

Vote: 155 Uganda Cotton Development Organisation

Vote Summary

VI: Vote Overview

This section sets out the Vote Mission, Strategic Objectives, and provides a description of the vote's services

(i) Snapshot of Medium Term Budget Allocations

Table V1 below summarises the Medium Term Budget allocations for the Vote:

Table V1.1: Overview of Vote Expenditures (UShs Billion)

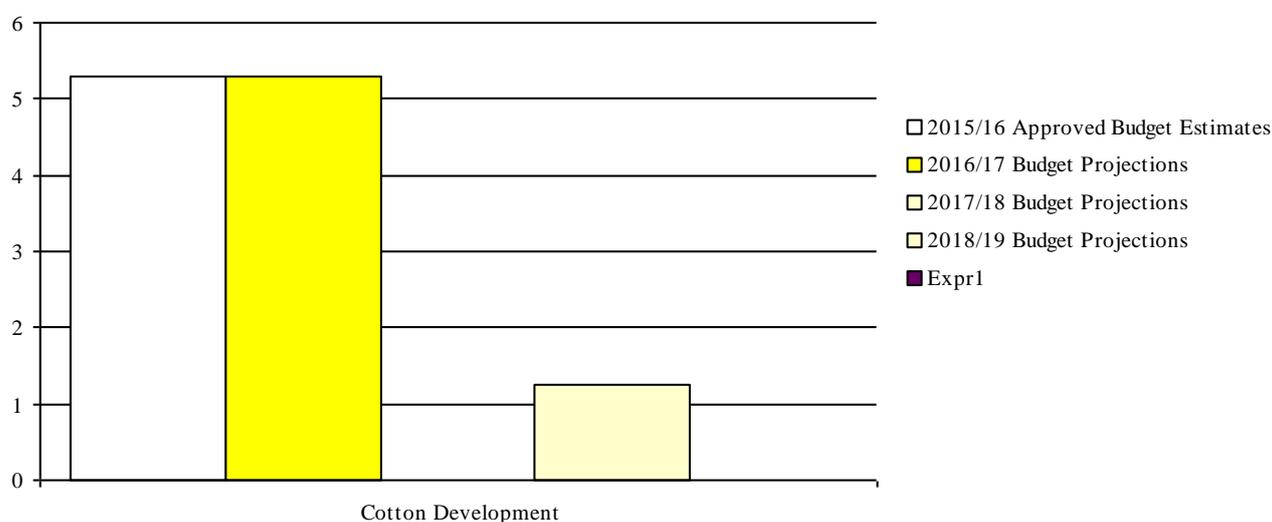
	2014/15 Outturn	2015/16		MTEF Budget Projections		
		Approved Budget	Spent by End Sept	2016/17	2017/18	2018/19
<i>(i) Excluding Arrears, Taxes</i>						
Recurrent						
Wage	0.000	0.000	0.000	0.000	0.000	0.000
Non Wage	1.390	1.390	0.394	0.890	1.060	1.250
Development						
GoU	1.966	3.911	0.535	4.411	0.000	0.000
Ext.Fin	0.000	0.000	0.000	0.000	0.000	0.000
GoU Total	3.357	5.301	0.929	5.301	1.060	1.250
Total GoU+Donor (MTEF)	3.357	5.301	0.929	5.301	1.060	1.250
<i>(ii) Arrears and Taxes</i>						
Arrears	0.000	0.000	0.000	0.000	N/A	N/A
Taxes**	0.000	0.000	0.000	0.000	N/A	N/A
Total Budget	3.357	5.301	0.929	5.301	N/A	N/A
<i>(iii) Non Tax Revenue</i>						
Grand Total	3.357	7.786	1.357	7.395	N/A	N/A
Excluding Taxes, Arrears	3.357	7.786	1.357	7.395	3.450	3.936

* Donor expenditure data unavailable

** Non VAT taxes on capital expenditure

The chart below shows total funding allocations to the Vote by Vote Function over the medium term:

Chart V1.1: Medium Term Budget Projections by Vote Function (UShs Bn, Excluding Taxes, Arrears)



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(ii) Vote Mission Statement

The Vote's Mission Statement is:

To promote and monitor production, processing and marketing of high value cotton and its by-products for the welfare of our society.

(iii) Vote Outputs which Contribute to Priority Sector Outcomes

The table below sets out the vote functions and outputs delivered by the vote which the sector considers as contributing most to priority sector outcomes.

Table V1.2: Sector Outcomes, Vote Functions and Key Outputs

Sector Outcome 1:	Sector Outcome 2:	Sector Outcome 3:
<i>Agricultural Production and Productivity</i>	<i>Improved markets and increase in value addition</i>	<i>Improvement in the enabling environment & Institutional strengthening</i>
Vote Function: 01 52 Cotton Development		
<i>Outputs Contributing to Outcome 1:</i>	<i>Outputs Contributing to Outcome 2:</i>	<i>Outputs Contributing to Outcome 3:</i>
<i>Outputs Provided</i>	None	None
015201 Provision of cotton planting seeds		
015202 Seed multiplication		
015203 Farmer mobilisation and sensitisation for increasing cotton production and quality		
015204 Cotton targeted extension services		
015206 Mechanisation of land opening		

V2: Past Vote Performance and Medium Term Plans

This section describes past and future vote performance, in terms of key vote outputs and plans to address sector policy implementation issues.

(i) Past and Future Planned Vote Outputs

2014/15 Performance

- Under provision of planting seed, about 1,580 Mt of delinted and graded cotton planting seed were processed and supplied to farmers in 55 districts in Eastern, Northern, West Nile and Mid-West & Central and Western Regions.
- 333 extension workers (14 Assistant Field Officers, 51 Area Coordinators and 268 Site Coordinators/Lead farmers) were trained and deployed as trainers of farmers using demonstration plots.
- A total of 3,078 demonstration plots were established (380 with fertilizers, 2,522 for agronomy and 176 with herbicides) in Eastern, Northern, West Nile, Western and Mid-Western Regions and used to train cotton farmers on the recommended agronomic practices for increasing production and improving quality.
- 299 Mt of fertilizers, 690,658 units of Dimethoate & Karate pesticides and 1,012 spray pumps were taken up by farmers in Eastern, Northern, West Nile, Mid-West & Central and Western Regions
- 24 tractors owned by Ginners & CDO were deployed and over 4,088 acres were ploughed by the tractors in Eastern, Northern, West Nile, Mid-West & Central Regions & Western Regions. In addition, approximately 60,000 acres were ploughed by the 4,950 ox ploughs distributed over a four-year period since 2011.
- Approximately 150,000 acres were planted to cotton in all cotton growing areas which produced 48,571 Mt of seed cotton that contributed about 53.5 billion to household incomes.
- Under Project 1219, the Contractor started mobilizing personnel and materials for construction. Bush clearing, excavation of foundations for the ginning and delinting halls and marking of profiles for future construction of the different structures commenced. The draft Occupational Safety and Health manual was also presented for review. There was however slow progress in implementing the agreed work plan and

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breach of contractual terms by the contractor culminating in termination of the contract. Subsequently, the construction works were re-tendered and the second procurement process was concluded in June, 2015.

Preliminary 2015/16 Performance

- A total of 1,256 Mt were supplied to farmers in 59 districts in Eastern, Northern, West Nile and Mid-West & Central and Western Regions.
- Under seed multiplication, 4,150 seed growers were registered and trained on crop establishment and crop management. Approximately 9,050 acres were established under seed multiplication scheme by end of Sept. 2015.
- 338 Field Extension Workers (11 Assistant Field Officers, 50 Area Coordinators and 277 Site Coordinators) were trained and deployed in cotton growing areas in Eastern, Northern, West Nile, Mid-West and Western Regions to mobilize farmers for cotton production and to train them on cotton agronomy using the 3,345 demonstration plots that were established (148 with fertilizers, 3,137 for agronomy and 60 with herbicides). Over 69,100 farmers were trained during the 7,810 training sessions that were conducted at the demonstration plots.
- An estimated 170,000 acres were planted to cotton in Eastern, Northern, West Nile, Western and Mid-Western Regions.
- Under provision of production inputs, 24 Mt of fertilizers, 416,275 units of pesticides and 1,266 motorized and knapsack spray pumps and 1,134 litres of herbicides issued to farmers in Eastern, Northern, West Nile, Mid-West & Central and Western Regions by end of Q1.
- Mechanization of land opening – an estimated 4,240 acres were ploughed by the 24 tractors owned by Ginners & CDO in Eastern, Northern, West Nile, Mid-West & Central Regions & Western Regions. Additionally, over 34,680 acres were ploughed by the 5,950 ox ploughs distributed in the previous 5 seasons for cotton and food crops.
- Project 1219 - procurement of a new construction contractor was concluded in June, 2015 and the site was handed over to the contractor on 20th August, 2015. Construction work resumed in September, 2015. Water pumps were installed in the two bore holes, blinding of the ginning hall, ablution block and power house commenced, blocks and poles manufacturing is in progress, perimeter wall construction in progress, excavation of foundation for gate house and construction of platform for material storage.

Table V2.1: Past and 2016/17 Key Vote Outputs*

<i>Vote, Vote Function Key Output</i>	Approved Budget and Planned outputs	2015/16 Spending and Outputs Achieved by End Sept	2016/17 Proposed Budget and Planned Outputs
Vote: 155 Uganda Cotton Development Organisation			
Vote Function: 0152 Cotton Development			
Output: 015201	Provision of cotton planting seeds		
<i>Description of Outputs:</i>	Organize and coordinate distribution of high quality cotton planting seeds to farmers in 59 cotton growing districts in Eastern, Northern, West Nile, Mid-West & Central and Western Regions.	A total of 1,316 Mt of delinted and graded cotton planting seed were processed; out of which 1,256 Mt supplied to farmers in 59 districts in Eastern, Northern, West Nile and Mid-West & Central and Western Regions.	Organize and coordinate distribution of high quality cotton planting seeds to farmers in 60 cotton growing districts in Eastern, Northern, West Nile, Mid-West & Central and Western Regions.
<i>Performance Indicators:</i>			
No. of districts served with cotton planting seed	59	59	60
<i>Output Cost: US\$ Bn:</i>	0.250	<i>US\$ Bn:</i> 0.013	<i>US\$ Bn:</i> 0.201
Output: 015202	Seed multiplication		
<i>Description of Outputs:</i>	Organize and mobilize seed growers to establish about 8,000	- 31 Mt of first generation certified seed were distributed	Organize and mobilize seed growers to establish about 8,000

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<i>Vote, Vote Function Key Output</i>	Approved Budget and Planned outputs	2015/16 Spending and Outputs Achieved by End Sept	2016/17 Proposed Budget and Planned Outputs
	acres under seed multiplication in selected areas in Apac, Amuru, Pader. Kitgum, Alebtong, Dokolo , Rubirizi, Amolatar, Buliisa, Hoima, Masindi and Serere Districts which are expected to produce 3,000 Mt of certified seed. Note: Emphasis will be put on increasing yields for better profitability rather than expanding acreage and thus increasing number of seed growers..	to individual farmers, prison and army farms in Agago, Pader, Amolatar, Serere, Rubirizi, Gulu and Bullisa Districts for further multiplication. - 4,150 seed growers were registered and trained on crop establishment and crop management. - Distributed 27,160 units of pesticides and 180 motorized and knapsack spray pumps to seed growers. - Approximately 9,050 acres were established under seed multiplication by end of Sept. 2015.	acres under seed multiplication in selected areas in Apac, Amuru, Pader. Kitgum, Alebtong, Dokolo , Rubirizi, Amolatar, Buliisa, Hoima, Masindi and Serere Districts which are expected to produce 3,000 Mt of certified seed.
<i>Performance Indicators:</i>			
No. of seed growers registered and trained on seed production	5,500	4150	5,500
<i>Output Cost: US\$ Bn:</i>	1.050	<i>US\$ Bn:</i> 0.223	<i>US\$ Bn:</i> 0.599
Output: 015203	Farmer mobilisation and sensitisation for increasing cotton production and quality		
<i>Description of Outputs:</i>	Organize establishment of 3,600 demonstration plots for training farmers on the recommended agronomic practices for increasing production and quality.	- A total of 3,345 demonstration plots were established (148 with fertilizers, 3,137 for agronomy and 60 with herbicides) in Eastern, Northern, West Nile, Western and Mid-West regions.. - Over 7,810 training sessions were conducted at the demonstration plots for about 69,100 farmers. - Extension messages on crop establishment and management were broadcast in 10 native languages using local radios. - An estimated 170,000 acres were planted to cotton in Eastern, Northern, West Nile, Western and Mid-Western Regions.	Organize establishment of 3,700 demonstration plots for training farmers on the recommended agronomic practices for increasing production and quality.
<i>Performance Indicators:</i>			
No. of training sessions conducted at the demos	10,800	7810	11,100
No. of farmers trained during the training sessions	87,000	69100	92,500
No. demonstration plots established for farmer training	3,600	3345	3,700
<i>Output Cost: US\$ Bn:</i>	1.890	<i>US\$ Bn:</i> 0.148	<i>US\$ Bn:</i> 2.030
Output: 015204	Cotton targeted extension services		

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<i>Vote, Vote Function Key Output</i>	Approved Budget and Planned outputs	2015/16 Spending and Outputs Achieved by End Sept	2016/17 Proposed Budget and Planned Outputs
<i>Description of Outputs:</i>	Organize and coordinate the training and deployment of 350 Field Extension Workers (FEWs).	338 Field Extension Workers (11 Assistant Field Officers, 50 Area Coordinators and 277 Site Coordinators) were trained and deployed in cotton growing areas in Eastern, Northern, West Nile, Mid-West and Western Regions to mobilize farmers for cotton production and to train them on cotton agronomy.	Organize and coordinate the training and deployment of 380 Field Extension Workers (FEWs).
<i>Performance Indicators:</i>			
No. Extension workers trained	350	338	380
<i>Output Cost: US\$ Bn:</i>	0.205	<i>US\$ Bn:</i> 0.000	<i>US\$ Bn:</i> 0.084
Output: 015205	Provision of pesticides and spray pumps		
<i>Description of Outputs:</i>	Organize and coordinate procurement and distribution of production inputs to farmers in cotton growing districts in Eastern, Northern, West Nile, Mid-West & Central and Western Regions.	- 36 Mt of Urea and NPK fertilizers, 749,916 units of Dimethoate, Twiga lace and Karate pesticides, 2,300 litres of herbicides and 1,537 motorized and knapsack spray pumps were procured with financial support from Ginners and distributed to up-country centres. - 24 Mt of fertilizers, 416,275 units of pesticides and 1,266 motorized and knapsack spray pumps and 1,134 litres of herbicides were issued farmers in Eastern, Northern, West Nile, Mid-West & Central and Western Regions by end of Q1.	Organize and coordinate procurement and distribution of production inputs to farmers in 60 cotton growing districts in Eastern, Northern, West Nile, Mid-West & Central and Western Regions.
<i>Performance Indicators:</i>			
No. of districts served with pesticides and pumps	59	59	60
<i>Output Cost: US\$ Bn:</i>	0.100	<i>US\$ Bn:</i> 0.000	<i>US\$ Bn:</i> 0.040
Output: 015206	Mechanisation of land opening		
<i>Description of Outputs:</i>	- Procure and distribute 1,000 ox-ploughs to cotton farmers in Eastern, Northern, West Nile, Mid West & Central Regions. - Organize tractor hire services for cotton farmers.	- Over 4,240 acres were ploughed by the 24 tractors owned by Ginners & CDO in Eastern, Northern, West Nile, Mid-West & Central Regions & Western Regions. - Additionally, over 34,680 acres were ploughed by the 5,950 ox ploughs distributed in the previous 5 seasons for cotton and food crops.	Organize tractor hire services for cotton farmers and monitor use of ox ploughs distributed in previous seasons in Eastern, Northern, West Nile, Mid West & Central and Western Regions.
<i>Performance Indicators:</i>			
No. of ox ploughs procured and distributed to farmers	1,000	0	0
<i>Output Cost: US\$ Bn:</i>	0.380	<i>US\$ Bn:</i> 0.010	<i>US\$ Bn:</i> 0.030
Vote Function Cost	<i>US\$ Bn:</i>	<i>US\$ Bn:</i>	<i>US\$ Bn:</i>
	7.786	0.929	7.395

Section B - Vote Overview

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<i>Vote, Vote Function Key Output</i>	Approved Budget and Planned outputs	2015/16 Spending and Outputs Achieved by End Sept	2016/17 Proposed Budget and Planned Outputs
Cost of Vote Services:	<i>US\$ Bn:</i>	7.786 US\$ Bn:	0.929 US\$ Bn: 7.395

* Excluding Taxes and Arrears

2016/17 Planned Outputs

Key planned outputs for the Cotton Sub-sector in FY 2016/17 will focus mainly on:

- Provision of cotton planting seeds with a target of distributing about 1,500 Mt of high quality cotton planting seed to farmers in 60 cotton growing districts.
- Organizing and mobilizing 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 3,000 Mt of certified seed for use in FY 2017/18.
- Organizing the establishment of 3,700 demonstration plots for training farmers on the recommended agronomic practices for increasing production and quality.
- Organizing and coordinating the training and deployment of 380 Field Extension Workers (FEWs) who will offer extension services to cotton farmers.
- Organizing the procurement and distribution of herbicides, fertilizers, pesticides and spray pumps to farmers in the cotton growing districts in Eastern, Northern, West Nile, Mid-West & Central and Western Regions.
- Organize tractor hire services for cotton farmers and monitor use of ox ploughs distributed in previous seasons.
- Support 20 farmers with 100 acre blocks of land to establish large scale commercial cotton production through provision of mechanization implements, production inputs, water harvesting and farm labour.
- Under Project 1219, CDO will complete construction of the Guard House and Perimeter Fence, Ginning Hall and Seed Bagging area, Delinting Hall, Ablution Block, Power House and Pump House. Installation of ancillary services i.e. borehole, overhead water tank, electrical and mechanical installations will also be undertaken.
- Under promotion of increased domestic value addition to lint – CDO will Implement the Revolving Lint Buffer Stock Fund to ensure all year constant supply of raw materials (lint) to local spinners which will enable them to compete with foreign merchants. The provision of lint buffer stocks will increase domestic value addition to lint which will in turn contribute to stabilization of farm-gate prices for cotton.

Table V2.2: Past and Medium Term Key Vote Output Indicators*

<i>Vote Function Key Output Indicators and Costs:</i>	2015/16		MTEF Projections			
	2014/15 Outturn	Approved Plan	Outturn by End Sept	2016/17	2017/18	2018/19
Vote: 155 Uganda Cotton Development Organisation						
Vote Function: 0152 Cotton Development						
No. of districts served with cotton planting seed		59	59	60	62	65
No. of seed growers registered and trained on seed production		5,500	4150	5,500	6000	6000
No. demonstration plots established for farmer training		3,600	3345	3,700	3,800	4000
No. of farmers trained during the training sessions		87,000	69100	92,500	95,000	100000
No. of training sessions conducted at the demos		10,800	7810	11,100	11,400	12000
No. Extension workers trained		350	338	380	410	410
No. of districts served with pesticides and pumps		59	59	60	62	65

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Vote Function Key Output Indicators and Costs:	2014/15 Outturn	2015/16		MTEF Projections		
		Approved Plan	Outturn by End Sept	2016/17	2017/18	2018/19
No. of ox ploughs procured and distributed to farmers		1,000	0	0	0	0
Vote Function Cost (US\$ bn)	3.357	7.786	0.929	7.395		3.936
Cost of Vote Services (US\$ Bn)	3.357	7.786	0.929	7.395		3.936

Medium Term Plans

Medium term plans will focus on:

- Strengthening and consolidating the Ginnners Cotton Production Support Program for continued support towards key cotton production activities with a view to reducing dependence on Government funding for the Sub-sector.
- Advocating for increased domestic value addition to lint as a means of reducing the impact of fluctuating World market prices on farm-gate prices of cotton.

(ii) Efficiency of Vote Budget Allocations

Table V2.3: Allocations to Key Sector and Service Delivery Outputs over the Medium Term

Billion Uganda Shillings	(i) Allocation (\$hs Bn)				(ii) % Vote Budget			
	2015/16	2016/17	2017/18	2018/19	2015/16	2016/17	2017/18	2018/19
Key Sector	3.8	2.9	3.5	4.4	48.5%	39.8%	85.3%	94.6%
Service Delivery	3.9	3.0	4.0	4.6	49.8%	40.4%	100.0%	100.0%

Table V2.4: Key Unit Costs of Services Provided and Services Funded (Shs '000)

Unit Cost Description	Actual 2014/15	Planned 2015/16	Actual by Sept	Proposed 2016/17	Costing Assumptions and Reasons for any Changes and Variations from Plan
<i>Vote Function:0152 Cotton Development</i>					
Ox ploughs	295	300			Prices will remain fairly stable.

(iii) Vote Investment Plans

83% of GOU funds for Vote 155 have been allocated to capital development in order to complete the establishment of CDO's own seed processing plant, relocate CDO machinery to own premises and also to up-grade seed processing equipment in order to improve quality of planting seed.

Table V2.5: Allocations to Capital Investment over the Medium Term

Billion Uganda Shillings	(i) Allocation (\$hs Bn)				(ii) % Vote Budget			
	2015/16	2016/17	2017/18	2018/19	2015/16	2016/17	2017/18	2018/19
Consumption Expenditure(Outputs Provided)	3.9	3.0	4.0	4.6	49.8%	40.4%	100.0%	100.0%
Investment (Capital Purchases)	3.9	4.4	0.0		50.2%	59.6%	0.0%	
Grand Total	7.8	7.4	4.0	4.6	100.0%	100.0%	100.0%	100.0%

CDO will complete Phase 1 of the construction of a new seed processing facility in Pader District for handling processing of cottonseed for planting purposes which covers construction of the Guard House and Perimeter Fence, Ginning Hall and Seed Bagging area, Delinting Hall, Ablution Block, Power House and Pump House. Installation of ancillary services i.e. borehole, overhead water tank, electrical and mechanical installations will also be undertaken.

Table V2.6: Major Capital Investments

Project, Programme	2015/16		2016/17
	Approved Budget, Planned Outputs (Quantity and Location)	Actual Expenditure and Outputs by September (Quantity and Location)	Proposed Budget, Planned Outputs (Quantity and Location)
<i>US\$ Thousand</i>			
Project 1219 Cotton Production Improvement			

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Project, Programme Vote Function Output <i>US\$ Thousand</i>	2015/16		2016/17
	Approved Budget, Planned Outputs (Quantity and Location)	Actual Expenditure and Outputs by September (Quantity and Location)	Proposed Budget, Planned Outputs (Quantity and Location)
015272 Government Buildings and Administrative Infrastructure	Complete construction of buildings and structures under Phase 1 of the Project	Procurement of a new construction contractor was concluded June, 2015 and the site was handed over to the contractor on 20th August, 2015. Construction work resumed in September, 2015. Water pumps were installed in the two bore holes, blinding of the ginning hall, ablution block and power house commenced, blocks and poles manufacturing is in progress, perimeter wall construction in progress, excavation of foundation for gate house and construction of platform for material storage.	Complete construction of buildings and structures under Phase 1 which covers construction of the Guard House and Perimeter Fence, Ginning Hall and Seed Bagging area, Delinting Hall, Ablution Block, Power House and Pump House. Installation of ancillary services i.e. borehole, overhead water tank, electrical and mechanical installations will also be undertaken.
Total	3,836,000	524,939	4,396,000
<i>GoU Development</i>	3,836,000	524,939	4,396,000
<i>External Financing</i>	0	0	0

(iv) Vote Actions to improve Priority Sector Outcomes

Vote 155 intends to undertake the following actions to improve performance:

- Intensify training of farmers on good agriculture practices using demonstration plots in order to increase yields and quality for better profitability of cotton production.
- The ginners under their umbrella association; Uganda Ginners and Cotton Exporters' Association, in collaboration with CDO will promote use of yield and quality enhancing inputs in cotton production by funding the provision of cotton planting seed, fertilizers, pesticides and spray pumps to farmers at reduced prices.
- CDO will work with the Cotton Research Program at NARO's National Semi-arid Resources Research Institute (NaSARRI) in Serere to improve generation and release of new cotton varieties that meet stakeholders' requirements in terms of drought, pest and disease tolerance, high yields and better lint characteristics.

Table V2.7: Priority Vote Actions to Improve Sector Performance

2015/16 Planned Actions:	2015/16 Actions by Sept:	2016/17 Planned Actions:	MT Strategy:
Sector Outcome 1: Agricultural Production and Productivity			
Vote Function: 01 52 Cotton Development			
<i>VF Performance Issue: Fluctuations in cotton prices</i>			
Intensify training of farmers on Best Agriculture Practices for increasing yields and improving profitability using demonstration plots.	A total of 3,345 demonstration plots were established (148 with fertilizers, 3,137 for agronomy and 60 with herbicides) in Eastern, Northern, West Nile, Western and Mid-West regions and used to train about 69,100 farmers on recommended agronomic practices for increasing production and productivity.	Intensify training of farmers on Best Agriculture Practices for increasing yields and improving profitability using demonstration plots.	Advocate for increasing domestic value addition to lint to reduce dependence on World market determined prices.

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2015/16 Planned Actions:	2015/16 Actions by Sept:	2016/17 Planned Actions:	MT Strategy:
<i>VF Performance Issue: Increasing private sector (ginners) support to cotton production activities.</i>			
Monitor, supervise and advise on implementation of activities under the Cotton Production Program funded by the ginners.	Activities of the Ginners Cotton Production Support Program were monitored and monthly reports were compiled and submitted to the relevant stakeholders.	Monitor, supervise and advise on implementation of activities under the Cotton Production Support Program funded by the ginners.	Establish regulatory framework for private sector support towards cotton production activities.
Sector Outcome 2: Improved markets and increase in value addition			
Vote Function: 01 52 Cotton Development			
<i>VF Performance Issue: Low level of domestic Value Addition to lint and cottonseed</i>			
Participate in exhibitions and trade fairs to promote and create awareness about the numerous Value addition opportunities along the cotton value chain.	CDO participated in the annual Source of the Nile Agriculture Show in July 2015 under the theme “Climate smart agriculture for food security and wealth creation”.	Participate in exhibitions and trade fairs to promote and create awareness about the numerous Value addition opportunities along the cotton value chain.	Mobilise resources for supporting domestic value addition ventures.

V3 Proposed Budget Allocations for 2016/17 and the Medium Term

This section sets out the proposed vote budget allocations for 2016/17 and the medium term, including major areas of expenditures and any notable changes in allocations.

Table V3.1: Past Outturns and Medium Term Projections by Vote Function*

	2014/15 Outturn	2015/16		MTEF Budget Projections		
		Appr. Budget	Spent by End Sept	2016/17	2017/18	2018/19
Vote: 155 Uganda Cotton Development Organisation						
0152 Cotton Development	3.357	7.786	0.929	7.395	3.450	3.936
Total for Vote:	3.357	7.786	0.929	7.395	3.450	3.936

(i) The Total Budget over the Medium Term

Vote 155 has been allocated a total of Sh.5.301 billion. 83% of this is for development activities while 17% is for non-wage recurrent activities with emphasis on seed multiplication, farmer mobilization and sensitization, mechanization of land opening and provision of cotton planting seed.

(ii) The major expenditure allocations in the Vote for 2016/17

The major expenditure allocations (83% of total budget) are for construction of a new seed processing facility in Pader District for ginning and processing cottonseed for planting purposes.

(iii) The major planned changes in resource allocations within the Vote for 2016/17

Sh.500 million has been re-allocated from non-wage recurrent to development in order to reduce the development funding gap and facilitate completion of the new seed processing plant in Pader District.

Table V3.2: Key Changes in Vote Resource Allocation

Changes in Budget Allocations and Outputs from 2015/16 Planned Levels:				Justification for proposed Changes in Expenditure and Outputs
2016/17	2017/18	2018/19		
<i>Vote Function: 0102 Cotton Development</i>				
Output: 0152 02 Seed multiplication				
<i>US\$ Bn:</i> -0.451	<i>US\$ Bn:</i> -0.391	<i>US\$ Bn:</i> -0.224		Re-allocation of funds from Non-wage recurrent to development in FY 2016/17 is intended to facilitate completion and commissioning of Phase 1 of Project 1219 which is necessary for provision of high quality planting seed to cotton
During FY 2016/17, the budgetary allocation for seed multiplication has been reduced due to re-allocation	Some of the seed multiplication activities will be partially funded by the private sector (ginners)	Some of the seed multiplication activities will be partially funded by the private sector (ginners)		

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Changes in Budget Allocations and Outputs from 2015/16 Planned Levels:			Justification for proposed Changes in Expenditure and Outputs
2016/17	2017/18	2018/19	
of funds from Non-wage recurrent to development in order to reduce the funding gap under Project 1219	during 2017/18.	during 2018/19.	farmers.
Output: 0152 04 Cotton targeted extension services			
<i>US\$ Bn:</i> -0.121	<i>US\$ Bn:</i> -0.055	<i>US\$ Bn:</i> -0.005	<i>CDO's role of technical support towards extensions services will be covered by the revised budget allocation.</i>
Since the private sector (ginners) have taken over most of the activities under this output, the budgetary allocation has been reduced to allow for re-allocation of funds from Non-wage to development in order to reduce the funding gap under Project 1219.	Most of the cotton targeted extension activities will be funded by the private sector (ginners) during 2017/18.	Most of the cotton targeted extension activities will be funded by the private sector (ginners) during 2018/19.	
Output: 0152 06 Mechanisation of land opening			
<i>US\$ Bn:</i> -0.350	<i>US\$ Bn:</i> -0.140	<i>US\$ Bn:</i> 0.323	<i>Re-allocation of funds from Non-wage recurrent to development in FY 2016/17 is intended to facilitate completion and commissioning of Phase 1 of Project 1219 which is necessary for provision of high quality planting seed to cotton farmers.</i>
Budgetary allocation for mechanized land opening has been reduced due to re-allocation of funds from Non-wage to development in a bid to reduce the funding gap under Project 1219.	Focus will be put on monitoring the impact of the already distributed ox-ploughs.	Focus will be put on monitoring the impact of the already distributed ox-ploughs.	
Output: 0152 72 Government Buildings and Administrative Infrastructure			
<i>US\$ Bn:</i> 0.560	<i>US\$ Bn:</i> -3.836	<i>US\$ Bn:</i> -3.836	<i>Increasing the development budget allocation in FY 2016/17 is intended to facilitate completion and commissioning of Phase 1 of Project 1219 which is necessary for provision of high quality planting seed to cotton farmers.</i>
Budgetary allocation has been increased in order to expedite completion of Phase 1 of construction of structures for the new ginnery and seed processing plant.	No fund have been allocated under the 2017/18	No fund have been allocated under the 2018/19	
Output: 0152 77 Purchase of Specialised Machinery & Equipment			
<i>US\$ Bn:</i> -0.060	<i>US\$ Bn:</i> -0.075	<i>US\$ Bn:</i> -0.075	<i>Commissioning of the machinery is critical for operationalization of the Seed Processing Facility.</i>
Funds will only be needed for monitoring installation of machinery.	No fund have been allocated under the 2017/18	No fund have been allocated under the 2018/19	

V4: Vote Challenges for 2016/17 and the Medium Term

This section sets out the major challenges the vote faces in 2016/17 and the medium term which the vote has been unable to address in its spending plans.

- Under funding - Limited funding for Project 1219. The Project has a funding gap of Sh. 1.5 billion needed for completion of the new seed processing plant in Pader District.
- Un-funded activities –
 1. Establishment of large-scale commercial farms. There is need to support 20 farmers with 100 acre blocks of land every year to establish large scale commercial cotton production through provision of mechanization implements, production inputs, water harvesting mechanisms and farm labour at an estimated cost of Sh.400 million per farmer with a total cost of Sh.8 billion. Such commercially operated farms will increase cotton production and productivity, and reduce dependence on small scale farmers for cotton production.

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2. Implementation of the Revolving Lint Buffer Stock Fund to ensure all year constant supply of raw materials (lint) to local spinners which will enable them to compete with foreign merchants. It will also increase domestic value addition to lint which will in turn contribute to stabilization of farm-gate prices for cotton. The required funds are Sh. 20 billion.

3. Arrears for payment of the balance of funds for cotton planting seed procured for the FY 2015/16 planting season. This was intended to provide high quality cotton planting seed in order to increase production, productivity and therefore improve incomes of cotton farmers. The required funds are Sh. 3.8 billion.

Table V4.1: Additional Output Funding Requests

Additional Requirements for Funding and Outputs in 2016/17:	Justification of Requirement for Additional Outputs and Funding
<i>Vote Function:0101 Cotton Development</i>	
Output: 0152 01 Provision of cotton planting seeds	
<i>US\$ Bn: 20.000</i> Under promotion of increased domestic value addition to lint – CDO will implement the Revolving Lint Buffer Stock Fund for procurement and supply of raw materials (lint) to textile manufacturers all year round.	<i>Implementation of the Revolving Lint Buffer Stock Fund will ensure all year constant supply of raw materials (lint) to local spinners thus enabling them to compete with foreign merchants. It will also increase domestic value addition to lint which will in turn contribute to stabilization of farm-gate prices for cotton.</i>
Output: 0152 03 Farmer mobilisation and sensitisation for increasing cotton production and quality	
<i>US\$ Bn: 8.000</i> Funds are needed to support 20 farmers with 100 acre blocks of land to establish large scale commercial cotton production through provision of mechanization implements, production inputs, water harvesting and farm labour.	<i>Establishment of commercially operated farms will increase cotton production and productivity, and reduce dependence on small scale farmers for cotton production.</i>
Output: 0152 72 Government Buildings and Administrative Infrastructure	
<i>US\$ Bn: 1.500</i> Additional funds will be needed for completion of buildings and structures under Phase 1 of the Project.	<i>When completed and commissioned, the new seed processing plant will provide good quality planting seed to cotton farmers thus improving access to high quality seed and enhancing cotton production and productivity.</i>
Output: 0152 99 Arrears	
<i>US\$ Bn: 3.800</i> Payment of the balance of funds for cotton planting seed procured for the FY 2015/16 planting season	<i>Government committed itself to provide high quality cotton planting seed in order to increase production, productivity and therefore improve incomes of cotton farmers.</i>

This section discusses how the vote's plans will address and respond to the cross-cutting policy, issues of gender and equity; HIV/AIDS; and the Environment, and other budgetary issues such as Arrears and NTR..

(i) Cross-cutting Policy Issues

(i) Gender and Equity

Objective: Contributing to household income, food security and better nutrition

Issue of Concern : Rural poverty and food insecurity

Proposed Interventions

- Promote cotton production as an income generating enterprise for rural women and men
- Provide ox ploughs and tractor hire services for mechanizing of land opening for cotton production and production of food crops.
- Avail key cotton production inputs (seed, fertilizers, pesticides, spray pumps) at affordable prices for increasing productivity and incomes.

Budget Allocations UGX billion

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<i>Performance Indicators</i>	- Amount of money contributed by cotton to household incomes - Quantities and types of production inputs supplied to farmers - Acreage ploughed for food crops
Objective:	Increasing access to cotton information and training by women and men
<i>Issue of Concern :</i>	Inadequate access to production information and training opportunities.
<i>Proposed Interventions</i>	- Establish demonstration gardens for training female and male cotton farmers - Broadcast extension messages in local languages using local radios - Print and distribution pamphlets/flyers with extension messages on crop husbandry
<i>Budget Allocations</i>	UGX billion
<i>Performance Indicators</i>	- No. of demonstration gardens established - No. of extension messages aired - No. of pamphlets/flyers distributed
Objective:	Increasing access to cotton production inputs by women and men
<i>Issue of Concern :</i>	High cost of production inputs
<i>Proposed Interventions</i>	- Supply key cotton production inputs (seed, fertilizers, pesticides, spray pumps) to female, male and youth cotton farmers at affordable prices. - Provide tractor hire services at affordable rates
<i>Budget Allocations</i>	UGX billion
<i>Performance Indicators</i>	- Quantities and types of production inputs supplied to female and male - Acreage ploughed by tractors

(ii) HIV/AIDS

(iii) Environment

(ii) Payment Arrears

The table below shows all the payment arrears outstanding for the Vote:

(ii) Non Tax Revenue Collections

The table below shows Non-Tax Revenues that will be collected under the Vote:

Source of NTR	US\$ Bn	2014/15 Actual	2015/16 Budget	2015/16 Actual by Sept	2016/17 Projected
Miscellaneous receipts/income		0.019	0.080		0.030
Other Fees and Charges		0.921	2.310		1.924
Rent & rates – produced assets – from private entities		0.052	0.095		0.140
Total:		0.992	2.485		2.094

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Vote Summary

NTR forecasts will depend on actual volume of cotton produced and price of lint. NTR will be spent on administrative costs, regulatory services and assets replacement.