EMPOWERING COTTON FARMERS IN ZAMBIAN COTTON VALUE CHAIN

by

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CONTENT OF THE PRESENTATION

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Introduction

• Cotton is one success story of Zambia’s turn to a market economy.
• Major and growing sector +/- 460,000 smallholder farmers.
• Formation of CAZ
• Vision, activities
Introduction

Cotton is one success story of Zambia’s turn to a market economy. Major and growing sector +/- 460,000 smallholder farmers. Formation of CAZ, Vision, activities.
Cotton Value Chain in Zambia Production

Low & Static yields
Farmers lack liquidity & rely on Ginners
-Input supply
-Market
-Extension services
-Ginners dictate prices
-Weak negotiation power of farmers
-Volatility of international cotton prices.
COTTON VALUE CHAIN IN ZAMBIA

- Agrochemical dealers
- Cotton/Ginning Companies
- Extension Service providers

Seed Cotton Production

Seed Cotton Processing

- Lint
- Yarn
- Fabric Material
- Garments
- Retailers

Seed Cotton by-product processing/manufacturing

- Fuzzy Seed
  - Cooking oil
  - Cotton Cake

- Ginning Companies
- Cooking Oil Plants

- Spinners
- Weavers
- Textile

Smallholder Farmers
GINNING

Around 10 Ginning companies
All foreign owned multinational
17 ginneries; 11 saw gins; 6 Roller Gins
Ginning capacity 361, 800mt
GOT 41%
Average Bale weight 180kg
TEXTILE INDUSTRY

Obsolete equipment
Lack of competitiveness
Only 4 spinning mills
Influx of second Hand clothes
EFFORTS TO EMPOWER ZAMBIAN COTTON FARMERS

• CAZ in collaboration with International Trade Centre (ITC) South-south Co-operation for improved production through training events in:
  - China
  - India
  - Senegal
  - Turkey
• CAZ in collaboration with International Trade Centre (ITC) South-south Co-operation in market-related activities in textile producing countries:
  - Bangladeshi
  - China
  - Thailand
  - Turkey
  - Vietnam
Building on these linkages, CAZ has been able to change the cotton sector in the following ways:

- Farmer Empowerment
  Through the exposure and training of farmers, CAZ has built a strong contract negotiating team

- Transparency and partnership along the value chain
  Farmers have engaged in self-financing and learning from each other and improve the trust levels.
- Indigenizing and adding value to the cotton value chain
  Farmers have established a farmer owned ginning facility.

- Building partnership with preferred buyers.
  Through the above innovation, farmers with support of ITC have made strong partnership with spinners.

- Managing Farm Inputs
  - Farmers are using the business links created in Asia to become independent of ginning companies.
- Creating an institutional infrastructure that supports farmers
  Farmers liaising with cotton related institutions
  Farmers demanding for enhanced research and development.

- Improving Regional collaboration
  Due to international exposure and facilitated interchange with cotton stakeholders in Africa, CAZ has been instrumental in the formation of MOZAZIMA.
CHALLENGES

• Lack of Transparency and Price Risk Management
• Lack of Value Addition at farmer level
• Cotton contamination and Quality control
• Low local textile production
• Weak apex farmer organisation
• Poor Regulatory Framework
WAYFORWARD

- Implement strategies and systems to protect the sanctity of contracts and enforcement.
- Establish common buying and selling points for inputs and produce.
- Capacity building and strengthening of farmers groups to participate in value addition.
- Practical support by Government and financial investment into the development of the sector.
CONCLUSION

• Opportunity to strengthen the position of smallholder producers in the market.
• Opportunity to connect industry to the market and assure the future of cotton in Zambia.
• Knowledge leads to transparency for trust to flourish and industry to grow.
• Farmers have a choice to produce or not produce cotton;
• Farmers broke the fundamental power structures.
• Regional transparency benefits farmers in MoZaZiMa.
• Farmers engaged in value addition to revive textile and clothing industry.

Thank you

Merci beaucoup pour votre aimable attention