

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	FY2018/19 Outturn	FY2019/20		FY2020/21 Proposed Budget	MTEF Budget Projections			
		Approved Budget	Spent by End Sep		2021/22	2022/23	2023/24	2024/25
Recurrent Wage	0.000	2.013	0.502	2.013	2.013	2.013	2.013	2.013
Non Wage	0.541	2.418	0.717	2.418	2.902	3.482	4.178	5.014
Devt. GoU	3.839	4.211	0.329	4.211	4.211	4.211	4.211	4.211
Ext. Fin.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GoU Total	4.380	8.642	1.547	8.642	9.126	9.706	10.403	11.238
Total GoU+Ext Fin (MTEF)	4.380	8.642	1.547	8.642	9.126	9.706	10.403	11.238
<i>A.I.A Total</i>	4.314	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Grand Total	8.694	8.642	1.547	8.642	9.126	9.706	10.403	11.238

(ii) Vote Strategic Objective

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

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V2: Past Vote Performance and Medium Term Plans

Performance for Previous Year FY 2018/19

OUTCOME PERFORMANCE:

Cotton production - a total of 189,444 bales of lint were purchased from farmers contributing over Sh. 180 billion to household incomes and about US\$ 57 million in lint sales. Cotton production was adversely affected by erratic rainfall patterns that had a big impact on crop establishment and performance.

Quality of cotton - 84% of the ginned lint was classed in the top 3 cotton grades in FY 2018/19 compared to 69% in FY 2017/18.

Domestic consumption of cotton lint - the quantity of cotton consumed by the two local textile manufacturers increased by 10% from 5,962 bales in FY 2017/18 to 6,530 bales in FY 2018.19. The Revolving Lint Buffer Stock Fund was used to procure 3,000 bales.

OUTPUT PERFORMANCE:

1. Provision of planting seed - 2,648 Mt of seed were distributed to farmers in 65 districts in Eastern, Northern, West Nile and Mid-West & Central & Kazinga Channel Regions. Out of that, 220 Mt were distributed to farmers in 10 hard-to-reach districts; Amuria, Katakwi, Abim, Koboko, Kaabong, Zombo, Adjumani, Moyo, Yumbe, & Ntoroko.
2. Multiplication of planting seed - over 6,500 acres were established in selected areas in Abim, Adjumani, Alebtong, Apac, Dokolo, Hoima, Kaberamaido, Kaliro, Kayunga, Kasese, Kween, Nebbi, Oyam, Pader, Rubirizi, Serere, Tororo & Agago Districts; 4,174 acres were planted by Prison Farms.
3. Farmer mobilization for increasing cotton production - 4,182 one-acre demonstration plots were established for training farmers on cotton production techniques in Eastern, Northern, West Nile and Mid-West & Central & Kazinga Channel Regions. Over 12,646 training sessions were conducted at the demonstration plots for about 113,814 farmers. Members of 267 women groups and 158 youth groups were among the farmers who were trained. Extension messages on cotton production were broadcast in 10 local languages using local radios stations.
4. Cotton-targeted extension services - 392 Extension Workers were trained and deployed in the 65 cotton growing districts in Eastern, Northern, West Nile and Mid-West & Central & Western Regions. Out of that, 39 were deployed in the 10 hard-to-reach districts of Amuria, Katakwi, Abim, Koboko, Kaabong, Zombo, Adjumani, Moyo, Yumbe & Ntoroko. LG extensionists in Teso, Lango, Acholi, West Nile & Kazinga Channel Regions were also trained on cotton production.
5. Provision of other production inputs - 328 Mt of fertilizers, 1,324,454 one-acre units of pesticides, 4,516 spray pumps and 3,347 litres of herbicides were supplied to cotton farmers. Out of that, 67 Mt of fertilizers, 158,222 one-acre units of pesticides, 550 spray pumps and 709 litres of herbicides were supplied to cotton farmers in the 10 hard-to-reach districts.
6. Mechanization of land opening - 2,480 acres were ploughed under the tractor hire scheme while 66,913 acres were ploughed by oxen; 31,107 acres were for cotton and 35,806 acres were for other crops. Intermittent dry spells during the planting period (June to August) hampered mechanized ploughing.
7. Project 1219; Construction of a seed processing plant in Pader:
 - Contract for construction of the bale shed was signed and advance payment processed.
 - Completed remedial drainage works around the delinting hall, unprocessed seed store and partly around the Ginning hall.
 - The contract for supply and installation of 8 gin stands was signed and the LC was opened. Awaiting submission of pre-shipment inspection and delivery schedule by the supplier.
 - The seed delinting, dressing and packing section commenced operations. By end of Q 4, a total of 2,078 Mt of delinted and graded cotton planting seed had been produced.

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Performance as of BFP FY 2019/20 (Performance as of BFP)

- Cotton planting seed - distributed 2,910 Mt of cotton planting seed to farmers in 67 districts in Busoga, Bukedi, Bugisu, Teso, Lango, Acholi, Karamoja, West Nile and Mid-West & Central & Kazinga Channel Regions. Out of that, 240 Mt were distributed to farmers in 10 hard-to-reach districts; Amuria, Katakwi, Abim, Koboko, Kaabong, Zombo, Adjumani, Moyo, Yumbe, & Ntoroko.
- Seed multiplication - about 7,000 seed growers were mobilized and trained on seed production techniques in selected areas in, Apac, Dokolo, Hoima, Abim, Adjumani, Alebtong, Nebbi, Oyam Kaberamaido, Kaliro, Kayunga, Kasese, Pader, Rubirizi, Serere, Tororo and Agago Districts.
- Farmer mobilization & training - established 4,000 demos plots at village/parish level and trained about 115,000 farmers including members of the 278 women, 165 youth groups and 278 PWDs.
- Cotton-targeted extension services - trained and deployed 450 UGCEA extension workers and LG extension staff in 67 cotton growing districts. 20 UGCEA extension workers were deployed in the 10 hard-to-reach districts.
- Provision of other production inputs - supplied approx. 373 Mt of fertilizers, 1,063,260 one-acre-units of pesticides, 3,719 spray pumps and 4,484 litres of herbicides to cotton farmers in the 67 districts. Aailed inputs to 278 women, 165 youth groups and 278 PWDs. About 166,523 units of pesticides, 184 spray pumps and 10 Mt of fertilizers were supplied to the 10 hard-to-reach districts.
- Mechanized land opening - approx. 1,115 acres were ploughed by tractors and 116,867 acres were ploughed by oxen.
- Project 1219 for construction of a Cotton Planting Seed Processing Facility in Pader District – embarked on construction of a bale shed, procured imported spare parts for the seed delinting machinery and made arrangements for shipping the additional 8 gin stands.

FY 2020/21 Planned Outputs

1. Cotton planting seed - process & distribute 3,000 Mt of cotton planting seed to farmers in 69 districts in Busoga, Bukedi, Bugisu, Teso, Lango, Acholi, Karamoja, West Nile, Mid-West & Central and Kazinga Channel Regions between July & September, 2019. 250 Mt to be reserved for the 10 hard-to-reach districts of Amuria, Katakwi, Abim, Koboko, Kaabong, Zombo, Adjumani, Moyo, Yumbe, & Ntoroko. Cotton planting seed will also be availed to the 300 women groups, 180 youth groups and 350 PWDs in the cotton growing areas.
2. Seed multiplication - mobilize, organize and train about 6,500 seed growers including women, youth & PWDs in selected seed multiplication areas in Apac, Dokolo, Hoima, Abim, Adjumani, Alebtong, Nebbi, Oyam Kaberamaido, Kaliro, Kayunga, Kasese, Pader, Rubirizi, Serere, Tororo and Agago Districts. Focus will be put on using of Prison Farms for seed multiplication because they have adequate land.
3. Farmer mobilization and training - organize establishment of 4,500 demonstration plots at parish/village level for training about 135,000 farmers including 300 women, 180 youth groups and 350 PWDs. CDO will broadcast extension messages on crop establishment, management, pest control, post harvesting handling, quality management and cutting stalks after harvesting on local radios in 10 local languages.
4. Cotton-targeted extension services - coordinate training & deployment of 450 UGCEA Field Extension Workers in Busoga, Bukedi, Bugisu, Teso, Lango, Acholi, West Nile, Mid-West & Central and Kazinga Channel Regions. 40 Extension workers to be deployed in the 10 hard-to-reach districts of Amuria, Katakwi, Abim, Koboko, Kaabong, Zombo, Adjumani, Moyo, Yumbe, & Ntoroko. In addition, train LG extension workers in the 69 cotton growing districts will be trained on cotton production technologies.
5. Provision of other production inputs - coordinate procurement and distribution herbicides, fertilizers, pesticides and spray pumps to cotton farmers in Busoga, Bukedi, Bugisu, Teso, Lango, Acholi, West Nile, Mid-West & Central and Kazinga Channel Regions. Assist the 300 women groups, 180 youth groups and 350 PWDs to access production inputs at subsidized prices.
6. Mechanization of land opening - organize tractor hire services & monitor use of ox ploughs distributed in previous seasons. Assist the 300 women groups, 180 youth groups and 350 PWDs in Busoga, Bukedi, Bugisu, Teso, Lango, Acholi, West Nile, Mid-West & Central and Kazinga Channel Regions.to access tractor hire services at subsidized prices.
7. Project 1219 for Construction of a new cotton planting seed processing Facility in Pader district - undertake procurement of 2 vehicles (one for the Seed Processing Facility and one for CDO Head office for monitoring field activities), construction of one processed cottonseed store and one seed cotton store, construction of staff quarters and one multi-purpose hall as well as undertake external works (storm water drainage, tarmacking driveways).

Medium Term Plans

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- a) Research – collaborate with NARO's Cotton Research Program for development of new cotton varieties which are early maturing, high yielding, drought, disease and pest tolerant and with the desired lint quality parameters. Research will also look at development of technologies for mitigating effects of climate change.
- b) Support production – strengthen collaboration with Uganda Ginners & Cotton Exporters Association (UGCEA) for continued support towards key cotton production activities under the Cotton Production Support Program..
- c) Quality of cotton - intensify sensitization of all stakeholders on post-harvest handling and quality management.
- d) Improving access to raw materials for domestic value addition - advocate for expansion of the Lint Buffer Stock Fund to cater for provision of lint and cottonseed to edible oil millers.

Efficiency of Vote Budget Allocations

Approx. 49% has been allocated to capital investment, 28% has been allocated to recurrent expenditures for promoting cotton production and 23% has been allocated to the wage bill.

Vote Investment Plans

About 49% of the GOU budget has been allocated to investment in Project 1219 focusing on procurement of transport equipment, construction of a processed cottonseed store and a seed cotton store, construction of staff quarters and multi-purpose hall as well as undertaking associated external works.

Major Expenditure Allocations in the Vote for FY 2020/21

Budgetary allocation for Vote 155 for FY 2020/21 is Sh.8.643 billion. The key expenditure drivers are:

- Project 1219 for construction of a Cotton planting seed processing plant takes 49% of the total budget
- Farmer mobilization and sensitization to increase production, productivity and improve quality – 34% of the budget
- Provision of cotton planting seed – 7% of the budget
- Multiplication of cotton planting seed – 5% of the budget
- Provision of cotton targeted extension services and provision of other production inputs (herbicides, fertilizers, pesticides and spray pumps) take 2% each.
- Support mechanization of land opening take 1% of the budget

V3: PROGRAMME OUTCOMES, OUTCOME INDICATORS AND PROPOSED BUDGET ALLOCATION

Table V3.1: Programme Outcome and Outcome Indicators

Programme :	52 Cotton Development				
Programme Objective :	To increase cotton production and quality with the aim of contributing to the National economy through increased incomes.				
Responsible Officer:	Managing Director - Mrs. Jolly Sabune				
Programme Outcome:	Increased cotton production, quality and domestic value addition				
<i>Sector Outcomes contributed to by the Programme Outcome</i>					
1. Increased production and productivity of priority and strategic commodities					
Programme Performance Indicators (Output)	Performance Targets				
	2019/20 Plan	2019/20 Q1 Actual	2020/21 Target	2021/22 Target	2022/23 Target
• Percentage of lint classed on the top 3 grades	80%	0%	80%	82%	85%
• Volume of Cotton produced in Metric tons(Mt)	41,000	402	43,110	45,700	48,500
• Volume of Cotton consumed locally in Metric tons (Mt)	4,200	0	4,500	4,800	5,100

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

Billion Uganda shillings	2018/19	2019/20	2020/21	MTEF Budget Projections
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	Outturn	Approved Budget	Spent By End Q1	Proposed Budget	2021/22	2022/23	2023/24	2024/25
Vote :155 Uganda Cotton Development Organisation								
52 Cotton Development	4.300	8.642	1.464	8.642	9.126	9.706	10.403	11.238
Total for the Vote	4.300	8.642	1.464	8.642	9.126	9.706	10.403	11.238

V4: SUBPROGRAMME PAST EXPENDITURE OUTTURNS AND PROPOSED BUDGET ALLOCATIONS

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

Billion Uganda shillings	2018/19	2019/20		2020/21	Medium Term Projections			
	Outturn	Approved Budget	Spent By End Sep	Proposed Budget	2021/22	2022/23	2023/24	2024/25
<i>Programme: 52 Cotton Development</i>								
01 Headquarters	0.461	4.431	1.136	4.431	4.915	5.495	6.192	7.027
1219 Cotton Production Improvement	3.839	4.211	0.329	4.211	4.211	4.211	4.211	4.211
Total For the Programme : 52	4.300	8.642	1.464	8.642	9.126	9.706	10.403	11.238
Total for the Vote :155	4.300	8.642	1.464	8.642	9.126	9.706	10.403	11.238

N / A

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

FY 2019/20		FY 2020/21	
Appr. Budget and Planned Outputs	Expenditures and Achievements by end Sep	Proposed Budget and Planned Outputs	
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Programme : 52 Cotton Development			
Project : 1219 Cotton Production Improvement			
Output: 72 Government Buildings and Administrative Infrastructure			
Undertake construction of 3 stores, 1 multi-purpose hall and external works (storm water drainage , drive ways) at the new cotton seed processing plant in Pajule, Pader District	Commenced construction of a bale shed: foundation works were completed.	Undertake construction of 1 processed cottonseed store, 1 seed cotton store, 1 block of staff quarters, 1 multi-purpose hall & undertake external works (tarmacking of driveways, storm water drainage) at the new seed processing Facility in Pader District.	
Total Output Cost(Ushs Thousand):	3.611	0.020	3.651
Gou Dev't:	3.611	0.020	3.651
Ext Fin:	0.000	0.000	0.000
A.I.A:	0.000	0.000	0.000

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Output: 75 Purchase of Motor Vehicle and Other Transport Equipment

			Procure 1 service vehicle for the Pader Seed processing plant and 1 vehicle for field monitoring, supervision and mobilization for cotton production.	
Total Output Cost(Ushs Thousand):	0.000	0.000		0.560
Gou Dev't:	0.000	0.000		0.560
Ext Fin:	0.000	0.000		0.000
A.I.A:	0.000	0.000		0.000

Output: 77 Purchase of Specialised Machinery & Equipment

Procure, install and commission one seed delinting machine at the new cotton seed processing plant in Pajule, Pader District.	The 8 gin stands procured in FY 2018/19 were prepared for shipment. Imported assorted spare parts for the seed delinting machinery. Note: Due to change in priorities, procurement of a new seed delinting machine was deferred in favour of procuring additional gin stands. The additional gin stands are needed to increase ginning capacity in order to produce the required seed in time.			
Total Output Cost(Ushs Thousand):	0.600	0.309		0.000
Gou Dev't:	0.600	0.309		0.000
Ext Fin:	0.000	0.000		0.000
A.I.A:	0.000	0.000		0.000

V5: VOTE CHALLENGES FOR 2020/21 AND ADDITIONAL FUNDING REQUESTS

Vote Challenges for FY 2020/21

- Inadequate budgetary provisions & budget cuts which resulted in scaling down of activities.
- Imposing NTR ceilings on CDO (Vote 155) and other agencies that collect it. This limits access to generated revenues and therefore curtails inclusion of critical activities in the budget.
- Centralization of NTR into the Consolidated Fund lengthens access to funds and affects prompt responses to emerging issues.
- Erratic weather patterns affect timely adoption of recommended production practices thus affecting production.
- Fluctuating farm-gate prices affect farmers' morale to implement recommended production practices.
- Low level of domestic value addition which makes Uganda dependent on international determined lint prices

Table V5.1: Additional Funding Requests

Additional requirements for funding and outputs in 2020/21	Justification of requirement for additional outputs and funding
Vote : 155 Uganda Cotton Development Organisation	
Programme : 52 Cotton Development	
OutPut : 01 Provision of cotton planting seeds	

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Funding requirement US\$ Bn : 0.486	Providing for machinery maintenance, insurance, utilities and office expenses will ensure smooth operations of the new Facility which will contribute to timely production of high quality planting seed.
OutPut : 02 Seed multiplication	
Funding requirement US\$ Bn : 0.393	Provision of agriculture supplies (fertilizers, pesticides, herbicides, spray pumps) is crucial for proper plant growth which contributes to increasing yields and improving quality of seed produced.
OutPut : 03 Farmer mobilisation and sensitisation for increasing cotton production and quality	
Funding requirement US\$ Bn : 8.884	<p>1. CDO needs to recruit technical & administrative staff for the new Pader Cotton Planting Seed Processing Facility & for Head office. Recruitment gaps exist in Internal Audit, Finance, Procurement and the new Facility. Filling these gaps will improve effectiveness and efficiency of CDO in fulfilling its mandate.</p> <p>2. Establishment of large-scale commercially operated farms will increase cotton production and productivity and reduce dependence on small holder farmers for cotton.</p>
OutPut : 06 Mechanisation of land opening	
Funding requirement US\$ Bn : 0.300	Provision of ox ploughs to cotton farmers especially women, youth and PWDs to facilitate land opening will improve efficiency and ensure timely planting.
OutPut : 75 Purchase of Motor Vehicles and Other Transport Equipment	
Funding requirement US\$ Bn : 1.560	The existing field vehicles are old and have become expensive to maintain. The new Facility in Pader need a vehicle to handle day-to-day operations. Access to vehicles that are in good mechanical condition is key for effective implementation of CDO's mandate of promoting and monitoring production, ginning and marketing.