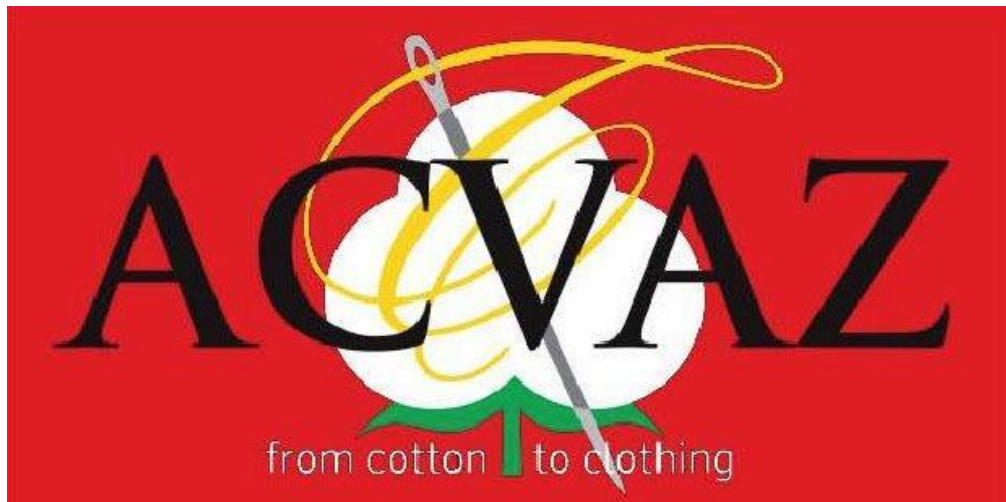


Zimbabwe Cotton to Clothing Value Chain

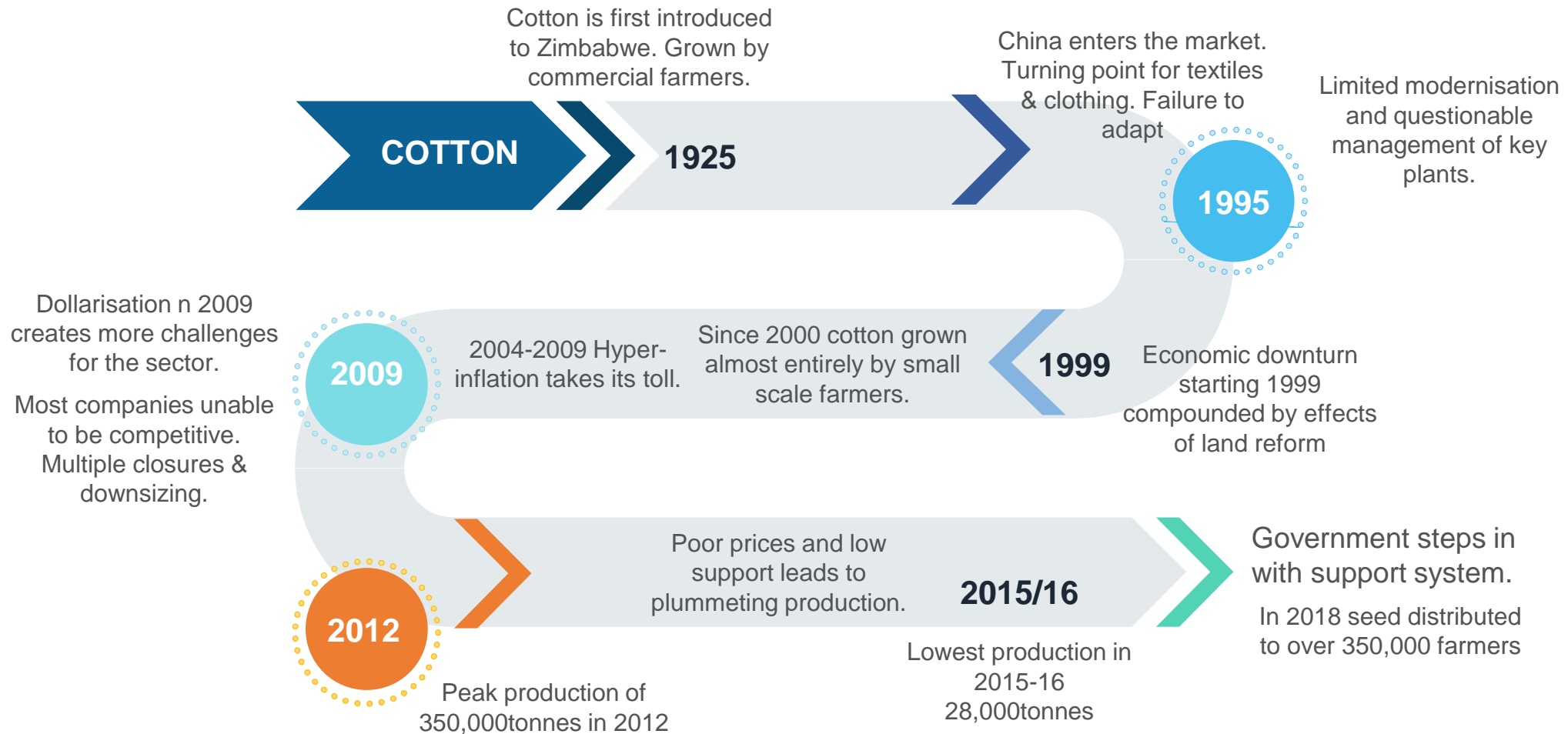
A case for Promoting value addition and the enhancement of domestic productivity capacity through local economic empowerment & regional integration

Presented by Admire Masenda

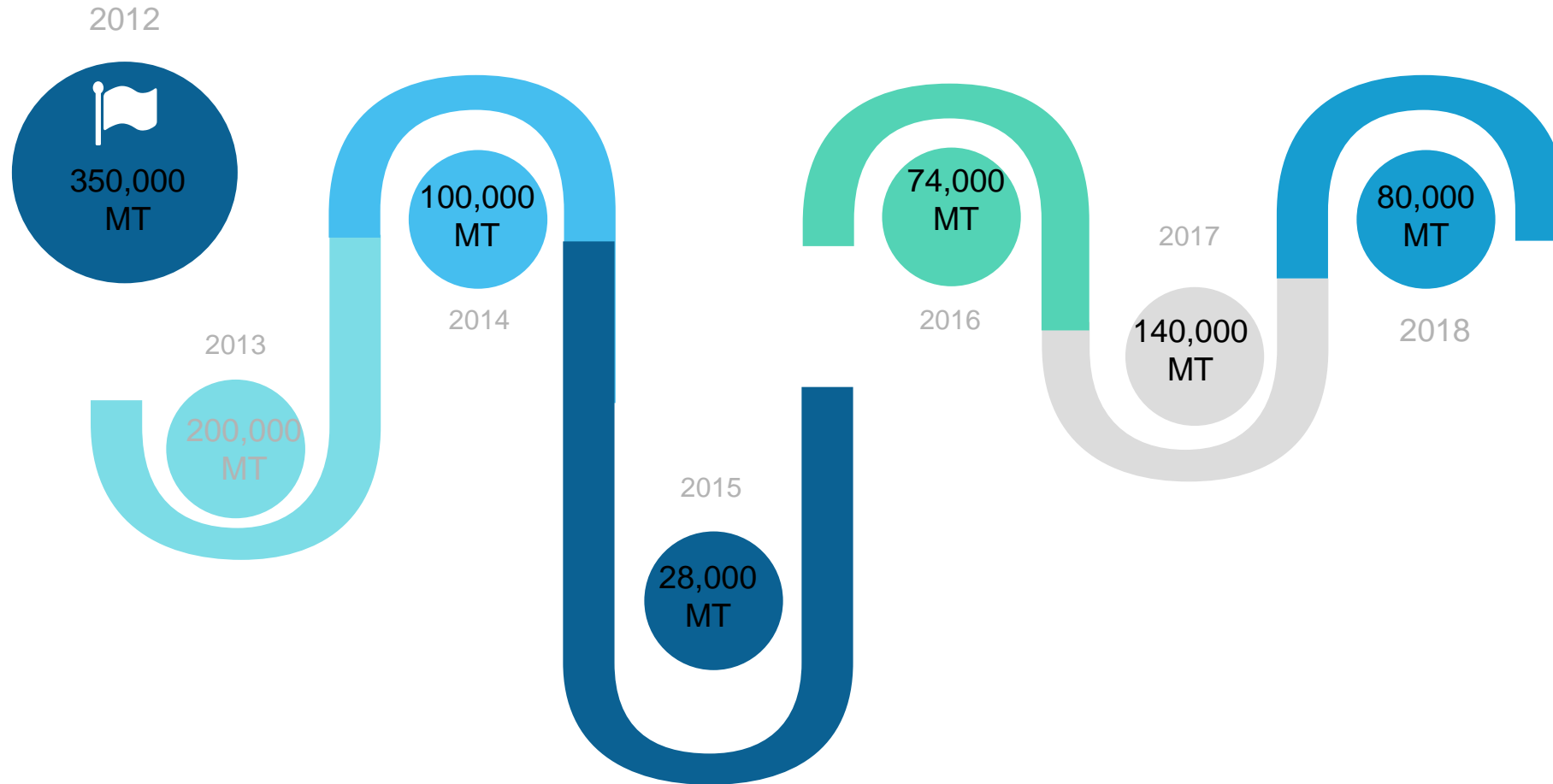


A BRIEF HISTORY

COTTON PRODUCTION IN ZIMBABWE



NATIONAL SEED COTTON PRODUCTION



Financing of Seed Cotton Crop

Year	Approximate Finance	Comments
2012	US\$26 000 000	Total crop grown 350million kgs. All players financed the crop
2013	US\$30 000 000	World prices drop significantly and side marketing in Zimbabwe rampant.
2014	US\$22 000 000	COTTCO operations collapse
2015	US\$60 000 000	Govt support through COTTCO
2016	US\$60 000 000	Govt support through COTTCO
2017	US\$60 000 000	Govt support through COTTCO
2018	US\$60 000 000	Govt support through COTTCO

Structure of value chain

- Seed cotton remains the basis for building Cotton to Clothing Value Chain
- Govt policy -30% of lint produced must be reserved for local industry
- Competition from fabrics from man made fibres a major factors
- Cotton to Clothing Strategy 2014 – 2019- developed - Govt, NGOs Private sector
- Association of Cotton Value Adders of Zimbabwe (ACVAZ) setup

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Strategy broad goals

- Addressing the supply side by improving support for farmers in turn improving productivity
- Improving the business/operating environment by aligning fragmented policies which hinder collaboration & streamline function of the value chain
- Ensuring stakeholders have adequate knowledge of markets and trends.

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Strategic deliverables 1

- Improve yields by 73% to 1 200kgs per hectare
- Annual seed cotton production to reach 450 000tons from the base of 145 000tons in 2014 (2019 production 2019)
- Usage of available ginning capacity to attain 69.5% up from 20% in 2014 . (Currently below 10% of 2014 baseline less than 12 000tons)
- Volumes of cotton fibre processed locally increased to 25% from the 3,5% in 2014. (No significant increase remains below 5% as focus is on yarn production)
- Export of textile and garment to increase 390% to US\$110 million. (Export still less than US\$20 million in 2018)

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Strategic deliverables 2

- Zimbabwe's lint exports to reach 90 000tons from the 55 000tons in 2014. (For 2019 lint exports will not exceed 25 000tons)
- 250 000 of smallholder farmers benefit from revenues from Cotton growing - 350 000 smallholder famers benefitted from cotton growing revenues
- More than 40 000 new jobs in textiles and clothing sector – Jobs in the Textile sector are at 3 800 – 5 000 & in the Clothing sector 6 800 – 8 000

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Prospects for enhancement of production and economic empowerment for farmers

- Cotton is currently viewed as a poor man's crop and farmers have Farmer attitudes due to returns however prospects will be improved
- Increase extension service and quality thereof
- Change of the support model to that of rewarding productivity rather than blanket support at the outset
- Farmer either owns seed cotton and has ginneries toll gin for them rather sell the seed cotton to ginneries
- Encourage farmers to invest in ginneries so that the control return on product up to lint and cotton seed stage
- Participation of farmers in processing of seed cotton by products which include extraction of oil ,making of stockfeed , bio-mass fuels

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Prospects of enhancement of production and economic empowerment for textiles

- Readily available seed cotton forms basis for investment in textile mills.
- Value return through the conversion of seed cotton to lint is 400%
- Quality of seed cotton and lint will enable Zimbabwe to focus on a cotton niche markets such as work wear and linen.
- Value return through the conversion of lint to yarn in excess of 100% and thereafter conversion to fabric remains beyond 60%

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Prospects of enhancement of production and economic empowerment for clothing

- Greater cotton fabric production or cotton blends provides great opportunity for formal garment manufacturers – probably the quickest route to enhance formal employment in the value chain due to limited capital investment
- Formal and informal sector collaborations relatively easier such as the ZIMRA case in Zimbabwe
- Fashion designers are able to work with materials and impact markets and trends
- Clothing sector will provide pull factor for Textiles resulting in growth

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Conclusion

- Value addition presents opportunities for enhanced productivity and local economic empowerment as seen in the Cotton to Clothing Value Chain through
- Enhancing production at primary level as in the case
- Involvement of primary producers at higher levels in the value chain increasing returns.
- Increasing employment opportunities
- Providing greater opportunity for informal and formal sectors to collaborate
- Provide scope for other sectors to grow such as oil expression and stockfeed production

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With thanks to the
Association of Cotton Value
Adders of Zimbabwe.

