UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
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WOOL-2

THE WORLD WOOL SITUATION
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The situation in the world's wool markets continues strong with little change from that prevailing last month, according to reports received by the Bureau of Agricultural Economics. Trading at Boston has been very slow with few price advances. Business in foreign wools has been spotty. Wool tops and yarn showed further advances during March. United States imports for January and February, which are usually two of the heaviest months, have been very small as compared with previous years. Domestic consumption of combing and clothing wool was well maintained during February.

Wool prices at London and at primary markets in Australia and New Zealand have gradually risen and clearances have been rapid. Latest reports continue to indicate a world clip for 1927 somewhat less than 1926. Prospects for sheep in 1928 based on conditions of pastures and early lambing prospects in important sheep producing countries appear to be fairly favorable.

Domestic market continues firm

Trading in wool during the past month has been very slow, reports Mr. Russell L. Burrus from the Boston office of the Bureau of Agricultural Economics. Inquiries have been quite plentiful on the medium wools which are much restricted in supply, while on the finer grades of domestic lines, of which there is a fair selection, demand has been very spotty and has been confined largely to piecing out the mills' stocks for immediate requirements. In spite of the slow demand, the market has continued to move against the buyer with advances having been recorded on a few grades. Comparatively few changes in prices were noted in worsted domestic wools but woolen lines have continued to advance. Moderate advances have been made in some lines of foreign wools.

Owing to the absence of medium grade stock of domestic lines for worsted purposes, mills have had to supply their immediate requirements from foreign wools. While the demand was not very broad, the need for the wools by the mills in the market was apparently quite urgent and the requirements were covered at steadily advancing prices which have undoubtedly been instrumental in holding back business to some extent because of the lag in the prices of semi-manufactured products. Dealers, nevertheless, have maintained a very firm attitude toward their asking prices and have continually turned down business oftentimes when only a fraction of a cent, in the grease, existed between buyer and seller. The limited supply of domestic and foreign wools in sight in this country and the persistent strength with rising prices in markets abroad have strongly supported the attitude of the dealers.

In domestic fleece wools, trading has been confined principally to the fine Ohio and Pennsylvania Delaines and to a very limited extent to 58s, 60s. Fine delaines have been bringing 49-50 cents, in the grease. This business has been limited in volume and demand slow. Asking prices remained firm throughout the period. A limited trading was noted on 59s, 60s and lower grades in the early part of March when scattered lots were cleaned out of the market. Since then little activity has been reported and not until recently did the mills begin making inquiries for medium Ohio and Pennsylvania wools for future delivery. Up to the present time no business has resulted. The dealers are not in the mood to sell wool which they have not even contracted. The uncertainty of the country prices in the fleece wool sections for this season is an added factor in the cautious attitude of dealers toward selling fleece wools for future delivery.

Of the western grown wools the 64s and finer grades were the only lines offering any kind of a selection and some of these have been very much depleted, especially on the choice lines. Demand for these wools has been slow with the volume very moderate. The new Arizona wools began to arrive on the market early in March and have met a fair demand. The best fine staple is held at $1.15 and above, but the offerings held at these prices have not moved very rapidly. The average and short French combing wools have sold fairly well in the range of $1.07-$1.12, scoured basis. Clothing wools have sold at around $1.05 scoured basis. Very little business has been reported on 58s, 60s and lower grades of Territory wools. A few odd lots of all grades have been moved but the aggregate has not amounted to a very large volume because of the absence of supplies.

An unusually small volume of the contracted western wool has been reported sold this season until just recently. After the opening of the second series of London sales where prices advanced from 5-10 per cent over the closing of the previous series, confidence in the stability of foreign values was strengthened, and a movement to buy contracted wools started on the medium grades on which current stocks are most restricted. The movement has expanded recently to include some of the finer wools. Both worsted mills and topmakers are now participating in the purchase of the finer qualities of contracted wools.

The business on foreign wools has been very spotty, according to Mr. Burrus. The strongest demand has been of the super style New Zealand crossbreds on 46s, 48s, and 50s grades. A fair volume of these wools has been taken up by domestic mills in spite of advancing prices. Occasional sales have been closed on small quantities of South American medium crossbreds. These lines have shown a continued strengthening with prices several cents higher in the grease on active lines. Demand for fine Australian lines has been rather slow, although prices have shown some advance on account of the continued rise abroad.

Trading in lines suitable for woolen mills has been somewhat unevenly distributed over the past month. The early part of the period showed a spotty trend, with the fine qualitirs slow and the medium grades fairly steady. During the past two weeks, business has developed more strength. Substantial advances have been realized on medium grade pulled and scoured wools and more interest has been shown in fine stock. Dealers have recently begun to speculate on the finer grades of scoured wools and noils, in some cases paying as high and higher prices than mills were bidding. Off grade and stained wools have developed quite a strong demand and some of the sharpest advances have been on this kind of stock. Noil prices have had further advances owing to a fairly strong speculative movement for a period of a week or ten days. Demand has been spotty, taking the period as a whole.

Further strengthening in quotations on tops of 56s and lower grades has been noted during the month, notwithstanding a slow demand. Decreased supplies of domestic medium wools and higher prices on medium and low crossbred foreign wools have been responsible for the advance, and not increased business. Quotations have remained very firm on 64s domestic tops as topmakers still have a large volume of orders to deliver with an occasional order still being booked, and with domestic wool prices remaining very firm. A little business on 60s tops was scattered along through the month at firm prices.

Prices of wool at Boston showed little change during March, quotations for the week ending March 24 being about equal to those for the week ending February 25 with the exception of 56s (3/8 blood) clothing and 46s (low 1/4 blood) strictly combing which were slightly higher. Wool tops and yarn showed further advance during March. As compared with the early part of 1926, wool prices this year show little difference (see table below) while prices of yarn and piece goods are considerably less, as well as the general price level.

Prices of wool in Boston

Grade	1927	1928		
	March 26	January 28	February 25	March 24
	Dollars	Dollars	Dollars	Dollars
64s, 70s, 80s (fine) Strictly combing				
Ohio and similar grease	.45- .46	.49- .50	.49- .50	.49- .50
Fleece scoured	1.07-1.12	1.17-1.22	1.17-1.22	1.17-1.22
Territory scoured	1.09-1.12	1.15-1.18	1.15-1.18	1.15-1.18
50s, 60s (3/8 blood) Strictly combing				
Ohio and similar grease	.44- .45	.50- .51	.52	.52
Fleece scoured	.80- .85	.93- .96	.95- .98	.95- .98
Territory scoured	.88- .92	.97-1.00	.97-1.02	.97-1.02
46s (low 1/4 blood) Strictly combing				
Ohio and similar grease	.38- .39	.44- .45	.45- .47	.45- .47
Fleece scoured	.68- .72	.75- .78	.75- .80	.77- .82
Territory scoured	.68- .72	.77- .82	.77- .82	.80- .85

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

Prices of wool, yarn and piece goods

Date	Women's dress goods French serge 39" at mills	Worsted yarn 2/32's crossbred stock	Wool at Boston, Territory fine staple scoured	Suiting unfinished worsted 13 oz. at mill	Wool at Boston 56s 3/8 blood Terr. comb. scoured
1926	Dollars per yard	Dollars per pound	Dollars per pound	Dollars per yard	Dollars per pound
Jan.	1.05	1.55	1.28	2.23	1.03
Feb.	1.05	1.55	1.26	2.09	.99
March	1.05	1.50	1.21	2.09	.93
April	1.05	1.45	1.15	2.09	.91
May	1.05	1.40	1.13	2.09	.89
June	1.05	1.40	1.10	2.09	.89
July	1.05	1.40	1.14	1.91	.90
Aug.	1.05	1.40	1.11	1.89	.90
Sept.	1.01	1.40	1.11	1.89	.91
Oct.	1.00	1.40	1.12	1.89	.93
Nov.	1.00	1.40	1.12	1.89	.93
Dec.	1.00	1.40	1.08	1.89	.91
1927					
Jan.	1.00	1.38	1.08	1.90	.90
Feb.	1.00	1.38	1.09	1.91	.90
March	.98	1.38	1.08	1.91	.90
April	.98	1.35	1.08	1.91	.90
May	.98	1.33	1.08	1.91	.88
June	.98	1.33	1.09	1.91	.88
July	.98	1.35	1.13	1.91	.89
Aug.	.98	1.35	1.12	1.91	.91
Sept.	.98	1.38	1.12	1.91	.91
Oct.	1.00	1.40	1.12	1.91	.94
Nov.	1.00	1.40	1.12	1.91	.94
Dec.	1.00	1.40	1.14	1.92	.94
1928					
Jan.	1.00	1.43	1.19	1.94	.97
Feb.			1.20	1.95	.99

Yarn and piece goods from "Survey of Current Business"; Wool prices from "Crops and Markets".
All commodities index from Bureau of Labor Statistics Monthly Labor Review.

Imports continue small

Imports of wool into the United States continue to be small. Imports for February of combing and clothing wool were only 11,434,000 pounds, and less than for any February since 1913, while for February 1927 they were 21,032,000 pounds. The peak of imports is usually reached in the first quarter of the year, the months of heaviest imports being January, February, March and April. Imports of combings and clothing wool at Boston, Philadelphia and New York for the period March 3 to March 24 were 12,278,000 pounds against 14,830,000 pounds, and 20,012,000 pounds last year and the year before, respectively.

Stocks at Boston low

Stocks of combing and clothing wool in bond at Boston on February 27 were about 18,000,000 pounds as compared with 31,000,000 pounds on February 28, 1927, and 50,000,000 on February 28, 1926.

February consumption well maintained

Consumption of combing and clothing wool by reporting mills in February was somewhat higher than for February 1927 and above January after adjusting for the number of working days.

COMBING AND CLOTHING WOOL: Total consumption and average daily consumption

Date	Total consumption by reporting mills	Average daily consumption
	1,000 pounds	1,000 pounds
February, 1927	34,418	1,639
January, 1928	33,618	1,461
February, 1928..........	36,305	1,650

There has been no great variation in the distribution by grades of wool, in consumption, but higher grades have increased somewhat more than lower grades, as shown below:

Wool consumption by grades

Quality	February, 1926	February, 1927	February, 1928
	1,000 pounds	1,000 pounds	1,000 pounds
64s, 70s, 80s (fine)	8,024	11,070	11,182
58s, 60s (1/2 blood).....	3,626	4,380	5,463
56s (3/8 blood)	5,687	5,448	5,309
48s, 50s (1/4 blood)	5,624	5,192	6,046
46s (low 1/4 blood)	1,144	1,894	1,253
Other	727	1,367	1,481
Total combing and clothing..................	24,832	29,351	30,734

Employment declines in domestic wool industry

The index numbers in the woolen and worsted goods manufacturing industry of employment and payroll totals were 78.1 and 77.3 respectively, for February 1928 as compared with 85.2 and 85.6 for February 1927, according to the Bureau of Labor Statistics. This represents a decline of about 8 per cent in employment and 10 per cent in payroll totals. Activity in the weaving industry, based on the number of hours active, was somewhat less in February than in the previous month and in February 1927. As compared with January woolen spindles were slightly less active, while worsted spindles were more active.

Prices advance at London wool sales

The second series of the London Sales closed March 29 with prices steady and generally 5 to 10 per cent higher for most grades, than closing rates of the previous series, according to a cablegram to the Foreign Service of the Bureau of Agricultural Economics, from Agricultural Commissioner Foley. As compared with the close of the previous series, greasy merinos were at par, fine crossbreds par to 5 per cent higher, greasy Capes par, Punta Arenas par to 2½ per cent cheaper, scoured best merinos 5 per cent higher, faulty 5 to 10 per cent higher, scoured fine crossbreds 10 per cent higher, scoured Capes 5 to 7½ per cent highes and slipes fine quality 10 per cent higher. The remarkably good competition prevailing at the opening sales was well sustained during the series. Prices at the close of the series were generally higher than at the opening for the lower grades, while the higher grades showed little change.

Prices of lower grades this year have advanced more rapidly than the upper grades. Buyers for the United States have been taking 48s and 50s qualities of good style greasy New Zealand. Total purchases by the United States were probably not more than 1,000 bales and consisted principally of greasy medium crossbreds and clothing slipes.

The quantity available at the opening of the second series was 125,100 bales, or 75 per cent of the quantity offered at the same series in 1927 and 73 per cent of the quantity for sale at the second series in 1926. Details by origin and the amount catalogued at the opening day, with comparisons, are given in the table on the following page.

LONDON WOOL SALES: Amount and origin of wool catalogued at second series, with comparisons

Origin	Second Series 1927 Quantity Available	Second Series 1927 Quantity Catalogued	First Series 1928 Quantity Available	First Series 1928 Quantity Catalogued	Second Series 1928 Quantity Available	Second Series 1928 Quantity Catalogued
	Bales	Bales	Bales	Bales	Bales	Bales
New South Wales	39,950	2,608	32,550	2,296	21,200	770
Queensland	14,300	116	17,550	2,536	7,250	469
Victoria	20,950	2,137	9,850	1,037	8,600	897
South Australia	6,350	161	4,350	76	4,550	227
West Australia..	7,800	362	11,350	906	9,850	454
Tasmania	1,300	---	---	---	1,200	---
New Zealand	57,900	2,381	24,850	1,368	43,550	2,713
Cape	4,450	262	4,100	201	6,000	1,310
Punta Arenas and Falkland Islands	18,700	a/ 2,928	2,800	---	22,000	3,711
Sundries	1,700	221	1,100	19	900	---
Total	166,400	11,176	108,500	8,439	125,100	10,551

Source: Jacomb, Hoore and Company and Du Croz, Doxat and Company.
a/ Punta Arenas.

The differential on 58s, 60s between Boston and London at the opening of the second secies at London was somewhat higher than at the beginning of the year, while it was less for 56s, as illustrated in the following table:

WOOL: Prices at London and Boston (clean basis)

Date	London 58s, 60s Ordinary (clean basis)	Boston (½ blood) 58s, 60s Strictly Combind Territory Scoured	Excess Boston over London	London 56s Ordinary (clean basis)	Boston 56s Territory Strictly Combing Scoured	Excess Boston over London
	Cents	Cents	Cents	Cents	Cents	Cents
1927						
July 21	74.5	99.5	25.0	65.9	90.0	24.1
Sept. 16	76.1	102.5	26.4	70.0	91.5	21.5
Sept. 29	76.5	102.5	26.0	70.0	91.5	21.5
Nov. 23	79.0	103.5	24.5	72.0	93.5	21.5
Dec. 2	82.1	103.5	21.4	75.0	94.0	19.0
1928						
Jan. 20	85.1	109.5	24.4	77.0	98.5	21.5
Feb. 1	83.6	111.5	27.9	77.0	98.5	21.5
Mar. 13	86.1	113.5	27.4	80.1	99.5	19.4

Note: Prices at London as reported near opening and closing dates of auction sales by Agricultural Commissioner Foley. Prices at Boston for Saturdays nearest date quoted at London, as reported from the Boston office of the Bureau of Agricultural Economics.

The Foreign Service of the Bureau of Agricultural Economics has made special arrangements to obtain quotations from the London Sales on the United States official classification. The following table gives rates as received since the inauguration of the service:

WOOL: Prices (clean basis) at London Wool Auctions

Date	70s ordinary	64s ordinary	60s ordinary	58s ordinary	56s ordinary	50s ordinary	48s	46s	44s	40s	36s
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
1927											
4th series close July 21	96.3	86.2	78.1	71.0	65.9	44.6	40.5	38.5	35.5	33.5	33.5
5th series open Sept.13	101.4	88.2	79.1	73.1	70.0	45.6	41.6	39.5	35.5	35.5	35.5
Close Sept.29	101.4	89.2	80.1	73.0	70.0	45.6	42.1	39.5	35.5	35.5	35.5
6th series open Nov.23	103.4	91.2	83.1	75.0	72.0	48.7	45.6	42.6	40.6	39.5	38.5
Close Dec. 2	101.4	91.2	85.2	79.1	75.0	48.7	45.6	42.6	39.5	39.5	33.5
1928											
1st series open Jan.20	101.4	95.3	89.2	81.1	77.0	50.7	47.6	45.6	43.6	42.6	42.6
Close Feb. 1	96.3	93.3	86.2	81.1	77.0	51.7	47.6	44.6	42.6	40.6	39.5
2nd series open Mar.13	101.4	97.3	89.2	83.1	80.1	55.7	50.7	47.6	45.6	45.6	44.6
Close Mar.29	97.3	95.3	89.2	83.1	80.1	58.8	52.7	49.7	47.7	46.6	45.6

Advancing prices affect trade at Bradford

New business in tops at Bradford has recently been slower and tops makers and spinners are covering for business on hand while watching prices of raw wool, according to a cablegram received by the Bureau of Agricultural Economics, Foreign Service, on March 30 from Consul Thompson. Tops quotations were unchanged. Cloth manufacturers were also watching the effect of raw wool prices. Demand for piece goods was slow.

Statistics on the British wool textile industry indicate some improvement in employment in February. Of approximately 145,000 wage earners in six leading centers of the wool industry in Yorkshire, 7,465 were wholly or temporarily unemployed on February 20 compared with 9,133 on January 23. The Ministry of Labor index of the employment in the wool industry for February was 101.0 and of wages paid 105.3 as compared with 100.3 and 103.2 respectively for January.

Exports of wool manufactures from the United Kingdom in February were lower than January but about the same as February a year ago.

WOOL MANUFACTURES: Exports from the United Kingdom

	February 1927	January 1928	February 1928
Tops, 1000 pounds	3,085	2,802	3,115
Woolen yarn-carded, 1000 pounds	419	629	465
Worsted yarn-combed, 1000 pounds	2,496	3,392	3,140
Woolen cloth, 1000 square yards	11,466	13,105	11,508
Worsted cloth, 1000 square yards	3,517	3,814	2,950
Index of Combined Exports a/	95.5	108.4	94.9

Official statistics as reported in "Trade and Navigation of the United Kingdom., a/The index number is a measure of physical volume of exports of all the above classes of manufactures. Based on average monthly 1927 = 100, using values in 1927 as weights.

Continued strength in foreign primary markets

The selling season in Australia and New Zealand has practically closed with no signs of weakness. At Sydney the final series closed on March 21 with the market firm at the highest rates of the series, according to a cablegram from Consul General Lawton. The Wellington sale which closed on March 26 was characterized by brisk competition and clearance of practically all of the wool offered, reports Consul General Lowrie. A lare number of buyers participated. The wool was of excellent quality, fine crossbreds

being the most popular. As compared with closing rates of the previous series, merinos were on a par, half-breds 2 to 3 cents higher, and cross-breds 2 to 5 cents higher.

Wool receipts and stocks at primary markets below last year

Stocks of the 1927-28 clip in store in Australia on February 28, 1928 were approximately 81,000,000 pounds compared with 145,000,000 last year. Receipts up to February 22, 1928 as reported by cable from Consul General Lawton, Sydney, were 8 per cent less than at the end of February, 1927. Disposals on the other hand have been approximately the same as last year. Stocks at the Central Produce Market, Buenos Aires, on February 22, 1928, amounted to 2,956,000 pounds compared with 5,445,000 pounds at the same date in 1927, or a decrease of 46 per cent. Receipts into the same market from July 1, 1927 to February 22, 1928 are estimated at 73,120,000 pounds, a decrease of 12 per cent compared with the same period last season. In Uruguay the season is expected to end much earlier than last year, according to Consul General C. Carrigan under date of February 24, 1928. It is assured that 90 per cent of the present clip has already been sold and there appears to be no large lots for disposal.

Notes on World Wool Production

Reports continue to indicate a world clip for 1927 less than 1926, Russia excluded. Three important countries, Australia, the Union of South Africa and Argentina, show decreases. The Argentine clip is estimated at 6 per cent below the 1926 estimate made on the basis of exports, stocks and domestic consumption, and that of the Union of South Africa is 2 per cent below 1926. Increases in wool production are rreported for 1927 in important wool producing countries such as the United States, Russia, Uruguay, New Zealand and Canada. The revised 1927 estimate for the United States including pulled wool is 328,137,000 pounds compared with 310,576,000 pounds in 1926, an increase of 6 per cent. Wool production in 1927 in Russia is estimated at 329,808,000 pounds, an increase of 9 per cent over 1926, according to the "Economicheskoe Obozrenie", December 1927. This estimate is based on reports of the Supreme Council of National Economy of the U. S. S. R. Of the 1927 production, 322,974,000 pounds consisted of coarse or semi-coarse wool, and 6,834,000 of fine wool. The amount available for commercial purposes, i. e., not consumed on farms, in 1927 is estimated by the same source at 116,844,000 pounds, an increase of 51 per cent over 1926. In 1926 it was said that the Russian wool industry depended on foreign sources for 50 per cent of its supply of coarse wool and for 90 per cent of its supply of fine wool, according to an article in the "Statistical Review" for September, 1927, published by the Central Statistical Bureau of the U. S. S. R. The reason for the change from a wool export to a wool import basis in recent years, is the increased consumption on farms in addition to the fact of decreased production. In 1927, however, it appears that less was used on the farm as a larger percentage of the production was estimated to be available for commercial purposes.

Lambing prospects for 1928

Seasonal conditions in Australia were improving, and with further rains over the eastern half of the continent there should be a satisfactory lambing in 1928, states the Pastoral Review for January 16, 1928. Pastoral conditions in the south of the Province of Buenos Aires, Argentina, a heavy sheep producing area, are stated to be unfavorable owing to the prolonged drought, according to the Review of the River Plate of February 17, 1928. The condition of pastures in Argentina as a whole is good. There are prospects of a good lambing season in England, Wales and Ireland. In Scotland lambing prospects generally do not appear to be so favorable as in England, according to the Monthly Agricultural Report for March 1, 1928. The size of the early lamb crop in the principal early lambing states of the United States as a whole is estimated at about 8 per cent larger than last year.

Sheep numbers in important countries

Sheep numbers in 20 countries a/ at the beginning or in the summer of 1927 numbered 370,546,000, an increase of 2 per cent over 1926, when these countries produced over half the sheep in the world. On January 1, 1928 sheep in the United States were estimated at 44,545,000 compared with 41,846,000 in 1927. It is expected that in 1928 the number of sheep in Australia as a whole will be about the same as in 1927, according to Sir Graham Waddell, Chairman of the Graziers Association of New South Wales, in spite of the fact that lambing in New South Wales in 1927 was not very satisfactory. No recent sheep estimates are available for either Argentina or Uruguay. It is unofficially estimated that the number in Argentina is now smaller than the 36,209,000 enumerated at the census in December, 1922. In 1927 a short lambing was reported from various districts and the loss in new born lambs was heavy, according to Messrs. Gibson Brothers of Argentina. In Uruguay, on the contrary, it is believed that sheep are on the increase and the 1927 lambing season was reported as very successful.

Increase in United States breeding ewes

Reports on breeding ewes in 1928 are available for only three countries. In the United States breeding ewes of 1 year and over not on feed on January 1, 1928, numbered 29,187,000 compared with 27,648,000 at the same date of 1927, or an increase of 6 per cent. In England and Wales there appears to be a slight increase in breeding ewes over the whole country, according to an official report. The number in Germany on January 1, 1928 was 2,733,000 compared with 2,932,000 the year before, a decrease of 7 per cent.

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a/ Canada, United States, Guatemala, Norway, France, Spain, Germany, Hungary, Rumania, Lithuania, Latvia, Esthonia, Russia, Algeria, Tunis, Egypt, Southern Rhodesia, Australia and New Zealand.

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