



UGANDA COUNTRY REPORT AT THE 2008 SEACF MEETING.

Presented by:
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1. Introduction

- Cotton is one of the major poverty alleviation crops in Uganda, grown in $\frac{2}{3}$ rd of the Country.
- Production is by small-scale farmers with average of 0.5 Ha.
- National production has generally remained low; averaging about 120,000 bales.
- Interventions of increasing production:
 - Government supports provision of seed to farmers as a strategic intervention.
 - The ginner have been offering some limited support for provision of inputs and extension services.

Cotton production and earnings since liberalization on the Sector in 1994:

PERIOD / SEASON	COTTON LINT PRODUCTION (Bales @ 185 Kg)	EARNINGS FROM EXPORTS		EARNINGS BY FARMERS	
		Ave. FOB price (\$/Kg of lint)	Value (\$ million)	Ave. Farmgate price (Sh./Kg of seed cotton)	Value (Sh. Billion)
1	2	3	4	5	6
1994/95	33,000	2.10	12.82	400	7.39
1995/96	56,416	1.98	20.67	350	11.06
1996/97	110,700	1.86	38.09	320	19.84
1997/98	32,000	1.79	10.60	390	6.99
1998/99	82,000	1.68	25.49	400	18.37
1999/00	117,000	1.34	29.00	300	19.66
2000/01	100,000	1.50	27.75	420	23.52
2001/02	120,000	0.80	17.76	270	18.14
2002/03	110,000	1.20	24.42	500	30.80
2003/04	160,000	1.50	44.40	650	54.81
2004/05	254,000	0.80	37.59	350	45.78
2005/06	102,000	1.10	20.76	450	24.56
2006/07	134,000	1.20	29.75	470	32.50
2007/08	60,000	1.20	13.32	750	14.55
TOTALS	1,471,116		352.41		327.96

2. Research

2.1 Highlights:

- A new variety with improved resistance to Fusarium and Verticillium wilts is due for release next year.
- Confined field trials for Biotech Cotton (Bt & RR) are due to start in May 2008.
- Testing and recommendation of pesticides for use on cotton and their application rates is on-going.
- Development of technological packages for increasing productivity and improving quality is on-going.

2. Research cont'd

2.2 Needs:

- **Facilities** –
 - Spinning lab to house already procured equipment. Needed to supplement the HVI data on fibre and spinning quality.
 - Biotechnology and Bio-safety policy to implement the legal framework.
 - Additional scientists in the areas of breeding and entomology.
- **Research Agenda areas** –
 - Evaluation of appropriate and efficient pesticides and fertilizers (including seed dressing chemicals types seed borne diseases) for organic cotton production.
 - Access to germplasm for long staple varieties for niche markets and novel traits for plant host resistance to pest for organic cotton. SEACF to facilitate free exchange of germplasm.
 - Development of appropriate training manuals for organic farming.

3. Marketing and finances

- Marketing is liberalized.
- About 95% of cotton produced is exported as raw lint.
- 42 operational ginneries and 25 ginneries.
- Majority of Ginneries depend on pre-financing by International Merchants.
- Ginning capacity is estimated at 1 million bales per season compared to average annual production of about 120,000 bales.

4. Cotton production constraints

4.1 Farm level production problems:

- Wastage of Planting seed by farmers.
- Lack of a sustainable inputs provision system.
- Inadequate extension services.
- Over dependence on rain fed production.
- Declining soil fertility.
- Competition from other enterprises.

4.2 Institutional Problems:

- Lack of organized farmer groups.

4. Constraints – cont'd

4.3 Processing and Marketing Problems:

- Low level of domestic value addition to lint.
- Increasing demand for varieties with better characteristics for spinability and ginning out-turn which makes the local varieties less competitive.
- Price fluctuations.

4.4 Financing and Institutional competitiveness:

- High cost of production.
- Inadequate resources for cotton research and technology development.
- Effect of subsidies offered by Developed Countries on cotton prices.
- High cost of local borrowing.

4. Constraints – cont'd

4.5 Value addition problems:

- High cost of utility tariffs.
- High cost on capital.
- Lack of skilled labour and technologies (spinning & textiles).
- Cheap imported crude palm oil.
- Uganda is land locked.
- High competition from China, India, Indonesia

5. Way forward

5.1 Increasing Productivity & Production:

- Organize farmers into groups.
- Government support for provision of inputs & extension.
- Provision of cotton-targeted extension services.

5.2 Seed for Planting:

- Introduce sell of seed to farmers.
- Privatize production and processing.
- Research into Biotech Cotton.

5.3 Value addition:

- Tax on imported crude oil.
- Policy on local consumption of local seed.
- Textile Policy to enable Spinning & Textiles with focus on local & regional markets.

Conclusion:

- Cotton is a poverty-alleviating crop produced in 49 out of the 80 districts of Uganda and greatly contributes to household incomes and National economy.
- With value addition into yarn, cloth, animal feeds, oil, bio-fuel, etc, cotton ranks high as a cash crop.
- Industrialization in most of the competing large producers like China, will generate increased demand for cotton and ensure that cotton production has a future in Africa and Uganda in particular.