

Paper Presented by Alan Adamson  
Cargill Cotton, UK

26 September, 2005  
Liverpool, UK

IT'S TRUE TO SAY THAT MOST WHO ARE FAMILIAR WITH TRADING COTTON INTERNATIONALLY COULD FAIRLY ACCURATELY NAME A COTTON PRODUCING NATION BY SIMPLY BEING GIVEN THE BALE WEIGHT TRADITIONALLY/HISTORICALLY ASSOCIATED WITH THAT COUNTRY.... 500 LBS, 720 LBS, 420 LBS, 380 LBS ALL CONJURE UP A MENTAL PICTURE OF CERTAIN ORIGINATING COUNTRIES.

SOME WOULD ARGUE THAT ANY ATTEMPT TO STANDARDISE OR UNIVERSALISE SUCH INDIVIDUAL/DIVERSIFIED SPECIFICATIONS WITHIN OUR INDUSTRY IS NOT ONLY FINANCIALLY AND PRACTICALLY IMPOSSIBLE BUT WOULD ROB A PRODUCER OF AN OFFER PROUDLY HELD HISTORICAL CULTURE AND INDIVIDUALITY. ALSO IT WOULD FURTHER SANITIZE THE WONDERFULLY COLOURFUL GLOBAL INDUSTRY, WHICH IS COTTON.

INDEED I HAVE HEARD IT SAID THAT A DRIVE FOR UNIVERSAL BALE SPECIFICATION UNIFICATION IS A FURTHER EVIDENCE OF THE MUCH DEBATED AND FEARED "GLOBALIZATION" (READ THE DEFINITION). THINK OF THE FINANCIAL BURDEN ON MANY 3<sup>RD</sup> WORLD/DEVELOPING WORLDS COTTON PRODUCING NATIONS TO INVEST, PURCHASE AND INSTALL COMPLETELY NEW/NEWER GINNING SYSTEMS TO MEET A UNIVERSAL STANDARD TO PRODUCE A HUMONGOUS PRODUCE. WHERE IS THE INCENTIVE?

A VALID CONCERN, BUT MAYBE THE ANSWER LIES WITHIN THE DEFINITION OF "GLOBALIZATION", WHICH WE WILL RE-VISIT LATER. HOWEVER, IF THE FINANCIAL AND PRACTICAL ISSUES COULD BE RESOLVED IS COTTON BALE SPECIFICATION STANDARDISATION DESIRABLE, FROM A MERCHANTS PERSPECTIVE, YES.

ALTHOUGH VARIETY IS THE SPICE OF LIFE, VARIETY OR VARIATIONS IN BALE WEIGHTS/DIMENSIONS CAUSE DIFFICULTIES RANGING FROM MILDLY IRRITATING AND ADMINISTRATIVELY INCONVENIENT TO SEVERE.

-IMPACTING P&L RETURN VS COSTINGS/ACCRUALS.

-PROVIDING OPPORTUNITIES FOR CONTRACT DEFAULT BY UNSCUPRILAS MEMBERS OF OUR INDUSTRY AT TIMES OF SEVERE MARKET MOVEMENT.

-CAN WE MAXIMISE USAG OF 40 & 20 FT CONTAINERS? OR WILL WE HAVE PART UTILSATION AND INCREASED LOSS OF 1X2 TEU ?

-HOW MANY TRUCKS WILL BE REQUIRED TO FULLY DISCHARGE A CONTRACT ?

-WHETHER TO USE STANDARD OR HIGH CUBED CONTAINERS ?

-POOR LETTER OF CREDIT SECURITY DUE TO DISCREPANT WEIGHT NEGOTIATIONS.

THE ABOVE PROBLEMS ARE BY NO MEANS DEFINATIVE, ONLY RELATING TO WEIGHT AND SIZE, NEVER MIND DIFFERENCES IN DIVERSE PACKING MATERIALS, WHICH CAUSE PROBLEMS FOR OUR SPINNING FRIENDS. BUT WOULD THES PROBLEMS BE ADDRESSED BY BALE WEIGHT/ DIMENTION STANDARDIZATION, YES, WOULD THERE BE EFFICIENCIES & COST SAVINGS THROUGHOUT THE SUPPLY CHAIN, YES. ALTHOUGH HARD TO QUANTIFY I ACCEPT.

SO, IF THERE WOULD BE BENEFITS ACROSS THE SUPPLY CHAIN THERE IS AN ARGUMENT FOR ALL BENEFICIARIES TO SHARE IN THE COSTS OF MOVING TOWARDS THE GOAL OF STANDARDIZATION. AND IT IS HERE, IN CONCLUSION, THAT I REFER BACK TO THE DEFINITION OF "GLOBALISATION" THAT THOSE OF US WHO SUPPORT THE CONCEPT OF BALE WEIGHT AND DEMENSION STANDARDIZATION WOULD TO WELL TO ACCEPT (READ PART OF DEFINITION AGAIN).

IF WE WISH TO REAP THE REWARDS SHOULD NOT MERCHANTS, SPINNERS AND EVEN GIN SYSTEM MANUFACTURERS COLLABORATE TO HELP MEET THE BURDON ON PRODUCING NATIONS, WHERE SUCH WOULD PROVE A BLOCKER TO THE GOAL ?

One Globalization definition.....

Economic "globalization" is a historical process, the result of human innovation and technological progress. **It refers to the increasing integration of economies and industries around the world**, particularly through trade and financial flows. The term sometimes also refers to the movement of people (labor) and knowledge (technology) across international borders. There are also broader cultural, political and environmental dimensions of globalization.

The term reflects technological advances that have made it easier and quicker to complete international transactions—both trade and financial flows. It refers to an extension beyond national borders of the same market forces that have operated for centuries at all levels of human economic activity—village markets, urban industries, or financial centers.

Markets promote efficiency through competition and the division of labor—the specialization that allows people and economies to focus on what they do best. Global markets offer greater opportunity for people to tap into more and larger markets around the world. It means that they can have access to more capital flows, technology, cheaper imports, and larger export markets. **But markets do not necessarily ensure that the benefits of increased efficiency are shared by all. Countries must be prepared to embrace the policies needed, and in the case of the poorest countries may need the support of the international community as they do so.**