UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

WOOL-9

WORLD WOOL SITUATION

November 10, 1928

Prices of wool and wool manufactures both in the United States and abroad showed a general decline the past month, but raw wool continues in a strong position. The weakening effect of the decline in raw wool prices at the recent London Sales seems to have been fully discounted, and firmer prices in Australia and at Bradford have stimulated the domestic market. Domestic imports for September were unusually low, and likewise consumption was below previous years. Conditions continued favorable for the new clip in the Union of South Africa, but in Australia drought has affected the principal wool growing areas.

Prices on Boston Market Showing Recovery

The weak closing of the London Sales early in October followed shortly by a decline in Australia unsettled this market, according to Mr. R. L. Burrus of the Boston wool office of the Bureau of Agricultural Economics. Purchases were restricted to the immediate requirements of mills and only after the reports from Australia indicated firmer prices did business show a gradual improvement. Reports of advances in top prices in Bradford further stimulated confidence and buyers were operating more freely at the close of the month.

The 58s, 60s and finer qualities of domestic wools comprised the bulk of the trading during October. Quotations on these lines have shown some irregularities during the month. Quotations on 56s, 48s, 50s or lower qualities were steady on both Fleece and Territory lines, although the trading done on them was of very limited volume. A little increase in the sale of Ohio and Michigan wools of these grades was noted near the end of the month at 55 cents for 56s, strictly combing, and at 54-55 cents for 48s, 50s, strictly combing greasy wools.

A decline in prices marked the trend of the market for 64s and finer Fleece wools. At the close of September, Ohio Delaine wool of this quality was quoted 47-48 cents, in the grease, but during the first week in October the sale of a sizable line at 46 cents, as the result of a lower London closing and a decline in Merino wool prices in Australia, indicated a trend that was further emphasized by another sale at the same price during the following week. The outlet remained narrow in spite of lower quotations and in the latter part of the month further weakening occured. Several lots were sold at 45 cents, in the grease, although a number of dealers were firm at their asking price of 46 cents.

Demand was stronger for graded French combing class of Territory 64s and finer wools than during the previous month. Quotations were steady at $1.05-1.08, scoured basis, but trading was very slow during the first two weeks of the month. Quotations on the strictly combing class were weak during the first half of the month, but not a very large volume changed hands during that period. Clothing was steady with some movement on this class.

Original bag fine wools were slower and prices declined. New Mexican originals sold as low as 95 cents, scoured basis. The Utah and Nevada type of original bag wools went to $1.00-1.02 and Montana originals sold at around $1.03-1.05, scoured basis. These prices represent declines of 2-5 cents, scoured basis, from September.

Business was slow on Ohio and similar 58s, 60s during the early part of the month, but trade expanded toward the close and included clothing as well as strictly combing staple. Quotations on the strictly combing class held steady at 50-51 cents, in the grease, throughout the month. Clothing wools brought 44 cents, in the grease. Territory 58s, 60s were moderately active with an increase in the demand noted late in the month. Quotations were steady on strictly combing 58s, 60s at $1.07-1.12, scoured basis, but the lines of average combing length available at the low side of the range were the most popular.

Fine Australian spot wools declined in sympathy with the easier close of the London Sales and the decline in Australia. A few small sales were effected on 58s, 60s and 64s grades. Occasional sales of crossbreds, mostly New Zealands, were reported. At the end of October, more attention was being given the opening of sales in South America. The advance offerings from South America were priced much lower than previous quotations which had been nominal for some time because of the scarcity of offerings. As yet, too little business has been done in South America to establish a market, according to private cable advices.

Business in woolen wools continued very spotty during October. Scoured wool prices were irregular and quotations on several grades of pulled wools declined. Noils of the finer grades were fairly active at steady prices. Business was spotty on grades below 60s.

The volume of new business placed on tops increased during October, but prices on several grades declined as a result of easier wool prices. The 64s top that will spin a 50s yarn sold in September at $1.35-1.37, in the oil, but declined during October and sold at $1.32-1.34 near the end of the month. Dry combed top of French combing staple declined to $1.30-1.32 with some business taken at figures slightly under $1.30. Tops of 60s grade were fairly steady and the volume of business was fair at $1.34-1.35 as compared with $1.35 last month. The 58s grade was spotty at $1.27-1.28 and 56s sold occasionally at $1.25. The 50s grade declined from $1.15 to $1.10-1.12. Lower grades were very spotty. Deliveries on old contracts were very good during the entire month.

Prices of domestic wool at Boston the past month declined for some of the higher grades, but remained firm for most of the medium and lower grades. Fine strictly and French combing (64s, 70s, and 80s) declined about 1 cent for Ohio and similar grease basis and 2-5 cents for fleece scoured.

PRICE: Wool, per pound at Boston, clean basis
October 29, 1927, September 22, 1928, and October 27, 1928

Grade	1927 Oct 29	1928 Sept 22	1928 Oct 27
64s, 70s, 80s (fine)	Cents	Cents	Cents
Strictly combing			
Ohio and similar grease	47	47 - 48	45 - 46
Fleece scoured	112 -117	115 -117	110-+115
Territory scoured	110--115	110 -115	110 -115
56s (3/8 blood)			
Strictly combing			
Ohio and similar grease	47	55	55
Fleece scoured	86 - 91	100 -103	100 -103
Territory scoured	92 - 95	102 -106	102 -106
46s (low 1/4 blood)			
Strictly combing			
Ohio and similar grease	41 - 42	48 - 49	45 - 47
Fleece scoured	70 - 75	82 - 87	80 - 85
Territory scoured	73 - 78	87 - 90	85 - 90

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

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

Month and year	Wool at Boston, 64s, 70s, 80s, fine Territory, scoured, 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
Sept-					
1926	97	44	1.81	1.40	1.89
1927	97	45	1.78	1.38	1.91
1928	101	55	1.82	1.58	2.01

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

Imports Show Decline

Imports of combing and clothing wool declined consideratly in September, and were less than for any September since 1921. The total amounted to 2,650,000 pounds for September, 1928, 5,257,000 pounds for September, 1927, and an average of 5,143,000 pounds for September, 1923-1927. The low imports were partly the result of the decline in prices. During the past seven years monthly wool prices and the ratio of imports to consumption have in general moved together. The past few months this relationship has not obtained, which would indicate that either prices would decline or that the ratio would rise.

Consumption Shows Seasonal Increase

Consumption of combing and clothing wool by reporting mills in September showed the usual seasonal increase over August, but was lower than September of preceding years. The total amounted to 32,329,000 pounds, grease equivalent, for September, 1928, 37,880,000 for September, 1927, and an average of 35,054,000 pounds for September 1923-1927.

The Situation in the Wool Industry in Europe

The Bremen wool market the past month has continued quiet, but signs of more activity were evident the latter part of the month, especially in the demand for noils, according to a cablegram received by the Foreign Service of the Bureau of Agricultural Economics from Agricultural Commissioner L.V. Steere at Berlin. Business in tops has improved and stocks held by spinners are reported low. In France sales of yarn by spinners have been small but became rather active during the second half of October, particularly sales for export. Business in tops and noils has been rather active, the latter showing firm prices in view of the reduced output. The strike in the textile industry in France has been settled.

Condition house returns for Roubaix, Tourcoing, and Verviers were as follows:

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

Location and grade	October 1927	October 1928
	1,000 pounds	1,000 pounds
Roubaix		
Wool	282	351
Tops	7,015	6,559
Yarn (worsted)	1,495	1,601
Tourcoing		
Wool	2,817	2,873
Tops	7,663	8,477
Yarn (total)	2,407	2,478
Verviers		
Wool	3,724	2,427
Tops	300	326
Yarn	877	664

TOPS: Stocks at commission combers

Location and grade	1927 Oct 31	1928 Sept 30	1928 Oct 31
	1,000 pounds	1,000 pounds	1,000 pounds
Germany			
Merino	6,744	9,045	8,327
Crossbred	7,000	10,836	10,399
Belgium			
Merino	a/	3,873	3,135
Crossbred	a/	3,148	2,778
Roubaix-Tourcoing			
Merino	10,426	15,132	a/
Crossbred	15,986	17,813	a/
Italy			
Merino	408	924	813
Crossbred	970	2,526	1,936

a/ Not available.

Prices of wool, tops, and yarn on the Continent registered the declines occuring at the principal wool markets as shown below:

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

Location and grade	Sept 27, 1928	Oct 25, 1928
Roubaix	Cents	Cents
Tops, Australian -		
Merino, 64s warp	110.5	105.4
Crossbred, 56s	96.3	94.3
Tops, Argentine -		
Crossbred, 56s	92.3	87.2
Yarn -		
Merino	135.8	133.3
Cheviot	87.0	85.7
	Oct 1, 1928	Nov 1, 1928
Germany	Cents	Cents
Cape wool, medium quality washed:		
6-8 months, very fine	85.2	81.1
Tops, Australian, A/AA	109.5	104.4
Tops, Buenos Aires, medium	62.9	60.8

Prices Firm at Bradford Market

Prices of wool tops at Bradford early in November were firm, according to a cablegram received by the Foreign Service of the Bureau of Agricultural Economics from Consul Thompson. Business in botany (fine) yarns had increased and prices were steady. Demand for crossbred yarn was quiet. In the piece goods trade quoted prices were considered too high by the buyers and this affected new business.

The market at Bradford the past month has been considerably influenced by the movement of prices at the Australian sales, states Consul Thompson. The values established for raw wool in Australia are said to be higher than any that can be obtained at Bradford, and it has been difficult to obtain supplies at local quotations. New contracts for tops have ensured a fair output, Most of the transactions in October were made on the basis of 91 cents to 93 cents for 64s quality, which is the lowest level recorded for this quality since 1921. Very little business was done for crossbred tops below 56s quality, users being content with contracts previously placed, and new orders have been limited to occasional small quantities for immediate needs.

While there is still much short time in the yarn spinning section, spindle activity has shown a tendency to increase. Manufacturers of piece goods are being continually asked for reductions in prices because of the decline in raw wool prices at the recent London sales. Some concessions have been made, but on the whole the worsted section has adopted a firm attitude.

Prices of tops and yarn, with comparisons, were as follows:

WOOL, YARN AND TOPS: Prices at Bradford, August 25, September 25, and October 25, 1928

Grade	August 25	September 25	October 25
	Cents	Cents	Cents
64s scoured wool	95.3	87.2	87.2
50s scoured wool	56.8	52.7	48.7
64s tops	107.5	99.4	97.3
50s tops	61.8	58.8	55.7
2/48s-64s worsted yarn	137.9	133.8	127.7
2/32s-50s worsted yarn	83.1	81.1	79.1

From cabled quotations by Consul Thompson at Bradford.

Exports of wool manufacturers from the United Kingdom in September declined considerably from August and from September, 1927, the weighted index ot total volume exported as computed from official returns being 83.7 for September, 1928, 124.0 for August, 1928, and 98.8 for September, 1927. Details by classes were as follows:

WOOL MANUFACTURES: Exports from the United Kingdom

Item	Unit	Sept 1927	Aug 1928	Sept 1928
Tops	1,000 lbs.	3,108	2,787	2,316
Woolen yarn, carded . . .	" "	572	801	678
Worsted yarn, combed . . .	" "	3,845	4,094	2,634
Woolen cloth	1,000 sq. yds.	11,474	13,989	9,459
Worsted cloth	" " "	2,922	5,406	3,314

From Trade and Navigation of the United Kingdom.

Foreign Production Prospects

In Australia drought has affected the principal wool-growing areas, according to the Pastoral Review for September 15, unless rain is received in New South Wales considerable difficulty will be experienced in many places in saving the spring lambs, and lambing has in many cases been disappointing. Victoria has also experienced drought, but lambing percentages have been generally good. Shearing was in progress in the North early in September. In Queensland rain is needed in practically all sections.

In Montevideo, Concordia, and Buenos Aires, the prospects for the new clip are very favorable, according to the Wool Record and Textile World of October 18, 1928. The wools appear to be well grown, sound in staple, and of good color and yield. The wool season in Uruguay is opening now, and the outlook is for a large production, according to Consul Carrigan at Montevideo. If the present estimates are realized, production for this season will be a record.

Climatic conditions in South Africa have on the whole been favorable for a good wool production, but it is too early to make a definite prediction of production, states Consul Cross at Cape Town under date of September 6.

			a/Bales
Australia			
Received into store:	July 1-September 30,	1928	959,400
" " "	" " " "	1927	974,449
Sold at auction:	" " " "	1928	141,800
" " "	" " " "	1927	288,587
Total sold and shipped	" " " "	1928	165,500
" " "	" " " " "	1927	319,285
Total in store:	September 30,	1928	793,900
" " "	" "	1927	655,164
Argentina - Central Produce Market			1,000 lbs
Receipts:	July 1-September 26,	1928	1,571
"	" " " "	1927	1,922
Stocks:	September 26,	1928	3,571
"	" "	1927	1,232

a/ Weight of bale this season not available. Average weight for 1927-28 season 304 pounds and for June, 1928, 325 pounds according to the National Council of Wool Selling Brokers, Country Life and Stock and Station Journal, July 20, 1928. Sources: Australia, National Council of Wool Selling Brokers quoted in the Textile Argus for October 17, 1928. Argentina: Review of River Plate, September 28, 1928.

---------0---------