) were estimated at only 105,000,000. This compares with about 113,000,000 at the end of 1934 or a decrease of about 7 percent. Sheep were estimated at about 110,000,000 at the end of 1933.

In Queensland the number of sheep on January 1, 1936 was officially estimated at only 17,806,000 compared with 21,574,000 on January 1, 1935. The reduction of 3,768,000 was due principally to drought. In Victoria the number of sheep on March 31, 1936 was 17,457,000, an increase of 4 percent above 1935. New South Wales, Queensland and Victoria support over four-fifths of the total number in Australia.

Estimates of sheep numbers in New South Wales as of March 31, 1936 are not yet available but the number on March 31, 1935 was 53,327,000 compared with 52,104,000 in 1934 and 53,698,000 in 1933. The number of lambs docked in New South Wales in 1934-35 was 12,996,000, an increase of 21 percent above the number docked in 1933-34. The number of lambs docked in 1933-34 and 1934-35 and probably also 1935-36 was smaller than in the 3 seasons, 1930-31, 1931-32, and 1932-33 when between 14,000,000 and 15,000,000 were docked each season. The average number docked in New South Wales for the 10-year period 1923-24 to 1932-33 was 12,200,000. There are 3 seasons during this 10-year period when the number of lambs docked reached only 9,000,000 or 10,000,000 in 1923-24, 1927-28 and 1929-30.

Exports from Australia for the season just closed (June 30) amounted to approximately 822,000,000 pounds of grease and scoured wool combined, according to Dalgety and Company, compared with 869,000,000 pounds in the preceding season and 833,000,000 pounds the average for the 5 seasons 1929-30 to 1933-34.

Only 14 percent less wool was exported to Japan than to the United Kingdom in the first 11 months of 1935-36 according to official export statistics by countries for that period. Exports to the United Kingdom amounted to approximately 268,000,000 pounds grease and scoured wool combined and were 16 percent smaller than in the same period of 1934-35, whereas exports to Japan reached 231,000,000 pounds and were 38 percent larger than in the same period of the preceding season. Exports to the other principal countries with the exception of those to Germany and the United States decreased. Shipment to Germany increased 3 percent to 29,000,000 pounds and those to the United States amounted to 25,000,000 pounds and were over five times as large as in the same period of 1934-35. The total quantity shipped to all countries was 797,000,000 pounds, a decrease of 0.5 percent compared with 1934-35.

Exports to other important wool importing countries were as follows in millions of pounds with percentage of preceding year given in parentheses: Belgium 110 (85); France 74 (91); Netherlands 15 (92); Italy 4 (17); all countries, 797 (99.5).

New Zealand.- Present prospects are for an increase in the 1935-36 wool clip of New Zealand as compared with the clip of 1935-36 estimated at 272,000,000 pounds. The number of sheep in New Zealand has been increasing since April 30, 1933, when they were estimated at only 27,756,000 the lowest number since 1928. On April 30, 1936 the number was officially estimated at 30,039,000, an increase of 3 percent above 1935.

Notwithstanding a probable increase in the wool clip of 1936-37 available supplies for disposal will be much smaller than in 1935-36 owing to a large reduction in carry-over. It is unofficially estimated that the carry-over of grease and scoured wool on June 30, 1936 will be a little less than one-fourth the quantity on hand on that date in 1935 when it was estimated at 81,000,000 pounds, and also less than one-fourth the quantity on hand on June 30 for the 5 years, 1930-34.

Exports of wool from New Zealand for the entire season are estimated at 319,000,000 pounds, compared with only 206,000,000 pounds in 1934-35 and an average of 237,000,000 pounds for the 5 seasons 1929-30 to 1933-34. The bulk of exports from New Zealand or about 64 percent goes to the United Kingdom. Exports to that country for the first 11 months of the season just closed, for which period exports have just become available by countries of destination, reached 188,000,000 pounds, an increase of 39 percent above the same period of 1934-35.

Union of South Africa.- Apparent supplies of wool for disposal in the 1936-37 selling season are expected to exceed those of 1935-36 as a result of an expected increase in production and a larger carry-over, which is, however, relatively small as compared with the average. It is expected that the production of wool will show an increase above that of the seasons 1934-35 and 1935-36 when production was estimated at 210,000,000 pounds and 232,000,000 pounds respectively. The estimate for 1935-36 should probably be revised upward as receipts at ports for the season reached 239,000,000 pounds.

Weather and feed prospects for the winter months (June - August) 1936 were reported as favorable in mid-June. During May (late fall) rain fell over a wide area and pasturage was in good condition at the beginning of the winter months.

The number of wooled sheep on occupied farms in 1935 was 32,000,000, an increase of 7 percent above 1934 and a further increase is indicated in 1936. Weather has been very favorable for the 1936 lambing season (March - August) so far.

Receipts of wool at Union ports for the season ended June 30, 1936 reached 239,000,000 pounds, an increase of 14 percent above 1934-35 but a decrease of 17 percent compared with the 4-year average, 1930-31 to 1933-34. The apparent quantity available at ports for shipment during the 1935-36 season was approximately 248,000,000 pounds, including receipts for the season and carry-over of sold and unsold stocks at ports on June 30, 1935. Of that quantity 228,000,000 pounds were exported during the season ended June 30, 1936, leaving 20,000,000 pounds of sold and unsold wool from the 1935-36 season for shipment in the 1936-37 season. In the 1934-35 season, the quantity available for export was 244,000,000 pounds including receipts at ports for the season and stocks of sold and unsold wool on hand on June 30, 1934. Of that quantity 235,000,000 pounds were exported leaving 9,000,000 pounds on hand.

Stocks of unsold wool at ports on June 30, 1936 amounted to 7,000,000 pounds, compared with 4,000,000 pounds on June 30, 1935 and an average amount on June 30, for the 5 years, 1931-34 of 12,000,000 pounds. Sold wool at ports on June 30, 1936 were apparently about 13,000,000 pounds compared with 5,000,000 pounds on June 30, 1935.

South America.- The wool export season in Argentina and Uruguay extends from October 1 to September 30. However, the main selling season is practically over by June. There are as yet no reliable estimates of production in 1936 as the bulk of the wool is not shorn until the last few months of the year.

Both Argentina and Uruguay appear to have had abundant rain in the late fall and early winter (July), and pastures and livestock generally were reported to be in good condition in mid-winter with the exception of the part of Buenos Aires Province in the vicinity of Bahia Balnca. In Uruguay if anything, there has been a little too much rain. Pasturage grew a little too rapidly to attain maximum nourishing qualities. Sheep suffered somewhat from inclement weather but there have been no reports of losses of sheep from these countries.

Argentina.- Receipts of wool at Central Produce Market, Argentina, where approximately one-fourth of the Argentine clip has been marketed in recent years, amounted to about 72,000,000 pounds for the first 9 months of the 1935-36 season, i.e., up to June 30, 1936. This was a decrease of 5 percent compared with the same period a year earlier and a reduction of 12 percent compared with the average for that period of the 5 seasons, 1929-30 to 1933-34. Sales at this market for the same period are estimated at 70,000,000 pounds, a decrease of about 10 percent compared with the same period a year earlier. Stocks at the end of June were about 4,000,000 pounds compared with 4,300,000 at that date in 1935 and a preceding 5-year average of about 3,500,000 pounds.

The average price of all wool sold at Central Produce market for the month of May was 17 cents a pound compared with 13 cents in May 1935, and an average of 10 cents in May for the 5 years, 1930-34.

Exports of wool from Argentina for the first 9 months of the season amounted to 249,000,000 pounds grease, scoured and washed wool combined compared with 266,000,000 pounds in the same period of 1934-35 and 259,000,000 for the first 9 months of the 5-year period 1929-30 to 1933-34. Shipments to North American countries, principally the United States considerably exceeded those of the preceding 2 seasons. Shipments to this country for the first 9 months of the 1935-36 season up to June 30 reached 45,000,000 pounds, whereas a year earlier they amounted to 31,000,000 pounds. Material reductions were shown in exports to Germany and Italy as compared with a year ago.

Exports to important importing countries other than the United States were as follows in millions of pounds with percentage of last season's shipments for the same period given in parentheses: United Kingtom 69(99); France 50 (133); Germany 42 (63); Italy 9 (25); Belgium 18 (144); all countries 249 (93).

The quantities of the principal types of wool exported in a grease condition for 9 months of the season up to June 30, 1936 were as follows in millions of pounds with percentage of same period a year earlier given in parentheses: coarse crossbred 76 (92); medium crossbred 21 (79); fine crossbred 69(84); all wool exported in a grease state 211 (92).

Exports of all kinds of wool, including scoured and washed converted to a grease basis amounted to 266,000,000 pounds in the first 9 months of 1935-36 compared with 283,000,000 pounds in the same period of 1933-34.

Uruguay.- It is reported that wool futures are already being sold in Uruguay in the Departments of Durazno and Flores at prices ranging from 29 and 32 per pound. At the beginning of the 1935-36 season, i.e., October 1, 1935, the price of fine crossbred wool ranged from 25 and 28 cents per pound. The bulk of the wool in Uruguay is fine crossbred.

Wool transactions in the 1935-36 season declined greatly toward the end of June as the result of exhaustion of stocks. Stocks in the hands of selling brokers are very much reduced and it may be said that the season 1935-36 is ended. The stocks remaining are mostly those containing seed, with rare exceptions. In the last week of June there were a few sales of coarse crossbred at prices ranging from 21 to 23 cents per pound. There was very little demand for medium crossbred, defective wool and that containing seed.

Receipts of wool at Montevideo for the season so far, October 1 to June 30, amounted to 109,000,000 pounds, compared with 116,000,000 pounds in 1934-35 and an average of 110,000,000 pounds for the 5 seasons 1929-30 to 1933-34.

Exports so far have aggregated 103,000,000 pounds, an increase of 7 percent above 1934-35 but a decrease of 9 percent compared with the 5-year average of 113,000,000 pounds for the same period. Takings of wool by the United States during the first 9 months of this season amounted to 22,000,000 pounds and were over four times as large as in the same period of 1934-35. Exports to other important importing countries were as follows in millions of pounds with percentage of the preceding season given in parentheses: Germany, 26 (80); United Kingdom 25 (105); France, 8 (68); Belgium, 7 (62); Italy, 6 (27).

Stocks of wool at Montevideo at the end of June 1936 were approximately 6,200,000 pounds compared with 10,000,000 pounds at the same date in 1935. The average quantity on hand at that date in the preceding 5 years, was 7,400,000 pounds.