

COTTON BOARD OF ZAMBIA



Country **REPORT**

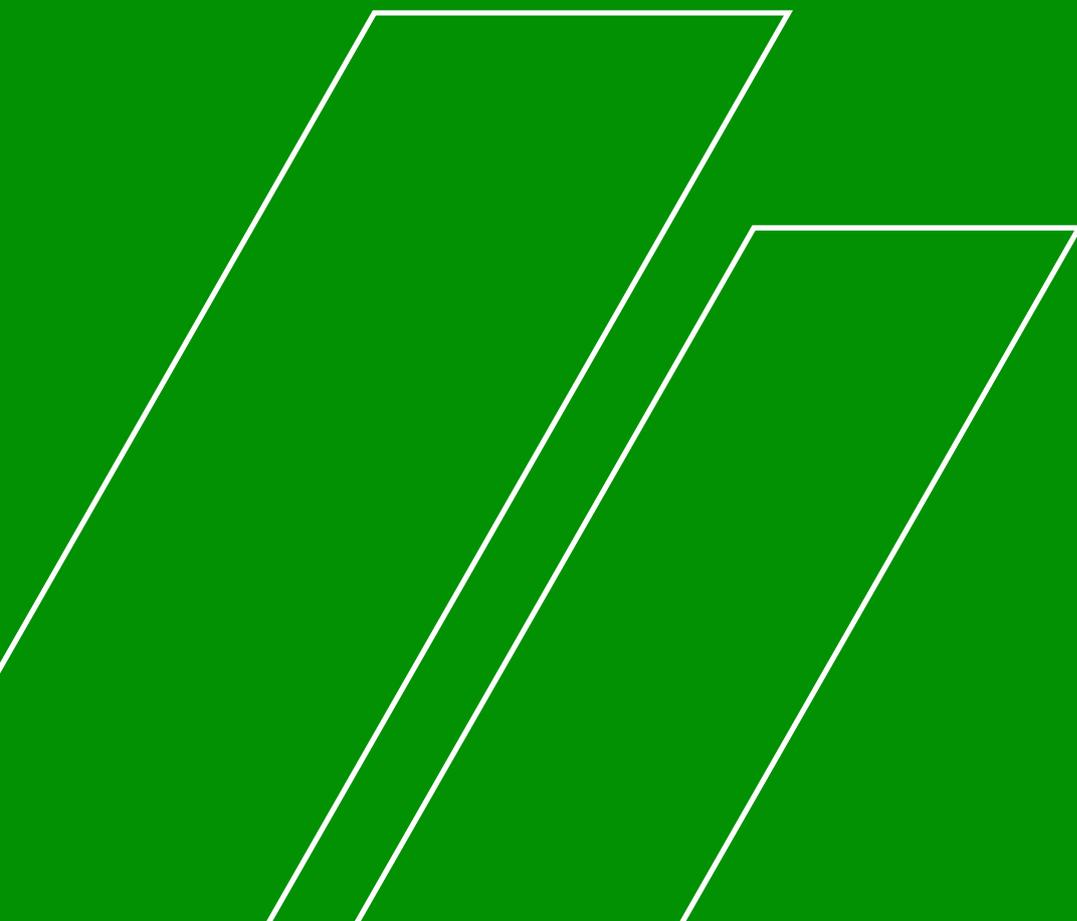


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This report covers main activities of the cotton board and gives incites to sector challenges and opportunities through recommendations.



INTRODUCTION



This report covers the activities which were conducted and occurred in the 2020/2021 season.

During this season some challenges were experienced and these included adverse weather and pest outbreaks such as jassids and bollworms in some areas. The other challenges were stiff competition with other crops such as soya beans, groundnuts, and maize.

It should be noted that though the Coronavirus 2020 (COVID19) did not affect the plantings, it played a major factor in reducing the interaction between the farmers and the field staff/extension officers. This saw less attention being given to cotton in the field hence low production.

The region which was worst hit was Eastern where most farmers grew more soya beans than cotton which resulted in low volumes being produced as the region usually contributes more than 60% of the nation's total production each year.

licensed by the Board through the Licensing Committee which sat in September 2021 to consider the registration of the applicants. Those that were licensed were as follows

- I. Alliance Gineries Limited (AGL)
- II. China-Africa Cotton Zambia Limited (CAC)
- III. Continental Ginnery Limited (CGL)
- IV. Grafax Cotton Zambia Limited
- V. Highlands Cotton Trading (HCT)
- VI. Louis Dreyfus Company (LDC)
- VII. Ludi Investments Limited (AGDC)
- VIII. Mount Meru Millers Limited (MMM)
- IX. Mumbwa Farmers Ginning and Pressing Company Limited (MFGPC)
- X. Shree Vagmi Limited (SV)

Among these companies which were registered some of them did not perform well namely Grafax Cotton, China-Africa Cotton, and Mumbwa Farmers. These failed to purchase the crop from their financed farmers at the time of marketing and also couldn't provide full complements of chemicals to their farmers in some areas.

During this season ten (10) companies were

ACTIVITIES OVERVIEW





The following were the activities the Inspectorate concentrated on during this year under review:

- Monitoring Input distribution by Ginners/ Producers on farmers contracted.
- Inputs verification with the Ginners, SCCI, and CDT.
- Monitoring of the CBZ project (Crop management, purchases, loan recoveries, despatches, reconciliations, and payments of buyer commissions and farmer differences).
- Field /crop inspection.
- Seed Zones Crop Inspections.
- Contracted Farmer Data collection from Ginners/producers for Database.
- Cotton Committee meetings organizing and attending.
- Yield assessment in the Field.
- General Inspection of Business books/ documents used by players.
- Inspection of Ginneries on minimum safety standards around their yards to ensure compliance.
- Registration of distinguishing marks, to be used during marketing season by Producers/ Ginners.
- Renewal and Registration of Cotton Producers.
- Purchases of Seed Cotton monitoring by Ginners/Producers to facilitate cotton Levy assessment and payment.
- Organize Seed Zones meetings for Stakeholders in the province.
- Monitoring of seed distribution and plantings to ensure correct varieties are used and seed zones observed.
- Monitoring of cotton stalks destruction in collaboration with the Department of Agriculture and the Plant Protection and Quarantine Department.

It should be noted that activities such as the conducting of the Shows, field days, and farmers which involved more than fifty (50) people were not conducted due to the COVID19 pandemic during which health guidelines had to be followed to avoid the spread of the virus.

During this season under review, there was a remarkable reduction in the numbers of farmers contracted and the hectares planted as a lot of farmers opted to grow other crops as earlier mentioned. This resulted from low volumes of cotton produced hence affecting the Board's operations financially as it is substantially supplemented by cotton levies paid by cotton companies.

However, it was this season the Board under a Seed Development project to try and raise funds to supplement its income in collaboration with Alliance Ginneries and managed to produce 49,349kilograms of seed cotton. The seed cotton was toll ginned by Alliance Ginneries and was sold to them.

Furthermore, the outbreak of pests also caused more damage to the crop coupled with the weather which was adverse in some areas. Overall, most companies purchased less seed cotton than was expected after crop estimates were declared.



A. PRODUCTION TRENDS FOR THE LAST 6 YEARS



SEASON	FARMERS	PLANTED HECTARES	SEED COTTON PURCHASED (TON)	PRICE OF SEED COTTON
2014/2015	309,937	350,745	113,032	2.5
2015/2016	277,550	339,384	116,557	3
2016/2017	254,884	294,233	55,925	3.7
2017/2018	264,864	338,813	101,173	3.5
2018/2019	297,882	397,898	66,454	3.7
2019/2020	243,313	312,907	50,594	4
2020/2021	154,536	213,413	22,638	8.5

CHALLENGES



The following challenges were experienced during this period under review:

- The Coronavirus pandemic affected most of the extension activities which involved people gathering together such as Field days, Demonstrations, and Agriculture shows.
- The outbreak of Jassids proved big in the affected areas.
- The efficacy of some chemicals was questionable i.e., Cypermethrin, Acetamiprid.
- Low cotton prices in comparison to other competing crops.
- Lack of seed cotton grading continued to be an issue by all companies.
- Planting seed testing seems to be a problem as some companies distribute more seed to the depots with on record of testing from SCCI.
- Side buying/selling continues to be a problem though the act seems to be reduced significantly.
- Poor loan recoveries.

RECOMMENDATIONS



- The establishment of central buying centers to be considered to mitigate the issues of seed cotton grading and loan recovery.
- Chemical Suppliers to be accredited by CBZ to maintain the quality product being used in the cotton sector
- Ginners to adopt the alternative new cotton pesticides recommended by CDT and circulated to the Ginners by CBZ.
- The Price Mechanism Model to be incorporated in the Cotton Act for transparency on pricing.
- The rotation of chemicals regionally to be implemented to mitigate the issue of pest chemical resistance.

The season was quite challenging due to the Coronavirus pandemic which has made the working environment unsafe for most of the period of the season.

Furthermore, the low production levels that were experienced affected the operations of the Board hence the failure to perform some of the activities that the Board desired to undertake.

However, the Board remained afloat throughout the season and collaborated very well with all key stakeholders.

REVIVING ZAMBIA'S COTTON SECTOR

Sleeping Giant for Job Creation and Economic Development



REVIVING ZAMBIA'S COTTON SECTOR



As you may be aware the cotton sector has seen a reduction in production of seed cotton from a highest production of 275,000 metric tonnes in 2012 to the current 25,400 metric tonnes in the just ended 2020/2021 season. Apart from competitor crops overtaking cotton production like soya beans, the sector has other challenges some of which are:

- Poor input quality
- Reduced seed purity
- Seed cotton price
- Reduced extension provision
- Low cotton yields

These challenges have affected production over the years, now we have an opportunity to look back on the sector and see industry potential on driving agribusiness in the country. Apart from its potential of bringing in annually 49 million dollars in foreign exchange the sector takes care on average 300,000 farmer of each average 5 members which totals to 1,500,000 people the industry feeds directly from its production

Below is a flow chart that shows industry's potential

Cotton farmers cashing in from crop sales (300,000)

Processing Cotton Lint at ginning level employees at full capacity 350 workers (10 ginneries; 3500)



Auxiliary services

Transporter, suppliers of inputs. Employees 1000

Cotton by products, seed processing into oil employees 200 workers per plant 4 plants operational

Processing Lint at Teaxtile Level employees are 2000 full scale

An indaba sat on 11th November and came up with the following recommendations to revive the sector;

- Come up with a pricing mechanism that is transparent to Forster farmer ginner relationship
- Come up with a production system that has independent financing let ginner Concentrate on buying the crop.
- Have only certified seed available on the market produced by research
- Add value on seed by allowing only certified seed produced to be sold
- Change the marketing system to a centralized one to improve quality of seed cotton
- Enhance extension provision to cotton growers and improve financing to CBZ to improve law enforcement
- Change the chemical regime to combat pest proliferation in the sector

What remains now is for the amendment of the cotton act to cover the whole value chain as an improvement to sector regulation requires boosting. It is clear that cotton has the potential to be a major income earner for the small-scale farmers once above-mentioned challenges are addressed

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2021