

## Enhancing agro-industrial value chains for productive and decent work for youth and women in Uganda: A case of cotton



### Town Hall Baraza Proceeding Report

Mwaana Highway Hotel, Iganga

April 2021

## Background

This Baraza proceeding report on cotton highlights key issues discussed during a Baraza held on Thursday, 25<sup>th</sup> March 2021 at Mwaana Highway Hotel, Iganga District. Cotton was among the nine (9) strategic commodities identified with tremendous potential for transformative for Agro-industrialization. Looking at the cotton value chain, enormous employment opportunities for youth and women exist. However, this requires government and private sector players to sustainably invest in the necessary high value chains for high production which result into decent work and pay for all stakeholders, in particular youth and women.

It is In this regard that the Economic Policy Research Centre (EPRC) organised a half-day town hall Baraza with farmers, government and private sector actors in the cotton sector to discuss candidly by identifying actual and potential areas that if invested in not only create the much needed revenue for government but profits for private sector investors and higher incomes and employment for farmers, youth and women. The Baraza was part of the **EPRC-African Policy Dialogues (APD) under the Inclusive Development (INCLUDE)** Platform project on *“Creating Productive and decent work for youth and women in Uganda through Agro Industrialisation”*.

Therefore, the specific objectives of the Town Hall Baraza were to: promote and create awareness on the use of the AGI approach as a means of creating productive and decent jobs; explore the type of enterprises/interventions that should be prioritised by government and private sector players in the cotton value chain. How many jobs are they capable of creating? What skills are required? Are they available or not? Create a knowledge sharing platform among cotton growing communities.

The Baraza was attended by 33 persons of various categories in the cotton sector representing government, middlemen, farmers, and factory ginnerers (private sector) from cotton growing communities from Iganga, Kaliro, Bugiri, Bugweri and Namutumba districts.

## Welcoming Remarks

**Ms. Elizabeth Birabwa Aliro: Programmes Manager, Event Moderator**

The Baraza was moderated by Ms. Elizabeth Birabwa Aliro. She welcomed everyone present and started off the forum by self-introductions, first for the EPRC staff then the rest of participants. Each participant mentioned their name, profession and district they were hailing from. The Baraza was conducted in English, Luganda and Lusoga to ensure that all stakeholders were on the same level of understanding.



After introductions, Ms. Ms. Aliro then requested the participants to briefly share their expectations of the Baraza. In summary, some indicated that they expected to acquire (new) knowledge about cotton growing, eat, get an allowance, make new friends after the dialogue and hopefully get solutions on how to address the various challenges faced by cotton farmers.

Ms. Aliro further stressed that in addition to what they expected, the Baraza was aimed at also sharing ideas on the cotton value chains, and get practical experiences on where the jobs are now and for the future, the skills required for persons who are involved and hope to join as well as the challenges and opportunities prevailing.

Ms. Aliro then finally recapped the day's program (see Annex 1) and informed participants that, Dr. Swaibu Mbowe, a team member could not join. She then invited Dr. Madina M. Guloba, a Senior Research Fellow at EPRC and Project Lead to open the Baraza throw more light on the purpose of the meeting and how it fits into the overall project.

## Opening Remarks

**Dr. Madina M. Guloba, Senior Research Fellow, EPRC**

In her remarks Dr. Guloba thanked everyone for honouring the invitation and taking time off their busy schedules to attend, share ideas and insights about the cotton value chain during the Baraza.

She reiterated that basing on its rigorous research findings, EPRC had identified nine (9) priority commodities with enormous potential where government investment and effort needed to be re-directed.

These included cotton, coffee, fish, dairy, oil palm, rice, maize, cassava and sugarcane. She emphasised that the interactions and issues to be shared today were critical to their work in further understanding in a practical sense the cotton value chain and sector. She urged all participants to be free as the session was to be an interactive one. She then officially opened the dialogue.



## Remarks from Cotton Development Organisation

Ms. Aliro then invited Mr. Fred Lugojja to share his insights on cotton, employment opportunities and what as CDO can do for farmers and other cotton stakeholders.

### Fred Lugojja, Cotton Development Organisation

Mr. Lugojja using a Power Point presentation (Annex 2) highlighted the “employment opportunities for youth and women along the cotton value chain” in Uganda. In summary, he went through the historical context cotton I Uganda, the stakeholders involved, the current production and revenue trends. Furthermore, he stressed the need for value addition and illustrated with examples, specimen on how value addition in cotton industry with existing investments opportunities can lift



farmers out of poverty. Employment opportunities and how much each stage can potentially pay to workers were also stressed. Mr. Lugojja intimated that the marketing channel for cotton starts with farmers who then sell their Cotton cake to middlemen, who then sell to ginnerers who sell to merchants who then finally to the spinner. It was noted that there are instances when the farmer can sell his/her cotton directly to the ginner and the ginner transfers it directly to the spinner. In such instances, middlemen and merchants are avoided.

On the issue of quality, Mr Lugojja as noted that Cotton which is picked by hands always has a high quality compared to Cotton picked by a machine. This is because handpicked Cotton provides better threads (for clothes) because it is less shredded. In addition, it was also noted that there is currently low production of Cotton in the country. This is partly the reason why only 22 ginnerers are operational out of the 38 ginnerers in the country; however, even these are operating below capacity.

Mr. Lugojja concluded by highlighting the immense opportunities that the Cotton subsector presents. He emphasized the need to invest in Handloom weaving as its products have a ready market locally and under AGOA and it required low capital to invest hence ideal for women, youth and people with disabilities.

## Remarks from a Private Sector representative-Ginner

### Mr. Evans Musiime, Mutuma Commercial Agencies Limited

Ms. Aliro invited Mr. Musiime, the Director of Mutuma Commercial Agencies Limited to give his practical insights into cotton growing, the challenges, opportunities and skills requirements that ginner look out for in their workers. In his opening remarks, Mr. Musiime said that their work as Mutuma Commercial Agencies Limited is to buy Cotton from farmers and also help farmers with Cotton seeds for planting.



However, he expressed concern that the government has not supported their work as Cotton ginner as they are left to incur various costs alone with the farmers. For instance, for every kilo of Cotton bought from farmers, Mutuma contributes Ugx 600 in costs. He urged the government to accord commensurate support as it does to other crops like Coffee by contributing seeds to the farmers.

Mr. Musiime worried that in the Eastern region of Uganda, there are other competing crops such as Sugarcane, that have caused some farmers to lend out their land for longer periods of up to 10 years, causing them to abandon Cotton and this is so even when the gestation period for Cotton is only 4 months. He further noted that the price of lint is not determined by the ginner – it is rather the expected output from the lint that determines the lint price.

He noted that despite the challenges faced, Cotton is a lucrative crop that needs to be embraced country wide. He said that in Northern Uganda for example, an initial investment of Ugx 1.32 billion was made, which produced 20,000 bales equivalent to Ugx 20 billion earned. He stressed that there are enough ginner, implying that there is market for Cotton. However, there is need to create awareness for farmers to start embracing this crop again.

## Plenary: Identification of activities, skills requirement and gender participation along the Cotton value chain

**Moderators: Ms. Elizabeth Birabwa Aliro and Dr. Madina M. Guloba**

Using the value chain approach, an open discussion was held on identifying areas of productive and decent work for youth and women by the participants. Table 1 summaries the plenary discussions.

**Table 1: Summary of Cotton Baraza discussions**

Value Chain	Activities	Participation	Skills required	Other Comments
<b>Farming/ production</b>	Land preparation	<ul style="list-style-type: none"> <li>- Youth (Over 80 percent of the land preparation is done by youth)</li> <li>- Women (3 to 5 women out of 10 involved in land preparation)</li> <li>- Children</li> </ul>	No special skills	<p>Highly labor intensive and hard (physical strength). Family labor (Husband, wife and children) is always used but in the event of hired labor, payments are negotiable according to the area to be covered.</p> <p>If family labor is not used, land is cleared at Ugx 50,000 to Ugx 70,000 per acre. However, tractor hire is between Ugx 80,000 and Ugx 100,000. Ox plough costs Ugx 60,000 per acre.</p> <p>The type of the land is very key. Land used is either privately owned or it can be hired land.</p>
	Planting	<ul style="list-style-type: none"> <li>- Youth</li> <li>- Women</li> <li>- Children</li> </ul>	No special skills	Planting differs according to whether it involves applying fertilizer or not. Ugx 30,000 to Ugx 60, 000 is charged when planting does not involve applying fertilizer. However, when it involves applying fertilizer between Ugx 60,000 and Ugx 80,000 is charged per acre.
	Pruning	<ul style="list-style-type: none"> <li>- Youth</li> <li>- Women</li> </ul>	No special skills	Men rarely participate in pruning. Family labor is greatly used but in the event of hired pruners, they charge Ugx 20,000 to Ugx 40,000.
	Weeding ( <i>Okuduba</i> )	<ul style="list-style-type: none"> <li>- Women (8 out of 10)</li> <li>- Youth (2 out of 10)</li> </ul>	No special skills	This is mainly done by youth and women. There are always different stages of weeding. Cotton weeding is done at least twice before maturity. In case of hired labor, weeding costs between Ugx 30,000 to Ugx 60,000 per acre. The cost greatly depends on the height of the weeds in the farm. Herbicides for weeding cost about Ugx 20,000.

Value Chain	Activities	Participation	Skills required	Other Comments
	Spraying	- Men	Basic spraying skills	<p>Spraying is done at the same time while weeding and it is always done by men or husbands in the family. Family labor from husbands is highly used in spraying.</p> <p>In case of hired labor, Ugx 500 to Ugx 600 is charged per spray pump. Four (4) ordinary pumps an acre can suffice.</p> <p>After spraying, there is always a second weeding and this takes the same costs and participation. It was noted that weeding and spraying may be carried out 3 to 4 times depending on how the farmer prepares the garden.</p>
	Harvesting	- Youth - Women	Basic harvesting skills	Harvesting is mostly done by women and youth. Whenever family labor is not used to harvest payments for hired labor are determined according to basins, kilograms or sacks (100kg sacks) harvested. A basin of cotton is harvested for Ugx 5,000 whereas a kilo is harvested for Ugx 150 to Ugx 200.
	Storage	- Men - Youth - Women	Basic storage skills	<p>It was noted that there is a problem of lack of storage facilities which cause farmers to incur losses. Cotton is stored when it is dry. Immediately after harvesting, individuals store the cotton at their homes.</p> <p>Basic storage skills are required and anyone can acquire them. Due to the challenges of storage participants suggested that the government should establish communal storage facilities.</p>



Value Chain	Activities	Participation	Skills required	Other Comments
	Middlemen (Selling to middlemen)	<ul style="list-style-type: none"> <li>- Youth (Male youth)</li> <li>- Men</li> <li>- Women (1.2 woman out 10 middlemen) = 12% women participation.</li> </ul>	<p>Knowledge in assessing quality.</p> <p>Reading the weighing machine.</p> <p>Price knowledge</p> <p>Business skills.</p>	<p>Mainly done by men and male youth. Middlemen have storage facilities. It was noted that men always take over from women at this stage of the value chain because even though women are largely involved in the earlier stages of cotton farming, its men that always determine where to sell the cotton. <i>“When cotton reaches harvesting, it becomes the man’s cotton – Pamba bwatuuka okwatika, pamba yafuuka w’omwami”</i> a Baraza participant said.</p> <p>Some participants said that on who determines where to sell, it both the wife and husband (determined as a couple), whereas others said that it depends on effort into the farming process. They however all acknowledged the fact that men tend to be tough with money sharing.</p> <p>Farmers always stop at this level of dealing with middlemen, whatever happens thereafter they are rarely involved.</p>
<b>Ginning</b>	Transportation & Offloading	<ul style="list-style-type: none"> <li>- Men</li> <li>- Youth (Male youth)</li> <li>- Women</li> </ul>	<p>Driving skills.</p> <p>Offloading does not require special skills.</p>	<p>Ginners collect cotton from middlemen from where it is always kept in warehouses/stores. Sometimes it’s the middlemen themselves that transport it to the ginnery.</p> <p>There is transportation of cotton at this stage which is mainly managed by men and youth. Women are rarely involved in transportation of cotton but they are sometimes involved in buying it.</p> <p>The youth are mainly involved in loading and offloading of cotton which does not require special skills. It was noted that in Lira, northern Uganda it is mainly the women who off-load cotton.</p>
	Sucking	<ul style="list-style-type: none"> <li>- Youth</li> <li>- Men</li> <li>- women</li> </ul>	No special skills	Cotton is moved from the store to the gin (cotton gin). This is mostly done by youth because it needs a lot of energy.
	Weighing	<ul style="list-style-type: none"> <li>- Youth</li> <li>- Women</li> <li>- Men</li> </ul>	<p>Computer skills</p> <p>Reading skills</p>	Here the individual is in charge of the stock. Automated weighing scales are used which are only operated with some level of skills. Computer skills are highly needed here since machines used are automated. A certificate in computer literacy can suffice.
	Mechanics/fitters	<ul style="list-style-type: none"> <li>- Male youth (8 out of 10)</li> </ul>	<p>Mechanical skills.</p> <p>Electrical skills.</p>	Mechanics do repair machines at the ginnery. Formal skills acquired from University (Kyambogo or Busitema University) are required. A



Value Chain	Activities	Participation	Skills required	Other Comments
		- Women (2 out of 10 fitters)	Computer skills.	diploma or certificate can suffice. Electricians are also among other technical staff at the ginnery.
	Casuals (e.g. cleaners, suckers, conveyers or physical carriers, packers etc.)	- Women (60% participation) - Youth (Male youth=40%)	No special skills (always trained on the job)	This is mostly done by women and male youth. On average a ginnery can employ between 30 to 40 casual workers.  There is dressing up of bales, stacking of the bales, Packaging among others activities.
<b>Oil extraction</b>	Mechanics and machine operating	- Youth - Women (2 out of 10) - Men	Mechanical skills.	Mechanics at this stage is done by diploma holders but most of them acquire their training on the job.
	Oil refining	- Youth - Men - Women	Food technology skills	This is done by food technologist from Universities. They must hold a minimum of a diploma in food technology. The supervisory role is done by degree holders.
	Casuals (cleaning, loading, cotton husk removing, packing oil)	- Youth - Women	No special skills	Mainly done by women and the youth. Here there is cotton cake packing, removal of cotton husks, cleaning and loading.
	Marketing of cotton cake	- Women - Youth	Marketing skills	There is a ready market for the cotton cake. This is witnessed because even before the seed is cleaned orders for it are available. The sale of husks to the youth and women for mushroom growing is also done at this stage.
<b>Value addition on Lint</b>	Cotton wool – medical sundry	- Youth and Men (70% participation) - Women (30% participation)	Skills in Chemistry and /or Pharmaceutical skills. Mechanical skills.	Cotton wool- medical sundries are made out of cotton wool. This requires very special skills which are always acquired at higher education institutions.
	Textile	- Youth - Women - Men	Spinning skills  Hand looming skills	Fabric from Yarn i.e. there is making of fabric (garments) from cotton yarn. Young ladies are always trained on job by TEXDA- Textile Development Agency, which is under the Ministry of Trade, Industries and Cooperatives. TEXDA also takes on interns for apprenticeship.
	Casuals	- Youth - Women	No special skills	Cleaning, packaging, loading and checking weights.

## Challenges and opportunities

*Plate 1: Cotton farmers expressing their views and experiences*

During the plenary, participants shared the challenges and opportunities in cotton growing.

### Challenges

*Political interference:* The participants shared that politicians particularly parliamentarians have not fully appreciated cotton as a lucrative crop and as a result they tend to fight Cotton growing in the community. It was thus suggested that there is a need to organize engagements of Cotton farmers and politicians to elucidate how communities can benefit from Cotton growing.

*Cotton prices are announced late:* The challenge of announcing the Cotton price very late was mentioned several times. Farmers expressed concern that there is always a delay in announcing of the price for Cotton which affects them and consequently results into losses as they always get stuck with their Cotton after harvesting. In response to the late price announcement, the CDO representative said that this is mainly due to the fact that the local price highly depends on the international price. He further noted that the price is determined after a seating of the CDO and the ginners.



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*The price of cotton is announced late and it is also very low thus no longer attractive for other farmers to join. We need to also participate in those meetings where price setting is discussed because it is us who are most affected, Amos Kasadha, a cotton farmer From Kaliro.*

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*Nonfunctional or missing cotton farmer associations:* It was noted that farmers associations are also supposed to be represented in the dialogue, however, there are no cotton farmers associations in existence, implying that farmers are not represented. He also noted that the cotton price always stabilizes around October and November of every year. Furthermore, Cotton farmers said that middlemen always buy from them at a lower price.

It was noted that there is no out grower model in Cotton growing and cotton cooperatives failed to work in Eastern Uganda. Ironically, it was mentioned that in Northern Uganda such

cooperatives are in existence and are fully operational for instance, in East Acholi and West Acholi. The Busoga growers' cooperative union collapsed mainly because of mismanagement. This left a question to ponder as to why cooperatives are not working in Busoga yet they are existing and working in other areas like the Northern Uganda. The fact that there are no cotton out growers like it is the case with sugar cane implies that ginneries are free to buy from any farmer and the farmers are also free to sell to any ginner of their choice.

*Cotton wilt disease:* Farmers further worried that there is a cotton disease that stunts the cotton crop and consequently affects their yields. They noted that the government has not helped them to curb the disease. Also highlighted is the fact that the ginneries no longer want to give them seeds on credit.

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*Besides the cotton price being very low, we have a cotton disease that affects the cotton stalks. The disease stunts the cotton crops and they eventually end up not yielding whereas others dry prematurely from the garden, Sibina Lovisa, a cotton farmer from Nambale – Lugonza, Iganga.*

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## **Opportunities**

*Invest in hand looming:* Besides the numerous challenges that were highlighted by the participants they also noted that cotton presents numerous opportunities for the youth and women especially hand looming. It was also noted that the youth and women can also engage in mushroom growing to fully utilize all the cotton products from the farm.

Participants shared on how cotton growing had changed their lives:

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*"Through cotton growing I managed to save and buy a plot of land worth UGX 3.3 million, Justine Kyobula, a cotton farmer from Bugambo Iganga."*  
*"I am part of a small group of other cotton farmers and we have managed to diversify into livestock business (cattle business) out of the money we acquire from cotton farming, Mukobe Rasuli, cotton farmer"*

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Other farmers shared on how they have been able to pay school fees for their children, build decent houses and live decent lives as a result of cotton farming.

## Priority areas as suggested by the Baraza participants

Plate 2: Cotton products

Following the discussion, it was suggested that the following areas among others should be prioritized in order to enhance the cotton value chain in a bid to create decent work for youth and women in Uganda:



- i) Farmers should be fully consulted and involved in determining the price of Cotton. Farmers reiterated the fact that the cotton price is very low and no longer attractive.
- ii) There is need for government support and engagement especially through provision of cotton seeds considering the fact that ginnerers are becoming less interested in doing so.
- iii) The price of cotton should be more transparent and communicated on time.
- iv) Value addition should be prioritized since it was noted that there are increased in returns as more value is added onto cotton i.e. cotton lint (1.4 dollars), yarn (3 dollars), fabric (5 dollars) and T-shirts (12 dollars). It was noted, however, that for value addition to yield the expected outcomes, second hand clothes (*mivumba*) from abroad should be abolished.
- v) There is a need to engage with politicians so as to obtain buy-in and acceptance of cotton into the region.
- vi) There is a need to revive farmers' cotton associations and cooperative.

## Reasons why associations have failed to work according to participants

- i) It was mentioned that one of the reason that has failed cotton associations is because farmers have different needs and challenges. This implies that they always do not agree on a common cause especially on when to sell and at what price.
- ii) The frequent fluctuations in the cotton price frustrated many farmers and they ended up abandoning the association and cotton growing.
- iii) There is a negative attitude and lack of trust in cotton among farmers. This is so because those who were involved in cotton in the earlier days experienced tremendous losses.
- iv) The ginnerers who used to facilitate the associations by providing inputs on credit started withdrawing which led to the collapse of these associations.

In conclusion, it was noted that the collapse of cotton associations greatly affected the price of cotton. This is because long before when associations were in existence it was very simple for the ginners to support the farmers through their associations. Ginners used to extend advances to farmers in instances when price announcements could delay. This was a great motivation to the farmers.

## Closing Remarks

**Dr. Madina M. Guloba, Senior Research Fellow, EPRC**

In her closing remarks, she once again thanked everyone in their capacities for coming to the Baraza. She commended the participants for freely sharing their insights around the cotton value chain and staying for the entire duration of the engagement.



She further noted that the Baraza had unearthed the need to engage with politicians particularly Members of Parliament of the Cotton-growing and processing Communities to obtain further buy-in. This culminated from the discussion that in some instances it's the politicians that discourage and sabotage cotton growing and processing in the communities. She promised the participants that their ideas were to be shared with the top policy makers in the concerned ministries with a high degree of anonymity. She then thanked the organizers of the Baraza and declared it officially closed.



*Photo by Alon Mwesigye (EPRC): Baraza participants (taken on March 25<sup>th</sup>, 2021 at Mwaana Highway Hotel, Iganga District)*



## Annex

### Annex 1: Programme for the Baraza

#### Town Hall Baraza

**Theme:** Enhancing agro-industrial value chains for productive and decent work for youth and women in Uganda: A case of Cotton





**Date:** Thursday 25<sup>th</sup> March, 2021

**Venue:** Mwaana Highway Hotel, Iganga

#### Program

Time	Activity	Responsible Person (s)
9:30-10:00am	Arrival and registration of participants	<b>Ms. Rehema Kahunde</b>
10:00-10:20am	Welcome remarks and scene setting (Introductions and purpose of the event)	<b>Ms. Elizabeth B. Aliro &amp; Dr. Madina Guloba- EPRC</b> Session Moderators
10:20-10:30am	Remarks -Government	<b>Mr. Fred Lugoja,</b> Representative from Cotton Development Organisation
10:30-10:40am	Remarks –Private sector (Ginners)	<b>Mr. Evans Musiime (Mutuma Commercial Agencies Ltd)</b>
10:40-11.00am	Tea break	Mwaana Highway Hotel
11:00am-12:00pm	Open Discussion/Plenary	All Participants
	Theme: " <b>Enhancing agro-industrial value chains for productive and decent work for youth and women in Uganda: A case of cotton "</b>  Women and youth in the cotton sub-sector will share real life experiences about working in the cotton value chain	<b>Ms. Elizabeth B. Aliro and Dr. Madina Guloba-EPRC</b> Session Moderators
12:00-12:05pm	Wrap up and Closing remarks	<b>Dr. Madina Guloba</b>
12:00-12:30pm	Creating video content: video clips and talking heads with selected participants	<b>Mr. Alon Mwesigwa</b> EPRC
12:30pm	Lunch break, Networking and Departure	Mwaana highway Hotel Attendants

## Annex 2: Presentation on Employment Opportunities for Youth and Women along the Cotton Value Chain, by Fred Lugoja, Cotton Development Organisation

  <h3 style="text-align: center;">EMPLOYMENT OPPORTUNITIES FOR YOUTH &amp; WOMEN ALONG THE COTTON VALUE CHAIN</h3> <p>Presented by <b>Cotton Development Organisation</b></p> <p>At a Town Hall Baraza on Enhancing agro-industrial value chains for productive and decent work for youth and women in Uganda: A case of cotton</p> <p>25<sup>th</sup> March, 2021</p>	  <h3>Outline of the Presentation:</h3> <ul style="list-style-type: none"> <li>• Introduction</li> <li>• Key stakeholders in the Cotton Sub-sector in Uganda</li> <li>• Importance of cotton in Uganda</li> <li>• Cotton Production in Uganda</li> <li>• Marketing, Ginning and Sale of lint</li> <li>• Value addition in Uganda</li> <li>• Opportunities in the Cotton Sub-sector</li> <li>• Conclusion</li> </ul> <p style="text-align: right;">2</p>
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<h3>1. INTRODUCTION</h3> <ul style="list-style-type: none"> <li>• Cotton was introduced in 1903 as the first cash crop and raw material for textiles and other by-products.</li> <li>• Ugandan cotton belongs to the <i>Gossypium hirsutum</i> species which is fairly drought tolerant, has white fibre and is of medium to long staple length.</li> <li>• Cotton marketing and processing in Uganda were liberalized in 1994.</li> <li>• Following liberalization, Cotton Development Organisation (CDO) was established as a Government body to promote and monitor production and marketing of cotton and represent all aspects of the Cotton Subsector.</li> </ul> <p style="text-align: right;">3</p>	<h3>2. KEY STAKEHOLDERS IN THE CTA SECTOR IN UGANDA</h3> <p>Comprise of:</p> <ul style="list-style-type: none"> <li>• Ministries of Agriculture, Animal Industry and Fisheries (MAAIF); Trade, Industry and Cooperatives (MTIC); Finance, Planning and Economic Development (MoFPED) and Education and Sports.</li> <li>• Cotton Development Organisation (CDO)</li> <li>• National Agriculture Research Organisation (NARO)</li> <li>• Textiles Development Agency (TEXDA)</li> <li>• Uganda Industrial Research Institute (UIRI)</li> <li>• Uganda Investment Authority (UIA)</li> <li>• Farmers</li> <li>• Uganda Ginners and Cotton Exporters Association (UGCEA)</li> <li>• Textile Manufacturers Association of Uganda (TEMAU)</li> <li>• Uganda Cottonseed Oil Processors Association (UCOPA)</li> <li>• Cotton wool manufacturers</li> <li>• Uganda Tailors Association</li> </ul>
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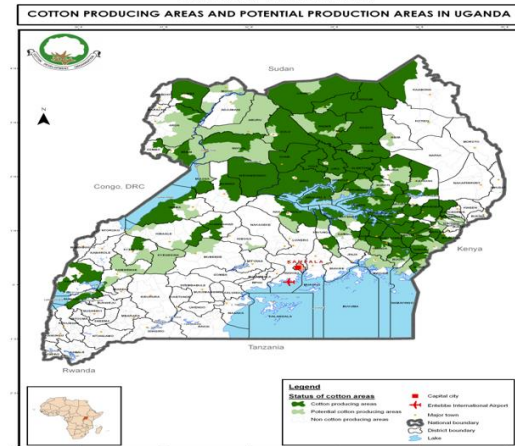
<h3>3. IMPORTANCE OF COTTON IN UGANDA</h3> <ul style="list-style-type: none"> <li>• <b>Source of revenue</b> for both rural households and the National economy (Tables 1).</li> <li>• <b>Employment creation</b> – the CTA sector employs an estimated 2.5 million people , directly and indirectly, as farmers and farm labourers, inputs suppliers, seed cotton and cottonseed buyers, transporters, handloom artisans, ginnery workers, cotton exporters, textile and garment manufacturers, tailors/garment makers, oil millers, other service providers.</li> <li>• <b>Industrialization</b> – ginning, textile, medical products, edible oil &amp; soap factories, etc.</li> <li>• <b>Raw materials</b> - cotton is a raw material from which a number of products are derived will be shown below.</li> </ul> <p style="text-align: right;">5</p>	<h3>Table 1. Cotton Production and earnings by Farmers and from lint sales for the last five seasons</h3> <table border="1"> <thead> <tr> <th>Period/season</th> <th>Cotton lint production (bales @185 Kg)</th> <th>Earnings by farmers (Sh. Bn)</th> <th>Earnings from lint sales (US\$ Mn)</th> </tr> </thead> <tbody> <tr> <td>2015/16</td> <td>110,707</td> <td>88.01</td> <td>25.8</td> </tr> <tr> <td>2016/17</td> <td>151,071</td> <td>136.1</td> <td>41.6</td> </tr> <tr> <td>2017/18</td> <td>202,357</td> <td>187.7</td> <td>53.5</td> </tr> <tr> <td>2018/19</td> <td>189,444</td> <td>180.7</td> <td>57.8</td> </tr> <tr> <td>2019/20</td> <td>173,457</td> <td>114.5</td> <td>42.4</td> </tr> <tr> <td><b>Total</b></td> <td><b>827,036</b></td> <td><b>707.0</b></td> <td><b>221.1</b></td> </tr> </tbody> </table> <p style="text-align: right;">6</p>	Period/season	Cotton lint production (bales @185 Kg)	Earnings by farmers (Sh. Bn)	Earnings from lint sales (US\$ Mn)	2015/16	110,707	88.01	25.8	2016/17	151,071	136.1	41.6	2017/18	202,357	187.7	53.5	2018/19	189,444	180.7	57.8	2019/20	173,457	114.5	42.4	<b>Total</b>	<b>827,036</b>	<b>707.0</b>	<b>221.1</b>
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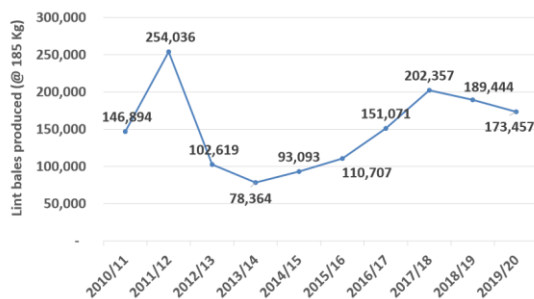
#### 4. COTTON PRODUCTION IN UGANDA

- Cotton is grown as a cash crop by small-scale farmers with an average of 0.5 – 1 Ha in about 2/3 of the country (see map below).
- Between 250,000 – 400,000 farmers engage in cotton production annually.
- Production is entirely rain-fed and most farm activities are done by family labour.
- Level of mechanization (land opening) is still low at about 5%.
- Cotton picking is by hand which preserves the lint quality parameters.
- Production support services such as provision of inputs (seed, fertilizers, pesticides, spray pumps, tractor hire, animal traction) and extension services are funded by Government and the private sector (Ginners) under the Production Support Program
- Cotton Research is funded by Government and focuses on variety development, agronomy, entomology, pathology and mechanization.

#### COTTON COVERAGE



#### Cotton production trends (2010 – 19)



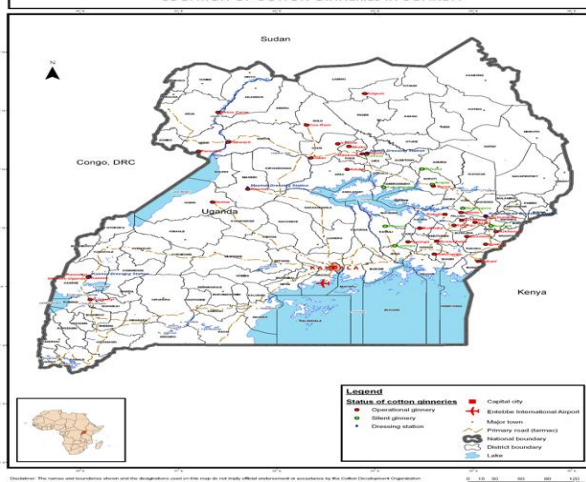
#### 5. MARKETING, GINNING AND SALE OF LINT

- Cotton marketing is liberalized.
- Ginning is done by the private sector; there are 38 gineries in Uganda (map below) but currently only 22 are operational.
- Total installed ginning capacity is 950,000 bales.
- Lint classification is done by CDO using both manual and HIV machine.
- About 95% of lint is exported while less than 5% is consumed locally and used for the manufacture of cotton wool, yarn, textiles and garments.

##### Marketing channels:



#### LOCATION OF COTTON GINNIERIES IN UGANDA



#### 6. VALUE ADDITION IN UGANDA

##### a) Textile Manufacturing

- There are only two vertically integrated textile mills in Uganda, namely Southern Range Nyanza Ltd and Fine Spinners (U) Ltd.
- The two mills have a combined installed capacity of 2,450 spindles, produce 920,000 pieces of garments and employ 3,470 people, 43% being women.
- Their products include cotton spun yarn, cotton sewing threads, and woven and knitted fabric and garments
- Manufacture of apparels and clothing in Uganda is dominated by micro and small scale tailors of various garments, mainly for domestic consumption.
- Two Universities, Kyambogo and Busitema, offer curricula for training in Textile and Ginning Engineering.
- The Uganda Industrial Research Institute (UIRI) undertakes research in the use of various natural fibre in the manufacture of textile and other by products.

**6. VALUE ADDITION IN UGANDA cont'd**  
**a) Textile Manufacturing – spinning section**



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**6. VALUE ADDITION IN UGANDA**  
**a) Textile Manufacturing – garment section**



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**6. VALUE ADDITION IN UGANDA cont'd**  
**a) Textile Manufacturing - products**

- Lint is used for the manufacture of textiles, garments and apparels.



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**6. VALUE ADDITION IN UGANDA cont'd**  
**b) TEXDA - Hand loom weaving**

- The Textile Development Agency (TEXDA) conducts training on hand looms and produces some fabric using hand looms mainly for export.



**6. VALUE ADDITION IN UGANDA cont'd**  
**b) handloom fabrics and apparels**

- The Textile Development Agency (TEXDA) also produces some fabric using hand looms mainly for export.



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**6. VALUE ADDITION IN UGANDA cont'd**  
**c) Cotton wool manufacturing**

- There are eight (8) absorbent cotton wool manufacturing firms.
- The eight firm offer direct employment to about 400 people, 34% being women.
- Their products include surgical cotton wool and Maama Kits.



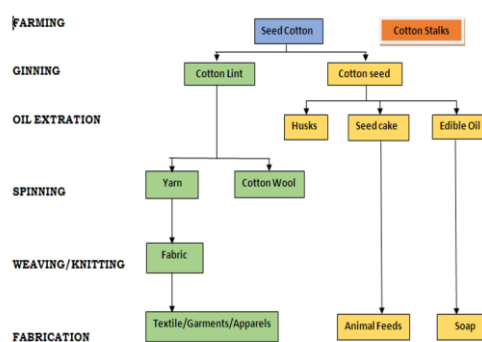
## 6. VALUE ADDITION IN UGANDA cont'd

### d) Cottonseed oil processing

- There are thirteen (13) cottonseed oil processors in the country.
- The nine of these firms employ a total of 567 people, 44% being women.
- They produce edible oil, cottonseed cake for livestock feeds and soap stock.



Fig. 1. The Cotton Value Chain in Uganda



## 7. OPPORTUNITIES IN THE COTTON SUB-SECTOR IN UGANDA

- **Competitive advantage in cotton production** – on account of relatively cheap farm labour, abundant land for agriculture production, favourable weather, relatively low pest & disease pressure and long experience in growing cotton since 1903.
- **High potential to increase production** - Cotton can be grown in two thirds of the country which gives a production potential of over 1,000,000 bales of lint provided farm-gate prices improve and remain fairly stable, technologies for addressing adverse effects of climate change are put in place and farmers are trained to adopt the recommended agronomical practices for increasing yields and improving quality.

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## 7. OPPORTUNITIES cont'd:

- **Demand for textiles and apparels** - Uganda has an annual demand of over 250 million meters of fabric (estimated requirement is 6 meters per capita - 2009 National Textile Policy).
  - Uganda also has access to regional markets with a population of about 419 million people which represents a demand of over 2,500 million meters of fabric.
- **Investment in processing cottonseed** – cottonseed is used to produce edible oil, cottonseed cake, soap stock and cotton husks.
  - The demand for edible oil is estimated at over 120,00 tons annually against a current domestic production of about 40,000 tons.
  - Cottonseed cake is used in livestock and aquaculture feeds as a major source of crude protein, soap stock is used for manufacture of laundry and cosmetic soap, and cotton husks are used as fuel.
- **Investment in handloom weaving** – handloom products have a ready market locally and under AGOA. Since the capital requirement is low, it is ideal for women, youth and People with Disabilities.

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## 7. OPPORTUNITIES cont'd:

- **Investment in production of livestock feeds** –
  - Cottonseed cake is nutritious, cheap and is the most readily available source of protein for livestock in Uganda.
  - At an estimated 3% annual growth of the livestock sector and the decline in forage production resulting from adverse effects of climate change, investment in production of cottonseed cake for livestock feeds a strategic opportunity.
- **High potential for cotton wool manufacture** –
  - The domestic market for cotton wool is quite large; amendment of the Public Procurement and Disposal of Assets (PPDA) Act and the *Buy Uganda, Build Uganda* (BUBU) Policy are enabling major buyers and distributors in Uganda i.e. National Medical Stores (NMS) and Joint Medical Store (JMS), to procure cotton wool from local manufacturers.

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## 8. CONCLUSION

- Cotton is one of the important commodities in the Agriculture Sector in Uganda. It is key in creating employment, increasing household incomes and eradicating poverty.
- The Government of Uganda has therefore identified cotton as a strategic commodity under the Agriculture Sector Strategic Plan (ASSP) for 2020/21 – 2024/25 (a chapter in the National Development Plan III) and in the Government Strategy for promoting import substitution. These actions are expected to promote resource allocation towards development of the cotton value chain.





### Annex 3: List of participants

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31.	Madina Guloba	EPRC	0704613078
32.	Alon Mwesigwa	EPRC	0784010803
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