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A Suggested Plan for Marketing Kentucky Wool

BY

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Nearly all the upland soils of Kentucky, not of limestone origin, and many of the limestone soils, themselves, are acid to an injurious extent.

Liming these soils will make it possible to grow more and better crops of red clover. It is a necessary step in the preparation of land for alfalfa. In connection with proper soil treatment otherwise, it will make possible larger yields of nearly all crops the farmer grows.

Ground limestone is the best material to use for liming land. Most farmers in the State should be able to apply it with reasonable trouble and expense.

On the Experiment Station soil fertility fields located on the acid soils of the State, an investment per acre of $9.40 in ground limestone and acid phosphate (this does not include cost of wagon haul and of spreading) has given, in four years' time, crop increases worth $34.06, using pre-war prices for farm products. There is no reason why farmers should not sesure equally good if not better results.

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Wool marketing which was of only local interest and importance previous to the world war became, on account of a shortage in high-grade cloth-wool, a problem of world-wide importance. More progress in marketing wool has been made during the past five years than during many decades previous to the war.

During 1913 and 1914 wool had reached such a comparatively low market value that farmers became interested in better methods of marketing it and thru the assistance of county agents a few county wool pools were formed. These pools were more or less experimental but the benefits derived from them have been such that this method of marketing wool is rapidly spreading and at present it constitutes the chief marketing method in several of the leading fleece-wool areas.

It seems, however, that the greatest benefits possible from this arrangement have not been fully realized. Wool pools were formed for the express purpose of inducing outside buyers representing mills and large brokerage firms to visit the wool-pool centers or send in sealed bids for the supplies placed on the market. From an experience of several years it has been found that the county wool pools have resulted in an arrangement for the convenience of local buyers and have not in any extended degree induced mills or large buying firms to bid for the wools thus offered. It cannot be denied that wool pools have resulted in securing higher prices for the farmers participating in them, over the prices paid to farmers who have not co-

operated, but a careful comparison of wool-pool prices with those being paid at wool-marketing centers discloses a wide variation which is always to the disadvantage of the wool pool.

In spite of the convenience of buying wool in larger quantities thru wool pools, local buyers are still in favor of buying direct from the producer because by this latter method they are able to effect closer trades and are not required to bid against other buyers, as in the case of buying thru wool pools. The county wool pool is therefore a first step in the right direction, but it seems quite probable, in view of the experience of growers in other states and other countries, that an extension of the plan to include a larger area than a single county would result in better prices and higher type of marketing than is at present being accomplished.

The auction method of selling which is so prominent in the tobacco market and in the marketing of citrus and other fruits, as well as in many other lines, has lately been applied to the sale of wool, especially in England, with results highly profitable to the grower. The London wool auctions which have been held periodically for a number of months have, to a marked degree, influenced the price levels on wool thruout the world and have been carried on with such facility that it seems quite probable that this method of marketing wool in England will be indefinitely continued.

In view of the many advantages and the benefits which might accrue from the auction method of handling wool in Kentucky, either one of the two following plans might be followed in marketing Kentucky wool.

Plan 1. Regional Wool Auctions For Kentucky.

To combine the advantages of wool pools and the auction method of selling in an extension of the county area to include a region comprising from ten to twenty counties seems both feasible and desirable. This should result in better prices for the farmer and more convenience to large buyers, a class of buyers who have not, so far, found it possible to bid on such

small quantities of wool as comprise the average county pool. The plan which is suggested embraces the designation of market centers in nine different divisions of the state, the boundaries of which should be laid out as nearly as possible to cover types of wool and convenient transportation facilities toward the center. The centers chosen as marketing points on the map in this circular are merely suggestions intended to help in the formation of regional wool auctions. The points chosen as market centers have, in most cases, present facilities in tobacco warehouses which could be easily made convenient to use for wool-auction purposes as they give ample space, are well lighted and have facilities for weighing, requisites which are important in wool marketing as in the case of tobacco.

A canvass of the large wool mills and wool dealers of the United States, thru a letter in which this plan was set forth, has resulted in much favorable comment and in many valuable suggestions, with a general indication that mills and brokers will be willing to send buyers to attend wool auctions of the size which would result from the plan under discussion.

How The Auction May Be Conducted.

In counties where wool pools have been in operation for a considerable length of time it should not be difficult to make arrangements between them whereby they will market their wool at central points, but this should not exclude any farmers in that territory from offering their wool in the auctions even if they are not represented in the county pool. Wool should be delivered at the center in the usual manner and, when received, one of two plans may be followed. The wool belonging to each farmer may be graded and kept separate, as is the custom in the present county wool pools; but this method is not recommended as it defeats the purpose for which the wool auction districts are formed, that of getting together a large amount of each grade of wool. It is, therefore, suggested that a better method would be to receive each farmer's wool, weigh it in total, classify it into the grades desirable and then weigh each

grade so that a check may be had upon the correctness of the division. After this process has been followed out in the case of each individual farmer, the wool as graded according to fineness, breed and so-forth, may be thrown together in large piles so that buyers may take advantage of buying the whole quantity or as many hundred pounds of each quality as they wish to bid on. The total number of pounds in each pile is easily arrived at by an addition of the divisional quantities credited to all the farmers.

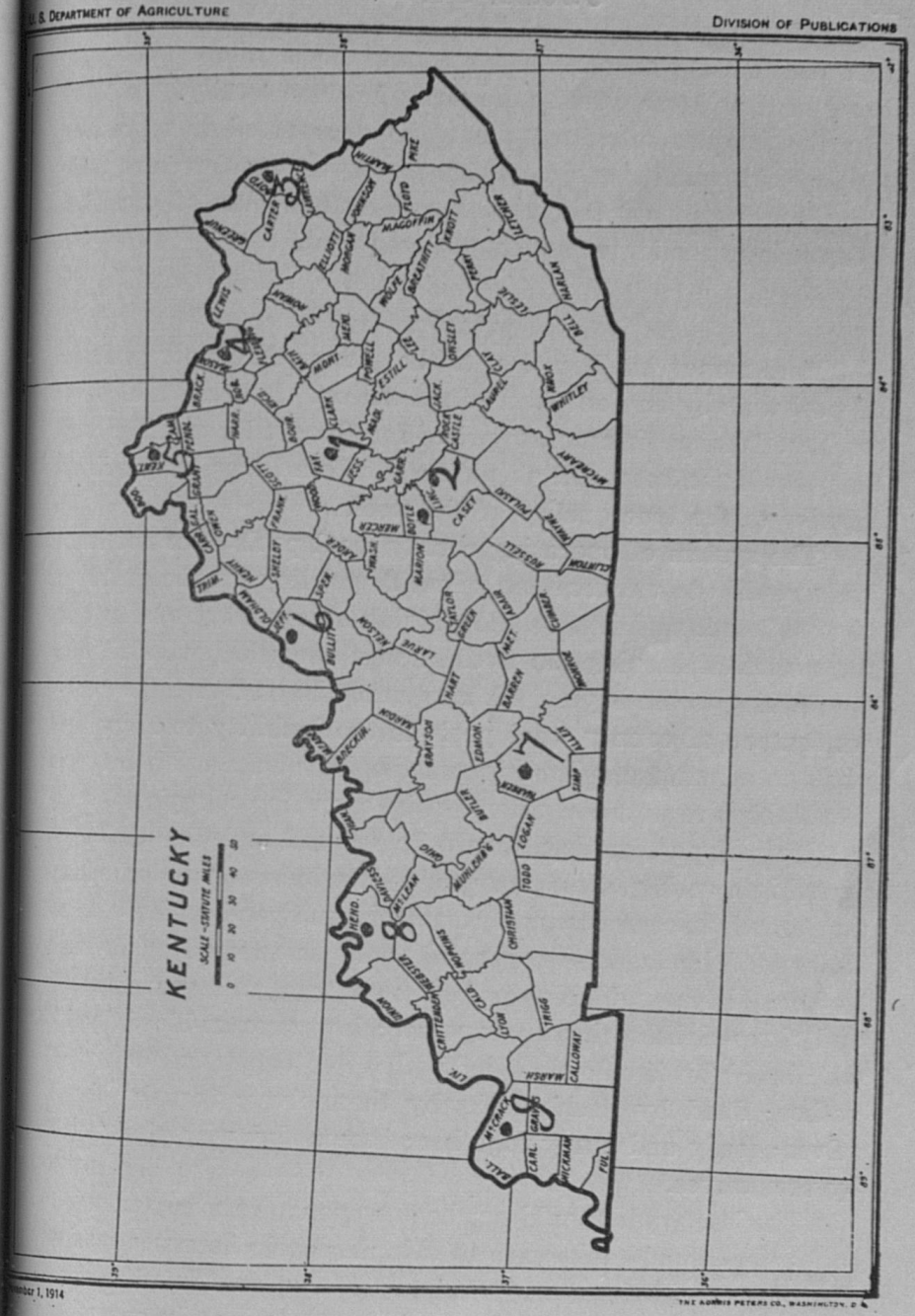
In case a wool pool or individual farmers should reject the sale of their wool, the same class of wools which they offered could be easily reassembled at any time

Plan 2. The Central Wool Auction.

The plan of operation for conducting a central wool auction differs from the regional wool auction in that but one selling center is considered and all wool grown in the state is eligible for shipment to that center. Under this plan, the county wool pools would continue to function as independent pools and would be eligible to receive bids upon their wool, provided the wool was not actually shipped to the center but was being held, as is usually the custom, at some local point within the county. A certain number of near-by wool pools would naturally send all their wool to the auction center but all other county pools desiring to participate in the auction would be required to furnish a fifty-pound sample of each grade offered for sale and to stipulate the total number of pounds of the same grade being held in the home market.

At the conclusion of the central wool auction, all wool purchased upon sample and representing wool held in the various counties, would be shipped to the regional wool center or to some central point designated by the buyers in order that the number of receiving points might be reduced from 120 to not over 9 or 10.

The method of conducting such an auction would be quite similar to that described under reginol wool auctions, except



Lexington
Danville
Ashland
4. Maysville
5. Covington
6. Louisville
7. Bowling Green
8. Henderson
9. Paducah

ool Centers: The nine regional wool auction points designated on the above map en merely as suggestions, but have been chosen on account of their railroad es and their equipment of tobacco warehouses which may be used for auctioning ring wool.

that the grading of the various county pools where wool was being held at home would necessarily be done locally. In that case the samples submitted should be guaranteed to represent the type and quality of wool which the buyer would reecive, and these samples should follow some well-defined plan of grading, acceptable to the larger buyers of fleece wool.

Grading.

More money has been lost to the grower thru poor grading of wool than by any one item in marketing. It is not that buyers have been paying unfair prices for the grades specified but that they have been able to purchase whole crops on gradings inferior to the true quality of the wool.

The system of operating county wool pools does not lend itself readily to uniform and scientific grading, as the quantity of wool is not sufficient to allow hiring an expert grader nor is the system of keeping the wool in bags one which will display the grading to the buyers. It may safely be said that the weakest feature of county wool pools is the inability to show the wools to advantage. Grading and display of the wools for sale should be given careful attention in operating a regional wool auction. Expert graders should be secured and the wool separated into such grades as are commonly known and desired by the trade. The grades most commonly used and which will be understood by traders in general could be covered by the following: Fine and half-blood thrown together; quarter-blood and three-eighths thrown together; low quarter-blood by itself; braid by itself; black by itself; fine bucks and heavy together; dead by itself; locks by themselves; tags by themselves; seedy and burry together; fleeces tied with sisal twine by themselves.

The last grade should not be one to require much attention, as farmers should take care in shipping their fleeces to market that they avoid the use of sisal twine or wire. The best type of twine to use for this purpose is paper twine. In operating the regional wool auctions under this method the use of wool

bags for primary shipment is not necessary, as fleeces can all be neatly tied in bundles and shipped to market in that condition. It may not be necessary even on shipping the wool from the wool auction centers to use bags, as much of the western wools which are gathered together in large quantities are shipped in bales to the eastern markets and it is probable that this method could be used in Kentucky when wool is shipped in quantities

Conclusion.

The continuation of profitable sheep raising in Kentucky and states similar to it depends, to a great extent, upon the profit which can be derived from wool as a by-product. The selling of wool is handled in so unscientific a manner at the present time that there is a wide variation in the net returns to farmers in various parts of the state. In accordance with the advance made in marketing methods, a system of wool auctions held in rotation so that buyers from mills and large dealers could visit the sales in series, will tend to broaden the marketing demand for Kentucky wools and will help to eliminate the speculative buyer, a middle man who, under this arrangement, becomes unnecessary. Furthermore, it will reduce the selling of wools to a sounder basis and will eliminate, to a great extent, the speculative feature, of the present market outlets, while at the same time reducing the marketing cost.

NOTE—THE TENTATIVE WOOL GRADES OF THE BUREAU OF MARKETS, U. S. DEPARTMENT OF AGRICULTURE, ARE RECOMMENDED AS A BASIS FOR WOOL GRADING IN KENTUCKY WOOL POOLS DURING 1920.