

Status of Kenya Cotton Sector

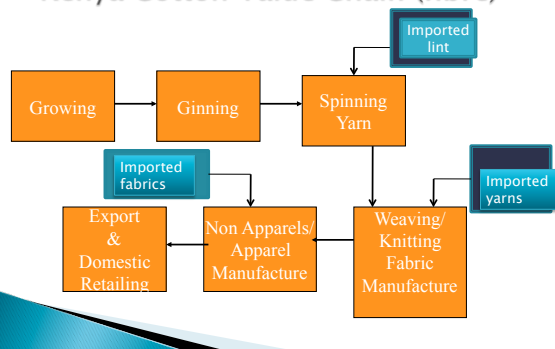
Presented at the Southern and Eastern Africa Cotton Forum (SEACF) held at Outspan Hotel, Nyeri, Kenya (27th–29th August 2012)

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COTTON DEVELOPMENT AUTHORITY

Overview

- ▶ Kenya Cotton Value Chain
- ▶ Production performance and potential:
 - Production Areas
 - Production trend
 - Irrigated
 - Rain fed
- ▶ Cotton promotion
- ▶ Cotton Classification

Kenya Cotton Value Chain (fibre)



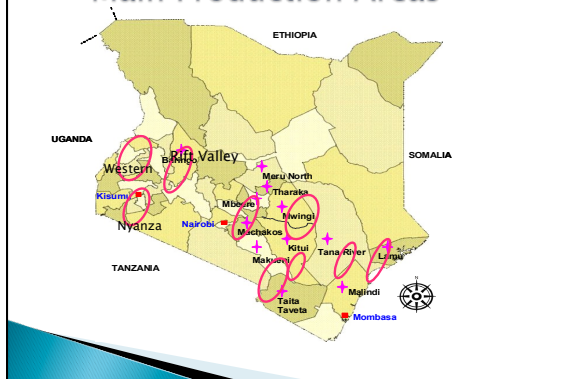
Kenya Cotton Value Chain (fibre) CONT.

- ▶ Textiles and apparels accounted for 95% of Kenya exports into USA under Africa Growth and Opportunity Act (AGOA) in the past.

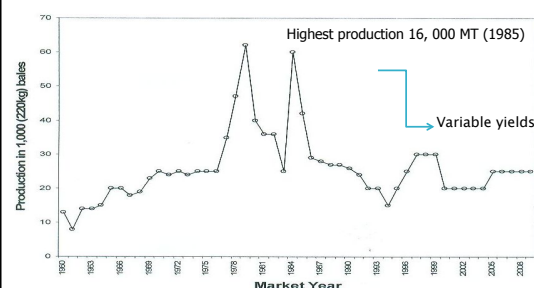
Source: <http://www.agoa.info/> – march 2009

- ▶ Kenya's textile exports to the US increased from US\$ 39.5 million in 1999 to US\$ 277 million in 2004 (EPZA, 2005)

Main Production Areas



Production Statistics 1960 – 2008



Source: USDA report, 2009

Irrigated production



Yield 3000kg/Ha

Irrigated Production

- ▶ Government vision 2030 target: Increase area under irrigation to 1,000,000 acres (405,000Ha)
- ▶ Irrigated cotton used to contribute 39% of national production (Mid 1980s)
- ▶ National Irrigated production Potential: 35,000 ha.
- ▶ Lint Yield potential: 200,000 bales (35,000MT) at current output of 3,000 kg/Ha seed cotton (1,000Kg Lint/Ha).
- ▶ 1,500 Ha (2012/13), program started in 2010/11.

Rainfed production



Promoting Integrated crop management practices

Conservation farming practices

Rain fed Performance

- ▶ Growers: 39,000, Potential 200,000 growers
- ▶ Rain fed Area: 39,000 ha, yield: 572 kg/ha (average) 28% yield potential
- ▶ Potential 385,000Ha, Yield potential 2500kg/Ha
- ▶ Lint Production (2011/12) : 5,500 MT (30,000 bales) at average production: 423kg/Ha (seed cotton)
- ▶ No Exports, all lint consumed locally
- ▶ Imports: over 60%

Ginneries status: Total number of ginneries: 22; Operational 11 units & Employment: 2,000 people
All ginning investments are local

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Production promotion

- ▶ Increase Irrigated production
- ▶ Promote conservation practices for rain fed production
- ▶ Accelerate implementation of Seed production program
- ▶ Pursuing introduction of BT Cotton
- ▶ Promote contract production (Target: irrigated production)
- ▶ Facilitate rehabilitation of ginneries
- ▶ Promote input credit to farmers
- ▶ Improve marketing system and implement classification
- ▶ Provision of targeted support /inputs (seeds)

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Production promotion (CONT.)

- ▶ Zero rating supply of taxable goods and services to cotton ginning
- ▶ Zero rating VAT on ginned cotton.



Cotton fibre classification

- ▶ No fibre classification
- ▶ Establishing infrastructure for 100% instrument bale Classification
- ▶ Targeting to commence operations Oct/Nov 2012
- ▶ Fibre testing offered by Kenya Bureau of standards (KEBs)

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Fibre Classification facility –Nairobi



Thank You

Ahsante Sana

KENYA EPZ FABRIC DEMAND

TYPE OF FABRIC	m ² (millions)	US\$'s (millions)
Denim	15.80	27.70
Cotton Twill	19.90	29.60
Lycric Twill	0.09	0.13
Polyester/Cotton	3.40	4.70
Polyester	1.90	1.20
Cotton Knit	3.30	5.30
Cotton Rayon	0.20	0.28
Cotton plaid	0.40	0.44
Cotton Spandex	0.20	0.30
Corduroy	0.25	0.20
Others (lining, pocketing etc)	3.10	2.40
Total	48.54	\$ 72.25