

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

UNCTAD



# Cotton and its By-Products in Zambia National action plan

Presented

By

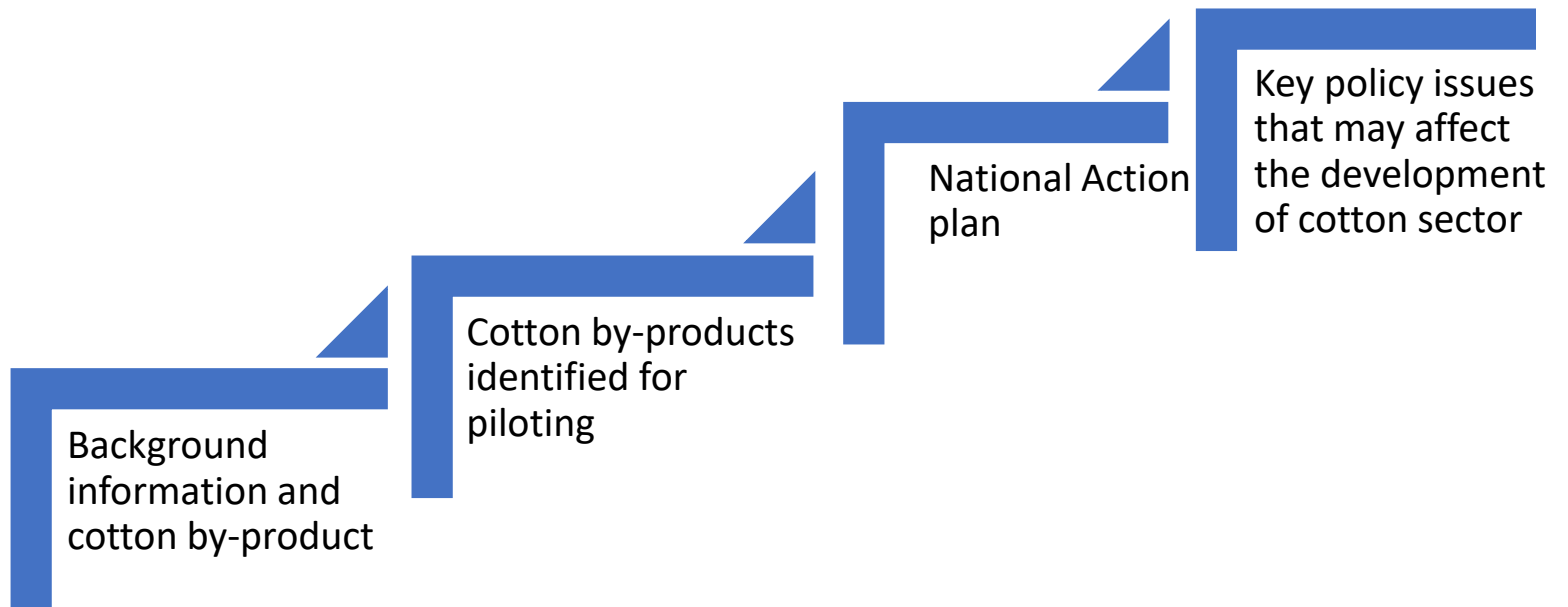
Stephen Kabwe (National Consultant)

at Southern Sun Hotel

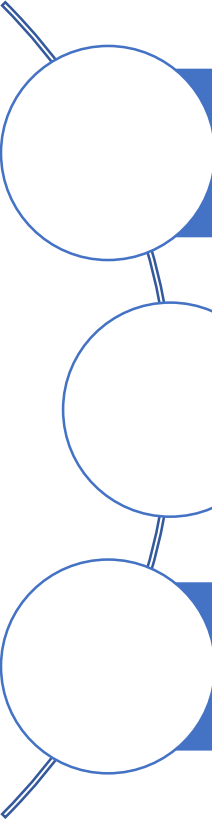
Lusaka, Zambia

8<sup>th</sup> December, 2017

# Road Map



# Background

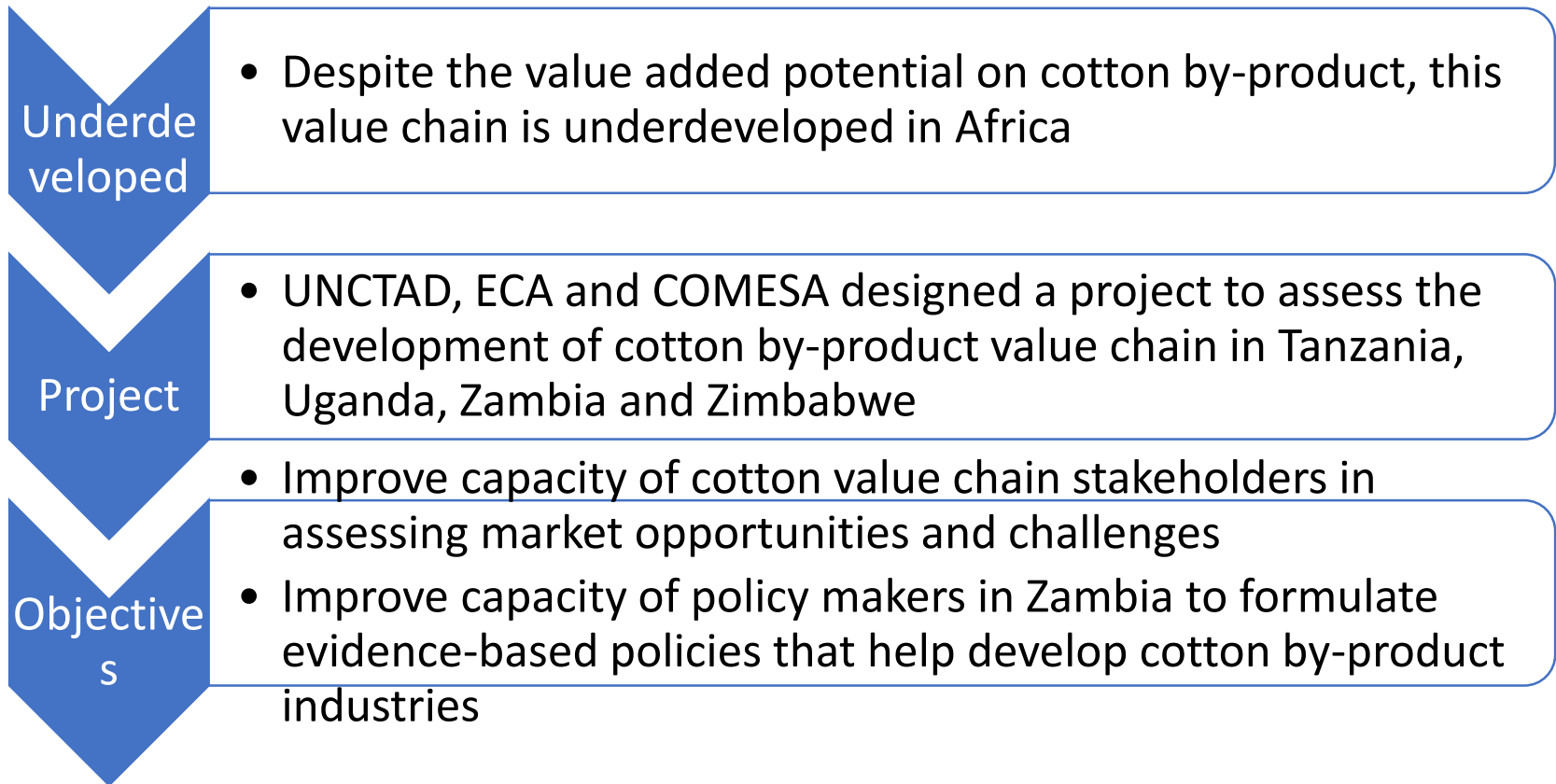


Cotton remains an important cash crop - 2 million smallholder farmers in Sub Saharan Africa

Source of income for rural households, employment opportunities for people, source of export revenue for government

Cotton grown mainly for LINT but there are by-products that can be derived from cotton: cake, edible oil, soaps, margarine, particle boards etc

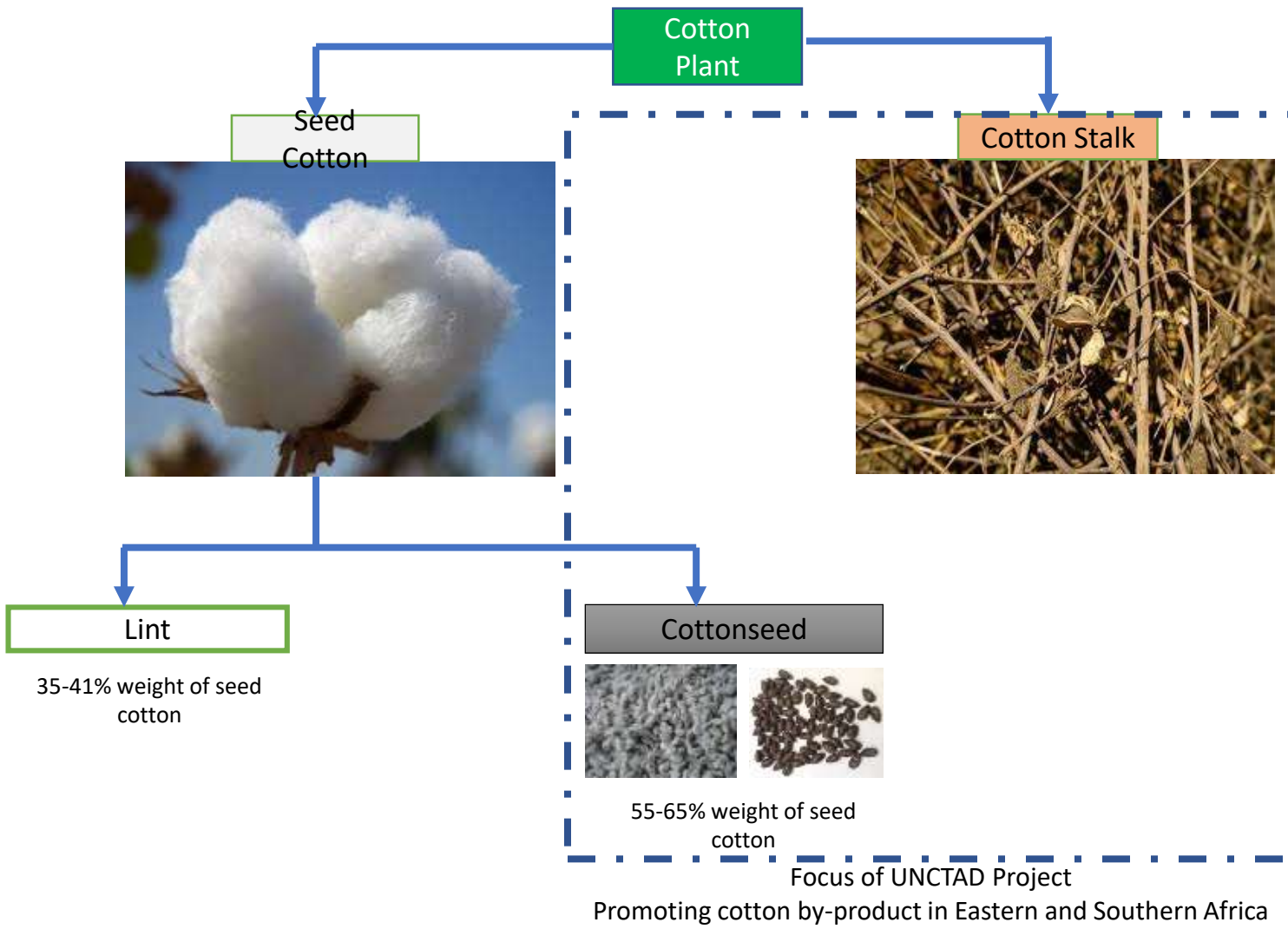
# Knowledge Gap



# Cotton plant



Source: CAZ 2017



# Area, Production of Seed Cotton and by Products

Nu	Area and Product	Quantities
1	Area Under Cotton (ha)	100,000 – 130,000
2	Seed cotton production (MT)	85,000 – 110,000
3	Cotton lint (MT)	34,850 – 45,100
4	Cottonseed (MT)	46,750 – 60,500
5	Linters (MT)	2,805 – 3,630
6	Cottonseed hulls (MT)	10,285 – 13,310
7	Cottonseed oil (MT)	7,480 – 9680
8	Cottonseed meal (MT)	25,713 – 33,275
9	Cotton stalks (MT)	300,000 – 330,000

Source: Central Statistics Office CFS

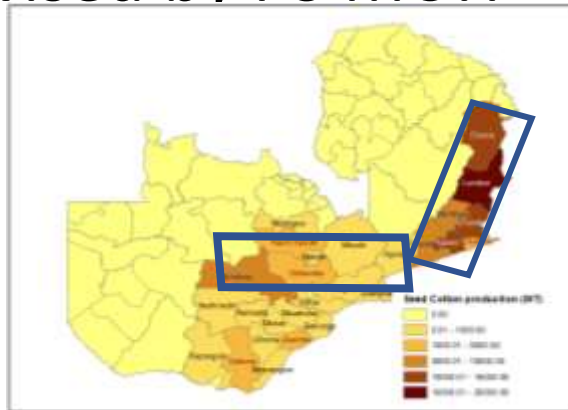
# Selected Cotton by-Products for Piloting

- Absorbent cotton (surgical/sanitary pads)
  - Ermine Enterprises – Lusaka
  - Premier Cooperatives
- Cotton stalks
  - Pilot briquetting plant
  - Pilot pelleting plant
  - Mushroom making
  - Compost



# National action plan for the development of the cotton by-product

- Finalize and submit the proposal to MCTI by January 2018
- Oversight Committee created and will be supervised by PS MCTI

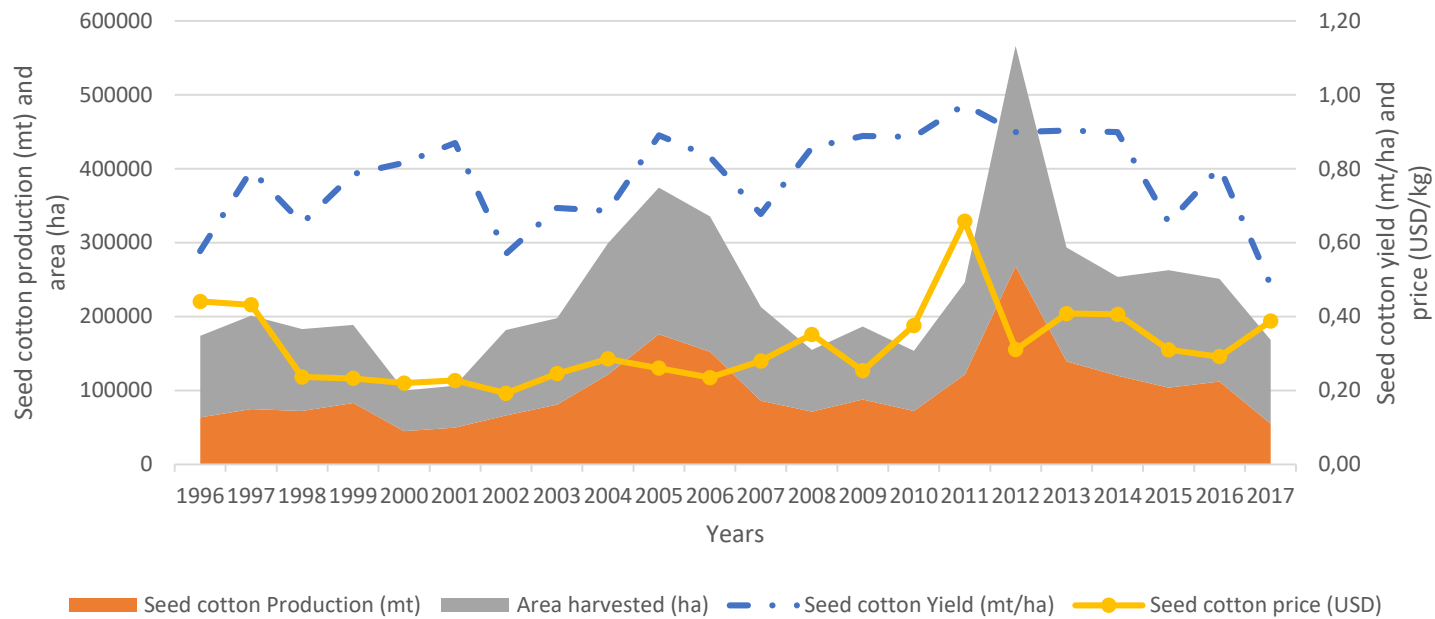


- Possible sites for cotton stalks projects (Chipata and Mumbwa)

# Key Issues that may affect cotton sector development

Nu	Key Policy Issues	Possible Solutions
1	Low productivity and production of seed cotton	Robust plan to improve low productivity
2	High variable prices	Lobby for establishing a stabilization fund
3	Maize centric policies	Lobby government to also focus more on cotton
4	Taxes and VAT	Lobby government
5	Lack of incentives to attract investment in value addition	Engage government to look at incentives that may attract investment
6	Regulation that is only focused on cotton production	Review and update the Cotton Act to increase the mandate of CBZ
7	Lack of centre of Excellence for cotton production and value addition	Lobby government and other cooperating partners to develop CDT to that level

# Evolution of the cotton sector



Source: CSO/CBZ

**Thank you**

# Way forward

Feedstock	By-Products	Key challenges	Key challenges	Possible Solutions
Cotton stalk	Particles boards	Particles boards	<ul style="list-style-type: none"> <li>Law (Cap 233 Plant Pest and Diseases) major impediment</li> <li>Lack of appropriate technologies</li> </ul>	<ul style="list-style-type: none"> <li>In the law it is not written that farmers cannot cut and sell the cotton stalks</li> <li>Need to look at affordable technologies farmers can use at that level (chipping technologies), affordable factory equipment for making pellets and particle boards</li> </ul>
	Pellets	Pellets		
	Paper	Paper		
Cottonseed meal	Cottonseed cake	Animal stockfeed	<ul style="list-style-type: none"> <li>Low seed cotton production affects consistency supply</li> <li>VAT on cottonseed</li> <li>Limited only for ruminants because of gossypol</li> </ul>	<p><b>To enhance Seed cotton Production</b></p> <ul style="list-style-type: none"> <li>Harmonized extension services, promote use of fertilizer</li> <li>Introduction of price stabilization fund</li> <li>Improved funding to research institution eg CDT to provide improved varieties</li> <li>Strengthen extension provision (private/public)</li> <li>Promote the use of climate smart agricultural practices</li> <li>Organize farmers in Cooperatives (eg model under CAZ)</li> <li>Improve regulations (Cotton Act)</li> <li>Offer tax incentives for inputs for seed cotton production</li> </ul>
		Fertilizer	<ul style="list-style-type: none"> <li>Lack of appropriate technology</li> </ul>	
	Cottonseed oil	Edible oil	<ul style="list-style-type: none"> <li>Importation of cheap edible oils</li> </ul>	
		Margarine	<ul style="list-style-type: none"> <li>Not developed, but low quantity of feedstock</li> </ul>	
		Soap	<ul style="list-style-type: none"> <li>Color and low quantity of feedstock</li> </ul>	
	Hulls	hulls	Added a roughage to animal stockfeed	
Linters	Linters	<p>Food packaging, currency</p> <ul style="list-style-type: none"> <li>Low seed cotton production affects consistency supply</li> <li>VAT on cottonseed</li> </ul>		