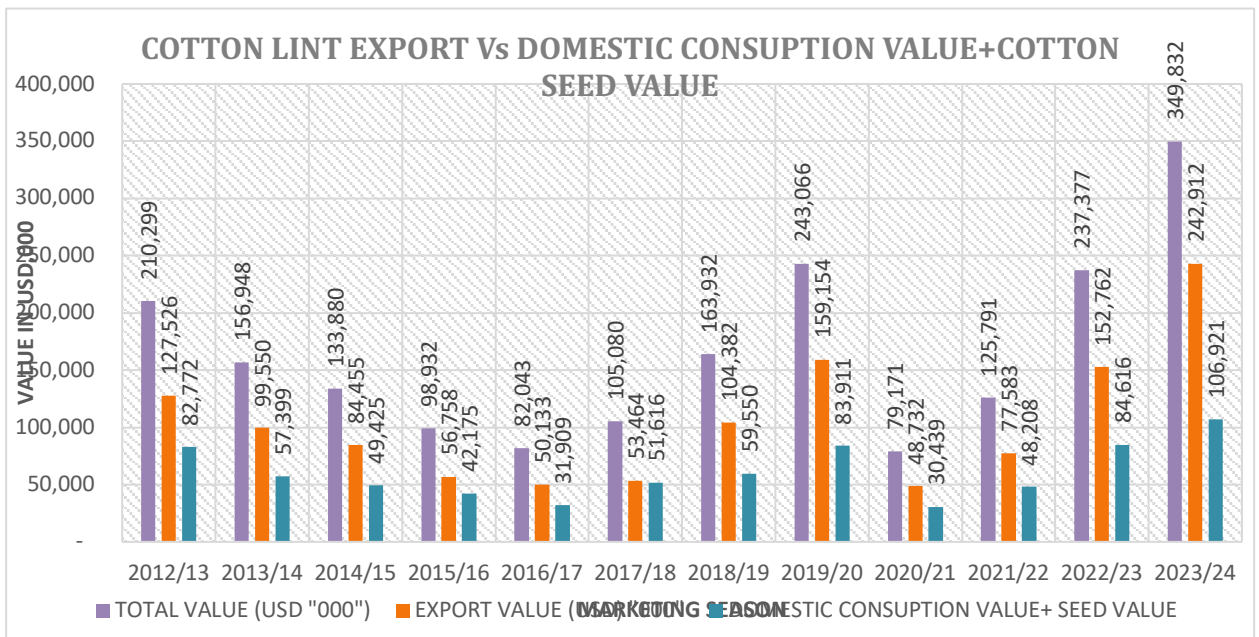
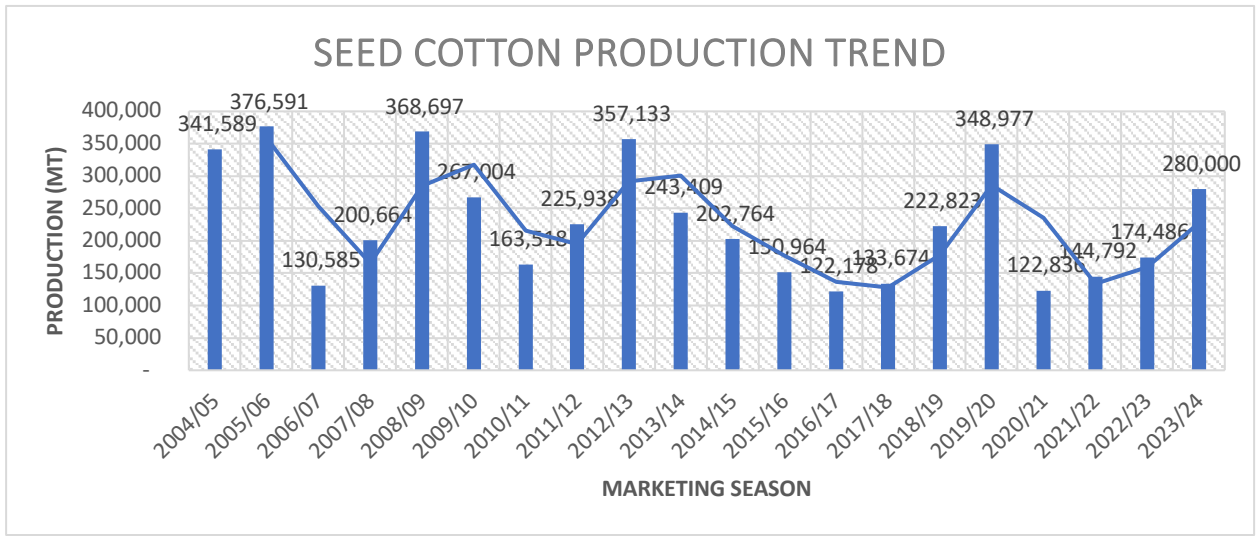


Cotton Report for the 2022/2023 season released by Tanzania

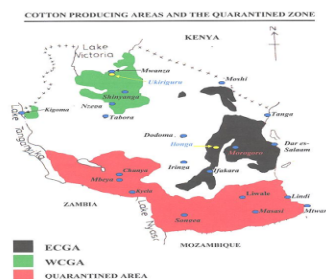
PRODUCTION

- **Regional Cotton Area & Production**



Tanzanian cotton growing areas are;

1. Western Cotton Growing Area (WCGAs)
 - Consists of 12 administrative regions, producing about 99% of all Tanzanian cotton
2. Eastern Cotton Growing Area (ECGAs)
 - Consists of 5 regions (and that is where the production expansion area mostly is), currently producing only, about 1% of the Country's cotton.
3. Areas bordering Malawi, Zambia and Mozambique are under, the Red bollworm quarantine



- **Number of Cotton Farmers (Male & Female)**

The number of cotton small holder farmers fluctuates by season depending on weather, competing (alternative) crops and the Farm Gate Prices in the preceding season, accordingly it ranges between 400,000 -600,000. The farming system is **male dominated (patrilineal)**, with, within family area partitioning for a father (lion share), mother and children (small plots) also, varying by season.

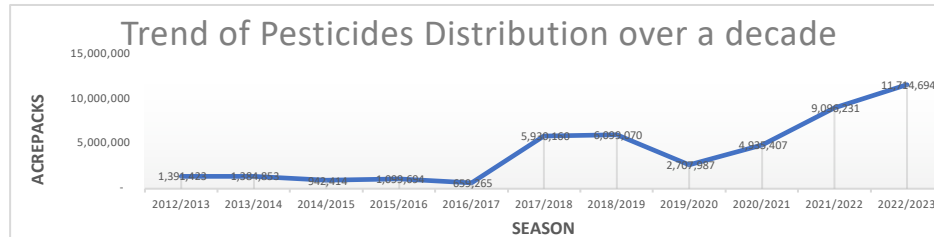
- **Impact of Factors on Yields (Pests, Diseases, Climate)**

In the last 5 years, yields have been mostly negatively impacted by the effects of climate change.

1. Pest such as Jassids, which previously had relatively little harm to cotton plants are now ferociously the most destructive. As per integrated pest management (**IPM**), previously 3-4 and 4-8 spray regimes were quiet sufficient for the WCGAs and ECGAs, respectively. However as of now, as Jassids attacks starts immediately after germination, the sprays' frequency has tremendously increased. It is possible that, the pest has genetically/morphologically changed as it is also, capable of damaging the old resistant varieties, which were immune to its attacks due to



hairy-ness. Cotton Researchers are already testing germplasm from Pakistan, to see if their hairy-varieties can perform well against Jassids. Whereas yield is affected, the major concern is that, Pesticides Spray frequency increase, might leads to environmental repercussions.



2. Disease such as Fusarium wilt which once, was only endemic to a wetter Lake Victoria shores, has of now, spread beyond its previous areas of infestation, due to climate change effects.
 3. Previously, it was possible for a farmer to accurately predict an exact date for the start of rain season for planting (eg. New Year or Christmas day), which is now not the case due to also, climate change effects.
- **Major Insect Pests**
 - (a) Bite and chewing
 1. American cotton bollworm (*Helicoverpa armigera*),
 2. Spiny bollworm (*Earias insurana*),
 3. Pink bollworm (*pectinophora gossypiella*),
 4. Fall armyworm (*spodoptera fugiper*a).
 - (b) Sucking cotton
 1. Jassids (*empasca spp*),
 - Thrips spp,
 - Meallyburg and
 - Red spider mite
 - **Major Diseases**
 1. Fusarium wilt,
 2. Bacterial blight,
 3. Alternaria leaf spot,
 - Verticillium wilt,
 4. Cercospora leaf spot
 - **Popular Cotton Varieties/Hybrids (Past 2-3 Years) - UKM08**
 - **Recent Technology Introductions (3-4 Years)**
 1. Plant spacing to increase plant population 30cm x 60cm
 2. Introduction of Ox-weeders and planters
 3. Introduction of Drone sprayers
 - **Farming Mobile Apps List & Descriptions**

No any App, so far
 - **Official Cotton Data Websites**

www.tcb.go.tz
 - **Any new trade deals/FTAs signed - Non**

- Any new government policy on cotton lint production or trade - Non
- Figures on export and import of cotton lint — total and by country of origin/destination
– Lint imports are not allowed/not permitted

Export Destination for Tanzanian Cotton Lint

DESTINATION	2018/2019		2019/2020		2020/2021		2021/2022		2022/2023	
	BALES	VALUE IN US\$	BALES	VALUE US\$	BALES	VALUE US\$	BALES	VALUE US\$	BALES	VALUE US\$
BANGLADESH	40,352	14,136,530	97,350	31,034,041	35,616	9,396,085	40,821	15,128,158	32,664	19,082,354
BELGIUM	200	68,949			-	-	-	-		
CHINA	-	-			-	-	-	-	4,304	3,324,574
FRANCE	890	206,523	9,990	3,184,695	3,655	964,221	4,189	1,552,443	4,375	2,650,888
GERMANY	700	283,110	2,912	928,312	1,065	281,062	1,221	452,524	2,225	1,472,691
INDIA	49,317	16,934,755	41,560	13,248,842	15,205	4,011,313	17,427	6,458,410	62,736	36,547,384
INDONESIA	28,387	9,277,792	6,314	2,012,829	2,310	609,418	2,648	981,194	900	480,451
ITALY	-	-	960	306,037	351	92,658	403	149,184	8,019	17,231,625
JAPAN	-	-	70	22,315	26	6,756	29	10,878		
KENYA	-	-	7,560	2,410,040	2,766	729,681	3,170	1,174,821	2,301	1,238,658
MALAYSIA	4,328	1,613,567			-	-	-	-		
MAURITIUS	3,800	1,422,413	6,900	2,199,639	2,524	665,978	2,893	1,072,258	9,592	5,008,735
MOZAMBIQUE			4,610	1,469,614	1,687	444,951	1,933	716,392		
MOROCCO	400	141,302			-	-	-	-		
NETHERLAND	-	-	140	44,630	51	13,513	59	21,756		
PAKISTAN	-	-	199,266	63,523,670	72,903	19,232,873	83,558	30,965,870	93,253	49,582,678
PORTUGAL	4,100	939,953	5,090	1,622,632	1,862	491,280	2,134	790,984	1,646	1,305,338
SINGAPORE					-	-	-	-	47,163	27,146,384
SWITZERLAND	4,399	1,620,480			-	-	-	-		
SWAZILAND	-	-	-	-	-	-	-	-	1,063	659,986
TAIWAN	540	200,275	1,400	446,304	512	135,126	587	217,560		
THAILAND	17,202	5,724,507	18,726	5,969,630	6,851	1,807,407	7,852	2,910,014	2,330	1,196,596
TURKEY			5,200	1,657,699	1,902	501,897	2,180	808,078	97	56,210
UAE					-	-	-	-	4,500	2,582,319
VIETNAM	1,790	760,338	89,550	28,547,493	32,763	8,643,240	37,551	13,916,040	5,920	2,869,627
RWANDA			1,650	526,001	604	159,256	692	256,409	104	60,170
UGANDA	1,475	-			-	-	-	-	502	309,992
TOTAL	157,880	53,330,495	499,248	159,154,423	182,654	48,186,713	209,348	77,582,974	283,694	172,806,662

- Definition, production, consumption and trade figures of any extra-long or long staple variety of cotton produced
- Only the Medium Staple (American upland) cotton varieties are produced in Tanzania

- Total government support provided to the cotton sector (in local currency)
No subsidy
- A brief description of the cotton support measures implemented by the government, such as crop insurance, MSP, input subsidies, etc - Non
- Local average price for per kg lint or seed cotton (last three crop years)
 1. 2023/2024 – 1,060 TZS/kg
 2. 2022/2023 – 1,560 TZS/kg
 3. 2022/2021 - 810 TZS/kg Seed-cotton
- Major marketing strategies that cotton farmers use to sell their cotton (specify whether it is seed cotton or lint)
Farmers sell their seed-cotton to private buyers, under Government regulations through Tanzania Cotton Board (TCB).

• How is local cotton price determined

WORKINGS FOR SEEDCOTTON INDICATIVE (FARM - GATE) PRICE

PARAMETERS	2022/23		2023/24	
	Agreed	Farmers	TCA	Agreed
Exchange Rate (TZS vs USD)	2,300.00	2,360.00	2,360.00	2,360.00
Pound/Kg conversion	2.204620	2.204620	2.204622	2.204622
Lint Selling Price (USD/lbs)	1.16	0.75	0.73	0.75
Seeds Selling Price (TZS/Kg)	800.00	800.00	800.00	800.00
Fibre to Seed Ratio (GOT)	37.00%	37.00%	37.00%	37.00%
Seeds to Fibre Ratio (GOT)	60.00%	60.00%	60.00%	60.00%
Average Waster (GOT)	3.00%	3.00%	3.00%	3.00%
Cotton Development Trust Fund (CDTF) Contribution	400.00	200.00	300.00	300.00
District Cess	3%	3%	3%	3%
Ginner's Profit Margin (%)	12.00%	12.00%	12.50%	12%
INCOME				
Lint Sales Value	2,167	1,444	1,405	1,444
Seed Sales Value	480	480	480	480
Total Income	2,647	1,924	1,885	1,924
OPERATION COSTS PER KG				
Buying Expenses (AMCOS & UNION)	60	60	40	60
Transportation Cost	90	80	90	80
Ginning Expenses (fixed+var exps)	160	160	160	160
Depreciation (ginning machinery)		-	-	-
Ginner Profit Margin (%)	318	231	236	231
Total Ginnery Operation Costs	628	531	526	531

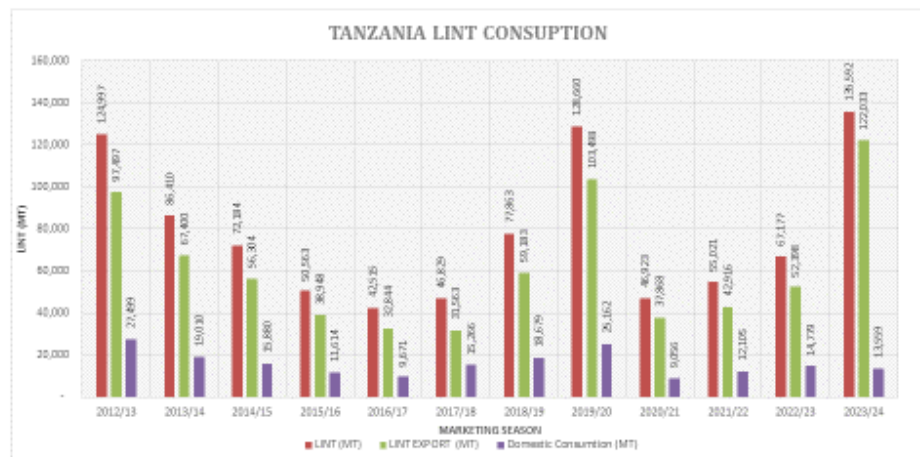
Farm Gate Price before District Cess and CDTF Contribution	2,019	1,393	1,360	1,393
CDTF Contribution (TZS/Kg)	400	200	300	300
District Cess (3% of FGP)	46.80	35.8	30.0	32.50
Total	447	236	330	333
Farm Gate Price	1,573	1,157	1,030	1,060
Round Figure	(13.00)	-	-	-
Final Farm Gate Price paid (TZS/KG)	1,560	1,157	1,030	1,060

- **Main issues affecting cotton processing in the country**
 1. At Farm and Ginnery levels
 - (i) **Low Productivity**, due to rainfall dependence, low input usage, poor mechanization technologies, lack of financial credit, lower capital investment, small (scattered) farm land fragmentation. Lower productivity translates into lower incomes for Farmers.
 - (ii) **Low and fluctuating Farm Gate Prices**, Both Tanzanian Ginners and Farmers are price takers as, their cotton price is entirely dependent on the price of lint in the international markets (Benchmarks are Cotlook A. Index and New York Futures).
 - (iii) **The volatility and unpredictability** of International cotton price and exchange rates increase the price risk for all Tanzanian Cotton Stakeholders
 2. At Textiles levels
 - (i) For the current three consecutive seasons only Nida, Sunflag, Mwatex and 21st Century spinning mills have consumed Tanzanian Lint, leaving about 75% for exports (losing employment opportunities for our youths to Lint Destination Countries).
 - (ii) Tanzanian Organic Cotton is the globe's most authentic due to non-adoption of GMOs and sparingly use of both industrial fertilizers and pesticides. Although it is bought at a premium price, we are again losing employment opportunities and incomes as it is sold as raw cotton-lint, especially to the *high-enders*, in Europe.
- **Name and contact information (email or phone number) of the person responsible for cotton statistics**

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TEXTILES

Cotton Internal Consumption



- Overview of the textile industry including history and evolution

(1) History and Evolution

Textiles have played an important role in Tanzania since the country's independence. In the 1970's, the Government invested heavily in textile industries to meet local clothing demand and use much locally grown cotton. The textile industry sector has played significant role in improving people's quality of life and contributing to the nation GDP. Overall, Tanzania is one of the best place in Africa for the apparel making, due to its low production cost, preferential trade access, improving industrial infrastructure, and ample availability of both Conventional and Organic Cotton Lint.

Currently however, in 2016 there were 18 textile and garment factories in the country, but only 11 were operational. The three key challenges identified were shortage of skilled labour; unfair competition from improperly taxed imports; and a high-cost operating environment (power supply, customs procedures and employment costs, especially costs related to work permits).

The government realizes these limitations and has subsequently resolved to attract both local as well as foreign investors to participate in industrial development. Among other measures the government has resolved to promote Industrialization and ensure it attains middle-income status by 2025. Other measures taken by the government include adoption and implementation of the Blueprint. This is intended to improve the business environment across the economic sectors by undertaking rigorous law and tax reforms to remove impediments to trade and businesses and therefore create incentives to attract investments.

CURRENT OPERATIONAL-STATUS IN TANZANIAN TEXTILES

Sn.	MILL	PROCESS	CURRENT STATUS
1.	A to Z Ltd, Arusha	Knitting, processing and garment	Working; knitting using yarn from SUNFLAG and outside the country .Its garment section is also working well.
2.	SUNFLAG (T) Ltd, Arusha.	Spinning, weaving, knitting, processing, and garment	Working well now that power supply has improved. <ul style="list-style-type: none"> working sections
3.	21 ST CENTURY Ltd, Morogoro.	Spinning, weaving and processing and garment,	Working. Member of the MeTL group of companies; working well. Produces woven fabrics; it has started knitting as well
4.	FRIENDSHIP TEXTILES Ltd-DSM	Spinning, weaving and processing	Working amid difficulties. (Not operated for the current 3 consecutive years)
5.	MWANZA TEXTILES Ltd, Mwanza	Spinning, weaving and processing	Owned by the Ladhan family. Working fairly well now that power supply has improved. Produces cotton woven fabrics.
6.	NAMERA Ltd, D'Salaam.	Spinning and weaving	Working well. Produces cotton woven fabric for its sister mill, NIDA Ltd.
7.	NIDA Ltd, D'Salaam.	Processing and garment	Working well. Processes grey fabric from NAMERA and blended imported fabrics as well.
8.	MAZAVA GARMENTS Ltd, Morogoro.(EPZA)	<ul style="list-style-type: none"> Garment Sportswear 	Working well. Stitches 100% polyester knitted garments from imported fabrics, solely for export. Operates in rented premises.

9.	TOOKU GARMENTS Ltd, D'Salaam.(EPZA)	• Garment	Working well. Stitches woven men's jeans from imported fabric, solely for export. Operates in rented EPZA premises.
10.	OPEN SANIT	• Garment	Working
11.	JOC Textiles (T) Ltd (formely Dahong – SHY	• Spinning	• Working well. • Produces open – end yarn for export to China. (not operated since Corona period/time)
12.	BASRA TEXTILES - Zanzibar	• weaving and processing	Working

Source: Tanzania Cotton Board

- Current size of the textile industry in terms of value and volume/domestic textile production in terms of yarn and fabric (domestic consumption may be highlighted as well)

(1) Current size in terms of Volume of Yarn and Fabric

N0.	Company	Yarn Spinning Capacity (T)	Used Capacity (T)	Weaving Capacity (Metres)	Used Capacity (Metres)	Processing and dyeing capacity (Metres)	Used Capacity (Metres)	Employment
1.	21st Century Mills LTD	15,500	10,800	40,000,000	27,000,000	127,272,272	42,000,000	3,500
	(%)		69.7%		67.5%		33%	
2.	SUNFLAG MILLS(T) LTD	5,400	4,050	18,000,000	12,600,000	20,999,000	16,799,200	2,000
	(%)		75%		71%		80%	
3.	NAMERA/NIDA TEXTILE MILLS (LTD)	51,852	46,667	44,307,692	28,800,000	42,400,000	28,700,000	300
	(%)		90%		64.3%		67%	
4.	MWATEX Mwanza	2,100	1,452	8,500,000	3,655,000	12,000,000	995,332	2,000
	(%)		69%		43%		8%	
	TOTAL	74,842	62,969	110,807,692	72,055,000	202,671,272	88,494,532	7,800
	TOTAL (%)		84%		65%		44%	

Source: Tanzania Cotton Board

(2) Domestic consumption

- About 600 Million Square Meters (demand)
 - Spindles and looms installed (if possible share the processing capacities as well)
- Tanzania relies heavily on cotton as the main raw material for its textile industry

(1) Spindles installed

Number of recently total installed spindles was just about 145,000

Mwatex ~25,000, Sunflag ~ 40,000, Nida ~ 40,000, and 21st Century ~ 40,000

(2) Looms installed

Mwatex ~250,000, Sunflag ~ 300,000, Nida ~ 300,000, and 21st Century ~ 250,000, with different sizes, shuttle and shuttle-less looms

- **Major hubs or regions of textile production**

DAR ES SALAAM, ARUSHA, MOROGORO AND MWANZA

- **Government policies that currently govern the textile industry**

(1) Tanzania Textile Development policy: for promotion and creating enabling business environment

(2) Investment incentives through the Tanzania Investment Centre (**TIC**): to attract investments, including tax benefits, duty exemptions on imported machinery, raw materials and access to financial facilities

(3) Skills Development and Training: to provide skilled workers in the textile industry

(4) Import restrictions on mitumba (secondhand clothes) and

(5) Local content requirements

- **Incentives, special measures, and support schemes provided for textile production**

1. The Government through the University of Dar es salaam in collaboration with the University of Manchester and through Vocational Education Training Authority (VETA), develops skills for a local workforce to increase productivity in the textile sector.

2. The Government has established Export Processing Zones (**EPZ**) to provide a favorable environment for export-oriented textiles.

3. The Government provides reduced corporate tax rates, customs duty exemptions and accelerated depreciation allowances as an incentives to encourage investments in the textile sector

4. Special Financing schemes and credit facilities are sometimes made available to the textile manufacturers

5. To reduce cost of production to textile manufacturers, the government provides tax exemptions on imported machinery, raw materials and equipment.

- **Details of mass skills development program**

- In-House training for machinery operators after their technical training at Vocational Education Training Authority (VETA) especially for electrical and mechanical technicians
- **Measures in place for sustainable textile production**
 - Tanzania encourages her textile manufacturers to obtain international labeling and certification such as Fair Trade etc., which demonstrate their commitment to sustainability and ethical practices
 - Implementation of the Occupational Health and Safety Act No 5 of 2000.
 - Promoting sustainable Fashion practices and textiles consumers' awareness
 - Provision of training and capacity building programs for a sustainability of textile manufacturing
 - Tanzania has put in place an initiative to support small and medium enterprises, (BATIKI groups) mostly women and youths, who engages in local fabrics dyeing and fashion.
- **Major stakeholders in the textile value chain**

Government, Cotton Farmers, Tanzania Ginners Association (**TGA**), Transporters, Textile and Garments Manufacturers of Tanzania (**TEGAMAT**), Retailers and distributors, Financial institutions, Regional Exporters and Consumers

Collaborations and joint ventures in the textiles domain/FDI in textile value chain

 - Tanzanian Government has introduced various incentives such as tax breaks, to attract Foreign Direct Investment in Textile industry. Hopefully, more FDIs (such current operating FDIs as, Mazava-US, Touku-China, Jielong-China etc.) and joint ventures, will be soon flowing in.
 - A to Z Textiles are seeking financial-collaborators for their spinning mill.
- **Primary challenges faced by the textile value chain**
 - (1) Competition from imported textiles
 - (2) Limited access to financial and credit facilities (capital) for projects expansion and limited availability of skilled labor

- (3) Inadequate infrastructure such as transportation network, energy supply and reliable water sources
- (4) Contamination in cotton lint
- **Foreseeable future opportunities or growth areas in textiles value chain**
 - Efforts to promote Tanzanian textiles products to the regional and international markets, are on-going.
 - Investment in technology and innovation, including digital textile printing and advanced manufacturing are underway and these will make Tanzanian textile products, competitive in the regional and international markets.
 - Tanzania is in collaboration with international agencies such as University of Manchester and other international organization for training and capacity building in textiles to meet global standards and skills.
 - Some foreign investors have been attracted and expressed their interests to come and invest in the Tanzanian textile industry due to its strategic location, availability of cotton lint and the incentives put in textiles by the Government.
 - **Infrastructure such as textile parks, special economic zones that support the textiles value chain**
 - Through Tanzania Cotton Board (TCB), the Government has been focusing on increasing both cotton productivity and production, by encouraging Cotton Farming Best Practices by farmers and on the expansion of the areas of cotton production (especially to the WCGAs).
 - Tanzania has several Economic Processing Zones (EPZ) which are essential Special Economic Zones (SEZ) focusing on textile and apparel value chain for export markets. These zones offers tax incentives, infrastructure support and streamlined regulatory procedures to encourage investments.
 - The Government through Tanzania Investment Centre (TIC) has been actively promoting investments in textiles by putting incentives including tax breaks, reduced custom duties on machinery and raw materials and simplified procedures for acquiring permits and licenses.

- Tanzania has been actively working on, to improve its power and energy distribution infrastructures for adequate supply of reliable energy to textile and other industries.
- **Current employment being provided by the textiles value chain (including percentage of men and women if possible)**
 - About 180,000 workers (men – 6,000, Women – 12,000) at spinning and processing levels.
- **How the industry is addressing environmental concerns, waste water and water consumption etc.**

Typically, the Tanzanian Government and Textile Companies strives to implement efficient and sustainable practices to minimize utility costs and reduce their environmental impacts by:

 - Putting in place environmental regulation and standards to govern textiles industry.
 - Encouraging the use of sustainable eco-friendly materials to reduce carbon footprint in the textile industry.
 - Tanzania aims at minimizing water wastages, pollution and ensure responsible water use in the textile industry.
 - The Government and stakeholders in textiles works towards adopting energy-efficiency technologies in the industry, again to reduce carbon footprint.
 - Tanzania promotes waste management including, recycling and responsible disposal of textiles wastes to minimize environmental impact.
- **Future of the textile industry over the next five years**
 - (1) Increased investment
 - (2) Increased exports
 - (3) Improved technologies
 - (4) Diversification in textiles and more value addition to Tanzanian lint within
 - (5) General poverty reduction as result of increased incomes, due to a rise in efficiency across cotton/textile value chain
- **Upcoming projects, investments, or collaborations you would like to highlight**
 - (1) Rufiji Cotton Ltd. (Indo-Tanzanian) – Farming and Ginning
 - (2) Biosustain Tanzania Textile Mills – Spinning and Weaving
 - (3) Birchand Textile Mills – Spinning
 - (4) Basra Spinning Mills (either in Mainland/Islands)



- **Utilities and power used in textiles value chain (electricity, gas and water charges)**

Electricity prices in Tanzania for households and businesses are 0.092 U.S. Dollar per kWh and 0.095 U.S. Dollar per kWh respectively, as of March 2023. These rates stands to dropdown, on the soon impending commissioning of 2015 megawatts from the Julius Nyerere Electrical Dam Project, into the National grid.

The Tanzania Bureau of Standards (TBS) testing fees for textile and leather products range from 30,000/= to 300,000/= depending on the type of test.

- **Short brief on status of allied textiles industries (machinery, dyes, effluent treatment plants, etc) and services sector**

Most of the textile companies in Tanzania are equipped with effluent treatment plants, which consist of coagulation-flocculation, sedimentation, and aerobic reactor units.