

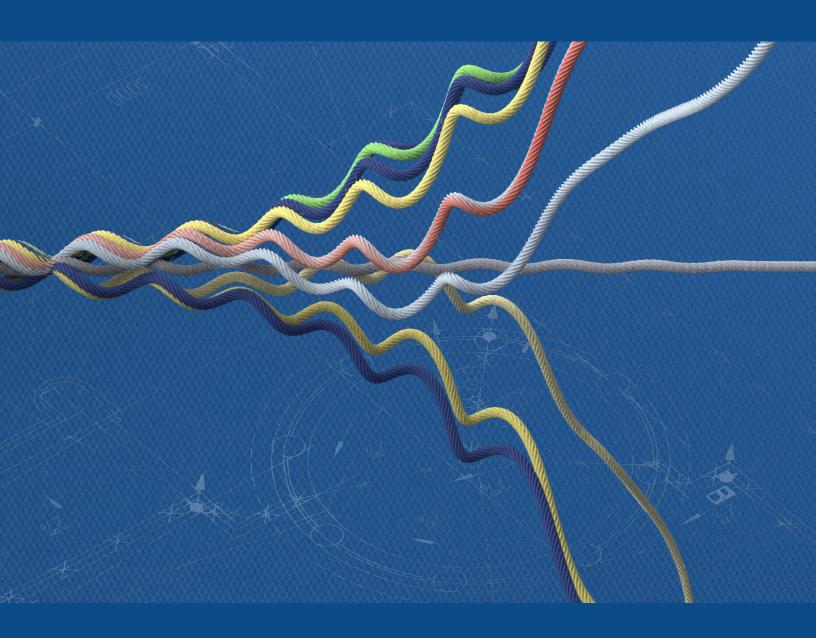


AN EVALUATION OF THE

PERFORMANCE STUDY

OF 100% U.S. COTTON VS. BRAZIL AND WEST AFRICAN COTTON MIX

A RESEARCH MILL STUDY FROM COTTON USA SOLUTIONS®



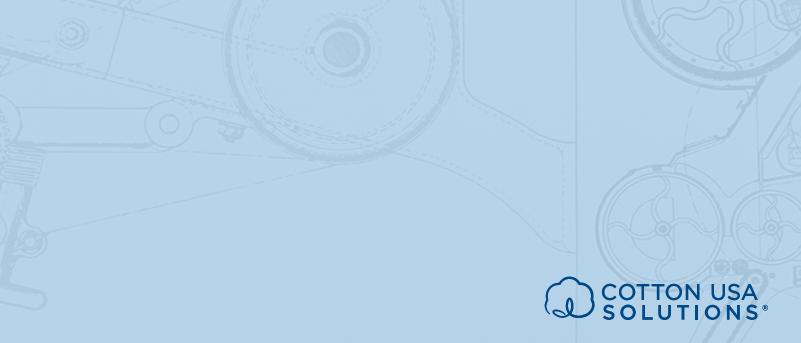
TO LEARN MORE ABOUT COTTON USA SOLUTIONS®, CLICK HERE.

CONTENTS

Background	3
Control Procedures	4
Raw Material Management	5
Cotton Parameter Selection	7
Findings - Count Ne12	9
Findings - Yarn Strength CSP Ne16	10
Findings - Weaving Performance Ne16	
Findings - Count Ne20	12
Findings - Decreased Waste When Using U.S. Cotton Financials	13
Findings - Ismail Spinning Mills Conclusions	14
Findings - Zaber Spinning Mills	15
Financials - Trial #1	16
Financials - Trial #2	18
Conclusion	19
Appendix (Tables, etc.)	20
More COTTON USA™ Mill Studies	21

BACKGROUND

In February 2022, COTTON USA SOLUTIONS® partnered with an independent consultancy firm to understand whether yarn manufactured with 100% U.S. cotton improved the technical and financial results when compared to yarn produced with a West African/Brazilian cotton blend. The study was comprised of two trials at two different mills. The independent firm conducted the first trial at Ismail Spinning Mills in Bangladesh, producing Ne 12's and Ne 20's count yarn. Upon completion, the COTTON USA SOLUTIONS® team performed the second, larger trial at Zaber Spinning Mills in August 2022, producing Ne 16's count yarn.



CONTROL PROCEDURES

To ensure that a fair comparison was conducted between the three different cottons, participants were encouraged to maintain similar average values of basic fiber properties in the three cottons where possible. However, it was determined that the quality of more than 50% of the U.S. cotton bales in the available inventory was considered unsuitable for a fair comparison. In both trials, when comparing the key cotton parameters of bales from the laydowns produced from the U.S. bales using 100% U.S. cotton blends, the consultants had to use cottons with lower length, lower strength, higher micronaire and greater short fiber index (SFI) than the comparable West African/Brazil mix. Though we were unable to make direct comparisons in terms of fiber parameters, the results provided similar superior yarn quality as is described in more detail in this report.



RAW MATERIAL MANAGEMENT

Trial #1: Ismail Spinning Mills

During the first trial, Ismail Spinning Mills had 517 bales of U.S. cotton in stock (see below table for key inventory parameters).

Within the available inventory, 83% of bales had less than the 28 GPT required for good weaving according to the parameters of COTTON USA SOLUTIONS®.

In addition, 26% of bales had a UHML lower than 27.5mm. Within the inventory, both fiber length and strength of the cotton were below the levels required for weaving yarn.

Note: Weaving performance is primarily determined by fiber length and strength.

Total U.S. Bales In Stock	517 Bales	
	Number of Bales	%
UHML Less Than 27mm	40	7.74
UHML Less Than 27.5mm	135	26.11
UHML Less Than 28mm	278	53.77
Strength Lower Than 24	21	4.06
Strength Lower Than 25	82	15.86
Strength Lower Than 26	207	40.04
Strength Lower Than 27	352	68.09
Strength Lower Than 28	430	83.17
UI Lower Than 80	57	11.03
UI Lower Than 81	140	27.08



RAW MATERIAL MANAGEMENT

Trial #2: Zaber Spinning Mills

In the second trial, the COTTON USA SOLUTIONS® team compared a usual laydown, based on 20% to 50% Brazilian cotton blended with West African cotton.

Despite the unsuitable cotton parameters for the Brazilian cotton, it is being used in the laydowns.

The micronaire value was low and CV% of micronaire was 12.1%, which is abnormally high. If the CV% is high, the average value of Brazilian bales in the laydown will not remain the same, using lot management in all the laydowns.

The UI was also on the lower side with more variation between bales.

Brazil	МІС	MAT	UHML	UI	SF	STR	ELG	RD	+B	TRCNT	TRAR
Average	3.65	0.84	28.13	80.3	11.2	25.3	7.6	78.1	9.7	31	0.28
CV%	12.1	1.4	4.3	2.3	19.8	7.7	7.9	2.7	4.9	36.4	48.1

The below table shows a summary of the average HVI values of the West African bales used in the laydown:

- Fiber length average was higher by a minimum 1 mm compared to the U.S. cotton laydown.
- SFI was lower compared to U.S. cotton laydown average.
- Fiber elongation was lower than U.S. cotton. Trash is also lower.

Variety	MIC	MAT	UHML	UI	SF	STR	ELG	RD	+B	TRAR
Bola	4.30	0.86	30.00	82.8	7.9	28.4	6.5	75.3	9.6	0.18
Chad	4.61	0.87	29.31	82.5	7.8	28.9	6.3	75.3	11.2	0.22
Cameroon	4.40	0.86	29.34	82.5	8.1	29.6	7.0	75.7	11.8	0.14
lvory	4.23	0.85	28.35	82.6	7.8	28.5	7.0	74.4	9.4	0.29

	U.S. Cotton Laydowns												
Group MIC UHML UI SFI STR ELG +B RD TRARE										TR AREA			
-> L1	Average	4.60	28.21	82.53	9.34	28.22	8.71	8.34	75.64	0.74			
-> L2	Average	4.65	28.07	82.69	9.26	28.77	8.89	8.42	75.33	0.47			
-> L3	Average	4.73	28.19	82.78	9.07	28.43	9.26	8.25	74.91	0.50			

COTTON PARAMETER SELECTION

The Importance of Parameter Selection

COTTON USA SOLUTIONS® is convinced that the combination of focused fiber selection with software engineered bale-laydown is the foundation for superior yarn quality, maximum yield and greater profitability. With the existing laydown methodology, only +b value was considered.

In our experience, all the other parameters tested by the USDA and through internal testing programs need to be utilized when preparing the laydowns. Micronaire, UHML, Strength, UI and Rd should also be considered.

The good yarn quality and yield results obtained during this trial, despite the inferior quality of U.S. fiber in the existing inventory, was only achieved by following this philosophy.



COTTON PARAMETER SELECTION

A Fair Comparison

One of the most important advantages of using U.S. cotton is the variety of choice when purchasing U.S. fiber. Customers can buy whatever cotton they need.

Unlike other cottons, the USDA testing program for every bale produced, ensures that U.S. cotton can be bought with the required parameters to spin the high-quality yarns for the end-use that is required.

For denim application (Ne 12's to 16's), a micronaire range of 4.2 to 5.4 with bale management system is used.

Using compact spinning will minimize the mixing cost while obtaining superior yarn quality. Even $1^3/_{32}$ can be tried for this count range with a 4.4 average micronaire value. (APPENDIX II).

Improved Processes: Settings in Blowroom, Carding, Drawframe and Roving

To optimize the performance of U.S. cotton, the COTTON USA SOLUTIONS® team made main adjustments to the blowroom cleaning and licker-in and flat settings in the carding section. Due to the benefits of U.S. cotton, the settings in the machines can be improved to reduce the waste and improve the running conditions and yarn quality.

In addition to improving the yield, the adjustments to the flat settings on all cards increased the nep removal efficiencies by as much as 9%, from 68% to 77%, for Trial 1.

Even on cards running at 120 kgs per hour, with the adjustments of the settings, COTTON USA SOLUTIONS® was able to achieve an NRE% of 80% to 84%.

The focus in these departments centered on fine-tuning the break drafts used for U.S. cotton to optimize the U%.

Although the mill normally uses closer/tighter settings, the adjustments recommended by the COTTON USA SOLUTIONS® specialists gave lower U% values. Although the short fiber content and micronaire value were high with the U.S. cotton used in the mix, the roving U% value of 4.21 was similar to the West African cotton mix, with the Uster value ranging from 3.99 to 4.44.

Finisher Drawframe AFIS Comparison

The West African mix had higher length, lower fineness value and lower SFCn value when compared to U.S. cotton used in the mix.

Even though the selected U.S. cotton parameters were not at par with the West African cotton mix, it was possible to obtain almost the same yarn quality results. Moreover, it was possible to achieve consistent yarn quality results using the U.S. cotton mix.

With longer length, less short fiber content and a higher number of fibers in the cross section, the yarn strength will be better with the West African mix. However, COTTON USA SOLUTIONS® is convinced that the yarn from the U.S. cotton will perform similar due to a higher elongation and a smaller number of weak places in the yarn.



FINDINGS - COUNT NE12

U.S. Cotton Produces Similar to Superior Yarn Quality Compared to West African or Brazilian Cotton.

Count Ne12

Despite being inferior in cotton parameters when compared with the regular mix, **U.S. cotton produced similar to superior yarn quality.**

The below table shows an overview of the yarn quality parameters of the 12s carded yarns produced with the different blends:

		12s	Carded Ri	ng Frai	ne Cop	Yarn I	Result		
	Blend	Date	Lot	U%	CVm%	-50% Thin	+50% Thick	+200% Neps	IPI
	West African +	26/01/2022	1202	9.28	11.66	0	12	8	20
	Brazil Mix	23/01/2022	1202	10.78	13.63	2	18	14	34
	West African +	19/12/2021	1201	10.06	12.72	0	40	28	68
	Brazil Mix	17/12/2021	1201	12.01	9.88	12.51	1	21	28
H		31/01/2022	1206	9.75	12.3	0	13	8	21
١	100% U.S. Recap	31/01/2022	1206	9.58	12.14	0	16	8	24
		01/02/2022	1206	9.88	12.53	0	22	10	32

The below table shows an overview of the clearer cuts and CSP values of the 12s carded yarns produced with the different blends:

		12s C	arded C	learer C	uts - De	nim Yarı	n	
	Blend	Date	Lot	N	S	L	Т	Total
I		30/01 2 nd	1205	34.3	86.9	167	18.4	315.7
	West African + Brazil Mix	29/01 2 nd	1205	28.2	84	156.2	15.4	286.9
	Brazii Mix	31/01 1st	1205	30.7	67.9	72,4	6.1	184.1
		01/02 1st	1206	18.9	35	10.4	1.4	77.8
	100% U.S. Recap	31/01 3 rd	1206	18,7	35.3	10.5	1.6	78.1
	кесар	31/01 2 nd	1206	18.4	33.2	21.9	2.9	84.7

	12s Carded CSP-Denim Yarn											
Blend	Lot nº	Count	Count CV%	Strength	Strength CV%	Elongation	CSP					
WA+Brazil	1205	12.34	0.48	204	2.81	5.13	2520					
100% U.S. Recap	1206	12.22	0.93	208	3.02	5.68	2541					

FINDINGS - YARN STRENGTH CSP NE16

Yarn Strength CSP Ne16

The CSP value of 16's carded yarn from U.S. cotton varied from 2400 to 2550, whereas with West African cotton it varied from 2600 to 2800.

The U.S. cotton might perform better, even with a lower CSP value, because the yarn elongation will be higher, as fiber elongation with U.S. cotton was higher by 2 points when compared to West African cotton. The single yarn strength testing facility was not available to measure the yarn elongation. Although we do not have the data available from the weaving department for the first trial, we are convinced that despite the lower CSP value, the weaving performance will be better, due to the higher fiber elongation.

	Strength - U.S. Cotton										
RF NO	Lot	AVG Count	1	2	3	4	5	AVG	CSP		
81	U.S.	16.23	147	150	162	157	146	152	2473		
82		16.32	150	159	161	149	150	159.8	2519		
80		16.22	157	168	158	157	149	157	2559		
38		16.01	159	150	150	153	156	153	2459		
37		16.06	144	152	160	140	154	150	2409		



FINDINGS - WEAVING PERFORMANCE NE16

Weaving Performance Ne16

Though the number of breaks for the U.S. cotton blend was higher when compared to the regular mix, with the breaks per million meter raising from 1.89 to 2.78, we are convinced that this difference would not have a negative influence on the overall weaving performance.

M/c nº	Set nº	Size	Count	Lots	T. Ends	Meter	Total Break	Breaking Rate m/M	M/c Speed	Pile/ Ground	Breaks
05	1929	100x155	Ne 16/1	6220	2540	16200	78	1.89	450	pile	Normal Mix
06	1921	70x150	Ne 16/1	6222	2664	21600	185	3.21	450	pile	U.S. Blend Up To Carding
04	1930	26x50	Ne 16/1	6223	2502	16200	113	2.78	450	pile	U.S. Blend All New Settings

The loom efficiency for U.S. cotton dropped from 78.13% to 74.58%.

Lot	Efficiency	Loom Efficiency
6220	78.13%	Normal Mix
6222	65.97%	U.S. Blend Up To Carding
6223	74.58%	U.S. Blend All New Settings

However, with some fine-tuning of the spinning parameters, the management at the spinning mill mentioned that it should be possible to obtain a comparable break level compared to the West African mix and a similar weaving performance.



FINDINGS - COUNT NE20

Count Ne20

Our study found that, despite the inferior fiber parameters of the U.S. cotton used for this trial, the yarn quality is similar to the more expensive W.A mix. The below table shows an overview of the yarn quality parameters of the 20s carded yarns produced with the different blends:

	20s	Carded Ri						
Blend	Date	Lot	U%	CVm%	-50% Thin	+50% Thick	+200% Neps	ΙΡΙ
West African +	24/01/2022	2006	10.43	13.21	2	53	32	87
Brazil Mix	29/01/2022	2006	11.48	14.55	6	118	60	184
West African + Brazil Mix	15/03/2021	1120	11.3	14.35	5	113	169	287
DI dZII MIX	17/03/2021	1120	12.15	15.46	4	258	124	386
	01/02/2022	2009	11.56	14.68	5	132	54	191
100% U.S. Recap	31/01/2022	2009	11.56	14.71	4	132	59	195
несар	02/01/2022	2009	11.71	14.9	5	158	72	234

The below table shows an overview of the clearer cuts and CSP values of the 20s carded yarns produced with the different blends:

20s Carded Clearer Cuts-Denim Yarn									
Blend	Date	Lot	N	S	Г	T	Total		
West African +	30/01/ 3 rd	2007	55.7	139.6	17.2	11.7	239.8		
Brazil Mix	01/02/ 1 ST	2007	55.7	101.7	12.7	4.3	186.3		
	31/01/ 1 ST	2007	58.3	104.2	13.7	4.2	193.4		
100% U.S.	Data 1	2009	25.6	42.5	18.5	11.2	110.8		
Recap	Data 2	2009	26.5	45.5	20.9	12	118		

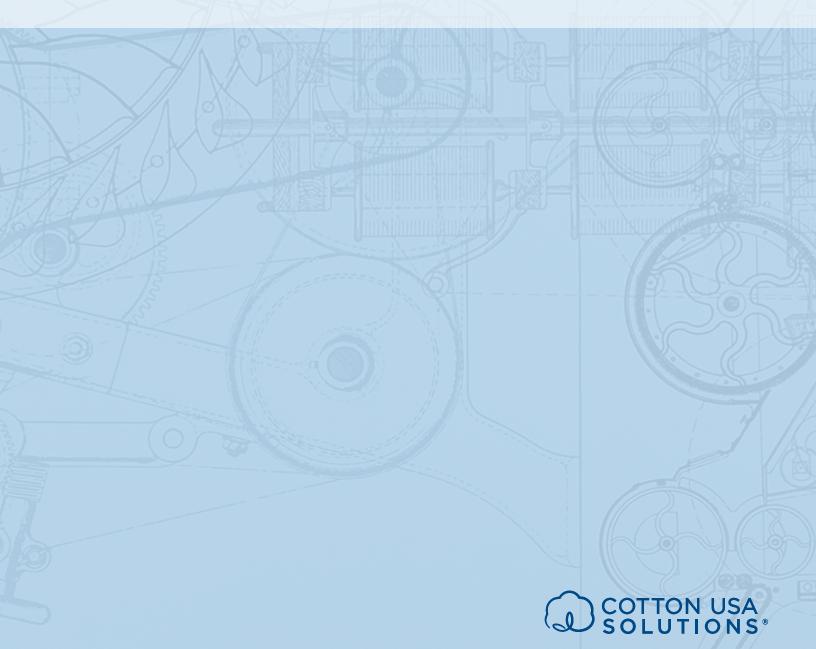
	20s Carded CSP- Denim Yarn										
Blend	Lot nº	Count	Count CV%	Strength	Strength CV%	Elongation	CSP				
WA+Brazil	2007	20.36	0.3	121	2.02	4.8	2463				
100% U.S. Recap	2009	20.27	1.46	112	2.11	4.34	2280				

FINDINGS - DECREASED WASTE WHEN USING U.S. COTTON

Decreased Waste When Using U.S. Cotton

Overall, the COTTON USA SOLUTIONS® teams' analysis of the blowroom and carding waste records showed that for denim, U.S. cotton created significantly less waste than West African cotton mix and Brazilian cotton.

Based on our findings, we believe that with some further fine-tuning in the process, the waste levels for U.S. cotton in the blowroom and carding can decrease below 7%.



FINDINGS - ISMAIL SPINNING MILLS

Ismail Spinning Mills

The analysis of the blowroom and carding waste records showed that the regular West African mix generated waste losses that ranged from 8.4% to 9.2%. For the yarns where also Brazilian cotton was used, the waste loss percentage rose to 11.5%.

However, using the recommended U.S. cotton laydowns and modifications to some key machine settings in both departments, **a waste level of 7.2%** was achieved.

	1 (Denim Mix)	2 (Denim Mix)	3 (Cameroon)	4 (Brazil)	5 (U.S.A.)	6 (U.S.A.)
Blowroom Waste %	2.93	2.23	3.01	3.81	1.9	1.5
Card Waste %	5.42	6.8	6.67	7.62	5.28	5.79
Total %	8.4	9.0	9.68	11.45	7.18	7.23



FINDINGS - ZABER SPINNING MILLS

Zaber Spinning Mills

The analysis of the blowroom and carding waste records showed that for denim and terry towel, the regular West African mix generated waste losses that ranged from 10.52% to 11.65%.

However, using the recommended U.S. cotton laydowns and modifications to some key machine settings in both departments, **a waste level of 7.35%** was achieved.

	West African 1	West African 2	U.S. Cotton
Blowroom Waste %	3.17	3.17	0.95
Card Waste %	7.35	8.48	6.40
Total %	10.52	11.65	7.35



FINANCIALS - TRIAL #1

The process of purchasing U.S. cotton in combination with improved machinery settings can lead to considerable savings for spinning mills.

U.S. cotton can be purchased as Recaps at a discounted price, which leads to lower raw material costs compared to West African and Brazilian blends.

A significantly lower yarn cost can be obtained through a strategy of spinning Ne 12 to Ne 20, creating blends using 70% selected fiber parameters from less expensive Recap U.S. cotton and 30% U.S. Green Card cotton.

The table on the next slide shows the yearly savings in RM costs comparing the blends used for the trials, considering a daily production of 35 tons.

Comparing the clean (net) cotton cost, calculated for the current blends with other origins and the selected U.S. cotton quality, savings of 12% to 20% can be achieved.

The table below shows the lower clean cotton cost in USD/lb obtained with U.S. cotton compared to the current blends used at Ismail Spinning.

Trial #1:

The highest savings are achieved with U.S. cotton blends (100% Recaps and Recaps + Green Card cotton) and would result in nearly \$5 million per year!

/	Cot	Cotton Price		Cot	ton Bl	end							
	WA	U.S.	BRAZIL	WA	U.S.	BRAZIL							
	U.S.	\$ Per	LBS		centa n Use	_	Cotton Price U.S.\$/KG	Cotton Price U.S.\$/KG Factory Delivered	Waste Selling Price In U.S.\$/KG	Yield %	Waste Revenue In U.S.\$/KG	Cotton Rate In U.S.\$/KG	Clean Cotton Cost/KG In U.S.\$
	0.77	0.68	0.82	70	0	30	1.731	1.751	0.70	89.00	0.069	1.682	1.889
	0.77	0.68	0.82	50	0	50	1.753	1.773	0.70	87.50	0.073	1.700	1.943
	0.77	0.68	0.82	100	0	0	1.697	1.717	0.70	88.50	0.069	1.648	1.863
	0.77	0.68	0.82	0	100	0	1.499	1.519	0.70	91.00	0.062	1.457	1.601
	0.77	0.74	0.82	0	100	0	1.631	1.651	0.70	91.00	0.062	1.589	1.747
	0.77	0.68	0.82	0	0	100	1.808	1.828	0.70	88.00	0.076	1.752	1.991

FINANCIALS - TRIAL #1

			/ /			
	Clean Cotton Cost KG In U.S.\$	Daily Clean Cotton Cost For 35 Tons	Savings In U.S.\$ Compared To BR Blend	Yearly Savings In U.S.\$ Compared To BR Blend		
Blend 1 (70% WA/30%BR)	\$1.89	\$66,127.68	\$3,541.81	\$1,275,050.18		
Blend 2 (50% WA/50%BR)	\$1.94	\$68,003.10	\$1,666.39	\$599,899.91		
Blend 3 (100% WA)	\$1.86	\$65,193.53	\$4,475.96	\$1,611,344.72		
U.S Blend (100% Recap)	\$1.60	\$56,040.77	\$13,628.72	\$4,906,338.99		
U.S Blend (Recap+Green Card)	\$1.75	\$61,128.08	\$8,541.41	\$3,074,908.22		
Blend 4 (100% BR)	\$1.99	\$69,669.49	Reference	Reference		



FINANCIALS - TRIAL #2

Blowroom and Card Waste %

Yarn Realization %

The savings achieved with the U.S. cotton blends compared to the West African mix would result in nearly \$2.9 million per year!

	U.S.\$ PER LBS	% in Use	Cotton Price In U.S.\$ Per KGS	Cotton Price In U.S.\$ Per KGS At Factory	Blowroom And Card Waste %	Waste Selling Price In U.S.\$/KG	Yarn Realisation %	Waste Revenue In U.S.\$/KG	Cotton Rate In U.S.\$/KG	Clean Cotton Cost/KG In U.S.D
WA Mix	1.3135	100	2.896	2.916	11.2	0.80	86.80	0.096	2.820	3.249
100% U.S. Mix	1.08	100	2.381	2.401	7.8	0.80	90.20	0.068	2.332	2.586

	0	Daily Clean Cost For 12 Tons	Savings In U.S.\$ Compared To BR Blend	Yearly Savings In U.S.\$ Compared To BR Blend
West African Mix	\$3,249	\$38,988	Reference	Reference
U.S. Cotton Mix	\$2,586	\$31,032	\$7,956	\$2,864,160



CONCLUSION

Trials performed under the supervision of the COTTON USA SOLUTIONS® team successfully demonstrated that for carded yarn counts Ne 12's, Ne 16's and Ne 20's, with 100% U.S. cotton it is possible to:

- Produce a similar or superior yarn quality
- Improve the yield (+1.5% to +1.8%) by reducing waste
- Lower the cotton cost in USD/kg, resulting in cheaper mixing and less waste
- Increase the nep removal efficiency and improve the productivity in carding
- Reduce the winding clearer cuts to improve both winding and weaving performance (70% on Ne 12's, 17% on Ne 16's and 50% on Ne 20's)

At present for 16's count, the U.S. cotton was used only for Open-End (OE) application. The study proved that despite the apparent lower fiber parameters of the selected U.S. cotton, it was possible to produce ring spun yarns with similar quality when compared to West African cotton.

Overall, the use of U.S. cotton blends in spinning (100% Recaps and Recaps + Green Card cotton) suggest potential savings of up to \$5 million a year.



To contact a COTTON USA representative for more information about U.S. cotton or to become a COTTON USA licensee, <u>click here</u>.

APPENDIX - (TABLES, ETC.)

Appendix I

	МІС	MAT	UHML	UI	SFI	STR	RD	+B	TR AR
HVI Value Of Bales From Laydown 1 U.S.	4.88	0.84	27.32	81.70	11.69	28.76	75.39	9.49	0.45
HVI Value Of Bales From Laydown 2 U.S.	4.71	0.84	27.07	81.55	12.08	28.05	75.90	9.36	0.50
HVI Value Of Bales From Laydown 3 U.S.	4.77	0.84	28.11	82.0	11.8	29.1	77.5	9.6	0.40
HVI Value Of Bales From Laydown 4 U.S.	4.60	0.84	28.14	81.8	12.5	29.4	76.0	9.6	0.42
HVI Data Of Brazil + West African (1)	4.35	0.84	28.37	81.37	11.10	30.25	77.92	10.78	0.54
HVI Data Of Brazil + West African (2)	3.92	0.84	28.98	81.6	11.6	30.2	79.2	11.2	0.40

Appendix II

Cotton Parameter	Non-Compact	Compact			
Micronaire Range/ Average	3.8 to 5.2/4.5	4.2 to 5.5/4.8			
UHML	1 1/8	1 3/32-50% and 1 1/8-50%			
Strength Minimum/Average	28 GPT/ 30 GPT	28 GPT/ 29 GPT			
UI Minimum/Average	80/ 81.5	79/ 81			
Color	31, 32, 41, 42	31, 32, 41, 42			
Leaf Grade	3,4	3,4			



FOR MORE COTTON USA™ MILL STUDIES, CLICK THE LINKS BELOW.

AN EVALUATION OF THE DURABILITY ADVANTAGES OF USING U.S. COTTON IN KNIT FABRICS

AN EVALUATION OF THE FIBER PROCESSING ADVANTAGES OF USING U.S. COTTON IN KNITTED FABRIC/GARMENT MANUFACTURING

AN EVALUATION OF THE FINANCIAL ADVANTAGES OF USING U.S. COTTON IN KNITTED FABRIC/GARMENT MANUFACTURING

THE TECHNICAL AND FINANCIAL ADVANTAGES OF USING U.S. COTTON-RICH YARNS IN KNITTED FABRIC AND GARMENT MANUFACTURING

NEW TESTING PROCEDURE AT TURKISH MILL GENERATES EQUIVALENT SAVINGS OF 7 CENTS PER POUND

