Invest in higher cotton value chains to create decent jobs for youth and women in Uganda

Executive summary

Value addition along the cotton value chain is critical in ensuring that youth and women are fully engaged, have decent jobs, and are economically transformed. Findings from the cotton baraza engagements reveal that despite the increasing participation of both youth and women in the cotton value chain, their participation is mainly recorded in the first stage of farming which has limited value addition. Consequently, their jobs are more laborious, yet less paying. They often do the planting, weeding, and work as casual labourers (e.g., cleaners at ginning stations), as well as loaders and offloaders. There is a need to teach youth and women the basic and specialized skills needed to add value to cotton and ensure high quality products that are attractive to both the local and international markets. Lastly, there is need to provide both women and youth with access to affordable equipment required to facilitate value addition.

Introduction

The cotton and textile value chain in Uganda (Figure 2), entails numerous industrial products (cotton lint and cottonseed), by-products (oil, soap, livestock feeds), as well as high-end manufacturing products (yarn, garments, apparel textiles). These lines of products present a huge potential for growth and employment opportunities for both women and youth. It is worth noting that, despite this huge potential the cotton and textile industry remains underdeveloped at various stages, and it is mainly driven by the production of cotton lint and a few cottonseed by-products. These always fetch lower prices on the market compared to high-end manufacturing products (EPRC, 2018).

The government of Uganda through the NDPIII has prioritised Agro-industrialisation as one of the mechanisms through which it can attract more high-level agro-manufacturing industries and create decent productive jobs. For cotton, the intention is to supplement the two known textile industries — Southern Range Nyanza Ltd and Fine Spinners (U) Ltd — that are currently operational in the whole country. These two industries have a combined installed capacity of approximately 2,450 spindles, produce 920,000 pieces of garments and employ over 3,470 people of which 43 percent are women. This is an indication that there is still room for expansion to capture both the regional and local demand. Locally, Uganda has an annual demand of over 250 million meters of fabric (the estimated requirement is 6 meters per capita according to the 2009 National Textile Policy).

Cotton growing is a vital source of revenue for both rural households (farmers earned over Ugx 114.5 billion in the 2019/20 season) as well as the national economy (USD 42.4 million from lint sales in the...
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At the Cotton farming level, a series of activities are mainly done by youth and women but characterized by little or no value addition. These activities include land preparation which is mainly done by youth (80 percent) because it is highly labor-intensive and needs physical strength. Further still, almost all activities under the farming stage highly leverage the available family labor from children, women, and sometimes their husbands. Other activities under farming include planting, pruning, weeding (okuduba), spraying, and harvesting. All these activities require basic skills which can be easily learned on the job. Unfortunately, although women and youth dominate most of the activities, it’s rather men or husbands who have a big say when cotton matures and becomes ready for harvesting. They always determine where to sell and how to spend the money from Cotton.

When cotton reaches harvesting, it becomes the man’s cotton - “Pamba bwatuuka okwatika, pamba yafuuka w’omwami” a cotton baraza participant, 2021.

The various stages of the entire cotton value chain from farming to the fabrication stage are summarized in Figure 2.

There is a progressive increase in returns from cotton at each stage of value addition. Through interactions in the baraza, it was also found that there is an exponential rise in the earnings from cotton as you advance to higher stages of value addition. Although a big percentage of Uganda’s cotton is exported in raw form or as lint which generally fetches low prices, it becomes more lucrative as you deal in yarn, cotton wool, fabric, and textiles or garments. Noteworthy, all these are at the last three stages of the value chain i.e., spinning, weaving/knitting, and fabrication, where women and youth are less represented (Figure 2).

“Cotton lint fetches about US$ 1.4, cotton yarn (US$ 3), fabric (US$ 5), whereas t-shirts and others in that category fetch up to US$ 12”, a cotton baraza participant, 2021

Relatively low skills are required to participate in the early stages of the cotton value chain, but more special skills are needed as you advance to higher stages of the value chain. Baraza findings also indicate that most activities especially farming require basic or no special skills. This presents an opportunity for the youth and women to fully engage, considering that majority of them have little or no education and consequently possess dismal literacy and numeracy skills. Activities like sucking where cotton is moved from the store to the gin only require energy and minimal caution while carrying. However, as you advance to higher stages of value addition like oil extraction, textile, and further refining of the cotton cake, special and advanced skills are needed. Therefore, skilling women and youth presents an opportunity to fast-track value addition, create more sustainable jobs, and consequently absorb women and youth into the cotton value chain.

2019/20 season). For instance, in 2020 the top five destinations of Uganda’s cotton were Pakistan (US$ 9.24 million), Singapore (US$ 7.79 million), UK (US$ 5.64 million), Kenya (US$ 2.41 million) and DR Congo (US$ 2.18 million). Currently, the cotton sector is estimated to be employing over 2.5 million people, both directly and indirectly, but most of these are engaged in the lower end of the value chain which generate less earnings. These work as farmers and farm laborers, inputs suppliers, seed cotton and cottonseed buyers, transporters, handloom artisans, ginnery workers, cotton exporters, textile and garment manufacturers, tailors/garment makers, oil millers, and other service providers. Therefore, addressing the issues hindering value addition as well as taking a deliberate effort to boost it, will go a long way in developing the cotton industry and consequently providing more employment opportunities. This will also relieve the country of the huge and rising bill in the importation of second-hand clothes and the unintended health consequences.

The brief highlights key findings from the town hall baraza on “Enhancing agro-industrial value chains for productive and decent work for youth and women in Uganda: A case of cotton”, convened by the Economic Policy Research Centre with support from the INCLUDE Knowledge platform on March 25th, 2021, with additional anecdotal evidence.

**Key findings**

Enormous opportunities for women and youth exist along the Cotton value chain such as hand looming, given the ready market and manageable skills required. Handloom products, textiles, and apparel have ready market both locally and internationally under the African Growth and Opportunity Act (AGOA). In addition to the available local market, there is a regional market from neighboring countries such as South Sudan and D.R Congo. Relatedly, this presents an opportunity for women and youth engagement since hand looming requires less initial capital investment. Moreso, it is ideal for people with disabilities who always need jobs with few movements. Plate1 shows a lady handloom weaving.

**Plate 1: Handloom weaving**

Source: Photo by Fred Lugojja, CDO
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Notes:
1/4 Blue is the chain of seed cotton - Collection points include traders and stores, farmer groups/cooperatives
2/4 Orange is the chain for cotton seed which is turned into husks, seed cake and edible oil
3/4 Grey is the chain for cotton linters from which paper, film and plastics are produced.
4/4 Green is the chain for cotton lint where we get yarn and cotton wool. From yarn, we get fabric through the process of weaving/knitting from which textiles/apparel is got.

Source: Adapted and modified by EPRC from Climate Focus on Kenya’s Cotton Value Chain (undated) and Lugojja (2017)
**Conclusion**

Value addition along the cotton value chain is without a doubt very crucial for sector transformation as well as the country’s economic development. Evidence has shown that it increases earnings and can create more lasting jobs. Therefore, prioritising value addition in cotton and investments in alternative by-products could go a long way in not only transforming individuals’ livelihoods but also the entire economy.

**Policy recommendations**

1) **Training youth and women should focus on basic and specialized skills for cotton value addition:** To fully engage women and youth in value addition along the cotton value chain, there is a need to impart knowledge and skills in basic areas such as computer operation, basic reading of weighing machines (which is much needed at the ginning stage), basic oil extraction skills as well as handloom weaving. This is vital because women and youth are less represented at these higher stages of the chain which are characterized by higher earnings.

2) **Ensure that the quality of cotton and its byproducts is maintained to obtain buy-in and acceptability in both the local and international markets:** There is a need to enforce well-known standards in the production and processing of cotton and its by-products. This will enable the industry to grow and sustain the market for cotton products.

3) **Invest in hand-loom machines for women by ensuring that these are affordable to foster value addition:** Affordable equipment such as hand-woven machines and rigid heddles should be availed to women and youth to enable them to put into practice the acquired skills — while producing quality products for the market. The support will complete the cycle of encouraging participation and engagement at higher stages of the cotton value chain that are characterized by higher earnings and sustainable employment.

**Reference**


**ENDNOTES**

2. The baraza interactively engaged both youth and women involved in the cotton value chain from the districts of Ijanga, Kalis, Bugiri, Bugweri, and Mutuma and participants ranged from cotton farmers, ginners (Mutuma Commercial Agencies Ltd) to the cotton development organisation.