

The Benefits and Use of Instrument Based Cotton Marketing. From an International Merchants Perspective.



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My Assistant

FIRST MANUAL CLASSING



NOW HVI
TESTING



What does HVI stand for?

It means High Volume Instrument that can complete up to 10 quality tests on 800 bales in an 8 hour shift.



WHAT DOES A HVI MEASURE?

IT MEASURES THE QUALITY WHICH ULTIMATELY PROVIDES THE VALUATION OF COTTON

- COLOUR WHITE,LIGHT SPOTTED,SPOTTED,TINGED,
LIGHT GREY,GREY
- TRASH/LEAF SMALL PARTICLES OF COTTON PLANT THAT
REMAIN IN THE BALE AFTER GINNING
- MICRONAIRE OR FINESSE IS THE MEASUREMENT OF THE
FIBRES DIAMETER/THICKNESS
- STRENGTH BREAKING STRAIN
- LENGTH LENGTH OF FIBRE OR STAPLE
- UNIFORMITY AVERAGE NEMBER OF FIBRES THAT ARE THE
SAME LENGTH
- NEPPS OR KNOTS IN THE FIBRE.THREE TYPES
NATURAL,CHEMICAL ,MACHINE

USDA classing grades

For Cotton with a White Appearance

Good Middling
Strict Middling
Middling
Strict Low Middling
Low Middling
Strict Good Ordinary
Good Ordinary

For Light Coloured Cotton or Light Spotted

Good Middling
Strict Middling
Middling
Strict Low Middling
Low Middling
Strict Good Ordinary

Light Spotted Colour
Light Spotted Colour
Light Spotted Colour
Light Spotted Colour
Light Spotted Colour
Light Spotted Colour

For Heavier Coloured Cotton or Spotted

Good Middling
Strict Middling
Middling
Strict Low Middling
Low Middling
Strict Good Ordinary

Spotted Colour
Spotted Colour
Spotted Colour
Spotted Colour
Spotted Colour
Spotted Colour

For Very Heavy Coloured Cotton

Strict Middling
Middling
Strict Low Middling
Low Middling

Tinged Colour
Tinged Colour
Tinged Colour
Tinged Colour

For Stained Cotton

Strict Middling
Middling

Yellow Stained
Yellow Stained

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International Universal Classing USA cotton

| Color | Leaf | Color-Leaf | Staple |
|-------------|--------------|-------------|-------------|
| 21 = 528 | 2 = 528 | 21-2 = 528 | 37 = 528 |
| | Avg = 2.00 | | Avg = 37.00 |
| Strength | Length | Uniformity | Mic |
| 29 = 137 | 114 = 107 | 78 = 1 | 38 = 87 |
| 30 = 167 | 115 = 164 | 79 = 21 | 39 = 92 |
| 31 = 127 | 116 = 138 | 80 = 174 | 40 = 112 |
| 32 = 68 | 117 = 119 | 81 = 205 | 41 = 75 |
| 33 = 19 | | 82 = 110 | 42 = 70 |
| 34 = 8 | | 83 = 17 | 43 = 41 |
| 35 = 2 | | | 44 = 34 |
| | | | 45 = 17 |
| Avg = 30.83 | Avg = 115.51 | Avg = 81.33 | Avg = 40.55 |
| Total bales | 528 | Price | 55.00 us/lb |

CLASSING NAMES OR IDENTIFICATION HAS CHANGED
THIS IS AN EXAMPLE FROM THE CIS AREA
THE NAMES NOW ALSO HAVE NUMBERS FOR THE DESCRIPTION

| | | 10% CLASS | TODAY 100% |
|--------|----------|-----------------|---------------------|
| USSR | UZBEK | INTERNATIONAL | NUMERIC |
| GOST | STANDARD | CLASSIFICATION | EQUIVALENT |
| | | MANUAL CLASS | HVI CLASS |
| PERVYI | BIRINCHI | STRICT MIDDLING | 21 COLOUR 2 LEAF |

Offer Of USA Cotton Using Numbers

| US Cotton offers CNF Jakarta | | | | | | | | | | | | | |
|---|----------|-------------------------------------|------|------|-------------|------|------|------|-------|-------|-------|------------------------|----------------|
| "HVI PRINTOUTS AVAILABLE ON DEMAND." | | | | | | | | | | | | | |
| OFFER No | Offer ID | Description | Area | Rmks | No of Bales | C1 | C2 | Leaf | Stpl | Mic | Str | Indonesia Landed Price | Shipment month |
| 60652 | 553804 | avg 31-3-36, avg. mic 29.3, 87% brk | WTX | * | 1408 | 2.56 | 1.13 | 3.42 | 36.16 | 29.41 | 29.22 | 0.4613 | March |
| 60001 | 553803 | Avg 31-3-36 Low Mic Barky | WTX | * | 880 | 2.39 | 1.15 | 3.27 | 36.44 | 25.78 | 28.22 | 0.4583 | March |
| 60651 | 473769 | 21/31-3-36+ MIC 24-29 MIN24 74%BARK | WTX | * | 176 | 2.60 | 1.00 | 2.97 | 36.24 | 27.40 | 27.71 | 0.4890 | March |
| 60007 | 363741 | Avg 41-4-36.5, MicG3-5, Barky | WTX | * | 264 | 3.97 | 1.00 | 4.02 | 36.51 | 37.88 | 29.54 | 0.4861 | March |
| 60694 | 473766 | 22/32-2-4/36+ 30/34MIC MIN26 100BA | WTX | * | 2147 | 2.04 | 2.00 | 2.85 | 37.13 | 33.51 | 29.47 | 0.5058 | March |
| 60676 | 473790 | 11/21-2-3/37+ 27/29 MIC MIN 29 | WTX | | 2288 | 1.87 | 1.00 | 2.89 | 37.56 | 28.24 | 30.52 | 0.5232 | March |
| 60612 | 473760 | 22/32-2-4/36+ G5 MIN 26 100%BARK | WTX | * | 2200 | 2.29 | 2.00 | 3.03 | 36.91 | 38.19 | 29.70 | 0.5277 | March |
| 60005 | 363739 | Avg 31-3-36.6, MicG3-6, 60% Ba | WTX | * | 440 | 2.61 | 1.00 | 3.33 | 36.65 | 38.74 | 30.37 | 0.5240 | March |
| 60603 | 473768 | 31/41-3-5/36+ MIC33+MIN26 93%BARK | WTX | * | 704 | 3.24 | 1.00 | 3.49 | 37.12 | 38.22 | 30.64 | 0.5450 | March |
| 60609 | 473758 | 31-3-37+ G5 MIN 29 100%BARK | WTX | * | 4400 | 3.00 | 1.00 | 3.00 | 37.60 | 39.90 | 30.52 | 0.5480 | March |
| 60608 | 473757 | 31-3-37+ G5 MIN 29 100%BARK | WTX | * | 6600 | 3.00 | 1.00 | 3.00 | 37.56 | 39.18 | 30.75 | 0.5496 | March |
| 60661 | 473764 | 21-3-37+ G5 MIN 28 100% BARK | WTX | * | 8800 | 1.99 | 1.00 | 3.00 | 37.67 | 38.38 | 30.23 | 0.5513 | March |
| 60669 | 473793 | 31/41 5-6-7 /36+ 35+ MIN 26 15%BA | WTX | * | 1919 | 3.19 | 1.00 | 5.11 | 37.12 | 41.69 | 30.31 | 0.5535 | March |
| 60682 | 473776 | 31/41-5-6-7/36+ 35+MIC MIN25 11%BAR | OKL | * | 1672 | 3.24 | 1.00 | 5.13 | 36.83 | 40.42 | 30.22 | 0.5532 | March |
| 60630 | 473784 | 31-3-35 50/52 MIC MIN 26 CLEAN | WTX | | 1672 | 2.83 | 1.00 | 2.91 | 35.00 | 50.60 | 29.72 | 0.5630 | March |
| 60681 | 473791 | 21-3-38+ 33/34 MIC MIN 30 CLEAN | WTX | | 1936 | 2.00 | 1.00 | 3.00 | 38.34 | 33.52 | 31.25 | 0.5716 | March |
| 60626 | 473774 | 21/31-2/3-34 G5 MIN 26 CLEAN | OKL | | 880 | 2.44 | 1.00 | 2.68 | 34.00 | 42.98 | 29.77 | 0.5670 | March |
| 60680 | 473775 | 41/3-4/36+ G5 MIN 28 CLEAN | OKL | | 1056 | 4.00 | 1.00 | 3.16 | 36.91 | 42.79 | 30.65 | 0.5684 | March |
| 60611 | 473778 | 31/4-5/36+ G5 MIN 23 CLEAN | WTX | | 616 | 2.96 | 1.00 | 4.27 | 36.38 | 38.48 | 29.93 | 0.5847 | March |
| 60311 | 493797 | MIXED MIC 43/53 MIN 26 | STX | | 88 | 2.88 | 1.15 | 3.03 | 33.41 | 49.94 | 29.07 | 0.5858 | March |
| 60622 | 473782 | 21/31-3-35 G5 GPT 26/27 CLEAN | WTX | | 1232 | 2.61 | 1.00 | 2.90 | 35.00 | 42.61 | 27.17 | 0.5799 | March |
| 60501 | 473767 | 21/31-2/3-36+ G5 MIN 28 CLEAN | WTX | | 880 | 2.46 | 1.00 | 2.49 | 36.54 | 40.17 | 30.39 | 0.5833 | March |
| 60625 | 473783 | 21/31-1-2-3/35 G5 GPT 26/27 CLEAN | WTX | | 2552 | 2.32 | 1.00 | 2.57 | 35.00 | 40.41 | 27.20 | 0.5768 | March |
| 60670 | 473787 | 31/2-3/35 G5 MIN 28 CLEAN | WTX | | 3059 | 3.00 | 1.00 | 2.66 | 35.00 | 43.23 | 29.47 | 0.5797 | March |
| 60631 | 473785 | 31/2-3/35 G5 MIN 27 CLEAN | WTX | | 1144 | 2.91 | 1.00 | 2.76 | 35.00 | 45.81 | 29.54 | 0.5797 | March |
| 60675 | 473789 | 31/2-3/36 G5 MIN 28 CLEAN | WTX | | 3960 | 3.00 | 1.00 | 2.90 | 36.00 | 43.19 | 29.15 | 0.5869 | March |
| 60602 | 473777 | 11/21-3/36+ G5 MIN 27 CLEAN | WTX | | 3523 | 1.98 | 1.00 | 2.87 | 36.56 | 40.56 | 27.51 | 0.5912 | March |
| 60623 | 473772 | 31/2-3/35 G5 MIN 26 CLEAN | OKL | | 2992 | 2.99 | 1.00 | 2.65 | 35.00 | 44.38 | 29.71 | 0.5843 | March |
| 60624 | 473773 | 21/31-2/3-35 G5 MIN 26 CLEAN | OKL | | 1144 | 2.47 | 1.00 | 2.75 | 35.00 | 41.69 | 29.26 | 0.5850 | March |

TODAY PEOPLE WANT COMPUTERISED ELECTRONIC TRADING



THEY NEED AND WANT COTTON INFORMATION ON THE MOVE







Main Mill Requirements Today

Longer

Stronger

Finer

MANUAL CLASSING IS A COMMON METHOD FOR ESTIMATING THE QUALITY OF COTTON

MANUAL CLASSING WAS THE ACTUAL BASIS FOR TRADING COTTON

BUT MANUAL CLASSING IS NOT SUFFICIENTLY OBJECTIVE OR SUFFICIENTLY RELIABLE AND PRECISE

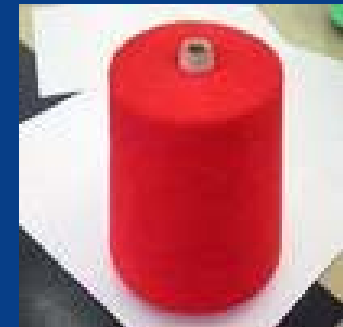
GLOBAL COTTON TRADING IS MORE AND MORE ACCEPTING AND INSISTING ON INSTRUMENT TEST RESULTS BECAUSE THE CUSTOMERS I.E THE COTTON SPINNERS REQUIRE INSTRUMENT TEST RESULTS, NOT ONLY MANUAL CLASSING RESULTS

WHY DO MODERN SPINNING MILLS DEMAND SUCH DETAILED INFORMATION AND ONLY WANT TO USE HIGH QUALITY COTTON?

BECAUSE THE MILL MACHINES ARE MORE DEMANDING ON FIBRES

THEY NEED TO RUN AT VERY FAST SPEEDS

WE THE FINAL CUSTOMERS DEMAND GOOD QUALITY CLOTHES



THE WORLDS BUYERS ARE FOCUSED ON FIBRE QUALITY



IN MANY CASES
THEY DEMAND

100 % SAMPLING
100 % MANUAL CLASSING

AND
100 % HVI TESTING

THESE RESULTS GIVE BUYERS
MORE CONFIDENCE WHEN
THEY BUY COTTON

THEY ALSO RESULT IN HIGHER
PRICES BEING PAID TO SELLERS

World usage of various cottons

| | | | |
|-------------------------------|--|---|---|
| COUNT 45 AND HIGHER | ORIGIN OF COTTON USA PIMA SUDAN EGYPTIAN CIS ELS CHINESE ELS | QUALITY GRADE 2 / 3 BARAKAT SEED GIZA SEED PERUYI ELS T 129 ELS | END PRODUCT SHIRTS CURTAINS SOWING YARNS LADIES CLOTHS |
| 40'S | SJV AUSTRALIAN WEST AFRICAN CIS HIGH GRADES EAST AFRICAN CHINESE TURKISH | 31.3.36 SM / ANDY T / MANBO PERVYI TYPE ONE T129 STANDARD ONE | TOWELS SHIRTS T-SHIRTS UNDERWEAR BEDDING |
| 30'S | MEDIUM CIS SYRIAN / TURKISH / GREEK PARAGUAY / ARGENTINA / PAKISTAN CHINESE / INDIAN MEDIUM GRADE AUSTRALIAN | VTOROIY SM / MIDDLING SM / MIDDLING T 229 / SHANKAR MIDDLING SLM | DENIM CHEAP T-SHIRTS TOWELS SHEETS |

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THE OTHER MAIN ITEM DRIVING THE NEED FOR HVI TESTING IS
RESEARCH AND DEVELOPMENT



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ORIGINAL GOALS OF PROJECT

- PROVIDE A SERVICE TO AFRICAN EXPORTERS DESIGNED TO INCREASE DEMAND FOR RAW COTTON
- IMPROVE THE STANDARD OF COTTON TESTING IN AFRICA
- INCREASE THE PRICE PAID TO PRODUCERS.

RECAP OF THE MAIN POINTS

- THE WORLD'S COTTON INDUSTRY NEEDED A NEW TESTING SYSTEM AND DEMANDED A BETTER WAY FOR THE EVALUATION OF COTTON
- QUALITY IS INEVITABLY MOVING TOWARDS HIGH VOLUME INSTRUMENT TESTING
- CLASSING OF THE COTTON PRODUCTION IS SHIFTING FROM MANUAL CLASSING TO INSTRUMENT TESTING WORLDWIDE
- SPINNING MILLS ARE USING HVI RESULTS REGULARLY
- RESEARCH IS USING HVI RESULTS REGULARLY
- TRADE IS MOVING TOWARDS HVI RESULTS TO FULFIL CUSTOMERS DEMANDS WHICH WILL PROVIDE SUPPLIERS WITH GREATER TRANSPARENCY

CONCLUSIONS

- THE SPINNERS WANT AND NEED HVI TESTING
- THE SCIENTISTS NEED HVI TESTING FOR THEIR RESEARCH
- THE MERCHANT COMMUNITY WANTS HVI TESTING TO SATISFY THEIR CUSTOMERS, POSSIBLY INCREASE THEIR INCOME AND SIMPLIFY THEIR INFORMATION STREAMS
- AFRICA NEEDS HVI RESULTS TO IMPROVE RETURNS TO PRODUCERS
- MACHINE TESTING IS HERE TO STAY AND COMPUTERISATION OF ALL SYSTEMS AND RESULTING TRANSPARENCY IS A MUST
- BALE TAGS AND BAR CODES ARE ESSENTIAL TO CREATING TRANSPARENCY AND EFFICIENCY TO THE SUPPLY CHAIN.

* ANY QUESTIONS?