UNITED STATES DEPARTMENT OF AGRICULTURE
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WORLD WOOL PROSPECTS

Summary

Supplies of unmanufactured wool now available in this country for 1936 are smaller than a year earlier. Production of shorn wool in the United States is not likely to be greatly different from the production in 1935, but stocks of wool in this country are now much smaller than a year ago. The consumption of wool by domestic mills in 1936 probably will not be so large as the very large consumption in 1935. The tendency for a 2-year cyclical movement in domestic mill consumption of wool is indicated in figure 1 shown at the end of this release.

Since the bulk of wool supplies in the Southern Hemisphere was marketed early in the current season a smaller quantity remains to be sold in those countries in the last few months of the season than was the case a year ago. Available supplies still remaining for disposal in Southern Hemisphere countries on April 1 were about 31 percent smaller than a year ago and were 18 percent smaller than the preceding 5-year average.

Stocks of apparel class wool held by dealers and manufacturers in the United States on March 28 were 103,642,000 pounds scoured basis, a reduction of 23 percent as compared with the same date in 1935. Of the total stocks held on March 28 of this year only 57 percent was domestic wool, while in March 1935 domestic wool was 86 percent of the total. The stocks on March 28 of this year represented 144,951,000 pounds of shorn wool, greasy shorn basis and 41,641,000 pounds of pulled wool, greasy

pulled basis.

Some weakness in domestic prices of wool has developed in recent weeks probably as a result of a decline in demand from manufacturers. Foreign wool prices have continued firm. Figure 2 at the end of the release shows prices of medium wool at Boston and London, January 1921 to March 1936, and the spread between those prices. The spread between domestic and foreign wool prices in the last few months has been sufficiently large to encourage substantial imports of wool by the United States.

Imports for consumption of apparel class wool by the United States in the first quarter of 1936 were 29,858,000 pounds compared with imports of 5,307,000 pounds in the same period of 1935. The imports for the first quarter of 1936 were larger than in the same period of any year since 1929. Orders to be filled in foreign markets for United States buyers began to decline in March as demand declined in the domestic market and imports are not likely to continue much longer at recent high levels.

Manufacturing activity in the wool textile industry of the United States has declined somewhat from the unusually high level reached in the fall of 1935. When mill consumption figures are adjusted for seasonal variation there has been a decline in every month since October. Activity of many mills was hindered by flood conditions in the New England States in March and consumption figures for March when they become available, are likely to show a further decline.

There was a slight falling off in machinery activity in the wool industry of the United Kingdom during the first quarter of 1936. In view of the very high consumption in that country in 1935 the recent high level of activity may not be maintained throughout 1936. New orders for the wool industry of western Europe were somewhat curtailed in the second half of March as a result of uncertainty in the international political situation but mills continued very active on old orders.

All of the principal wool consuming countries except Germany and Italy took much larger quantities of wool in 1935 than in 1934 when the quantity retained was sharply reduced. A downward trend in the quantity of wool retained in France and Germany in recent years has been offset by an upward trend in the United Kingdom and Japan. See text, pages 11-15.

Weather and feed conditions are fairly favorable in Southern Hemisphere countries where the clip will be shorn in the last half of 1936. The number of sheep to be shorn in Australia will probably be slightly smaller than a year ago while in the Union of South Africa it is expected to be larger. No reliable estimates of the sizes of the coming clips are as yet available.

Market Situation

United States.--Some weakness in domestic prices of wool has developed in recent weeks, but sales have been very limited even at the lower prices. After the middle of March mills bought only what they required to complete orders. Such purchases were smaller and failed to reduce materially the limited market supply according to the monthly report of R. L.Burrus of the Boston office of the Bureau of Agricultural Economics.

Slow demand in the Boston market from early February to the middle of March had little influence upon quotations because of the very small supplies in that market. In April, however, early shorn fleeces began to arrive at Boston. At the same time country dealers were reported to be offering to deliver new fleeces at prices below the Boston quotations on similar old clip wools. These factors accompanied by the weak demand from manufacturers resulted in a lowering of prices of old clip fleece wools at Boston and was followed by a downward trend in prices of territory wools.

Boston quotations on strictly combing fine Ohio and similar fleece wool, grease basis declined about 1 cent a pound on small sales of old wools. This is about 4 cents a pound scoured basis below the peak of prices a month or two ago. Strictly combing 56s, declined about 6 cents a pound grease basis or 10 cents a pound on a scoured basis in the first 3 weeks of April while 46s declined 2 cents a pound on a grease basis or approximately 3.5 cents on a scoured basis.

Fine strictly combing territory wool averaged 87 cents a pound, scoured basis, in Boston the week ended April 18 compared with the peak of 94 cents a pound in March. Similar 56s were 76 cents the middle of April compared with 81.5 cents in March. Recent business on new California wools was at prices estimated around 78-80 cents scoured basis, delivered East for Middle County and northern wools of good French combing length, fine and 1/2 blood grades and fairly free of defect. Based upon these sales of California wools, experienced wool men estimated similar length staple fine territory wools to be nominally worth around 85 cents, scoured basis, in Boston.

There was some demand for foreign wools for apparel purposes in the month ended April 15 but the movement was not large and prices were inclined to ease. Meanwhile receipts of foreign apparel wools continued fairly heavy. The slackened interest on the part of domestic manufacturers and the firm prices in foreign markets stimulated dealers to find outlets abroad for their foreign wools. Recent reports indicated that a number of dealers had closed out all, or a part of their holdings to foreign accounts. Several hundred thousand pounds were declared for export through the port of Boston.

Woolen wools, like worsted types, suffered a decline in demand, though possibly not to such a great extent as the worsteds. Foreign types of low grade wools used for woolen manufacture were quite firm as a result of firmness in similar wools abroad. Scoured pulled and shorn domestic wools were inclined to ease. Noil prices were also slightly lower but business in noils was better than in other woolen types of raw wools.

New business in tops during the month ended April 15 was too small to afford a satisfactory basis for quoting market prices. Deliveries were only fair and appeared smaller than in the previous month.

Stocks of apparel class wool held by dealer's and manufacturers, reported to the Bureau of the Census as of March 28, were 103,642,000 pounds, scoured basis, compared with 113,337,000 pounds on December 31, 1935 and 134,785,000 pounds on March 30, 1935. Of the total stocks held on March 28 of this year, however, only 57 percent was domestic wool. In December domestic wool constituted 74 percent of the total stocks reported, and in March 1935 domestic wool was 86 percent of the total. Total stocks of apparel class wool held by dealers on March 28 were only half as large as a year earlier and dealers holdings of domestic wool were less than one-third as large as a year earlier. Stocks held by manufacturers were about 20 percent larger than in March 1935, but the increase was entirely due to larger stocks of foreign wools (see following table). The stocks of apparel wool reported on March 28 were equivalent to 144,951,000 pounds of shorn wool, greasy shorn basis and 41,641,000 pounds of pulled wool, greasy pulled basis. In addition, the Department of Agriculture estimates that there were 350,000 pounds of domestic shorn wool on ranches and farms and in local country warehouses in the 13 Western Sheep States, which does not include any wool from the 1936 clip. Dealers, manufacturers and topmakers also held 23,791,000 pounds of top and 11,544,000 pounds of noil on March 28. Stocks of carpet wool were larger on March 28 than a year earlier.

The margin between foreign and domestic wool prices was sufficiently large in the early months of 1936 to permit substantial imports of wool by the United States, see figure 2 at end of release. Arrivals of foreign

Stocks of raw wool, top and noil held by dealers, topmakers and manufacturers in the United States, scoured basis, ~~March 28~~, 1936 with comparisons June 27

Item	1935 Mar. 30	1935 Dec. 31	1936 Mar. 28
	1,000 pounds	1,000 pounds	1,000 pounds
Apparel class:			
Raw wool, total	1/134,785	113,337	103,642
Dealers-			
Domestic	73,646	35,518	22,050
Foreign	9,641	16,266	19,106
Manufacturers-topmakers-			
Domestic	41,570	48,883	37,117
Foreign	9,598	12,670	25,369
Top total	17,782	20,897	23,791
Dealers	812	1,018	1,487
Topmakers	3,574	6,527	6,871
Manufacturers	13,371	12,862	15,153
Top exchange	25	490	280
Noil total	9,302	11,927	11,544
Carpet class:			
Raw wool total	28,415	35,595	38,775
Dealers	5,502	3,337	3,135
Manufacturers	22,913	32,258	35,640
Top and noil total	534	511	587

June 1935

Compiled from Bureau of the Census Quarterly Wool Stock Reports. March 1935 statistics believed to include over 97 percent of the total raw wool, top and noil stocks held by all dealers, topmakers and manufacturers; ~~December 94 percent.~~
June 1936 over 96 percent

1/ Revised total.

apparel class wool in the first quarter of 1936 were larger than in the same period of any year since 1929. Weekly figures based on importers' declarations show total arrivals of 47,595,000 pounds of such wool at the ports of Boston, New York, and Philadelphia, from December 30 to April 11, inclusive. Only 4,762,000 pounds were reported in the corresponding period of last year and 10,740,000 pounds in 1934.

Imports of apparel wool for consumption (wool entered for immediate consumption plus withdrawals from warehouses for consumption purposes) in the first 3 months of 1936 were 29,858,000 pounds compared with 5,307,000 pounds in the first quarter of 1935. Imports of carpet wool were 36,806,000 pounds in the first quarter of 1936 and 28,878,000 pounds in the same months of 1935. Wool imports are usually largest in the first 4 months of the year before the new domestic clip becomes available. United States orders to be filled in foreign markets began to decline early in March as domestic demand declined and domestic prices showed some weakness. Foreign prices have continued very firm and imports are likely to decline somewhat from the recent high levels.

Receipts of domestic wool at Boston were 4,845,000 pounds in March compared with 4,576,000 pounds in February and 4,626,000 pounds in March 1935. Arrivals of domestic wool at Boston usually increase rapidly after April and reach a peak in July.

Receipts by months for the last five seasons are shown in the following table:

Wool, domestic: Receipts at Boston by months, season beginning April 1, 1931 to 1936

Month	1931-32	1932-33	1933-34	1934-35	1935-36
	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.	1,000 lbs.
Apr.	10,376	5,414	6,543	2,872	7,141
May	26,151	10,286	17,415	13,877	17,246
June	53,779	28,134	52,995	33,512	41,809
July	76,046	50,834	70,876	58,962	67,598
Aug.	34,445	42,764	45,593	22,986	33,981
Sept.	16,600	28,219	22,203	13,942	19,385
Oct.	6,567	16,960	15,241	12,033	11,803
Nov.	6,163	11,136	11,073	10,687	10,982
Dec.	5,350	5,063	5,583	4,826	5,285
Jan.	4,918	7,991	3,761	4,478	6,410
Feb.	5,131	8,384	4,739	2,380	4,576
Mar.	3,758	4,032	3,209	4,626	4,845
Season	249,284	219,217	259,231	185,181	231,061

Compiled from Boston Commercial Bulletin, 1931-1933. Figures from 1934 to date reported by the Boston office of the Bureau of Agricultural Economics and may not be strictly comparable with earlier figures.

Price	376	351	374	369	363

Consumption of wool by United States mills has declined somewhat from the unusually high level of the last half of 1935. The weekly average consumption of apparel wool in the 4 weeks ended February 29 was 6,122,000 pounds scoured basis, compared with an average of 5,645,000 pounds in January and 4,830,000 pounds in February 1935. At the peak of activity in October 1935, consumption averaged 7,395,000 pounds per week. The consumption of apparel class wool in February was equivalent to 44,612,000 pounds of shorn wool, greasy shorn basis and 6,507,000 pounds of pulled wool, greasy pulled basis. When the mill consumption figures are adjusted for seasonal variation there has been a decline in every month since October.

Activity of many mills was greatly hindered by the flood conditions in the New England States, and consumption figures for March when they become available are expected to reflect the decline. Demand in the piece goods market has been very slow in the last 2 months, but this was probably due in part to seasonal conditions.

The tendency for a 2-year "cyclical" movement in domestic mill consumption of wool is indicated in figure 1, shown at the end of this release. It will be observed that since 1927 consumption has been high and low in alternate years. This cyclical tendency probably occurs because mills apparently process wool in excess of actual consumer requirements for wool goods in years when conditions in the wool industry are favorable and prices relatively high. This large consumption of wool apparently leads to an accumulation of stocks of manufactured and semimanufactured goods, which in turn tends to curtail mill activity the following year. With increases in consumption in any year frequently being accompanied by advances in the price of wool, mill consumption of reworked wool and wool substitutes the following year is encouraged, while consumption of raw wool is discouraged by the high prices of raw wool. Thus in the second year mill consumption apparently declines and stocks of manufactures and semi-manufactures are disposed of. In years when consumption is low, stocks of raw wool tend to accumulate and wool prices tend to decline, with both factors tending to stimulate an increase in mill consumption the next year.

In 1935 mill consumption of apparel class wool was very large and wool prices advanced materially in the last 8 months of the year. This increase in consumption in 1935 was preceded by the lowest annual consumption on record in 1934. Thus conditions in the wool industry are such that a decrease in consumption in 1936 from the 1935 level is probable. Also a part of the large mill consumption in 1935 was due to large government orders for wool goods which are not likely to recur in as large a volume in 1936 as in 1935.

United Kingdom.- Prices of wool, tops and yarn at Bradford in March continued the advance which has been under way almost continuously during the last year. The Weekly Wool Chart index number for raw wool was 89 in March (English currency basis, July 1914 = 100) compared with 87 in February and 62 in March 1935. The corresponding index for tops was 94 in March, 92 in February and 68 a year earlier. The yarn index advanced to 109 in March compared with 107 in February and 88 in March 1935. The index for merino wool on a currency basis has now reached 100, the July 1914 average.

Prices of crossbreds are still relatively cheaper, the index being only 78. The Weekly Wool Chart reports that the Statist index number of wholesale commodity prices in England showed no change at the end of February, and states that prices of tops are now in a normal relation to the general price level, being neither dear nor cheap.

New business in tops at Bradford was reported to be rather light in the early part of April. Prices were generally firm, however, owing to the firmness in raw wool prices in all markets and the high consumption in the wool textile industry. New business in yarns was fairly good, orders being chiefly for the home trade.

In view of the unusually high consumption in the wool industry of the United Kingdom in 1935, the recent high level of activity is not likely to be maintained throughout 1936. There has undoubtedly been a slight falling-off in machinery activity from the highest point of the recent improvement, and there has been some decline in the amount of overtime worked. The Ministry of Labour reports that unemployment among insured workers in the woolen and worsted industry was 8.6 percent on March 23 compared with 9.7 percent on February 24 and 16.1 percent in March 1935. At the peak of activity in December, unemployment was 7.9 percent. The improvement in activity in March as compared with February was due to marked improvement in the worsted combing department and some degree of improvement in all departments of the woolen section.

Stocks of raw wool in all positions reported to the Imperial Economic Committee of the United Kingdom at the end of February showed an increase compared with stocks reported at the end of December but were smaller than at the same date of the 3 preceding years. Stocks at railway and canal depots in Yorkshire showed an increase at the end of February compared with a year ago. The Weekly Wool Chart states that usually the Yorkshire figures are fairly representative of the trend of trade stocks, but on this occasion it would appear that they have been swollen by wool which is really in transit. Trade stocks of wool at the end of February, so far as can be judged, were definitely lower than a year ago, according to the same report.

Imports of wool into the United Kingdom showed a further increase in March. Retained imports for the first quarter of 1936 were 235,660,000 pounds compared with 195,788,000 pounds retained in the first quarter of 1935 and an average of 226,000,000 pounds for that period in the 5 years 1930-34. Because of the activity of English buyers in Southern Hemisphere selling centers in recent months, imports will probably continue large through the first half of the year.

While there has been considerable improvement in the export trade of the United Kingdom in wool products in recent years, the increase is not sufficient to account for the increase in retained imports of raw wool. It is evident that a large part of the improved consumption in the wool textile industry of the country is due to increased production for the home market. The home market was greatly expanded by shutting out imports as a result of the tariff on imports of woolen and worsted yarns and tissues and the depreciation in the British pound after England abandoned the gold standard in September 1931.

Wool: Stocks in the United Kingdom, 1933-1936

Location and year	End of month					
	Feb.	Apr.	June	Aug.	Oct.	Dec.
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Public warehouses in London and other ports 1/						
1933	68	98	90	86	57	47
1934	76	90	115	119	103	87
1935	86	89	80	76	63	41
1936	55	62				
Railway and canal depots in: Yorkshire						
1933	75	109	125	102	83	71
1934	94	115	105	85	61	51
1935	47	76	92	75	51	43
1936	54	[illegible]				
Totals						
1933	143	207	215	188	140	118
1934	170	205	220	204	164	138
1935	133	165	172	151	114	84
1936	109	142				

Compiled from Wool Intelligence Notes, United Kingdom Imperial Economic Committee.

1/ Liverpool, Manchester, Southampton, Hull, and Grimsby. Stocks in warehouses in London for 1936 include wool held at additional warehouses not included in earlier years, amounting to about 4,600,000 pounds in February. and 5,300,000 pounds in April.

Continental Europe 1/

The situation in the wool textile industry of continental Europe in March was characterized by the refusal of sellers to quote lower prices and, while trading was somewhat irregular, prices remained very firm. In western Europe new orders were somewhat curtailed as a result of the uncertainty in the international political situation, but despite the smaller amount of new business mills remained well occupied on old orders. In Italy trade and activity continued restricted and the raw material situation in Germany has become slightly more acute.

Stocks of merino tops in commission combing establishments of France and Belgium showed a further slight increase at the end of March compared with the previous month, while stocks in Germany continued to decline. Stocks of crossbred tops were smaller than at the end of February in all three countries. Reports for Italy are no longer available. Stocks of merino

1/ Reported by L. V. Steere, agricultural Attache at Berlin.

tops in combing establishments of the three countries combined were 19,401,000 pounds at the end of March compared with 18,510,000 pounds at the end of February and 22,359,000 pounds in March 1935. Stocks of crossbred tops at the end of March were 19,786,000 pounds compared with 20,243,000 pounds a month earlier and 26,914,000 pounds a year earlier.

France.- Relatively favorable conditions persisted in the French wool textile industry during March and early April, and business was stimulated by the firm tendency of domestic and foreign wool and fabrics markets. Political undertainty, internal and external, however, made for a somewhat cautious attitude in the second half of March, when trading in top, noils and washed wool was reduced. The industry is still well supplied with unfilled orders, though there have been complaints of unsatisfactory domestic and export business of late.

Belgium.- The quieter tendencies in Belgian wool textile business reported for Janucry and February persisted in March and early April, and it was reported that, despite normal occupation of the mills in general, there have been signs of slight recession in places because of a reduced volume of unfilled orders.

Trading in top, wool and noils was only moderate throughout March, despite firm foreign and futures markets. It is said that the difficulties in the international political situation have been partly responsible for the recent less satisfactory developments.

Germany.- Reports from the industry indicate rather definitely that raw material is scarce - a statement that is clearly supported by very small wool imports in the past several months as well as by the continued reduction in top stocks. Commission comber stocks of top at the end of March were only about one-third as large as a year ago, or one-fourth as large as 2 years ago. Although a relatively smaller share of all top stocks in the country is now held by commission combers, compared with 2 and 3 years ago, the decline is significant.

As a result of these conditions, demand for wool as well as for tops and noils remained very active and was only partly satisfied. It also seems that mill activity had to be restricted somewhat because of the inadequate raw material supply. Substitute fibers continue to be reported as making up an increasing part of total raw material utilized by spinning mills, but the actual amounts of those products consumed by wool textile mills still appear small.

Italy.- Whatever meagre information is available on wool textile conditions in Italy indicates that March and early April activity in worsted spinning mills showed further reduction. Activity in the woolen branch remained relatively more favored. Stocks of top, the publication of which has been suspended for several months, are said to be small and occupation of commission combers has been reduced as a result of the reduction in raw wool supplies. Some purchases of foreign wool are reported to have been made in South America by Italian interests.

The Italian clip has assumed considerable importance as a source of raw wool since imports are so drastically reduced. As reported in March World Wool Prospects, the Italian Government has decided to take over all domestic wool production from the 1936 clip.

A special committee of the Association of Agriculturalists in Italy is engaged in working out proposals for the regulation of the purchase of home-produced wool in accordance with the decree issued during the last week in February, states "wool", published by the British Continental Press Ltd., London.

The committee proposes that the local authorities, together with the section of the Military Commissariat concerned, be charged with the collection and registration of the various qualities of wool forming the domestic clip. It is further proposed that all sheep owners be obliged to register in order to ensure full compliance with the Governmental regulations.

Hungary.- It is reported that the Hungarian wool textile industry has been obliged to consent to take most of the home-produced wool of the current year's clip. Wool firms will only receive permits to import raw wool to a quantity equal to their purchases of Hungarian wools. Prices are to be fixed according to world market prices.

Quantity of Wool Retained by Principal Consuming Countries, 1927 - 1935

Consuming countries which account for the disposal of about 80 percent of the world's wool production again took an average quantity of wool in 1935 following a sharp decline in 1934. Substantial increases were reported by all the important consuming countries with the exception of Germany and Italy, where exchange difficulties greatly hampered the procurement of raw materials from foreign countries.

The quantity of wool retained by nine principal countries (excluding Russia) was estimated at 2,625,000,000 pounds in 1935, compared with only 2,375,000,000 pounds in 1934. If 1933 and 1934 are averaged, however, the average is found to be equal to the 1935 total.

The average for the last 3 years, 1933-1935, was slightly larger than the average of 2,617,000,000 pounds for the years 1930-1932 and was also above the average of 2,611,000,000 pounds for 1927-1929.

The tables below show the quantity of wool retained by the principal consuming countries by years, from 1927 to 1935; world production of wool, and the total quantity retained by 10 countries; and total imports into specified countries, 1927-1935. So far as statistics are available, the figures on wool retained refer to total imports less reexports, plus domestic production less exports. For Japan, domestic production and reexports of wool are considered negligible and figures refer to total imports. Estimates of the quantity of wool pulled from imported skins in the United Kingdom and France were obtained from Wool Intelligence Notes published by the Imperial Economic Committee, United Kingdom. Figures are based on the latest statistics available, but all estimates are subject to revision.

Wool: Quantities retained by principal consuming countries, 1927-1935 1/

Country	1927	1928	1929	1930	1931	1932	1933	1934	1935
	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.
United States	610	619	675	596	621	493	633	558	652
United Kingdom	543	523	556	590	677	689	670	602	646
France	604	542	594	605	492	503	590	377	430
Germany	437	386	373	354	327	334	365	336	300
Italy	137	151	163	163	142	198	226	178	145
Belgium	109	110	133	126	104	90	74	66	118
Czechoslovakia	38	38	43	40	40	33	32	33	39
Poland	45	40	45	42	45	39	47	43	51
Russia 2/	438	471	481	378	280	199	204	196	231
Japan	98	115	107	115	189	204	239	182	244
Total:									
Excl. Russia	2,621	2,524	2,689	2,631	2,637	2,583	2,876	2,375	2,625
Incl. Russia	3,059	2,995	3,170	3,009	2,917	2,782	3,080	2,571	2,856

Compiled from official sources and "Wool Intelligence Notes", Imperial Economic Committee, United Kingdom. Production estimates are those of the United States Department of Agriculture. Production of pulled wool for most of the principal countries is included at its grease equivalent. Trade in scoured and washed wool is included at actual weight and is not converted to grease equivalent. Figures are based on the latest statistics available but all estimates are subject to revision. In the 5 years 1928-1932 the quantity retained by these 10 countries averaged more than 80 percent of the world's wool production.

1/ Production less domestic exports, plus imports less reexports. Where domestic exports are not reported they are assumed to be negligible.
2/ Production in Russia declined sharply from 394,000,000 pounds in 1929 to 135,000,000 in 1934. An increase is estimated for 1935. Russian production does not enter world trade but is used within the country.

Wool: World production and quantities retained by principal consuming countries, 1927-1935

Year	World production 1/		Quantity retained by principal consuming countries 2/	
	Including Russia & China	Excluding Russia and China 3/	Including Russia	Excluding Russia 3/
	Million pounds	Million pounds	Million pounds	Million pounds
1927 ...	3,603	3,154	3,059	2,621
1928 ...	3,749	3,279	2,995	2,524
1929 ...	3,728	3,256	3,170	2,689
1930 ...	3,676	3,292	3,009	2,631
1931 ...	3,684	3,394	2,917	2,637
1932 ...	3,651	3,431	2,782	2,583
1933 ...	3,587	3,368	3,080	2,876
1934 ...	3,527	3,314	2,571	2,375
1935 ...	3,460	3,215	2,863	2,625

Production estimates of the United States Department of Agriculture. Imports and exports from official sources and from "Wool Intelligence Notes", Imperial Economic Committee, United Kingdom.

1/ World production includes wool shorn during the calendar year in the Northern Hemisphere and that shorn during the season beginning July 1 or October 1 of the given calendar year in the Southern Hemisphere, the bulk being shorn during the last 6 months of the given calendar year. The production of Southern Hemisphere countries is largely exported to consuming countries of the Northern Hemisphere and the bulk of this wool probably does not enter consuming channels until the calendar year following that in which it is produced. Pulled wool is included in the total for most important countries at its grease equivalent.

2/ Production less domestic exports, plus imports less reexports. Where domestic exports are not reported they are assumed to be negligible. Trade in scoured and washed wool is included at actual weight and is not converted to a grease basis. The countries included are United States, United Kingdom, France, Germany, Belgium, Italy, Poland, Czechoslovakia, Russia and Japan. In the 5 years 1928-1932 the quantity retained by these 10 countries averaged more than 80 percent of the world's wool production.

3/ Production in Russia declined sharply from 394,000,000 pounds in 1929 to 135,000,000 in 1934. The production of Russia does not enter world trade but is used entirely within the country.

No official estimates of production are available for China, but on the basis of sheep numbers in 1932 production is unofficially estimated at about 78,000,000 pounds a year. Owing to poor marketing conditions in some years exports are not a reliable index of production. In the 7 years ended 1933 exports from China ranged from 8,000,000 pounds in 1932 to 74,000,000 in 1928.

Wool, raw: Imports into specified countries, 1927-1935 and January-February 1935 and 1936

Year and month	United States	United Kingdom 1/	France 2/	Germany	Belgium	Italy	Japan
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
1927	267,287	821,990	686,796	424,775	146,875	88,744	99,589
1928	244,553	779,254	612,072	380,649	144,701	106,919	116,194
1929	280,371	813,873	686,487	376,437	169,621	120,248	107,429
1930	163,734	782,287	690,269	347,966	159,166	119,587	115,025
1931	158,385	848,229	570,223	326,575	137,189	105,094	189,714
1932	56,535	918,308	563,167	318,666	147,107	158,998	205,178
1933	178,928	952,019	681,741	351,778	213,314	189,339	240,640
1934	3/109,401	788,532	438,955	332,690	164,836	147,189	182,847
1935	202,733	864,246	502,454	287,163	235,058	4/100,138	245,245
Jan. 1935	8,583	94,384	63,057	29,969	25,376	6,823	20,048
1936	21,167	94,484	54,249	17,782	30,004	5/	27,800
Feb. 1935	11,964	78,389	53,787	24,993	19,630	9,066	20,739
1936	21,212	101,725	61,428	19,153	5/	5/	5/

Compiled from official sources.
1/ Gross figures; reexports not deducted.
2/ Includes wool on skins.
3/ Imports for consumption, beginning 1934.
4/ January-September. Italian statistics not reported after September 1935.
5/ Not available.

Because of the lack of data on carry-over from year to year, the estimates of quantities of wool retained are not an accurate indication of changes in consumption from year to year. In the case of the United Kingdom, for example, statistics on employment and information on industrial conditions indicate that consumption of wool in that country declined from 1927 until the latter part of 1931, then increased rapidly through 1935. The heavy imports from 1929 to 1931 resulted in a considerable accumulation of stocks in those years. The statistics on quantities of wool retained may be used with reasonable accuracy, however, to determine the trend of consumption over a period of years.

If Russia is excluded, world consumption as indicated by the quantities retained by nine principal consuming countries has shown little change from 1927 to 1935. A marked downward trend in this period in France and Germany has been offset by an upward trend in the United Kingdom and Japan. Production in Russia declined sharply from 394,000,000 pounds in 1929 to 135,000,000 pounds in 1934. Russian production does not enter world trade, but is used entirely within the country. For this reason totals are shown including and excluding Russia.

In comparing world production with the quantity retained in any specified year, it must be remembered that the bulk of the wool produced in the Southern Hemisphere is shorn chiefly in the last half of the year and is shipped to Northern Hemisphere countries. A large part of this wool probably does not enter consuming channels until the year following that in which it is produced.

The Supply Situation

Summary

The supply of wool available for marketing by Northern Hemisphere countries this year will probably be somewhat smaller than a year ago. While new supplies are about the same as they were last year, stocks of old clip wool are reported as reduced, particularly in the United States.

Weather and feed conditions are shaping up well in Southern Hemisphere countries where the clip will be shorn in the last half of 1936. Summer rain was fairly abundant in the last half of the summer and prospects are that feed will be sufficient to carry stock through the winter in most of the important sheep raising areas. The number of sheep to be shorn in Australia will probably be slightly smaller than a year ago, whereas in the Union of South Africa it is expected to be larger. No reliable estimates of the sizes of the coming clips are as yet available.

Apparent available supplies of wool still remaining for disposal in Southern Hemisphere countries still continue smaller than a year ago and on April 1 the reduction amounted to about 305,000,000 pounds or 31 percent.

As compared with the preceding 5-year average, supplies this year are 18 percent smaller. As the bulk of the supplies were marketed early in the season, a smaller quantity remains to be sold in the last few months than was the case a year ago. Stocks at selling centers on April 1 were greatly reduced as compared with a year ago.

Exports from the principal Southern Hemisphere wool producing countries for the first three-fourths of the season are considerably above those of a year ago. As total available supplies for the season were estimated to be smaller than they were last season, exports from now on will probably fall off materially. The principal selling season in Australia, New Zealand and the Union of South Africa is over in April, whereas in Argentina and Uruguay, where the season extends until September, exports are usually much reduced in July, August, and September.

Northern Hemisphere

United States.- Present prospects continue to indicate a 1936 wool clip in the United States not greatly different from the 363,000,000 pounds produced in 1935 when production was smaller than in either of the two preceding seasons.

Range and sheep conditions this season have been similar to those of 1929-30 and 1932-33, thus pointing to about the same percentage of stock sheep being shorn and about the same average weight of fleece. Estimates based on the percentage shorn and average weights of fleeces in the years 1930 and 1933 indicate a clip of about 362,000,000 pounds in 1936. The official estimate of the Division of Crop and Livestock Estimates of the Bureau of Agricultural Economics will not be issued until August, when more complete information on the quantity of wool shorn will be available.

Sheep have wintered well this year in the United States with slight losses, according to the Western Livestock and Range Report of the Division of Crop and Livestock Estimates. Spring range prospects are generally good in the far west and northwest and in Arizona, and fair to good in Montana, the Dakotas and Wyoming. Rain is needed in western Nebraska, eastern Wyoming, parts of Kansas, Colorado, Oklahoma. Northwestern Texas and northeastern New Mexico are very dry and wind and dust storms have been severe on livestock. Rain would improve the situation materially. The condition of sheep on western ranges on April 1 was 86 percent of normal or the same as on March 1 compared with 79 percent on April 1, 1935 and a 10-year average of 87.8. During the 10 months from July 1 to date sheep conditions have averaged 89 percent of normal against only 76 percent a year ago. The recent seasons when sheep conditions were similar to those of this season were in 1929-30 and 1932-33.

Spring range feed is late, particularly in the north. Hay and feed supplies are generally ample with considerable surplus. Late feeding has reduced feed supplies in parts of Montana, Oregon, Washington, and the Dakotas. Concentrated feeds have been used on northern sheep ranges.

The condition of ranges on April 1 was 77 percent of normal, or the same as on March 1, compared with 64 percent on April 1, 1935 and 81.7 percent the preceding 10-year average. Range conditions for the first 10 months of the season, July 1, 1935 to April 1, 1936, averaged 81 percent of normal compared with only 59 percent last season. Range conditions averaged 82 percent of normal in 1932-33, which was the nearest like this season of any recent year.

Canada.- It was believed last year that the low point in the Canadian sheep cycle had been reached, but, considering the numbers on hand on December 1, 1935 as officially reported and breeding intention reports for the period December to June 1935-36, indications are that the low point has not yet been reached. Numbers have declined from 2,812,000 on December 1, 1932 to 2,628,000 on December 1, 1935. The decrease in sheep numbers in Canada during the calendar year 1935 was 4 percent. There was a 23 percent decrease in sheep numbers between June and December 1935 and only a 20 percent decrease between June and December 1934.

Canada: Number of sheep on hand on December 1, 1935 and prospective lambing, December to June 1935-36, with comparisons

Provinces	Sheep numbers December 1			Number of ewes to lamb, December to June		
	1933	1934	1935	1933-34	1934-35	1935-36
	Thousands	Thousands	Thousands	Thousands	Thousands	Thousands
Principal eastern provinces						
Ontario	573.5	572.3	581.3	394.7	398.1	387.8
Quebec	516.6	517.7	518.7	354.8	329.5	357.7
Total	1,090.1	1,090.0	1,100.0	749.5	727.6	745.5
Others	264.8	241.8	227.9	151.3	182.7	186.4
Total 5 eastern provinces	1,354.9	1,331.8	1,327.9	900.8	910.3	931.9
Three prairie provinces and British Columbia						
Alberta	772.6	808.6	700.0	500.6	522.1	523.6
Saskatchewan ..	302.7	308.0	328.1	250.0	253.6	163.7
Manitoba	135.8	131.0	118.3	105.1	101.1	92.1
British Columbia	171.9	158.8	154.2	133.6	120.2	117.9
Total 4 western provinces	1,383.0	1,406.4	1,300.6	989.3	997.0	897.3
Grand total .	2,737.9	2,738.2	2,628.5	1,890.0	1,907.3	1,829.2

Compiled from Monthly Bulletin of Agricultural Statistics of Canada, February 1935.

Whereas there was an increase of 1 percent in numbers in the two principal eastern provinces of Ontario and Quebec during the year, the total of 1,328,000 for the five eastern provinces showed a decrease of 0.3 percent as compared with December a year ago. There was an increase in Saskatchewan but all other western provinces showed decreases in 1935. The total number in the four western provinces in December 1935 was 1,301,000, a reduction of 8 percent compared with a year ago.

Fewer ewes will lamb during the period December to June 1935-36 than in 1934-35, according to farmers' intentions reports. This season only 1,829,000 ewes are expected to lamb, a decrease of 4 percent as compared with prospects a year ago.

A decline in sheep intended for market is indicated by reports made by farmers in the eastern provinces and in British Colombia. On the contrary, an increase in the number intended for market is forecast for the three prairie provinces.

Wool production in Canada has followed closely the decline in sheep numbers. In 1932 production was estimated at 20,890,000 pounds, and has declined each year since, with only a slight upturn in 1934, when sheep numbers in June were larger than in June 1933. There was a reduction again in 1935, however, and production was officially estimated at 19,371,000, 7 percent smaller than in 1932. It appears likely that production in 1936 may show a further decrease, with a 4 percent decrease in sheep numbers reported in 1935 and a 4 percent decrease indicated in the number of ewes to lamb this spring.

Mexico.- Sheep numbers in Mexico increased between 1930 and 1934, according to official figures just published. The Agricultural and Livestock Census of 1930 reported sheep numbers at 3,674,000 head, and according to the 1934 estimate the number was 6,021,000. This was an increase of 2,347,000 during the 5 years from 1930 to 1934. During the same period 1,632,000 head were slaughtered for consumption.

Sheep are raised to the best advantage in humid zones of Mexico, according to information contained in the Monthly Bulletin of Agricultural Statistics (Boletin Mensual de Estadistica Agricola). The principal producing regions are the North and Central districts, as shown in the table on page 19. Of the total number of sheep reported in 1934, 41 percent were in the North District and 48 percent in the Central District.

Wool production in Mexico was officially estimated at 10,270,000 pounds in 1934 compared with an estimate of 7,720,000 for 1930. Fine wool constitutes only 4,994,000 pounds or 49 percent of the total production. Approximately 54 percent of the sheep and 57 percent of the wool is grown in the six states of Zacatecas, Nuevo Leon, and Coahuila in the Northern Zone and Mexico, Puebla and Hidalgo in the Central Zone (see table, page 19). Fifty five percent of the wool grown in these states is described as fine, the remainder being Corriente.

The average weight of fleece per sheep and lamb shorn for all Mexico in 1934 was 1.7 pounds. The average weight was as follows in the different zones: Northern zone, 1.9 pounds; Gulf zone, 1.1 pounds; North Pacific zone, 1.6 pounds; South Pacific zone, 1.1 pounds; Central zone, 1.7 pounds.

Mexico: Number of sheep and production of wool in 1934

Zone	Number of sheep			Wool production		
	Fine	Corriente	Total	Fine	Corriente	Total
	Thousands	Thousands	Thousands	1,000 pounds	1,000 pounds	1,000 pounds
Northern	1,448	1,054	2,502	2,767	1,942	4,709
Gulf..........	5	177	182	---	201	201
North Pacific	30	51	81	79	51	130
South Pacific	---	387	387	---	427	427
Central	789	2,080	2,869	2,148	2,655	4,803
Total	2,272	3,749	6,021	4,994	5,276	10,270

Compiled from Boletin Mensual de Estadistica Agricola.

Mexico: Sheep and wool production in five principal states in 1934

State	Sheep numbers			Wool production		
	Fine	Corriente	Total	Fine	Corriente	Total
	Thousands	Thousands	Thousands	1,000 pounds	1,000 pounds	1,000 pounds
Zacatecas (N)	403	355	758	761	683	1,444
Nuevo Leon (N)	289	97	386	538	184	722
Coahuila (N)	343	17	360	649	26	675
Mexico (C)	105	582	687	291	845	1,136
Puebla (C)	178	370	548	643	323	966
Hidalgo (C)	187	347	534	326	556	882
Total 5 States	1,505	1,768	3,273	3,208	2,617	5,825
Total	2,272	3,749	6,021	4,994	5,276	10,270

Compiled from Boletin Mensual de Estadistica Agricola.

Southern Hemisphere

Australia.-Weather and feed conditions in Australia continue to improve as the autumn season (March-May) advances and conditions, especially in New South Wales and Queensland, are generally favorable to the growth of the 1936-37 wool clip, to be shorn in the last half of 1936. Present prospects are for a sufficient quantity of winter feed to carry the somewhat reduced number of sheep through the winter (June-August) to the general shearing time.

February rainfall in New South Wales exceeded the average over the greater part of the State and pastures were reported as green and abundant. Rain was still required in the north west and central west to insure autumn feed and water for stock where they are dependent on surface supplies.

In March abundant rains fell in Queensland, with aggregates of 10 inches in some of the tropical divisions and 8 inches in the central lowlands, where the drought was so serious in 1935. The rain also extended over New South Wales.

The situation in the other states was satisfactory with the exception of the southern part of western Australia which depends more upon the rain of the next few months, and further rains would be useful in South Australia and western Victoria.

Early unofficial reports indicate that the coming clip, 1936-37, will show further reduction owing to poor lambings in 1935, as a result of the drought and the difficulty encountered in obtaining breeding stock. In New South Wales owing to the generally satisfactory feed conditions, feeder lamb prices are very high and breeding ewes are difficult to secure. The first reliable estimate of the new clip will be issued in June.

The drought of early 1935 is reported to have reduced sheep numbers in Australia from the high level of 115,000,000 reported at the beginning of 1935. As a result there is a considerable decrease in the 1935-36 clip, which is now estimated to be about 980,000,000 pounds based on receipts into store for the first 9 months of the season compared with the preceding 10-year average. The reduction in sheep numbers and wool production was mostly in Queensland.

The average number of sheep and lambs shorn in Australia during the 5 years 1930 to 1934 was 112,000,000 head compared with an average of only 98,000,000 head in the preceding 5-year period. The average weight of fleece of sheep and lambs shorn during the 5-year period 1930 to 1934 was 7.81 pounds compared with 8.2 pounds in the preceding 5-year period.

In the state of New South Wales, the number of sheep on March 31, 1935 was 53,327,000, an increase of 2 percent above 1934 and also 2 percent above the 5-year average 1929-1933. The drought of 1935, although not as severe in New South Wales as in Queensland, undoubtedly affected lambing adversely as the bulk of lambing takes place in the autumn and winter months (March to August) before recovery from the drought was possible. The average number of lambs docked in the 5 calendar years 1927 to 1931 was 12,303,000. In the 5 years 1927 to 1931 the number docked in New South Wales averaged 48 percent of all the lambs docked in Australia.

Receipts of wool of the current clip into store in Australia during the first 4 months of the 1935-36 season were larger than during the same period of 1934-35 owing mainly to the favorable marketing situation rather than to an increased clip. From November on, receipts have been consistently smaller each month than a year ago and the decrease in receipts for the 9-month period beginning July 1, 1935 as compared with the same period of the preceding season was 5 percent. As compared with the preceding 5-year average for the same period, however, there has been an increase of about 0.5 percent in arrivals into store. Normally, over 90 percent of total seasonal arrivals come into store houses during the first 9 months of the year. The new Queensland clip comes on the market about the time the Australian season is closing - June 30. Last year, on account of the drought, shearing was early in Queensland and much of it was marketed before the close of the 1934-35 season. This season, the total clip from that state will probably be smaller and it is also probable that less will come on the market before the end of June than was the case a year ago.

Disposals have been accelerated this year by favorable marketing conditions. During the first 9 months of the season 725,000,000 pounds were sold and shipped in addition to 6,342,000 pounds lost by fire, making a total disappearance of 731,000,000 pounds, an increase of 14 percent above the same period of 1934-35 and 11 percent above the preceding 5-year average for that period. Stocks on hand at selling centers on March 31 were very small, amounting to only 30,000,000 pounds. Last year on the same date they amounted to 158,000,000 pounds and the preceding 5-year average was 102,000,000 pounds.

Exports for the first 9 months of the 1935-36 season up to March 31 reached 723,000,000 pounds and were 11 percent greater than during the same period of 1934-35. Wool shipments from Australia by principal countries of destination for the first 8 months of the season were as follows: in millions of pounds with percentages of last season in parentheses, United Kingdom, 215 (93); Japan, 166 (152); Holland and Belgium, 96 (100); France, 59 (109); Germany and Austria, 23 (105); Italy, 3 (25); United States and Canada, 24 (600); total, 614 (111).

<u>Union of South Africa</u>.-Conditions in the Union of South Africa at the beginning of the autumn months (March) were very favorable to the growth of the coming wool clip, to be shorn in the last half of 1936. The abundant rain of the summer season has insured sufficient feed to carry sheep through the winter months to the main shearing season (September-January) according to the most recent reports. This summer rainfall season is the principal one in most areas of the Union.

Indications are that the number of wooled sheep and lambs in August 1936 will show a further increase. Numbers on occupied farms increased from the low point of 30,257,000 in 1934 to 32,300,000 in 1935. One indication of a further increase is the fact that lambs' wool is now being received on the market in much greater quantities than during last season. It appears that flocks are gradually being restored to the numbers existing before the disastrous drought of the season 1932-33 when sheep losses were officially reported at 6,739,000 head. Losses continued through July, August, and September 1933 and the official estimate of losses for the 14 months July 1, 1933 to August 31, 1934 is 4,059,000. In 1930-31 and 1931-32 sheep and lambs losses did not exceed 2,000,000 head annually.

The marketing season for the spring or long wool clip ended in February. Stocks of long combing wools were almost entirely liquidated by that time and transactions were confined largely to odds and ends and lamb's wool reports Consul William E. De Courcy from Capetown. The fall or short wool clip comes on the market at the end of March.

The average export price of wool in March was (9-3/4 d. per pound) 20 cents a pound compared with 16 cents in March a year ago, 23 cents in March 1934 and only 8 cents in March 1933. The price of wool has continued firm throughout the season, the price rising slightly each month with the exception of August. German, French, and more recently, American buyers have been active.

In 1933 the Japanese Woolen Manufacturers' Association and others inaugurated a plan to purchase wool in South Africa to the quantity of 20,000 bales in the 1933-34 season in the face of prices less favorable than in Australia. The price differential was to be borne equally by the Association and the Japanese exporters to South Africa but was not to exceed 24 yen per bale. A method was provided to obtain funds by an increase of from 5 to 10 percent in freight rates to South Africa for a stated period.

Under the plan, 9,900 bales were bought in 1933-34 which with the 8,000 bales purchased before the plan went into effect failed to reach the proposed 20,000 bales. The price differential increased in January 1935 and both the amount of indemnity and the quantities to be purchased were modified but purchases even then were smaller than the amount determined upon. Last September the Japanese exporters renewed the Scheme for the 1935-36 season with the indemnity limited to 500,000 yen and the expected purchases to 15,000 bales. It is reported that the Japan Woolen Manufacturers' Association has not participated in the plan since the first season.

Apparent available supplies of wool in the Union of South Africa on April 1 for disposal during the remainder of the season are estimated to be about 12 percent smaller than on the same date of 1935 and 44 percent smaller than the average of the preceding 5 years on that date.

Favorable marketing conditions combined with some increase in available supplies for the season have resulted in receipts at ports during the first 9 months of the season amounting to 198,000,000 pounds. This is an increase of 15 percent above arrivals during the same period of 1934-35, but a decrease of 23 percent compared with the preceding 5-year average. Sales at auction for the same period this season reached 125,000,000 pounds and are 12 percent above the same period of 1934-35.

Exports of grease and scoured wool combined reached 178,000,000 pounds for the first three-fourths of the season, an increase of 6 percent above the quantity shipped during the same time a year earlier. Unsold wool stocks on April 1, 1936, were only 6,000,000 pounds compared with 14,000,000 on April 1, 1935 and 21,000,000 the preceding 5-year average at that date.

Argentina.- Sheep as well as other livestock were reported generally to be in good condition in early autumn (mid-March). The condition of pastures in the province of Buenos Aires and surrounding provinces was described as fair to good. More rain was needed. However, rain was received in Buenos Aires province at the end of March which benefited pastures there.

Arrivals of wool at Central Produce Market in Buenos Aires during the period October 1 to March 20 amounted to 60,353,000 pounds, an increase of 4 percent above a year ago for the same period. Stocks at that market on March 20 were only 5,591,000 pounds, a reduction of 36 percent below the same date of 1935. This market in recent years has handled about one-fourth of the Argentine clip.

Exports of wool for the first 6 months of the current season, October 1 to March 31, still continued to be somewhat larger than in the same period a year ago. March exports showed some increase as compared with those of January and February, and all 3 months were larger than in 1935. The quantity of wool shipped from Argentina during the first 6 months of this season was 181,000,000 pounds compared with 168,000,000 pounds in the same period of 1934-35 and a preceding 5-year average of 173,000,000 pounds for that period. Exports to the United States have been between 2 and 3 times as large as they were last season for the same period. It is reported by Assistant Trade Commissioner Joe D. Walstron at Buenos Aires that a substantial part of the shipments to the United States so far this season has been for clothing purposes whereas last year exports to the United States were confined almost entirely to carpet wool.

Uruguay.-Disposal of the Uruguayan wool clip has been very satisfactory during the first half of the 1935-36 season, up to March 31. Not only have prices been remunerative to the grower but the exchange situation has been favorable. The market was inactive in March owing to low supplies of a rather heterogeneous character.

Only about 20,000,000 pounds of wool or 17 percent of the total supplies available for the season remain for disposal during the last 6 months of the season. Last season about 75,000,000 pounds remained for disposal on March 31 whereas the average of the 5 seasons 1928-29 to 1933-34 remaining on hand at that date was 30,000,000 pounds. Domestic consumption absorbs about 10,000,000 pounds at present.

Wool production in 1935-36 is now reported to have been approximately 2/ 109,000,000 pounds, according to information published by the Weekly Review of the Chamber of Commerce for Domestic Produce (Revista Semanal Camara Mercantil de Productos del Pais), which is considered to be a reliable source of information. In addition there was a carry-over of

2/ Average of range from 106,000,000 to 112,000,000 pounds.

10,000,000 pounds from the preceding season making an available supply of 119,000,000 pounds for disposal during the season ended September 30, 1936, compared with 141,000,000 pounds available for disposal in 1934-35.

The United States has bought approximately 20,000,000 pounds or about one-fourth of Uruguayan exports of wool for the first half of the season. Last season the United States took only about 1,000,000 pounds in the same 6 months; in 1933-34, 5,000,000 pounds.

In the month of March alone almost as much wool was sent to the United States as in the whole season 1934-35. In fact, exports during the past 5 months to the United States have exceeded 4,000,000 pounds monthly. Weekly records of imports into the United States by important ports show that for the 4 weeks ended March 28, 4,531,000 pounds entered the United States from Uruguay for consumption or bonded warehouses. The wool was principally of the apparel type and mostly for worsted manufacture. Of the total quantity received from Uruguay during that period, 2,475,000 pounds or 55 percent was of 46s-56s count.

The price of different grades of wool according to description and quality at the end of March 1936 ranged as follows with corresponding price for a year earlier given in parentheses: Merinos 70s to 80s, 12 to 38 cents per pound (no quotations); Fine crossbreds 50/56s to 60s, 28 to 29 cents per pound (22 to 27 cents); Medium crossbreds 46s to 50s, no sales (18-23 cents); Coarse crossbreds 32/36s to 44s, 21 to 23 cents a pound (14 to 15 cents).

This season exports of wool by principal countries of destination except the United States during the 6 months, October 1 to March 31, were as follows: in millions of pounds with percentages of last year in parentheses, United Kingdom 22 (199); Germany 16 (102); Italy 4 (27); France 6 (156); total 80 (143).

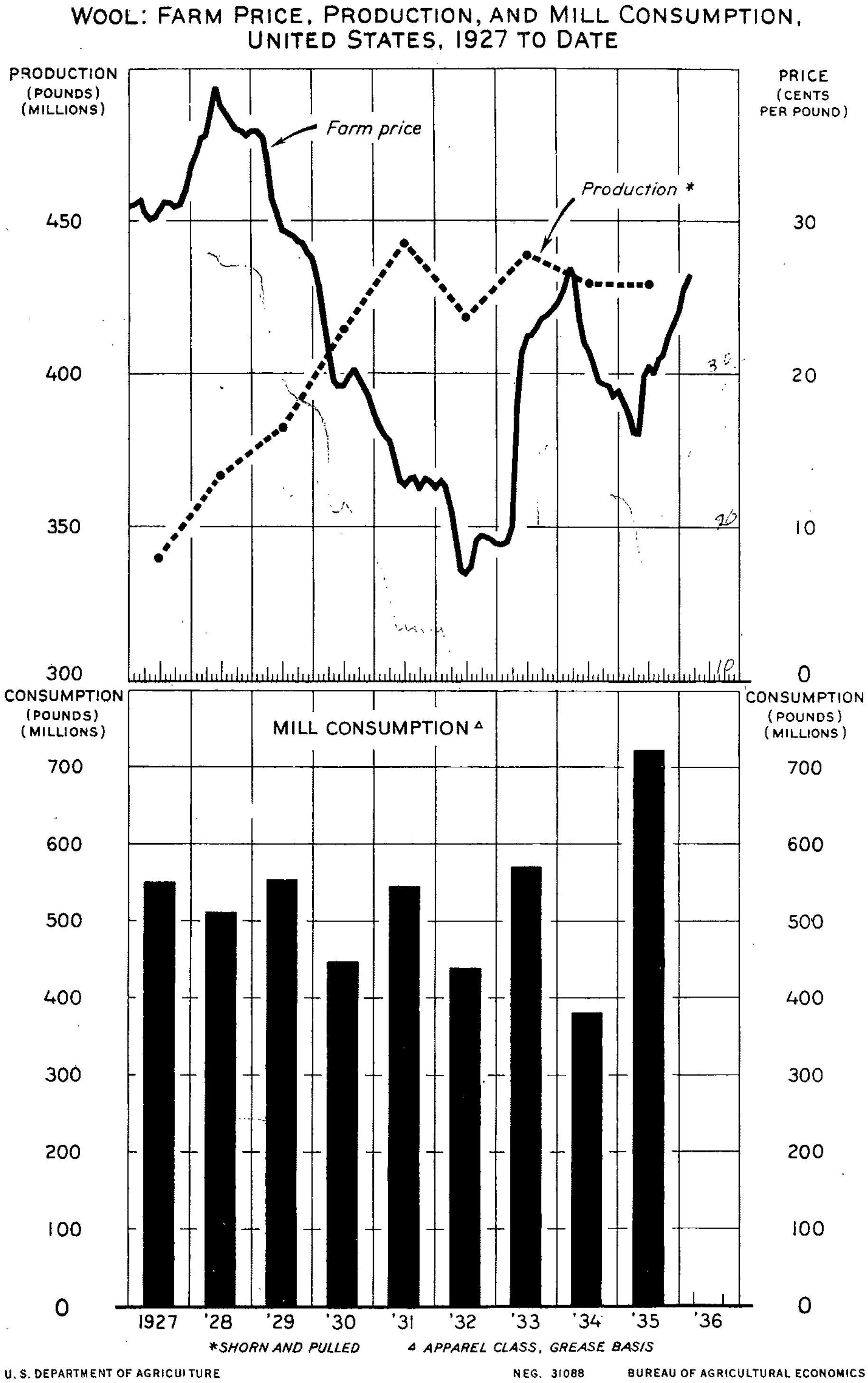
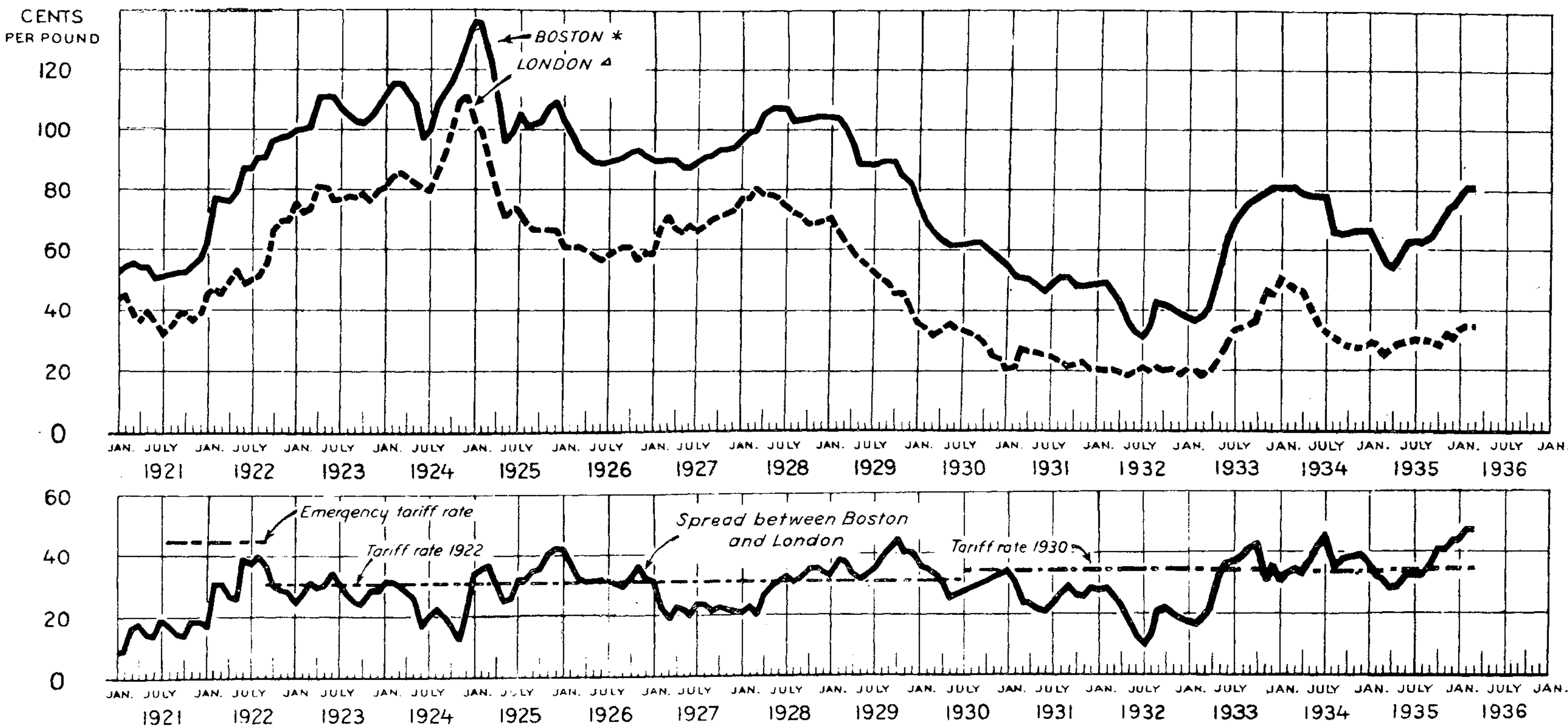


FIGURE 1.- THE STEADY ADVANCE IN DOMESTIC WOOL PRICES FROM MAY 1935 TO MARCH 1936 WAS CHIEFLY A RESULT OF THE STRONG DEMAND FOR WOOL IN THIS COUNTRY AND ABROAD. THE LOWER SECTION OF THIS FIGURE SHOWS AN APPARENT TENDENCY FOR DOMESTIC MILL CONSUMPTION TO MOVE IN 2-YEAR CYCLES.

WOOL, MEDIUM, 56S: AVERAGE PRICES AT BOSTON AND LONDON, AND SPREAD BETWEEN THESE PRICES, 1921 TO DATE



* BOSTON-TERRITORY, STRICTLY COMBING, SCOURED BASIS   Δ LONDON-AVERAGE QUALITY, CLEAN COST

U. S. DEPARTMENT OF AGRICULTURE   NEG. 19805-A   BUREAU OF AGRICULTURAL ECONOMICS

FIGURE 2.- THE SPREAD BETWEEN DOMESTIC AND FOREIGN WOOL PRICES IN THE LAST FEW MONTHS HAS BEEN SUFFICIENTLY LARGE TO ENCOURAGE SUBSTANTIAL IMPORTS OF WOOL BY THE UNITED STATES. SOME WEAKNESS IN DOMESTIC PRICES WHICH HAS DEVELOPED IN RECENT WEEKS AND CONTINUED FIRMNESS IN FOREIGN PRICES MAY CHECK IMPORTS.