



CSITC

Commercial Standardisation of Instrument Testing of Cotton

CSITC Round Trials for Cotton Traders

Your Reputation Depends on Accurate Test Results

Trust and reputation are critical to a cotton trader's success, and a merchant whose word can be trusted has a huge competitive advantage. When as much as two-thirds of a spinner's operating costs come from the purchase of raw materials, they need to be certain that the cotton they're buying has the quality they paid for.

In other words, a trader's success depends largely on laboratories that produce accurate and consistent test results with their high-volume instrument (HVI) testing equipment. And when laboratories participate in the Round Trials of the ICAC Task Force for Commercial Standardisation of Instrument Testing of Cotton (CSITC), they have the opportunity to improve their results significantly, as shown by the chart on page 2.

As a buyer, you need to be 100% certain that you're getting the fibre characteristics you're paying for. As a seller, even more than revenue is at stake! In addition to profitability, your reputation is at risk. And regardless of whether you're the buyer or seller, using laboratories with HVI equipment that is known to be accurate — thanks to the evaluation grade they receive in CSITC Round Trials — will mitigate the time and money you spend on filing or fighting arbitration claims.

How do CSITC Round Trials benefit me as a buyer of cotton?

The answer is simple: When evaluating cotton that has been tested by a lab successfully participating in the Round Trials, you can be confident that you're getting the fibre characteristics you're paying for. The biggest risk for traders is uncertainty, so minimising variation in fibre quality is critical to profitability.

How do CSITC Round Trials benefit me as a seller of cotton?

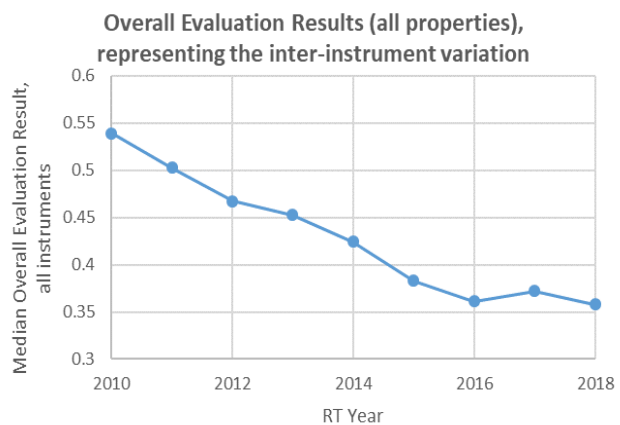
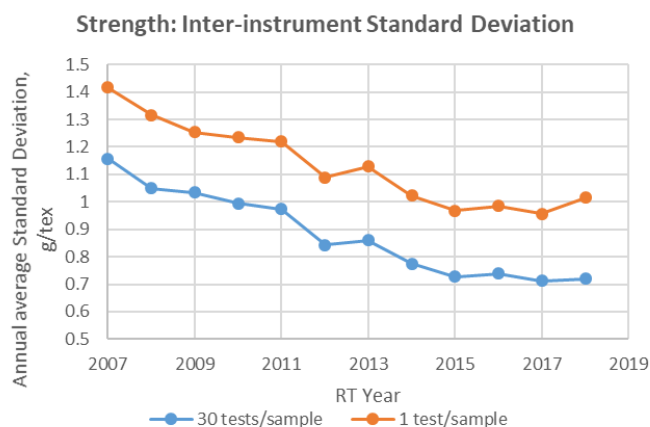
As a seller, you know that you're providing what your customer asked for, which benefits both your reputation and your bottom line. The operational instability that results from arbitration claims about cotton quality can cripple a business and threaten its long-term viability — risks that can easily be mitigated by accurate and consistent HVI instrument testing.



Reduced Variation and Uncertainty

Variations in testing results cost money, but since 2011, laboratories participating in CSITC Round Trials have reduced inter-laboratory testing results variation by an average of 30%! That means fewer claims, less frustration, and greater profits.

The graph at right represents the median Overall Evaluation Results for all instruments, which shows a 30% decrease in variation between laboratories as an average of all cotton properties. The chart at left shows that specifically for strength, the standard deviation between test results for CSITC laboratories has decreased drastically due to their participation in the Round Trials.



But What Does That Mean? What's the 'Cash Value' of Reductions in Variation?

CSITC standardised instrument test results provide accurate and precise quality information about the cotton you buy and sell, which allows you to optimise your inventory for efficiency and profitability. Just as important, by encouraging laboratories to join the Round Trials, you'll be helping your customers be more profitable as well.

Nearly 70% of a spinner's operating expense comes from raw material purchasing, so small improvements in consistency can translate into major financial gains, as one case study has shown. One spinner with 50,000 spindles, operating 350 days per year, showed that by using HVI tests with consistent results on an accurate level, the organisation decreased variation in quality, which reduced blowroom and card waste by 5% and comber noil waste by an astonishing 23%. *That translated into savings of more than \$110,000 in a single year!*

Spinners also benefit from purchasing flexibility when buying fibre tested by CSITC laboratories because the parameters between the bales will be comparable, making it easier to optimise their stock for laydowns.

Are there any other advantages to being a Round Trials participant? Yes!

Eliminate redundancy. By using a proven and accurate CSITC-participating lab, you have the opportunity to reduce the time and expense of re-testing fibre, and those savings can be extended to your customers, too. They can buy with confidence because they know the cotton they get will have comparable parameters regardless of how many sellers it comes from.

Protect your profitability. If you use a laboratory that can't demonstrate that its HVI equipment is both precise and accurate, how do you know you're getting the cotton you agreed to buy? Given the razor-thin profit margins common in today's marketplace, a small variation can cost big money.

Make a statement to potential customers. Using laboratories from CSITC Round Trials can be a powerful marketing tool. When your profitability and reputation are both on the line, you want to be able to rely on hard data, not estimates and promises.

Choose the best laboratories — ensure they participate in CSITC Round Trials and ask them for their evaluation grade!