OVERVIEW OF THE COTTON INDUSTRY IN ZAMBIA

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Board secretary.
COTTON BOARD OF ZAMBIA
Cotton is one unquestioned success story of Zambia’s turn towards a market economy and offers a powerful tool for job creation and poverty reduction amongst rural population. In the 1980s the Zambian textile and clothing sector had over 140 companies employing well over 25,000 Zambians in urban population. With the right policies in place cotton offers a great potential for growth in its value chain.
COTTON VALUE CHAIN IN ZAMBIA

Agrochemical Dealers
Ginning & Out-grower Companies
Extension & Training Service Providers
Research & Development Institutions

Seed Cotton Production
Seed Cotton Marketing

Seed Cotton Processing
Ginning Companies
Planting Seed Multiplication

Lint
Spinning
Weaving
Cloth
Apparel
Retailer

Seed Cotton by-products processing/manufacturing

Cooking Oil
Cotton Seed Crushing
Cotton Cake

Retailers/Consumers
Animal Stock feeds
KEY SECTOR INSTITUTIONS

- COTTON BOARD OF ZAMBIA
- COTTON DEVELOPMENT TRUST
- COTTON ASSOCIATION OF ZAMBIA
- ZAMBIA COTTON GINNERS ASSOCIATION
- SEED CONTROL AND CERTIFICATION INSTITUTE
All cotton varieties grown in Zambia are bred by our research at CDT.

Cotton in Zambia is exclusively grown by small scale between with the number of producers fluctuated between 300,000 and 450,000 growing on average 0.5-1ha.

The farmers are contracted by ginning companies running out-grower schemes.

Currently we have 12 companies running out-grower schemes with a combined ginning capacity of 405,000Mt.

Cotton is grown mainly in four provinces out of 10.

Average yield is low ranging from 300-530 kg/Ha.
PRODUCTION IS DRIVEN BY PRICE

- Privatization
- Post-Reform Boom
- 1st Crash
- Second Boom
- 2nd Crash
- Mixed period

- Production (MT)
- Rebased Price (ZMK/kg)
COTLOOK A INDEX & NEW YORK FUTURES

Sources: Cotton Outlook, ICE Futures U.S.
CURRENT CHALLENGES / ISSUES AFFECTING THE SECTOR

- Low productivity of cotton at farm level
- Pricing of seed cotton
- Lack of harmonised extension service
- Effect of climate change which calls for the need to breed better varieties and consider GMOs
- Cotton not being a priority crop for most farmers
- Non inclusion of fertilizer in input package
- Side selling of contracted crop
- Limited value addition
INCLUSION OF COTTON INTO FISP

- For two seasons as a sector we have waited for cotton inclusion into FISP but this has not been done.
- What we have noticed is that there is little consultation with the main players.
- The stakeholders are consulted in the 11th hour.
- The stakeholders feel there much that can be done in improving productivity if cotton is included in FISP.
- Stakeholders should be fully be involved in its planning and implementation.
With the levels of world cotton prices there is need to have a Government support program to the price to make it meaningful for farmers to grow the crop.

Almost all countries that are high producers of cotton their Governments are fully involved in price support.
CURRENT ACTIVITIES / INTERVENTIONS

- Increased effort to increase productivity through extension effort by out growers, CAZ, COMPACI, and FAO
- Seeking inclusion of cotton in the input support (FISP) by Government
- Regular meetings between stakeholders in resolving issues
- CAZ is currently involved in value addition through the development of handlooms
THANK YOU FOR YOUR ATTENTION