UNITED STATES DEPARTMENT OF AGRICULTURE
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WORLD WOOL PROSPECTS

Summary

Wool prices in the domestic market resumed their upward trend in September and steady to higher prices in the domestic market during the remainder of 1935 are probable.

Imports of combing and clothing wool into the United States from January to August 1935 were 13,515,000 pounds compared with 17,079,000 pounds in the same months of 1934. In each month since May, imports have exceeded the imports for the same month in 1934. In view of the smaller domestic clip and the heavy consumption so far in 1935 imports of combing and clothing wool will have to be considerably increased before the beginning of the new season (April 1936) if consumption is to be maintained at a reasonably high level during the remainder of the present season.

The weekly average consumption of apparel class wool by United States mills in July was 5,894,000 pounds, scoured basis, compared with 5,677,000 pounds in June and 2,300,000 pounds in July 1934. Reports indicate that domestic mills continued to operate at a high rate in August and September. Government contracts for wool blankets and other wool fabrics and the large business on upholstery fabrics for the automobile industry have contributed greatly to the maintenance of wool consumption at the highest level in years.

The new selling season in the Southern Hemisphere opened at Sydney, Australia on September 2. Demand was very good with Japanese buyers particularly active. Prices for merino wools were 15 to 20 percent higher

than at the close of the previous season in that center on June 13 but opening prices have not been fully maintained. A slight decline in prices has also been reported in the English market. Quotations for the first week of the London sales which opened on September 17 were slightly below the closing prices of the July series. The declines, however, did not exceed 5 percent.

The 1935 shearing season in the important wool producing countries of the Southern Hemisphere has commenced in the early districts. In Australia and Argentina especially, the coming clips have been adversely affected by drought conditions during the past winter (June-August) but wool growing conditions have been very favorable in the Union of South Africa and in New Zealand.

Early spring rains improved grazing conditions materially in Australia, especially in Queensland, but there has not been much improvement in Argentina. Early frosts caused some losses of lambs in Argentina and the Union of South Africa.

Since the last issue of World Wool Prospects estimates of wool production have become available for a few more Northern Hemisphere countries. These later estimates, however, do not change the relationship between this year's clip and that of 1934. Production in 16 1/ countries which furnish about two thirds of the world total exclusive of Russia and China is now estimated at 2,155,000,000 pounds, a decrease of 3 percent compared with 1934.

Reliable estimates have not yet become available for Argentina and Uruguay and only provisional figures are available for Australia, New

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1/ Australia, New Zealand, Union of South Africa, United States, England and Wales, Scotland, Northern Ireland, Irish Free State, France, Germany, Czechoslovakia, Hungary, Yugoslavia, Lithuania, Algeria, and Turkey.

Zealand and the Union of South Africa. Owing to the fairly heavy decrease in Australia these three countries show a reduction of 4 percent to 1,499,000,000 pounds as compared with 1934.

In the Northern Hemisphere only the United States and France show decreases. The 10 European countries show an increase of about 1 percent to 255,000,000 pounds.

August exports of wool from most Southern Hemisphere countries greatly exceeded those of a year earlier. Exports from Australia and New Zealand for the first 2 months of the new season, up to August 31, were twice as large as for the same period of 1934.

The Market Situation

United States

Very active trading and rising prices for the month ended September 15 are reported for the Boston wool market according to R. L. Burrus of the Boston office of the Bureau of Agricultural Economics. Although the improvement in trading was noted before the middle of August, prices did not start upward until the latter part of the month. Further increases in sales were reported in the first half of September and prices continued their upward trend. Practically all lines of domestic wool were in demand and shared in the price advance but the heaviest movement was on western wools of 64s and finer grades.

Good price advances were reported on 64s and finer territory wools in original bags. Choice lines comprised largely of strictly combing staple rose from a nominal quotation of 72-73 cents scoured basis to 77-78 cents on actual sales the middle of September. Prices advanced on all graded territory wools. Advances of 3-4 cents scoured basis were realized on 56s and finer territory wools and 2-3 cents on the coarser grades. Texas 12 months wools were also bought heavily. Choice lines of such wool advanced from 73-75 cents scoured basis to 75-78 cents while average wools rose from 70-72 cents to 73-75 cents.

Grease basis prices for graded Ohio fleece wools strengthened moderately. The scoured basis equivalent of prices advanced more strongly than the grease basis prices because of the heavier shrinkage of wools recently sold at prices for which lighter shrinking wools were offered only a few weeks previous. Fine Ohio delaine or strictly combing 64s and finer Ohio fleeces sold freely at 31-32 cents in the grease and the scoured basis equivalent on some sales was fully 80 cents. Strictly combing 58s, 60s (1/2 blood) Ohio fleeces advanced about 1 cent in the grease to 31-32 cents. Similar 56s (3/8 blood) moved at 32-33 cents and 48s, 50s (1/4 blood) at 31.5 - 32.5. Quotations as high as 33-34 cents have been named by some firms.

Woolen wools strengthened to some extent but neither the rise in prices nor the increase in demand for the typically woolen purpose wools was as marked as for the greasy shorn wools used for worsted purposes. Demand for noils was relatively better than that for scoured woolen wools and price advances also have been broader.

There was practically no spot market on foreign combing and clothing wools in Boston except on the very low grades which may be used either for carpet or for clothing purposes.

The market for wool tops experienced a strong upturn in the volume of new business and in deliveries against old contracts during the second half of August and early part of September. Prices also advanced sharply. Average staple oil combed 64s advanced from 88-89 cents to 92-95 cents the middle of September. Sales of good staple 60s were made at 92-94 cents. Fair quantities of 56s were sold at 82-85 cents and 50s at 74-77 cents.

Machinery activity declined in the worsted section of the domestic wool manufacturing industry in July, but an increase in activity was reported in the woolen section. The weekly average consumption of apparel class wool by United States mills in the 4 weeks ended July 27 was 5,894,000 pounds, scoured basis, compared with 5,677,000 pounds in June and 2,300,000 pounds in July 1934. The weekly average consumption for the first 7 months of 1935 was 5,449,000 pounds, scoured basis, compared with a weekly average of 4,548,000 pounds for the 10 years 1924 to 1933. For the year 1934 the weekly average consumption was only 3,240,000 pounds. Consumption of apparel class wool from January 1 to July 27 of this year was 298,314,000 pounds of shorn wool, greasy shorn basis and 55,084,000 pounds of pulled wool, greasy pulled basis.

Unofficial reports indicate that domestic mills continued to operate at a high rate in August and September. Government contracts for wool blankets were said to be keeping a large part of the automatic looms in that field busy during August. The Wool Top Exchange Service reports that business on fabrics for automobile upholstery has also been very large so far this year and has contributed greatly to the maintenance of wool consumption at the highest level in years. Further orders on these fabrics are expected in the near future.

Consumption of carpet wool by United States mills has also increased greatly since the beginning of 1935. The weekly average consumption on a scoured basis increased from 1,487,000 pounds in January to 2,267,000 pounds in July. Total consumption from January 1 to July 27 was 56,606,000 pounds scoured basis. Consumption on a grease basis was 77,434,000 pounds of shorn wool and 3,474,000 pounds of pulled wool.

Receipts of domestic wool at Boston from April 1 to August 31, 1935 were 167,800,000 pounds compared with 130,400,000 pounds received in the same months of 1934 and an average of 177,200,000 pounds for that period in the 5 years, 1929 to 1933. Imports of wool into the United States in the first 8 months of 1935 were 13,515,000 pounds of combing and clothing wool and 106,198,000 pounds of carpet wool. In the same months of 1934 imports were 17,079,000 pounds of combing and clothing wool and 65,028,000 pounds of carpet wool. Imports of combing and clothing wool for each month since May have exceeded the imports for the same month in 1934. Imports of carpet wool so far in 1935 have exceeded imports for the same month in 1934 in every month except January and March. Because of the smaller domestic clip and the heavy consumption so far in 1935 imports of combing and clothing wool will have to be considerably increased before the opening of the new season in April 1936 if consumption is to be maintained at a reasonably high level during the remainder of the current season.

Southern Hemisphere

The new wool selling season opened in Sydney, Australia on September 2. The offerings consisted chiefly of clips of average to good type which were reported to be finer in quality and lighter in condition than those of the previous season. Prices for merino wool at the opening sales were 15 to 20 percent higher than at the close of the previous selling season on June 13. Crossbred wools were not offered in sufficient quantity to permit of price comparisons. Japan was the principal buyer at the early sales. Continental buyers also competed freely. Demand from English buyers was only moderate. The first series continued to September 13. Prices at the close were mostly 5 percent below the opening quotations. Sales at Sydney opened again on September 23. Sales were also held at Adelaide, Brisbane and Perth during September. Conditions at these centers were similar to those at Sydney.

The new selling season in the Union of South Africa was expected to open about September 18 but trade reports indicate that shearing may be delayed because of weather conditions. The clip as a whole is expected to be very good. Since the special agreement with Germany with regard to the financing of wool purchases does not expire until November 30, German demand may be an important influence during the early part of the new selling season. German purchasing dominated the South African market in the second half of the 1934-35 selling season. Late information indicates that the purchasing agreement will be extended to cover the present selling season.

The regular wool selling season in New Zealand does not open until the end of November. The first sale this season will be held at Auckland on November 26. The first sale at Wellington is scheduled for December 7.

The new season in South America does not open until October. A cable report to the First National Bank of Boston states that trading in wool is seasonally slack because of the small quantities available. Prices are steady to firm and there appears to be a good demand for all classes of wool.

United Kingdom

The fifth series of London wool auctions for 1935 opened on September 17. Prices in British currency, at the opening were about equal to, or slightly lower than, the closing prices of the previous series on July 25. Price declines as compared with the July series were mostly on average style merino wools and on greasy medium and low crossbreds. Declines reported at the opening did not exceed 5 percent. Quotations for average 70s were 50.2 cents a pound at current rate of exchange in the opening week of the sales compared with 52.7 cents at the close of the previous series on July 25. Average 56s were 28.7 cents a pound on September 20 compared with 30.5 cents in July.

Buyers operated rather cautiously at the opening but competition improved as the sales progressed. Germany, Austria and Belgium took large offerings of weft merinos and scoured Queensland merinos in the first week of the sales. England was the chief buyer of warp merinos and of greasy crossbreds. Russian buyers entered the market for good scoured and greasy merinos. The series as now arranged will continue until October 4.

Index numbers of prices of wool, tops and yarn at Bradford showed little change in August compared with July and were higher than a year ago. Mallett's Weekly Wool Chart index number for raw wool prices for August was 77 (English currency basis, July 1914 = 100) the same as for July. This compares with a low point of 62 in March and with 70 in August 1934. The index for tops remained at 83 in August compared with 68 in March and 75 in August 1934, while the index for yarns declined one point to 99 in August compared with 88 in March and 93 in August 1934.

The sharp advance in values at the opening of the Australian wool selling season in the first week of September caused Bradford topmakers to make corresponding protective advances in quotations for merino tops and business in these lines was temporarily brought to a standstill. The decline in prices which followed in Australia together with the lower opening at London caused a lowering of Bradford quotations. Considerable uncertainty is evident in the market, however, and business in all lines has been only moderate in recent weeks.

With the exception of the worsted weaving department, all sections of the woolen and worsted industry showed a slight improvement in activity in August, according to a cable from C. C. Taylor, Agricultural Attache' at London. The Ministry of Labour reports that 12.8 percent of insured workers in the woolen and worsted industry were registered as unemployed on August 26 compared with 13.5 percent on July 22 and 23.6 percent in August 1934.

Imports of wool into the United Kingdom in July and August were slightly above average for that season of the year, while reexports were rather small. Imports minus reexports were 461,000,000 pounds in the first 8 months of this year compared with 409,000,000 pounds in the same months of 1934. Exports of tops and of woolen and worsted tissues continue to maintain a substantial lead over exports for the corresponding period of the past 4 or 5 years. Exports of tissues from January to August 1935 were 74,000,000 square yards compared with exports of 71,000,000 square yards in the first 8 months of 1934 and an average of 66,000,000 square yards for the corresponding period in the 5 years 1930 to 1934.

Continental Europe

Stocks of merino and crossbred tops at the principal commission combing establishments in France, Germany, Belgium and Italy at the end of August 1935 amounted to 54,413,000 pounds compared with 52,682,000 pounds at the end of July and 65,284,000 pounds at the end of August 1934. Stocks of merino tops in these countries which were 22,897,000 pounds at the end of August showed no appreciable change as compared with July, but were considerably smaller than at the end of August 1934, when 30,278,000 pounds were reported. Merino stocks were also much smaller than the average for the same date in the past 5 years. Stocks of crossbred tops increased in August in all countries except Italy. This movement of crossbred tops is contrary to the usual seasonal trend. While combined stocks of crossbred tops at the end of August 1935 were smaller than at the same date in 1934, they were slightly larger than the average stocks for the 5 years 1930 to 1934. Stocks of crossbred tops were 31,516,000 pounds on August 31 compared with 29,908,000 pounds on July 31 and 35,006,000 pounds at the end of August 1934.

Italy

Stocks of merino and crossbred tops in Italian combing establishments at the end of August were smaller than stocks for that date in any year for which figures are available (since 1926). The small stocks reflect the difficult position of the wool industry in that country.

A report in "Wool", a monthly review of the wool trade, states that the situation in the Italian wool industry is strongly dominated by war preparations in that country. A large part of the industry has been concentrating on filling orders for the army. The War Ministry has given large orders for uniform cloth and other goods such as blankets which will occupy the mills for a long time.

As prices must not rise unduly and since imports of wool are regulated by a strict quota system, the mills are forced to reduce quality in order to keep below the maximum price level at which they can sell. This has resulted in an increasing use of substitutes. While the woolen branch of the industry is well employed, the worsted industry is reported to be poorly employed.

Because of the difficulty in obtaining foreign credits, imports are strictly regulated by official quotas. Imports of raw wool in the first 5 months of 1935 were only 61,100,000 pounds compared with 101,500,000 pounds imported in the same months of 1934 and 131,600,000 pounds in the first 5 months of 1933. The use of substitutes and the high activity in the woolen section has led to a strong demand for wool rags. Government action is expected with regard to the importation of wool rags, and it is expected that the wish of woolen yarn manufacturers for increased imports will be met.

Germany

Imports of raw wool into Germany in the first 7 months of 1935 were 225,000,000 pounds compared with 255,000,000 pounds in the same months of 1934 and 234,000,000 pounds in 1933. The scarcity of wool is felt mostly by users of merino types.

Efforts are being made by price control authorities to bring the prices of vistra and other artificial substitute fibers more into line with present values for wool and cotton so that these fibers may be used to replace cotton and wool. From August 1 all price restrictions on vistra fiber and yarn were abolished as well as existing monopoly agreements, according to information received by the Imperial Economic Committee of the United Kingdom as published in Wool Intelligence Notes.

The same report states that activity in the German wool industry was very uneven in the early part of August and there was a general slackness in both internal and export trade. The lapse of the trade agreement between France and Germany has resulted in a material increase in the import duties on French wool tissues. In 1934 French exports to Germany amounted to about 500,000 pounds but a heavy decrease was shown in the early months of 1935.

A slight decline in prices of wool and tops was reported from the German market in the first half of August.

Supply Situation

Australia

Early shorn wool of the 1935-36 clip in New South Wales began arriving at Sydney store houses in appreciable quantities early in August in anticipation of the opening of the new season's auction sales on September 2. The clips from early shorn flocks have been considerably lighter than in 1934-35, so far the fibers being even finer than that of the drought grown wool of 1922. The wool has also been drier in condition with more dust and less burr than was the case a year ago.

Shearing in the Western Districts of New South Wales especially has been several weeks earlier than usual. The wool is being removed as speedily as possible so that the sheep may regain condition.

The smaller 1935-36 clip is already being reflected in the reduced receipts into store, despite reported earlier shearing in some districts. During the first 2 months of the new season receipts totaled approximately 106,000,000 pounds and were 18 percent smaller than for the corresponding period a year ago and 13 percent below the preceding 5-year average for the same period. Receipts for this period are the smallest since 1930-31. Disposals up to the end of August totaled only 1,700,000 pounds compared with 2,200,000 a year ago and an average of about 7,100,000 for the preceding 5 years.

Exports of wool during the first 2 months of the new season amounted to 44,000,000 pounds compared with 18,000,000 pounds during the same period last year and an average of 51,000,000 pounds for the same period of the preceding 5 years.

Stocks of old and new clip wool on hand on August 31 totaled 125,000,000 pounds and were 25 percent smaller than at the same date last year. Of the 125,400,000 pounds on hand on August 31, 83 percent was current clip wool. Last year at the same time of the 166,000,000 pounds on hand only 76 percent was wool of the 1934-35 clip, the remainder being carry-over wool from the preceding season.

Although the Queensland drought is definitely broken, more rain would be of benefit in Queensland and in parts of New South Wales to insure feed during the spring and early summer. The coming Queensland clip is estimated at only 119,000,000 pounds grease and scoured wool combined, a decrease of about 26 percent compared with the 1934-35 clip. Wool production in Queensland in 1934-35 reached 163,000,000 pounds as compared with only 156,000,000 pounds in 1933-34. The increase in production last season is attributed to the fact thatowing to early shearing as a result of drought, some of the wool usually included in the following season's clip was shorn before the close of the 1934-35 season. A large proportion of wool submitted at Brisbane in June 1935 was prematurely shorn. Under normal conditions most of this wool would have been allowed to attain a full 12-months growth before being shorn and in consequence would not have been available for sale until the 1935-36 season.

It is stated that the Japanese prefer Queensland wool as most of it is of average description showing fineness and softness, qualitites essential for manufacture of light weight fabrics such as are produced in Japanese mills.

During the period of low wheat prices and the relatively steady price of wool and fat lambs, the number of sheep in wheat areas has increased, states Country Life and Stock and Station Journal of Australia. The crop rotation system, wheat, oats, bare fallow, so largely used throughout Australia, makes no provision for a return of organic matter to the soil. Even when 2 years of volunteer pasture were included in this rotation results were only slightly improved as the pastures were usually of poor quality and carried few sheep.

Now that sheep are being considered as an important source of income and not only as a factor in the control of weeds on fallow ground in the wheat areas, farmers there are thinking of methods of increasing the carrying capacity of those paddocks not in farrow or growing a crop. The present problem is to find suitable grasses for the rapid development of temporary pastures.

New Zealand

Sheep wintered (June - August) very well this year in New Zealand and there were prospects of an abundance of green feed for the early spring (September). It is officially estimated that stocks of wool held by the different interests in New Zealand on June 30, 1935 reached 87,300,000 pounds grease equivalent compared with only 49,800,000 pounds on June 30, 1934. Although current stocks are large they were even larger on June 30, 1931 and June 30, 1932, when they reached 97,000,000 pounds and 118,000,000 pounds respectively. One reason given for the piling-up of stocks this season was that owners were holding for higher prices.

About 75 percent of the wool remaining on hand on June 30 this year was in a greasy condition and about 71 percent was of the crossbred type. Farmers were reported as holding almost 60 percent of the quantity of grease wool on hand and wool brokers around 40 percent.

It is reported that at the wool crutchings sales in August disposals were satisfactory with prices realized being in advance of those at the close of the 1934-35 season in June. About 7,000,000 pounds of the wool carried over this season consisted of crutchings compared with 4,000,000 pounds last year.

Exports from New Zealand during the first 2 months of the 1935-36 season amounted to 15,000,000 pounds according to estimates of Dalgety and Company compared with 10,700,000 pounds for the first 2 months of the preceding season and a preceding 5-year average of 13,600,000 pounds.

During the season ended July 31, 1935 New Zealand exported approximately 198,000,000 pounds of wool, according to the reports of Messrs. Sims Cooper and Company of New Zealand. Conversions to pounds have been made by using the average weight per bale reported by Dalgety and Company for the different seasons. The quantities going to the principal countries are as follows in millions of pounds with percentage of last season given in parentheses: United Kingdom, 127.4 (72); United Kingdom, option Continent, 14.0 (97); Belgium, 17.8(129); Japan, 8.5 (59); France, 8.3 (40); Australia (mainly for trans-shipment to Japan), 6.5 (76).

The 1935-36 wool selling season is scheduled to open on November 26 at Auckland and to run until April 8 with the final sale at Wellington on April 8, 1936.

Union of South Africa

Wool growing conditions in the Union of South Africa were excellent during the past winter, (June - August). Sheep have had plenty of feed and the clip is expected to be in very sound condition, well grown, light and clean. The bulk of the increased supplies is expected to be lamb's wool and medium wool rather than the combing type.

Apparent supplies of wool for disposal in the Union during the 1935-36 season, i.e., carry-over plus production, are estimated at 248,000,000 pounds, an increase of 6 percent above the preceding season's supplies. Production this season is officially forecast at 245,000,000 pounds compared with the revised estimate of 209,746,000 in 1934-35. The carry-over of unsold wool on June 30 was approximately 3,655,000 pounds converted to a grease basis compared with 24,601,000 pounds a year earlier.

Shearing has been somewhat delayed by cold weather and arrivals at ports are slow. Receipts during the first 2 months of the new season, up to August 31, totaled 6,900,000 pounds compared with 2,400,000 pounds a year ago and 6,400,000 pounds in the corresponding period of 1933. Exports for the same period of 1935 totaled 4,400,000 pounds compared with about 5,000,000 pounds in the same months of 1934-35 and a preceding 5-year average for this period of 6,000,000 pounds. Stocks of unsold wool on hand on August 31 amounted to only 3,100,000 pounds compared with 28,000,000 pounds at the same date a year ago when they were unusually large.

The number of sheep in the Union, according to the latest census figures just published for August 1934 was only 35,011,000 exclusive of those in towns, a decrease of 28 percent as compared with the census of 1930. The Agricultural census was not made in the intervening years.

The 1935 lambing was expected to be successful althought toward the end of July and early August temperatures dropped severely in the high veld which caused some losses of lambs.

Argentina

Sheep had begun to be adversely affected by the prolonged drought in the central part of Argentina by the end of the summer (August). Latest reports are to the effect that grazing conditions at the beginning of spring were generally poor in the Province of Buenos Aires where about one third of the Argentine sheep are found. This shortage of feed caused a delay in lambing and also some loss of lambs. Ewes in some dsitricts abandoned their lambs in order to find feed and water. The recent frosts combined with under nourishment caused losses of young lambs which were too weak to survive these conditions. The predominating type of sheep in this area is coarse crossbred. In Entre Rios, also, livestock generally are being adversely affected by a scarcity of feed. Conditions in the other central provinces appear to be improving somewhat.

There are unconfirmed reports to the effect that some advance sales of new clip wool, still to be shorn, have already been made in Buenos Aires Province. This has not happened for a number of years.

As a result of the prolonged dry weather the quality of the coming clip may be slightly inferior to that of last season when it was very good. Also they will probably carry more dust. The coarse crossbred clip of the Province of Buenos Aires will be less affected than the clip of Corrientes and Entre Rios where shearing begins earlier and there is less time for improvement before shearing time.

Exports of wool for the 11 months of the season up to August 31, aggregated approximately 314,000,000 pounds converted to a grease equivalent, an increase of 14 percent above the corresponding period last season. Exports of wool in a grease condition totaled 250,000,000 pounds, an increase of 3 percent above the preceding season. The exportation of scoured wool, the kind produced at freezing companies, totaled 48,000,000 pounds converted to a grease equivalent and exceeded the preceding season's shipments by 108 percent. Washed wool exports also increased 27 percent to 16,347,000 pounds, grease equivalent. Of the total quantity of grease wool exported 38 percent or 93,940,000 pounds was coarse crossbred and 36 percent or 88,678,000 pounds, fine crossbred. Last season during the corresponding period 35 percent or 85,907,000 pounds was coarse crossbred and 82,181,000 pounds or 34 percent was fine crossbred.

Exports to the principal countries for the first 11 months of the season not converted to a grease basis were as follows, in millions of pounds with percentages of preceding season's shipments in parentheses: United Kingdom, 79.8 (92); Germany, 66.8 (152); France, 43.3 (94); Italy, 36.9 (112). This year the United States has taken almost 40,000,000 pounds of grease and scoured wool combined or about twice as much as for the same period last season.

Uruguay

Prospects for the coming wool season in Uruguay are reported as good. Stocks are low and it is expected locally that Italian buyers will show much interest in the clip. As yet no reliable estimates of the size of the coming clip are available.

Stocks on hand at Montevideo on August 31, amounted to only 7,000,000 pounds according to Vice Consul H. Bartlett Wells, and were only about half as large as the quantity on hand at the same time a year ago. The bulk of the remaining stocks is probably coarse crossbred. At the end of July, out of 7,805,000 pounds remaining on hand 21 percent was coarse crossbred, 23 percent lamb's wool and 28 percent belly wool.

Exports for 11 months of the season up to August 31, amounted to 113,000,000 pounds, an increase of 20 percent above reported exports last season and only a little below those of 1932-33. Last season, however, as the result of the unfavorable local exchange situation , a fair quantity of wool was reported as smuggled into Brazil and later reexported in bond through Uruguay as Brazilian wool.

During August exports were relatively large for so near the end of the season and reached 8,831,000 pounds compared with only 449,000 pounds in August 1934. Exports to the principal countries for the 11 months ended August 31, 1935 were as follows in thousands of pounds with percentages of last season's shipments in parentheses: Germany, 31,097 (126); United Kingdom, 22,067 (78); Italy, 23,893 (234); France, 11,494 (180); Belgium, 11,561 (164). The United States took only a small quantity or 3,771,000 pounds compared with 5,137,000 pounds in the same period of 1934-35.

Germany

The German Government is endeavoring to revive interest in sheep breeding and wool production, and provided the present plan for granting credits for the purchase of ewes is successful there are prospects of some increase in wool production from the low level of recent years when it has averaged about 30,000,000 pounds. Even within the past 10 years sheep numbers in Germany have declined over 40 percent from 5,735,000 in 1924 to 3,387,000 in 1933. However, there was an increase of 3 percent in 1934, the number at the end of the year being estimated at 3,482,000. This year for the first time since 1920 a June sheep estimate was published which gave the number as 4,540,000 compared with 7,037,000 on the same date of 1920. (See table on sheep numbers at end of report).

The decline in sheep numbers has been accompanied by a corresponding decrease in wool production from a little over 50,000,000 pounds in 1924 to only 30,000,000 pounds at present. At one time (1861) Germany had as many as 28,000,000 sheep with a wool output of almost 80,000,000 pounds. In order to cover Germany's present requirements, not including exports of woolen goods, it is estimated that 35,000,000 sheep are necessary. Sheep are the only type of livestock in Germany showing a marked reduction over a long period of years. Hog numbers are now almost four times as large as in 1860 and cattle numbers are 31 percent greater.

Germany imports over 10 times as much wool as is produced in the country, the chief source being Australia. Last year however, owing principally to the credit and exchange situation, special agreements were made with South Africa and South American countries for imports on a compensatory basis, i.e., Germany agreeing to import a certain quantity in return for purchases of German goods for the same amount.

The plan for promoting the German sheep breeding industry is in connection with the German Government's policy of encouraging the production of increased quantities of raw materials at home. The German Minister of Finance has recently been empowered to accept guarantees to the extent of $3,220,000 for the promotion of German sheep raising and wool production. In order to induce farmers to take up sheep breeding on a larger scale low interest rate credits are granted under specified conditions for the purchase of ewes. The credits are to be granted for newly acquired flocks or for additional purchases subsequent to April 1, 1935. These allowances are to be paid back in 6 equal yearly installments from the wool proceeds, one of the requirements being that all wool coming from these animals be delivered to an officer of the Reich Wool Evaluation association. The granting of the credits is made through the Reich Association of German Sheep Breeders, the request for such credits to be made to the provincial sheep breeding associations. There is a credit allowance of $8.05 for the purchase of breeding ewes up to 6 months; for ewes over 6 months to 5 years the allowance is $10.06 each. The balance of the purchase price must be covered by the buyer himself from time to time. Credits for the purchase of male sheep or for wandering flocks are only given in exceptional cases. Credits will not be granted for the purchase of less than 30 sheep by an individual. Various sheep owners may join together, however, and present a joint request.

Turkey

Almost half of the 1935 Turkish wool clip estimated at approximately 14,000,000 pounds had been sold by the end of August, the bulk going to Russian buyers and most of the remainder to local mills. The clip this year is about the same size as in 1933. Last year the clip was estimated at only 12,000,000 pounds owing to losses of sheep in Roumelia and Anatolia. Sheep numbers in 1934 were estimated at 10,719,000, a reduction of 3 percent compared with 1933. The Turkish wool clip is of the coarse and semi-coarse type. Most of the sheep are of the fat tailed variety and are raised for wool, meat and milk. The production of merino wool does not exceed 18,000 pounds.

In addition to the current clip about 2,000,000 pounds carried over from the preceding season were on hand at the opening of the 1935 season on May 1. About 5,500,000 pounds were sold during the first 4 months of the season or over a third of the estimated available quantity for the season. Soviet buyers purchased approximately 4,800,000 pounds during the first 4 months of the season up to August 31 and local mills about 680,000 pounds. The new Anatolia clip at the opening of the current season was bringing 15 to 16 cents per pound compared with 11 to 12 cents per pound in May 1934, states a report from United States Assistant Commercial Attache' John A. Embry from Istanbul. During July Soviet purchasers were paying 17 to 18 cents per pound for Anatolian wool.

New Zealand: Stocks of wool held by all interests on June 30 of specified years

Year	Greasy	Scoured and washed	Slipped (pulled)	Crutchings etc.	Wool on skins	Inspected wool	Total: Not converted to grease basis	Total: Converted to grease basis
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
1927	6,362	2,437	3,951	2,768	947	349	16,815	20,000
1928	5,314	1,584	4,675	3,318	550	926	16,368	19,500
1929	8,271	2,510	6,694	4,184	733	989	23,380	28,000
1930	52,396	4,279	10,412	6,289	697	1,324	75,397	82,800
1931	59,811	6,616	10,916	7,067	1,621	2,115	88,147	97,000
1932	74,560	6,168	15,133	7,152	1,796	2,320	107,129	117,900
1933	55,581	3,986	5,352	6,459	2,090	539	74,006	78,600
1934	27,444	4,157	5,933	3,870	1,510	1,797	44,712	49,800
1935	59,910	4,973	7,504	6,826	1,452	442	81,107	87,300

Division of Statistical and Historical Research. Compiled from report by Vice Consul Walter W. Orebaugh, August 23, 1935.

Germany: Sheep numbers as of June 4, 1935, with comparisons

Date	Number of owners	Under 1 year	1 year and over: Rams and wethers	1 year and over: Ewes	Total number
	Thousands	Thousands	Thousands	Thousands	Thousands
June 1, 1917 1/		2,270	3,906		2/ 6,176
June 1, 1918 1/		2,502	3,989		2/ 6,491
June 2, 1919 3/		2,327	3,836		6,163
June 1, 1920		2,652	4,385		7,037
June 4, 1935 4/	235	1,787	372	2,381	4,540

Division of Statistical and Historical Research. Compiled from Vierteljahrshefte, 1918, Erganzungsheft IV zu 1918 and Vierteljahrshefte IV 1917, 1918, and 1919.

1/ Includes Alsace Lorraine.

2/ Excluding Alsace Lorraine the number was as follows: June 1, 1917, 6,132,000; June 1, 1918, 6,443,000.

3/ Same boundaries as in 1920, i.e., excludes Alsace Lorraine and other territory lost in the War.

4/ Saar Basin excluded. Does not include numbers in cities of 100,000 or over.

Germany: Sheep numbers on December 1 according to boundaries, as of the dates specified.

Date	Under 1 year	1 year and over: Rams and wethers	1 year and over: Ewes	Total
	Thousands	Thousands	Thousands	Thousands
Dec. 31, 1860	---	---	---	28,017
Jan. 10, 1873	---	---	---	24,999
Jan. 10, 1883	4,411	14,699		19,190
Dec. 1, 1892	3,773	9,817		13,590
Dec. 1, 1897	3,087	7,780		10,867
Dec. 1, 1900	2,687	7,006		9,693
Dec. 1, 1904	---	---		7,907
Dec. 2, 1907	2,350	5,354		7,704
Dec. 2, 1912	1,716	4,087		5,803
Dec. 1, 1913	---	---		5,521
Dec. 1, 1913 1/ ...	---	---		4,988
Dec. 1, 1914	---	---		5,471
Dec. 1, 1915	---	---		5,073
Dec. 1, 1916	1,491	3,488		4,979
Dec. 1, 1917	1,562	3,392		4,954
Dec. 4, 1918	1,739	3,644		5,382
Dec. 1, 1919 2/....	1,618	3,723		5,341
1920	1,920	4,229		6,149
1921	1,748	4,143		5,891
1922	1,614	3,952		5,566
1923 3/....	---	---		(6,105)
1924	1,697	4,038		5,735
1925	1,370	476	2,907	4,753
1926	---	---	---	4,080
1927	1,082	358	2,379	3,819
1928	1,031	342	2,262	3,635
1929	973	316	2,191	3,480
1930	1,064	260	2,180	3,504
1931	1,034	267	2,198	3,499
1932	1,034	248	2,123	3,405
1933	1,039	238	2,110	3,387
1934	---	1,336	2,146	3,482
1935				

Division of Statistical and Historical Research. Compiled from Vierteljahrshefte zur Statistik des Deutschen Reichs, Heft II.

1/ Estimated for present boundaries.

2/ Present boundaries for this and subsequent years.

3/ Estimate for December 31 not available. Unofficial estimate based on October estimate and slaughter during last few months of year.