

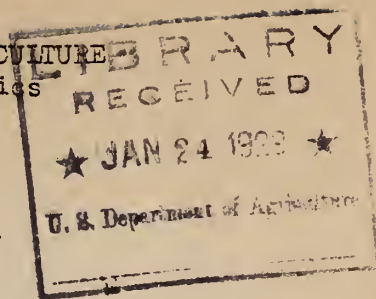
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UNITED STATES DEPARTMENT OF AGRICULTURE  
Bureau of Agricultural Economics  
Washington



WOOL-11

THE WORLD WOOL SITUATION  
January 17, 1929

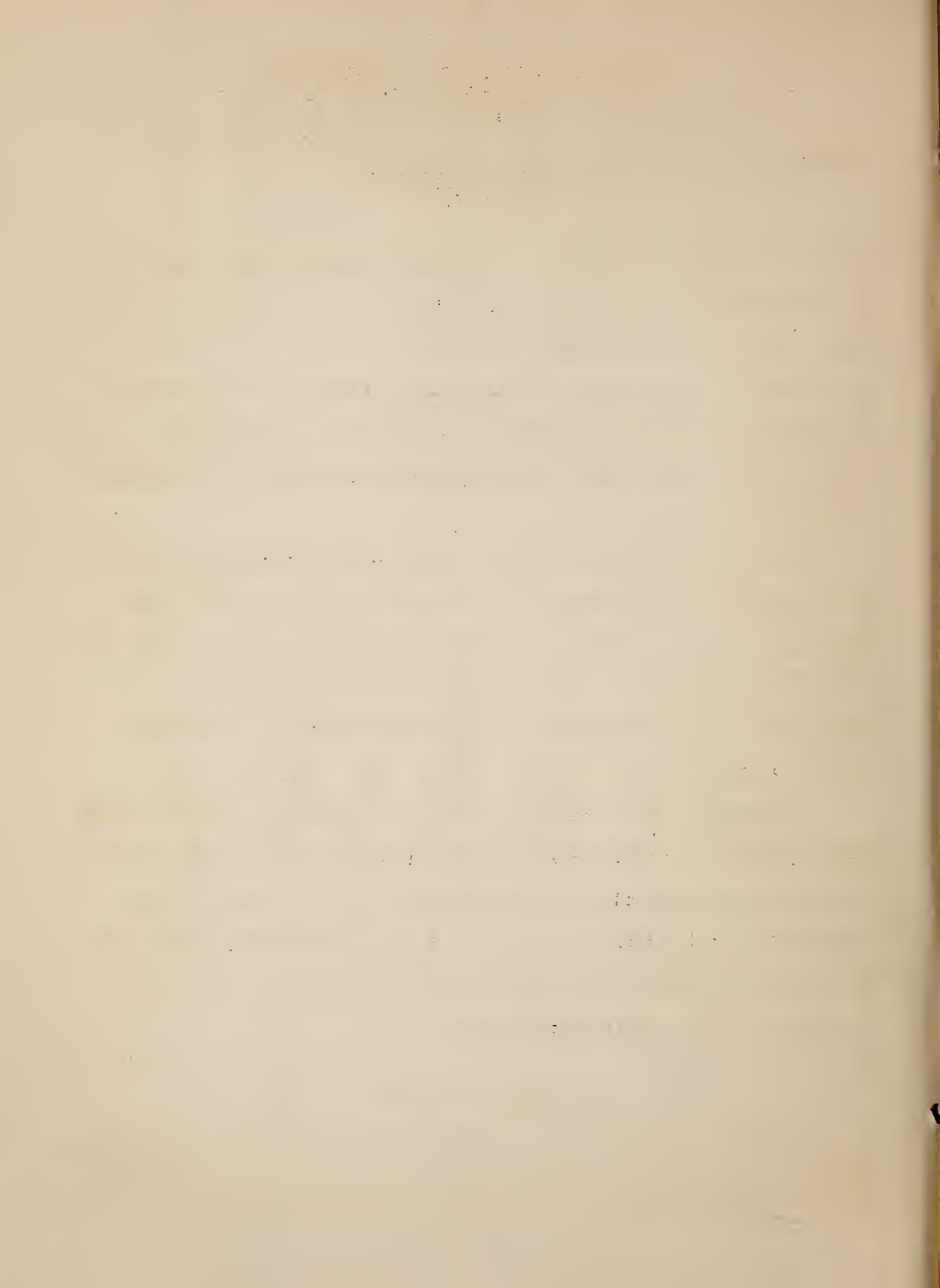
The domestic wool market was very quiet during December and sales were generally for small quantities. Prices were well maintained, however, and closed fairly firm with pulled wools showing a little improvement over last month. Interest in South American wools is reported to be increasing but buyers are proceeding cautiously. Imports during November were very low but wool consumption was the greatest for any month in 1928 except October.

The situation in Great Britain was not very satisfactory; exports of wool manufactures in November were about 25 per cent below the same month last year, with exports to United States, Japan, India and Australia showing particularly large declines. Conditions are satisfactory in the wool industry on the Continent, and the outlook for 1929 is considered quite favorable in Belgium, France, Germany, Italy and Czechoslovakia.

The first series of the London Wool Sales opened on January 15 with merinos par to 5 per cent lower and with all descriptions of crossbreds unchanged except scoured clothing which was also par to 5 per cent lower. At the third wool sale of the season at Wellington, New Zealand, bidding was brisk for the crossbreds but demand was slack for halfbreds and merinos, the prices on which were slightly lower.

Boston wool market

Domestic wool prices were maintained during December, and the new year opened with values of shorn wools fairly firm and pulled wools slightly higher, although trading was considerably slower than during November and sales were generally on small to moderate quantities, according to R.L.Burrus of the Boston wool office of the Bureau of Agricultural Economics.



Fleece wools were very slow during December with no sustained buying movement on any Middle Western wools. A few small lots of Ohio 64s and finer strictly combing wools, were sold at 45-46 cents and strictly combing 56s brought 56 cents in the grease. The market for fleece wools grading below 56s was very quiet.

Territory wools grading 64s and finer brought \$1.05-1.07 for bulk average French combing in original bags, with graded French combing selling at \$1.07-1.10, scoured basis. Small quantities of Territory 58s and 60s sold for \$1.08-1.12 for strictly combing wool and \$1.05-1.07 for French combing. A few lots of strictly combing 56s were sold at prices ranging from \$1.02-1.07. Offerings of all grades of Territory wools were restricted and asking prices were firmly maintained.

The market for average 12-month wools was more active than for other Texas wools and this class brought \$1.07-1.08 for average staple and \$1.05 for the shorter staple. Choice 12-month Texas wools, however, were very quiet and prices ranged from \$1.10-1.15. Wool of 8 months' growth sold for \$1.03-1.05 mostly to woolen mills, and Fall Texas wools realized 95-96 cents, on a scoured basis.

The decline in the volume of purchases of South American crossbreds continued well into December when the primary markets steadied and prices began to advance under the influence of British buying. Orders from the United States increased slightly. Interest was centered chiefly on Montevideo 50s and 56s although some purchases have been made of all grades of Montevideo and Buenos Aires wools. Prices on the finer South American crossbreds showed a slight strengthening tendency at the close of the year.

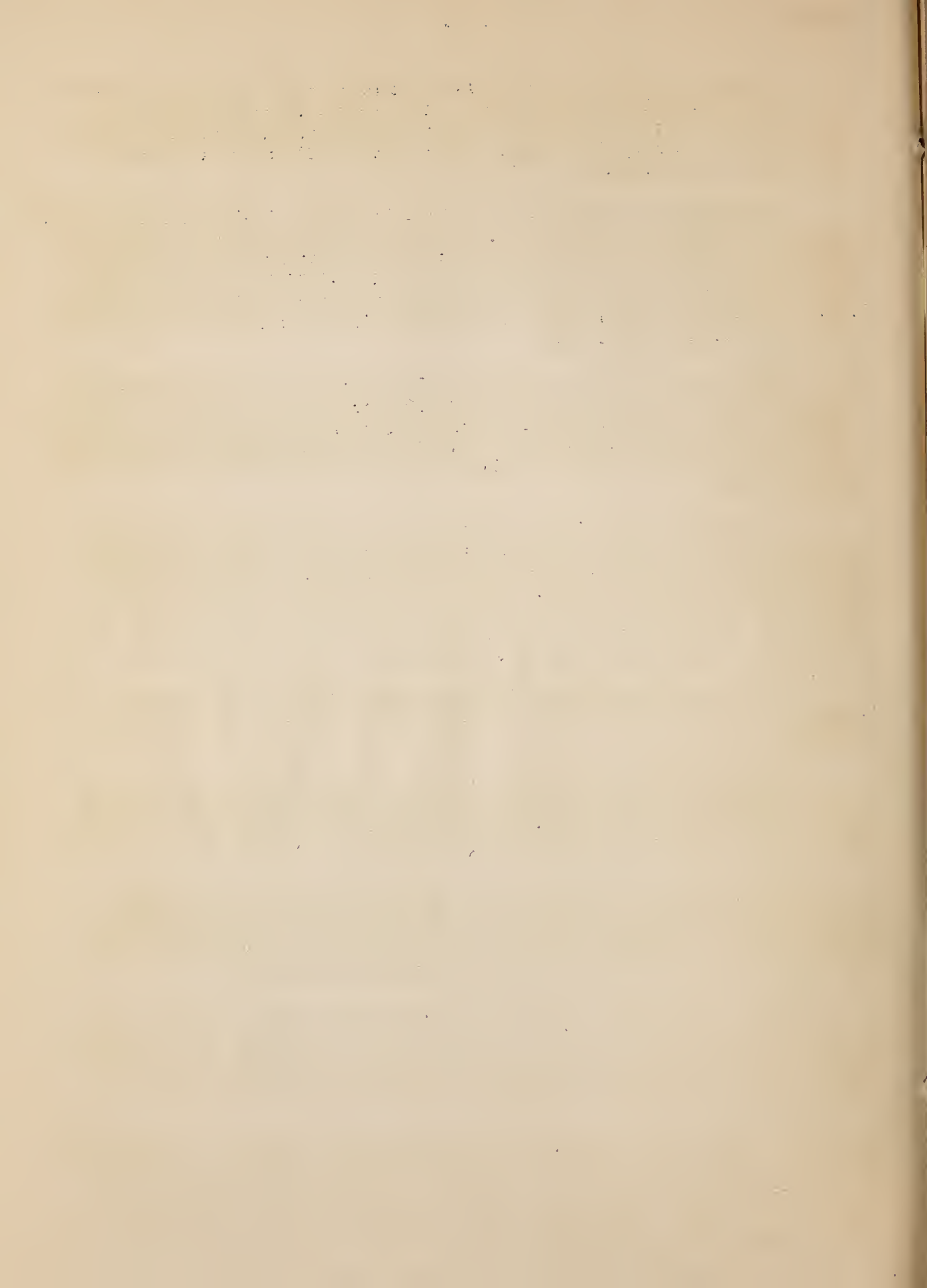
The market for Australian and New Zealand wools has not been very active but some small sales of New Zealand crossbreds were reported during December.

The demand for wools suitable for the woolen trade was irregular. The scoured shorn wools were mostly slow, except the fine carbonized offerings which showed a moderate rise in price because of the limited volume of offerings. Prices on the other lines of scoured wools were steady.

Pulled wools advanced 1/2 cent a pound, scoured basis. Topmakers have been interested in contracting the January production of the pulled wools suitable for combing, and some of the pullers are reported to be sold up for January. The demand for pulled wools suitable for woolen mills has been rather slow, but quotations have strengthened moderately.

Medium grade noils have been more active this month, but prices have not increased materially. The fine grades of noils, however, declined about 5 cents per pound during December. The slackening demand and the increased supply, which resulted from a broader use of fine wools, were largely responsible for the decline in the price of fine noils.

The volume of new business in the top market was fairly well maintained during the first week in December but declined during the month, so that at the end of the year new orders were practically negligible. Deliveries on contracts, however, held up well except for a slight cessation around the middle of the month. Quotations on tops remained very firm at the levels established at the close of November.





PRICE: Wool, per pound, at Boston, January 3 and December 1, 1928  
and January 5, 1929

Grade	1928		1929
	January 3	December 1	January 5
64s, 70s, 80s (fine)	Cents		Cents
Strictly combing	Cents		
Ohio and similar grease	47 - 48	46	46
Fleece scoured	112 - 117	110 - 115	110 - 115
Territory scoured	110 - 115	112 - 115	112 - 115
56s (3/8 blood)	Cents		
Strictly combing	Cents		
Ohio and similar grease	48	55	56
Fleece scoured	86 - 91	100 - 105	100 - 105
Territory scoured	93 - 95	102 - 107	102 - 107
46s (low 1/4 blood)	Cents		
Strictly combing	Cents		
Ohio and similar grease	41 - 42	48 - 49	48 - 49
Fleece scoured	70 - 75	82 - 87	82 - 87
Territory scoured	73 - 78	87 - 90	87 - 90

Compiled from Market News Reports of the Boston Office of the Bureau of Agricultural Economics.

PRICE: Wool and yarn, per pound, and piece goods, per yard,  
November 1926, 1927, and 1928

Month and year	Wool at Boston, 64s, 70s, 80s, Fine Territory clothing	Wool at Boston, 56s, 3/8 blood, Strictly combing, fleece grease	Worsted yarn 2/40s half-blood weaving	Worsted yarn 2/32s crossbred grade	Suiting unfinished worsted 13 oz. at mills
	Cents	Cents	Dollars	Dollars	Dollars
November 1926	98	46	1.81	1.40	1.89
1927	98	47	1.78	1.40	1.91
1928	102	56	1.82	1.55	2.08

Wool prices from Crops and Markets. Other prices from Bureau of Labor Statistics monthly bulletin of wholesale prices.

Imports continue low

The imports of clothing and combing wools into the United States during November were 2,970,000 pounds. This is the lowest of any November since 1914, except 1921 when only 585,000 pounds were imported. The imports during November 1927 amounted to 5,095,000 pounds and the average for November 1923-1927 was 6,460,000. For the 11 months January to November 1928, imports were 84,412,000 pounds as compared with 113,287,000 for the same period last year.





Consumption well maintained

The consumption of combing and clothing wools during November, as reported by mills to the Bureau of the Census, amounted to 36,345,000 pounds on a grease basis, as compared with 33,900,000 for November 1927 and an average consumption for November 1924-1927 of 35,295,000 pounds. The quantity of wool consumed during November was greater than any other month in 1928 except for October which amounted to 38,065,000 pounds.

London wool sales

The quantity of wool sold at the London Wool Sales during 1928 was the lowest in any recent year, amounting to 82 per cent of the sales in 1927 and 66 per cent of the 1926 sales. The following table shows the total quantity of wool sold and the distribution of sales as between Great Britain, the Continent, and the United States.

LONDON WOOL SALES: Quantity of wool sold to the British, Continental and American buyers, 1924-1928

Year	Great Britain	Continental Europe	United States	Total Sales
	<u>Bales</u>	<u>Bales</u>	<u>Bales</u>	<u>Bales</u>
1924	370,000	301,500	9,000	680,500
1925	248,100	337,900	16,000	602,000
1926	313,800	383,700	14,500	712,000
1927	292,700	341,100	15,500	656,300
1928	209,000	320,000	11,500	540,500

Compiled from data in Textile Argus, December 1928.

The export of wool manufactures from the United Kingdom during November was the lowest in 18 months. The weighted index of volume exports was 86.7 for November 1928, 88.6 for October 1928, and 112.4 for November 1927. Yarns and woollen tissues showed an unusually large decline as compared with October 1928 and November 1927. The decline in export of woollen cloths amounted to over 4 million square yards or about 35 per cent of the November 1927 exports. Worsted cloths, however, showed an increase of about one-half million square yards. Exports of wool manufactures to China were about 100 per cent greater than a year ago, but exports to the United States, Japan, India and Australia showed particularly large declines. Exports by classes were as follows:



## WOOL MANUFACTURES: Exports from the United Kingdom

Item	Unit	Nov. 1927	Oct. 1928	Nov. 1928
Tops .....	1,000 pounds	3,405	2,466	2,795
Woolen yarn, carded ...	1,000 pounds	716	710	687
Worsted yarn, combed ...	1,000 pounds	4,436	3,808	3,387
Woolen cloth .....	1,000 sq. yds.	12,587	9,050	8,251
Worsted cloth .....	1,000 sq. yds.	3,765	3,662	4,241

From Trade and Navigation of the United Kingdom.

The Bradford market

Business was very quiet in Bradford during December, and slight reductions were made in the price of practically all merino and crossbred tops. There was no evidence of any buying movement and the period of quiet is expected to extend into January, until after stock taking has been completed, according to a cablegram received from A. R. Thompson, United States Consul at Bradford. Prices for tops remain low relative to raw wool values, and top makers appear reluctant to sell at the prices offered them. The piece goods section reports a slight recession of orders for worsted cloths but the heavy woolen trade experienced a slight improvement particularly in the blanket section, due partly to the shipping companies refitting their vessels and partly to new government contracts.

The situation of the wool industry in Europe

The improvement noted in the German wool industry last month has been maintained, the raw wool market in Bremen has been very active and the worsted spinners report unfilled orders ahead sufficient to keep machinery running full time for 3 months. The weavers also report better business in December, according to a cablegram received by the Foreign Service of the Bureau of Agricultural Economics from Agricultural Commissioner L. V. Steere at Berlin. He also reports that the market for tops and noils has been very active in France with spinners and weavers well occupied and with a satisfactory amount of unfilled orders on hand. New business in tops and yarns is chiefly for the export trade.

In Belgium the raw wool market and the wool industry in general has been quite active, but the tops market showed somewhat lessened activity due to the holidays.

The wool industry in Italy is generally in good condition with unfilled orders for several months ahead for both domestic and export trade. Tops have been very active but the raw wool market has been affected slightly by the holidays.

Reports from Czechoslovakia indicate that occupation in the wool industry is somewhat below normal but business is improving and the outlook for 1929 is regarded as fairly satisfactory.



Stocks of tops in commission combing establishments at the end of December were much higher than a year ago but had decreased slightly in Germany and Belgium, as compared with last month and had increased somewhat in France and Italy. Germany reported 14,648,000 pounds on December 31, as compared with 15,117,000 pounds in November 1928, and 5,750,000 pounds in December 1927. The French commission combers had 24,224,000 pounds on hand December 31, as compared with 23,605,000 pounds last month and 12,343,000 pounds last year. Stocks in Belgium decreased from 5,009,000 pounds on November 30, to 4,885,000 pounds on December 31, and Italy increased from 2,116,000 pounds on November 30, to 2,231,000 pounds on December 31.

Stocks of wool, tops, and yarn passing through the conditioning houses at Roubaix and Tourcoing were considerably below last month and also below last year, as shown by the following table:

WOOL, TOPS AND YARN: Amount passing through conditioning houses at Roubaix and Tourcoing

Location and grade	November		December	
	1928	1927	1928	
Roubaix	1,000 pounds	1,000 pounds	1,000 pounds	
Wool	337	344	260	
Tops	1/	5,362	5,143	
Yarn (worsted)	1,435	1,602	1,479	
Tourcoing				
Wool	2,820	2,756	2,612	
Tops	8,373	6,982	5,214	
Yarn (total)	2,169	2,357	1,889	

Wool prices remained fairly firm on the Continent, merino tops declined slightly and yarns improved during December, as shown by the following table:

WOOL, TOPS AND YARN: Price per pound in European centers

Location and grade	October 25	November 29	December 27
	1928	1928	1928
Roubaix	Cents	Cents	Cents
Tops, Australian -			
Merino, 64s warp	105.4	108.5	106.5
Crossbred, 56s	94.3	96.3	96.3
Tops, Argentine -			
Crossbred, 56s	87.2	85.2	85.2
Yarn -			
Merino	133.3	135.9	136.8
Cheviot	85.7	91.1	92.4
	November 1	December 1	January 1
	1928	1928	1929
Germany	Cents	Cents	Cents
Cape wool, medium quality			
washed 6-8 months, very fine..	81.1	83.1	83.1
Tops, Australian, A/AA	104.4	106.4	105.4
Tops, Buenos Aires, medium	60.8	62.9	62.9



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