

# Vote:155 Uganda Cotton Development Organisation

## VI: Vote Overview

### (i) Snapshot of Medium Term Budget Allocations

Table V1.1: Overview of Vote Expenditures

Billion Uganda Shillings	FY2017/18 Outturn	FY2018/19		FY2019/20 Proposed Budget	MTEF Budget Projections			
		Approved Budget	Spent by End Sep		2020/21	2021/22	2022/23	2023/24
Recurrent Wage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Non Wage	0.665	0.584	0.046	0.584	0.671	0.805	0.966	1.160
Devt. GoU	4.079	4.411	0.962	4.411	5.293	5.293	5.293	5.293
Ext. Fin.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>GoU Total</b>	<b>4.744</b>	<b>4.995</b>	<b>1.008</b>	<b>4.995</b>	<b>5.964</b>	<b>6.099</b>	<b>6.260</b>	<b>6.453</b>
<b>Total GoU+Ext Fin (MTEF)</b>	<b>4.744</b>	<b>4.995</b>	<b>1.008</b>	<b>4.995</b>	<b>5.964</b>	<b>6.099</b>	<b>6.260</b>	<b>6.453</b>
<i>A.I.A Total</i>	2.416	4.818	0.916	7.146	7.156	7.256	7.356	7.456
<b>Grand Total</b>	<b>7.160</b>	<b>9.813</b>	<b>1.923</b>	<b>12.140</b>	<b>13.120</b>	<b>13.355</b>	<b>13.616</b>	<b>13.909</b>

### (ii) Vote Strategic Objective

To increase cotton production and quality with the aim of contributing to the National economy through increased incomes

## V2: Past Vote Performance and Medium Term Plans

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## Performance for Previous Year FY 2017/18

### a) OUTCOME PERFORMANCE HIGHLIGHTS:

- The quantity of cotton produced increased by 34% from 151,071 bales (@ 185 Kg) in FY 2016/17 to a total of 202,357 bales of lint in 2017/18. This contributed over Sh.188 billion to farmers' incomes. The increase in cotton production was correspondingly accompanied by a 30% increase in lint exports from 140,496 bales in 2016/17 to 182,357 bales in 2017/18 fetching about US\$ 54 million in lint sales.
- Domestic consumption of lint increased from 7% of total national production in 2015/16 to 10% in 2017/18 due to increased Government financial support for provision of lint buffer stocks to local cotton textile manufacturers. The number of beneficiaries increased to two; i.e. Fine Spinners (U) Ltd and Southern Range Nyanza (NYTIL).
- The quality of lint produced during 2017/18 declined slightly; 77% of the total lint produced was graded in the top three grades in 2017/18 compared to 86% in 2016/17. This was attributed to erratic weather patterns which affected crop development and maturity.

### b) OUTPUT PERFORMANCE:

- Distribution of cotton planting seed - a total of about 2,647 Mt of seed were supplied to farmers and an estimated 270,000 acres were planted to cotton in 64 districts in Eastern, Northern, West Nile and Mid-West & Central and Western Regions. Out of the 2,647 Mt of seed, 60 Mt were supplied to farmers in 10 hard-to-reach districts of Amuria, Katakwi, Abim, Koboko, Kaabong, Zombo, Adjumani, Moyo, Yumbe, and Ntoroko.
- Farmer training - 3,965 demonstration plots were established and used to train over 108,000 farmers (including members of 171 women groups and 124 youth groups) on crop establishment, crop management, pest control, post-harvest handling and soil and water conservation.
- Cotton-targeted extension services - a total of 329 Field Extension workers belonging to Uganda Ginners and Cotton Exporters Association (UGCEA) were trained on cotton agronomy and deployed in the 64 cotton growing districts.
- Cotton production inputs - inputs were procured by UGCEA and CDO set up input distribution systems to avail the inputs to farmers. About 1,230,700 one-acre units of pesticides, 5,156 litres of herbicides, 481 Mt of fertilizers and 3,040 spray pumps were supplied to farmers.
- Mechanization of land opening - a total of 3,701 acres were ploughed for cotton under the tractor hire scheme while 62,660 acres and 65,840 acres were ploughed by oxen for cotton and other crops respectively. Members of 171 women groups and 124 youth groups were assisted to access tractor hire and animal traction services.
- Project 1219 - Setting up of the seed cotton stores, cottonseed stores and the front office foundations were completed. Setting up of the cyclone chamber and the foundation works were also completed. The Front office was constructed up to the roofing stage, Erection of steel structures for stores was completed. Construction of cyclone chamber walls was completed. The Pit latrine was excavated but work was halted due to poor soil texture. Specifications were changed to aquaprivy toilet facility. Regarding machinery and equipment, seed processing machinery previously located at Ngetta, one production line located at Masindi and Booth drum at Kachumbala were decommissioned. The decommissioned machines were transferred to Pajule, Pader and preparations for installation of the machines commenced.

## Performance as of BFP FY 2018/19 (Performance as of BFP)

### Output performance:

- By end of Q1, about 2,582 Mt of seed had been supplied to farmers in 65 districts in Eastern, Northern, West Nile and Mid-West & Central and Kazinga Channel Regions. Out of the 2,582 Mt of seed, 62 Mt were supplied to farmers in 10 hard-to-reach districts namely; Amuria, Katakwi, Abim, Koboko, Kaabong, Zombo, Adjumani, Moyo, Yumbe, and Ntoroko.
- A total of 390 Extension Workers were trained and deployed in the 65 cotton growing districts. The extension workers organized establishment of 3,598 one-acre demonstration plots for training farmers on cotton production techniques. Over 8,200 training sessions were conducted at the demonstration plots for about 77,800 farmers including members of 267 women groups and 158 youth groups.
- Under seed multiplication, over 6,500 acres were planted in selected areas in Abim, Adjumani, Alebtong, Apac, Dokolo, Hoima, Kaberamaido, Kaliro, Kayunga, Kasese, Kween, Nebbi, Oyam, Pader, Rubirizi, Serere, Tororo and Agago Districts. Out of the 6,500 acres, an estimated 3,921 acres were planted by 38 Prison Farms.
- Cotton production inputs were procured by Private Sector (ginners); approx. 306 Mt of fertilizers, 969,591 one-acre units of pesticides, 4,130 spray pumps and 3,093 litres of herbicides were supplied to cotton farmers and Prison Farms including farmers/Prison Farms in the 10 hard-to-reach districts who received a total of 67 Mt of fertilizers, 100,962 one-acre units of pesticides, 536 spray pumps and 339 litres of herbicides.
- Under mechanization of land opening, a total of 2,480 acres were ploughed by tractors under the Ginners & CDO tractor hire scheme. In addition, a total of about 65,913 acres were ploughed by oxen using ox ploughs supplied by CDO in previous seasons; 30,107 acres were for cotton and 35,806 acres were for other crops.
- Project 1219 - decommissioning and transfer of machinery from Lira, Kachumbala and Masindi to Pader were undertaken.

### Outcome performance:

- Cotton marketing commenced officially in October 2018. By end of Q1 of FY 2018/19, only 4,316 bales of lint had been purchased from farmers.

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## FY 2019/20 Planned Outputs

Key planned outputs for the Cotton Sub-sector in FY 2019/20 will focus on:

- a) Process and distribute 2,900 Mt of high quality cotton planting seed to farmers in 67 cotton growing districts. Out of the 2,900 Mt of seed, about 100 Mt will be allocated to the 10 hard-to-reach districts of Amuria, Katakwi, Abim, Koboko, Kaabong, Zombo, Adjumani, Moyo, Yumbe, and Ntoroko.
- b) Mobilize, organize and train about 6,500 seed growers in selected seed multiplication areas in Apac, Amuru, Pader, Kitgum, Alebtong, Dokolo, Rubirizi, Amolatar, Buliisa, Hoima, Masindi and Serere Districts with the aim of producing 4,000 Mt of certified cottonseed for planting in FY 2020/21.
- c) Organize establishment of 4,000 demonstration plots which will be used to train about 100,000 farmers on the recommended agronomic practices for increasing cotton production and quality. The training sessions conducted at the demonstration plots will also target about 300 women groups and 200 youth groups that participate in cotton growing in Busoga, Bugisu, Teso, Pallisa, Lango, Acholi, West Nile, Mid-West and Western Regions.
- d) Organize and coordinate the training of 400 Field Extension Workers (FEWs) under the Ginners Cotton Production Support Program who will offer extension services to cotton farmers. Out of the 400 Field Extension Workers (FEWs), about 25 Extension workers will be deployed in the 10 hard-to-reach districts. In addition, CDO will conduct training sessions for District Local Government extension officers in cotton growing areas to equip them with knowledge and skills on cotton production and agronomy.
- e) Coordinate the Ginners' procurement of production inputs (herbicides, fertilizers, pesticides and spray pumps) and organize their distribution to farmers in all the cotton growing districts in Eastern, Northern, West Nile, Mid-West & Central and Western Regions. Special focus will be given to the 300 women groups and 200 youth groups that participate in cotton growing in Busoga, Bugisu, Teso, Pallisa, Lango, Acholi, West Nile, Mid-West and Western Regions.
- f) Under mechanization of land opening, CDO will procure and distribute 1,000 ox ploughs to cotton farmer groups (with emphasis on women and youth groups) and medium and large scale individual farmers. In addition, CDO will organize tractor hire services for cotton farmers and monitor use of ox ploughs distributed in previous seasons. Mechanization will focus on facilitating the women and youth groups to increase their uptake of either tractor hire services or animal traction for land preparation.
- g) Under support to domestic value addition to lint, CDO will procure lint for local textile manufacturers using the Lint Buffer Stock Revolving Fund with the aim of increasing domestic value addition to lint which will in turn contribute towards job creation, import substitution and increased returns from lint.
- h) Under Project 1219, planned activities for FY 2019/20 will include construction of a seed cotton store, 1 processed cottonseed stores, 1 bale shed, external works and drive ways (tarmacking of the area), multi-purpose hall as well as procuring and installing eight (8) additional ginning machines. CDO will also procure one double cabin pick-up truck to facilitate transportation at the Seed Processing Plant and a Station wagon vehicle for monitoring field activities.

## Medium Term Plans

1. Strengthening and consolidating the Ginners Cotton Production Support Program for continued support towards key cotton production activities. Program activities will focus on:
  - Organizing procurement, processing and distribution of cotton planting seeds to farmers in all cotton growing districts including the 10 hard-to-reach districts of Amuria, Katakwi, Abim, Koboko, Kaabong, Zombo, Adjumani, Moyo, Yumbe, and Ntoroko.
  - Promoting cotton growing as an income generating enterprise especially among women and the youth.
  - Organizing and coordinating the establishment of demonstration plots for training farmers on cotton production techniques.
  - Training Field Extension Workers (FEWs) who will offer extension services to cotton farmers.
  - Organizing distribution of key production inputs (pesticides, herbicides and spray pumps) to cotton farmers including women and youth groups that participate in cotton growing.
  - Organizing tractor hire services for cotton farmers and train farmers on animal traction with focus on women and youth groups.
2. Collaborating with the NARO Cotton Research Program to accelerate development and release of new cotton varieties which are early maturing, high yielding and drought, disease and pest tolerant while also giving the desired lint quality parameters.
3. Commission and operate the new cotton planting seed processing facility constructed under Project 1219 in Pader District.
4. Promote increased domestic value addition to lint as a means of reducing the impact of fluctuating World market prices on farm-gate prices of cotton.
5. Coordinate the provision of lint stocks to local textile manufacturers under the Government funded Lint Buffer Stock Revolving Fund.
6. Promote commercial medium/large scale production of cotton by providing technical support to Uganda Prison Services (UPS) and other medium/large scale cotton producers.

## Efficiency of Vote Budget Allocations

About 88% of the total GOU MTEF budget for Vote 155 has been allocated to capital expenditure for Project 1219.

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## Vote Investment Plans

About 88% of the total GOU MTEF budget for Vote 155 will be spent on capital investments under Project 1219.

## Major Expenditure Allocations in the Vote for FY 2019/20

About 88% of the total GOU MTEF budget for Vote 155 has been allocated to capital investments under Project 1219.

## V3: PROGRAMME OUTCOMES, OUTCOME INDICATORS AND PROPOSED BUDGET ALLOCATION

**Table V3.1: Programme Outcome and Outcome Indicators**

<b>Vote Controller :</b>							
<b>Programme :</b>	<b>52 Cotton Development</b>						
<b>Programme Objective :</b>	To increase cotton production and quality with the aim of contributing to the National economy through increased incomes.						
<b>Responsible Officer:</b>	Managing Director - Mrs. Jolly Sabune						
<b>Programme Outcome:</b>	<b>Increased cotton production, quality and domestic value addition</b>						
<i>Sector Outcomes contributed to by the Programme Outcome</i>							
<b>1. Increased production and productivity of priority and strategic commodities</b>							
<b>Programme Performance Indicators (Output)</b>	<b>Performance Targets</b>						
	<b>2017/18 Actual</b>	<b>2018/19 Target</b>	<b>Base year</b>	<b>Baseline</b>	<b>2019/20 Target</b>	<b>2020/21 Target</b>	<b>2021/22 Target</b>
• Percentage change in quantity of cotton produced	34%	23%			14%	15%	15%
• Percentage change in quantity of lint classed in the top 3 grades	-7%	10%			3%	3%	3%
• Percentage change in volume of cotton consumed locally	14%	23%			17%	19%	19%

**Table V3.2: Past Expenditure Outturns and Medium Term Projections by Programme**

<i>Billion Uganda shillings</i>	<b>2017/18</b>	<b>2018/19</b>		<b>2019-20</b>	<b>MTEF Budget Projections</b>			
	<b>Outturn</b>	<b>Approved Budget</b>	<b>Spent By End Q1</b>	<b>Proposed Budget</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
<b>Vote :155 Uganda Cotton Development Organisation</b>								
52 Cotton Development	5.730	4.995	0.995	4.995	5.964	6.099	6.260	6.453
<b>Total for the Vote</b>	<b>5.730</b>	<b>4.995</b>	<b>0.995</b>	<b>4.995</b>	<b>5.964</b>	<b>6.099</b>	<b>6.260</b>	<b>6.453</b>

## V4: SUBPROGRAMME PAST EXPENDITURE OUTTURNS AND PROPOSED BUDGET ALLOCATIONS

**Table V4.1: Past Expenditure Outturns and Medium Term Projections by SubProgramme**

<i>Billion Uganda shillings</i>	<b>2017/18</b>	<b>FY 2018/19</b>		<b>2019-20</b>	<b>Medium Term Projections</b>			
	<b>Outturn</b>	<b>Approved Budget</b>	<b>Spent By End Sep</b>	<b>Proposed Budget</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>
<i>Programme: 52 Cotton Development</i>								

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01 Headquarters	1.671	0.584	0.033	0.584	0.671	0.805	0.966	1.160
1219 Cotton Production Improvement	4.079	4.411	0.962	4.411	5.293	5.293	5.293	5.293
<b>Total For the Programme : 52</b>	<b>5.750</b>	<b>4.995</b>	<b>0.995</b>	<b>4.995</b>	<b>5.964</b>	<b>6.099</b>	<b>6.260</b>	<b>6.453</b>
<b>Total for the Vote :155</b>	<b>5.750</b>	<b>4.995</b>	<b>0.995</b>	<b>4.995</b>	<b>5.964</b>	<b>6.099</b>	<b>6.260</b>	<b>6.453</b>

**Table V4.2: Key Changes in Vote Resource Allocation**

Major changes in resource allocation over and above the previous financial year	Justification for proposed Changes in Expenditure and Outputs
<b>Vote :155 Uganda Cotton Development Organisation</b>	
<i>Programme : 52 Uganda Cotton Development Organisation</i>	
<b>Output: 03 Farmer mobilisation and sensitisation for increasing cotton production and quality</b>	
Change in Allocation (US\$ Bn) : <b>(0.034)</b>	Planned activities will be co-funded under AIA.
<b>Output: 04 Cotton targeted extension services</b>	
Change in Allocation (US\$ Bn) : <b>0.025</b>	The Uganda Ginners and Cotton Exporters Association (UGCEA) will continue to support and facilitate cotton-targeted extension services.
<b>Output: 77 Purchase of Specialised Machinery &amp; Equipment</b>	
Change in Allocation (US\$ Bn) : <b>0.219</b>	CDO intends to buy a double cabin pick-up truck to provide transport to run the Seed Processing Facility.

**Table V4.3: Major Capital Investment (Capital Purchases outputs over 0.5Billion)**

FY 2018/19		FY 2019/20	
Appr. Budget and Planned Outputs	Expenditures and Achievements by end Sep	Proposed Budget and Planned Outputs	
<b>Vote 155 Uganda Cotton Development Organisation</b>			
Programme : 52 Cotton Development			
Project : 1219 Cotton Production Improvement			
<b>Output: 72 Government Buildings and Administrative Infrastructure</b>			
Organize construction of a bale shed, storm water drainage and drive ways at the Seed Processing Plant in Pader	Procurement of a contractor to undertake construction of a bale shed, storm water drainage and drive ways and procurement of a Project Manager will be handled in Q2.	Undertake construction of stores, bale shed, storm water drainage , drive ways & multi-purpose hall	
<b>Total Output Cost(Us\$ Thousand):</b>	<b>3.830</b>	<b>0.894</b>	<b>3.611</b>
Gou Dev't:	3.830	0.894	3.611
Ext Fin:	0.000	0.000	0.000
A.I.A:	0.000	0.000	0.000

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### Output: 77 Purchase of Specialised Machinery & Equipment

Procure new seed delinting machine and transfer machinery from old sites to the new seed processing site in Pader	- Procurement of the new seed delinting machine to be handled in Q2. - Decommissioning and transfer of machinery from Lira, Kachumbala and Masindi commenced.	Procure & install additional ginning machinery. Procure double cabin pick-up vehicle and station wagon vehicle.	
<b>Total Output Cost(Ushs Thousand):</b>	<b>0.581</b>	<b>0.069</b>	<b>1.300</b>
Gou Dev't:	0.581	0.069	0.800
Ext Fin:	0.000	0.000	0.000
A.I.A:	0.000	0.000	0.500

### V5: VOTE CHALLENGES FOR 2019/20 AND ADDITIONAL FUNDING REQUESTS

#### Vote Challenges for FY 2019/20

1. Inadequate funding from Government for production support activities. The Non-wage budget allocation to Vote 155 has declined from Sh. 890 million in FY 2016/17 to Sh. 584 million in FY 2019/20.
2. Climate change which affects production, productivity and quality.
3. Poor post-harvest handling and /or deliberate contamination of cotton especially by middlemen (buying agents).
4. Low domestic value addition especially in the spinning/textile sector.

#### Table V5.1: Additional Funding Requests

Additional requirements for funding and outputs in 2019/20	Justification of requirement for additional outputs and funding
<b>Vote : 155 Uganda Cotton Development Organisation</b>	
<b>Programme : 52 Cotton Development</b>	
<b>OutPut : 03 Farmer mobilisation and sensitisation for increasing cotton production and quality</b>	
Funding requirement US\$ Bn : <b>8.000</b>	Support for development of commercial cotton production farms:  Funds are needed to pilot and roll out estate commercial farming of cotton by provision of agricultural machinery & equipment and production inputs to twenty 100-acre block farmers.  Establishment of commercially operated farms will increase cotton production and productivity, and reduce dependence on small scale farmers for cotton production.
<b>OutPut : 72 Government Buildings and Administrative Infrastructure</b>	
Funding requirement US\$ Bn : <b>5.284</b>	Construction of staff accommodation, main store, mechanical workshop and tarmacking the area will:  - Increase seed processing efficiency. - Increase staff morale and productivity. - Improve security of assets, maintenance and storage.