

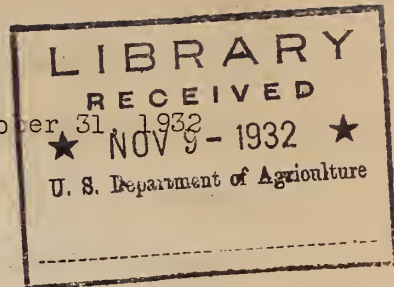
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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
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WOOL-54

October 31, 1932

WORLD WOOL PROSPECTS

Summary

The domestic wool market has been quiet following the abrupt slackening in demand in mid-September. The sharp falling off in volume of trade, however, has thus far had little effect on wool prices. While prices on a few grades had declined slightly from the peak of the August-September rise, prices on many lines continued unchanged through the third week of October. The greatly improved position of the wool market based on the heavy sales in August and September and the rapid increase in machinery consumption of wool has thus far made possible the maintenance of prices during the period of inactivity. Further market developments will depend largely upon the outcome of sales to the final consumer.

Returns on consumption of combing and clothing wool in August showed a further increase of 62 per cent over July and consumption for the month was 3,000,000 pounds greater than the August average for the past 5 years. In view of the increase in employment in the woollen and worsted industry the improved consumption was expected to continue into October. Receipts of wool at Boston are still running about 50,000,000 pounds behind receipts to the corresponding date of 1931 but arrivals were above normal in September and October. It seems probable that more wool was held in original hands for late marketing during the present season than was the case last year.

Japanese and continental demand have recently dominated raw wool markets abroad. Bradford mills have thus far been unable to pass the increase in wool prices on to buyers of semi-manufactures and have bought

little. Prices in primary markets declined toward the latter part of September and early October but were firm in mid-October. Employment increased in the English wool industry in September largely as a result of increases in the combing section, a fair proportion of the tops produced being for export. The improvement in continental wool market conditions continued into September though there was a slight decline evident in the second half of the month. Continuation of present improved conditions in the continental industry is dependent to some extent on a betterment of general economic conditions and a resultant improvement in purchasing power.

One of the distinguishing features of the coming wool clip in Southern Hemisphere countries on the whole is the excellent quality.

Apparent supplies a/ of the 1932-33 clip on October 1 in Australia, New Zealand and the Union of South Africa are estimated at approximately 1,544,000,000 pounds, an increase of 2 per cent above the same date of 1931. Exports for the same three countries for the first 3 months of the new season have been considerably larger than for the same period of 1931, amounting to 165,000,000 pounds, an increase of 35 per cent, but were only 6 per cent larger than exports during the same period of 1930. All three countries have exported larger quantities than during the same period of 1931; the increase in exports from Australia and the Union of South Africa being equally large, i.e. 19,000,000 pounds, although the total from Australia was much larger.

The South American export season began on October 1. Exports from both Argentina and Uruguay were smaller last season than for the preceding one.

a/ Estimated production, plus carry-over from preceding season minus exports up to September 30.

No reliable estimate of the Argentine clip is as yet available, whereas indications point to a smaller clip in Uruguay although exports may be larger due to the carry-over.

Sheep, and especially lamb slaughter since the last shearing season, i.e. October 1, 1931 to August 31, 1932, has been much heavier in Australia, New Zealand, and the Union of South Africa than in the same period of 1930-31, whereas in Argentina and Uruguay slaughter has been much less.

The condition of both sheep and ranges in the United States on October 1 was better than at the same time a year ago.

Marketing Situation

United States

An abrupt slackening of demand for wool in the Boston market followed the extreme activity of August and the first half of September. From the middle of September to mid-October, sales were very moderate and were largely for the purpose of piecing out stocks on hand with small quantities needed to complete cloth orders, reports R. L. Burrus of the Boston office of the Bureau of Agricultural Economics. The sharp falling off in volume of trade, however, had very little effect on wool prices. Due to the rapid increase in consumption since May, the decline in domestic production and the spread between domestic and foreign prices, quotations at Boston in mid-October remained very firm. Price ranges on most lines of greasy domestic wools remained practically unchanged from mid-September. In scattered instances slight advances were realized but these were offset by weakness in other lines. Asking prices at the highest level have recently been rather difficult to secure owing to the very limited demand.

The first signs of weakening prices came on medium grades of semi-bright wools. Country packed offerings grading 56s, and 48s, 50s of combing and clothing wools together which were held at 25 cents in early September were re-offered at 21 cents in October. The bulk of the Boston offerings of medium fleeces, however, were firmly held at 22-23 cents in the grease. Most transactions on a significant volume of wool during the month (September 15 - October 15) were within the ranges quoted at the peak in September and in a few cases slightly better prices were realized. Strictly combing, graded, 64s and finer Territory wool realized up to 50 cents scoured basis. Texas 12 month wool brought 47-48 cents scoured basis or fully up to the peak prices. Very little strictly combing 64s and finer Ohio fleeces were sold but quotations were firmly maintained at 48-51 cents scoured basis. Strictly combing 58s, 60s Ohio fleeces sold at 42-45 cents scoured basis and Territory wools of similar description moved on several occasions at 44-46 cents. Low 1/4, blood 46s and coarser wools moved very slowly but prices were held very firm. Original bag lines of 64s and finer Territory wools were steady at 42-47 cents

scoured basis the middle of October. Clean-up sales of the finer western wools were occasionally closed at slight concessions, but the aggregate volume of this business was regarded as insignificant.

Foreign wools continue stagnant. While dealers and manufacturers are keeping a close watch on developments abroad, orders for imports have failed to develop, as is usual about this time of the year when foreign primary markets are offering a good selection.

The movement of woolen wools slackened considerably in October, and prices declined on scoured, pulled and shorn clothing wools. Noils were not very active and prices were rather irregular.

New business on wool tops was slower after mid-September following a month in which contracts were placed freely at rising prices. Most topmakers, however, have firmly maintained quotations at the peak as they had booked all they could deliver at the rate specified on contracts. Deliveries continued very heavy through September, but let up somewhat in October. A few advances were realized during the month. Fifty-sixes sold at 60 cents and 50s brought 55-57 cents on fairly large contracts.

Consumption of combing and clothing wool showed further improvement during August. Reported consumption during that month was 39,000,000 pounds (grease equivalent), compared with 24,000,000 pounds consumed in July. While the August consumption was 3,000,000 pounds less than the consumption reported for August, 1931, it was approximately 3,000,000 pounds greater than the average August consumption for the 5 years 1927-1931, and was almost three times as large as consumption at the low point in May, 1932. Reported consumption for the first 8 months of the present year was 188,000,000 pounds (grease equivalent) or only two-thirds as large as consumption reported for the same period in 1931, and 30 per cent below the 8-month average of 268,000,000 pounds for the years 1927-1931.

Receipts of domestic wool at Boston have been somewhat above normal, during September and October, but total receipts for the year to October 15 were still far below those of last year. Total receipts of domestic wool at Boston for the first 9 months of this year were only 181,000,000 pounds compared with an average of 204,000,000 pounds for that period in the 5 years 1927-1931. Last year receipts were very large and 237,000,000 pounds had been received by October 1. During the first 2 weeks of October, 1932 receipts amounted to 16,000,000 pounds, or well above normal, and it seems probable that more wool was held in original hands for late marketing than was the case last year. Other explanations offered for the small receipts at Boston, according to the California Wool Grower, were larger direct sales to mills, which would obviate the wools passing through Boston, and larger accumulations in Chicago and St. Louis.

Imports of combing and clothing wool for the first 9 months of 1932 were 14,055,000 pounds compared with 31,423,000 pounds imported in that period last year.

United Kingdom

Wool prices have fluctuated somewhat during the past month. A declining tendency has been evident, but Bradford, being still unable to pass recent increases on in semi-manufactures is inclined to wait for still lower prices or an increased demand for finished goods, according to a report from H.E. Reed, Senior Marketing Specialist at London. Although the cheerful undertone

persists in the industry, there is little to indicate an improvement in purchasing power of domestic consumers, or further material expansion of export trade at an early date. English buyers have thus purchased very cautiously in recent weeks and Japanese and continental demand have dominated raw wool markets.

The sixth series of wool sales closed at London on October 13 with prices of merino combing wools around the highest levels reached at the series, but prices of other wools were weaker. Compared with the close of the previous series, prices were 5 to 15 per cent higher. Approximately 178,000 bales of wool were cataloged at this series and sales amounted to 153,000 bales. English buyers purchased 71,000 bales including 3,500 bales of South American wools and the Continent took 82,000 bales, including 13,000 bales of Punta Arenas. Prices for tops at Bradford on October 25th at 31.0 cents per pound for 64s and 17.2 cents for 50s were 4.3 and 1.6 cents per pound lower respectively than those of a month earlier. Trading remained very quiet after the middle of September with topmakers adopting a protective attitude and maintaining quotations on the basis of replacement costs. By October prices had declined, but little new business was obtained until after the middle of the month when substantial sales of merino tops were reported for forward delivery at prices slightly below spot rates. Trading in yarns is in much the same position as that of tops. Manufacturers are reluctant to make commitments in view of the uncertainty in the consuming end. Quotations on October 25 had declined to 49.6 cents per pound for 2/48s (from 64s tops) and 28.9 cents for 2/32s which set new lows for the year. Very little new business has been done. Demand is largely for knitting and hosiery yarns for the home trade. Business in piece goods has been light with most interest shown in dress goods for the home trade.

The increase in combing activity continued into October. Bradford conditioning house returns of 5,926,000 pounds of tops in September showed the largest weight of tops conditioned in any 1 month since March, 1928. The combs have been active largely as a result of the buying movement in late August as little new business was contracted at the peak prices. A considerable part of the recent output of the combs (estimated at about one-third of the total) has been for export. In September of this year 3,341,000 pounds of tops were exported compared with 1,752,000 in September 1931. Tops exports were 682,000 pounds larger in September than in August. Exports of woollen and worsted yarns showed some decline in September and exports of tissues showed a seasonal decline. The percentage of unemployment in the woollen and worsted industry on September 26 as reported by the Ministry of Labour was 20.6 per cent compared with 26.8 per cent on August 22. The improvement in employment has been most marked in the worsted section, particularly the combing section. There has also been some improvement in the hosiery spinning sections and in weaving sections employed on dress goods.

Continental Europe

Continental wool markets in general maintained during September the improvement registered in August, though market activity declined slightly in the second half of the month as a result of the easier tendency in prices, reports L.V. Steere, Agricultural Attache at Berlin. Present wool market sentiment may be described as one of moderate optimism about the continuance of present levels in trading and mill activity, but this view is based to some extent on hopes that an early betterment in general economic conditions will provide the improvement in purchasing power which is necessary to consolidate the position of the mills on present operating levels. There seems some ground for doubt whether such improvement will develop soon enough and in sufficient degree to enable the industry to maintain its operations without some fluctuation.

Prices of wool and semi-manufactures in France and Germany maintained the higher level established in September to the close of that month, but by the middle of October values were somewhat reduced. The increased activity reported by continental conditioning houses in September which was partly seasonal, was followed by an appreciable reduction of stocks of tops in continental combing establishments. Combined stocks of merino tops in combing establishments of France, Germany and Italy on September 30 were 4,250,000 pounds smaller than on August 30, and stocks of crossbred tops in these countries were reduced 2,579,000 pounds during the month.

The International Wool Conference at Amsterdam early in October reached an agreement of considerable interest to the general business world as well as the wool industry when it recommended an annual 10 per cent reduction by all countries in the tariff on semi-manufactured and finished wool products. This proposal, it should be noted, is similar to the provisions of the Belgium-Luxembourg-Netherlands trade agreement concluded in the summer. It is regarded as holding practical possibilities not offered by other proposals made at the Conference for the immediate equalization of import tariffs on woollen goods in all countries. A plan worked out by the Belgian and French wool industries and approved by the German industry provides further that the annual 10 per cent reduction in woollen goods tariffs shall not bring such tariffs below a certain figure. The Conference has appointed a committee which is to make further proposals to a new wool conference to be held within 3 months.

Considerably increased buying interest for tops, particularly short merinos and fine crossbreds, was evident in France during the first half of September, when the tendency of prices was upward. Active buying of noils was also reported, and prices of washed wool tended to become firmer as a result of small stocks, though the industry was evidently reluctant to pay the increased prices. During the second half of the month trading in tops was slightly less active, and noils were also in smaller demand but prices remained firm due to the firm attitude of sellers whose stocks of noils are small.

The improved wool market in France is based, at least to some extent, upon demand developments. The French wool industry, notably worsted spinners, has been able to book a considerable quantity of new orders and to increase its rate of occupation, and the weavers likewise report a rise in the volume of unfilled orders on the books. Wool spinners, on the other hand, have not yet experienced improvement in sales, and accordingly have not been able to step up operations in mills.

Italy likewise reported a considerable revival of buying interest for tops, especially merinos and fine crossbreds, as well as for noils, during the first half of September, followed by a quieter tendency during the second half. The Italian industry still appears somewhat hesitant about accepting the higher level of raw material prices and is operating with more caution than the industry in other European countries.

Increased trading in tops and noils at rising prices during the first half of September, followed by slightly less active buying interest in the second half, was also reported from the Belgian market. Washed wool, however, was in small demand throughout the month.

The improved sentiment in world wool markets brought Verviers spinners an increased volume of new business during September. Unfilled orders held by worsted spinners at the close of the month were generally higher than at the end of August. Weaving mills also reported a rising flow of sales, and the position in early October with respect to unfilled business was relatively fair. Wool spinners, on the other hand, have not profited much from the recent revival of optimism in the wool trade.

August improvement in the position of the German wool industry was maintained during September with very active buying of top, noils, and washed wool during the first part of the month. The second half showed reduced market activity as in other countries, but the recession was by no means marked, and new business booked by worsted spinners and weavers for the month as a whole was of fairly satisfactory volume.

At the close of September, nevertheless, it became obvious that buyers were reluctant to accede to the advanced prices being demanded by manufacturers, as weavers generally reported at the close of the month that it was extremely difficult to obtain prices needed to cover increased costs of raw material and leave a satisfactory margin. German trade comment on the wool situation throughout the Continent is to the effect that the continued though moderate optimism evident at the end of September was only justifiable on the assumption that the general economic situation would improve gradually during the next few months. The recent revival of activity in the woollen industry is not based upon actual consumption of goods, but has been possible only by a tendency to build up stocks, a policy which cannot well be continued in the absence of a real pick-up in employment and purchasing power.

Southern Hemisphere

Japanese buyers set the pace at the September and early October sales in Australia, followed by the Continent. Japan was reported to be taking around 40 per cent of the wool at Sydney while France was the chief operator at Brisbane and has also taken the lead at the South African sales. Germany has been buying moderately. The active competition and higher prices during September found Bradford unable to obtain the higher values for semi-manufactures. English buyers made only small purchases. Price declines were reported in most primary markets toward the end of September and first week of October. Rates then became firmer, however, and at the Adelaide sales on October 21, prices were said to be stronger and Bradford was reported more active.

Supply Situation

United States

Western ranges are carrying a much larger supply of feed than the very short supply of a year ago, according to the October 1 Western Livestock and Range Report of the Division of Crop and Livestock Estimates. With the exception of eastern Colorado, and parts of southeastern Wyoming, southwestern Nebraska, western Kansas, and northeastern New Mexico, late fall and winter range feed is generally good, whereas Texas has the best feed in years.

Range conditions in the 17 Western States on October 1 were reported as 84 per cent of normal compared with only 71 per cent of normal at the same time last year and the 10-year average (1922-1931) of 83 per cent.

The condition of sheep and lambs on October 1, in the same States was 90 per cent of normal compared with 82 per cent last year and the 10-year average of 92 per cent. Some ewe lambs are being held, but financial conditions are governing the number. Ewe bands carry a large number of old ewes and few are being sold locally or moving to market.

The slaughter of sheep and lambs under Federal inspection for the 9 months from January 1 to September 30 was 13,646,000, an increase of 4 per cent above the same period last year.

Australia

Pastoral conditions in most parts of Australia at the opening of spring (September) were fairly satisfactory with the exception of Queensland and the northern and central districts of New South Wales where rain was badly needed to ensure spring feed.

Receipts of wool for the first 3 months of the current season were 8 per cent above receipts during the same period of 1931-32, due partly to earlier shearing, and amounted to about 549,000,000 pounds, using the same weight per bale as last year. Disposals for the same period, amounting to 90,000,000 pounds exceeded those for the corresponding period last year, by 20 per cent. Stocks of the current clip at selling centers on hand on October 1 amounted to 259,000,000 pounds. Including the quantity of the 1931 clip still on hand the total quantity was 275,000,000 pounds compared with 255,000,000 pounds a year earlier.

Exports for the first 3 months of the season amounted to approximately 122,000,000 pounds, an increase of 18 per cent above the same period of 1931, and were 2 per cent above the heavy exports for the first 3 months of the 1929-30 season.

At the Ottawa Conference Australia agreed to limit frozen mutton and lamb exports to Great Britain for 1933 to an amount equivalent to the total exports from Australia during the year ended June 1932. Exports for that period amounted to 1,278,000 sheep carcasses and 3,255,000 lamb carcasses or 4,532,000 combined. This was the largest quantity exported from Australia so far. There is to be no restriction on exports prior to December 31, 1932. Therefore, in view of the early season, a large percentage of lambs may be cleared before the clause is put into operation. In August 521,000 lambs were slaughtered for export compared with only 360,000 in August last year. In 1931 Australia supplied 27 per cent of the mutton and 20 per cent of the lamb imported by the United Kingdom. Although the output of lamb during the season ending June 30, 1933 is expected to be materially heavier than last season, the export of mutton is expected to be much lighter. The British restrictions on foreign imports are for 5 years, but after 1933 the Dominions will be at liberty to increase supplies without check.

New Zealand

Spring-like conditions prevailed in South Island at the beginning of September, whereas in North Island the weather was decidedly wintry with heavy snow and rain causing damage. The current wool clip is expected to be one of the best that has been marketed for some time as far as quality is concerned.

Exports for the first 3 months of the season to September 30 amounted to 20,000,000 pounds, an increase of 30 per cent above the same period of 1931. In 1930, however, 27,000,000 pounds were exported during the same period. Notwithstanding the heavy carry-over of stocks, the total apparent supply ^{a/} for disposal during the remainder of the season in New Zealand is estimated at about 1 per cent less than last season, due to an estimated smaller clip.

Lambing has begun and percentages appear to be at least up to normal. In the North Island there were some losses on account of cold and snow, but lambing was not yet in full swing in that district. Feed is rapidly improving and prospects for the season is good, providing warm rains come. The lamb crop as a whole, however, is expected to show a decrease compared with last year. During the season just closed the slaughter of lambs for export from New Zealand were larger than ever before, amounting to approximately 9,000,000 lambs. In 1931, New Zealand furnished 47 per cent of the mutton and 48 per cent of the lamb imports into the United Kingdom.

The Ottawa agreement between Great Britain and New Zealand is the same as that for Australia, i.e. imports into the United Kingdom in 1933 are restricted to exports during the year ended June 30, 1932.

Argentina

Although no reliable estimate of the quantity of the 1932-33 Argentine clip is as yet available, the quality is reported to be excellent. In the province of Buenos Aires and the surrounding districts the wool is expected to be of sounder staple and better yielding than it was last season, due principally to the abundance of good pasturage. The wool grown in this district is principally medium and low or coarse crossbred, and constitutes about one-third of the total Argentine clip. In the Bahia Blanca district of the same province, where the wool grown is principally medium and fine crossbred, a supply of good sound wool is expected. The same is true of the Entre Rios and Corrientes districts. These three districts together furnish about one-fifth of the Argentine clip.

It is also reported that the wool from the southern provinces is of excellent quality this season. These wools are principally fine crossbred and merino.

Latest reports state that the condition of ranches is good near the coast in Buenos Aires province, but that in the interior more rain was needed to insure spring feed. In the southern provinces flocks were reported in good condition with prospects for abundant spring pasturage.

Exports for the 1931-32 season for 11 months to the end of August amounted to 286,000,000 pounds, a decrease of 13 per cent compared with the same period of 1930-31. For the 3 preceding seasons exports during the same period averaged 297,000,000 pounds. Stocks of wool at Central Produce Market on September 26 were considerably smaller than at the same date of 1931 being estimated at about 1,457,000 pounds compared with 2,178,000 pounds at the same period of 1931.

a/ Carry-over plus estimated production minus exports to September 30.

The number of sheep and lambs slaughtered during the 12 months since the last shearing season, i.e. September 1, 1931 to August 30, 1932 was 4,228,000 head, a decrease of 6 per cent compared with the same period of 1930-31. Early fat lambs are already being received at markets in considerable numbers.

Uruguay

Although a recent commercial estimate indicates an increase in the coming Uruguayan clip available data on sheep numbers, reduced sheep and lamb marketings, and the unfavorable weather for sheep experienced during recent months points to a further decrease in the clip in 1932-33.

In the Quarterly Summary of World Wool Prospects for August a preliminary estimate of 115,000,000 pounds was given for Uruguay compared with 150,000,000 pounds in 1931 and the record production of 154,000,000 pounds in 1930.

It seems probable, however, that exports for next season will be larger than for the season which closed on September 30 due to the carry-over of coarse crossbreds. For the first 11 months of the 1931-32 season only 85,000,000 pounds of wool had been exported from Uruguay compared with 148,000,000 pounds in 1930-31 and 146,000,000 pounds in 1929-30 for the same period. Receipts into store at Montevideo up to the beginning of September amounted to 99,000,000 pounds, and it was reported that shipments to market were slower than usual, due to the low prices prevailing and the reluctance of owners to meet the unfavorable prices.

During the 12 months from the last shearing season, i.e. September 1931 to August 1932, sheep and lamb slaughter at freezing companies amounted to only 1,347,000 head, compared with 1,973,000 during the same period of 1930-31 and 2,263,000 in 1929-30. Losses of sheep and lambs were reported as fairly heavy owing to unfavorable weather during the 1931 shearing season.

Spring lambing (August to October) was reported as good as far as percentage was concerned, but unfavorable weather was reported as causing considerable mortality of ewes and lambs. Only 8,000 sheep and lambs were marketed in July this year, compared with almost 25,000 during the same months of 1931 and 42,000 in July 1930, and an average of 10,000 for the same months of the years 1920 to 1929. Frequent rains are reported to have hindered transportation this year.

Union of South Africa

The wool trade situation is more normal this year than last. For the first 3 months of the season this year exports amounted to 25,000,000 pounds and were about 6 times larger than for the same period last year, and also larger than for the same period of the three preceding seasons. Stocks at ports, on the other hand, on September 30 were over 50 per cent lower than at the same time last year and were estimated at 16,000,000 pounds compared with 34,000,000 pounds last year at the same time, and a quantity ranging from 10,000,000 to 13,000,000 pounds on hand at the same date of the three preceding seasons.

Although the coming clip is forecast as smaller than that of last season owing to the autumn (March and May) shearing and the probability of a lighter yield due to climatic conditions, the wool is expected to be finer generally.

The official Government estimate for 1932-33 is 301,000,000 pounds or 2 per cent below 1931-32. The Port Elizabeth Wool and Mohair Buyers' Association has also issued an estimate which places the clip at from 284,000,000 to 287,000,000 pounds. If growers are induced to shear more than the usual amount in March and April, the total clip might reach 294,000,000 pounds according to this association, states Agricultural Attaché C. C. Taylor. The expected decrease is attributed to drought and curtailed production on account of low prices. If winter months were drier and colder than usual on the whole, it is stated also that there will be a distinct scarcity in warp combings.

In view of reports from various sources to the effect that South African wool production will show a declining tendency in the future, it has been thought advisable to ascertain whether or not the facts support this statement. The principal reason given for the statement is the strongly marked movement supported by the Government, in favor of the meat and dairy industries. Just how any agreements made between the British and Union Governments, as a result of the recent Imperial Conference at Ottawa regarding South African mutton and lamb imports into the United Kingdom may affect the South African wool industry in the future is an interesting question.

Although the treaty between the British and Union Governments regarding meat is indefinite, the British Government agrees that in applying any powers which they may obtain from Parliament for the quantitative regulation of imports of mutton and lamb, they will make provision for imports from South Africa.

A comparison of the fat lamb and mutton industry in the Union of South Africa with that of other exporting countries shows that the industry is only in an experimental stage so far. A review of the respective value of the wool, mutton and lamb export trades to the Union of South Africa and to other countries where the industry is already well established, or where there are potentialities for development, follows. These countries all have a limited home market and export to the British market.

The Union Department of Agriculture is recommending that sheep farmers in certain areas specialize in the production of fat lambs for export. Trial exports of frozen lamb have been made since 1929. From 10 to 14 cents a pound was obtained, or from \$3.65 to \$4.87 for a 35 pound carcass. The cost of marketing was found to be about \$1.12, making a net return of from \$2.43 to \$3.65 per lamb, less any loss in foreign exchange plus any export subsidy, states Mr. Taylor. At the present time lambs of this size are bringing up to \$2.92 per head at Johannesburg.

In January, 1930 an experimental shipment was made to England. The lambs were from 6 to 8 months old and dressed from 21 to 44 pounds. They brought slightly over 14 cents a pound in England and netted $12\frac{1}{2}$ cents per pound, or \$3.91 per lamb in South Africa, including the value of skins and offal.

New Zealand lambs arrive on the British market throughout the year, but the peak extends from January to June. The best prices are obtained in March and April, the highest prices being paid for lamb carcasses weighing 32 to 36 pounds. To meet this situation it is recommended that ewes be bred in December for lambing in May, or not later than July for export by October.

In 1930 the Union had approximately the same number of woolled sheep as the total number in Argentina, i. e. 44,000,000. In addition, there were

about 4,000,000 non-wooled sheep in the Union.

The same year the wool clip of the Union was estimated at 305,000,000 pounds, compared with 351,000,000 pounds produced in Argentina. The exports of the 1930 (July 1, 1930 - June 30, 1931) clip from the Union amounted to approximately 283,000,000 pounds, valued at \$38,772,000, compared with 298,000,000 pounds exported from Argentina in 1930 valued at \$38,662,000. The same year mutton and lamb exports from Argentina, mostly to the United Kingdom, amounted to about 178,000,000 pounds valued at \$12,063,000 compared with exports of 299,000 pounds from the Union valued at \$40,000.

Ninety-two per cent of all the sheep in the Union of South Africa at present are woolled sheep, 85 per cent of which are merinos, whereas in Argentina 25 per cent are merinos and fine crosses and the remainder strong crossbreds and mutton breeds.

In New Zealand sheep numbers 31,000,000 head in 1930, approximately 98 per cent of which were crossbred. Wool exports for the season 1930-31 amounted to approximately 220,000,000 pounds valued at \$30,149,000, whereas mutton and lamb exports amounted to 391,000,000 pounds valued at \$40,559,000.

In Australia the most important fine wool producing country of the world, sheep numbered 105,000,000 head in 1930 most of which were merino. Wool exports amounted to 769,000,000 pounds for the season (July 1, 1930 to June 30, 1931) valued at \$165,931,000, whereas mutton and lamb exports amounted to only 109,000,000 pounds valued at \$10,249,000.

Summarized briefly, the percentage value of mutton and lamb exported to the total export value of wool, mutton and lamb in 1930 was as follows in the different countries; New Zealand, 57 per cent; Argentina, 24 per cent; Australia, 6 per cent; and the Union of South Africa, only about 1/10 of 1 per cent.

Of the total value of livestock and meat products exported from the Union, wool furnished 76 per cent. In Argentina the percentage was 58, in New Zealand 18, and in Australia 62. Therefore it seems reasonable to expect that there will be no very great decrease in the South African wool clip in the near future. Since 1919 any increase in South African sheep has been in the woolled type rather than in the non-wooled type.