USING U.S. HVI TESTED COTTON

AND

THE EFS® SYSTEM

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I would like to thank Cotton Incorporated for inviting me to come and speak with you about the experiences of my company with U.S. HVI Tested Cotton and the EFS® System. It is a pleasure to be with you this morning.

Textile Electronicas is a yarn manufacturing company in Mexico that forms part of a group which also has knitting, dyeing and finishing, and garment operations for both domestic and export markets. We emphasize quality and customer service, since we believe it's the key to success.

In the past, knitted fabrics were used in whites and pastel colors. With the change in fashion came knitted fabrics with elastomer and cotton, which required bright colors. It became common to find barre. This made us give much more importance to the control in the variations in micronaire and color Rd and +b. We began to look for a system that helped us to control the barre problem.

In May 1993, I had the honor of being invited to the EFS® Conference. I was impressed with the EFS® System and the way it would help us: from tagging the bales and dividing them into groups and categories, to the laydown plans to conform a uniform mix. It was as easy as reading a label in each bale and putting it in the designated location to acquire a consistent blend from laydown to laydown. We had no

doubt that this would not only save us time but would be more reliable than the manual selection we used to have.

By August, we started implementation of the program: by December, the system was working at full capacity. Along with the decision to use the EFS® System, we made another important decision: using U.S. Cotton. This meant that we would have the HVI information that was needed to run the system. We received it by EDI or diskette from our merchant prior to shipment. The capabilities of HVI data made it possible to select the best and most cost-effective cotton for each mill and end product.

During the installation of the system, the staff of Cotton Incorporated, together with our technicians, decided on the variables to be used for the creation of the groups and categories were:

1. - Micronaire

2. - Fiber Length

3. - Color (Rd)/(+b)

These variables were set according to our needs in every mill. The complete information of each bale of approval cotton was then entered into each system, where we have the shipper's number and our number. These numbers were used to identify and categorize bales in stock. Because we pre-approve cotton, we print tags for each bale: and place them as they are received at the warehouse, where they are tagged. Then they are ready to be weighed and stored in their proper place according to the groups and categories in the warehouse.

Group M	Memphis	Cotton	Categories	Actual 36
				Total 36
1 micro	3.30	4.00	### ### ###	
2 length	1.02	1.08	### ###	
3 color	1.00	2.00	### ###	

The process of making the laydowns much easier because it is mostly done by the program. You first select the amount of bales per group for the mix. Then the program averages the HVI values to measure standard deviation and %C.V It then lets amount of bales in the warehouse meeting with these conditions. Once you agree with the values, you ask for a pick list as well as a laydown diagram that shows the location of the bales of each group within that laydown. After the bales are put in place, the operator cuts the barcode labels in order to get the real average. We now know which precise bale (exact value) was put in. And not just the group and category (average values) form which it belongs.

After one year of using EFS® and U.S. HVI data, we bought our own HVI, in which we test every bale that arrives in our plant, with no variation on the results as we were using before with the U.S. HVI data.

I would like to close by mentioning the benefits we got with the implementation of the EFS® System:

Better Quality

Since the installation of the EFS® System we have eliminated the barre by blending different colors (Rd) and (+b), and blending up to four different groups. The program

has also helped us because we now have all the information on every bale and laydown in order to control the differences in mic and the C.V% form laydown to laydown. The results in quality control are obvious: we now have more consistent results in yarn size, break factor and CV Uster values.

Productivity

Due to the fact that the laydowns and mini mixes were more consistent and because of the better use of our inventory, we saved 1.5% in combing noils without sacrificing quality. Productivity was as good of better because we now have more control in contract inventory, weight, prices and the cost of inventory. And all this with fewer people than we used to have.

After working with the EFS® System for three years I can say that we have the best tool to make a better yarn more efficiently and at a lower cost. But as a tool, you need to optimize each process to take advantage of the uniform mix and the facilities that this system gives you. Then every mill will experience even more improvement in quality and control.

Thank you very much.