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WOOL-7

THE WORLD WOOL SITUATION
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Prices on most grades of wool on the Boston market were steady to slightly lower in the latter part of August than at the same time in July, according to information received in the Bureau of Agricultural Economics. The easier tendency may be partly accounted for by the lower prices prevailing at the opening sales of the new season in Sydney. During the last week of August demand improved on the Boston market and a firmer tendency was evident, particularly on medium lines.

At Bradford the prices of tops and yarns declined during August. Considerable unemployment continues to be reported in the British wool textile industry. In Germany the worsted yarn industries showed some slackening during August and unfilled orders were velow those of last year, but manufacturers of knitting yarn were well occupied. The wool market in France was quiet during the month.

Prospects for the new wool clip continue to indicate a slight increase over last season in the most important wool exporting countries.

Trading Irregular on Boston Market

Trading in wool during the month of August was very spotty on almost all of the principal grades of domestic wools, according to R. L. Burrus of the Boston wool office of the Bureau of Agricultural Economics. A few grades were moved at times in very good bulk, but taking the month as a whole, demand and prices were more or less uncertain. On some grades, prices have declined moderately while on other grades they have remained fairly steady. The lack of a general demand and the easier prices in Australia at the opening series of the new season have been factors contributing to the decline of the fine territory wools. Demand showed an expanding tendency during the last week in August and, on medium lines particularly, prices showed a firmer tendency.

Fleece wools

Ohio and similar 64s and finer Delaines were quiet during the greater part of the month. There was fair but spotty demand during the early part of August and occasional sales were scattered along during the remainder of the month with offerings of this type very slow at the close. Prices were steady throughout the month at 48-49 cents, in the grease.

Half blood, 58s, 60s fleeces showed a strengthening tendency at the opening of the month as a result of a spurt of limited duration. At the start of the movement, 50 cents in the grease, was being paid and 51 cents was paid a little later. Demand slackened during the middle of the month and thereafter only occasional sales were closed mostly at 50 cents. The strength of the position of 58s, 60s wools was indicated by the promptness with which prices strengthened under a moderate demand and the comparative firmness of prices during the later period of quietness and uncertainty in the market generally.

Medium grade fleeces were slow and prices were easy at the beginning of August. Quotations stiffened, however, as inquiry developed; and sales were again being closed at slightly under the peak prices asked earlier in the summer. Fleeces of 56s quality out of Ohio, Michigan, and bright Missouri lines moved in moderate quantities during the middle part of the month at 54-55 cents, in the grease, for strictly combing staple. The 48s, 50s quality of similar lines and staple brought 53-54 cents during this new movement. Toward the close of the month, trade slackened on 56s but continued to expand on 48s, 50s with quotations steady on the former grade while the 48s, 50s strengthened. The prevailing quotation on 48s, 50s, Ohio strictly combing, at the end of August was 54 cents, in the grease, and other bright fleeces of similar grade were held at the same figure although not readily salable at the advanced quotations.

Territory wools

Territory wools of 58s, 60s and the finer qualities were fairly active and comprised the bulk of the trading in western grown lines, during the early part of August. Later in the month, demand broadened and sizable weights of the medium grades were taken out of the market. A slightly lower price level has been established with the easing mostly on the 1/2 blood and finer graded wools.

The bulk of the business on the finer territory wools consisted of the original bag lines of principally 64s, 60s and 58s. Some of these lines from the Territory section have an edge of 56s grade but the New Mexican wools are of mostly 60s and finer qualities. The prices have been fairly steady on the original bag wools. The wools available at $1.00-1.03, scoured basis, were the most active, while occasional sales were closed at $1.05-1.07 and even at $1.10 when the lots included some very good combing staple.

Graded 64s and finer Territories were very spotty and prices showed an easing tendency during the latter part of the month. French combing staple of this grade had a broader outlet than the strictly combing staple, but prices were slightly lower than at the beginning of the month. At the close of the month, strictly combing Territory was quoted at $1.10-$1.15, French combing at $1.05-1.08 and clothing at $1.00-1.03, scoured basis, with demand remaining slow.

Territory 58s, 60s, strictly combing staple, continued one of the strongest and most active lines of domestic wools during the month of August. Prices eased slightly toward the end of the month when the attention of buyers was directed more largely to the fine original bag wools and to quarter bloods. The easing, however, has been very moderate. The various classes of 58s, 60s Territory wools are quoted at the close of August at $1.07-1.10 for strictly combing, $1.02-1.05 for French combing and $.97-1.00 for clothing, scoured basis. These ranges are about 2-3 cents lower than at the beginning of the month.

While trading was spotty on the medium qualities, some fairly large blocks of 56s, 50s, 48s grades of Territory wools have been taken off the market during the past month. Prices remained about steady. The 56s strictly combing sold at $1.00-1.05 while the 48s, 50s, strictly combing, sold in the range 93-98 cents, scoured basis. During the last ten days of the month, the demand for 48s, 50s showed a decided improvement. Sales became more general and prices began to stiffen as some of the houses had sold a large portion of their offerings.

Texas wools were spotty with most of the activity on the shorter staple. Sizable quantities of the 8-months staple were taken over by mills at $1.00-1.02, scoured basis. The 12-months staple was quiet during the greater part of the month. Some small quantities were reported sold at $1.12-1.15, scoured basis, for the choicest lots. Average staple of a full year's growth was reported sold in fair quantities at $1.08-1.10, scoured basis.

Foreign wools

The feature of the month in spot foreign wools has been the sale of a number of offerings for export. The sales for export were largely of Merino wools. A few small offerings of crossbred wools were turned over to domestic mill accounts. The opening sales in Australia have attracted considerable attention from dealers and brokers operating in this market. The decline at Sydney has projected some uncertainty into the price situation since the style of wools offered at this series is particularly adapted to the Continent and Japan, whose support has been a large factor in maintaining world market prices during the past year or more. Observers report that the present Sydney offerings carrying more or less defect are quoted at levels above the parity of domestic wool prices.

Woolen wools

A fair demand for woolen wools among a limited number of mills held prices steady during the early part of August. Slackening demand was responsible for some easing later in the month. At the close of the month demand was fair on medium pulled wools and trade was expanding on fine Territory scoured wools but the finer pulled wools were very draggy with prices easy. Fine noils were fairly active with prices steady. Other grades of noils were slow.

Tops

The tops market was very much unsettled during the greater part of August. The drop in prices on the new season's lines of staple cloth was rather unexpected and caused spinners to hesitate in placing orders. Bids submitted were several cents a pound under quotations by topmakers. For a time, topmakers refused to meet the offers of business from the spinners toward the close of the month, orders of sizable quantity on 64s tops were accepted at a material decline from prices quoted at the beginning of August. The short staple 64s, combed dry, which topmakers were quoting firmly at $1.37½-1.40 early in the month, sold at $1.32½-1.37½. The Bradford combed 64s top in oil sold at $1.35-1.37. Quotations on the medium and lower grades of tops were about steady with demand irregular and limited.

Prices Show Some Decline in Domestic Market

Prices of domestic wool at Boston declined 1 to 3 cents, scoured basis, during the past month. Quotations at the end of the month, however, were firm.

PRICES: Wool, at Boston, in cents per pound, clean basis, July 23, 1927 and July 21, 1928 and August 25, 1928

Grade	1927 July 23	1928 July 21	1928 August 25
64's, 70's, 80's (fine)	Cents	Cents	Cents
Strictly Combing			
Ohio and similar grease	45 - 46	48 - 49	48 - 49
Fleece scoured	107 -112	116 -120	115 -120
Territory scoured	110 -112	118 -123	112 -117
56's (3/8 Blood)			
Strictly Combing			
Ohio and similar grease	43 - 44	56	54 - 55
Fleece scoured	79 - 84	101 -105	100 -102
Territory scoured	90 - 92	105 -110	100 -105
46's (low 1/4 Blood			
Strictly Combing			
Ohio and similar grease	39 - 40	48 - 49	48 - 49
Fleece scoured	72 - 75	82 - 87	82 - 87
Territory scoured	72 - 75	87 - 92	87 - 90

Compiled from Market News Report of the Boston office of the Bureau of Agricultural Economics.

PRICES: Wool Yarn, in cents per pound, and piece goods, in cents per yard, July, 1926, 1927 and 1928

Year and month	Wool at Boston, 64's 70's, 80's Fine Territory, scoured, clothing	Wool at Boston, 56's 3/8 blood Strictly combing, fleece grease	Worsted yarn 2/40's half-blood weaving	Worsted yarn 2/32's crossbred stock	Suiting unfinished worsted 13 oz. at mills
	Cents	Cents	Dollars	Dollars	Dollars
1926					
July	96	44	1.85	1.40	1.91
1927					
July	95	43	1.75	1.35	1.91
1928					
July	107	56	1.94	1.60	2.01

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

Imports Increase

Domestic imports of combing and clothing wool are now turning upward, the total for July being 4,271,000 pounds as against 3,467,000 for July,1927, and an average of 4,841,000 pounds for July, 1923-27. During the past five years low prices of wool have been associated with low ratios of imports to consumption (combing and clothing with seasonal movements eliminated) and high prices have occurred with imports relatively high in proportion to consumption. In the past year a continuous rise in prices has not been accompanied by a rise in the imports consumption ratio which may be in part due to the contrast in domestic demand conditions with that abroad.

Consumption Below Last Year

Consumption of combing and clothing wool in July by reporting mills was somewhat less than last year, being 28,631,000 pounds as compared with 30,303,000 pounds in July, 1927, and an average for July, 1923-27 of 30,539,000 pounds. There was also a decline of about a million pounds from June. During the past five years July has declined from June three times and risen twice.

Tops Decline in Bradford Market

Business in the Bradford wool tops market was slow the last of August with a weakening in prices, due partly to the decline in wool at the Sydney Sales, according to a cablegram received by the Foreign Service of the Bureau of Agricultural Economics from Consul Thompson. Demand for piece goods is also weaker, and mills were working only four days a week.

Consul Thompson reports little activity in the Bradford wool industry the latter part of August, on account of the bank holidays which began on August 18. Prices of tops and yarn at the end of August were generally below those a month ago as shown by the following quotations:

Wool Yarn and Tops Prices at Bradford

Grade	July 27 Cents	August 25 Cents
64's scoured wool	97.3	95.3
50's scoured wool	57.8	56.8
64's tops	109.5	107.5
50's tops	63.9	61.8
2/48's-64's worsted yarn	139.9	137.9
2/32's-50's worsted yarn	85.2	83.1

Bradford conditioning house returns for the month of July showed a total of 5½ million pounds, a decrease of more than 1½ million pounds from July, 1927, and was lower than in any month during the past two years. The decline was due to depression in the local industry as well as a decrease in foreign trade.

Statistics on unemployment in the wool textile industry issued by the Ministry of Labor shows a considerable amount of unemployment during July. In an area comprising Bradford, Huddersfield and four other districts, all of which employ 145,000 operatives, 11 per cent of the wage earners were reported as without employment. The largest amount of unemployment was in the worsted weaving section.

Exports of wool manufactures from the United Kingdom in July were above July a year ago, our index based on official trade returns was 112.6 for July as compared with 103.3 for June, and 106.2 for July, 1927. Exports by classes were as follows:

WOOL MANUFACTURES: : Exports from the United Kingdom

Item	Unit	July, 1927	July, 1928
Tops	1,000 pounds	3,124	2,584
Woolen yarn, carded	1,000 pounds	504	609
Worsted yarn, combed	1,000 pounds	3,871	3,554
Woolen cloth	1,000 sq. yds.	12,276	13,380
Worsted cloth	1,000 sq. yds.	3,701	4,574

Trade and Navigation of the United Kingdom.

Wool Markets Quiet in France and Germany

In Germany, unfilled orders in the worsted yarn industries in August were considerably below those of last year, with buyers holding off and stocks of yarn at mills increasing, according to a cable from Agricultural Commissioner L. V. Steere at Berlin. Manufacturers of knitting yarn, however, were well occupied. Prices of wool and tops the

first half of August were slightly weaker, but noils firm. The wool market in France was quiet but a revival was expected in September. Tops and yarn were also quiet but a better demand developed for noils, the stocks of which at Roubaix are negligible. Prices of yarn, tops, and noils at Roubaix were steady the first half of August.

Competition Strong but Prices Decline at Sydney Wool Sales

The selling season opened at Sydney on August 20 with prices of greasy wool two to four cents lower than opening sales of last year, according to a cablegram from Consul General Lawton. Fleece wools were 5 to $7\frac{1}{2}$ per cent lower, but skirtings were unchanged. Competition was strong for good wool fleeces and skirtings, but less active for inferior fleeces. The principal buyers were Japan, Germany and England with bidding also from Italy, France, Belgium, Russia and the United States.

Prospects for New Wool Clip Favorable

Prospects for the new clip continue to indicate a slight increase over last season in the most important exporting countries. Details by countries are as follows:

Australia

Sheep shearing for the 1928-29 season has begun and early wool arrivals show good quality, according to Assistant Trade Commissioner Buckley of Sydney under date of August 8. Early estimates of production indicate a clip somewhat larger than that of 1927-28.

In parts of the Riverina, an important wool producing area of New South Wales, early shorn wool was reported as well grown with good condition but the proportion of tender wool was disappointing, according to a Reuter cable to the Chamber of Commerce Journal of London dated July 25. The preliminary estimate by the National Council of Wool Selling Brokers of the quantity expected to be received into store for all Australia is 2,462,000 bales against 2,446,780 bales actually received into store for the season 1927-28. The first estimate of 2,250,000 bales for last season made by the Council of Wool Selling Brokers was considerably below that actually received. What the actual increase into store in pounds will be in 1928 is problematical as it depends on the weight of the bales and this varies considerably from year to year according to the season. Owing to the drought the weight per bale last season was about 3 per cent below that of the preceding season. So far conditions this season have been more favorable than last. New South Wales and Victoria had good rains in June, according to the Monthly report from the Consulate General at Melbourne, dated July 12, 1928, although further rains were needed at that time to insure good winter feed. In Queensland about 60 per cent of the sheep growing areas were in very good condition with a still further 20 per cent fairly good, according to the Australian Pastoralist of July 10, 1928. The estimate for the coming clip in this State is 350,000 bales against 310,000 for

the season 1927-28. Previous to the disastrous drought Queensland was the second wool producing State in Australia and in 1924-25 and 1925-26 the wool clip exceeded that of Victoria, the figures for 1925-26 being 430,000 in Queensland against 350,700 in Victoria, states the Queenslander for July 12, 1928. This season the estimate of 360,000 for Queensland is only about 58 per cent of the 625,000 bales estimated for Victoria. South Australia and Western Australia have enjoyed moderate rains. Stock in most of the States are reported to be in very fair condition.

The results of the autumn and winter lambing which takes place in Australia from March to August is expected to be fairly satisfactory throughout that country with the exception of the Queensland drought area, according to Country Life for July 6. Some districts may have only a poor lambing but the Australian lambing as a whole should be normal. In South Australia, where the drought was very severe, the government forecasts a 60 per cent crop and Mr. J. Neil McGilp, President of the Stock-owners Association of South Australia, predicts at least a 50 per cent lambing. Sheep numbers in Australia on January 1, 1928 are estimated at 96,000,000, according to the Sydney correspondent of the Chamber of Commerce Journal of London dated June 8, 1928. The official estimate at the beginning of 1927 was 104,267,000. While sheep numbers were smaller at the beginning of 1928 the yield per sheep is expected to be greater than last year owing to improved pastoral conditions.

New Zealand

An increase in wool production in New Zealand for the 1928-29 season of 27,000 bales is indicated by the increase in the number of sheep in 1928 compared with 1927, states American Consul Gotlieb stationed at Wellington, under date of July 30, 1928. Wool production last season was estimated by Dalgety and Company at 665,000 bales against 587,000 the preceding season. The increase in pounds cannot be given yet owing to lack of data on the weight per bale. Sheep numbers on April 30, 1928, reached the record number of 27,001,000, thus continuing the upward trend which started in 1922. The 1928 figure is 5 per cent above 1927, 22 per cent above 1922 and 2 per cent above the previous record of 26,538,000 in 1918. This increase in 1928 was gained in spite of a record export of lamb and the heaviest export of mutton since 1923.

Argentina

The Argentine clip for this season is expected to be somewhat above the preceding one owing to improved conditions in the Province of Buenos Aires. The drought which prevailed in that province last year and which adversely affected the wool clip is over. Frequent and heavy rains throughout the Republic were reported by the July 1928 Monthly Review of the Bank of London and South Africa, Ltd. Pasture everywhere was reported as strong and abundant and ample for stock even if cold weather and hard frost should come before the winter (June-August) was over. Livestock was reported by the Department of Rural Economy and Statistics to be in generally good condition.

Union of South Africa

It seems probable that the coming clip will be slightly larger than that of 1927-28 as conditions during the growing season have been better than for the preceding clip and the trend in wooled sheep production is upward. Some of the new clip had already arrived at Port Elizabeth by August 4, according to a cable of that date to the Department of Commerce from Trade Commissioner S. H. Day. The quality is expected by the trade to be slightly inferior to last year's with a larger proportion of seeds. Exports for the 12 months ending June 1928 reached 270,000,000 compared with about 247,000,000 in 1926-27, about 233,000,000 in 1925-26 and an average of less than 180,000,000 during the preceding 3 years, states the June 1928 Review of the Standard Bank of South Africa, Ltd., printed at Capetown. According to the census figures just published, sheep in August 1927 reached the record figure of 40,000,000 in spite of drought conditions. The new figure for wooled sheep was 36,005,000, an increase of 2 per cent over 1926, 12 per cent over 1925 and 27 per cent larger than in 1913.

In the most important sheep districts of Cape Province autumn and winter lambing (March-August) has been fair to good, while it has been reported as successful in Orange Free State and the Transvaal. In other parts of Cape Province, especially in the Southwest, lambing has been from fair to poor, according to the June 1928 issue of Crops and Markets of the Union of South Africa.

Canada

While no estimate of the 1928 wool clip in Canada is yet available, it seems probable that it will exceed the 18,673,000 pounds produced in 1927. Sheep numbers have been increasing since 1923. Every effort is being made by the Government, railroads and various interested organizations to expand the sheep and wool industry in that country, according to Agricultural and Industrial Progress in Canada, published by the Canadian Pacific Railway, June 1928, Monthly Review.

The range lamb crop of the West this year did not run over 55 per cent, due to extreme weather conditions at breeding time last fall, according to the Canadian Co-operative Wool Growers. Among the farm flocks of West, however, it was well up to the average.

England and Wales and Ireland

Judging from sheep number it is probable that the wool clip for 1928 in England, Wales and Ireland will show a slight reduction from the amount produced in 1927. Sheep numbers as of June 1, 1928 in England, Wales and all Ireland, numbered 20,334,000, a reduction of 2 per cent compared with 1927. There was a 4 per cent reduction in England and Wales and a 6 per cent increase in Ireland. This is the first time a decrease has been registered in England and Wales since 1922. Breeding ewes in England and

Wales were also less in 1928 than in 1927 by 2 per cent. No estimate of sheep numbers in Scotland for 1928 is as yet available. The number in that country in 1927 constituted a little over a fourth of the total number in the United Kingdom and Irish Free State.

Receipts, Stocks and Disposals

Season 1928-29

Receipts of wool for July, the first month of the 1928-29 season, were smaller in both Australia and Argentina than for the same month last season. This decrease in receipts compared with last year can probably be accounted for by the fact that shearing last season was unusually early due to the abnormally dry weather, especially in Australia. Disposals for the first month of this season in Australia were also below last, while stocks of the new clip on hand on July 31, 1928 were lower than at the same date the preceding season.

Season 1927-28

Receipts of wool into store in Australia for the 1927-28 season were 5 per cent lower than for the preceding season and receipts at the Central Produce Market, Buenos Aires, were 15 per cent lower. In Australia the decrease in disposals compared with the preceding season was 6 per cent and the reduction in shipments 8 per cent in Argentina. Stocks at the end of the season were higher in both countries than at the end of the preceding season, but considerably below the average for the 5 preceding seasons. Shipments from Uruguay for the season beginning October 1, 1927 up to July 26 were about 1 per cent above last season for the same period of time.

WOOL: Receipts, disposals and stocks on hand in certain primary markets, 1928-29 clip

Country and item		Amount
1928-29 clip		1,000 pounds
AUSTRALIA: a/		
Receipts: From July 1 to July 31, 1928	b/	21,775
Same period, 1927		28,417
Disposals: From Ju y 1 to July 31, 1928		683
Same period, 1927		1,257
Stocks on hand: July 31, 1928		21,092
Same date, 1927		27,160
ARGENTINA:		
Receipts at Central Produce Market in Buenos Aires:		
July 1 to July 26, 1928		571
Same date, 1927		661
Stocks: c/		
July 25, 1928		4,191
Same date, 1927		1,400

Source: Australia - Australia National Council of Wool Selling Brokers - Malletts Weekly Wool Chart. Argentina - Review of the River Plate, July 27, 1928.

a/ These figures concern only the new clip, i.e., that of 1928-29.

b/ Based on the National Council of Wool Selling Brokers average weight per bale for June, 1928, or 325 pounds, as it is the latest estimate available. The weight of a bale increased considerably in May and June 1928, over the ten preceding months when it averaged only 301 pounds.

c/ See stocks in other table. Stocks of the 1928-29 clip are not given separately and the amount on July 26 probably includes the amount remaining in store from the 1927-28 clip also.

WOOL: Receipts, disposals and stocks of 1927-28 clip in certain primary countries

Country and item		Amount
1927-28 clip		1,000 pounds
AUSTRALIA: a/		
Receipts: Season July 1 - June 30, 1927-28		743,821
Season July 1 - June 30, 1926-27		785,129
Disposals: Season July 1 - June 30, 1927-28 ...	b/	733,961
Season July 1 - June 30, 1926-27 ...	c/	771,148
Stocks on hand: June 30, 1928	d/	9,860
Same date, 1927	e/	7,958
ARGENTINA:		
Receipts at Central Produce Market near Buenos Aires -		
July 1, 1927 to June 29, 1928		91,923
Same date, 1927		108,248
Shipments from October 1, 1927 to July 26, 1928		279,915
Same period, 1926-27		304,824
Stocks at Central Produce Market -		
June 29, 1928		4,332
Same date, 1927		2,593
URUGUAY:		
Shipments: From October 1, 1927 to July 26, 1928		119,801
Same period, 1926-27		118,673
Stocks: Stocks for disposal small in mid-April		
UNION OF SOUTH AFRICA:		
Stocks: End of June, 1928		2,000
End of June, 1927		900
NEW ZEALAND:		
Stocks: Practically no carryover as the quantity held in store on owners' account is said to be under 500 bales		

(See Source and Notes on following page.)

WOOL: Receipts, disposals and stocks of 1927-28 clip in certain primary countries, cont'd.

Notes -
a/ In converting bales to pounds the average weight per bale used is that furnished by National Council of Wool Selling Brokers of Australia for the period July to June 30, i.e. 304 pounds in 1927-28 compared with 313 in 1926-27.
b/ In addition there was approximately 7,287,000 pounds of wool carried over from the 1926-27 clip sold during this period.
c/ In addition, there were 9,160,000 pounds of wool carried over from the 1925-26 clip sold dur_ng this period.
d/ In addition to these figures there were 8,000 pounds of carryover from the 1926-27 clip in store awaiting disposal on June 30, 1928. e/ In addition to these figures there were 2,000 pounds of carryover from the 1925-26 clip in store awaiting disposal as of June 30, 1927. f/ It is estimated by the Buenos Aires Branch of the First National Bank of Boston that during recent years about one-third of the National clip has been disposed of at this market.

Sources -
AUSTRALIA: Receipts, disposals, stocks, estimates of National Council of Wool Selling Brokers of Australia, published in Country Life and Stock and Station Journal, July 13, 1928. Weight per bale, Country Life and Stock and Station Journal, July 20, 1928, page 27 and Dalgety's Annual Review, 1926-27, page 18.

ARGENTINA: Receipts, shipments, stocks, Review of the River Plate.

URUGUAY: Shipments from the Review of the River Plate. Stocks Bank of London and South America, Ltd., May, 1928.

UNION OF SOUTH AFRICA: Cable from Port Elizabeth to the Wool Record and Textile World, July 5, 1928.

NEW ZEALAND: Pastoral Review, May 16, 1928.

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