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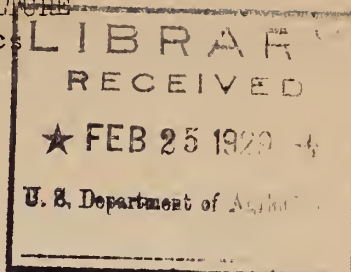


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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

WOOL-12

THE WORLD WOOL SITUATION
February 20, 1929



A fair volume of wool business was transacted in Boston during January with prices for the most part maintained at the December levels, in spite of slight decreases in prices in most of the world wool markets. Prices on medium grades were fairly firm during the month but some weakness was apparent in the finer grades. Imports of combing and clothing wools during 1928 were about 25 per cent less than those of 1927 and only 50 per cent of the 1926 imports. Stocks of combing and clothing wools were a little higher on January 1, 1928 than a year ago. Wool consumption in the United States was about 5 per cent less in 1928 than in 1927.

The situation in the wool textile industry of Great Britain is not entirely satisfactory, as the export of wool manufactures during December was the lowest of any month, with the exception of April, for the last two years. The first series of the 1929 London wool sales closed with prices on all grades below the close of the December sale and considerably below the opening of the 1928 season.

The wool industry on the Continent is in a generally more satisfactory situation. There has been some increase in the price of tops and noils and a decrease in the amount of stocks in the hands of commission combers. The increase in the amount of wool, tops and noils passing through conditioning houses in Europe also indicates greater activity in the wool industry.

Wool prices steady at Boston

The prices of domestic wools at Boston during January were steady at about the same level as during December, according to R. L. Burrus of the Boston wool office of the Bureau of Agricultural Economics. The

visible supply of medium grades is quite restricted and prices held fairly firm, but on the finer grades prices have shown some weakness. The irregular prices in Australian markets and the weakness in London have had a bearish influence on fine domestic wools.

During the early part of the month a fair volume of business was transacted in about all grades of Fleece wools. The movement, however, was not sustained, and during the latter part of the month the market for Fleeces was very dull. Ohio 64's and finer Delaine wool sold at 46 cents, in the grease, early in the month, but during the last week of the month, prices declined to 45-46 cents. Moderate quantities of 58's and 60's strictly combing Ohio wools sold at 51-52 cents, in the grease. Prices for 48's, 50's and 56's were steady with a moderate amount of sales but 46's showed very small sales. French combing lengths of 58's, 60's and finer qualities were only moderately active.

Territory graded French combing wools 58's and finer were fairly active and prices were inclined to be slightly lower. Graded strictly combing 64's and finer were very quiet but fair quantities of 58's and 60's strictly combing were sold at around \$1.10, scoured basis. Original bag fine wools of mostly 64's but with some 58's and 60's, running largely to French combing staple, sold at \$1.05-1.06 for the bulk of sales with a few choice lots selling \$1.08-1.10. Business on lower grades of territory wools was restricted to small quantities but at steady prices.

Texas 12-month wools moved in fair quantities at prices ranging from about \$1.05-1.07, scoured basis. A few choice lots, however, sold around \$1.10.

The market for South American crossbreds was fairly active. Demand broadened somewhat soon after the first of the year and was well maintained, especially on grades from 50's to 60's. Prices on these grades advanced about a cent a pound, in the grease. Trading in New Zealand crossbreds was slow with quotations slightly easier on the finer qualities and steady on the lower grades. Australian wools of 60's quality and finer were sold in limited quantities at steady prices.

The demand for scoured wools for the Woolen trade was irregular. A few buyers were in the market for moderate quantities with a demand for the finer grades predominating. Prices remained firm throughout the month. Pulled wool prices were steady at the level prevailing at the beginning of the month. A few buyers took fair quantities of the medium grades of the wools suitable for combing and also those used only for woolen purposes. The demand for these wools, however, was somewhat less than during December.

The market for Noils was very irregular. Medium grades sold more readily than the finer qualities. Prices were steady to slightly higher on the medium grades with a further decline in the prices of fine domestic noils. Australian noils, 64's and finer, were readily salable at firm prices because of the restricted supplies available.

The top market has been rather slow on most grades with purchases chiefly for piecing out purposes. Spinners, as a rule, have been very

conservative in making contracts for future delivery as they are awaiting further developments in the goods market. There was some increase in the demand for 58's and 56's tops with a slight advance realized in the price of 56's. The pressure for deliveries has been very heavy this season, although there was some further decline in volume of deliveries during the month.

PRICE: Wool, per pound, at Boston,
February 1928, and January and February 1929.

Grade	1928		1929	
	Feb. 4		Jan. 5	Feb. 2
64s, 70s, 80s (fine)	Cents		Cents	
Strictly combing				
Ohio and similar grease	49 - 50		46	45 - 46
Fleece scoured	117 - 122		110 - 115	110 - 113
Territory scoured	115 - 118		112 - 115	112 - 115
56s (3/8 blood)				
Strictly combing				
Ohio and similar grease	50 - 51		56	56
Fleece scoured	93 - 96		100 - 105	100 - 105
Territory scoured	97 - 100		102 - 107	102 - 107
46s (low 1/4 blood)				
Strictly combing				
Ohio and similar grease	44 - 45		48 - 49	48 - 49
Fleece scoured	75 - 78		82 - 87	82 - 87
Territory scoured	77 - 82		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,
December 1926, 1927, and 1928

Month and year	Wool at	Wool at	Worsted yarn	Worsted yarn	Suiting
	Boston, 64s and 70s, 80s, Fine Territory scoured clothing	Boston, 56s 3/8 blood Strictly combing, fleece grease	2/40s half-blood weaving	2/32s crossbred grade	unfinished worsted 13 oz. at mills
	Cents	Cents	Dollars	Dollars	Dollars
December 1926	93	45	1.79	1.40	1.89
1927	95	48	1.78	1.40	1.92
1928	102	56	1.82	1.58	2.01

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

Stocks of wool, tops and noils in the United States

The stocks of wool, tops and noils on January 1, in the United States or afloat to the United States, held by wool dealers and manufacturers, amounted to 310 million pounds grease equivalent, as compared with 370 million pounds on October 1, 1928 and 304 million pounds on January 1, 1928. About 60 per cent of the total holdings were domestic wools and about 40 per cent were foreign. However, nearly 16 per cent were foreign carpet wools, leaving only approximately 24 per cent of the total holdings as foreign combing or clothing wools. The total stocks of combing and clothing wools in the United States on January 1, 1929 amounted to 260,928,848 pounds grease equivalent as compared with 258,435,962 pounds on January 1 last year, according to the Quarterly Wool Stock report issued jointly by the Bureau of Agricultural Economics and the Bureau of the Census.

Wool imports low

The imports of combing and clothing wools into the United States during December 1928, amounted to 6,701,000 pounds as compared with a five-year December average (1923-1927) of 8,905,000 pounds. The total imports for the calendar year 1928, were 91,113,000 pounds compared with 120,176,000 in 1927 and 183,930,000 pounds in 1926.

Wool consumption lower

The consumption of combing and clothing wools during December 1928, amounted to 33,111,000 pounds on a grease basis, as compared with 36,345,000 pounds for November 1928, and 30,367,000 pounds for December 1927 and a five-year average for December 1923-1927 of 35,522,000 pounds. The total consumption of combing and clothing wools as reported for 1928 amounted to 394,232,000 pounds on a grease basis compared with 414,811,000 pounds in 1927 and a five-year average 1923-1927 of 413,195,000 pounds.

Wool machinery activity declines

The Bureau of the Census report on activity of wool machinery in December 1928 shows considerable decreases from November on practically all types of wool machinery, based on the actual number of hours that machines were in operation as compared with their maximum single-shift capacity. Activity in December, however, was greater than for December 1927, except for looms with 50 inch reed space or less and for carpet and rug looms, which were less active this year than last. The following table compares wool machinery activity in December 1928 with November 1928 and December 1927.

WOOL MACHINERY: Number of hours active in the United States, November and December 1928 and December 1927, expressed as per cent of maximum single shift capacity

	Dec.		Nov.
Wool machinery	1928	1927	1928
	<u>Per cent</u>	<u>Per cent</u>	<u>Per cent</u>
Cards	83.4	77.2	88.6
Combs	73.5	70.7	81.1
Woolen spindles	30.3	77.4	85.2
Worsted spindles	66.1	64.8	72.3
Looms			
Wide	68.9	63.3	70.0
Narrow	55.2	57.6	65.6
Carpet and rug	62.1	67.5	68.3

From Department of Commerce report on "Activity on Machinery in Wool Manufactures during the month of December, 1928".

The situation of the wool industries in Europe

United Kingdom

The export of wool manufactures from the United Kingdom during December was the lowest for any month, with the exception of April, for the last two years. The weighted index of volume exports was 82.7 for December 1928, 88.6 for November 1928, and 101.4 for December 1927. Woolen and worsted yarn and cloth exports showed considerable declines as compared with December 1927, amounting to 4,665,000 square yards of cloth and over a million pounds of yarns. Total exports of woolen and worsted cloths for the calendar year 1928, however, were practically the same as 1927, being 170,896,000 square yards for 1927 and 170,667,000 square yards for 1928. Exports of woolen and worsted yarns for 1928 amounted to 49 million pounds compared with 52 million pounds last year. Detailed figures on imports and exports of wool, and exports of wool manufactures, 1925-1928, are published in Foreign Crops and Markets for February 11, 1929, a copy of which has been mailed to all subscribers to the World Wool Situation.

WOOL MANUFACTURERS: Exports from the United Kingdom, December 1927, November and December 1928.

Item	Unit	1927			1928	
		December	November	December	November	December
Tops	1,000 pounds	2,939	2,795			2,538
Woolen yarn, carded	" "	479	687			670
Worsted yarn, combed	" "	3,976	3,387			2,714
Woolen cloths	" sq. yds	11,777	8,251			8,374
Worsted cloths	" " "	3,274	4,241			4,032

From Trade and Navigation of the United Kingdom.

London wool sales

The first series of the 1929 London wool sales closed with all prices somewhat below the close of the December series and considerably below the opening of the 1928 wool season. France, Germany and Switzerland were the principal purchasers but American takings were practically negligible. The accompanying table shows the prices realized at the first series of the London wool sales in 1929 compared with the first and last series of the 1928 wool sales. These prices were computed on the basis of the official standards of the United States for grades of wool.

LONDON WOOL SALES: Prices at opening and closing of wool auctions reported on basis of the Official Standards of the United States for grades of wool, 1928 and 1929.

Official United States Wool Grades	1928				1929	
	First series		Sixth series		First series	
	Open	Close	Open	Close	Open	Close
	Jan. 20	Feb. 1	Nov. 23	Dec. 5	Jan. 18	Jan. 30
	Cents	Cents	Cents	Cents	Cents	Cents
70's	101	96	89	87	87	87
64's	95	93	87	83	81	80
60's	89	86	81	80	77	75
58's	81	81	73	73	73	70
56's	77	77	69	70	71	67
50's	51	52	51	52	52	50
48's	48	48	49	48	48	47
46's	46	45	47	46	47	44
44's	44	43	46	45	45	43
40's	43	41	44	43	43	42
36's	43	40	43	43	43	41

Tabulated from reports of United States Agricultural Commissioner E. A. Foley at London.

Liverpool wool auctions

The first of the 1929 series of auctions of East Indian wools was held at Liverpool from January 15 to 18 inclusive. The offerings of wool amounted to 17,526 bales of which 15,173 bales, mostly yellows, were sold. There was only a small supply of white wools and grays of all descriptions were also scarce. Prices were unchanged from the last auctions but firm on most grades. The bulk of sales went to the British trade with the Continent taking 3,725 bales and the United States taking 3,350 bales.

The Bradford market

The wool business improved a little during January according to Vice-consul Fleming at Bradford. Prices of merino and fine crossbred tops were reduced somewhat, but lower grades for the most part remained unchanged. The demand for hosiery yarns has improved but worsted yarns are still depressed. As a rule yarn production is being maintained but no new business has been reported. The prospects for cloth manufacturing during the spring season are expected to be as good as last year. A cablegram dated February 15 reports some improvement in the heavy woolen trade.

WOOL, TOPS AND YARNS: Price per pound at Bradford on specified dates. July 1928 - January 1929

Date	64's <u>1/</u>			50's <u>1/</u>		
	Scoured	Tops	Worsted:	Scoured	Tops	Worsted
	wool		yarn	wool		yarn
	Cents	Cents	2/48's	Cents	Cents	2/32's
1928						
July 27	97.3	109.5	139.9	57.8	63.9	85.2
Aug 25	95.3	107.5	137.9	56.8	61.8	83.1
Sept 25	87.2	99.4	133.8	52.7	58.8	81.1
Oct 25	87.2	97.3	127.7	48.7	55.7	79.1
Nov 24	89.2	99.4	131.8	52.7	58.8	83.1
Dec 24	89.2	97.3	127.7	52.7	57.8	82.1
1929						
Jan 26	87.2	97.3	129.7	51.7	59.8	83.1

1/ Official Standards of the United States for wool and wool tops.

The new International Wool Federation composed of delegates from England, France, Germany, Belgium, Italy and Czechoslovakia will hold its first meeting in Bradford to adopt a formal constitution in accordance with the agreement reached by the International Wool Conference at Paris. The new federation will deal with problems of interest to the wool trade in connection with both raw and manufactured wool, such as uniform wool standards, unification of customs nomenclature, international wool statistics, arbitration, etc. The International Wool Federation will be permanently located in Bradford. M. Maurice Dubrulle of France is President and Mr. H. T. Tulloch, secretary of the Bradford Chamber of Commerce, will be secretary of the new organization.

Continental Europe

Wool prices declined in Continental markets in January as compared with the preceding month but tops and noil prices were higher, according to quotations cabled to the Foreign Service of the Bureau of Agricultural Economics from Agricultural Commissioner L. V. Steere at Berlin. Crossbred tops advanced in France and Germany and Australian merino tops advanced a cent a pound in France but declined about $1\frac{1}{2}$ cents per pound in Germany. Noils were active in Germany and France with steadily advancing prices. Cheviot yarns sold at about the same level as last month but merino yarn prices declined considerably in France. The accompanying table shows recent prices of wool, tops, noils and yarn in Germany and France.

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

Location and grade	November 29 1928	December 27 1928	January 31 1929
	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>
<u>France</u>			
Tops, Australian			
Merino 64's warp	108.5	106.5	107.5
Crossbred 56's	96.3	96.3	97.3
Tops, Argentine			
Crossbred 56's	85.2	85.2	86.2
Noils			
Australian merino	85.3	88.9	89.7
" crossbred	69.3	74.6	75.5
Cape	85.3	87.1	90.6
Yarn			
Merino	135.9	136.8	129.7
Cheviot	91.1	92.4	92.4
<u>Germany</u>			
Cape wool, medium quality			
washed 6-8 months, very fine	83.1	83.1	82.1
Tops, Australian A/AA	106.4	105.4	103.9
Tops, Buenos Aires, medium	62.9	62.9	63.9

Stocks of tops in commission combing establishments on the continent were over one million pounds higher on February 1, 1929 than they were a year ago, but had decreased in Germany, Belgium and Italy as compared with stocks on January 1, 1929 and had increased somewhat in France. Germany reported 13,530,000 pounds of tops on February 1, 1929 as compared with 14,648,000 pounds last month and 11,512,000 last year. The French commission combers had 24,887,000 pounds on hand February 1, as compared with 24,224,000 pounds last month and 24,716,000 pounds last year. Stocks in Belgium decreased from 4,365,000 pounds on January 1, to 4,418,000 pounds on February 1, 1929 as compared with 5,247,000 pounds on February 1, 1928. Stocks in Italy declined slightly, being 2,162,000 pounds on February 1, as compared with 2,231,000 pounds on January 1.

TOPS: Stocks held by Continental commission combing establishments
December, 1928-February, 1929

Location and grade	1928		1929	
	December 1	January 1	February 1	
	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>	
Belgium				
Merino	2,465	2,405	2,158	
Crossbred	2,544	2,480	2,260	
Total	5,009	4,885	4,418	
Germany				
Merino	6,409	6,493	7,218	
Crossbred	8,708	8,155	6,312	
Total	15,117	14,648	13,530	
France				
Merino	10,622	10,778	12,169	
Crossbred	12,983	13,446	12,698	
Total	23,605	24,224	24,887	
Italy				
Merino	615	677	769	
Crossbred	1,501	1,554	1,393	
Total	2,116	2,231	2,162	

Compiled from cabled reports from Agricultural Commissioner L. V. Steere,
at Berlin.

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

Location and grade	1928		1929
	November	December	January
	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>
Roubaix			
Wool	337	260	245
Tops	<u>1</u> /	5,143	5,310
Yarn	1,435	1,479	1,636
Tourcoing			
Wool	2,820	2,612	2,445
Tops	8,373	5,214	6,667
Yarn	2,169	1,869	2,105
Verviers			
Wool	3,254	2,950	<u>1</u> /
Tops	505	448	<u>1</u> /
Yarn	855	831	<u>1</u> /

1/ Not reported.

The improvement noted in the German wool industry the last few months has been maintained, according to Mr. Steere. The wool market of Bremen has been active with very good demand particularly for merino noils. Spinners have unfilled orders ahead for at least two months. The knitting and weaving mills report a satisfactory amount of unfilled orders at hand. Retail business has been very satisfactory during January and stocks of winter goods have been considerably reduced as a result of the severe cold.

France reports considerable activity in tops for both domestic and export trade. Noils were very active the first half of January with increased prices but quiet during the second half of the month. The public sales held at Tourcoing resulted in a considerable turnover at prices about on a level with the November sales. The spinning industry reports satisfactory activity with sales to domestic trade quiet but with a good demand for export yarns.

The demand for wool, tops, and noils in Belgium is very good but business is restricted by limited choice due to small stocks, states Mr. Steere. He also reports a revival in the wool trade of Italy following the holiday quietness. Combers, spinners and weavers are all active but complain about prices because of foreign competition.

