Cotton Board: Key to boosting sector

BY NICHOLAS MWALE

COTTON is said to be almost entirely a smallholder farmer crop and is believed to be an indicitive success of Zambia's turn to a market economy.

Research indicates that the crop is grown by over 280,000 households in Zambia, of which one to eight are dependent on it for a living.

It is estimated that about 2.2 million people in Zambia are directly or indirectly dependent on cotton production.

The sector is considered one of the most reasonable sources of foreign exchange. Most of the crop is exported.

Over $64 million and $70 million is believed to have been earned from cotton exports during the 2005 and 2006 marketing seasons.

The sector's growth in the past three years experienced setbacks, most of which have been attributed to lack of an effective regulatory framework for the sector.

Some changes have also put the industry under severe stress.

It is in view of this that a Cotton Working Group comprising various stakeholders was constituted to review the sector's concerns about the Cotton Act.

Agriculture and Cooperatives Minister, Brian Chituwo, recently said he had communicated to President Rupiah Bwezika that Zambia had to have a Cotton Board to manage the sector better.

The Cotton Working Group presented recommendations for possible inclusion in the Revised Cotton Act to the Parliamentary Committee on Agriculture and Lands in Chisamba.

Dr Chituwo told the team that Government had also put the Cotton Act on the priority list to take into account issues left out during the 2005 Cotton Act formulation.

Cotton Working Group member, Stephen Kabwe, said the cotton sector structure had grown to 12 cotton companies from the initial two, namely, Lonrho (now Dunavant) and Clark (now Chiradzulu). The "ginning capacity in the country is currently more than 450,000 metric tonnes following the increased number of companies in the industry," Mr Kabwe, who is also a research officer from the Food Security Research Project (FSRP) said.

The pillars of the cotton sector's success, according to Mr Kabwe include improved service delivery by the two private companies which bought Lintco Ginning Operations in 1994 as they then promptly giving more farmers a reliable input package.

"There was also a provision of effective extension messages and maintenance of good cotton quality and guaranteed market within the cotton sector," Mr Kabwe said.

To address the concerns, it was observed that amending the 2005 Cotton Act would promote an effective public-private coordination, boosting the development of the cotton sector in the country. After reviewing the Cotton Act of 2005 and taking into account stakeholders' concerns, the Cotton Working Group has recommended substantial adjustments to the Act to improve the sector.

Presenting the proposed amendments of the 2005 Cotton Act, Cotton Working Group leader, Richard Kamona, said the key provision of the Act was the creation of a Cotton Board with balanced public-private sector representation.

The board would set regulations to help the sector govern itself in a way that protects and builds on its successes in service provision and cotton quality.

Dr Kamona, who is also deputy director of Agriculture in the Ministry of Agriculture and Cooperatives, said the emphasis of the proposed changes had redirected the Act away from equal regulation of producers (farmers) and ginners.

The Act would contain simpler and less punitive regulation of a large number of producers but with a stricter regulation of a much smaller group of persons engaged in the pre-financing, buying and ginning of seed cotton. "The Cotton Working Group feels that is a simpler and administrative impractical way to regulate the destructive pirate buying of cotton seed, which is the primary purpose of the Act," Dr Kamona said.

In the 2005 Act, the group noted inconsistencies in the definitions, meaning and use of the terms that include cotton, cotton seed, seed cotton, cotton planting seed, cotton lint, pre-financers, seed cotton buyers and ginners.

"It was felt unnecessary and administratively impractical to regulate these, which if necessary for the cotton sector. It was felt unnecessary to regulate the mandatory requirement for producers to both register and licensed," he said.

In other words, competition without rules can potentially undermine the key pillars of Zambia's remarkable cotton success story. - NAIS.

For more information, comments/contribution contact The editor: Agriculture in Focus

The Editor

Agriculture in Focus

NAIS/MACO

Box 50698

Lusaka

E-mail: naisnews@yahoo.co.uk