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Efficient use of Controlling for Domestic Trade in the Indian Sub-Continent

What is a Controller?

Controlling in:
India
Pakistan
Bangladesh

How can a Controller create efficiencies?

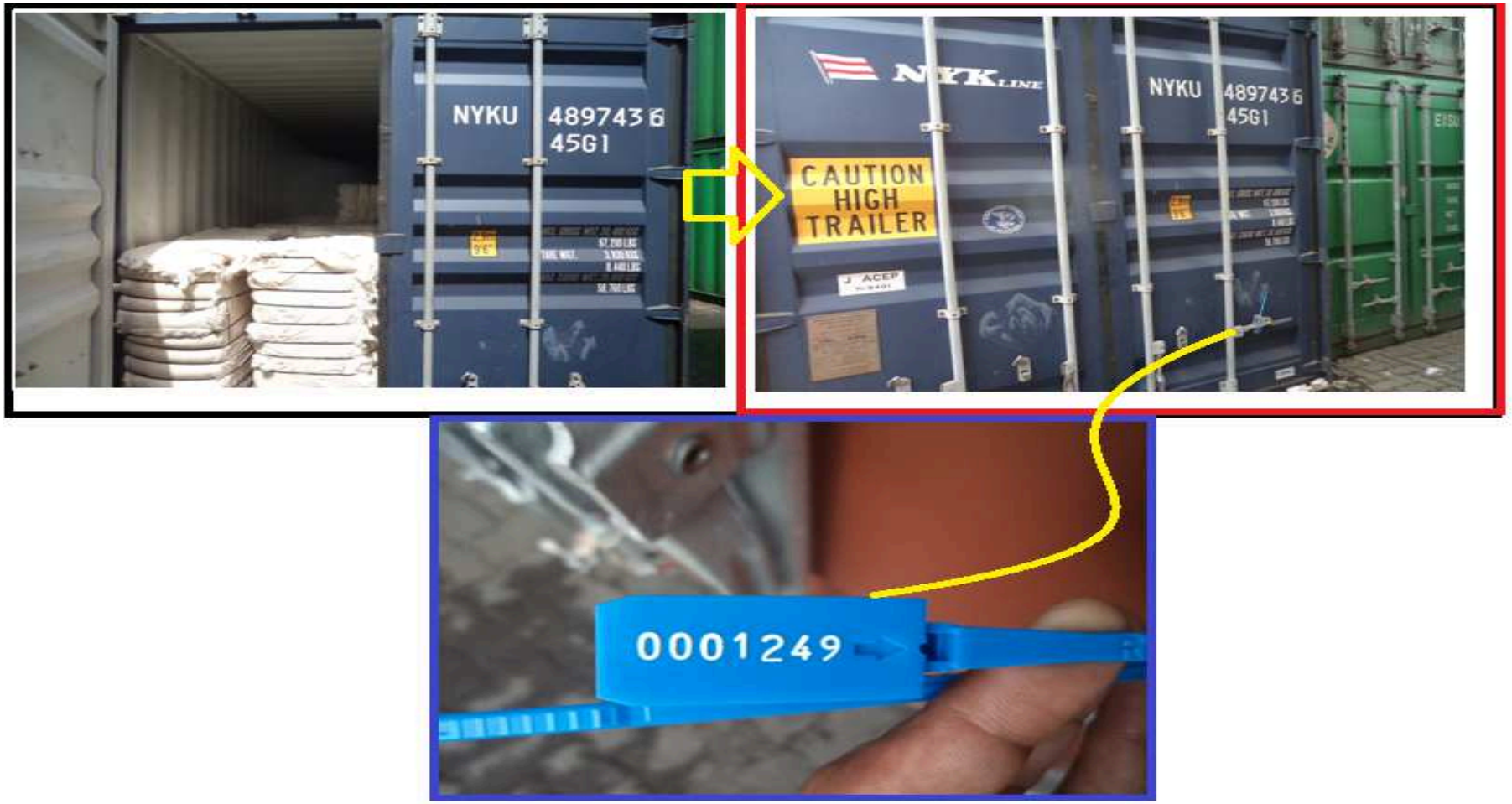
What is a Controller?

Key services of a Controller:

Supervision of Weighing and Sampling
Actual Drawing of Samples and Weighing
Truck/Container Loading and Sealing
Container Seal Breaking / Devanning and Tally
Moisture Testing
Tagging
Stock Verification
Damage Surveys
Pre-shipment Inspection
Manual Classing and Micronaire
SITC Testing
Surveying / Audit of Warehouses

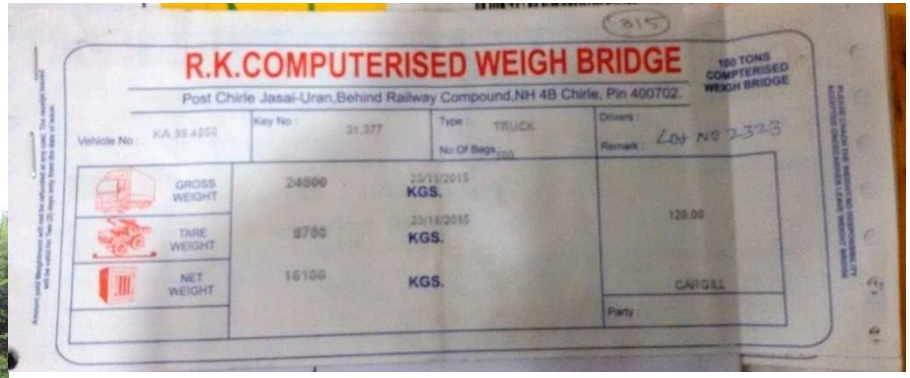
Supervision of Bale by Bale Weighing and Sampling

Truck/Container Loading and Sealing



Moisture Testing

Supervision of Weighing - Truck



Reasons for Cotton Testing SITC (High Volume Testing Instruments)

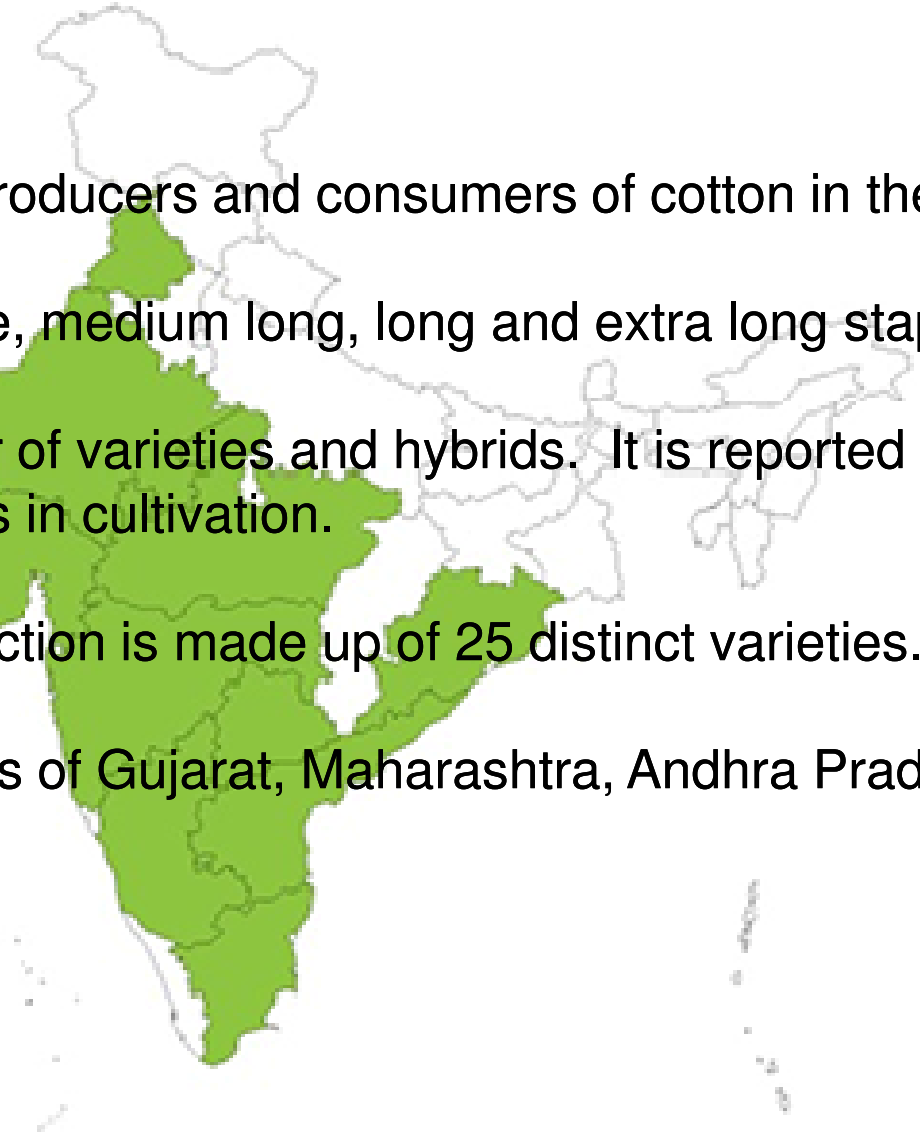
Cotton Production
- Breeding
- Payments for farmers for the actual quality

Ginning
- Optimization of the ginning process

Trading
- Selling/Buying based on objective quality information

Spinning
- Consistency in the laydown process
- Better yarn characteristics and improved quality

Controlling process in India



India is one of the largest producers and consumers of cotton in the world.

Short staple, medium staple, medium long, long and extra long staple cottons.

India produce large number of varieties and hybrids. It is reported that there are in excess of 75 varieties in cultivation.

However, 98% of the production is made up of 25 distinct varieties.

Cotton is grown in the states of Gujarat, Maharashtra, Andhra Pradesh and also Madhya Pradesh.

Domestic and imported cotton.

Primarily weighing, sampling, moisture testing performed at gin site, warehouse or spinning mill.

SITC analysis for local cotton as well as testing for quality issues in the Sub-Continent as well as Asian markets.

Stock checks for domestic banks and merchants.

Damage surveys for local and international merchants.

Controlling process in Bangladesh

Containers or bales are stored at Private ICD depots through the port. Buyer's clearing and forwarding agents arrange to release the cargo after completion of the process as detailed below :

Buyer's clearing and forwarding agents call a controller to supervise the container's seal breaking and re-sealing during the fumigation/customs appraisement (if any)

After fixation of the delivery date, the buyer's controller and the shippers controller establish a date for bale by bale / truck scale weighing and/or sampling. Cotton is either weighed at Chittagong port or at buyers mill site.

Additionally, the Buyers controller will advise if actual taring will take or if end receivers will accept invoice tare.

Controlling process in Pakistan

1971 The Cotton Export Corporation was formed, which introduced CEC types as Pakistan's standard cotton type. It was decided that Pakistan cotton would no longer be sold the on basis of quality and weight final at destination.

According to government rules and regulations all cotton shipped had to be sold on basis of pre-shipment inspections. This meant that the shipped quality and weight would be deemed as final. The cotton was classed against CEC type and staple by manual classing.

In the beginning of 90's the CEC types had degraded, resulting in quality disputes.

This was a major concern as Pakistan had no standard types. A further setback was in1995 when The Cotton Export Corporation went into liquidation and eventually closed.

Exporter private types then came into existence and also the introduction of the HVI Machine had invaded the manual classing method.

Pakistan exporters would therefore have to sell cotton directly using private types and eventually HVI Data.

This resulted in all virtually all Pakistan cotton being sold on Net Landed terms and eliminated the need for pre-shipment inspections.

How can a Controller be more efficient?

Modern Spinner's requirements for quality:

Clean contaminant-free cotton
Stronger and more mature fibres for a given length
Low variability in fibre attributes from bale to bale
Lower short fibre content
Higher fibre elongation
Lower fibre neps and seed coat fragments
Lower organic trash and micro dust
Higher amenability to cleaning
Consistent Moisture - 8.5%
Consistent weights

Achieving an understanding of how the textile industry in the Sub Continent utilizes fiber and how quality is measured is the first step to creating an efficient controlling function.

Create efficiencies within the controlling segment by understanding the end receivers needs and providing efficient ‘e-solutions’ to achieve quick, timely, accurate reporting of data is critical.

How do you do this?

Be a channel and a depository for data between the producer and the end receiver. Pass data electronically between all parties, while also using the cloud to increase efficiencies and offer analytics.

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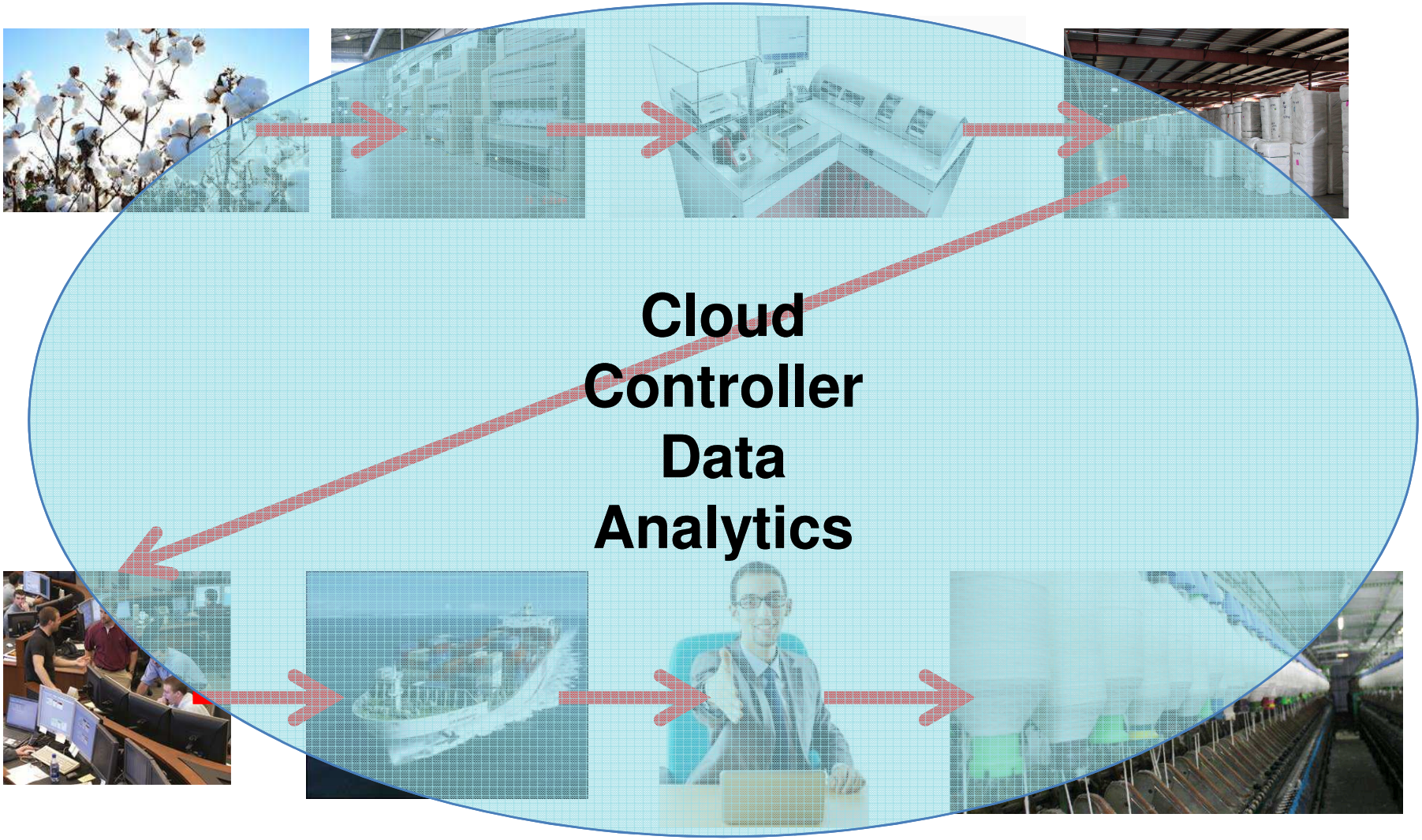

Thank you!