

Vote:155 Uganda Cotton Development Organisation

VI: Vote Overview

(i) Snapshot of Medium Term Budget Allocations

Table V1.1: Overview of Vote Expenditures

Billion Uganda Shillings	FY2016/17 Outturn	FY2017/18		FY2018/19 Proposed Budget	MTEF Budget Projections			
		Approved Budget	Spent by End Sep		2019/20	2020/21	2021/22	2022/23
Recurrent Wage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Non Wage	0.890	0.665	0.010	0.665	0.811	0.932	1.119	1.343
Devt. GoU	6.157	4.411	0.003	4.411	5.381	6.458	6.458	6.458
Ext. Fin.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GoU Total	7.047	5.076	0.013	5.076	6.192	7.390	7.577	7.800
Total GoU+Ext Fin (MTEF)	7.047	5.076	0.013	5.076	6.192	7.390	7.577	7.800
<i>A.I.A Total</i>	2.094	2.447	0.461	4.818	4.872	4.972	5.072	5.172
Grand Total	9.142	7.523	0.473	9.894	11.064	12.362	12.649	12.972

(ii) Vote Strategic Objective

To increase cotton production and quality with the aim of contributing to the National economy through increased incomes

V2: Past Vote Performance and Medium Term Plans

Performance for Previous Year FY 2016/17

At outcome level, a total of 151,071 bales of lint (@ 185 Kg) were produced by farmers in 60 cotton growing districts contributing about Sh.136 billion to household incomes, US\$ 42 million in lint sales and Sh.44 billion in cottonseed sales.

At output level, 1,615 Mt of seed were supplied to farmers in 60 districts in Eastern, Northern, West Nile, Mid-West and Western Regions. 3,760 demonstration plots were established and over 90,370 farmers including members of 168 women groups and 103 youth groups were trained on crop husbandry during the 11,190 training sessions were conducted at the demonstration plots.

27 Mt of fertilizers, 730,900 units of pesticides, 2,077 spray pumps and 1,823 litres of herbicides were supplied to cotton farmers. Approx. 3,967 acres were ploughed by tractors while 22,439 acres were ploughed by ox ploughs for cotton and 23,838 acres were ploughed for other crops. All these activities were implemented with support and in collaboration with Uganda Ginners and Cotton Exporters Association (UGCEA).

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Performance as of BFP FY 2017/18 (Performance as of BFP)

A total of about 2,647 Mt of seed were supplied to farmers in 64 districts in Eastern, Northern, West Nile and Mid-West & Central and Western Regions. A total of 3,965 demonstration plots have been established to-date and about 8,885 training sessions have so far been conducted for over 74,080 farmers who included members of 171 women groups and 124 youth groups.

328 Field Extension workers belonging to UGCEA were trained and deployed in the cotton growing districts. The extension workers established the 3,965 demonstration plots and used them to train over 74,080 farmers including members of 171 women groups and 124 youth groups on crop establishment, pest & general crop management and soil & water conservation.

Production inputs were procured by UGCEA and distribution systems were put in place to avail the inputs to farmers. About 443,750 units of pesticides, 4,933 litres of herbicides, 187 Mt of fertilizers and 2,910 spray pumps were taken up by farmers.

Under mechanization of land opening, a total of 2,657 acres were ploughed by tractor while 62,660 acres and 65,840 acres were ploughed by oxen for cotton and other crops respectively.

FY 2018/19 Planned Outputs

- Distribution of 2,800 Mt of high quality cotton planting seed to farmers in 66 cotton growing districts in Eastern, Northern, Karamoja, West Nile, Mid-West & Central and Western Regions.
- Organizing and mobilizing seed growers in selected seed multiplication areas Apac, Amuru, Pader, Kitgum, Alebtong, Dokolo, Rubirizi, Amolatar, Buliisa, Hoima, Masindi and Serere Districts with the aim of producing 3,300 Mt of certified seed for use in FY 2018/19.
- Organizing and monitoring establishment of 4,000 demonstration plots for training farmers on the recommended agronomic practices for increasing cotton production and quality.
- Organizing and coordinating the training and deployment of 400 Field Extension Workers (FEWs) who will offer extension services to cotton farmers.
- Organizing the procurement and distribution of key production inputs (herbicides, fertilizers, pesticides and spray pumps) to farmers in the cotton growing districts in Eastern, Northern, Karamoja, West Nile, Mid-West & Central and Western Regions
- Organize tractor hire services for cotton farmers and monitoring use of ox ploughs distributed in previous seasons.
- Under Project 1219, CDO will undertake construction of bale shed, construction of storm water drainage around the cotton plating seed processing facility in Pader, construction of part drive way and external works. In addition, seed processing machinery at other sites will be decommissioned and installed in Pader.

Medium Term Plans

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Medium term plans will focus on:

1. Strengthening and consolidating the Ginners 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. Cotton Production Support Program activities will include the following activities:
 - Organize procurement, processing and distribution of cotton planting seeds to farmers.
 - Continue to promote cotton growing as an income generating activity in in Eastern, Northern, West Nile, Mid-West and Western Regions including hard-to-reach districts such as Kaabong, Zombo, Adjumani, Moyo, Yumbe, Kween, Katakwi, Bulambuli and Ntoroko.
 - Organize and coordinate the establishment of demonstration plots for training farmers on cotton production techniques. CDO will target to train women and youth groups that participate in cotton growing.
 - Train Field Extension Workers (FEWs) who will offer extension services to cotton farmers.
 - Organize distribution of key production inputs (pesticides, herbicides and spray pumps) to cotton farmers.
 - Facilitate women groups and youth groups to access inputs for cotton production.
 - Organize tractor hire services for cotton farmers and train farmers on animal traction.
 - Facilitate women groups and youth groups to access tractor hire services or animal traction for land opening.
2. CDO will collaborate with the Cotton Research Program to accelerate development and release of new cotton varieties which are early maturing, high yielding, drought, disease and pest tolerant and with the desired lint quality parameters.
3. Commission and operate the new cotton planting seed processing facility constructed under Project 1219.
4. Highlight the urgent need 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.
5. Provide lint stocks to local textile manufacturers under the Lint Buffer Stock Fund
6. Promote commercial large scale production of cotton by supporting farmers with 100 acre blocks with farm implements, production inputs and farm labour.

Efficiency of Vote Budget Allocations

About 87% of the GOU budget has been allocated to development expenditure while only 13% has been allocated to recurrent expenditure.

Vote Investment Plans

Capital investments include construction of a bale shed, multi-purpose hall, construction of storm water drainage around the cotton plating seed processing facility in Pader, construction of drive ways and external works. In addition, seed processing machinery at other sites will be decommissioned and installed at the new site in Pader.

Major Expenditure Allocations in the Vote for FY 2018/19

Approx. 87% (Sh.4.411 billion) of the budget has been allocated to capital investments.

V3: PROGRAMME OUTCOMES, OUTCOME INDICATORS AND PROPOSED BUDGET ALLOCATION

Table V3.1: Programme Outcome and Outcome Indicators

Vote Controller :	
Programme :	52 Cotton Development
Programme Objective :	To increase cotton production and quality with the aim of contributing to the National economy through increased incomes.
Responsible Officer:	Managing Director - Mrs. Jolly Sabune
Programme Outcome:	Increased cotton production, quality and domestic value addition
<i>Sector Outcomes contributed to by the Programme Outcome</i>	
1. Increased production and productivity of priority and strategic commodities	

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Programme Performance Indicators (Output)	Performance Targets						
	2016/17 Actual	2017/18 Target	Base year	Baseline	2018/19 Target	2019/20 Target	2020/21 Target
• Percentage change in quantity of cotton produced	0	22%			23%	25%	28%
• Percentage change in quantity of lint classed in the top 3 grades	0	8%			10%	12%	15%
• Percentage change in volume of cotton consumed locally	0	22%			23%	25%	28%

Table V3.2: Past Expenditure Outturns and Medium Term Projections by Programme

<i>Billion Uganda shillings</i>	2016/17	2017/18		2018-19	MTEF Budget Projections			
	Outturn	Approved Budget	Spent By End Q1	Proposed Budget	2019-20	2020-21	2021-22	2022-23
Vote :155 Uganda Cotton Development Organisation								
52 Cotton Development	6.646	5.076	0.357	5.076	6.192	7.390	7.577	7.800
Total for the Vote	6.646	5.076	0.357	5.076	6.192	7.390	7.577	7.800

V4: SUBPROGRAMME PAST EXPENDITURE OUTTURNS AND PROPOSED BUDGET ALLOCATIONS

Table V4.1: Past Expenditure Outturns and Medium Term Projections by SubProgramme

<i>Billion Uganda shillings</i>	2016/17	FY 2017/18		2018-19	Medium Term Projections			
	Outturn	Approved Budget	Spent By End Sep	Proposed Budget	2019-20	2020-21	2021-22	2022-23
<i>Programme: 52 Cotton Development</i>								
01 Headquarters	0.504	0.665	0.354	0.665	0.811	0.932	1.119	1.343
1219 Cotton Production Improvement	6.157	4.411	0.003	4.411	5.381	6.458	6.458	6.458
Total For the Programme : 52	6.661	5.076	0.357	5.076	6.192	7.390	7.577	7.800
Total for the Vote :155	6.661	5.076	0.357	5.076	6.192	7.390	7.577	7.800

Table V4.2: Key Changes in Vote Resource Allocation

Major changes in resource allocation over and above the previous financial year	Justification for proposed Changes in Expenditure and Outputs
<i>Vote :155 Uganda Cotton Development Organisation</i>	
<i>Programme : 52 Uganda Cotton Development Organisation</i>	
Output: 01 Provision of cotton planting seeds	
Change in Allocation (US\$ Bn) : 0.180	Funds will be needed to operate the new Cotton seed Processing Plant in Pader District
Output: 02 Seed multiplication	
Change in Allocation (US\$ Bn) : (0.095)	Some activities will be supported by private sector (cotton ginners & exporters)
Output: 03 Farmer mobilisation and sensitisation for increasing cotton production and quality	

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Change in Allocation (US\$ Bn) :	(0.085)	Some activities will be funded by private sector (cotton ginners & exporters)
Output: 77 Purchase of Specialised Machinery & Equipment		
Change in Allocation (US\$ Bn) :	0.381	Funds will be needed to replace the old cottonseed delinting delinting drum

Table V4.3: Major Capital Investment (Capital Purchases outputs over 0.5Billion)

FY 2017/18		FY 2018/19	
Appr. Budget and Planned Outputs	Expenditures and Achievements by end Sep	Proposed Budget and Planned Outputs	
Vote 155 Uganda Cotton Development Organisation			
Programme : 52 Cotton Development			
Project : 1219 Cotton Production Improvement			
Output: 72 Government Buildings and Administrative Infrastructure			
Construct buildings and structures which will include 2 seed cotton stores, 4 cottonseed stores, 1 bale shed, weighbridge, electrical and mechanical installations and a front office.	Procurement of a Contractor was finalized and the contract was cleared by the Solicitor General.	Construct bale shed, storm water drainage and drive ways at the Seed Processing Facility in Pader	
Total Output Cost(US\$ Thousand):	4.211	0.003	3.830
Gou Dev't:	4.211	0.003	3.830
Ext Fin:	0.000	0.000	0.000
A.I.A:	0.000	0.000	0.000
Output: 77 Purchase of Specialised Machinery & Equipment			
Installation and commissioning of seed processing machinery and equipment.	Procurement of the service provider was finalized and the contract for transfer of machinery was awarded.	Procure new seed delinting machine and transfer machinery from old sites to the new seed processing site in Pader	
Total Output Cost(US\$ Thousand):	0.200	0.000	0.581
Gou Dev't:	0.200	0.000	0.581
Ext Fin:	0.000	0.000	0.000
A.I.A:	0.000	0.000	0.000

V5: VOTE CHALLENGES FOR 2018/19 AND ADDITIONAL FUNDING REQUESTS

Vote Challenges for FY 2018/19

- Erratic weather patterns which affect production, productivity and quality.
- Fluctuating farm-gate prices.
- Competition for land and labour with other agricultural enterprises.
- Declining soil fertility couple with limited capacity for farmers to buy fertilizers even when they are provided at reduced prices.

Table V5.1: Additional Funding Requests

Additional requirements for funding and outputs in 2018/19	Justification of requirement for additional outputs and funding
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Programme : 52 Cotton Development	
<i>OutPut : 03 Farmer mobilisation and sensitisation for increasing cotton production and quality</i>	
Funding requirement US\$ Bn : 8.000	H.E. the President directed establishment of commercially operated large-scale cotton farms to increase cotton production and productivity and reduce dependence on small scale farmers for cotton production. There is therefore need for Sh.8.0 billion to support 20 commercial farmers (each with 100 acre blocks) with agricultural machinery and production inputs.